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ASSESSMENT OF THE BUSINESS ENABLING ENVIRONMENT IN CDI CITIES

Strengthening Urban Resilience for Growth with
Equity (SURGE) Project

CONTRACT NO. AID-492-H-15-00001

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Acronyms

APEC	Asia-Pacific Economic Cooperation
ARTA	Anti-Red Tape Act
BEE	Business Enabling Environment
BOSS	Business one-stop-shop
BPLO	Business Processing and Licensing Office
BPLS	Business permits and licensing system
CALABARZON	Cavite, Laguna, Batangas, Rizal
CCT	Conditional cash transfer
CDP	Comprehensive Development Plan
CDRRMO	City Disaster Risk and Reduction Management Office
CLUP	Comprehensive Land Use Plan
CRMS	Client relationship management system
DAP	Development Academy of the Philippines
DepEd	Department of Education
DILG	Department of the Interior and Local Government
DOLE	Department of Labor and Employment
DOT	Department of Tourism
DOTr	Department of Transportation
DPWH	Department of Public Works and Highways
DRIT	Disclosure and revenue inspection team
DRRM	Disaster risk reduction management
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
ELA	Executive Legislative Agenda
GAD	Gender and Development Program
GIS	Geographic information system
IFC	International Finance Corporation
ISA	Institute for Solidary in Asia
JIT	Joint inspection team
KII	Key informant interviews
LDC	Local Development Council
LEIPO	Local Economic Investment Promotion Office
LETT	Local economic transformation teams
LGA	Local Government Academy
LGU	Local government unit
MICE	Meetings, Incentives, Conferences, Exhibitions
MOU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
NCC	National Competitiveness Council
NGA	National Government Authority
PAG-ASA	Philippine Atmospheric, Geophysical and Astronomical Services Administration
PCCI	Philippine Chamber of Commerce and Industry
PCSD	Palawan Council for Sustainable Development
PESO	Public Employment Service Office
PGS	Performance governance system
PPP	Public-private partnership
PSA	Philippine Statistics Authority
PSIC	Punctuated Socio-technical information system change
SGLG	Seal of good local governance
SMED	Small and medium enterprise development
TESDA	Technical Education and Skills Development Authority
TIPC	Trade and Investment Promotion Center

I. Executive Summary

The Strengthening Urban Resilience for Growth with Equity (SURGE) Project works to strengthen local business development, and facilitate investment and support services that foster low emission growth. Part of this is developing a business enabling environment in the cities of Batangas, Puerto Princesa, Iloilo, Tagbilaran, Cagayan De Oro and Zamboanga.

This report focuses on the assessment of the Business Enabling Environment (BEE) in these cities considering the factors that promote or constrain the flow of investments. These include regulatory framework and barriers to trade and access to finance, among others. Using a financial sector lens, the assessment provides an evaluation of the local investment promotion office, determines where assistance is needed, and recommends niche technical assistance.

A BEE diagnostic tool was used in the assessment. The tool aims to provide an independent and objective assessment of the BEE in the cities in the following dimensions: quality of regulatory environment, institutional capacity and performance of local government unit (LGU), quality of investment climate, and effectiveness of public-private dialogue. The assessment was done using key informant interviews, focus group discussions, enterprise survey and secondary research.

Based on the assessment, some of the BEE strengths identified in the cities are: (1) a strong executive legislative coordination; (2) updated, relevant and holistic vision; (3) convergence program with the national government on infrastructure projects; and (4) having a private sector supportive of efforts to attract/ retain investors.

Challenges

The assessed CDI cities showed a number of challenges that hinder their economic potential, especially in attracting and retaining investors. These challenges, when not addressed over time, will have implications in long-term development programs and eventually, the viability of their local economies as business-friendly destinations.

- Outdated laws and regulations related to the business environment;
- Regulations that are not properly enforced and communicated to the public;
- Local economic investment and promotion office (LEIPO) and/or investment offices that are not institutionalized;
- E-governance practices that need improvement;
- Weak internal communication among departments;
- Weak inter-office coordination and data sharing;
- Linkages with the Department of Trade and Industry (DTI) that have to be formalized;
- Absence of a long-term economic strategy and infrastructure plan;
- Poor traffic management plan;
- The need to strengthen the private sector, especially the business clubs and Chambers of Commerce; and
- The need to enhance public-private dialogue and consultations.

Recommendations

A number of lessons can be drawn for future BEE programming from the assessment. To implement programs for reforming and improving the business environment of CDI cities, the following are some of the recommendations:

Improve the quality of the regulatory environment.

First, updating local regulations will not only strengthen the business enabling environment, it will also make regulatory systems and processes more efficient. There is a need for the cities to update local laws and ordinances, particularly amendments to the investment code, revenue code, land use and zoning ordinance, and environmental ordinances. *Second*, the cities must develop and/or strengthen the institutional mandate of the local economic investment promotion office (LEIPO) and/ or investment center in conjunction with their local investment codes. Third, local laws must be reviewed to analyze overlapping regulations with known national mandates. Fourth, the cities must continue to strengthen the operations of the Business One Stop Shop (BOSS). Fifth, the cities must also strengthen the Joint Inspection Team (JIT) in enforcing regulations. Sixth, the cities must undertake a communications program to inform and communicate the pertinent laws and regulations to the public.

The SURGE Project can provide strategic technical assistance on several fronts: (1) the conduct of regulatory impact analysis to support legislative development; assistance in institutionalizing the LEIPO; (2) review of national laws affecting the local business environment; (3) assistance in institutionalizing BOSS and the Business Permit and Licensing System (BPLS); (4) developing guidelines for the operations of the JIT; and (5) developing a legislative tracker and shared database among key offices and the private sector.

Strengthen the institutional capacity and performance of the city government's business support offices and service providers.

The cities must improve the quality of local governance, leadership and effectiveness in the delivery of business and enterprise development. To do this, cities need to have a long-term economic masterplan as the basis for local economic strategies. Cities must also improve the quality of business services and offices for investor relations and business support, and develop their business continuity and business recovery programs. Cities must improve the knowledge and technical capacity of their personnel, review their e-governance programs, and strengthen internal communication and coordination among departments. Cities must also develop competency-based hiring standards and review their internal physical assets and resources. Finally, cities must strengthen linkages with key national agencies such as the Department of Trade and Industry (DTI), Department of Labor and Employment (DOLE), Technical Education and Skills Development Authority (TESDA), and the Department of Social Welfare and Development (DSWD).

The SURGE Project can provide strategic technical assistance on the following: (1) undertaking a local economic planning exercise; (2) developing an action plan for LEIPO; (3) integrating business continuity and business recovery programs in disaster risk reduction management (DRRM); (4) developing and implementing human resource development plans to enhance the skill sets of various offices in partnership with the private sector; developing and implementing the cities IT/ eGovernance strategies; (5) implementing guidelines for knowledge sharing and peer-to-peer interaction; (6) developing competency-based standards for hiring personnel; (7) undertaking a review of resources needs; and (8) formalizing a memorandum of understanding (MOU) with various national government agencies (NGAs) to operationalize linkages.

Improve the investment climate and local economic competitiveness

First, cities must work to improve the quality of local infrastructure and pursue activities that promote and sustain local economic competitiveness. The cities' infrastructure plans must be linked with their economic plans. Second, cities must address the insufficient and high cost of water, telecommunications and power supply. Third, city-led programs must be aligned with potential partners to maximize opportunities for local economic development.

The SURGE Project can provide strategic technical assistance on the following: (1) assistance to cities in undertaking multi-stakeholder consultations to support their infrastructure masterplans; (2) assistance to cities in determining demand and sources of water and power supply, and access to telecommunications; and (3) linking the cities to national programs on shared services facilities, industry roadmaps, and sector competitiveness.

Improve the quality and effectiveness of public-private sector dialogue.

The cities must aim to improve the quality and effectiveness of local private sector representation and work for greater public-private sector engagement. There is a need to strengthen the private sector groups such as the local chamber of commerce, cooperatives, and business clubs.

The SURGE Project may assist these groups in developing their business advocacy agenda and strategy to support economic planning and investment promotion activities with the city government and the academe. City governments should also enable the private sector to take on a bigger role in economic planning, investment and business promotion to create more buy-in and ownership of local economic programs.

II. Introduction

The Strengthening Urban Resilience for Growth with Equity (SURGE) Project fosters the development of conditions for broad-based, inclusive and resilient economic growth for six secondary cities. SURGE is part of the broader Partnership for Growth (PFG) between the U.S. Government and the Philippine Government that aims to shift the Philippines to a sustained and more inclusive growth trajectory. The five-year project supports the USAID/Philippines' Cities Development Initiative (CDI).

The SURGE Project aims to contribute to inclusive growth by (1) improving local capacity in inclusive and resilient urban management and processes (2) promoting low emission local economic development strategies and (3) expanding urban rural connectivity and access, and (4) strengthening multi-sectoral capacity to ensure inclusive growth. There are six partner cities supported by SURGE - Batangas, Puerto Princesa, Iloilo, Tagbilaran, Cagayan De Oro and Zamboanga.

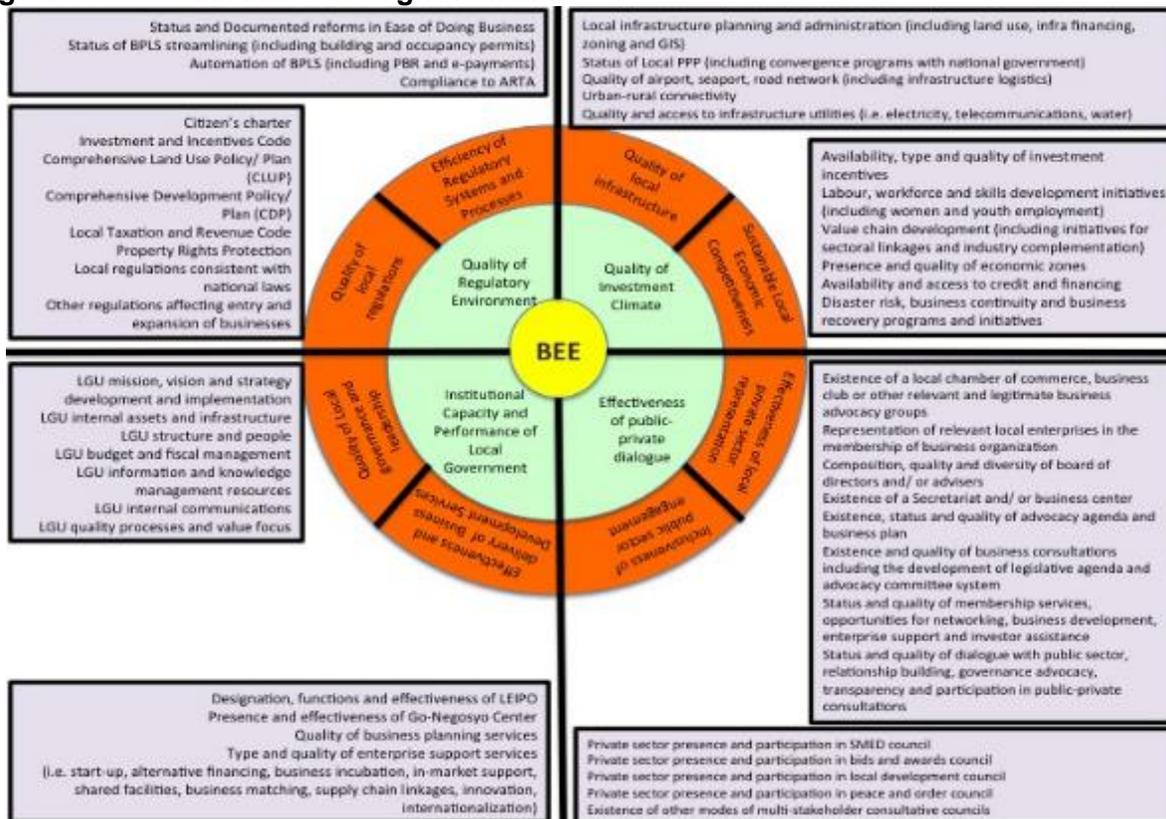
This document focuses on the assessment of the Business Enabling Environment (BEE) – the factors in the city that promote or constrain the flow of investments such as the regulatory framework, barriers to trade and access to finance, among others. The assessment provides an evaluation of the status and capacity of the local economic investment promotion office (LEIPO), determines where assistance is most needed and will result in the greatest impact, and recommends niche technical assistance.

This report addresses Activity 2.4.2.1 Assess the status and capacity of investment-promotion related organizations, determine where assistance is most needed and will result in the greatest impact, and recommend niche technical assistance in selected cities. It conforms to Output 2.4.2.1.1 of the SURGE Project work plan for Year 1.

III. Assessment Framework: BEE Maturity Model Diagnostic Tool

A Business Enabling Environment (BEE) diagnostic tool was used to assess the business-enabling environment of the CDI cities. Based on a maturity model¹ the diagnostic tool aims to provide an independent and objective assessment of the BEE of the cities in the following dimensions: (1) quality of regulatory environment; (2) institutional capacity and performance of LGU; (3) quality of investment climate; and, (4) effectiveness of public-private dialogue.

Figure 1. BEE Assessment Diagnostic Tool



The dimensions are benchmarked with existing measures and indicators obtained from the following sources: (1) World Bank (WB) - International Finance Corporation's (IFC) Doing Business Report;² (2) National Competitiveness Council's (NCC) cities and municipalities competitiveness index;³ (3) Philippine Chamber of Commerce and Industry's (PCCI) Most

¹ A maturity model is a business tool used to assess people/culture, processes/structures, and objects/technology.

² WB-IFC Doing Business Report presents quantitative indicators on business regulation and the protection of property rights that can be compared across 189 economies. Doing Business measures aspects of regulation affecting 11 areas of the life of a business. Ten of these areas are on the ease of doing business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. It also measures features of labor market regulation.

³ NCC Cities and Municipalities Competitiveness index ranks cities and municipalities on overall competitiveness scores based on three main pillars: economic dynamism, government efficiency and infrastructure.

Business Friendly LGU Award,⁴ (4) Institute for Solidarity in Asia's (ISA) Performance Governance System (PGS)⁵ and, (5) Department of Interior and Local Government's (DILG) Seal of Good Local Governance (SGLG)⁶.

The assessment report identifies the strengths and challenges affecting the city in providing an "enabled business environment" as well as the gaps that affect the ability of businessmen and investors in operating within the current business environment in the city. It provides a set of recommendations to identify strategic technical assistance and interventions to address gaps and promote greater public-private partnership in strengthening the city's business enabling environment.

Methodology

The assessment was undertaken through a comprehensive analysis of both qualitative and quantitative data using the following:

1. Key Informant Interviews (KII) with:
 - a. Mayor, vice mayor, members of the legislative council, city administrator, city treasurer, LEIPO, *Negosyo* Center, other business development and investor relations staff, strategy management office, Business Processing and Licensing Office (BPLO), human resources office, representatives of national government agencies, and other stakeholders
 - b. Business leaders, president and/ or board members of local chamber of commerce, business club, trade/ industry associations and other organizations
 - c. Investors, entrepreneurs, civil society and other external stakeholders
2. Focus Group Discussions with:
 - a. City government service providers and relevant personnel
 - b. Business stakeholders (i.e. officers and members of local chambers of commerce, business trade/ industry associations and other sectoral organizations)
 - c. Investors, entrepreneurs, civil society and other external stakeholders
3. Enterprise Survey with MSME and large enterprises
4. Secondary Research such as reports, studies and related literature

⁴ PCCI's Most Business Friendly local government unit (LGU) Award recognizes local government units that have demonstrated outstanding efforts in supporting good governance reforms to promote trade and investments, transparency, and efficiency in delivering business services to fuel inclusive growth in the locality through commendable initiatives and partnership of the government with the private sector to achieve exemplary reforms particularly in the ease of doing business. It aims to complement the efforts of the government to institutionalize standards in delivering quality services to the people as mandated by Republic Act 9485 or the Anti-Red Tape Act (ARTA) of 2007. The award criteria include: investment promotion, compliance to ARTA, and fiscal transparency. Essential indicators include: trade, investment, tourism promotion; public-private partnership; quality management systems and innovations; and, LGU collaboration.

⁵ Based on Kaplan and Norton's Balanced Scorecard, Institute for Solidarity in Asia (ISA's) Performance Governance System (PGS) is a tool that enables LGUs, national government agencies and professional and academic organizations to undergo organizational transformation and integrated management and process development through a vision-mission-strategy-driven exercise and outcome-based governance reforms documented in four stages of pathways: (i) initiation, (ii) compliance, (iii) proficiency and (iv) institutionalization.

⁶ The Department of the Interior and Local Government (DILG's) Seal of Good Local Governance (SGLG) recognizes LGUs' good governance practices in the following areas: good financial housekeeping; social protection and disaster preparedness; business friendliness and competitiveness; peace and order; and, environmental management.

IV.BEE Strengths of CDI Cities

The assessment provided relevant information on best practices and key strengths of the CDI cities in supporting and enabling a business-friendly environment. The following is a summary of key strengths of the cities assessed:

Quality of Regulatory Environment

Overall, the executive and legislative branches of the city governments understand the need to support an enabling regulatory environment that tries to maximize the effectiveness of regulations through efficient processes. Majority of the cities have an executive-legislative agenda (ELA) while others undertake regulatory consultations and determine priority areas on ease of doing business through streamlining and plans of providing more incentives to investors. Majority of the cities are also compliant with the national regulatory standards on ease of doing business. These standards include the revised Joint Memorandum Circular (JMC) on streamlining business permitting and licensing systems jointly issued by the Department of the Interior and Local Government (DILG) and the Department of Trade and Industry (DTI), as well as the Anti-Red Tape Act (ARTA) being monitored by the Civil Service Commission. Cities such as Puerto Princesa, Zamboanga, and Tagbilaran are on track in undertaking significant changes and reforms in their regulatory streamlining programs to align their processes consistent with the Revised JMC guidelines.

Quality of Institutional Capacity and Governance Performance

Overall, cities put a high regard on having a vision that rallies the efforts of their respective city governments especially in promoting long-term plans and programs. While levels and maturity of economic visioning differ from each other with varying development needs and stages, a city vision is relevant to bring together cohesive development plans that align strategies with internal assets, resources, budgets and stakeholder participation.

Quality of Investment Climate

Cities have existing convergence programs with the national government agencies through the Department of Public Works and Highways (DPWH), Department of Transportation (DOTr), and Department of Tourism (DOT) mainly to support urban-rural connectivity and sectoral development initiatives such as tourism and agribusiness. Apart from convergence programs, these cities have also been recognized as emerging investment destinations since actual investments on various industries have been on the rise. This is primarily influenced by local developments such as the construction of new international airports in Puerto Princesa City and Panglao, identification of new growth hubs in Zamboanga City and Cagayan de Oro City, and recognition of Iloilo City's premier city status. Several cities such as Iloilo, Puerto Princesa, and Cagayan de Oro have implemented disaster risk and resiliency programs that resulted in improvements in disaster prevention and provision of resources and processes for disaster management compliant with national government directives.

Quality of Public-Private Dialogue

Cities have existing private sector organizations and representatives who are keen on supporting efforts to enable the cities to attract and retain investors. Public-private partnership (PPP)

dialogue mechanisms are relatively present given bodies such as the Local Development Council (LDC), Peace and Order, and Bids and Awards where private sector representation is mandated and supported. Cities also have a strong and vibrant academic community which add value to development planning and programming processes and identification of interventions that can support enterprise and business competitiveness.

Table 1. Summary of BEE Strengths of CDI Cities

BEE Dimension	STRENGTHS					
	Batangas	Cagayan de Oro	Iloilo	Puerto Princesa	Tagbilaran	Zamboanga
Quality of Regulatory Environment						
Strong Executive Legislative Coordination	✓	✓	✓	✓	✓	Generally supported
Compliance to national regulatory standards on doing business	✓	✓ Regulatory quality enabled by long-term land use and resiliency policies and mandates	✓			
Institutional Capacity and Governance Performance						
Updated, relevant, holistic city vision	✓	✓ PRIMEHAT Program ⁷	✓ Premier city status	✓		✓
Compliance to national governance indicators					✓	
Institutionalized customer orientation and feedback mechanism			✓			
Learning and growth for key offices	✓		✓			
Capacity of city personnel on disaster risk and prevention		✓				

⁷ PRIMEHAT refers to Cagayan de Oro City's 8-point agenda: peace and order and poverty alleviation, revenue generation and resettlement, infrastructure and investments, metropolization, education and environment protection, health and hospital services, agricultural productivity, and traffic, teamwork and tourism.

BEE Dimension	STRENGTHS					
	Batangas	Cagayan de Oro	Iloilo	Puerto Princesa	Tagbilaran	Zamboanga
Investment Climate						
Convergence program with national government on infrastructure projects	✓	✓	✓	✓	✓	✓
New growth hubs				✓ New international airport enables city to achieve important gateway status	✓	✓
Increased investments in the city		✓	✓ Investors impressed by cleanliness			
Local PPP in place				✓		
DRRM consistent with national government mandate	✓	✓				
Public-Private Dialogue						
Private Sector is supportive of efforts to attract/retain investors	✓	✓	✓	✓	✓	✓
Public-private dialogue/consultations				✓	✓	✓ local SMED council
Strong, dynamic private sector		✓	✓			
Strong and proactive academe		✓ plus civil society	✓			

V. BEE Challenges of CDI Cities

The assessed cities have a number of challenges that hinder their economic potential, especially in attracting and retaining investors. If not addressed, these challenges will have implications in the long-term development programs and eventually, the viability of their local economies as business-friendly destinations.

Quality of Regulatory Environment

Some of the CDI cities need to update laws and regulations to enable ease of doing business. These laws and regulations include the investment code, zoning and land use ordinances, occupancy and property rights as well as revenue code. There is also a need for these regulations to be codified to achieve regulatory coherence and be implemented consistently. Furthermore, new ordinances to directly support and incentivize micro, small and medium enterprises (MSMEs) are also needed.

Some of the cities also need to establish their Business One Stop Shops (BOSS). Stakeholders view the need for a more strengthened and institutionalized BOSS linked with BPLS activities as well as business and promotion, and assistance for MSMEs. BOSS operations should also integrate specific support for business and investment assistance and serve as repository of documentary and regulatory information.

In terms of regulatory enforcement, cities encounter challenges from weak enforcement of regulations (i.e. zoning, environment, land use, property rights, right-of-way). Thus, there is a need to strengthen the enforcement and oversight functions of various offices such as the Business Permits and Licensing Office (BPLO), treasury, including assessor, engineering, and to a certain extent, environmental offices. Cities also need to strengthen and capacitate their Joint Inspection Teams (JIT). Inspection teams will benefit from a more coordinated and well-positioned activities to avoid over-regulation. This will also lessen the burden on the private sector who have had to go through multiple and uncoordinated inspections.

The cities do not have research in support of regulatory analysis and planning. There is a discretionary approval process and overlapping regulatory requirements in obtaining various clearances and permits. This affects the ability of the city governments to undertake regulatory streamlining and reforms.

Majority of the assessed cities are unable to disseminate information on the status of regulations or ordinances to the public. Hence, there is a need to properly communicate the outcome of regulations to them. While public hearings are conducted to solicit inputs from various stakeholders, follow through and feedback on the status of regulations affecting business should be done regularly. Some innovative programs that can be supported include the development of legislative trackers, regular refresh of websites to include discussion boards on regulatory information, and outreach programs to communicate regulatory advancements and solicit feedback.

Quality of Institutional Capacity and Governance Performance

While most of the cities have undertaken significant steps in identifying their vision for development, these vision statements are not accompanied by a long-term economic masterplan that translates the city's vision into a local economic development strategy. Ideally, an economic

master plan will provide specific determination of economic strategies, development of growth areas and profiling of investment activities considering rapid urban development being experienced by the cities. A well-articulated economic master plan will enable the cities to generate the buy-in and ownership of its vision among stakeholders. This will also provide opportunities to engage the private sector in committing to projects and new business ventures.

There is also a need to reorient the operations of offices for business services and investor relations such as LEIPO to enable a more institutional mandate for investment promotion and enterprise support. The offices for investment promotion in majority of the cities assessed are not in place and functions are not defined.

In most cities, except in Batangas City and Cagayan de Oro City, personnel in these offices are mostly seconded from other offices while in all cities, the skills are not adequately developed to ensure responsiveness to the needs of targeted investors and business clients. The LEIPO and investment offices are not linked with the Negosyo Center including other important offices of the city governments such as the Planning and the Public Employment Service Office (PESO). Such linkage will enable sharing of physical, human and financial resources and allow the offices to collaborate more. More training should also be done to help the current personnel achieve competence in business planning, investment targeting, investor organization of investment forums, preparation of investment briefs and primers, project feasibility studies, economic profiling, investor relations, business matching, marketing, and monitoring, among others.

The city governments also need to review its IT systems needs and requirements. E-governance practices and activities should be enhanced to enable an appropriate standard that will govern the connection of offices particularly in data gathering and management, sharing of information and analysis of statistics to improve economic planning, and support city profiling for investment and business promotion. Consistent to achieving data management and safeguarding information, all cities should start supporting programs for business continuity. Business continuity promotes risk management and safeguarding of information and resources to effectively ensure the implementation of the city government's business plans and projects.

The need to strengthen internal communications among offices including updating information, knowledge sharing, and peer-to-peer interaction is also important. Departments and offices need to establish open communication lines to achieve the cities' economic vision, complement resources and personnel expertise. The city governments also need to address silos among various offices that hinder information sharing which is necessary to enhance quality and service excellence. Several offices maintain good information that need to be co-shared among other offices to achieve greater consistency in data processing and management. Such information is vital in database development linked with a feedback mechanism and monitoring system to determine the impact of projects and follow through on their progress.

In terms of personnel development, the hiring policies of the cities need to be reviewed to attract the best talent and fill important positions especially in the frontline offices (i.e. need for investment specialists, economists, project specialists, engineers). The sharing of knowledge and technical capacity of staff also needs to be improved to enable greater capacity in areas related to feasibility studies, investment promotion, marketing, zoning standards, automation, urban and environmental planning, quality management standards, disaster risk reduction management including planning and preparedness, business continuity, management of information and

classification of business establishments (Punctuated Socio-Technical Information System Change or PSIC model)⁸.

For the most part, internal physical assets and resources in the cities need to be augmented to support the development of personnel and business services efficiency. Physical asset requirements such as office equipment and vehicles, among others, need to be reviewed and determined to support the activities of the personnel especially in undertaking business-related tasks such as data gathering, analysis and inspections. Allocating additional resources for these internal assets will enable better personnel performance and responsiveness in undertaking business services.

Finally, linkages with the DTI should be enhanced and formalized in a number of cities. With DTI at the forefront of supporting micro and small enterprises as well as operations of the *Negosyo Centers*, cities should partner more with the DTI to align programs, initiatives and provide incentives for enterprise promotion, business services and streamlining of business regulations.

Quality of Investment Climate

Cities need to formalize a comprehensive infrastructure master plan to develop their respective land use or zoning plans. An infrastructure master plan that is linked to a city economic master plan will serve as the basis for enabling growth areas and projects that can be tapped by the private sector. Such master plan will also help cities align their priorities for infrastructure spending where various sources can be tapped such as the national government, PPPs, and local funds. Relative to this is the need for most cities to define guidelines for local infrastructure standards, and programs for infrastructure rehabilitation and maintenance. Due to lack of expertise by several cities in urban planning and engineering there are no consistent guidelines in setting infrastructure standards for local infrastructure rehabilitation and maintenance. Examples of these are limited and uneven distribution of sidewalks, roads are limited to 2 lanes, lack of street lamps, lack of a drainage and waste treatment facilities, among others. Cities also need to initiate programs to undertake infrastructure inventory and documentation.

For instance, Tagbilaran City has yet to undertake a “road network inventory” and “parcellary survey”. Currently, the city is dealing with a legal setback with at least 50 percent of its collateral roads still under private ownership. This has the potential risk of limiting the city government’s future infrastructure and expansion plans. Infrastructure inventory and documentation is necessary to determine requirements for a long-term infrastructure plan and development of economic growth hubs that will promote business and investment projects in the city.

As a result of poor infrastructure planning, cities are faced with worsening traffic. Stakeholders in all the assessed cities mentioned how traffic is fast becoming a problem and that a traffic management plan in the cities is needed. This involves the installation of adequate traffic management infrastructure, signage and traffic lights as well as the training of traffic management personnel.

In the area of environmental and resources management, the cities’ environmental plans should be properly supported and implemented. Environment offices in the cities should be guided and capacitated in undertaking comprehensive data gathering to undertake environmental

⁸The PSIC model is a hybrid model to explain multi-faceted change. It aims to explain the reasons and the way in which information systems (IS) change takes place. IS change is considered to be a complex, socio-technical, and episodic phenomenon.

assessments. This includes a resource inventory to support environmental planning, manage environmental risks, and support new regulations. Cities also need to have more incentives for environmental projects especially business enterprises that are investing in green technologies and climate-resilient infrastructure.

One of the major challenges for all CDI cities is the alarming scarcity of water and energy sources. These are important indicators of a functional and competitive investment climate that needs urgent attention given the increasing uptake of tourism and investment activities in the cities. More studies should be supported to determine alternative and sustainable sources of utilities and investments that can be promoted in these sectors.

While convergence programs with national government agencies in infrastructure are in place in most cities, coordination between the city and national government agencies on a number of programs and services still has overlaps. Some improvements can be made on linkages with programs and resources that are available for the cities. For instance, there are programs with Technical Education Skills Development Authority (TESDA), the Department of Labor and Employment (DOLE), and the Department of Social Welfare and Development (DSWD) that aim to support and link the beneficiaries of the conditional cash transfer to enable them to have the critical skills for employment. The role of the Public Employment Service Office (PESO) is also integral to support and link both the labor and business communities in the cities to address employment mismatch and enhance workforce development programs. The city governments and national government agencies also need to regularly coordinate to address overlapping activities and regulatory standards affecting investment and business operations such as the issuance of building and occupancy permits (i.e. DOLE, city engineering, BPLO) and environmental compliance (i.e. city environment and the DENR).

Finally, cities also need to be proactive in aligning their programs and activities with potential partners to maximize opportunities for local economic development. Opportunities for alignment with existing national programs are on shared services facilities, industry road maps, sector competitiveness, and innovation to support activities that support MSMEs at the barangay level. Some programs have already been started but needs further support. These include community-based tourism, workforce development, business planning in support of value chains, cooperative development, disaster risk management and supply chain development to develop economies of scale. There is also a good opportunity to mainstream gender and development through these activities.

Quality of Public-Private Dialogue

In most cities, private sector organizations are dynamic, active and involved. Local chambers of commerce, industry associations and business clubs are present but there should be greater public-private collaboration. Partnerships between the city governments and private sector organizations should be constantly explored. City officials and private sector leaders will benefit from a more regular and substantive engagement to facilitate an honest-to-goodness assessment of business needs and economic realities. Having joint initiatives should help determine appropriate policies and solutions to achieve long-term economic benefits. There is also a need to establish a monitoring and evaluation process that solicits regular feedback from private sector stakeholders to enable more buy-in and ownership of the city's successful development programs. Some venues for this kind of feedback mechanism should be activated such as the Small and Medium Enterprise Development Council (SMED) and local economic transformation team (LETT) to strengthen private sector ownership of projects at the local level. Support from

other sectors such as the academe should also be strengthened to enable more coordination and linkages.

Table 2. Summary of BEE Challenges of CDI Cities

BEE Dimension	CHALLENGES					
	Batangas	Cagayan de Oro	Iloilo	Puerto Princesa	Tagbilaran	Zamboanga
Quality of Regulatory Environment						
Outdated laws or regulations in enabling business environment	✓ Laws on investment code, zoning, land use need updating	✓ Timely implementation on BEE regulation	✓ Laws on enabling ease of doing business need updating	✓	✓	✓
Year round BOSS is not institutionalized				✓	✓	✓
Conflicting national and local regulations				✓		
Archiving and codification of laws/ ordinances	✓				✓	
Weak enforcement of regulations			✓	✓	✓	✓
Right of way issues hinder development projects		✓		✓	✓	✓
Monitoring of effectiveness of regulation is not in the planning, reporting cycle	✓		✓ Lack of baseline data/ info	✓		
Regulations not properly communicated to the public	✓ Info on RPT implementation	✓	✓ Need to strengthen regulation on public transportation	✓ Regulation not part of planning cycle	✓ Regulation in business process streamlining	✓
Joint Inspection Team needs to be strengthened	✓		✓		✓	
Institutional Capacity and Governance Performance						
Absence of long-term economic plan that translates city's vision	✓	✓		✓	Long-term economic masterplan needs to be further developed	

BEE Dimension	CHALLENGES					
	Batangas	Cagayan de Oro	Iloilo	Puerto Princesa	Tagbilaran	Zamboanga
Perceived security concerns			✓ "Narco-image problem" of city			✓
Core values need to be reoriented to support personnel contribution to government performance		✓		✓		✓
Hiring policy not attuned to recruiting the best talent		✓	✓	✓		✓
E-governance practices need to be improved	✓		✓	✓	✓	✓
Internal communication among departments need to be strengthened		✓	✓		✓	✓
Inter-office coordination and data sharing need to be strengthened	✓	✓	✓	✓	✓	✓
Policy on succession planning and business continuity need to be developed	✓	✓			✓ Policy on business continuity	✓
Need for specialized training	✓	✓ Not institutionalized			✓ Not institutionalized	✓ Not institutionalized
Operations and functions of investment-related offices	✓ Need to be enhanced		✓ Need to be harmonized			
Internal physical assets and resources need to be augmented to support personnel development			✓	✓	✓	✓
Business continuity program needs to be developed			✓		✓	

BEE Dimension	CHALLENGES					
	Batangas	Cagayan de Oro	Iloilo	Puerto Princesa	Tagbilaran	Zamboanga
Linkage with DTI needs to be institutionalized	✓	✓	✓	✓		✓
PESO and Negosyo Centers are not institutionalized					✓	
Quality of business services for investor relations and business support needs improvement					✓	✓
Budget for business services and business promotion should be institutionalized		✓				
Investment Climate						
Lack of a documented economic plan	✓	✓	Urban and rural connectivity needed	✓		✓
Absence of a long term infrastructure plan	✓	✓		✓	✓	✓
Guidelines for local infrastructure standards and programs for rehabilitation and maintenance are not properly supported		Inventory of local infrastructure is not properly supported	✓	✓	✓ Lack of infrastructure inventory	✓
Traffic management plan is not well developed	✓	✓	Traffic management plan needs enhancement	✓	✓	✓
Insufficient water and energy supply			Poor water distribution infrastructure; high electricity cost	✓	✓	Inefficient water and energy distributors
Environment management plans are not			Air quality standard is	✓	✓	

BEE Dimension	CHALLENGES					
	Batangas	Cagayan de Oro	Iloilo	Puerto Princesa	Tagbilaran	Zamboanga
properly supported, implemented			decreasing			
Coordination between city government and NGA needs to be strengthened	✓	✓		✓		✓
No incentives for environment friendly businesses	Incentives not properly communicated	✓	Local investment incentives are not progressively updated			
City needs to align programs with potential partners to maximize local economic development	✓		✓	✓	✓	✓
Public-Private Dialogue						
Private Sector needs to be strengthened	✓ Especially Business Club	✓ LDC representation is limited	✓ Institutionalize private sector participation	✓ Especially Chamber of Commerce	✓	✓ Especially Chamber of Commerce
Local SMED council is inactive			✓	✓	✓	
Institutionalize private sector participation			✓	✓ Especially in the investment board	✓ Especially in instituting city's development plans	✓ Private-public sector dialogue + feedback
Weak people's organizations and cooperatives						

VI. Issues Affecting Enterprise Ecosystem in CDI cities: Insights from the Enterprise Survey

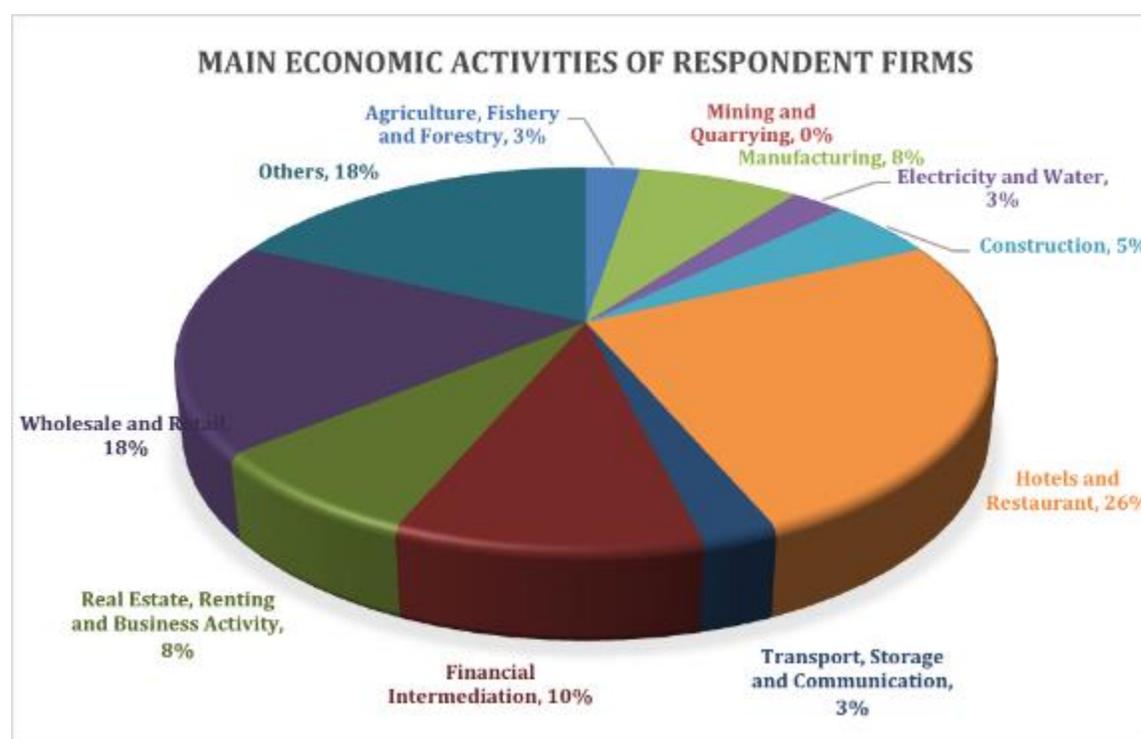
The survey aims to complement the BEE Assessment by: (1) assessing and analyzing the needs of the local business community vis-a-vis the existing economic, operational and policy support tools provided and made available by the local governments to local business stakeholders; and (2) providing recommendations to institutionalize public-private partnership that will result in a more active private sector involvement in the cities.

Primarily, the survey aims to cover the following areas:

1. Business activities in the assessed cities, with emphasis on the industry value chain;
2. Experiences and prospects of the locators/businesses in the cities;
3. Locators/businesses' perspective on the mobilization of the private sector in enabling business and enterprise development in the cities.

The sample was composed of a total of 41 firms representing the following economic sectors:

Figure 2. Main Economic Activities of Respondent Firms



In terms of organization, 53 percent of the respondents were private corporations, 39 percent were sole proprietors, five percent cooperatives and three percent partnership. Seventy four percent of respondents belong to micro, small and medium enterprises (MSMEs), while 26 percent were large enterprises. Nearly half of the respondents (46 percent) operate as single establishments while the rest are evenly divided as either branch or establishment, and head office at 27 percent each.

One of the objectives of the survey is to determine the problems encountered by locator firms from acquiring to maintaining necessary inputs to the production chain. In this portion of the questionnaire, the respondents were asked what inputs account for the biggest contribution in production cost. Firms were also asked if a specific concern is applicable and the extent of applicability (not an obstacle or major obstacle) to their companies.

A. Inputs to the Value Chain

1. Raw Materials

Availability, cost and quality of domestic supply are not major obstacles to the operations of the firms surveyed. Companies from Puerto Princesa city (20 percent) and Cagayan de Oro city (17 percent), however, experienced these difficulties.

2. Electricity

Access to power supply is a moderate to major obstacle to 27 percent of firm respondents. The high cost of power affects the operations of one in four companies. Companies in Puerto Princesa City are most affected by high power costs.

3. Water Supply

Availability and the cost of water are not major obstacles to most companies surveyed (49 percent). This is a concern, however, for one in every five companies in Puerto Princesa city and Tagbilaran city.

4. Availability of Space

More than half of the surveyed companies did not lack space or warehouses in their respective areas.

5. Rent

Rent-related problems did not affect the operations of the respondent companies. Cost of rent is not an obstacle to 33 percent of the surveyed companies. Nearly half of the same set of companies, however, considered the continuous and rapid increase in rent as a minor obstacle.

6. Fuel/ Oil and Transportation

While fuel/ oil is not a large cost input to production, a good number of respondents (28 percent) stated that the increasing price of fuel would affect their production/operation.

7. Infrastructure

Infrastructure, such as road networks, bridges and ports, are also essential to the operations of the companies. Fifty percent of the respondents from Puerto Princesa City said that poor quality of the infrastructure is a moderate obstacle while 50 percent of the respondents from Tagbilaran City said that the quality of the airport is a major obstacle. Another 60 percent noted that the quality of the seaport is a major obstacle. Twenty percent of respondents from Cagayan de Oro City said that the quality of urban-rural connectivity is a major obstacle; another 20 percent said the cost of terminal and handling fees is a major obstacle.

8. Disaster Risk and Preparedness

Respondents view disaster risk and preparedness, business continuity and risk management as minor obstacles to their operations.

9. Road Maintenance and Traffic Management

One in every two companies view the traffic situation in their cities as a moderate to major obstacle to their operations. Other road-related regulations are an obstacle for 20 percent of the respondents.

10. Telecommunications and Internet Access

Availability, cost and quality of telecommunications are not major obstacles to nearly 30 percent of respondents. Although 31 percent of the companies in Puerto Princesa City, 20 percent in Cagayan de Oro, and 67 percent of respondents in Tagbilaran City had problems in telecommunications inefficiency and internet interruptions.

11. Loans

Access to loans and cost of borrowing are not major obstacles to the companies in all cities. Nearly 50 percent of respondents also noted the length of processing of loans as moderate to major obstacles.

12. Human Resource Concerns

Hiring qualified personnel and maintaining human resource competitiveness are not minor obstacles to the companies. These issues, however, are significant to the companies in Puerto Princesa City and Tagbilaran City.

B. Firm Competitiveness and Operations in CDI Cities

1. Prime Concerns

The most significant business indicators that could affect business competitiveness in CDI cities are: cost of doing business; availability of financing; cash flow; local taxation, and bureaucratic process and red tape.

2. Assessment of Regulatory Issues

Surveyed companies view regulatory concerns related to investment promotions and business support services, labor regulations and standards, property rights, bureaucratic red tape, land use and zoning, disaster preparedness, peace and order, and production/ quality standards as moderate to major problems in their city (*Table 3*).

Table 3. Assessment of Regulatory Issues (in percent)

Regulatory Concerns	N/A	Not a Problem at all	Minor Problem				Major Problem
			1	2	3	4	
	N/A	0	1	2	3	4	5
Business Permitting and Licensing	3	25	25	19	19	0	9
Local Taxes and Compliance	3	34	16	19	16	6	6
Labor Regulations/ Labor Supply	0	24	31	7	10	17	10
Environmental Regulations	3	28	19	16	19	9	6
Fire, safety regulations	0	27	23	13	27	7	3
Infrastructure Planning and Maintenance	6	19	22	22	16	6	9
Investment Promotions and Marketing and Business Support Services	3	10	24	21	21	10	10

Regulatory Concerns	N/A	Not a Problem at all	Minor Problem				Major Problem
Property Rights Protection and Administration	7	20	23	13	17	7	13
Land Use and Zoning	3	26	13	16	26	3	13
Disaster Risk Management and Preparedness	3	23	13	27	17	7	10
Bureaucratic Red Tape	3	23	20	17	10	10	17
Local Economic Administration	6	19	28	16	19	6	6
Peace and Order	3	30	21	9	9	15	12
Production or Quality Standards	10	23	23	13	16	6	10

C. Potential for Private Sector Mobilization

1. Membership to Any Business or Industry Association

Nearly two thirds of surveyed companies/firms belong to a local business organization or industry association except in Batangas City where 86 percent are not members of their local business club or industry association.

Respondents shared the benefits of membership to a business chamber or industry association such as networking (18 percent); information on legislation/regulations (15 percent); advocacy and policy recommendations (14 percent); and trade and business information (14 percent).

2. Firm-level Prospects to Organizing Local Business Organization

Generally, surveyed firms have a positive outlook on the role of the local business organization. For instance, firms believe that the associations or business groups are a useful source of information about public policies. These business associations are also effective in representing and in advocating for the interest of businesses to government decision makers, thereby providing a venue for them to participate in the policy formulation and decision-making process at the local level. Majority of the firms also view that the associations as providing timely and adequate information on relevant business concerns, including financing and business-government network.

VII. Recommendations to support BEE in all CDI Cities

1. Improve the quality of the regulatory environment

Objective: To improve the quality and update local regulations to support a strong business enabling environment and achieve efficiency of regulatory systems and processes

- a. There is a need for cities to review the amendments to the BPLS requirements, the investment code, revenue code, land use and zoning ordinance, building code, and environmental ordinances. There is a need to update local laws and ordinances to support a better business environment. Furthermore, there is a need to push for the codification of these local ordinances.

Strategic Technical Assistance: Assist the cities in the conduct of regulatory analysis to support proactive legislations and streamlining of business processes.

- b. Develop and/ or strengthen the institutional mandate of the local economic investment promotion office (LEIPO) and/ or investment center in conjunction with their local investment codes.

Strategic Technical Assistance: Assist the cities in determining appropriate mandate to institutionalize the LEIPO and/ or investment centers in line with the review of the functions of the investment/ economic priorities of the cities as well as feasible structure, functions, budget, and personnel complement to jumpstart their full operations.

- c. Review the local laws and analyze overlapping regulations with known national mandates to ensure regulatory complementation.

Strategic Technical Assistance: Assist the cities in the review of national laws affecting local regulatory and permitting processes.

- d. Strengthen and/ or Institutionalize operations of Business One Stop Shop (BOSS)

Strategic Technical Assistance: Assist the cities in strengthening and formalizing the operations of the BOSS and its linkage with the Business Permits and Licensing System (BPLS), investment promotion centers and *Negosyo* Center activities as well as business and investment promotion and assistance for micro, small and medium enterprises (MSMEs). Make the BOSS a center that integrates specific support for business and investment assistance, data gathering and regulatory information.

- e. Strengthen the Joint Inspection Team (JIT) in the enforcement of regulations (i.e. zoning, environment, land use, property rights, building and construction, as well as fire).

Strategic Technical Assistance: Assist cities in developing guidelines for the operations of the JIT matched with adequate training and tools in regulatory compliance and database, inspection, monitoring and classification of business establishments.

- f. Undertake a communications program to inform, educate and communicate the status of regulations to the business community and the public.

Strategic Technical Assistance: Assist the cities in developing a legislative tracker and database that is shared among key offices and the private sector. Include a process of soliciting feedback on the status and quality of regulations affecting business and investment promotion.

2. Strengthen institutional capacity and performance of the city government's business support offices and service providers

Objective: To improve the quality of local governance, leadership and effectiveness in the delivery of business and enterprise development services of the city's business and investment units

- a. Enable documentation of the cities' long-term economic plan that provides the basis for local economic strategies, incentives and determination of growth areas and profiling of investment activities.

Strategic Technical Assistance: Assist cities in undertaking a local economic development planning exercise. This will enable buy-in and ownership of projects among stakeholders as well as opportunities to engage the private sector in committing to projects and new business ventures that promote urban resiliency and economic growth.

- b. Improve the quality of business services and offices for investor relations and business support by institutionalizing the offices for investment promotion, LEIPO. This includes properly funding, filling up and equipping the required personnel in these offices with the tools, skills and resources to be responsive to the needs of targeted investors and business clients.

Strategic Technical Assistance: Assist cities in developing an action plan for the LEIPO and/ or investment offices leading to the following: (1) developing a standard operations manual that provides an annual work plan (or business plan); (2) developing a resource and process management program that identifies operational linkages with other offices such as *Negosyo* Center, BPLO, planning, engineering, tourism and environment, agriculture, including the private sector for key information and knowledge sharing, as well as resources for industry and regulatory analysis/ tracking; (3) formulating a capacity development plan to support personnel competencies in building an enterprise and investor support services menu or portfolio. This may include, among others: business planning, investor targeting, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching, marketing and communications; (4) developing a program for measurement and results (i.e. business advocacy support, client satisfaction, data mining, reporting).

- c. Develop business continuity and business recovery programs.

Strategic Technical Assistance: Assist cities in integrating business continuity and business recovery programs in its disaster risk reduction management (DRRM) to manage risks and enable business resiliency.

- d. Improve knowledge and technical capacity of personnel to undertake feasibility studies, investment promotions, marketing, zoning standards, automation, urban and environmental planning, quality management standards, disaster risk, reduction and

management, planning and preparedness, business continuity, management of information as well as classification of business establishments (PSIC model).

Strategic Technical Assistance: In partnership with the private sector, academe and training providers such as the Development Academy of the Philippines (DAP) and Local Government Academy (LGA), assist the cities in developing institutional training plans that will enhance the skill sets of various offices. Training can include exposure to industry best practices and standards to help city officials appreciate investor needs. Further tap into the expertise of the academe to provide training, mentoring and extension services for the LGUs in key planning and programming activities: urban planning, engineering, environmental management, economic forecasting, data gathering and analysis.

- e. Review e-governance program to determine appropriate systems needs and requirements and adopt a standard that will govern the connection of offices particularly in data gathering and management, sharing of information and analysis of statistics to improve economic planning and support city profiling for investment and business promotion.

Strategic Technical Assistance: Assist the cities in developing and implementing their IT/ e-Governance strategies and implementing their GIS.

- f. Strengthen internal communication and coordination among departments

Strategic Technical Assistance: Assist cities in implementing guidelines for knowledge sharing and peer-to-peer interaction to strengthen departments' and offices' consistency in data processing, analysis and management particularly among the following offices: BPLO, LEIPO, *Negosyo* Center, Public Employment Service Office (PESO), planning, engineering, environment, and tourism offices.

- g. Develop competency-based hiring policy standards.

Strategic Technical Assistance: Assist cities in developing its competency-based standards for hiring its personnel particularly in filling up important positions in the frontline offices such as the investment promotion and planning offices (i.e. need for investment specialists, economists, project specialists, engineers).

- h. Review internal physical assets and resources needs to support development of personnel and efficiency of business services.

Strategic Technical Assistance: Assist cities in undertaking a review of resources needs to enhance efficiency of business units and support data gathering especially on business leads, investment opportunities and quality of regulatory enforcement.

- i. Strengthen linkages with key national agencies such as Department of Trade and Industry (DTI), Department of Labor and Employment (DOLE), Technical Education and Skills Development Authority (TESDA), and the Department of Social Welfare and Development (DSWD), among others, to strengthen business support services for MSMEs.

Strategic Technical Assistance: Assist cities in formalizing memorandum of understanding (MOUs) with various national government agencies (NGAs) to operationalize linkages particularly in knowledge and data sharing, training and capacity building, mobilization of

resources and project complementation for business enterprise development, livelihood and employment.

3. Improve the investment climate and local economic competitiveness

Objective: To improve the quality of local infrastructure and activities that promote sustainable local economic competitiveness in support of investment and trade promotion

- a. Help strengthen cities' infrastructure plans linked with economic plans. Along this line, guidelines for local infrastructure standards, and programs for critical infrastructure rehabilitation and maintenance including traffic management should be determined.

Strategic Technical Assistance: Assist cities in undertaking multi-stakeholder consultations to support the development of their respective infrastructure plans that are linked to economic development strategies. Furthermore, support capacity development programs for key offices in charge of infrastructure and economic planning.

- b. Address insufficient and high cost of water, telecommunications and power supply.

Strategic Technical Assistance: Assist cities in undertaking studies to determine demand and potential sources to increase supply of water and power and improve access to telecommunications. This will also open up opportunities for PPPs and other investment leads that the private sector can tap.

- c. Scale up city-led programs to align with potential partners that will maximize opportunities for local economic development.

Strategic Technical Assistance: Assist cities in linking with programs such as national programs on shared services facilities, industry roadmaps, sector competitiveness, and innovation to support activities that bring in more support for MSMEs at the barangay level. Other programs include community-based tourism, workforce development, business planning in support of value chains, cooperative development, disaster risk management and supply chain development to develop economies of scale for sourcing requirements of various establishments.

4. Improve public private dialogue

Objective: To improve the quality and effectiveness of local private sector representation and degree of inclusiveness of public sector engagement with the private sector.

- a. Strengthen private sector groups such as the local chamber of commerce, cooperatives and business clubs as viable partners in local economic development, investment promotion, and enterprise development.

Strategic Technical Assistance: Assist local private sector groups such as local chamber and business clubs in developing their business advocacy agenda and strategy to support economic planning and investment promotion activities with the city government and the academe. The private sector is an essential partner and conduit in providing input to enhance investor and enterprise assistance. They are also a source of data on doing business and linking MSMEs with various sectors to tap into market opportunities. Support can also be provided to the private sector in activating the small and medium enterprise development (SMED) councils and creating 'local economic transformation teams' (LETTs) to serve as advisory councils in supporting and supervising

sector specific projects and initiatives. City governments should also enable the private sector to take on a bigger role in various councils or boards that undertake economic planning, investment and business promotion to create more buy-in and ownership of local economic programs.

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Annexes

Annex 1. Batangas City BEE Assessment Findings

Batangas City is known as the industrial port city of Cavite, Laguna, Batangas and Rizal (CALABARZON). It is the site of the largest oil refineries in the country, three natural gas power plants, a special economic zone and a regional agri-industrial center. It has a population of 330,000 residing in 105 barangays in 2015. The city has a total land area of 28,541 hectares, 4,300 hectares of which are watershed areas with 82 percent classified as agricultural land. Total road network is 476 kilometers and 95 percent of households are energized.

In 2016, the city ranked 47th (from 45th) in the Cities and Municipalities Competitiveness Index of the National Competitiveness Council (NCC). It has more than 7,000 registered business establishments contributing to the city's over P2.3 billion revenues in 2015. With a functional literacy of 95 percent and a labor force of 104,000, the city has an employment rate of 87 percent. The city has a poverty incidence of 4 percent.

Issues on regulatory quality and efficiency, competitive investment climate (i.e. infrastructure planning, cost of doing business) and public-private partnership were the most highlighted issues affecting the business-enabling environment in the city.

Given Batangas City's strategic position as a major port gateway in the CALABARAZON, the stakeholders noted the need to enhance business promotion activities to seize more investment opportunities.

City officials provided adequate information on key initiatives undertaken to enable ease of doing business. For one, the city has achieved significant reforms in its BPLS streamlining process including the operations of its BOSS. The city has also adopted flexible programs to waive business occupancy permits for small businesses for faster processing of permits. Other programs include the Disclosure and Revenue Inspection Team or DRIT to intensify inspection of business establishments including collection of taxes and fees.

Most stakeholders noted that reforms could be introduced to enable long-term infrastructure master planning as part of the overall city development plan. This includes the development of growth areas, road widening and resolving the traffic problem. Stakeholders also view the need to update the city's land use plan. Local MSMEs also need support especially in accessing markets and linking them to the supply chains of big businesses. Local ordinances such as zoning, environment and sanitation should be strictly enforced to address economic growth challenges in the city.

Other important areas to be strengthened include the need for enhanced technical capacity and expertise to undertake urban planning for the city, particularly for the city planning, engineering, and environmental offices. Traffic is becoming a major concern for both government and private sector stakeholders. Infrastructure is a critical layer in solving this issue.

In relation to business services and offices for investor relations and business support, the city has a designated LEIPO and investment promotion team. While the LEIPO structure and personnel is defined and developed, investment-related programs and activities can be enhanced. The LEIPO and investment promotions team have the potential of being an ideal investor resource hub and proactive investor support center and service provider given the quality

of its personnel and ability of the office to generate partnerships with the private sector, academe, and international organizations. The city government can provide more capacity building support and exposure to its current personnel especially in its core functions. This includes business planning, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching, and marketing, among others.

There appears to be good feedback on how the local government works with the national government offices. The city is generally compliant to mandates of the national government in promoting a competitive business environment. The city government has institutional programs that complement efforts done by national agencies such as the DSWD, DOLE and TESDA. The city government, on the other hand, will benefit from more coordination with other agencies such as the DOT and DENR. This is true in developing programs to support destination marketing and tourism-support infrastructure and ensuring regulatory coordination in protecting biodiversity and the city's natural resources.

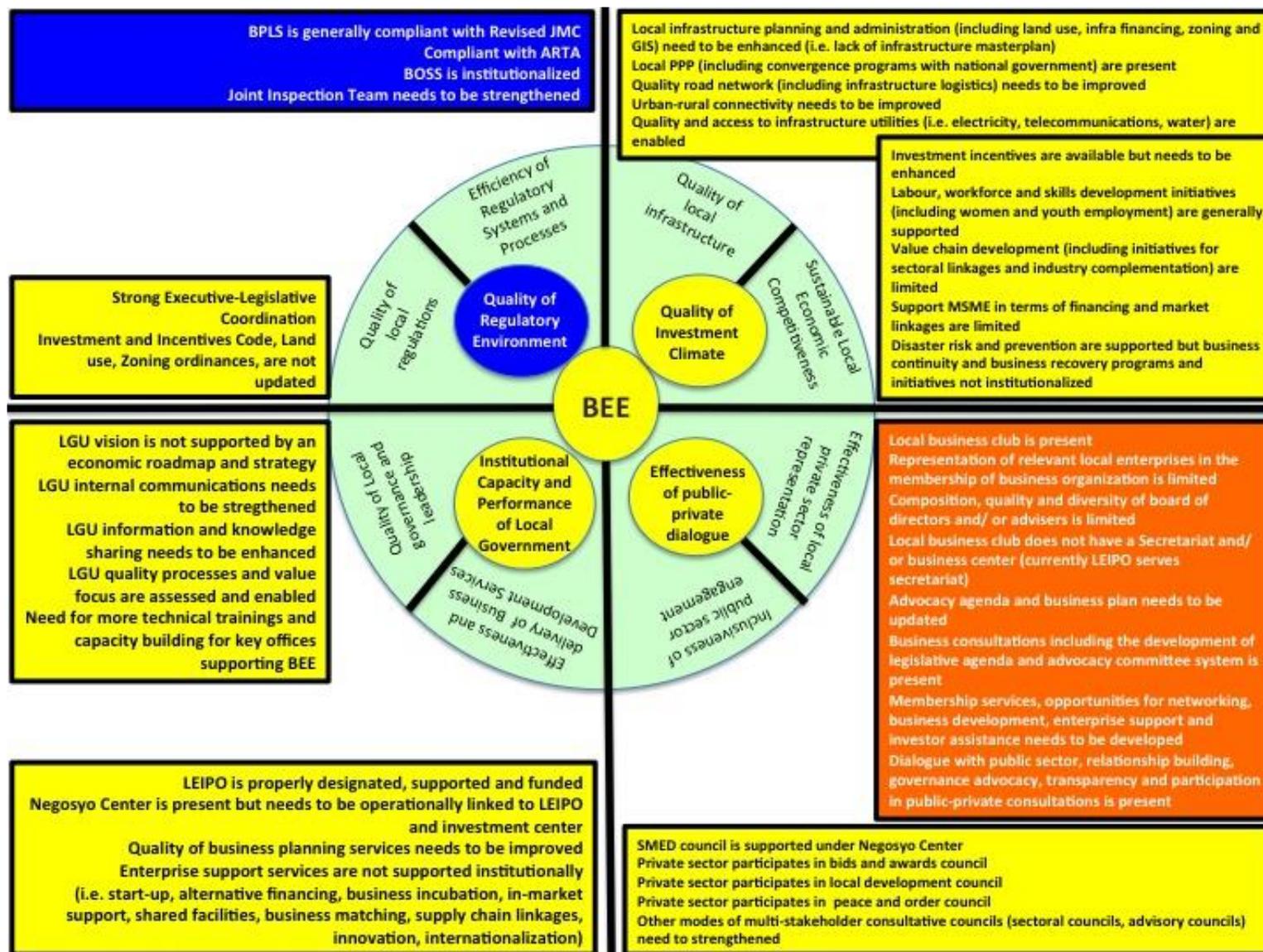
The Negosyo Center is currently underutilized and needs more LGU support to provide strategic interventions and programs for MSMEs. It will be beneficial for the city to strengthen its linkage with the Negosyo Center to ensure that program level assistance for MSMEs is continuously done. The city government can initiate projects to link its list of business establishments with the Negosyo Center to target specific start-ups or MSMEs. This way, the MSMEs will benefit from business support services and trainings.

The private sector is keen on supporting efforts to enable the city to attract and retain investors. More support, however, has to be done to strengthen private sector institutions in the city. An immediate step is to capacitate the local business club in operationalizing its strategy as an independent and sustainable private sector organization. Currently, the LEIPO acts as the business club's secretariat. This partnership between the city government and the private sector is beneficial in the short term; in the long run, it will be ideal for the business club to have its permanent office that will support the development of its advocacy agenda and programs to work with government and manage its membership requirements. The city government, with the private sector, should also revive the local SMED council to facilitate more venues for public-private dialogue. Furthermore, more private sector representation in other councils should be encouraged.

It will also be beneficial for city government officials and the private sector to come together and develop an economic vision that proactively supports city master planning. They also need to develop the capacities of city department heads to adopt and maintain open mindedness to support long term visioning and program implementation. Furthermore, the city will benefit from engaging the private sector in consultations on rehabilitating the operations of economic enterprises (i.e. public markets). This will ensure that the LGU maintains a transparent and competitive business environment with measures to promote competition and private sector-led and managed enterprises.

Support from other sectors such as the academe should also be harnessed to enable more coordination and linkages especially in areas related to workforce development, market linkages, support services, value chain analysis, and overall local economic development.

Figure 3. Batangas City BEE Diagnostic Result



Legend:

-  **HIGH MATURITY:** BEE is mature, key indicators are present, effectively supported and institutionalized.
-  **EMERGING MATURITY:** BEE is supported with key indicators either being addressed or undergoing reforms. Needs further guidance to ensure sustainability and institutionalization of reforms and programs.
-  **LOW MATURITY:** BEE is not sufficiently supported and key indicators are either non-existent or not institutionalized. Needs to strengthen capability to develop systems, resources and measurements to advance an agenda to strengthen the BEE.

Overall Strengths

Quality of Regulatory Environment

Executive-Legislative Coordination. Both the executive and legislative branches of the city government understand the need to proactively support an enabling regulatory environment that tries to maximize the effectiveness of regulations through efficient processes.

Compliance to national regulatory standards on ease of doing business is enabled. The city has maintained standards in adhering to national benchmarks for ease of doing business, particularly in streamlining the business permits and licensing system.

Institutional Capacity and Performance of the City Government

Core values are supported for improved personnel empowerment and contribution to overall city government performance. The city government personnel generally identify with the city's vision. They are also empowered and encouraged to take ownership of the city's success.

Quality of Investment Climate

Convergence program with the national government on several infrastructure projects are in place. Convergence programs in support of infrastructure development among national government agencies such as the Department of Public Works and Highways (DPWH), the Department of Transportation (DOTr) and the Department of Tourism (DOT) are in place mainly to support urban-rural connectivity to spur development in various localities.

Learning and Growth for key staff is supported. The city invests in capacity development of its personnel through various scholarships for graduate or advanced studies.

Quality of Public-Private Dialogue

The private sector is keen on supporting efforts to enable the city to attract and retain investors. The private sector, through various business organizations, is generally supportive and participative in the city government's programs to promote and generate more investments.

Overall Challenges

Quality of Regulatory Environment

Need to update laws such as investment code, zoning and land use ordinances. The city government needs to update several laws that will support a better business environment. This includes the investment code, zoning and land use ordinances.

Archiving and codification of laws. The city needs to support programs to archive and codify various local laws to support proactive policy-making and regulatory analysis.

Analysis of regulatory impact on cost of doing business. The city should undertake a review of the regulatory impact of key legislation affecting doing business in the city. This includes real property tax and investment incentives.

Need to communicate and disseminate information on real property tax implementation (RPT). The city government needs to be more proactive in communicating the implementation of laws such as the RPT to ensure understanding of its impact to business.

Joint Inspection Team (JIT) needs to be strengthened and coordinated. Most stakeholders also noted that reforms can be introduced to strengthen the joint inspection teams in the enforcement of city regulations especially in relation to the building code, zoning, land use, and environmental compliance, among others. Inspection teams will also benefit from better coordinated activities to avoid over-regulation. This will also lessen the burden on the private sector who have had to deal with multiple and uncoordinated inspections.

Institutional Capacity and Performance of the City Government

Absence of a long-term economic masterplan that translates the city's vision into local economic development strategy. While the city has progressively developed over the years, it currently does not have an economic master plan that provides specific determination of economic strategies, packaging of growth areas and profiling of investment activities considering rapid urban development being experienced by the city. A well-articulated economic master plan will enable the city to generate the buy-in and ownership of its vision among its stakeholders. This will also provide opportunities to engage the private sector in committing to projects and new business ventures.

E-governance practices and activities need to be improved. The city government needs to review its systems needs and requirements and adopt a standard that will govern the connection of offices particularly in data gathering and management, sharing of information and analysis of statistics. This will improve economic planning and support city profiling for investment and business promotion.

Data sharing among departments needs to be strengthened. Corollary to the need for connected offices is the need to strengthen data sharing among offices relative to updating information, knowledge sharing, and peer-to-peer interaction. The city government needs a good information-sharing program to enhance quality and service excellence. Several offices maintain substantive information that needs to be co-shared among other offices to achieve greater consistency in data processing and management. Such information is vital in institutionalizing database development linked with feedback mechanism and monitoring to determine the impact of projects and follow through on progress. The city government also needs to implement its GIS.

Policy on succession planning, and business continuity needs to be developed. The city does not support programs for succession planning and business continuity. Succession planning is essential in supporting the career growth of professionals while ensuring knowledge sharing and development. Business continuity, on the other hand, promotes risk management and safeguarding of information and resources to ensure the implementation of the city government's business plans and projects.

Inter-office coordination for business and investment promotion needs to be strengthened. The city government will benefit from better coordination between offices with functions and activities that promote and support business and investment promotion. These include BPLO, LEIPO, Negosyo Center, PESO, planning, engineering, environment, and tourism offices. Better coordination will lead to enhanced regulatory analysis and compliance while sharing expertise and knowledge.

Specialized trainings need to be regularly refreshed. The city government needs to undertake regular technical/ specialized training in areas related to feasibility studies, investment promotions, marketing, standards and automation, urban and environmental planning, quality management standards, disaster risk, reduction and management, planning and preparedness, business continuity, management of information as well as classification of business establishments (PSIC model).

Enhance operations of business services and offices for investor relations and business promotion. While the mandate and structure investment promotion office and LEIPO are defined, its activities need to be developed further. The level of capacity and expertise of personnel is high for these offices, and need to be complemented by an operational plan. It will also be beneficial for the city to have a counterpart Negosyo Center, which can be linked with the LEIPO and investment offices and PESO. The linkage will enable sharing of physical, human and financial resources to achieve greater coherence and dynamism. There should be additional training to help the current personnel develop skills in business planning, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching, and marketing. A competency-based process for hiring manpower and staff needs to be in place to support the offices' programs for investor assistance and relations.

Linkage with DTI needs to be more institutionalized. The link with DTI can also be strengthened and further institutionalized. This is important as the Negosyo Center, BPLO, LEIPO and investment offices have critical tasks of communicating and supporting investors and business operators for information, guidance and support. The city needs to capacitate its Negosyo Center

to jumpstart information sharing through an online business registry especially to strategically identified enterprises.

Quality of Investment Climate

Need for a documented economic master plan for the city. While the city government and officials have identified opportunities for further economic development and sectors of importance to the local economy, a physical document that provides a basis to the city's economic plan (different from the city development plan) is not yet published. A well-articulated economic master plan backed up with project requirements and investment opportunities will enable the city to generate the buy-in and ownership of its vision among its stakeholders. This will also provide opportunities to engage the private sector in committing to projects and new business ventures.

Absence of a long-term infrastructure masterplan. Corollary to the above, the city has yet to develop its comprehensive infrastructure master plan. This will serve as the basis for enabling growth areas and projects that can be tapped by the private sector. This results in the delay of infrastructure projects that affect connectivity to other municipalities and towns.

Traffic management plan is not well developed. Traffic is fast becoming a problem in the city and a traffic management plan is not fully in place to decongest traffic. This involves the installation of adequate traffic management infrastructure, signages, as well as training of traffic management personnel.

Coordination between city government and national government agencies on a number of programs and services needs to be strengthened. While generally supportive of each other, some improvements can be made specifically to linkages with programs and resources that are available for the city. An example would be DPWH in setting standards for climate change resiliency and infrastructure development.

Incentives for environment friendly business activities. The city has yet to develop incentives in green technology, climate resilient investment, and environment-friendly business activities.

The city needs to strengthen alignment of its programs and activities with potential partners to maximize opportunities for local economic development. The city needs to continue strengthening its linkages with existing national programs on shared services facilities, industry roadmaps, sector competitiveness, and innovation. This should encourage activities that bring in more support for MSMEs at the barangay level. Some programs have already been started but still need further support. These programs include business planning in support of value chains, cooperative development, disaster risk management and supply chain development to develop economies of scale. There is also a good opportunity to mainstream gender and development through these activities.

Quality of Public-Private Dialogue

Private sector, especially local business club needs to be strengthened. The local business club needs further support in developing their business advocacy agenda and strategy to diversify and increase membership participation. This way, they can provide the needed expertise in responding to the request of the city government for inputs and participation in critical business and economic issues. The business club also needs to institutionalize its secretariat to enable

more sustainable programs for investor assistance, building support for doing business and investment promotion in partnership with the LEIPO and Negosyo Center.

Need to strengthen outreach of city government to support local micro and small entrepreneurs. The city government needs to strengthen its outreach program to provide greater support for micro and small entrepreneurs. Flexible programs and incentives should be made available for local entrepreneurs such as legitimate vendors in the city's public markets.

Annex 2. Cagayan de Oro City BEE Assessment Findings

Cagayan de Oro City is a major transport and transshipment hub in Mindanao that has established trade and cultural linkages with other parts of the country. It serves as the regional capital of Northern Mindanao. As a major urban center, trade, commerce, tourism, agriculture, fisheries and transshipment are its major economic activities. It has a population of over 675,000 residing in 80 barangays. The city has a total land area of 578.5 square kilometers, 46 percent of which is classified as existing forestland. Total road network is 663 kilometers and 97 percent of households are energized. The city has a seaport.

In 2016, the city ranked 7th (from 6th) in the Cities and Municipalities Competitiveness Index of the National Competitiveness Council (NCC). It has more than 21,000 registered business establishments contributing to the city's over Php2.5 billion revenues (2015). With a functional literacy of 94 percent and a labor force of 387,000, the city has an employment rate of 95 percent. The city has a poverty incidence of 8 percent.

Issues on regulatory quality and efficiency, competitive investment climate (i.e. infrastructure planning, cost of doing business) and institutional capacity and governance performance were the most highlighted issues affecting the business enabling environment in the city.

Given Cagayan de Oro's strategic position as the gateway to Northern Mindanao, the stakeholders noted the need to institutionalize support offices such as the LEIPO with the strong backing/ implementation support of the private sector. This move would ensure funding and sustainability.

Most stakeholders also noted that reforms could be introduced to enable long-term infrastructure master planning as part of the overall city development plan. This includes a comprehensive inventory of the network of roads especially in growth areas, road widening and additional budgetary allocation for infrastructure projects either locally funded or through public-private partnership (PPPs). Stakeholders also view the need to look into the cost of doing business in the city due to high local taxes, rental rates and logistics. Local MSMEs also need support especially in accessing markets and linking them to the supply chains of big businesses.

Local ordinances such as zoning and sanitation should be updated to enable more opportunity for the government to implement policies that will address the city's economic growth challenges. On the other hand, the revenue code and investment incentives should be implemented in a timely manner to ensure that the city generates the needed support for its programs and activities in investment and trade promotion.

The mayor, vice mayor and councilors provided some information on the city's vision under the 8-point agenda banner program, "PRIMEHAT". The acronym stands for peace and order, revenue generation, infrastructure, metropolization, education and environment, health and hospital services, agricultural productivity and traffic, transportation and tourism. All these will enable the city to achieve its vision as the "strategic and prime development hub of the South."

Other important focus areas include the need for enhanced technical capacity and expertise to undertake urban planning for the city, particularly for the city planning, engineering, and environmental offices. Traffic is becoming a major concern for both government and private sector stakeholders and infrastructure is a critical layer in solving this issue.

In relation to business services and offices for investor relations and business support, the city needs to ensure sustainable funding for these offices. While the LEIPO structure and personnel is defined and developed under the Trade and Investment Promotion Center (TIPC), it is not fully funded with an annual budget. This limits its ability to implement programs and activities. TIPC has the potential of being an ideal investor resource hub and proactive investor support center and service provider. It has good personnel and the office is able to generate partnerships with the private sector, academe and international organizations. The city government can provide more financial support to TIPC. Its current personnel can undertake core functions such as business planning, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching, and marketing.

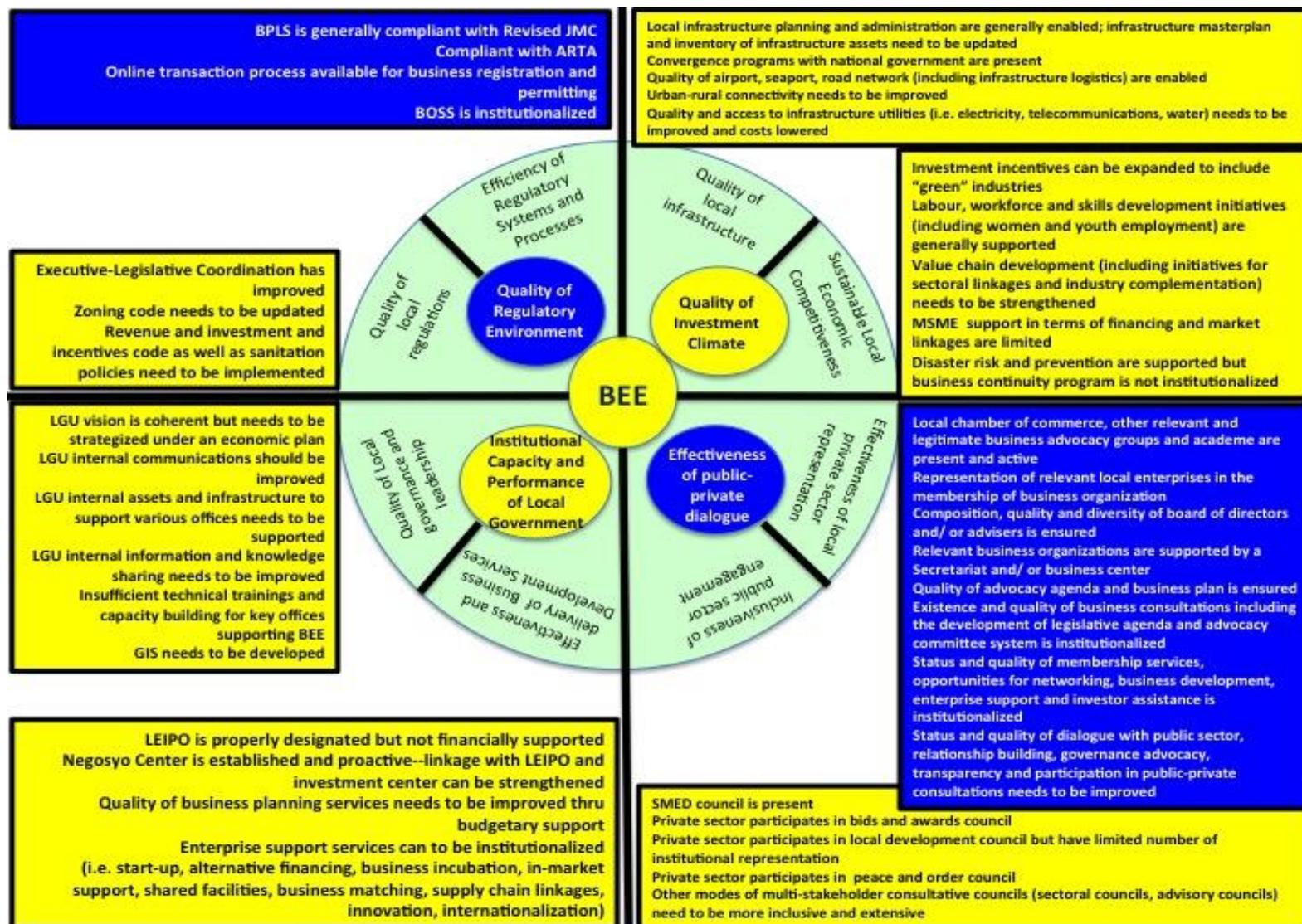
There appears to be good feedback on how the local government works with the national government offices. The city appears to be compliant with mandates of the national government in promoting a competitive business environment. There are also good opportunities for the city to work more with the DPWH, DSWD, TESDA and DOT, especially in addressing the needs of the private sector in infrastructure, workforce development and accreditation standards.

The Negosyo Center is very proactive and supportive in providing strategic interventions and programs for MSMEs. It will be beneficial for the city to strengthen its linkage with the Negosyo Center to ensure that program level assistance for MSMEs is continuously done. The city government can initiate projects to link its list of business establishments with the Negosyo Center to target specific start-ups or MSMEs. This way, the MSMEs can benefit from business support services and trainings.

The private sector is keen on supporting efforts to enable the city to attract and retain investors but a more robust and institutional consultation process needs to be organized. Thus, there is a need for a more inclusive process of private sector accreditation at the Local Development Council (LDC). It will also be beneficial for city government officials and the private sector to come together and develop an economic vision that proactively supports city master planning. They also need to develop the capacities of city department heads to adopt and maintain open mindedness to support long term visioning and program implementation. Furthermore, the city will benefit from engaging the private sector in consultations when plans are made to create economic enterprises. This will ensure that the LGU maintains transparency and ensures a competitive business environment with measures to promote competition and private sector-led and managed enterprises.

Support from other sectors such as the academe should also be harnessed to enable more coordination and linkages especially in areas related to workforce development, market linkages, support services, value chain analysis, and overall local economic development.

Figure 4. Cagayan de Oro City BEE Diagnostic Result



Legend:

-  **HIGH MATURITY:** BEE is mature, key indicators are present, effectively supported and institutionalized.
-  **EMERGING MATURITY:** BEE is supported with key indicators either being addressed or undergoing reforms. Needs further guidance to ensure sustainability and institutionalization of reforms and programs.
-  **LOW MATURITY:** BEE is not sufficiently supported are key indicators are either non-existent or not institutionalized. Needs to strengthen capability to develop systems, resources and measurements to advance an agenda to strengthen the BEE.

Overall Strengths

Quality of Regulatory Environment

Regulatory Quality is enabled by long-term land use and resiliency policies and mandates. The city currently implements long term plans and has complied with the 30 mandated plans under the Local Government Code. This includes the Gender and Development Program (GAD), the five-year Comprehensive Land Use Plan (CLUP), the three-year Comprehensive Development Plan (CDP) and others, as required by law.

Improved Executive-Legislative Coordination. Both the executive and legislative branches of the city government understand the need to proactively support an enabling regulatory environment that tries to maximize the effectiveness of regulations through efficient processes.

Compliance to national regulatory standards on ease of doing business is enabled. The city has maintained standards in adhering to national benchmarks for ease of doing business particularly in streamlining the business permits and licensing system.

Institutional Capacity and Performance of the City Government

City vision is defined under the PRIMEHAT Program. The city's vision is to be the “strategic and prime development hub of the South.” Under the 8-point agenda banner program “PRIMEHAT,” the city government listed peace and order, revenue generation, infrastructure, metropolization, education and environment, health and hospital services, agricultural productivity and traffic, transportation and tourism as essential to inclusive growth.

Capacity of city government personnel is disaster risk and prevention is enabled. The city invests in its DRRM program, personnel, infrastructure and equipment availability. The city has also deployed five early warning devices and has a mini Philippine Atmospheric Geophysical and Astronomical Services Administration (PAG-ASA) weather station. Furthermore, the City Disaster Risk and Reduction Management Office (CDRRMO) conducts barangay level trainings to expand the barangay's expertise on DRRM. The city has funds for DRRM and an incident management team to undertake documentation.

Quality of Investment Climate

Investments in the city have been increasing. There is growing interest among investors to locate to Cagayan de Oro given its recognition as one of the most business friendly and livable cities in the Philippines. Investments in real estate and property as well as in services industries such as tourism, retail, information technology and business process management are on the rise.

Convergence program with the national government on several infrastructure projects are in place. Convergence programs in support of infrastructure development among national government agencies such as the DPWH, DOTr and DOT are in place. These are mainly to support urban-rural connectivity to spur development in various localities outside of Cagayan de Oro City.

Disaster Risk and Reduction Management (DRRM) Plan is in place and consistent with national government mandate. The city is generally compliant with the national government's mandate on DRRM down to the barangay and community levels.

Quality of Public-Private Dialogue

Strong and dynamic private sector. The local private sector is strong, organized and adequately supported by a secretariat. Private sector organizations also develop an advocacy agenda that are communicated to the local government. The private sector also provides investor and business services that support the city's programs in attracting and retaining investments.

Private sector is keen on supporting efforts to enable the city to attract and retain investors. The private sector, through various business organizations, is generally supportive and participative in the city government's programs to promote and generate more investments.

Strong and proactive civil society and academe. Cagayan de Oro's academic and civil society institutions are dynamic and proactive in providing support to the LGU's planning and programming efforts. Several initiatives in local economic development and enterprise enable linkages with industries and communities. These include support for vegetable farmers, and small entrepreneurs.

Overall Challenges

Quality of Regulatory Environment

Timely implementation of regulations on enabling business environment. The city government needs to either update or implement several laws that will support a better business environment. These include the revision of the zoning code, implementation of the revenue and investment and incentives code, as well as sanitation policies. New ordinances to directly support and incentivize MSMEs are also needed.

Right-of-way issues and enforcement hinder important development projects. The city has many pressing concerns on right-of-way issues to implement its projects.

Regulations are not properly communicated to the public. The city is unable to effectively disseminate information on the status of regulations or ordinances to the public. While public

hearings are conducted to solicit inputs from various stakeholders, follow through and feedback on the status of regulations affecting business is not done regularly.

Institutional Capacity and Performance of the City Government

Absence of a long- term economic masterplan that translates the city's vision into local economic development strategy. While the city has a strong vision and framework, this is not yet translated into an actual master plan. Moreover, there are no specific economic strategies, packaging of growth areas and profiling of investment activities considering the city's rapid urban development. A well-articulated economic master plan will enable the city generate the buy-in and ownership of its vision among its stakeholders. This will also provide opportunities to engage the private sector in committing to projects and new business ventures.

Core values need to be re-oriented to support improved personnel appreciation of their contribution to overall city government performance. While the city government personnel generally identify with the city's vision, there is a need to reorient their values, empower and support their growth, and encourage them to have ownership of the city's success.

Hiring policy is not attuned to recruiting the best talent that matches competency requirements. Hiring policies need to be reviewed to attract the best talent and fill important positions especially in the frontline offices such as the investment promotion and planning offices (i.e. financial analyst, economists, project specialists).

Internal communication among departments needs to be strengthened. Corollary to the need for connected offices is the need to strengthen internal communications particularly on updating information, knowledge sharing, and peer-to-peer interaction. Departments and offices need to establish open communication lines to achieve the city's vision and share expertise. The city government also needs to have an information sharing program to enhance quality and service excellence. Several offices maintain substantive information that needs to be co-shared among other offices to achieve greater consistency in data processing and management. Such information is vital in institutionalizing database development linked with feedback mechanism and monitoring to determine the impact of projects and follow through activities. The city government also needs to implement its GIS.

Policy on succession planning, and business continuity needs to be developed. The city does not support programs for succession planning and business continuity. Succession planning is essential in supporting career growth of professionals while ensuring knowledge sharing and development. Business continuity, on the other hand, promotes risk management and safeguarding of information and resources to ensure the implementation of the city government's business plans and projects.

Inter-office coordination for business and investment promotion needs to be strengthened. The city government will benefit from better coordination between offices with functions and activities that promote and support business and investment promotion. These include BPLO, LEIPO, Negosyo Center, PESO, planning, engineering, environment, and tourism offices. Better coordination will lead to enhanced regulatory analysis and compliance while sharing expertise and knowledge.

Specialized trainings are not institutionalized. The city government does not have a training plan for personnel to undertake technical/ specialized training in areas related to feasibility studies, investment promotions, marketing, standards and automation, urban and environmental planning,

quality management standards, disaster risk, reduction and management, planning and preparedness, business continuity, management of information as well as classification of business establishments (PSIC model).

Budget for business services and offices for investor relations and business promotion should be institutionalized. While the mandate and structure of the investment promotion office and LEIPO are defined, its operating budget is not available. This limits the ability of the offices to implement its work plan. The level of capacity and expertise of personnel is high for these offices. This has to be complemented by an operational plan that is financially supported and sustained. It will also be beneficial for the city to have a counterpart Negosyo Center which can be linked with the LEIPO and investment offices and PESO. The linkage will enable sharing of physical, human and financial resources to achieve greater coherence and dynamism. There should be additional training to help the current personnel develop their skills in business planning, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching, and marketing. A competency-based process for hiring manpower and staff needs to be in place to support the offices' programs for investor assistance and relations.

Linkage with DTI needs to be more institutionalized. The link with DTI can also be strengthened and further institutionalized. This is important as the Negosyo Center, BPLO, LEIPO and investment offices have critical tasks of communicating and supporting investors and business operators for information, guidance and support. Since the Negosyo Center is not located in the city hall, more coordination can be made through information sharing through an online business registry especially to strategically identified enterprises.

Quality of Investment Climate

Absence of a documented economic master plan for the city. While the city government and officials have identified new growth areas and sectors of importance to the local economy, a physical document that provides the basis to the city's economic plan (different from the city development plan) is not yet published. A well-articulated economic masterplan backed up with project requirements and investment opportunities will enable the city to generate the buy-in and ownership of its vision among its stakeholders. This will also provide opportunities to engage the private sector in committing to projects and new business ventures.

Absence of a long-term infrastructure masterplan. Corollary to the above, the city has yet to develop its comprehensive infrastructure masterplan. This will serve as the basis for enabling growth areas and projects that can be tapped by the private sector. This results in the delay of infrastructure projects that affect connectivity to other municipalities and towns.

Inventory of local infrastructure such as roads is not properly supported. The city does not follow consistent guidelines in undertaking an infrastructure inventory. Therefore, local infrastructure needs are not properly assessed and addressed. Examples of these are limited and uneven distribution of sidewalks, road widening, and drainage, among others.

No incentives for environment friendly business activities. The city has yet to develop incentives in green building. But there is a proposed ordinance under the water code to promote green technology through rain water harvesting and green energy source for water distribution management.

Traffic management plan is not well developed. Traffic is fast becoming a problem in the city and a traffic management plan is not fully in place to decongest traffic. This involves the installation of adequate traffic management infrastructure, signages, as well as training of traffic management personnel.

Coordination between city government and national government agencies on a number of programs and services needs to be strengthened. While generally supportive of each other, some improvements can be made specifically to linkages with programs and resources that are available for the city, such as DPWH. Currently, the city has yet to release its 10 percent counterpart share for a DPWH farm-to-market road due to the delayed approval by the city council. The total value of this project is P50 million.

City is not proactive in aligning its programs and activities with potential partners to maximize opportunities for local economic development. The city needs to be proactive in seeking opportunities given existing national programs on shared services facilities, industry roadmaps, sector competitiveness, and innovation to support activities that bring in more support for MSMEs at the barangay level. Some programs have already been started but still need further support. These include community-based tourism, workforce development, business planning in support of value chains, cooperative development, disaster risk management and supply chain development to develop economies of scale. There is also a good opportunity to mainstream gender and development through these activities.

Quality of Public-Private Dialogue

The LDC representation is limited and does not meet regularly. It is important for the city to review its structure for public-private dialogue to ensure inclusiveness of institutional private sector bodies in its structure. Support from other sectors such as the academe should also be strengthened to enable more coordination and linkages especially in areas related to workforce development, market linkages, value chain analysis and overall local economic development.

Annex 3. Iloilo City BEE Assessment Findings

Iloilo City is Iloilo's capital city and its major urban center. Its services namely, wholesale, property and real estate, and retail trade are its major economic drivers. It has a population of over 448,000 residing in 180 barangays. The city has a total land area of 7,843 hectares, 57 percent of which is classified as residential with the remaining land fit for agriculture, commercial, industrial, institutional and planned unit development. The total road network is 141 square kilometers and 90 percent of households are energized. The city has three seaports.

In 2016, the city ranked 16th (from 7th in 2015) in the Cities and Municipalities Competitiveness Index of the National Competitiveness Council (NCC). It has 7,000 registered business establishments contributing to the city's over P1.8 billion revenues in 2015. With a functional literacy of 95 percent (Department of Education) and a labor force of 246,000, the city has an employment rate of 95 percent (Philippine Statistics Authority, 2016). The city has a poverty incidence of 6 percent.

Institutional capacity and sustaining competitive local investment climate (i.e. infrastructure, cost of utilities, support for MSMEs) were the most highlighted issues affecting the business-enabling environment in the city. Given Iloilo's position as an emerging investment destination in the country, stakeholders noted the need to institutionalize support offices such as the LEIPO, Negosyo Center to provide services to upcoming locators and existing investors. They also mentioned the need to harmonize the functions of the investment board, as well as the business and industry council to promote and sustain investments in the city.

The quality of business services and offices for investor relations and business support needs further enhancements. Investment promotion offices, such as the LEIPO need to be strengthened with physical, human and financial resources to achieve greater coherence and dynamism. More training can also be made to help the current personnel achieve competence in business planning, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching and marketing. A competency-based process for hiring manpower and staff needs to be in place to support the offices' programs for investor assistance and relations.

Stakeholders also mentioned the need for more institutionalized programs to help MSMEs obtain market linkages. Most stakeholders noted that reforms can also be introduced to strengthen the joint inspection teams and enforce city regulations especially in relation to the building code, zoning, land use, environmental compliance, among others. City government offices will also benefit from better coordinated activities to avoid over-lapping regulations. This will lessen the burden on the private sector who have had to deal with uncoordinated implementation of policies and guidelines.

The vice mayor and councilors provided a very good background of the city's vision, emerging policies and activities to encourage more investors. These include among others, the revision of the revenue code, the updating of the investment incentives and plans for MSME support to enable market linkages, support for tourism especially, strengthening meetings, incentives, conferences and exhibitions (MICE). It also includes activities, especially in promoting tourism circuits and destination marketing.

Some missing links that need to be addressed include an infrastructure masterplan, guidelines for infrastructure standards and priorities for infrastructure rehabilitation and maintenance as well

as enhanced expertise for the team that undertakes master planning for the city. Traffic has become a major concern for both government and private sector stakeholders and infrastructure upgrading is a critical layer in solving this issue. Other infrastructure-related concerns include water supply, high cost of power, sewage rehabilitation and waste management system.

The planning and environmental offices can provide critical support in enhancing the city's environment for investments and quality of services and enforcement of policies. There is a lot of potential for these offices to take off in the future with proper guidance and support, especially in developing the skills and competency of the personnel. There is also a need among offices to regularly share information. Several offices maintain good information that needs to be co-shared among other offices to achieve greater consistency in data processing and management. Such information is vital in institutionalizing database development linked with feedback mechanism and monitoring to determine the impact of projects and follow through on their progress.

An important feature of the city's efforts to strengthen its feedback mechanism is the establishment of a customer care service center. The center provides a central repository in addressing customer complaints related to the delivery of services. It also includes feedback on the actions taken for any delay in transacting with the city government. Some improvements that can maximize the efforts of the center is the use of technology, specifically a Client Relationship Management System (CRMS) which can be linked with key offices of the city government. This will enable the city government to track its relationship and transactions with its stakeholders; provide a database of solutions; and share progress of activities to promote good governance that support business development and service excellence.

There appears to be good feedback on how the local government works with the national government offices. The city appears to be compliant to mandates of the national government in promoting a competitive business environment. While generally supportive of each other, some improvements can be made on linkages with programs and resources that are available to the city. To name a few, there are projects with TESDA and DOLE, that aim to support critical skills development for employment. The role of PESO is integral in providing a support and link to both the labor and business communities in the city to address employment mismatch and institutionalize workforce development programs.

There are also good opportunities for the city to work with the DPWH, DENR and DILG in enabling further regulatory reforms and improving standards in areas such as infrastructure planning, rehabilitation and maintenance, coherence in communicating environmental policies, undertaking joint inspections and enforcement of regulations.

The link with the DTI can also be strengthened and further institutionalized. This is important as the Negosyo Center as well as the LEIPO and investment offices have critical tasks of communicating and supporting investors and business operators for information, guidance and support. While the DTI is already providing the necessary equipment to operationalize the Negosyo Center, the city government needs to provide the space and institutional support for the center.

The city will further benefit from linking its local projects and open opportunities for collaboration given existing national programs on shared services facilities, industry roadmaps, sector competitiveness, and innovation to support activities that bring in more participation at the barangay level. Some programs have already been started but still needs further support. These include community-based tourism, workforce development, business planning in support of value chains, product development, disaster risk management, business continuity and business

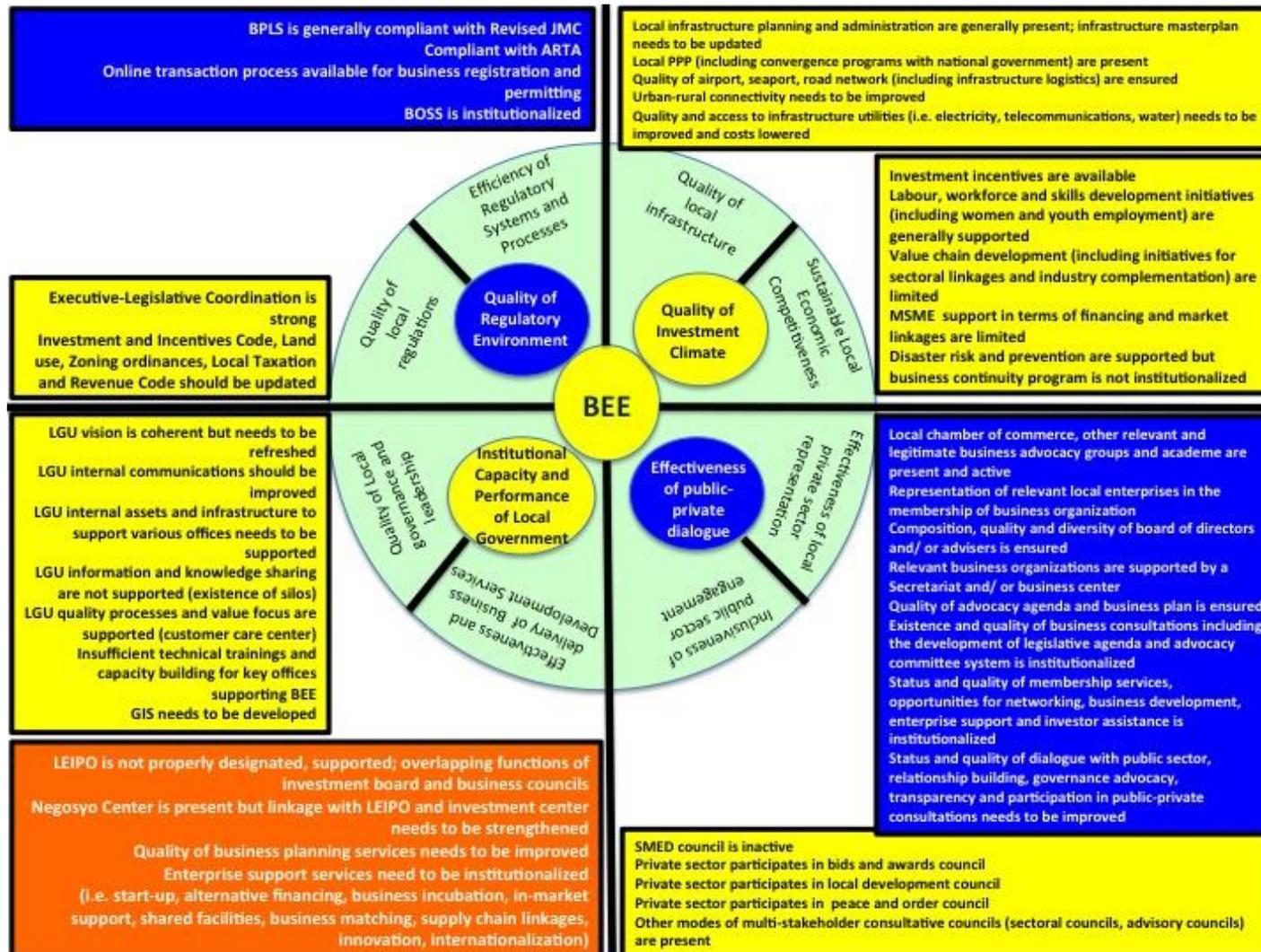
recovery, and supply chain development to develop economies of scale. There is also a good opportunity to mainstream gender and development through these activities.

The private sector is keen on supporting efforts to enable the city to attract and retain investors but a more robust and institutional consultation process needs to be organized. As an added exercise during the assessment, the private sector proactively undertook a visioning exercise to re-imagine and scale up the city's current vision post-performance governance system (PGS). The private sector determined critical issues through the visioning exercise. Key proposals to support business advocacy of the business groups were also highlighted. A key outcome of the discussion is for the private sector to convene a meeting with the city government and vice versa to finalize the city's updated vision.

Public-private dialogue is strong mainly due to the presence of organized private sector organizations. But an immediate step to further enhance the feedback mechanism is to enable an active SMED council in the city. The private sector, with the support of DTI, can strengthen the SMED council as this provides a solid mandate for public-private consultations at the city level and addresses the needs and issues of the business community.

It will also be helpful for the city to review its policy that created the investment board, business and trade council to ensure coherence and clear functions to support institutional programs in investment and business development activities. Support from other sectors such as the academe should also be harnessed to enable more coordination and linkages especially in areas related to workforce development, market linkages, value chain analysis and overall local economic development.

Figure 5. Iloilo City BEE Diagnostic Result



Legend:

-  **HIGH MATURITY:** BEE is mature, key indicators are present, effectively supported and institutionalized.
-  **EMERGING MATURITY:** BEE is supported with key indicators either being addressed or undergoing reforms. Needs further guidance to ensure sustainability and institutionalization of reforms and programs.
-  **LOW MATURITY:** BEE is not sufficiently supported and key indicators are either non-existent or not institutionalized. Needs to strengthen capability to develop systems, resources and measurements to advance an agenda to strengthen the BEE.

Overall Strengths

Quality of Regulatory Environment

Strong Executive-Legislative Coordination. Both the executive and legislative branches of the city government understand the need to proactively support an enabling regulatory environment through an executive-legislative agenda.

Compliance to national regulatory standards on ease of doing business is enabled. The city has maintained standards in adhering to national benchmarks for ease of doing business particularly in streamlining the business permits and licensing system. These include an online business registration, a single electronic signature, two steps for new permits and three steps for renewal of permits.

Institutional Capacity and Performance of the City Government

Premier City Status. The city is a PGS institutionalized city having achieved Hall of Fame status of Institute for Solidarity in Asia (ISA's) Balanced Scorecard Program. This has enabled the city to develop adequate measures to support its vision as a "premier city."

Quality and value focus, and customer orientation and feedback mechanism are being institutionalized. An important feature of the city's efforts to strengthen its feedback mechanism is the establishment of a customer care service center. The center provides a central repository of addressing customer complaints related to the delivery of services. The center provides feedback on the progress of actions taken for any delay in transacting with the city government.

Quality of Investment Climate

Recognition of Iloilo city as a premier city. The city is recognized as a premier city following the realization of its vision when it institutionalized its PGS. The city is also recognized as one the most livable cities in the Philippines and one of the top destinations for meetings, conventions and exhibitions. It successfully hosted the Asia Pacific Economic Cooperation (APEC) ministerial meetings in 2015.

Investments in the city have been increasing. There is growing interest among investors to locate to Iloilo given its recognition as one of the most business friendly and livable cities in the Philippines. Investments have been on the rise reaching Php150 billion according to city government data. Investments in real estate and property as well as in services such as tourism, retail, information technology and business process management are also on the rise.

Business investors are impressed by the overall cleanliness of the city. Investors have recognized the city's government's efforts in leading a city-wide cleanliness campaign starting with the rehabilitation of the Iloilo River as well as walkable sidewalks and pedestrian paths.

Convergence program with the national government on several infrastructure projects are in place. Convergence programs in support of infrastructure development among national government agencies such as the DPWH, DOTr and DOT are in place. This is to support urban-rural connectivity to spur development in various localities.

Quality of Public-Private Dialogue

Strong and dynamic private sector. The local private sector is strong, organized and adequately supported by a secretariat. Private sector organizations also develop an advocacy agenda that are communicated to the local government. The private sector also provides investor and business services that support the city's programs in attracting and retaining investments.

Private sector is keen on supporting efforts to enable the city attract and retain investors. The private sector, through various business organizations, is generally supportive and participative in the city government's programs to promote and generate more investments.

Strong and proactive academe. Iloilo's academic institutions are dynamic and proactive in providing support to the LGU's planning and programming efforts. Several initiatives in local economic development and enterprise support can further be strengthened with the academe to enable linkages with industries and achieve sustainability. These include training programs for LGU personnel to expand expertise in urban and business planning, economic forecasting and research, as well as enterprise development programs such as business incubation, product development, and marketing.

Overall Challenges

Quality of Regulatory Environment

Some laws or regulations in enabling ease of doing business needs to be updated. The city government needs to update several laws to support a better business environment. These include the investment code, citizen's charter, revenue code, BPLO and land use ordinances. New ordinances to directly support and incentivize MSMEs, enable geo-hazard planning and safety in construction are also needed.

Lack of baseline data/ Information on regulatory impact. The city government does not undertake regular monitoring on the impact of regulations on business to assess relevance, timeliness and challenges affecting business. Also, it does not identify measures for regulatory improvement.

Enforcement of regulations (i.e. zoning, environment, land use, property rights) needs to be strengthened. The city also has problems in enforcing key regulations related to proper monitoring of business establishments such as zoning and land use, among others.

Joint Inspection Team (JIT) needs to be strengthened and coordinated. Most stakeholders also noted that reforms can also be introduced to strengthen the joint inspection teams in the enforcement of city regulations especially in relation to the building code, zoning, land use, environmental compliance, among others. Further to this, the city can enhance its mechanism to achieve a shorter waiting time by adopting conditional approval for business permits to 15 to 30 days rather than six to 12 months. Inspection teams will also benefit from better coordinated activities to avoid over-regulation. This will lessen the burden on the private sector who have had to go through multiple and uncoordinated inspections.

Strengthen regulation on public transportation to enable road safety governance and incentivize mass transport and inter-modal facilities. The city can work on enabling regulations that will standardize transport programs and attract more investments in mass transportation and intermodal facilities.

Institutional Capacity and Performance of the City Government

Perceived security concerns and “narco image problem” of the city undermine local leadership. Current security concerns in relation to the national government’s anti-drug campaign undermines the image of the city as a premier city. It also undermines the credibility of city officials in undertaking significant governance reforms.

The quality of business services and offices for investor relations and business support needs further improvement. The offices for investment promotion and LEIPO are not institutionalized and their functions are not defined. The personnel in these offices are mostly seconded from other offices and skills are not adequately supported to ensure responsiveness to the needs of targeted investors and business clients. Furthermore, the LEIPO and investment offices need to be linked with the Negosyo Center, including PESO. The linkage will enable sharing of physical, human and financial resources to achieve greater coherence and dynamism. There has to be more training to help the current personnel achieve competence in business planning, investment targeting, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching, marketing, and monitoring. A competency-based process for hiring manpower and staff needs to be in place to support the offices' programs for investor assistance and relations.

Operations and functions of investment-related offices need to be harmonized. There are several offices such as the investment board, business and trade council to undertake investment planning, targeting, incentives development and promotions. These offices, however, are not linked with LEIPO in terms of common programs and support. Ensuring coherence and clear functions to support institutional programs in investment and business development activities will benefit the city’s overall investment thrust.

Sharing of knowledge and technical capacity of staff needs to be improved. Sharing of knowledge among technical offices and teams need to be improved to support greater capacity in areas related to feasibility studies, investment promotions, marketing, zoning standards, automation, urban and environmental planning, quality management standards, disaster risk, reduction and management, planning and preparedness, business continuity, management of information as well as classification of business establishments (PSIC model).

E-governance practices and activities can be enhanced. The city government needs to review its systems needs and requirements and adopt a standard that will govern the connection of offices particularly in data gathering and management, sharing of information and analysis of statistics. This will improve economic planning as well as support city profiling for investment and business promotion.

Internal communication and coordination among departments needs to be strengthened. Corollary to the need for connected offices is the need to strengthen internal communications among offices in updating information, knowledge sharing and peer-to-peer interaction. Departments and offices need to establish open communication lines to achieve the city's vision and share expertise. The city government also needs to address silos among various offices that hinder information sharing which is substantial to enhance quality and service excellence. Several offices maintain good information that needs to be co-shared among other offices to achieve greater consistency in data processing and management. Such information is vital in institutionalizing database development linked with feedback mechanism and monitoring to determine impact of projects and follow through on their progress.

Hiring policy is not attuned to recruiting the best talent that matches competency requirements. Hiring policies need to be reviewed to attract the best talent and fill in important positions especially in the frontline offices such as the investment promotion and planning offices (i.e. investment specialists, economists, project specialists, engineers).

Business continuity program needs to be developed. The city does not support programs for business continuity. Business continuity, on the other hand, promotes risk management and safeguarding of information and resources to effectively ensure the implementation of the city government's business plans and projects.

Internal physical assets and resources need to be augmented to support development of personnel and efficiency of business services. Physical assets such as office equipment and vehicles, among others need to be augmented to support the activities of the personnel especially in undertaking business-related tasks such as data gathering, analysis and inspections. Providing additional resources for these internal assets will ensure better personnel performance and responsiveness in undertaking business services.

Inter-office coordination for business and investment promotion needs to be strengthened. The city government will benefit from better coordination between offices with functions and activities that promote and support business and investment promotion. These include BPLO, LEIPO, Negosyo Center, PESO, planning, engineering, environment, and tourism offices. Better coordination will lead to enhanced regulatory analysis and compliance while sharing expertise and knowledge.

Linkage with DTI needs to be more institutionalized. The link with DTI can also be strengthened and further institutionalized. This is important as the Negosyo Center, LEIPO and investment offices have critical tasks of communicating and supporting investors and business operators for information, guidance and support.

Quality of Investment Climate

Urban and rural connectivity is needed to enhance Iloilo's gateway status. The city needs to strengthen linkages with LGUs to enhance its competitiveness as a gateway city and support the Metro Iloilo development cluster.

The city's infrastructure plan is limited to a drainage master plan. The city has yet to develop its comprehensive and integrated infrastructure master plan, which will serve as the basis for enabling growth areas, and investment projects that can be tapped by the private sector.

Quality of water distribution infrastructure is poor. Households maintain their deep well, (over-pumping of water bulk suppliers and consumers may result to salt water intrusion of fresh water resources). During extreme weather conditions such as El Nino, water for domestic use is normally sourced from bulk water suppliers. The water crisis should be addressed because water is vital to ensuring the competitiveness of various industries.

Weak manufacturing industry. The city does not have a strong manufacturing industry that can add value to the city's economic and sectoral activities. Furthermore, the city does not have a specific program to support industrial development where business incubation and MSME development can be supported. A weak manufacturing industry is a risk for the city especially in sustaining opportunities for employment, innovation and competitiveness.

Local investment incentives are not progressively updated to support MSMEs and green industries or environment-friendly projects. While the city has an investment incentives program, it is not proactively updated to support MSMEs and emerging industries such as "green" industries, as well as alternative and renewable energy.

High cost of electricity. Electricity in Iloilo City is one of the most expensive in the Philippines. Power cost remains a big problem especially in attracting more investors to the city. There is a need to look into alternative sources such as renewable energy.

Air quality standard is deteriorating due to dust particles and traffic pollution. More programs to enforce environmental laws and address air pollution should be done.

Limited supply of professionals in the labor market to support industry needs. While the city is known as one of the education centers in the Visayas, it is experiencing a brain drain. This affects the hiring of qualified professionals to support the emerging HR needs of various companies.

Guidelines for local infrastructure standards, and programs for infrastructure rehabilitation and maintenance need to be updated. The city needs to update its guidelines for infrastructure standards to guide infrastructure rehabilitation and maintenance. This will improve monitoring and enforcement of infrastructure programs such as safety, scheduling, and working signages.

Traffic management plan needs to be enhanced. Traffic is a problem in the city and traffic management plans need to be enforced.

Insufficient water and energy supply. The city is experiencing insufficient water supply as well as electricity. These are important indicators of a functional and competitive investment climate that needs urgent attention given the increasing uptake of tourism and investment activities in the city.

The city needs to proactively align its programs and activities with potential partners to maximize opportunities for local economic development. The city needs to be proactive in seeking opportunities given existing national programs on shared services facilities, industry roadmaps, sector competitiveness, and innovation to support activities that bring in more support for MSMEs at the barangay level. Some programs have already been started but still need further support. These include community based tourism, workforce development, business planning in support of value chains, cooperative development, disaster risk management and supply chain development to develop economies of scale. There is also a good opportunity to mainstream gender and development through these activities.

Quality of Public-Private Dialogue

Institutional private sector participation should be ensured. It is important for the city to review its structure for public-private dialogue to ensure inclusiveness of institutional private sector bodies in its structure. Support from other sectors such as the academe should also be strengthened to enable more coordination and linkages especially in areas related to workforce development, market linkages, value chain analysis and overall local economic development.

Local SMED Council is inactive. One important venue for private sector leadership in advocating support for MSMEs is the SMED council as provided in the Magna Carta for MSMEs. This forum, however, is not fully supported by the city. The private sector, with the support of DTI, should support the activation of the SMED council as this provides a solid mandate for public-private consultations at the city level and addresses the needs of the business community.

Annex 4. Puerto Princesa City BEE Assessment Findings

Puerto Princesa is Palawan's capital city and its major urban center—with agriculture, fisheries, trade and commerce as its major economic activities. It has a population of over 250,000 residing in 66 barangays. The city has a total land area of 219,000 hectares, 76 percent of which is classified as forestland with a potential urban land of 16 percent. Total road network is 1,458 square kilometers and 84 percent of households are energized. The city has an airport and a seaport.

In 2016, the city ranked 45th (from 89th) in the Cities and Municipalities Competitiveness Index of the National Competitiveness Council (NCC). It has nearly 6,000 registered business establishments contributing to the city's over P1 billion revenues in 2015. With a functional literacy of 98 percent and a labor force of 73,191, the city has an employment rate of 93 percent. The city has a poverty incidence of 17 percent.

Issues on regulatory coherence and consistency, as well as efforts to achieve a more streamlined business process especially in enabling the city to promote efficiency in the licensing and permitting side, were highlighted in the BEE assessment. Given the forthcoming reforms in the business permits and licensing system (BPLS), stakeholders consistently noted the need for a more strengthened and institutionalized Business One Stop Shop (BOSS) that can integrate BPLS activities with that of business and investment promotion and assist micro, small and medium enterprises (MSMEs). Most stakeholders noted that reforms can also be introduced to strengthen the joint inspection teams (JIT) and enforce city regulations especially in relation to the building code, zoning, land use, environmental compliance, among others. Inspection teams will also benefit from better coordinated activities to avoid over-regulation. This will lessen the burden on the private sector for multiple and uncoordinated inspections.

The mayor, vice mayor and councilors provided a very good background of the city's vision, emerging policies and activities to encourage more investors. These include, among others, the revision of the revenue code, updating of the investment incentives and plans for agribusiness, tourism circuits and infrastructure connectivity.

The opening of the new airport is vital and critical to the future of the city's investment climate. Some missing links, however, need to be addressed. These include among others, an infrastructure masterplan, guidelines for infrastructure standards and priorities for infrastructure rehabilitation and maintenance as well as enhanced expertise of personnel that undertake master planning for the city. Traffic has become a major concern for both the government and private sector stakeholders and infrastructure is a critical layer in solving this issue. Other infrastructure-related concerns include inadequate water supply, sewage and waste management system and electricity.

The quality of business services and offices for investor relations and business support also needs further enhancements. For one, the offices for investment promotion, LEIPO, Negosyo Center and the Public Employment Service Office (PESO) need to be linked and augmented with physical, human and financial resources to achieve greater coherence and dynamism. There should be more training to help the current personnel achieve competence in business planning, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching, and marketing. A

competency-based process for hiring manpower and staff needs to be in place to support the offices' long term programs for investor assistance and relations.

The planning and environmental offices are also critical champions in supporting a more dynamic environment for investments and quality of services and enforcement of policies. There is a lot of potential for these offices to take off in the future with proper guidance and support especially in developing the skills and competency of the personnel. There is also an interesting dynamic among offices in relation to generating data, managing and sharing of information. Several offices maintain good information that needs to be co-shared with other offices to achieve greater consistency in data mining, reporting and measurement of results. Such information is vital in institutionalizing database development linked with feedback mechanism and monitoring to determine impact of projects and follow through on their progress.

There appears to be good feedback on how the local government works with the national government offices. The city appears to be compliant (sans current BPLS process that needs further streamlining) to mandates of the national government (i.e. Anti-Red Tape Act or ARTA) in promoting a competitive business environment. While generally supportive of each other, some improvements can be made on linkages with programs and resources that are available for the city. To name a few, there are projects with the Technical Education and Skills Development Authority (TESDA), Department of Labor and Employment (DOLE), Department of Social Welfare and Development (DSWD) that aim to support and link the beneficiaries of the Conditional Cash Transfer (CCT) to enable them to develop critical skills for employment. The role of PESO is integral in providing support and link to both the labor and business communities in the city. This should also address employment mismatch and institutionalize workforce development programs.

There are also good opportunities for the city to work with Department of Public Works and Highways (DPWH), Department of Environment and Natural Resources (DENR) and Department of the Interior and Local Government (DILG). This will enable further regulatory reforms and improving standards in areas such as infrastructure planning, rehabilitation and maintenance, coherence in communicating environmental policies and regulations to the business community as well as joint inspections and enforcement of regulations.

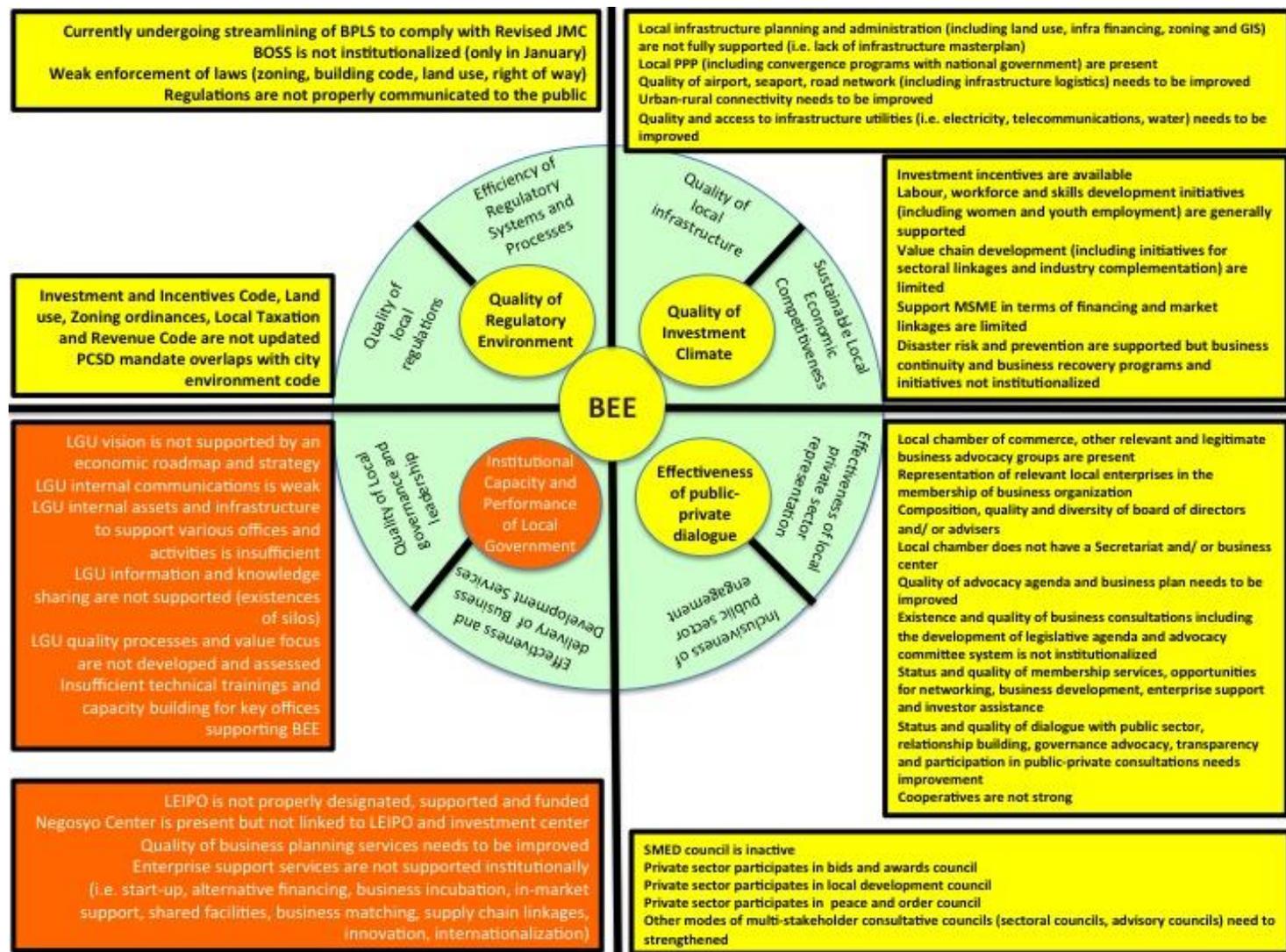
The link with the Department of Trade and Industry (DTI) can also be strengthened and further institutionalized. This is important as the Negosyo Center and LEIPO have critical tasks of communicating and supporting investors and business operators for information, guidance and business support. Currently, there appears to be a mismatch between what the DTI provides as support to the city versus the actual needs of the city particularly for specific programs on investment promotion and business services. The DTI acknowledged that this will evolve once the BOSS is fully operational. Examples of these are the outdated training materials that the DTI provided to the Negosyo Center that did not match the city's strategy and vision on livelihood opportunities.

The city also needs to be proactive in seeking opportunities given existing national programs on shared services facilities, industry roadmaps, sector competitiveness, and innovation to support activities that bring in more participation at the barangay level. Some programs have already been started but still needs further support. These include community-based tourism, workforce development, business planning in support of value chains, cooperative development, disaster risk management and supply chain development. There is also a good opportunity to mainstream gender and development through these activities.

The private sector is keen on supporting efforts to enable the city to attract and retain investors but a more robust and institutional consultation process needs to be organized. The private sector, especially the Chambers of Commerce, needs to be strengthened in terms of developing their business advocacy agenda and long term strategy to attract and retain members. This way, they can provide the needed expertise in responding to the request of the city government for inputs and participation in critical business and economic issues.

An immediate step is to reconstitute the city Small Medium Enterprise Development (SMED) council. The private sector, with the support of DTI, should work toward activating the SMED council as this provides a solid mandate for public-private consultations at the city level especially in addressing the needs of the issues of the business community. It will also be helpful for the city to review its policy that created the investment board to ensure inclusiveness of institutional bodies such as the Chamber of Commerce in its structure. Support from other sectors such as the academe can also be strengthened to enable more coordination and linkages especially in areas related to workforce development, market linkages, value chain analysis and overall local economic development.

Figure 6. Puerto Princesa City BEE Diagnostic Result



Legend:

-  **HIGH MATURITY:** BEE is mature, key indicators are present, effectively supported and institutionalized.
-  **EMERGING MATURITY:** BEE is supported with key indicators either being addressed or undergoing reforms. Needs further guidance to ensure sustainability and institutionalization of reforms and programs.
-  **LOW MATURITY:** BEE is not sufficiently supported and key indicators are either non-existent or not institutionalized. Needs to strengthen capability to develop systems, resources and measurements to advance an agenda to strengthen the BEE.

Overall Strengths

Quality of Regulatory Environment

Strong Executive-Legislative Coordination. Both the executive and legislative branches of the city government understand the need to proactively support an enabling regulatory environment that tries to maximize the effectiveness of regulations through efficient processes. This can be summed up in the willingness of the city government to undertake significant reforms in its business permitting and licensing system (BPLS) to reduce steps and improve its efficiency in servicing its clients. Reforms are expected in automation, simplification and e-payments. Another positive development that will be a good benchmark for future regulatory practices is the opportunity for the city to undertake a regulatory impact assessment. This was conveyed in the meeting with one of the city councilors.

Institutional Capacity and Performance of the City Government

City vision is updated, relevant and holistic. As embodied in its city development plan (CDP) the city envisions being “a model city in sustainable development, exhibiting the character of a city in a forest and demonstrating the proper balance between development and environment.” This is relevant in accordance with the perspective of various stakeholders as well as the city’s critical resources.

Quality of Investment Climate

New international airport enables the city achieve important gateway status. The development of an international airport in the city has signaled the city’s importance as a gateway for investment, tourism and trade. This will play a critical role in the investment climate of the Puerto Princesa.

Local Public-Private Partnership (PPP) (Project on “waste to power”) in place. Other PPPs are on waste management, power generation, addressing pollution and environmental pollution, and water supply.

Convergence program with the national government on several infrastructure projects are in place. Convergence programs in support of infrastructure developing among national government agencies such as the DPWH, Department of Transport (DOTr) and Department of Tourism (DOT) are in place mainly to support urban-rural connectivity to spur development in various localities outside of Puerto Princesa.

Disaster Risk and Reduction Management (DRRM) Plan is in place and consistent with national government mandate. The city is generally compliant with the national government's mandate on DRRM down to the barangay and community levels.

Quality of Public-Private Dialogue

Public-private partnership dialogue mechanism is present. The city government provides venues for participation for the private sector through various forums and initiatives such as local development council, bids and awards, and peace and order. Other channels for dialogue such as regular meetings and consultations with the mayor and other officials of the city government are available.

Private sector is keen on supporting efforts to enable the city attract and retain investors. The private sector, through the Chamber of Commerce, is generally supportive of the city government's programs to promote and generate more investments.

Overall Challenges

Quality of Regulatory Environment

Outdated laws or regulations in enabling business environment. The city government needs to update several laws that will support a better business environment. These include the BPLO (enacted in 1989) that mandates and supports the enhancement of business processes, inspection, and monitoring, as well as the investment code, revenue code and zoning ordinances. New ordinances to directly support and incentivize MSMEs are also needed.

Conflicting national and local regulations overburden the business community. A key concern in the city is the conflicting enforcement of regulatory standards between nationally legislated laws with local ordinances. A particular concern raised by stakeholders is the power vested on the Palawan Council for Sustainable Development (PCSD), which is a nationally mandated agency in charge of implementing specific environmental policies within the province. The operations and policies of PCSD, in effect, override certain provisions of the local environmental code. This creates confusion among stakeholders especially in securing environmental permits and undertaking regulatory compliance.

Year-round Business One Stop Shop (BOSS) is not institutionalized. While the city government is forthcoming in its initiatives to streamline the BPLS, stakeholders consistently note the need for a more strengthened and institutionalized BOSS linked with BPLS activities as well as business and investment promotion and assistance for MSMEs. Currently, the BOSS operates on a limited number of days (only in January) to cater to the influx of business permit renewals. Furthermore,

current BOSS operations do not integrate specific support for business and investment assistance and regulatory information.

Weak enforcement of regulations (i.e. zoning, environment, land use, property rights). The city also has problems in enforcing key regulations related to proper monitoring of business establishments such as zoning and land use, among others. This is a result of weak coordination among departments and offices in sharing information as well as limited personnel to undertake enforcement functions.

Right-of-way issues and enforcement hinder important development projects. The city has pressing concerns on right-of-way issues to implement its projects.

Monitoring of effectiveness of regulations is not mainstreamed in the planning and reporting cycle. Pocket conversions are affecting the integrity of the Comprehensive Land Use Plan (CLUP) and create inconsistencies with the city's development plans. Part of the reason is the lack of effective monitoring when plans are developed and implemented. This also results from the weak regulatory enforcement by the various offices.

Joint Inspection Team (JIT) needs to be strengthened and coordinated. Most stakeholders also noted that reforms can be introduced to strengthen the joint inspection teams in the enforcement of city regulations especially in relation to the building code, zoning, land use, environmental compliance, among others. Inspection teams will also benefit from better coordinated to avoid over-regulation. This will lessen the burden on the private sector for multiple and uncoordinated inspections.

Regulations are not properly communicated to the public. The city is unable to effectively disseminate information on the status of regulations or ordinances to the public. While public hearings are conducted to solicit inputs from various stakeholders, follow through and feedback on the status of regulations affecting the business is not done regularly.

Institutional Capacity and Performance of the City Government

Absence of a long-term economic masterplan that translates the city's vision into local economic development strategy. While the city has a strong vision, this has not yet translated into an actual master plan. There are no specific economic strategies, packaging of growth areas and profiling of investment activities considering the city's rapid urban. A well-articulated economic master plan will enable the city to generate the buy-in and ownership of its vision among its stakeholders as well as opportunities to engage private sector in committing to projects and new business ventures.

Core values need to be re-oriented to support improved personnel appreciation of their contribution to overall city government performance. While the city government personnel generally identify with the city's vision, there is a need to re-orient their values, empower and support their growth, and encourage ownership of the city's success.

Hiring policy is not attuned to recruiting the best talent that matches competency requirements. Hiring policies need to be reviewed to attract the best talent and fill important positions especially in the frontline offices such as the investment promotion and planning offices (i.e. financial analyst, economists, project specialists).

E-governance practices and activities need to be improved. The city government needs to review its systems needs and requirements and adopt a standard that will govern the connection of offices particularly in data gathering and management, sharing of information and analysis of statistics. This will improve economic planning and support city profiling for investment and business promotion.

Internal communication among departments needs to be strengthened. Corollary to the need for connected offices is the need to strengthen internal communications among offices in updating information, knowledge sharing and peer-to-peer interaction. Departments and offices need to establish open communication lines to achieve the city's vision and share expertise. The city government also needs to address silos among various offices that hinder information sharing which is substantial to enhance quality and service excellence. Several offices maintain good information that needs to be co-shared among other offices to achieve greater consistency in data processing and management. Such information is vital in institutionalizing database development linked with feedback mechanism and monitoring to determine impact of projects and follow through on progress.

Policy on succession planning, and business continuity needs to be developed. The city does not support programs for succession planning and business continuity. Succession planning is essential in supporting the career growth of professionals while ensuring knowledge sharing and development. Business continuity, on the other hand, promotes risk management and safeguarding of information and resources to effectively ensure the implementation of the city government's business plans and projects.

Internal physical assets and resources need to be augmented to support development of personnel and efficiency of business services. Physical assets such as office equipment and vehicles, among others need to be augmented to support the activities of the personnel especially in undertaking business related tasks such as data gathering, analysis and inspections. Providing additional resources for these internal assets will ensure better personnel performance and responsiveness in undertaking business services.

Inter-office coordination for business and investment promotion needs to be strengthened. The city government will benefit from better coordination between offices with functions and activities that promote and support business and investment promotion. These include BPLO, LEIPO, Negosyo Center, PESO, planning, engineering, environment, and tourism offices. Better coordination will lead to enhanced regulatory analysis and compliance while sharing expertise and knowledge.

Specialized trainings are not institutionalized. The city government does not have a training plan for personnel to undertake technical/ specialized training in areas related to feasibility studies, investment promotions, marketing, standards and automation, urban and environmental planning, quality management standards, disaster risk, reduction and management, planning and preparedness, business continuity, management of information as well as classification of business establishments (PSIC model).

The quality of business services and offices for investor relations and business support needs further improvement. For one, the offices for investment promotion and LEIPO are not institutionalized. The personnel in these offices are mostly seconded from the planning office and skills are not adequately supported to ensure responsiveness to the needs of targeted investors and business clients. Furthermore, the LEIPO and investment offices need to be linked with the

Negosyo Center including PESO. The linkage will enable sharing of physical, human and financial resources to achieve greater coherence and dynamism. There has to be more training to help the current personnel achieve competence in business planning, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching and marketing. A competency- based process for hiring manpower and staff needs to be in place to support the offices' programs for investor assistance and relations.

Quality of Investment Climate

Absence of a documented economic master plan for the city. While the city government and officials have identified new growth areas and sectors of importance to the local economy, a physical document that provides basis to the city's economic plan (different from the city development plan) is not yet published. A well-articulated economic master plan backed up with project requirements and investment opportunities will enable the city to generate the buy-in and ownership of its vision among its stakeholders as well as opportunities to engage the private sector in committing to projects and new business ventures.

Absence of a long-term infrastructure masterplan. Corollary to the above, the city has yet to develop its comprehensive infrastructure masterplan which will serve as the basis for enabling growth areas and projects that can be tapped by the private sector

Guidelines for local infrastructure standards, and programs for infrastructure rehabilitation and maintenance are not properly supported. The city does not follow consistent guidelines in setting infrastructure standards in undertaking local infrastructure rehabilitation and maintenance. Examples of these are limited and uneven distribution of sidewalks, road widening, lack of street lamps, lack of a drainage master plan and waste treatment facilities, among others. There is also a problem of oversight among contractors of infrastructure projects as safety guidelines and standards are not adequately supported.

Traffic management plan is not well developed. Traffic is fast becoming a problem in the city and a traffic management plan is not fully in place to decongest traffic. This involves the installation of adequate traffic management infrastructure, signages, and traffic lights as well as training of traffic management personnel.

Insufficient water and energy supply. The city is experiencing insufficient water supply as well as electricity. These are important indicators of a functional and competitive investment climate that needs urgent attention given the increasing uptake of tourism and investment activities in the city.

Environmental management plans are not properly supported and implemented. The city's environmental office does not have comprehensive data to undertake environmental assessment of the city. This includes resource inventory to undertake environmental master planning to support programs and policies to manage environmental risks and develop regulations.

Coordination between city government and national government agencies on a number of programs and services overlaps. While generally supportive of each other, some improvements can be made on linkages with programs and resources that are available for the city. To name a few, there are projects with TESDA, DOLE, DSWD that aim to support and link the beneficiaries of the CCT to enable them to achieve critical skills for employment. The role of PESO is integral in providing support and link to both the labor and business communities in the city to address

employment mismatch and institutionalize workforce development programs. The city government and national government agencies also need to regularly coordinate to address overlapping activities and regulatory standards affecting investment and business operations such as the issuance of building and occupancy permits (i.e. DOLE, city engineering, BPLO) and undertaking of infrastructure projects. (i.e. DPWH, water district and city engineering)

The city is not proactive in aligning its programs and activities with potential partners to maximize opportunities for local economic development. The city needs to be proactive in seeking opportunities given existing national programs on shared services facilities, industry roadmaps, sector competitiveness, and innovation to support activities that bring in more support for MSMEs at the barangay level. Some programs have already been started but still needs further support. These include community-based tourism, workforce development, business planning in support of value chains, cooperative development, disaster risk management and supply chain development to develop economies of scale for sourcing requirements of various establishments. There is also a good opportunity to mainstream gender and development through these activities.

Investment incentives are not proactively communicated to investors. While the city has an investment incentives program, it is not proactively communicated to investors. Thus, availment is limited to a few.

Quality of Public-Private Dialogue

The private sector, especially the Chamber of Commerce needs to be strengthened. The local Chamber of Commerce needs further support in developing their business advocacy agenda and strategy to diversify and increase membership participation. This way, they can provide the needed expertise in responding to the request of the city government for inputs and participation in critical business and economic issues. The chamber can also serve as a partner and conduit in providing investor assistance, a source of data on doing business, and a mentor in the conduct of MSME capacity building activities of the LEIPO and Negosyo Center.

Local SMED Council is inactive. One important venue for private sector leadership in advocating support for MSMEs is the SMED council as provided in the Magna Carta for MSMEs. This forum, however, is not fully supported by the city. The private sector, with the support of DTI, should support the activation of the SMED council as this provides a solid mandate for public-private consultations at the city level and addresses the needs of the business community.

Institutional private sector participation should be ensured in the investment board. It is important for the city to review its policy that created the investment board to ensure inclusiveness of institutional bodies such as the Chamber of Commerce in its structure. Support from other sectors such as the academe should also be strengthened to enable more coordination and linkages especially in areas related to workforce development, market linkages, value chain analysis and overall local economic development.

Weak People's Organizations and Cooperatives undermine potential of sectoral programs for livelihood and employment. People's organizations and cooperatives are critical partners in enabling opportunities for improved livelihood and rural income. The city government needs to enable the LEIPO and Negosyo Center, link sectoral projects and initiatives to cooperatives, and support their capability to link their members and products to the market.

Annex 5. Tagbilaran City BEE Assessment Findings

Tagbilaran is Bohol's capital city and its major urban center—with agriculture, fisheries, livestock raising, trade and commerce as its major economic activities. It has a population of over 105,000 residing in 15 barangays. The city has a total land area of 3,270 hectares, 75 percent of which is classified as existing build-up areas. Total road network is 32.78 square kilometers and 95 percent of households are energized. The city has an airport and a seaport.

In 2016, the city ranked 71st (from 69th) in the Cities and Municipalities Competitiveness Index of the National Competitiveness Council (NCC). It has more than 8,000 registered business establishments contributing to the city's over P233 million revenues in 2015. With a functional literacy of 87 percent and a labor force of 49,512, the city has an employment rate of 83 percent. The city has a poverty incidence of 8 percent.

Issues on regulatory quality and efficiency, institutional capacity, and competitive investment climate (i.e. infrastructure planning and economic master planning) were the most highlighted issues affecting the business-enabling environment in the city.

Given Tagbilaran's strategic position as gateway to the Bohol province, the stakeholders noted the need to institutionalize support offices such as the LEIPO under the banner of the provincial government with the strong backing/ implementation support of the private sector or Bohol Chamber of Commerce.

Most stakeholders also noted that reforms can also be introduced to strengthen the joint inspection teams (JIT) and enforcement of city regulations especially in relation to building code, zoning, land use, environmental compliance, among others. City government offices will also benefit from better coordinated activities to avoid over-regulation. This will also lessen the burden on the private sector who have had to deal with multiple and uncoordinated implementation of policies and guidelines.

The vice mayor and councilors provided some information on the city's vision but admitted the need to update it given emerging policies and activities to encourage more investors. These include, among others, the revision of the revenue code and the updating of the investment incentives.

Other important areas to be considered include the development of an infrastructure master plan, particularly in anticipation of four new growth areas, guidelines for infrastructure standards and priorities for infrastructure rehabilitation and maintenance including traffic management, road widening, and mass transport systems, among others. The stakeholders also underscored the need for enhanced technical capacity and expertise to undertake urban planning for the city. Traffic is becoming a major concern for both government and private sector stakeholders and infrastructure is a critical layer in solving this issue. Other infrastructure related concerns include unresolved right of way issues with more than 50 percent of collateral road networks still under private sector ownership. Environmental concerns include the development of sewage and waste management system as well as solid waste management.

The quality of business services and offices for investor relations and business support also needs further development. Stakeholders opine the need to link the investment promotion offices and LEIPO with the provincial government for a single voice in investment promotion. The office also needs to be strengthened with physical, human and financial resources to achieve greater

coherence and dynamism. More training can be made to help the current personnel achieve competence in business planning, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching, and marketing. A competency-based process for hiring manpower and staff needs to be in place to support the offices' programs for investor assistance and relations.

There appears to be good feedback on how the local government works with the national government offices. The city appears to be compliant to mandates of national government on governance. While generally supportive of each other, some improvements can be made on linkages with programs and resources that are available for the city. To name a few, there are projects with TESDA, DOLE, and DOH that aim to support critical skills development and accreditation for employment. The role of PESO is integral in providing a support and link to both the labor and business communities in the city to address employment mismatch and institutionalize workforce development programs. More coordination should be made by the city PESO with their counterparts in DOLE and TESDA for convergence activities.

There are also good opportunities for the city to work with the DPWH, DENR and DILG in enabling further regulatory reforms and improving standards in areas such as infrastructure planning, rehabilitation and maintenance, coherence in communicating environmental policies, undertaking joint inspections and enforcement of regulations.

The link with DTI can also be strengthened and further institutionalized. This is important as the Negosyo Center, LEIPO, and investment offices have critical tasks of communicating and supporting investors and business operators for information, guidance and support. Both offices should be institutionalized at the city level and linked with the local chamber to support long term planning for investment promotion especially with big-ticket projects and MSME support services.

The city can benefit from seeking opportunities given existing national programs on shared services facilities, industry roadmaps, sector competitiveness, and innovation to support activities that bring more participation at the barangay level. Some programs have already been started but still needs further support. These include workforce development, business planning in support of value chains, cooperative development, disaster risk management, business continuity and business recovery, and supply chain development. There is also a good opportunity to mainstream gender and development through these activities.

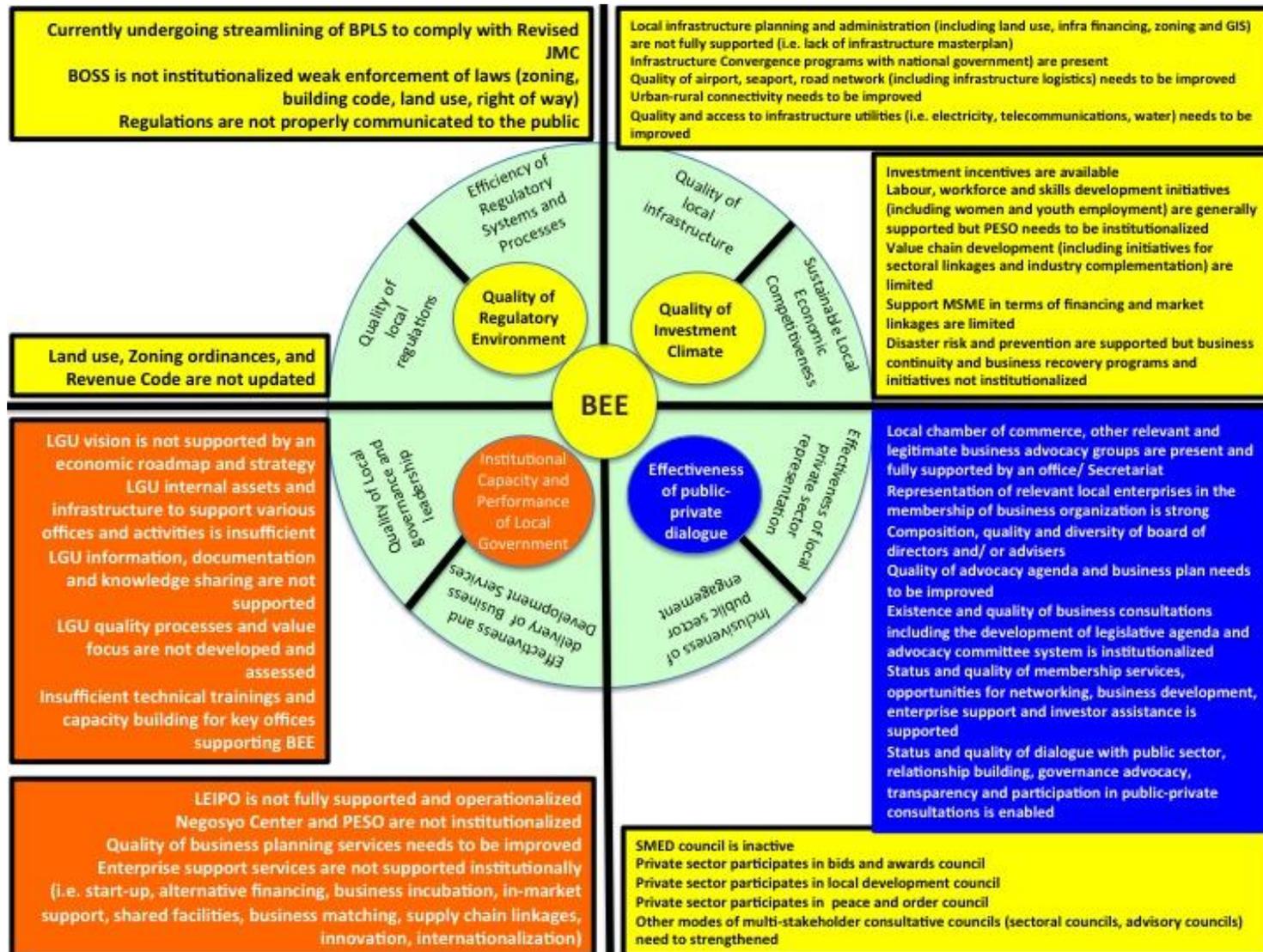
The private sector is keen on supporting efforts to enable the city to attract and retain investors but a more robust and institutional consultation process needs to be organized. Thus, it aims to push for the creation of an investment promotion center that will act as the city's focal investment promotion arm. It will be beneficial for the city government officials and the private sector to come together and develop an economic vision that proactively supports city master planning. They also need to develop capacities of city department heads to adopt and maintain open mindedness to support long term visioning and program implementation. Furthermore, the city will benefit from engaging the private sector in consultations when plans are made to create economic enterprises. This will ensure that the LGU maintains transparency and ensures a competitive business environment with measures to promote competition and private sector-led and managed enterprises.

Public-private dialogue is relatively robust in the city but an immediate step to further enhance feedback mechanism is to reconstitute the city SMED council. The private sector, with DTI, can

support the activation of the SMED council as this provides a solid mandate for public-private consultations at the city level and addresses the needs of the business community.

Support from other sectors such as the academe should also be harnessed to enable more coordination and linkages especially in areas related to workforce development, market linkages, value chain analysis and overall local economic development.

Figure 7. Tagbilaran City BEE Diagnostic Result



Legend:

-  **HIGH MATURITY:** BEE is mature, key indicators are present, effectively supported and institutionalized.
-  **EMERGING MATURITY:** BEE is supported with key indicators either being addressed or undergoing reforms. Needs further guidance to ensure sustainability and institutionalization of reforms and programs.
-  **LOW MATURITY:** BEE is not sufficiently supported and key indicators are either non-existent or not institutionalized. Needs to strengthen capability to develop systems, resources and measurements to advance an agenda to strengthen the BEE.

Overall Strengths

Quality of Regulatory Environment

Strong Executive-Legislative Coordination. Both the executive and legislative branches of the city government understand the need to support an enabling regulatory environment that tries to maximize the effectiveness of regulations through efficient processes. This can be summed up in the willingness of the city government to undertake significant reforms in support of ease of doing business through streamlining and plans of providing more incentives to small investors.

Institutional Capacity and Performance of the City Government

Compliance to national governance indicators. The city is compliant with governance standards given its the passage of a Citizen's Charter and programs to enforce the anti-red tape act.

Quality of Investment Climate

Identification of new growth hubs. The city has identified new growth hubs, which will serve as urban gateways to promote new investments such as infrastructure, tourism, business process management and other related industries.

Convergence program with the national government on several infrastructure projects are in place. Convergence programs in support of infrastructure development among national government agencies such DPWH, DOTr and DOT are in place mainly to support urban-rural connectivity to spur development in various localities.

Quality of Public-Private Dialogue

Public-private partnership dialogue mechanism is present. The city government provides venues for participation for the private sector through various forums and initiatives such as local development council, bids and awards and peace and order. Other channels for dialogue such as regular meetings and consultations with the mayor and other officials of the city government are available.

Private sector is active and support efforts to enable the city attract and retain investors. The private sector, through the Chamber of Commerce and industry associations are active and generally supportive of the city government's programs to promote and generate more investments.

Overall Challenges

Quality of Regulatory Environment

Outdated laws or regulations in enabling business environment. The city government needs to update several laws that will support a better business environment. These include the revision and updating of the revenue code and zoning ordinance. New ordinances to directly support and incentivize MSMEs linked to tourism development are also needed.

Codification of ordinances is needed to enable regulatory quality. Mapping of ordinances and studying possible amendments to update old ordinances are necessary to address gaps in regulatory quality. This includes, among others, overlapping regulations in streamlining of business processes as well as conflicting tax regulations implemented by the city as opposed to national mandated policies.

Year-round Business One Stop Shop (BOSS) is not institutionalized. While the city government is forthcoming in its initiatives to streamline the BPLS, stakeholders consistently note the need for a more strengthened and institutionalized BOSS linked with BPLS activities as well as business and investment promotion and assistance for MSMEs.

Weak enforcement of regulations (i.e. zoning, environment, land use, property rights). The city also has problems in enforcing key regulations related to proper monitoring of business establishments such as zoning, land use, informal settlers, among others.

Right-of-way issues and enforcement hinder important development projects. With various infrastructure projects lined up to improve the city's urban landscape, the city has many concerns on right of way issues to implement its projects.

Joint Inspection Team (JIT) needs to be strengthened and coordinated. Most stakeholders also noted that reforms can be introduced to strengthen the joint inspection teams in the enforcement of city regulations especially in relation to building code, zoning, land use, environmental compliance, among others. Inspection teams will also benefit from better coordinated activities to avoid over-regulation and lessen the burden on the private sector for multiple and uncoordinated inspections.

Regulations particularly efforts in business process streamlining need to be communicated to the public. The city is unable to effectively disseminate information on the status of regulations or

ordinances to the public. While public hearings are conducted to solicit inputs from various stakeholders, follow through and feedback on status of regulations affecting business should be done regularly.

Institutional Capacity and Performance of the City Government

A long-term economic masterplan that translates the city's vision into local economic development strategy needs to be further developed. While the city has a vision, it needs to be translated into an actual master plan that provides specific determination of economic strategies, packaging of growth areas and profiling of investment activities considering rapid urban development being experienced by the city. A well-articulated economic masterplan will enable the city generate the buy-in and ownership of its vision among its stakeholders as well as opportunities to engage the private sector in committing to projects and new business ventures.

E-governance practices and activities need to be improved. The city government needs to review its systems needs and requirements and adopt a standard that will govern the connection of offices particularly in data gathering and management, sharing of information and analysis of statistics to improve economic planning and support city profiling for investment and business promotion. An important consideration is to strengthen its IT unit and personnel.

Policy on business continuity needs to be developed. The city does not support programs on business continuity. Business continuity promotes risk management and safeguarding of information and resources to effectively ensure the implementation of the city government's business plans and projects.

Internal physical assets and resources need to be augmented to support development of personnel and efficiency of business services. Physical assets such as office equipment and vehicles, among others need to be augmented to support the activities of the personnel especially in undertaking business related tasks such as data gathering, analysis and inspections. Providing additional resources for these internal assets will ensure better personnel performance and responsiveness in undertaking business services.

Inter-office coordination for business and investment promotion needs to be strengthened. The city government will benefit from better coordination between offices with functions and activities that promote and support business and investment promotion. These include BPLO, LEIPO, PESO, Planning, Engineering, Environment, and Tourism Offices. Better coordination will lead to enhanced regulatory analysis and compliance while sharing expertise and knowledge.

Specialized trainings are not institutionalized. The city government does not have a training plan for personnel to undertake technical/ specialized training in areas related to feasibility studies, investment promotions, marketing, standards and automation, urban and environmental planning, quality management standards, disaster risk, reduction and management, planning and preparedness, business continuity, management of information as well as classification of business establishments (PSIC model).

The quality of business services and offices for investor relations and business support needs further improvement. The offices for investment promotion and LEIPO are not institutionalized. An ordinance to create the LEIPO is needed to support investment promotion. Currently, there is an ongoing discussion with the provincial government in setting up a province-

wide LEIPO to undertake investment promotion supporting various cities and municipalities in Bohol. In anticipation of this plan, the city can start institutionalizing its investment and trade promotion program by capacitating its units/ personnel to ensure responsiveness to the needs of targeted investors and business clients. Furthermore, the LEIPO and investment units need to be linked with the Negosyo Center including PESO. The linkage will enable sharing of physical, human and financial resources to achieve greater coherence and dynamism. The city also needs training to help the current personnel achieve competence in business planning, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching and marketing. A competency-based process for hiring manpower and staff needs to be in place to support the offices' programs for investor assistance and relations.

PESO and Negosyo Center are not yet institutionalized. The city has yet to set-up its PESO and Negosyo Center. Thus, linkage with DOLE and DTI needs to be more institutionalized. This is important as the PESO, Negosyo Center, LEIPO and investment offices have critical tasks of communicating and supporting investors and business operators for information, guidance and support.

Quality of Investment Climate

Absence of a long-term infrastructure masterplan. The city has yet to develop its comprehensive infrastructure masterplan. This will serve as the basis for enabling growth areas and projects that can be tapped by the private sector.

Guidelines for local infrastructure standards, and programs for infrastructure rehabilitation and maintenance are not fully supported. The city does not follow consistent guidelines in setting infrastructure standards in undertaking local infrastructure rehabilitation and maintenance. Examples of these are limited and uneven distribution of sidewalks, road widening, lack of street lamps, overlapping electrical wirings, lack of a drainage masterplan and waste treatment facilities, among others.

Lack of Infrastructure inventory and documentation. The city has yet to undertake a “road development network inventory” and “parcellary survey”. Currently, the city is dealing with a legal setback with at least 50 percent of its collateral roads still under private ownership. This has the potential risk of limiting the city government’s infrastructure and expansion plans for the future if not resolved. Infrastructure inventory and documentation is necessary to determine requirements for a long term infrastructure planning and development of economic growth hubs that will promote business and investment projects in the city.

Traffic management plan is not well developed. Traffic is fast becoming a problem in the city and a traffic management plan is not fully in place to decongest traffic. This involves the installation of adequate traffic management infrastructure, signages, and traffic lights as well as training of traffic management personnel.

Insufficient water and energy supply. The city is experiencing insufficient water supply as well as electricity. These are important indicators of a functional and competitive investment climate that needs urgent attention given the increasing uptake of tourism and investment activities.

Environmental management plans are not properly supported. The city's environmental office is not fully supported to undertake an environmental assessment. This includes environmental

master planning that includes critical programs on solid waste as well as disaster preparedness to effectively manage environmental risks and develop regulations.

City needs to align its programs and activities with potential partners to maximize opportunities for local economic development. The city needs to be proactive in seeking opportunities given existing national programs on shared services facilities, industry roadmaps, sector competitiveness, and innovation to support activities that bring in more support for MSMEs at the barangay level. Some programs have already been started but still need further support. These include workforce development, business planning in support of value chains, cooperative development, disaster risk management and supply chain development to develop economies of scale for sourcing requirements of various establishments. There is also a good opportunity to mainstream gender and development through these activities.

Quality of Public-Private Dialogue

Local SMED Council is inactive. One important venue for private sector leadership in advocating support for MSMEs is the SMED Council as provided in the Magna Carta for MSMEs. This forum, however, is not fully supported by the city. The private sector, with the support of DTI, should support the activation of the SMED council as this provides a solid mandate for public-private consultations at the city level and addresses the needs of the business community.

Private sector participation especially in instituting the city's development plans should be ensured. It is important for the city to ensure that the feedback of private sector is solicited especially when cascading various elements of its development plans. This will ensure consistency of priorities and availability of the private sector resources to implement and sustain programs. Support from other sectors such as the academe should also be strengthened to enable more coordination and linkages especially in areas related to workforce development, market linkages, value chain analysis and overall local economic development.

Annex 6. Zamboanga City BEE Assessment Findings

Zamboanga City is located at the Southernmost tip of the Zamboanga Peninsula. It is a key gateway to the Brunei, Indonesia, Malaysia and Philippines (BIMP EAGA) Corridor—with agriculture, fisheries, industry and services as its major economic activities. It has a population of over 860,000 residing in 98 barangays. The city has a total land area of 148,338 hectares, 17,000 hectares are known watershed areas. Total road network is 1,101 square kilometers and 89 percent of households are energized. The city has an airport and a seaport.

In 2016, the city ranked 56th (from 14th) in the Cities and Municipalities Competitiveness Index of the National Competitiveness Council (NCC). It has more than 9,000 registered business establishments contributing to the city's over P2.5 billion revenues in 2015. With a functional literacy of 80 percent and a labor force of 351,355, the city has an employment rate of 96 percent. The city has a poverty incidence of 13 percent.

Issues on governance performance and institutional capacity, competitive investment climate (i.e. infrastructure planning and rehabilitation) and public-public dialogue were the most highlighted issues affecting the business-enabling environment in the city.

Given Zamboanga City's strategic position as gateway to the BIMP EAGA, stakeholders noted the need to strengthen its regional role and position to enable more investments and business opportunities especially from external investment sources.

Most stakeholders also noted that regulatory efficiency could be enabled through the institutionalization of BOSS and further streamlining of business permitting and licensing including automation.

City officials provided some information on the city's vision and ongoing efforts to update the city's land use plan. While a comprehensive land use plan is being finalized to enable new growth areas and opportunities to advance city-wide programs for infrastructure development, the city still needs to address gaps such as guidelines for infrastructure standards and priorities for infrastructure rehabilitation and maintenance including traffic management, road widening, limited capacity of airport and seaports and the need for mass transport systems, and waste water facilities, among others. The stakeholders also underscored the need for enhanced technical capacity and expertise to undertake urban planning for the city especially for the city planning, engineering, and environmental offices. Traffic is a major concern for both government and private sector stakeholders and infrastructure is a critical layer in solving this issue. Other related concerns include the need to expand power and water access in the city as well as improved telecommunications services.

The quality of business services and offices for investor relations and business support also needs further development. While the LEIPO and investment office are institutionalized, the office needs to be strengthened with physical, human resources and private sector coordination to achieve greater coherence and dynamism. More training can also be done to help the current personnel achieve competence in business planning, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching, and marketing. Other offices should also be strengthened through a competency-based process for hiring manpower and staff including the development of knowledge management system, data mining and documentation processes to enable improved analytical, research and economic planning capabilities of key personnel.

There appears to be good feedback on how the local government works with the national government offices. The city appears to be compliant to mandates of the national government in promoting a competitive business environment. While generally supportive of each other, some improvements can be made on linkages with programs and resources that are available for the city. This includes projects that support micro and small enterprises to generate more income and employment.

There are also good opportunities for the city to work with the DPWH, DENR and DILG in enabling further regulatory reforms and improving standards in areas such as infrastructure planning, rehabilitation and maintenance, and coherence in communicating environmental policies.

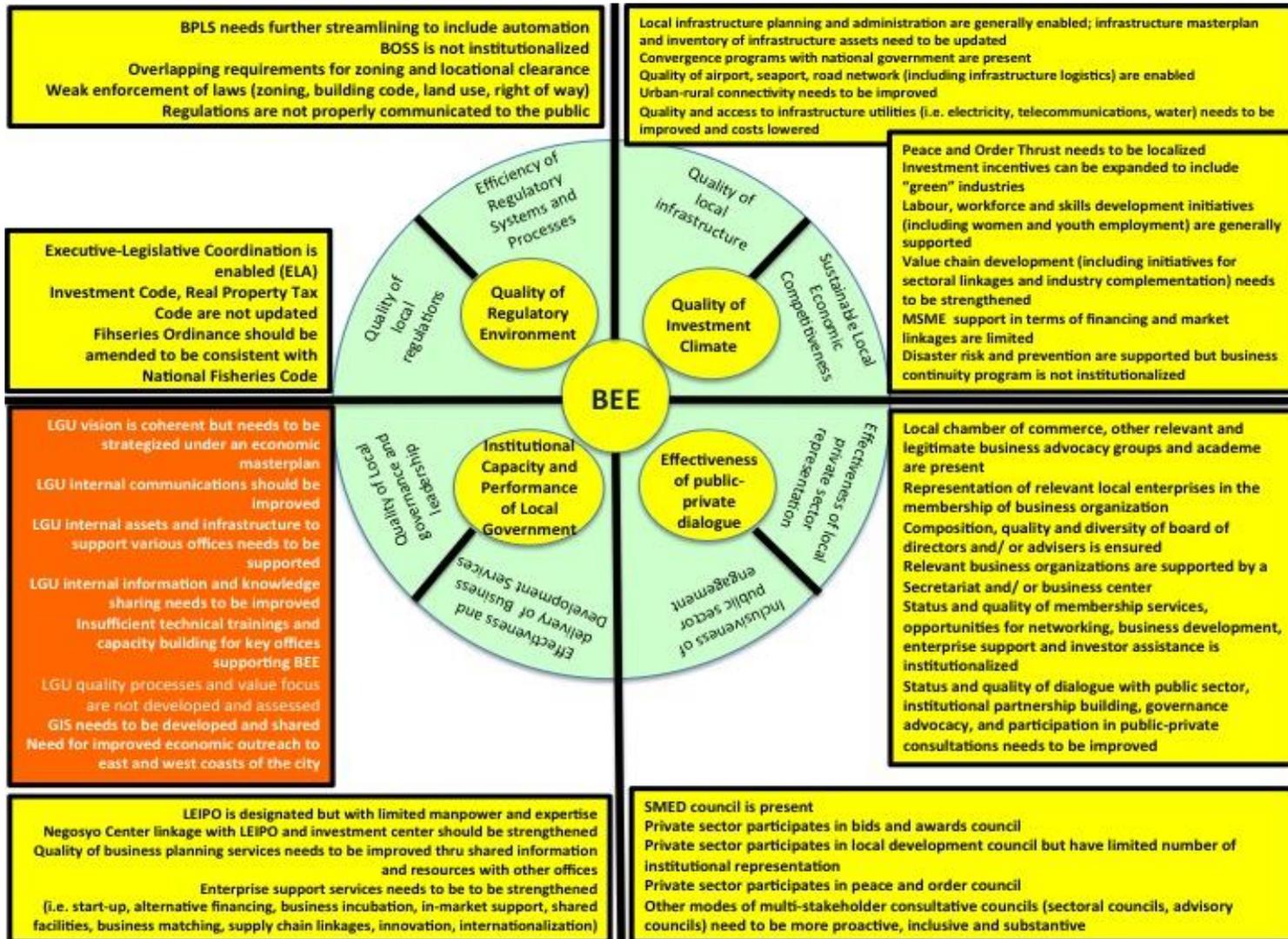
The link with DTI can also be strengthened. This is important as the Negosyo Center, LEIPO and investment offices have critical tasks of communicating and supporting investors and business operators for information, guidance and support. Both offices should support more programs for enterprise promotion at the city level and linked with the local chamber.

The city can benefit by seeking opportunities given existing national programs on shared services facilities, industry roadmaps, sector competitiveness, and innovation to support activities that bring in more participation at the barangay level. Some programs have already been started but still needs further support. Some of these programs are related to workforce development, business planning in support of value chains, cooperative development, disaster risk management, business continuity and business recovery, and supply chain development.

Venues for public-private dialogue are present in the city, which include among others, an institutionalized local SMED council, peace and order council and local development council. There is private sector participation in these councils. While the private sector is keen on supporting efforts to enable the city to attract and retain investors, there is a need to address the lack of trust between city government and private sector representatives on key objectives and outcomes of plans being developed for the city. Both parties will benefit from a more regular, substantive and core group engagement to facilitate an honest-to-goodness assessment of business needs and economic realities. These joint initiatives should help determine appropriate policies and solutions to achieve long term economic benefits. There is also a need to establish a monitoring and evaluation process that solicits regular feedback from private sector stakeholders to enable more buy-in and ownership of the city's success.

Support from other sectors such as the academe should also be harnessed to enable more coordination and linkages especially in areas related to data-driven analysis, enterprise support, city master planning and local economic development.

Figure 8. Zamboanga City BEE Diagnostic Result



Legend:

-  **HIGH MATURITY:** BEE is mature, key indicators are present, effectively supported and institutionalized.
-  **EMERGING MATURITY:** BEE is supported with key indicators either being addressed or undergoing reforms. Needs further guidance to ensure sustainability and institutionalization of reforms and programs.
-  **LOW MATURITY:** BEE is not sufficiently supported and key indicators are either non-existent or not institutionalized. Needs to strengthen capability to develop systems, resources and measurements to advance an agenda to strengthen the BEE.

Overall Strengths

Quality of Regulatory Environment

Executive-Legislative Coordination. Both the executive and legislative branches of the city government conduct consultations through an executive-legislative agenda (ELA). This enables the determination of priority programs that support determination of economic priorities and plans.

Institutional Capacity and Performance of the City Government

City vision is updated, relevant and holistic. As embodied in its development plan (CDP) the city envisions being “a metropolitan city with rich history culture and resources that is the gateway to the ASEAN as the economic hub of Southwestern Mindanao.” This is relevant in accordance with the perspective of various stakeholders as well as the city’s critical resources.

Quality of Investment Climate

Convergence program with the national government on several infrastructure projects are in place. Convergence programs in support of infrastructure developing among national government agencies such DPWH, DOTr and DOT are in place mainly to support urban-rural connectivity to spur development in various localities.

Identification of new growth hubs. The city has identified new growth hubs. This will serve as urban gateways to promote new investments such as infrastructure, tourism, business process management and other related industries.

Quality of Public-Private Dialogue

Local SMED council and other venues for public-private consultation are present. One important venue for private sector leadership in advocating support for MSMEs is the SMED Council as provided in the Magna Carta for MSMEs. This forum is supported in the city. The city government provides venues for participation for the private sector through various forums and initiatives such as the local development council, bids and awards and peace and order. Other channels for

dialogue such as regular meetings and consultations with the mayor and other city government officials are available.

The private sector is keen on supporting efforts to enable the city attract and retain investors. The private sector, through the Chamber of Commerce, is generally supportive of programs to promote and generate more investments.

Overall Challenges

Quality of Regulatory Environment

The year-round Business One Stop Shop (BOSS) is not institutionalized. While the city government is forthcoming in its initiatives to streamline the BPLS, stakeholders consistently note the need for a more strengthened and institutionalized BOSS linked with BPLS activities as well as business and investment promotion and assistance for MSMEs. Furthermore, current BOSS operations should integrate specific support for business and investment assistance as well as documentary and regulatory information.

Weak enforcement of regulations (i.e. zoning, occupancy and property rights). The city also has problems in enforcing key regulations related to proper monitoring of business establishments such as zoning, occupancy and property rights, among others. Currently, there are around 800 illegal vendors operating in the public market. The government is unable to enforce its ordinances to address this concern because of weak coordination

Monitoring and analysis of effective regulations is not mainstreamed in the planning and reporting cycle. Data driven research in support of regulatory analysis and planning is not institutionalized. This affects the city government's ability to undertake regulatory streamlining and reforms. There are overlapping regulatory requirements in obtaining zoning and locational clearances.

Regulations are not properly communicated to the public. The city is unable to effectively disseminate information on the status of regulations or ordinances to the public. While public hearings are conducted to solicit inputs from various stakeholders, follow through and feedback on the status of regulations affecting business is not done regularly.

Outdated laws or regulations in enabling business environment. The city government needs to update several laws that will support a better business environment. These include the revision of the real property tax code as well as the investment and incentives and fisheries ordinance. New ordinances to directly support and incentivize MSMEs are also needed.

Right-of-way issues and enforcement hinder important development projects. With various infrastructure projects lined up to improve the city's urban landscape, the city has pressing concerns on right-of-way issues to implement its projects.

Institutional Capacity and Performance of the City Government

Absence of a long- term economic masterplan that translates the city's vision into local economic development strategy. While the city has a strong vision, this is not yet translated into an economic master plan that provides specific determination of economic strategies, packaging of growth areas and profiling of investment activities considering the city's rapid urban development.

A well-articulated economic master plan will enable the city generate the buy-in and ownership of its vision among its stakeholders as well as opportunities to engage the private sector in committing to projects and new business ventures.

Core values need to be re-oriented to support improved personnel appreciation of their contribution to overall city government performance. While the city government personnel generally identify with the city's vision, there is a need to re-orient their values, empower and support their growth, and encourage ownership of the city's success.

Hiring policy is not attuned to recruiting the best talent that matches competency requirements. Hiring policies need to be reviewed to attract the best talent and fill important positions especially in the frontline offices such as the investment promotion and planning offices (i.e. urban planners, economists, engineers, project specialists).

E-governance practices and activities need to be improved. The city government needs to review its systems needs and requirements and adopt a standard that will govern the connection of offices particularly in data gathering and management, sharing of information and analysis of statistics. This will improve economic planning and support city profiling for investment and business promotion.

Internal communication among departments needs to be strengthened. Corollary to the need for connected offices is the need to strengthen internal communications among offices in updating information, knowledge sharing and peer-to-peer interaction. Departments and offices need to establish open communication lines to achieve the city's vision and share expertise. The city government also needs to address silos among various offices that hinder information sharing which is substantial to enhance quality and service excellence. Several offices maintain good information that needs to be co-shared among other offices to achieve greater consistency in data processing and management. Such information is vital in institutionalizing database development linked with feedback mechanism and monitoring to determine the impact of projects and follow through on their progress.

Policy on succession planning, and business continuity needs to be developed. The city does not support programs for succession planning and business continuity. Succession planning is essential in supporting career growth of professionals while ensuring knowledge sharing and development. Business continuity, on the other hand, promotes risk management and safeguarding of information and resources to effectively ensure the implementation of the city government's business plans and projects.

Internal physical assets and resources need to be augmented to support development of personnel and efficiency of business services. Physical assets such as office equipment and vehicles, among others need to be augmented to support the activities of the personnel especially in undertaking business related tasks such as data gathering, analysis and inspections. This is considering that the city's coverage is vast from east to west coasts. Providing additional resources for these internal assets will ensure better personnel performance and responsiveness in undertaking business services.

Inter-office coordination for business and investment promotion needs to be strengthened. The city government will benefit from better coordination between offices with functions and activities that promote and support business and investment promotion. These include BPLO, LEIPO, Negosyo Center, PESO, planning, engineering, environment, and tourism offices. Better

coordination will lead to enhanced regulatory analysis and compliance enforcement while providing complementation of expertise and knowledge sharing.

Specialized trainings are not institutionalized. The city government should undertake technical/specialized training in areas related to feasibility studies, investment promotions, marketing, standards and automation, urban and environmental planning, quality management standards, disaster risk, reduction and management, planning and preparedness, business continuity, management of information as well as classification of business establishments (PSIC model).

The quality of business services and offices for investor relations and business support needs further improvement. While the office for investment promotion, LEIPO is institutionalized, the personnel in these offices need to be augmented to ensure responsiveness to the needs of targeted investors and business clients. Furthermore, the LEIPO and investment office need to be linked with the Negosyo Center including PESO. The linkage will enable sharing of physical, human and financial resources to achieve greater coherence and dynamism. More training can also be made to help the current personnel achieve competence in business planning, investor pitching, organization of investment forums, preparation of investment briefs and primers, project feasibility, economic profiling, investor relations, business matching and marketing. A competency-based process for hiring manpower and staff needs to be in place to support the offices' programs for investor assistance and relations.

Linkage with DTI needs to be more institutionalized. The link with DTI can also be strengthened and further institutionalized. This is important as the Negosyo Center, LEIPO and investment office have critical tasks of communicating and supporting investors and business operators for information, guidance and support.

Quality of Investment Climate

Absence of a documented economic master plan for the city. While the city government and officials have taken proactive steps in updating its comprehensive land use plan, including the identification of new growth areas and sectors of importance to the local economy, an ancillary document that provides the basis to the city's economic and investment plan (different from the city development and land use plan) is not yet published. A well-articulated economic masterplan backed up with project requirements and investment opportunities will enable the city to generate buy-in and ownership of its vision among its stakeholders. This will also provide opportunities to engage the private sector in committing to projects and new business ventures.

Absence of a long-term infrastructure master plan. Corollary to the above, the city has yet to develop its comprehensive infrastructure master plan which will serve as the basis for enabling growth areas and projects that can be tapped by the private sector

Guidelines for local infrastructure standards, and programs for infrastructure rehabilitation and maintenance are not properly supported. The city does not follow consistent guidelines in setting infrastructure standards in undertaking local infrastructure rehabilitation and maintenance. Examples of these are limited and uneven distribution of sidewalks, road widening, lack of a drainage masterplan and waste treatment facilities, among others.

Traffic management plan is not well developed. Traffic is fast becoming a problem in the city and a traffic management plan is not fully in place to decongest traffic. This involves the installation

of adequate traffic management infrastructure, signages, and traffic lights as well as training of traffic management personnel.

Inefficient water and energy distributors. There is a problem of oversight in the water district and electric cooperative as these institutions need to provide more proactive support and transparent information on plans to enable more utility access and lower cost for stakeholders. These are important indicators of a functional and competitive investment climate that need urgent attention given the increasing uptake of tourism and investment activities in the city.

Coordination between city government and national government agencies on a number of programs and services needs to be strengthened. While generally supportive of each other, some improvements can be made on linkages with programs and resources that are available for the city, specifically with DOT, DSWD and TESDA, among others.

The city needs to be proactive in aligning its programs and activities with potential partners to maximize opportunities for local economic development. The city needs to be proactive in seeking opportunities given existing national programs on shared services facilities, industry roadmaps, sector competitiveness, and innovation to support activities that bring in more support for MSMEs at the barangay level. Some programs have already been started but still need further support. These include community-based tourism, workforce development, business planning in support of value chains, cooperative development, disaster risk management and supply chain development to develop economies of scale. There is also a good opportunity to mainstream gender and development through these activities.

Quality of Public-Private Dialogue

Institutional private and public sector dialogue and feedback mechanism should be ensured. It is important to address the lack of trust between city government and private sector representatives on key objectives and outcomes of plans being developed for the city. Both parties will benefit from a more regular, substantive and core group engagement to facilitate an honest-to-goodness assessment of business needs and economic realities. These joint initiatives should help determine appropriate policies and solutions to achieve long term economic benefits. There is also a need to establish a monitoring and evaluation process that solicits regular feedback from private sector stakeholders to enable more buy-in and ownership of the city's success.

The private sector, especially the Chamber of Commerce needs to be strengthened. The local Chamber of Commerce needs further support in developing their business advocacy agenda and strategy to diversify and increase membership participation so they can provide the needed expertise in responding to the request of the city government for inputs and participation in critical business and economic issues. The chamber can also serve as a partner and conduit in providing investor assistance, a source of data on doing business, and a mentor in the conduct of MSME capacity building activities of the LEIPO and Negosyo Center.

Annex 7. Persons Contacted/ Met in CDI Cities

Persons Contacted/Met in Batangas City

Name	Designation	Office
10 October 2016		
Mr. Dondon Almonacid	City Program Coordinator	USAID-SURGE
11 October 2016		
Mr. Dondon Almonacid	City Program Coordinator	USAID-SURGE
Mr. Armando Lazzarte	City Councilor	Batangas City
Mr. Oliver Macatangay	City Councilor	Batangas City
Mr. Julia Villena	City Councilor	Batangas City
Mr. Serge Atienza	City Councilor	Batangas City
Ms. Aileen Montalbo	City Councilor	Batangas City
Ms. Allysa Cruz	City Councilor	Batangas City
Mr. Hamilton Blanco	City Councilor	Batangas City
Mr. Glenn Aldosor	City Councilor	Batangas City
Ms. Marissa Argente	OIC-PD	DTI Batangas
Ms. Pathy Joy Caguila	TIDA	DTI Batangas
Ms. Ma Carmen Garcia	TIDS	DTI Batangas
Ms. Marizel Hidalgo Melo	Admin Officer	LEIPO CMO
Mr. Noel Silang	PESO Manager	PESO Batangas City
Mr. Marc Neil Bautista	Admin Aide	PESO Batangas City
Mr. Joebert Mendoza	LEA	PESO Batangas City
Ms. Ditas Aguado-Rivera	BPLO	CMO BPLO
Mr. Bebian Inting	LEIPO	LEIPO-CMO
Ms. Abigail Abendan	Admin Officer IV	LEIPO-CMO
Ms. Angelique May Tan	Admin Officer II	LEIPO-CMO
Ms. Emmalyn Rose Magtibay		LEIPO-CMO
12 October 2016		
Ms. Anna Ceniza	Architect II	CEO
Ms. Emelita Untalan	Engineer IV	CEO
Ms. Glenda Garcia	Senior EMS	ENRO
Ms. Abigail Abendan	Admin Officer IV	LEIPO-CMO
Mr. Reynaldo Ilagan	Engineer IV	CEO
Ms. Marizel Hidalgo Melo	Admin Officer	LEIPO CMO
Mr. Dondon Almonacid	City Program Coordinator	USAID-SURGE
PSUPT Renato Mercado	DPDA	PNP-BPPO
PCSUPT Ronnie Golfo	C-PPHRDB	PNP-BPPO
Mr. Victor Mercado	Chief TSO	DENR PENRO
Ms. Nerissa Contreras	DILG CLGOO	DILG
Ms. Mylene Folloro	LGOO II	DILG
Mr. Joseph Soriano	LGOO II	DILG
Ms. Ma. Carmen Garcia	TIDS	DTI Batangas
Ms. Pathy Joy Caguila	TIDA	DTI Batangas
Mr. Jobert Legaspi	CPA	SURGE
Ms. Celia Ariola	Senior LEO	DOLE
Mr. Fernando Mendoza	Director III	CSC RO4
13 October 2016		
Ms. Marizel Hidalgo Melo	Admin Officer	LEIPO CMO
Ms. Abigail Abendan	Admin Officer IV	LEIPO-CMO
Ms. Aurea Castillo	CGADH I	CRAO HRFADO

Mr. Erick Anthony Sanohan	LEIPO	LEIPO-CMO
Ms. Analyn Faytaren	CMO-SAO	Administrator's office
Atty. Narciso Macarandang	City Administrator	Administrator's office
Ms. Maria Rosario Lacsamana	City Admin Officer IV	CMO-Admin
Mr. Dondon Almonacid	City Program Coordinator	USAID-SURGE
Dr. Jesus Briones	President	University of Batangas
Ms. Shermane Untalan	Secretary	PICE-Batangas
Mr. Aldrin Emmanuelron	Board of Director	PICE-Batangas
Ms. Jelyn Dinglasan	Board of Director	PICE-Batangas
Mr. Jobert Legaspi	CPA	USAID-SURGE
14 October 2016		
Ms. Marizel Hidalgo Melo	Admin Officer	LEIPO CMO
Ms. Abigail Abendan	Admin Officer IV	LEIPO-CMO
Mr. Sonny Godoy	CPDC-CPDO	Batangas City Government
Ms. Nila Petronica Olivario	City Treasurer	CTO
Mr. Dondon Almonacid	City Program Coordinator	USAID-SURGE
Mr. Jobert Legaspi	CPA	USAID-SURGE
Ms. Nita Magpantay	Market Vendor	City Market

Persons Contacted/Met in Cagayan de Oro City

Name	Designation	Office
October 25, 2016		
Mayor Oscar "Oca" S. Moreno	Mayor	Office of the Mayor
Mr. Dionnie Gersana	Acting City Administrator	
Ms. Ma Dulce Baculio	Officer-in-Charge	HRMO
Mr. Oliver Egypto	Supervising Admin. Officer	HRMO
Ms. Eileen San Juan	Local Economic & Investment Promotions Officer	TIPC
Mr. Timothy Salera	Project Development Officer,	TIPC
Ms. Vivian Sabugaa	Chief, Business Permit and Licensing Division	BPLD
Ms. Tanya Manticajon	Admin Officer	BPLD
Ms. Kathleen Kate Sorilla	Manager	PESO
Dir. Ma. Eliza Pabillore	Provincial Director	DTI Misamis Oriental
October 26, 2016		
Mr. Julius N. Bona	CLENRO/ EMS	CLENRO
Mr. Isidro Borja	CPDO	CPDO
Mr. Jason T. Belga	CDRRMO	CDRRMO
Ms. Eva L. Gales	CEO/ Engg Asst	CEO
Ms. Christine Mae Baldoz	MSD Budget Officer	CSC Region X
Ms. Regine Rex Acain	TESD Specialist	TESDA MIs Or
Ms. Arian Sim	Tourism Standards & Regulations/ Accreditation Officer	Department of Tourism- R10
Mr. Emelgar Christjohn Paasa IV	EDS- I	NEDA-X
October 27, 2016		
Annabel Bello	Engr II	DPWH-X
Winston Padios	SPO4	PNP/COCPO
Jeprey Ojeda	PDO II/ SUP	DSWD-X
Virginia Ybanez	Engr III	DPWH/ CDO
Flora Garcia	Manager	BAPPCO

Felsa Labis	Director	Liceo de Cagayan University
Jonathan Arvin Adolfo	Executive Director	CDO ICT
Chris Ivan Lagapa	Executive Director	Oro chamber
Ghaye Alegrio	VP Oro chamber	
Myrna Colita	HRD Head	First Industrial Plastic Ventures Inc
Rewancie Cabilto	HRD Head	First Industrial Plastic Ventures Inc
Ma. Cristy Dagaraga	BPO	Greenpastures Corp
Queritess Q. Queja	Marketing Director	NorminVeggies Marketing Cooperative
Nelia Lee	President	COHARA
October 28, 2016		
Vice Mayor Raineir Joaquin "Kikang" Uy	Vice Mayor	Office of the Vice Mayor
Councilor George Goking	Chair, Trade and Commerce Committee	Office of the city councilor
Dixon Yasay	Consultant	CDO city government

Persons Contacted/Met in Iloilo City

Name	Designation	Office
19 September 2016		
Ms. Janelle Divina Garcia	Tourism Officer	City Tourism Office
Ms. Deanna Lijauco	City Program Coordinator	USAID-SURGE
Ms. Ritchel Gavan	City Program Assistant	USAID-SURGE
20 September 2016		
Mr. Mark Paul Inayan	Owner	Inayan Food Processing
Ms. Angela Grace Hantea	Training Specialist	Megaworld Corporation
Ms. Leydee F. Sideno	Owner	Royalty Farm
Mr. Felix Chiu	Chairman	ICTIPB
Ms. Deanna Lijauco	City Program Coordinator	USAID-SURGE
Atty. Evelyn Jiz	Component 2 Lead	USAID-SURGE
Ms. Alama May Tayo	Board of Director-Auditor	PCCI-Iloilo
Mr. Reynald Buga-Ay	Project Development Manager	Ayaland Inc.
Ms. Leonesa Tabios	Deputy Executive Director	I-LED Foundation
Ms. Donna Rose Ratilla	President	PCCI-Iloilo
Mr. Lester Dan Sollesta	Board of Director	PCCI-Iloilo
Ms. Lea Lara	Executive Director	I-LED Foundation
Prof. Mary Ann Gumban	Dean School of Business	UP-Visayas
Mr. Jose Rowi Penalosa		
Mr. Fulbert Co	Director	ICTIPB
Ms. Tess Espenilla	Project Manager	OEDG-USAID/Philippines
Mr. Jeff Lehrer	Director	OEDG-USAID/Philippines

Mr. Emil de Quiros	Project Management Specialist	OEDG-USAID/Philippines
Ms. B. Carciga	Gender Specialist	USAID/Philippines
Ms. Ann Genevieve del Castillo	Documentor	USAID-SURGE
Ms. Norma Pongan	Documentor	USAID-SURGE
Ms. Switzerlyn Detorio	Staff	USAID-SURGE
Mr. Joel Angelo Senor	Staff	USAID-SURGE
Ms. Ritchel Gavan	City Program Assistant	USAID-SURGE
21 September 2016		
Councilor Candice Tupas	Councilor	Iloilo City
Vice Mayor Jose Espinosa III	Vice Mayor	Iloilo City
Mr. Jinny Hermano	City Treasurer	Iloilo City
Mr. Leo Elevencione	HRD officer	Iloilo City
Atty. Hernando Chavez	City Administrator	Iloilo City
Ms. Lucy Sinay	Public Information Officer	Iloilo City
Ms. Aireen Manikan	Administrative Officer	Iloilo City
22 September 2016		
Mr. Diosdado Cadena Jr.	Provincial Director	DTI-Iloilo
Mr. Giovanni Miraflores	Register of Deeds	Registry of Deeds-Iloilo
Ms. Amy Judicpa	Sr. LEO	DOLE ROG
Mr. Othello Derecho	Supervising EDS	NEDA-VI
Ms. Nikko Chua	LGOO-II	DILG-VI
Mr. Rene Cortum	Supervisor	DOT ROG
Ms. Marichu Baldonado	Planning Chief	DPWH
Mr. Rodolfo Encajanado	Regional Director	CSC-ROG
Mr. Toni June Tamayo	Regional Director	TESDA
Dr. Maria Paz	OIC-ARD	DOH-VI
Atty. Evelyn Jiz	Component 2 Lead	USAID-SURGE
Ms. Ritchel Gavan	City Program Assistant	USAID-SURGE
Mr. Joel Angelo Senor	Staff	USAID-SURGE
Ms. Norma Pongan	USAID-SURGE	Documentor
Ms. Dolly Anne Zollaga	Asst. CPDC	CPDO-Iloilo City
Mr. Noen Gregorio	Engineer IV	CEO-Iloilo City
Ms. Ruth Prado	Supervising EMS	ENRO-Iloilo City
Mr. Ariel Cestante	LEEO	LEE-Iloilo City
Mr. Norman Tabud	Chief	BPLO-Iloilo City
Ms. Maria Elena Benitez	PESO Manager	PESO-Iloilo City
Ms. Donna Lyn Rose Acap	DMON/CMO LEIPO	LEIPO-Iloilo City
Ms. Mary Joan Mantano	LEIPO/ACT	LEIPO-Iloilo City
Ms. Josie Nova	Lic. Officer III	BPLO-Iloilo City
Mr. Bonifacio Baclagon	PEO III	OCZA-Iloilo City
Mr. Darwin Joemil Papa	Operations Officer	CDRRMO-Iloilo City
Ms. Joetiz Marie Bellaza	Staff	CDRRMO-Iloilo City
23 September 2016		
Ms. Deanna Lijauco	City Program Coordinator	USAID-SURGE
Ms. Ritchel Gavan	City Program Assistant	USAID-SURGE
Four (4) representatives from academe, civil society organizations		

Persons Contacted/Met in Puerto Princesa City

Name	Designation	Office
Aug 30, 2016		
Ms. Aurea G. Pallaya	License Officer 4	BPLO
Mr. Rey Maranan	City Director	DILG
Mr. Arjie Lim	President	Puerto Princesa Chamber
Mr. Bart Duff	Director	Puerto Princesa Chamber
Gemma Borreros	City Program Coordinator	SURGE
Aug 31, 2016		
Hon. Lucilo Bayron	Mayor	City of Puerto Princesa
Hon. Henry Gadiano	City Councilor	City of Puerto Princesa
Atty. Elena Rodriguez	City Administrator	City of Puerto Princesa
Hon. Matthew Mendoza	City Councilor	City of Puerto Princesa
Ms. Cora Abayari	City Treasurer	City of Puerto Princesa
Ms. Roberto Herrera	City HRMO	City of Puerto Princesa
Ms. Cristina Dacuan,	City Negosyo Center Head	City of Puerto Princesa
Ms. Demetrio Lopez	City PESO Head	City of Puerto Princesa
Hon. Luis Marcaida	City Vice-Mayor	City of Puerto Princesa
Gemma Borreros	City Program Coordinator	SURGE
September 01, 2016		
Lorraine Banzuelo	Planning Development Officer III/Acting LEIPO	Office of the City Planning and Development Coordination
Elizabeth Alzaga	Planning Development Officer IV	Office of the City Planning and Development Coordination
Leonida Kho	Engineer III	Officer of the City Engineer
Earl Timbancaya	LDRRMO IV	City Mayor's Office-City Disaster Risk Reduction Management Office
Carlo Gomez	Department Head	Office of the City Environment and Natural Resources Officer
Maria Socorro Marquez	LLCO	DOLE-Palawan
Renato Panteleon	Prov'l director	TESDA-Palawan
Gemma Borreros	City Program Coordinator	SURGE
September 2, 2016		
Ric A. Tajolosa	NSTP Director	Palawan State University-NSTP
Ronie Bacuel	Deputy City Director for Admin	PPC-Police Office
Cruzalde Ablana	Prov'l Coordinator/SWAD Team Leader	DSWD Palawan SWAD Team
Arthur A. Torillo	Engineer II	DPWH-Palawan 3 rd district office
Ms. Rosenda Fortunado	Provincial Director	DTI
Bart Duff	Executive VP	Puerto Princesa Chamber
Henry Sy	Member	Puerto Princesa Chamber Toyota

Paz Aurora Duff	Member	Puerto Princesa Chamber
Cris Navarro		Delta P Inc
Nita Socrates	Member	Puerto Princesa Chamber
A.R Tyne Yap	Member	Puerto Princesa Chamber
Jonson Javier	Instructor	Western Philippine University
Gemma Borreros	City Program Coordinator	SURGE

Persons Contacted/Met in Tagbilaran City

Name	Designation	Office
26 September 2016		
Dr. Rosalinda Paredes	City Program Coordinator	USAID-SURGE
Ms. Madeleine Sinon	City Program Assistant	USAID-SURGE
27 September 2016		
Ms. Diminitriva Ontong	Executive Assistant	CTO-Tagbilaran
Mr. Gilbert Trajano	ICO	CTO-Tagbilaran
Ms. Cathelyn Torremocha	HRMO	Tagbilaran City
Ms. Alberta Co-Torralba	Councilor	Tagbilaran City
Mr. J Antonio Veloso	Vice Mayor	Tagbilaran City
Mr. Leonides Borja	City Administrator	Tagbilaran City
Mr. Jonas Cacho	Councilor	Tagbilaran City
Ms. Shobel Ligalig	Tourism Officer	Tagbilaran City
Ms. Bona Dea Payron	Documentor	USAID-SURGE
Mr. Roderick Virtudazo	Asst. Logistic Staff	CAO-SURG
Mr. Leobie Revilles	Logistic Secretariat	CAO-SURGE
Ms. Madeleine Sinon	City Program Assistant	USAID-SURGE
Mr. Ferdinand Lumantas	BPLO	BPLO-Tagbilaran
Mr. Samuel Belderol	BPLO	BPLO-Tagbilaran
Mr. Charlie Borja	PESO	PESO-Tagbilaran
Mr. Antonio	L.I.	BPLO-Tagbilaran
Mr. Bebiano Inting	LEIPO	LEIPO-Tagbilaran
28 September 2016		
Mr. Joselito Taladua	In-Charge	CSWMO-Tagbilaran
Ms. Gina Duting	Engineer II	CEO/EBO-Tagbilaran
Mr. Ful Sabijon	Zoning Officer	OCPDC-Tagbilaran
Mr. Teodoro Estoque	CGADH-1	CEO/EBO-Tagbilaran
Ms. Pianicita Castillo	City Engineer	CEO/EBO-Tagbilaran
Mr. Gerard Lavadia	EA II	CDRRMO-Tagbilaran
Ms. Remedios Lamoste	Records Officer	Registry of Deeds
Mr. Mardonio Roxas	CLGOO	DILG
Mr. Jaypee Orcullo	TOA	DOT Region 7 (Bohol)
Ms. Rosemarie Bantol	TESD Specialist II	TESDA-Bohol
Ms. Maribel Baranggot	Engr II	DPWH
Ms. Clarice Nova Clarin-Palatang	DMO DES	DOH-Bohol
Dr. Reymoses Cabagnet	PHO-II	PHO-Bohol
Ms. Jheann Aparece-Verga	LGOO V	DILG
Ms. Bona Dea Payron	Documentor	USAID-SURGE
Mr. Roderick Virtudazo	Asst. Logistic Staff	CAO-SURG
Mr. Leobie Revilles	Logistic Secretariat	CAO-SURGE
Ms. Madeleine Sinon	City Program Assistant	USAID-SURGE
29 September 2016		

Mr. Panfilo Asares	Chair	FCBFI
Ms. Marilyn Bandija	Techserv	Camella-Bohol
Ms. Marietta Gasatan	VP-External	PCCI-Bohol
Mr. RG Ong	Auditor	PCCI-Bohol
Mr. Rommel Gonzales	GM	Bellevue Resort
Ms. Maria ALfreda Ballecor	Relationship Officer	PNB
Mr. Joel Gubot	Project Coordinator	Process-Bohol Inc.
Mr. Argee Melisimo	Vice Chair	PCCI-Bohol
Mr. Norris Oculam	VP-External	PCCI-Bohol
Ms. Marissa Anino	Treasurer	Bohol Bakers Assn
Ms. Bona Dea Payron	Documentor	USAID-SURGE
Mr. Roderick Virtudazo	Asst. Logistic Staff	CAO-SURG
Mr. Leobie Revilles	Logistic Secretariat	CAO-SURGE
Ms. Madeleine Sinon	City Program Assistant	USAID-SURGE

Persons Contacted/Met in Zamboanga City

Name	Designation	Office
Nov 14, 2016		
Marilou Delos Reyes		Zamboanga Ecozone
Eugene Pacio		Zamboanga Ecozone
Annabelle Cajita	CPC	SURGE
Nov 15, 2016		
Maria Angelique C. Go	City Administrator	City Administrators' Office
Romelita F. Candido	City Asst. Treasurer	City Treasurer's Office
Portia P. Quintas	Vet. IV	City Veterinary Office
Lourdes S. Francisco	CSWDO-PESO	
Godofredo T. Oliveria	Fisheries Licensing Officer	City Agriculture Office
Corazon I. Cairo	L.O. II	
Rolando B. Vasquez	E. III	City Engineering Office
Maria Gracia E. Sanson	PO III	OCPDC
Lalane G. Benito	ZO II	OCPDC
Criselda S. Francisco	ZO III	OCPDC
Rodrigo C. Rebollos	ACE	City Engineering Office
Marieta C. Deluna		CMO
Benjamin Guingona	Councilor	City of Zamboanga
Nov 16, 2016		
Rolando B. Vasquez	E. III	City Engineering Office
Maria Gracia E. Sanson	PO III	OCPDC
Lalane G. Benito	ZO II	OCPDC
Criselda S. Francisco	ZO III	OCPDC
Rodrigo C. Rebollos	ACE	City Engineering Office
Marieta C. Deluna		CMO
Marua Arlene C. Suyto	Admin/Acting AO/ Sr. TOO	DOT-9
Romanito H. Ynaclat	SR. LEO	DOLE-ZCFO
Dennis M. Encarnacion	ES II	CHED 9
Rolando G. Acuna	PD	DTI-ZCO
Engr. Adrian B. Andong	OIC-Chief	TESDA-IX
Nov 17, 2016		
Rizel G. Penaflor	EMS II	DPWH
Narrabelle Z. Bue	AWO IV	DSWD
Edgar S. Mag-abo	PDO II	DSWD

Mo. Taha S. Arayan		DILG
Psupt. Dionarie Albarico		ZCPO/PNP
Myl Johann Amsid	CRM	BPI
Cecille C. Diamante	Dept. Head	WMSU-CFES
Francis H. Arroyo	Chair	ADZU-SMA
Edwin F. Pamaran	Faculty	ADZU-SMA
Alphi C. Santiago	Chairperson	ZCIC
Jose Rizalino L. Ortega		ZCI4J
Sheila F. Padua	Bm/ VP External	Filinvest Land Inc/ REBAP
Nelson Anatico	President	REBAP ZAMBO.
Jhing Delos Reyes	SA- Filinvest/ REBAP	FILINVEST Land Inc
Rep. Aurine R. Lee	Representative	Zam-Fil-Chi Chamber of Commerce
Carl Rubio	Sec	ZCC1F1
Andrew Wee	Manager	PHDICO
Efren Wee	President	PHDICO
Olvei Chan		Zam-Fil Chi Chamber of Commerce
Espie E. Hupida	ED	ZABIDA
Annabelle Cajita	CPC	SURGE
Mark Revillas	CPA	SURGE
Demmi Resurreccion	Documenter	SURGE
Nov. 18, 2016		
Ma. Luz Agbayani	Asst. CPD Coordinator	CPDO
Ofelia Despalo		CPDO

Annex 8. BEE Assessment Dimensions and Interview Guide

BEE Assessment Dimensions and Interview Guide

Dimension	Scope of Assessment	Key Assessment Questions	Proposed Respondents
Quality of Regulatory Environment	Involves assessing the quality and status of local regulations supporting a strong business enabling environment and examining the efficiency of regulatory systems and processes	<ul style="list-style-type: none"> • Does the LGU have a Citizen's charter? • Does the LGU have an Investment and Incentives Code? When was this enacted • Does the LGU have a Local Taxation and Revenue Code? Is the revenue code codified? • Does the LGU have a Comprehensive Land Use Policy/ Plan? When as this enacted? • Does the LGU have a Comprehensive Development Policy/ Plan • How is Property Rights Protection ensured by the LGU? • What other local regulations are present? How are these consistent with national laws? • What other regulations affecting entry and expansion of businesses are being implemented in the city? <hr/> <ul style="list-style-type: none"> • What significant reforms have been undertaken in the last 2 years in improving the ease of doing business? What kind of documentation is available to track process improvements? How are the results monitored? • What is the status of BPLS streamlining? What processes have been streamlined and its impact on business enabling environment (including building and occupancy permits)? • Is the BPLS automated? Is it connected to the PBR? Is there a facility for e-payments? • What is the status of compliance to ARTA? Any significant findings by the CSC on the compliance of the city to ARTA? 	Mayor and/ or Vice Mayor Members of the City Legislative Council City Administrator City Treasurer City Registry Head of BPLO LEIPO
Institutional Capacity and Performance of Local Government	Involves the assessment of quality of local governance and leadership and effectiveness in the	<ul style="list-style-type: none"> • Does the LGU have a mission, vision and strategy? • How does the mission-vision-strategy relate to overall business enabling environment? 	Mayor and/ or Vice Mayor Members of the City Legislative Council

	<p>delivery of business and enterprises development services of various LGU business and investment units</p>	<ul style="list-style-type: none"> • Who are the key leaders and stakeholders working in the implementation and monitoring of the strategy outcomes? • What is the status of the LGU's internal assets and infrastructure? How is this aligned with the mission-vision-strategy? • What is the organization structure of the LGU and its people? How is this aligned with the mission-vision-strategy? • How aligned is the LGU budget and fiscal management with the vision-mission-strategy? • What are the key information and knowledge management resources of the LGU in supporting business-enabling environment of the city? • How is the LGU internal communications strategy? • Does the LGU maintain a quality management system? • How is LGU quality processes and value focus measured by the LGU? • What tools are being used to support learning and development? • What kinds of trainings are being provided for key staff and personnel in relation to business enabling environment? 	<p>City Administrator City Treasurer HRDO BPLO LEIPO Negosyo Center Strategy Management Office National Government Agencies Business community Civil Society Academe</p>
		<ul style="list-style-type: none"> • Does the LGU have a LEIPO? • How is the LEIPO designated? • What are the mandate and functions of the LEIPO • Does the LGU have a Negosyo Center? • What are the mandate and functions of the Negosyo Center? • Does the LGU have an Investment Promotion Center? • What are the mandate and functions of the Investment Promotion Center? • What business support centers/offices are being maintained by the LGU? • What is the quality of business planning services of the LGU? • How effective is the business support services of the LGU in 	

		<p>enabling strong business and investment activities in the city?</p> <ul style="list-style-type: none"> • What are the types and quality of enterprise support services (i.e. start-up, alternative financing, business incubation, in-market support, shared facilities, business matching, supply chain linkages, innovation, internationalization) in the city? 	
Quality of Investment Climate	Involves assessing the status and quality of local infrastructure and activities that support and activities that promote sustainable local economic competitiveness in support of investment and trade promotion	<ul style="list-style-type: none"> • Does the LGU have a zoning ordinance? What is the process of applying for locational clearance? • How much budget is allocated by the LGU for its infrastructure requirements? • Does the LGU have a Geographical Information System (GIS)? • Does the LGU have relevant initiative / undertakings on infrastructure upgrade to increase investment viability? • Does the LGU have PPP Code or ordinance? • What are the main provisions of the ordinance? • Does the LGU have projects with other LGUs or the national government for local economic development • Does the LGU have an existing partnership (alliances, convergence, sisterhood) with other LGUs, abroad or locally? • Is there a local or international airport in your locality? How far is the airport from the center of the locality? Is the airport night rated? What is the maximum passenger capacity of the airport? What is the passenger volume in the last 2 years? • Is there seaport in your locality? How far is the port from the center of the locality? Does it support maritime cargoes (domestic and foreign) and passengers (domestic)? • What is the maximum passenger / cargo capacity of the port? What is the passenger /cargo volume in the last 2 years? Is there a cruise berthing facilities in the port to support the tourism sector? 	<p>City Administrator City Treasurer City Engineering City Planning LEIPO Negosyo Center PESO National Government Agencies Environmental Management Office Disaster Risk and Prevention Office Strategy Management Office Business Community Civil Society Academe</p>

		<ul style="list-style-type: none"> • What is the total length of roads (including bridges) in the locality that are interconnected? • What is the total length of roads that are unpaved, asphalt, gravel and concrete? • What are the significant initiatives of the LGU to develop rural areas, i.e, investment in infrastructure, construction of farm to market road? • What are the motorized vehicles present in the locality for public use and how many (Buses, jeepneys, tricycles, ferries (ship, fastcraft), passenger bancas)? • How many telecom providers are present in the locality? • How many households / business establishment subscribes to the services of these telcos (mobile, land line, internet)? • Who are the utility providers in the locality, for water? for electricity? • How reliable are their services? In the previous how many water or electricity interruptions were experienced? • How much is the cost per cubic meter (for water) and per kilowatt hour (for electricity)? • How many service providers (for internet and cable) are present in the locality? • How many households are connected to the internet / cable? • How much is the one time cost for connection and monthly fee? 	
		<ul style="list-style-type: none"> • Does the LGU have a local incentives code? When was this enacted? • What are the fiscal and non-fiscal incentives provided to local enterprises, new and existing investors? • Does the LGU have a workforce development plan? • What are the programs implemented by the LGU to address unemployment, job-skill mismatch? • What are the training programs implemented by the LGU to upgrade the skills of workers to address the needs of industry? 	

		<ul style="list-style-type: none"> • Does the LGU have an operational Public Employment Service Office (PESO)? • How effective is the PESO in providing career guidance and employment coaching, labor market information and facilitating employment? • Does the LGU conducts value chain analysis to identify priority intervention areas / investment areas in the locality? • Does the LGU have a convergence program to help implement the intervention identified to make the products or service more competitive? • Are there economic zones present in the locality? • How many locators do the ecozones have and what types of industries are present in the ecozone? • Does the LGU implement a financing program for enterprises? How many have availed of this financing program? • How many financing institutions are present in your locality? • Does your LGU have a disaster risk reduction and management plan (DRRM)? • What are the initiatives implemented by the LGU to increase disaster resiliency of businesses? • Does the LGU have geo-hazard maps that would guide the local business? • Does your LGU have a Solid Waste Management Plan? • Does you LGU have a materials recovery facility? • Does the LGU have other initiatives on environmental sustainability business resiliency? 	
Effectiveness of public-private dialogue	Involves the quality and effectiveness of local private sector representation and degree of inclusiveness of public sector	<p><u>SMED Council</u></p> <ul style="list-style-type: none"> • Does the LGU have a SMED Council? • Is the business sector, i.e., chambers of commerce, business service organizations, trade association, represented in the SMED Council? 	Local Chamber Officers Industry Groups (i.e. Tourism, Retail, Transport, Logistics,

	<p>engagement with the private sector</p>	<ul style="list-style-type: none"> • Is there a document or an ordinance prescribing the participation of business sector in the SMED Council • How often does the SMED Council meet? Is the business sector present during these meetings? • What are the programs or policies promulgated by the Council that benefitted the MSMEs? <p><u>Bids and Awards</u></p> <ul style="list-style-type: none"> • Is the business sector represented in the bids and awards committee? • What is the extent of the private sector's participation in the bidding process? <p><u>LDC</u></p> <ul style="list-style-type: none"> • Is the business sector (e.g. chambers of commerce, BSOs, industry associations) represented in the local development council (LDC)? • Is there a document or an ordinance prescribing the participation of the business sector in the council? • How often does the LDC meet? Is the business sector represented during the meetings? • What is the extent of the private sector's participation in the Council? • What are the resolutions adopted by the Council that benefitted the business community? <p><u>Peace and Order</u></p> <ul style="list-style-type: none"> • Is the business sector (e.g. chambers of commerce, BSOs, industry associations) represented in the peace and order council? • Is there a document or an ordinance prescribing the participation of private sector in the council? • What is the extent of the private sector's participation in the peace and order council? • What are the resolutions adopted by the Council that benefitted the business community? 	<p>Financial-Banks, etc.) Academe Civil Society Organizations (i.e. Labor, Environment, etc.) MSMEs and Large Companies Cooperatives</p>
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		<p>Others</p> <ul style="list-style-type: none"> • Are there other modes of multi-stakeholder consultative councils? 	
		<p><u>Business Sector</u></p> <ul style="list-style-type: none"> • Is there a local chamber of commerce, business club or other relevant and legitimate business advocacy groups in the locality? • How dynamic are these local business groups? • In terms of membership, are the relevant local enterprises well represented in the business groups? • What is the composition of the board of directors and / or advisers of these business groups? • Do these business organizations have their own Secretariat? • Do these business organizations have a dedicated staff or office that handles the needs of business such as business center or investment promotion unit? • Do these business organizations have a business plan? • How proactive are these business groups in terms of advocating the interest of the business sector? • Do they have an advocacy agenda and submit this with the LGU? • How do the business groups develop their advocacy agenda? • What are the advocacies of the business sector that have been addressed by the LGU? (cite an example) • What are the services offered by the business groups for their members and for the business community? • How effective are these services in helping the members and the business community, in terms of expanding network, accessing new market, meeting prospective partners or investors? • What are the strategies employed by the business groups to recruit new members and retain existing members? 	

		<ul style="list-style-type: none">• How effective are these strategies in retaining members and attracting new members?• How do the business sector engage the LGU?• Do they initiate consultation meetings with the LGU? How often are these meetings conducted?	
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Annex 9. BEE Assessment Enterprise Survey

DEAR RESPONDENT:

This survey is being conducted under the auspices of Strengthening Urban Resilience for Growth with Equity (SURGE) project. SURGE aims to enable second-tier cities to become economically thriving and resilient growth centers outside the urban core of Manila. As engines of growth, these cities will provide a better quality of life for residents and people in surrounding areas. By the end of SURGE, activities are expected to have contributed to higher levels of investment and employment for both the second-tier and adjacent rural areas. Activities under SURGE are also expected to improve urban resilience by enhancing disaster risk preparedness, thereby ensuring sustainable growth.

Part of the activities of the SURGE Project aims to assess the business-enabling environment (BEE) of the city of Puerto Princesa, Palawan with the following are the key objectives: (i) assess the status and quality of regulatory environment; (ii) assess status and quality of investment climate; (iii) assess the institutional capacity and quality of trade, business and investment promotion offices (i.e. LEIPO), enterprise support centers (i.e. Negosyo Center), and other business development support services; and, (iv) assess the institutional capacity and quality of private sector representation (i.e. chambers of commerce and/ or business clubs) and other public-private dialogue mechanisms existing in the city

As a respondent, your views are important in generating key information on the needs and opportunities for the city to improve its business-enabling environment. Rest assured that all information you provide will be treated with utmost confidentiality and will only be used solely for this assessment. In this regard, we look forward to your cooperation and support.

Kindly email your responses to rpg_evangelista@yahoo.com or submit the completed survey form to representatives of the SURGE city coordinator.

Thank you.

Very truly yours,

Ryan Patrick Evangelista
Short-term Expert BEE Assessment
SURGE Project

Name of company	
Name of Respondent	
Title/ Designation	
Address	
Tel No or Mobile No	
Email address	

I. General Information about the Company

For Questions 1.1—1.3, please put ✓ on the space provided

I.1. Main Economic Activity

- Agriculture, Fishery and Forestry Transport, Storage and Communication
 Mining and Quarrying Financial Intermediation
 Manufacturing Real Estate, Renting and Business Activity
 Electricity Gas and Water Wholesale and Retail
 Construction Others, please specify
 Hotels and Restaurants

I.2.1 Legal Organization

- Single Proprietorship Private Corporation Informal
 Partnership Cooperative

I.2.2 Size of Company:

- () Micro Enterprise (total assets below Php 3.0M)
 () Small Enterprise (total assets below Php 15.0M)
 () Medium Enterprise (total assets above Php15.0M up to Php100.0M)
 () Large Enterprise (total assets above Php 100.0M)

I.3. Economic Organization

- Single Establishment
 Branch Only
 Establishment and Main Office

I.4. Year Established: _____ Year operations started in Puerto Princesa: _____

I.5. How many establishments does your company have in the city? _____
 In the country? _____

I.6. Specify the total number of employees in the company in the city? _____

Of the total employees, how many are Female _____ Male _____

- 1.6.1. How may full-time employees do your company have? _____
- 1.6.2. Of the total number of employees, how many are contractual? _____
- 1.6.3. How many of the total no. of employees are skilled workers? _____

What specific skills? _____

I.7. What is your main product line? _____

I.8. What percent of your establishment's/ Firm's sales are sold

Locally: _____%

Abroad: _____%

TOTAL SALES 100 %

I.9. What percent of your establishment's LOCAL sales are sold to

Domestic Enterprises: _____%

Exporters: _____%

TOTAL Local Sales 100 %

II. Firm in the Value Chain

II. 1. Are you a lead firm for your sales goods/ services or part of the production networks/ value chain as part of a lead firm? lead firm part of lead firm

If part of the production network, what is your sales pattern?

Final assembler

First tier supplier

Second tier supplier

Third tier and more

Involved in domestic production network

Involved in global production network

II.2. Please indicate share of the following to the total inputs to production:

Raw Materials _____%

Salary Expense _____%

Electricity and Water _____%

Rent _____%

Fuel/ Petroleum _____%

Transportation _____%

Infrastructure _____%

Telecoms _____%

Interest _____%

Others, please specify _____%

Total 100 %

II.3. Inputs to the value chain

Please rate the following concerns based on the degree of applicability to your firm's competitive operations in the city. Please encircle your answer.

Raw Materials	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Cost of domestic supply	N/A	0	1	2	3	4	5
Quality of Raw Materials	N/A	0	1	2	3	4	5
Availability of domestic supply	N/A	0	1	2	3	4	5
Inventory cost	N/A	0	1	2	3	4	5
Others (please specify): _____	N/A	0	1	2	3	4	5

Electricity	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Power Supply	N/A	0	1	2	3	4	5
Cost of electricity	N/A	0	1	2	3	4	5
Others (please specify) _____	N/A	0	1	2	3	4	5

Water	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Availability of Water Supply	N/A	0	1	2	3	4	5
Cost of water supply	N/A	0	1	2	3	4	5
Others (please specify) _____	N/A	0	1	2	3	4	5

Availability of Space	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Office	N/A	0	1	2	3	4	5
Warehouse	N/A	0	1	2	3	4	5

Manufacturing Plant							
Others (please specify) _____	N/A	0	1	2	3	4	5
Rent	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Cost of Rent	N/A	0	1	2	3	4	5
Increase in rent	N/A	0	1	2	3	4	5
Others (please specify) _____	N/A	0	1	2	3	4	5
Fuel/ Oil	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Cost	N/A	0	1	2	3	4	5
Others (please specify) _____	N/A	0	1	2	3	4	5
Infrastructure (e.g. roads, bridges, ports)	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Quality of overall infrastructure	N/A	0	1	2	3	4	5
Quality of Airport	N/A	0	1	2	3	4	5
Quality of Seaports	N/A	0	1	2	3	4	5
Quality of Land Infrastructure							
Quality of Urban-Rural Infrastructure Connectivity	N/A	0	1	2	3	4	5
Cost of tolls, terminals, handling fees	N/A	0	1	2	3	4	5
Others (please specify) _____	N/A	0	1	2	3	4	5
Disaster Risk (e.g. natural and man-made calamities)	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Disaster Preparedness	N/A	0	1	2	3	4	5
Risk Management	N/A	0	1	2	3	4	5
Business Continuity	N/A	0	1	2	3	4	5
Others (please specify) _____	N/A	0	1	2	3	4	5

Land Transportation	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Maintenance of roads, bridges, etc.	N/A	0	1	2	3	4	5
Traffic situation	N/A	0	1	2	3	4	5
Toll Fees	N/A	0	1	2	3	4	5
Illegal Taxes (e.g. “Kotong”)	N/A	0	1	2	3	4	5
Other Regulations (e.g. truck bans)	N/A	0	1	2	3	4	5
Others (please specify): _____	N/A	0	1	2	3	4	5
Telecommunications and Internet Access	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Availability of telephone/ internet service lines	N/A	0	1	2	3	4	5
Quality of Telecommunications service	N/A	0	1	2	3	4	5
Cost of Telecommunications	N/A	0	1	2	3	4	5
Others (please specify): _____	N/A	0	1	2	3	4	5
Loans	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Availability of Loan/ Credit	N/A	0	1	2	3	4	5
Cost of borrowing	N/A	0	1	2	3	4	5
Length of loan processing	N/A	0	1	2	3	4	5
Others (please specify): _____	N/A	0	1	2	3	4	5
Human Resources	N/A	Not an Obstacle	Minor Obstacle				Major Obstacle
Hiring, Keeping and terminating staff	N/A	0	1	2	3	4	5
Skills matching/ Availability of Skilled workers/ Management	N/A	0	1	2	3	4	5
Employment Costs and regulations	N/A	0	1	2	3	4	5

Others (please specify): _____	N/A	0	1	2	3	4	5
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III. Firm Competitiveness and Operations in the city

III.1. Please rank the following issues/ concerns based on their relative significance in maintaining the competitive operations of your firm in the city
(1 – most significant issue/ concern; 15 – least significant)

- _____ Business cost
- _____ Bureaucracy/paperwork/ red tape
- _____ Cash Flow
- _____ Financing
- _____ Availability of Technology/ Innovation
- _____ Competition
- _____ Susceptibility to local disasters
- _____ Local Taxes
- _____ Local Investment Incentives
- _____ Infrastructure Development
- _____ Local Business and Investment Services (LEIPO, Negosyo Center)
- _____ Availability of Skilled Labor Force/ Management
- _____ Efficient Supply Chain
- _____ Property Rights (i.e. Registering, Titling, Fees, Right of Way, etc.)
- _____ Others (please specify _____)

III.2. How problematic each of the following regulatory issues are for the operations and growth of your business in the city?

Regulatory Issue	N/A	Not a Problem at all	Minor Problem				Major Problem
Business Permitting and Licensing	N/A	0	1	2	3	4	5
Local Taxes and Compliance	N/A	0	1	2	3	4	5
Labor Regulations/ Labor Supply	N/A	0	1	2	3	4	5
Environmental Regulations	N/A	0	1	2	3	4	5
Fire, safety regulations	N/A	0	1	2	3	4	5
Infrastructure Planning and Maintenance	N/A	0	1	2	3	4	5
Investment Promotions and Marketing and Business Support Services	N/A	0	1	2	3	4	5
Property Rights Protection and Administration	N/A	0	1	2	3	4	5
Land Use and Zoning	N/A	0	1	2	3	4	5
Disaster Risk Management and Preparedness	N/A	0	1	2	3	4	5

Bureaucratic Red Tape	N/A	0	1	2	3	4	5
Local Economic Administration	N/A	0	1	2	3	4	5
Peace and Order	N/A	0	1	2	3	4	5
Production or Quality Standards	N/A	0	1	2	3	4	5
Others (please specify):	N/A	0	1	2	3	4	5

IV. Private Sector Mobilization

IV.1. Does your company belong to a business or industry association (such as a Chamber of Commerce or Industry Association)?

_____ YES _____ NO

IV.2. If you answer **YES**, please name the business association or organization:

IV.3. What are the benefits of your membership to business chamber or industry association? Please appropriate benefit(s)

- _____ Networking/ Contacts of potential suppliers and clients
- _____ Business Matching/ Referrals/ Trade Missions
- _____ Trade/ Business Information (e.g. export information)
- _____ Advocacy/ Policy Representation
- _____ Scholarship/ Trainings and Capacity building programs
- _____ Corporate Social Responsibility (CSR)
- _____ Information on Credit and Financing
- _____ Information on legislations/ regulations affecting business and investments

IV.4. If you answer **NO**, please state reasons for not joining a business organization

IV.5. Kindly encircle your response as appropriate to complete the following statement:

Business associations (e.g. Chamber of Commerce, industry associations) in my locality enable competitive business environment by:

N/A: Not Applicable; 1-Strongly Disagree; 2-Disagree; 3-Indifferent; 4-Agree; 5 Strongly Agree

Providing useful sources of information about public policy affecting business	N/A	0	1	2	3	4	5
Effectively representing the interest of businesses	N/A	0	1	2	3	4	5
Being effective in advocating the interest of businesses to government decision makers	N/A	0	1	2	3	4	5
Providing useful and relevant training programs	N/A	0	1	2	3	4	5
Providing timely information on how to obtain financing, including required documents	N/A	0	1	2	3	4	5
Being useful sources of information of government agencies and contact persons	N/A	0	1	2	3	4	5
Useful source of market information including trade standards	N/A	0	1	2	3	4	5

End of Survey
Thank you for your participation

Annex 10. Photos

Caqayan de Oro



Assessment with the CEO, CLENRO, CDRMO and CPDO



Assessment with the DOT, NEDA, TESDA and CSC



Assessment with the DPWH, PNP and DSWD



***Assessment with the Community and Civil Society:
Local Chamber, Industry Group, Academe, CSO, MSMEs, Cooperatives, others***

Puerto Princesa





Tagbilaran City



Participants with facilitator (L to R) Mark Borja, Samuel Belderol, Ryan Evangelista, Antonio Hontanosas, Fermin Lumantas, Bebiano Inting



FGD with city officials: Joselito Taladua, City SWM Office, Gina Inting, City Engineer's Office/OBO, Fulgencio Sabijon, Office of the City Planning Coordinator, Teodoro Estoque, City Engineer's Office/OBO, Pianicita Castolo, City Engineer's Office, Gerard Lavadia, City Disaster Risk Reduction Management Office



Respondents with the consultant:

1st row, L-R: Hon. Toto Veloso (Vice-Mayor), Mr. Edi Borja (City Administrator), Hon. Betty Torralba (City Councilor), Ms. Ontong (City Treasurer's Office personnel).

Standing, L-R: Hon. Jonas Cacho (City Councilor), Ms. Shobel Ligalig (City Tourism Officer), Mr. Ryan Evangelista (Consultant), and Mr. Gilbert Trajano (City Treasurer

Zamboanga City



USAID consultant, Ryan Evangelista doing a Key Informant Interview with the City Administrator and concurrent of the City Investments and Promotions Office, Maria Angelique C. Go.



USAID consultant Ryan Evangelista with Representatives from the Department of Interior and Local Government, Department of Public Works and Highways, Philippine National Police and Department of Social Welfare and Development



USAID consultant Ryan Evangelista with Representatives from the Department of Tourism, Department of Trade & Industry, Department of Labor and Employment, Technical Education and Skills Development Authority, Civil Service Commission and Commission on Higher Education