

OVERVIEW OF NGOS AND CIVIL SOCIETY¹

PHILIPPINES

Country context

The Republic of the Philippines is located in Southeast Asia, east of Viet Nam. The Philippine archipelago is made up of more than 7,000 islands located between the Philippine Sea and the South China Sea. The Philippines was a Spanish colony between 1521 and 1898, and an American colony for nearly half a century. After being occupied by Japan during World War II, the Philippines attained independence on 4 July 1946.

The Philippines' political system is modeled after that of the United States. The Constitution provides for a single 6-year presidential term. The president is chief executive, head of state, and commander-in-chief. The legislature is bicameral with a Senate and a House of Representatives. The current President, Gloria Macapagal-Arroyo, assumed her position in 2001 and was popularly elected in May 2004.

The Philippines has two official languages, Filipino (based on the dialect Tagalog) and English, as well as eight other dialects. There are many different ethnic groups—Tagalog is the most prominent, comprising almost one-third of the population. Eighty percent of Filipinos are Roman Catholic. Muslims comprise 5% of the population.

The Philippines, a country of medium human development, ranks 90th in the world on the United Nations 2007 Human Development Index (just above Tunisia, and immediately below Ecuador). The population is nearly 90 million, and adult literacy rate stands at 92.6%. About 43% of the population lives on less than \$1 per day. Life expectancy at birth is 70 years.

This brief provides an overview of civil society organizations (CSOs), with a particular focus on nongovernment organizations (NGOs). Labor unions, for the most part, are not addressed in this document.

History of civil society organizations

The basis for civil society in the Philippines is provided by the Filipino concepts of *Pakikipagkapwa* (holistic interaction with others) and *kapwa*, which means “shared inner self”. In practice, in the Philippines, voluntary assistance or charity connotes an equal status between the provider of assistance and the recipient, which is embodied in the terms *Damayan* (assistance of peers in periods of crisis) and *Pagtutulungan* (mutual self-help). The Western notion of *Kawangawa* (charity) may have been introduced to the Philippines by Catholic missionaries.

The Roman Catholic Church and other religious orders established the first welfare organizations in the Philippines during the era of Spanish rule. They established parochial schools, orphanages, asylums, and hospitals, such as the **San Juan de Dios Hospital** and **San Lazaro Hospital**. However, these schools and hospitals were reserved for the local elite. The church also established *Cofradías* (brotherhoods), which encouraged neighborly behavior, such as visiting the sick and helping with town fiesta preparations, and foundations, such as **Hermanidad de la Misericordia** (brotherhood of mercy). In 1781, Jose de Basco y Vargas established the **Economic Society of Friends**, one of the few secular welfare organizations during the Spanish occupation.

During the late 19th century, several *cofradías* were established to resist Spanish rule. Some organizations, such as the **Cofradia de San Jose**, were peasant groups established to fight for Filipino independence. The **Propaganda Movement**, led by the native intelligentsia, sought reforms and equal rights for Filipinos. The movement used Masonic lodges to spread propaganda ideals and education in collective action. By contrast, *Katipunan* was a secular, anti-religious group that advocated independence through popular revolution. Katipunan later inspired student activist groups during the 1960s and 1970s. All of these were termed *asociaciones ilícitas* (illegal associations) by the colonial government.

The Philippine revolutionary army defeated the Spanish in June 1898. Several months later, Spain ceded the Philippines to the Americans in the Treaty of Paris, placing the country under colonial rule once again.

The American colonial government delineated the boundaries between state provision of public goods, religious philanthropy, and private nonprofit organizations. The Government was generally supportive of civil society. For example, the Philippine corporation law of 1906 explicitly recognized NGOs, and the Government subsidized their operation. American NGOs, such as the **American Red Cross** and the **Anti-Tuberculosis Society** set up branches in the new colony. The American Methodist and Protestant churches and the Church of England established schools and hospitals, such as **Saint Luke's Hospital** and **Mary Johnston Hospital**. Domestic organizations, such as **Asociacion de Damas Filipinas** (organization of Filipino women) and the **Catholic Women's Federation** also provided welfare services. In 1917, the **Associated Charities of Manila** was established to channel public fund-raising to charitable institutions and hospitals in the city.

With the support of the Government, hundreds of farmer credit cooperatives were born in the 1920s and 1930s, soon claiming more than 100,000 farmers as members. At the same time, dissatisfaction among peasants about rural life fueled growth in membership of the communist movement's labor federation, the **Congress of Labor Organizations (CLO)**.

The communist movement stimulated a counterreaction from the Government, religious organizations, and non-communist NGOs. The Catholic Church expanded its social agenda to direct engagement with workers and peasants, while the Jesuits established three anti-communist organizations, the **Institute of Social Order** (1947), the **Federation of Free Workers (FFW)**, and the **Federation of Free Farmers (FFF)**. Protestant and other non-Catholic churches expanded their services into rural development, cooperatives, and credit unions, as well as agricultural teaching. In 1952, Dean Conrado Benitez of

the University of the Philippines founded the **Philippine Rural Reconstruction Movement (PRRM)**, which claims have pioneered an era of rural development and local democracy in the country.

Ferdinand Marcos, who became President in 1965, envisioned a "new society" in which there was little space for civil society and no tolerance for advocacy NGOs. His administration became increasingly associated with the suppression of civil, human, and political rights. As a result, such organizations either fled underground by joining the armed struggle of the **National Democratic Front** or sought shelter from Marcos' security forces by affiliating with a university or religious institution, such as the Catholic Church's **National Secretariat for Social Action (NASSA)**, the **Share and Care Apostolate for Poor Settlers**, the **Association of Major Religious Superior of the Philippines**, etc. Other anti-Marcos organizations operated under innocuous names, such as the **Agency for Community Education Services** and the **Organization for Training**. The activism of these and other CSOs eventually contributed to the overthrow of the Marcos regime in the "people power" revolution of 1986, which marked the beginning of a resurgence in civil society.

During the dictatorship, many NGOs had built up strong relationships with poor communities. This was one of the reasons why post-Marcos governments partnered with NGOs in service delivery and public policy. Several pieces of society legislation favorable to civil society's development were passed, including the local government code, the Urban Development and Housing Act, and the Women in Development and Nation Building Act. Government line agencies opened NGO-liaison offices, and NGOs were permitted to negotiate directly with bilateral funding institutions for financing.

Many in the Philippine development community began to welcome NGO management of overseas development assistance, seeing NGOs as useful channels for funneling support to needy communities.

The number of NGOs mushroomed during the administration of President Corazon Aquino. In addition to those with noble pursuits and good intentions were NGOs of dubious integrity and engaging in questionable practices. Some of these were established by politicians, businesspersons, and bureaucrats to advance personal, rather than public, welfare. In response, 10 of the largest NGO networks formed the **Caucus of Development NGO Networks (CODE-NGO)** in 1991 to promote professionalism, expand reach, and increase the effectiveness of NGOs.

Civil society under recent administrations

President Fidel Ramos, who served from 1992 to 1998, sought the cooperation of civil society, e.g., by promoting their involvement in multi-stakeholder mechanisms to promote peace in Mindanao. He also advanced the Social Reform Agenda to engage organized poor groups into national policy development. During the Ramos administration, NGOs stimulated vibrant public discourse and helped to redefine the content of politics. Topics that once would have been deemed inappropriate for legislation, such as violence against women and the rights of indigenous people, became common subjects of debate and successful parliamentary legislation. Civil society also became progressively institutionalized and professional. College graduates began to see a career in the nonprofit sector as a viable option.¹

Many NGO leaders had campaigned for Joseph Estrada, Ramos' successor, and some were repaid with cabinet appointments. However, civil society quickly became disenchanted with Estrada over myriad issues—foreign investment regulations, charter change, cronyism, inept governance, poor economic performance, corruption, and limitations on press freedom. More generally, NGOs claimed the Estrada administration did not fulfill its stated agenda to help those in poverty. They were unsatisfied with the National Anti-Poverty Commission's report on the 100 poorest families in every province and city, and annoyed by Estrada's limited attention to NGO-peoples' organization (PO)–Government partnerships.

Gloria Macapagal-Arroyo came to power in 2001 with strong support from civil society. Although NGO–Government relations soured somewhat after she was accused of fraud in her victory of the Presidential Election held in May 2004, her administration has generally continued to support the freedom of NGOs. The country's Medium-Term Philippine Development Plan, 2004–2010, includes NGO participation as one strategy for implementing government programs.

However, the President's declaration of state of emergency in February 2006 raised concerns of a threat to civil liberties. These concerns have been reinforced by hundreds of extrajudicial killings of militant activists, community workers, and persons associated with left-leaning organizations and party-list groups over the last 6 years. The United Nations Special Rapporteur on Extrajudicial Killings determined that the military is implicated directly or indirectly in a significant number of deaths, a conclusion also drawn by an independent commission headed by a former Supreme Court Justice. President Macapagal-Arroyo has condemned the killings and has called for legislation to address them.

Organization of Philippine civil society today²

The civil society sector has made great strides over the last 2 decades. NGOs and other civil groups have increased their effectiveness through networking and coalition building, campaigning for policy reform, adopting good practice standards, and advancing “sustainable development” as a uniting vision for all organizations.

The two most important civil society categories in the country are NGOs and peoples' organizations (POs)—the Filipino equivalent of what in other countries are commonly called community-based organizations.

POs are generally composed of disadvantaged individuals and work to advance their members' material or social well-being. POs are grassroots organizations, and their members typically work on a voluntary basis.³ NGOs are intermediaries between the State and POs. They advocate and work for disadvantaged individuals, who are not necessarily their members. Many NGOs work to strengthen POs by providing financing, establishing linkages, and undertaking advocacy. In addition to engaging volunteers, NGOs employ staff members.

There are several characteristics of Filipino civil society that are unique. Firstly, political activism takes on a larger role for Filipino organizations than elsewhere. Indeed, NGOs and POs played major roles in achieving Filipino independence from the Spanish and the Americans, and in toppling the Marcos regime.

Secondly, welfare activities emanating from the nongovernment sector are clearly distinguished from religious or state-initiated welfare activities. Whereas the Spanish Catholic Church once dominated charitable and philanthropic activities, Filipino civil society has had a strong secular foundation since the American colonial administration.

Finally, NGOs in the Philippines have benefited from government administrations that, since the mid-1980s, have been generally supportive of civil society. This has resulted in one of the most well-developed and institutionalized civil society sectors in the developing world. The conducive environment for NGO activity is reflected by the headquarters or secretariats for several regional and international civil society networks, including the **Asia Pacific Alliance for Reproductive Health, Clean Air Initiative for Asian Cities, South East Asian Committee for Advocacy**, and the **Southeast Asia Coalition to Stop the Use of Child Soldiers**.

As noted in a study prepared by the **Synergos Institute**, Philippine NGOs have successfully advocated for a greater role in the delivery of social services, stressing their strong

relationships in local, poor communities—a commitment that grew out of working with poor communities under the Marcos dictatorship. The impacts of development NGOs in community development and community economic development have demonstrated the capacity of these NGOs to be flexible, adaptable, and capable of innovative approaches to development challenges. Further, NGOs have typically incurred lower costs under less bureaucratic project implementation measures than the Government.⁴

Estimates of the number of civil society groups in the Philippines range up to 500,000,⁵ although only a fraction of this figure are registered as nonstock, nongovernment institutions (NGOs, POs). The number of “development-oriented” NGOs is put at somewhere between 3,000 and 5,000.⁶ In any case, there is consensus that the civil society sector is large and vibrant by developing country standards, even though most of the large number of organizations are small, struggle financially, and have weak capacity.

Legislative framework for NGO activities

Three articles of the 1987 Constitution institutionalize the role of NGOs and POs in Philippine development:

- Constitution Article II, Section 23: “The state shall encourage non-governmental, community-based, or sectoral organizations that promote the welfare of the nation.”
- Constitution Article XIII, Section 15: “The state shall respect the role of independent people’s organizations to enable the people to pursue and protect, within the democratic framework, their legitimate and collective interests and aspirations through peaceful and lawful means.”
- Constitution Article XIII, Section 16: “The right of the people and their organizations to effective and reasonable participation at all levels of social, political and economic decision-making shall not be abridged. The state shall, by law, facilitate the establishment of adequate consultation mechanisms.”

The Local Governance Code (LGC) of 1991 furthers the Constitution’s aims by establishing a role for “people power” at the local level. The LGC establishes

- A process of accreditation of NGOs and POs at the local level
- A local governance infrastructure composed of five special bodies, one of which (the local development council) must be formed at the village level
- A stipulation that at least one quarter of the local development council’s membership must come from civil society or the private sector. The civil society representatives must come from locally-accredited organizations

- The right of the people to amend, revoke, and enact ordinances through referenda
- Provisions for the establishment of other local committees, such as cooperatives

The LGC is a formalization of the *barangay* (village) system of local governance, which existed in the Philippines before the arrival of the Spaniards. It mandates the transfer of power, resources (40% of internal revenue to local bodies), and responsibilities from national to local governments through a process of devolution.

NGO registration⁷

Registration is not mandatory for CSOs in the Philippines, but only registered organizations benefit from a legal identity that permits them to open a bank account, sue and be sued, etc. Further, registration is officially required to accept donations or to participate in government projects.

CSOs that choose to register usually do so with the Securities and Exchange Commission (SEC), Cooperative Development Authority (CDA), or Department of Labor and Employment (DOLE). The SEC registers nonstock, nonprofit corporations pursuant to the Corporation Code of the Philippines. Eligible organizations include those that are established for religious, charitable, scientific, athletic, cultural, rehabilitation of veterans, and social welfare purposes.

The CDA registers cooperatives as provided for in the Cooperative Law of the Philippines and the Cooperative Development Authority Act. DOLE registers labor unions, labor federations, and rural workers’ associations in accordance with the Labor Code of the Philippines.

Additionally, nonprofit corporations and associations intending to perform social work and to function as mutual benefit associations and trusts for charitable purposes obtain licenses from the Department of Social Welfare and Development, and the Insurance Commission, respectively. Nonprofit educational institutions and health organizations obtain permits to operate from the Department of Education and the Department of Health, respectively.

Philippine NGOs have been at the cutting edge of NGO self-regulation. CODE-NGO, the largest coalition of NGOs in the country, established the “Code of Conduct for Development NGOs” in 1991. It was the first Asian NGO coalition to adopt a code of conduct in Asia, and probably one of the first in the global NGO community. CODE-NGO’s Code of Conduct has since been signed by more than a thousand NGOs and was recently updated to provide for clearer enforcement

mechanisms. In 1998, the Philippine Council for NGO Certification (PCNC) was established by six of the largest NGO coalitions. It represents one of the very few government-recognized NGO certification systems in the world and has been the subject of discussion and possible replication by NGOs in different countries. Both initiatives are repeatedly cited as models of good practice and analyzed extensively.⁸

Tax treatment of NGOs⁹

Exemption from income tax is extended to a broad range of organizational forms, including

- Nonstock corporations organized exclusively for religious, charitable, scientific, athletic or cultural purposes, or for the rehabilitation of veterans;
- Civic leagues or organizations operated exclusively for the promotion of social welfare; and
- Nonstock, nonprofit educational institutions.

Each of these entities is exempt from income tax on donations, grants, and gifts, provided that the organization's net income does not inure to the benefit of any private shareholder or individual. Profits generated from business activities are taxed, regardless of the disposition of the income.

A nonprofit organization may seek additional tax benefits by becoming an accredited nonstock, nonprofit corporation or an "accredited NGO." This certification vests the organization with donee institution status, which entitles it to receive tax-deductible donations. In the case of an accredited nonstock, nonprofit corporation, donations are deductible up to 5% of taxable income for corporate donors and 10% for individual donors.

For this purpose, "income" refers to the donor's income derived from trade, business, or profession as computed without the benefit of this deduction. In the case of an accredited NGO, donations are deductible in full. An accredited NGO is also subject to additional restrictions, including a requirement that it devote no more than 30% of its total expenses for the taxable year to administrative expenses.

For the past several years, the PCNC has been responsible for certifying NGOs applying for "donee institution" status. The status serves as a basis for the Bureau of Internal Revenue to award this status, thereby allowing donations to be deducted from a donor's taxable income and exempted from donor's tax. It was envisioned that the certification process would encourage local donations to NGOs, while at the same time making the nonprofit sector more professional and transparent. The PCNC was delegated the powers of

certification through a Memorandum of Understanding with the Department of Finance.

Although the PCNC has been recognized for doing good work, it has not been relevant for all CSOs. For example, NGOs, which do not raise funds from domestic corporations, are unable to take advantage of "donor institution status" and, consequently, opt to avoid the accreditation process and the accompanying requirements and fees (10,000–20,000 pesos, depending on an NGO's assets).

As of 22 October 2007, the PCNC had certified fewer than 500 of the approximately 6,000 eligible NGOs operating at the time of its launch. On that date, an Executive Order was issued by the Office of the President divesting the PCNC of its certification function on the basis that the regulatory functions of government agencies needed to be strengthened over nonstock, nonprofit corporations. The PCNC appealed for a repeal of the Executive Order, leading to a decision by President Macapagal-Arroyo to order a review of the directive.

NGO capacity

The Philippine NGO sector features a wealth of experience and expertise. Many capable staff of such organizations become trainers and mentors for others within the country and internationally. Foreign NGOs and governments often send staff to the Philippines to learn about civil society and cooperation between the Government and NGOs. The ability of the country's CSOs to promote social accountability has become one of their defining features.

A survey of capacity-building priorities for Philippine NGOs highlighted planning and strategic management, program design and implementation, staff development, fund-raising, and financial management.¹⁰

A number of organizations provide training for NGOs professionals. Both the **Asian Institute of Management** and the **International Institute of Rural Reconstruction** offer graduate programs in development management for mid-level, nonprofit managers. The **Center for Leadership, Citizenship and Democracy** also feature civil society and NGO management in some of its training and consultancy programs. **Venture for Fund Raising** trains nonprofit organizations in the Philippines (and in other countries) on how to mobilize resources for their activities. Networks of private foundations, such as the **Association of Foundations** and **Philippine Business for Social Progress (PBSP)**, provide capacity-building workshops in areas, such as board development, resource mobilization, and volunteer management.

Many Philippine NGOs are highly dependent on visionary founders or dynamic leaders and, therefore, put themselves at risk when such key figures move on, e.g., to accept appointments in the government administrations. Their departure can lead to major internal organizational challenges, as well as to a decline in public support.

Other common phenomena on the Philippine NGO scene include targeting of the same population by several organizations, and the existence of coalitions and networks that boast significantly overlapping membership (this is particularly true in the case of foundations). These practices lead to competition for funding and duplication of efforts.

Associations of NGOs and foundations

Asian NGO Coalition for Agrarian Reform and Rural Development

ANGOC is a regional NGO association of 21 national and regional NGO networks from 11 Asian countries actively engaged in food security, agrarian reform, sustainable agriculture, and rural development activities. Its member-networks have an effective reach of 3,000 NGOs throughout Asia.

ANGOC

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angoc@angoc.ngo.ph
www.angoc.ngo.ph

Association of Foundations

Founded in 1972, the Association of Foundations is a national network of 134 NGOs and foundations that carry out programs in education, art and culture, science and technology, governance, social development, microfinance, and environment. It serves as a capacity builder, data bank, consultant, and advocate of key issues, and as a bridge to grant opportunities.

Association of Foundations

Rm. 1102, 11th Floor, Aurora Tower
Aurora Boulevard, Cubao
Quezon City 1109, Philippines
Fax +63 2 911 9792/913 7231
afonline@info.com.ph
www.afonline.org

Caucus of Development NGO Networks (CODE-NGO)

CODE-NGO was organized in 1991 by 10 of the largest networks in the country. Today, CODE-NGO counts, as its members, seven national networks and four regional networks representing more than 2,500 NGOs, POs, and cooperatives all over the country. As an organization of scale, CODE-NGO has the broadest purview of NGO/PO issues and concerns. It has been an effective forum for discussion and consensus building of issues among its members. It represents its members with government and donor agencies to advocate for the concerns of NGOs, POs, and the sectors and communities they assist.

Member networks of CODE-NGO include the Association of Foundations, Coalition of Bicol Development NGOs, Cordillera Network of NGOs and POs, CODE-NGO National Capital Region Formation, Mindanao Coalition of Development NGOs, National Confederation of Cooperatives, National Council for Social Development, National Secretariat for Social Action – Justice and Peace, Partnership of Philippines Support Service Agencies, PBSP, Philippine Partnership for the Development of Human Resources in Rural Areas, and the Visayas Network of Development NGOs.

CODE-NGO National Secretariat

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Social Development Complex
Ateneo De Manila University, Katipunan Avenue
1108 Quezon City, Metro Manila, Philippines
Tel +63 2 426 6001
Fax + 63 2 426 5938
caucus@codengo.org
www.codengo.org

NGO Forum on ADB

NGO Forum on ADB is global network of nongovernment and community-based organizations that monitor and critique Asian Development Bank (ADB)-financed projects and programs, raising issues of concern primarily related to the environmental and social impacts of ADB operations. The network was formed as the NGO Working Group on ADB in 1992, but later adopted its current name and became legally incorporated in the Philippines in 2001. NGO Forum on ADB has 85 partner organizations and maintains an e-group with 223 members.

NGO Forum on ADB

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Tel +63 2 921 4412
Fax +63 2 4361858
secretariat@forum-adb.org
www.forum-adb.org/index.htm

Pambansang Lakas ng Kilusang Mamamalakaya ng Pilipinas (Pamalakaya)

Founded in 1987, Pamalakaya is a nationwide federation of fisherfolk organizations with total individual membership of 80,000. It is composed of fishermen and women in coastal and inland waters and workers in commercial fishing and aquaculture. The federation helps members to build local organization to undertake cooperative endeavors; educates on issues and concerns affecting fisherfolks; spearheads campaigns to advance the socioeconomic and political aspirations of fisherfolk; conducts research; and organizes symposia, fora, and dialogues.

Pamalakaya-Pilipinas

pampil@mnl.sequel.net
www.geocities.com/capitolhill/lobby/4677/pamalaka.htm

Peasant Movement of the Philippines – Kilusang Magbubukid ng Pilipinas (KMP)

KMP is a nationwide federation of Philippine organizations of landless peasants, small farmers, farm workers, subsistence fisherfolk, peasant women, and rural youth. Its organizations claim a total membership 800,000 rural people. It is the nation's largest farmers' organization and embraces its militant reputation. KMP has 55 provincial and six regional chapters nationwide. KMP organizes farmers, files court cases, carries out lobby work, and conducts strikes and protest actions. It calls for land reform while opposing foreign investment in the agrarian sector, charter change, free trade in agricultural products, and higher commodity prices for farmers.

Kilusang Magbubukid ng Pilipinas

kmp@tri-isis.com
www.geocities.com/kmp_ph/strug/index.html

Philippine Business for Social Progress (PBSP)

PBSP is a private and nonprofit foundation dedicated to promoting business sector commitment to social development. Organized in 1970 by 50 of the country's prominent business leaders, it has since grown to become the nation's largest business-led social development foundation. Since its establishment, PBSP has grown to about 217 members, worked with some 3,000 partner organizations, and provided more than 4.8 billion pesos in financial assistance, which has supported more than 4,900 projects that benefited close to 2.8 million poor households. PBSP is Southeast Asia's first nonprofit consortium of companies advocating for corporate social responsibility.

Philippine Business for Social Progress

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Philippine Rural Reconstruction Movement (PRRM)

PRRM's mission is to enhance the capacity of rural communities in the planning, advocacy, and implementation of sustainable development through an integrated program of education, livelihood, health, habitat, environment, and self-governance. PRRM has 17 accredited chapters in 14 provinces and three cities of Metro Manila.

Philippine Rural Reconstruction Movement

56 Mother Ignacia Avenue corner Dr. Lazcano Street
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www.prrm.org

Philippine NGO Council on Population, Health and Welfare, Inc. (PNGOC)

PNGOC was founded in June 1987 by 17 Philippine NGOs with the objective of becoming the voice of population and development advocates within the NGO, government, and funding circles. It was also organized to serve as a channel for the exchange of information, resources, and technical assistance among NGOs. From the first 17 member NGOs in 1987, the PNGOC membership has now grown to 86 NGO members located around the country.

Philippine NGO Council on Population, Health and Welfare, Inc.

Unit 305 Diplomat Condominium Building
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Tel +63 2 852 1898
Fax +63 2 833 4067
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www.pngoc.com

Civil society directories

The Association of Foundation maintains databases of NGOs and foundation at

www.pfconline.org/database/ngoquery.html and
www.pfconline.org/database/donorquery.html

The PCNC publishes a list of the 450–500 NGOs that it has certified:

www.pcnc.com.ph/NGOList.php?currPage=1&firstLetter=

NGO sources of funding

Philippine CSOs secure their funding through membership dues, donations, subsidies, and revenue from income-generated activities.

Many NGOs depend on financing from overseas development assistance and local and multinational companies, much of which is provided on a project basis. This means that they are geared to appeal to funding agencies rather than their constituencies and generates suspicion in society that NGOs are controlled by the business elite. With overseas development assistance in decline, competition for these dwindling resources has grown. The sector urgently needs a resource base that is more reliable, yet few organizations provide training in resource mobilization, and NGO managers.¹¹

The Philippine Government has published a list of official development assistance (ODA) sources of funding for NGOs. It is available at www.neda.gov.ph under “programs and projects”. ADB also maintains a website of funders at www.adb.org/ngos/funding.asp.

ADB–NGO cooperation in the Philippines

ADB recognizes NGOs as significant players in the development process and cooperates with them to improve the impact, sustainability, and quality of its services. NGOs provide value-added in promoting sustainable development through

- *Innovation*—identifying new approaches and models for specific development activities and drawing upon their close knowledge of local communities;
- *Accountability*—helping ensure that project

components are implemented as envisaged and planned;

- *Responsiveness*—encouraging the implementation of projects to respond to local needs;
- *Participation*—serving as bridges between project authorities and affected communities, and providing structures for citizen participation; and
- *Sustainability*—nurturing continuity in project work, especially when implementing agencies lack capacity or when staffing changes.

ADB’s Philippines Country Office (PhCO) acts as a focal point for relations with CSOs in the country.

Because ADB maintains its headquarters in the Philippines, and because the country has a very large NGO sector, a disproportionate share of ADB’s engagement with civil society is with organizations and networks in the country.

NGO involvement in ADB-financed activities

NGOs and other civil society groups have taken part in several ADB-financed activities in the Philippines. The following tables provide examples of such ADB–NGO cooperation in the context of (i) loans, (ii) technical assistance, and (iii) the Japan Fund for Poverty Reduction (JFPR)-funded projects.

NGO involvement in JFPR projects

The Japan Fund for Poverty Reduction (JFPR) is an untied grant facility established by the Government of Japan and

NGO/Civil Society Involvement in ADB-financed Loan Projects

Project Title	Project Objective and NGO/Civil Society Involvement
2000	
Infrastructure for Rural Productivity Enhancement Sector (\$75.0 million) Approved: 31 Oct 2000	The project’s objectives were to increase agricultural productivity and profitability, decrease poverty incidence, and reduce transport costs for agricultural products. Civil society organizations (CSOs) active in the rural sector were consulted during project design. Nongovernment organizations (NGOs) benefitted from capacity-building training on devolved project implementation. In addition, local NGOs supported the strengthening of community organizations’ capacity for undertaking operation and maintenance for infrastructure. They also assisted in monitoring and evaluation of subprojects, and assessed their impact on income, agricultural growth, and poverty reduction.
Technical Education and Skills Development (\$45.0 million) Approved: 24 Aug 2000	The project has strengthened the Technical Education and Skills Development Authority (TESDA) as a central training authority, and devolved training to local government units (LGUs). NGOs provided vocational training and were consulted during project design. They also provided vocational education, while receiving capacity building support and financial assistance.

Project Title	Project Objective and NGO/Civil Society Involvement
Pasig River Environmental Management Rehabilitation Sector Development Program (\$175.0 million) Approved: 20 Jul 2000	The project's objectives were to improve the water quality of Manila's Pasig River, establish environment preservation areas (EPAs) along the riverbanks, upgrade adjacent urban regeneration areas, and strengthen the operational and management capability and capacity of local government units and other agencies. Project designers held extensive discussions with about 60 community organizations and NGOs on the impacts of the 10-meter easement required for EPA. NGOs involved include Gawad Kalinga, Urban Poor Associates, Cardinal Sin Foundation , and the Urban Poor Network , among others. The NGO facilitated developing a resettlement plan and helped relocate affected families. Gawad Kalinga has constructed about 200 low-cost homes using volunteer labor and "sweat equity" from residents. Local NGOs, with LGU support, prepared the relocation sites by providing housing facilities and services, including schools, clinics, and lighting.
Grains Sector Development Program —Program Loan (\$175.0 million) Approved: 24 Apr 2000	The project was launched to improve grains productivity through the provision of agricultural infrastructure and support services, and to increase private participation in the grain sector by streamlining government policies and improving institutional capacity. The project established vertical and horizontal linkages with CSOs and government institutions in the implementation of local integrated crop management programs.
2001	
Mindanao Basic Urban Services Sector (\$30.0 million) Approval: 27 Sep 2001	The project aims to improve the quality of life of urban residents in Mindanao by enabling their local governments to provide, upgrade, and rehabilitate basic municipal infrastructure and services. Subproject components were identified through regular meetings and dialogues with affected persons, government, and CSOs. An NGO was commissioned to conduct post-evaluation of the resettlement program.
2003	
Development of Poor Urban Communities Sector (\$30.5 million) Approved: 18 Dec 2003	The project's goal is to reduce income poverty and improve quality of life for the urban poor. It aims to establish systems to provide affordable housing and serviced land for the poor. Project proponents include housing developers, NGOs, and cooperatives. CSOs are building up their capacity to prepare, develop, and implement community-driven development projects in decentralized environments. National NGOs are involved in supporting local groups in liaison with communities and in workshops where information is shared on good practice on slum upgrading and housing microfinance.
2004	
Health Sector Development (\$213.0 million) Approved: 15 Dec 2004	The project aims to provide more affordable, better quality health care and increase utilization of health services through cost savings and greater output of health sector programs. Civil society groups have carried out participatory planning activities and prepared work plan under the project's indigenous peoples policy framework.
2005	
Microfinance Development Program (\$150.0 million) Approval: 22 Nov 2005	The program aims to improve household incomes, reduce poverty, and reduce vulnerability of poor persons by promoting their permanent access to sustainable financial services. To increase transparency and disclosure of NGOs operating as microfinance institutions, a regulation will be issued under the Corporation Code requiring NGOs providing microfinance and other related financial services to disclose this information to the Philippine Securities and Exchange Commission. Representatives of the Government, the banking community, the cooperative sector, NGOs, and donors published a joint Philippine Declaration on Microfinance expressing support for achievement of the Millennium Development Goals and Medium-Term Philippine Development Plan.

ADB in May 2000. From an initial contribution of \$90 million, the Fund now stands at well over \$360 million, of which \$224 million has been committed. JFPR assists ADB clients to provide direct relief to the poorest and most vulnerable segments of society while building up their capacities for self-help and income generation.

JFPR is a tool for local communities and CSOs, including NGOs, to actively participate in the development process. In particular, it

- Initiates and supports innovative programs that have high potential for improving the affected countries' situations;
- Provides relatively rapid, demonstrable benefits through initiatives that have positive prospects of developing into sustainable activities over the long term; and
- Assists programs designed and implemented by local populations and civil society.

The following are JFPR projects that have involved NGOs in the Philippines:

Project Title	Project Objective and NGO Involvement
Supporting the Sustainable Livelihood for the Poor in the Southern Philippines Project (\$2.8 million) Approved: 31 Oct 2000	<p>The project aims to decrease poverty incidence in targeted areas through increased and diversified income-generating opportunities for the poor so that they can better benefit from the improved infrastructure facilities. At the village and municipal levels, all activity proposals were developed by nongovernment organizations (NGOs), people's organizations (POs), or local government units (LGUs) through a participatory consultation process involving beneficiaries.</p> <p>Two regional network NGOs were involved in this project: the Mindanao Coalition of Development NGO Networks (MINCODE) and the Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA)-Visayas. They assisted with the capacity-building component of the project, which aims to support local civil society organizations (CSOs) in designing proposals for sustainable livelihood activities.</p>
Supporting the Off-Site and Off-City Relocation of Vulnerable Slum Communities of Muntinlupa City Project (\$1 million) Approved: 21 Dec 2000	<p>The project's objective has been to demonstrate an integrated relocation program for vulnerable communities affected by national government projects. The project has assisted Muntinlupa City to develop and implement an integrated off-city, off-site relocation project for two barangays. The project established cooperative relationships among LGUs and CSOs, including the Muntinlupa Development Foundation, Ayala Foundation, Inc., and Philippine Business for Social Progress (PBSP). These organizations helped to relocate informal dwellers in slum areas along the railway track in Muntinlupa City.</p>
Strategic Private Sector Partnerships for Urban Poverty Reduction in Metro Manila (STEP-UP) (\$3.60 million) Approved: 24 Sep 2002	<p>The project's objective has been to reduce poverty among urban poor of selected communities in Metro Manila through public-private sector partnerships. It has piloted a strategic role for private/corporate involvement in urban poverty reduction efforts. PBSP is coordinating project activities with a wide base of stakeholders, including LGUs, NGOs, and homeowners' associations. In addition, civil society groups have implemented components on capacity building, livelihoods, health care, and day care management.</p>
Renewable Energy and Livelihood Development for the Poor in Negros Occidental (\$1.5 million) Approved: 19 Jan 2004	<p>The project aims to achieve poverty reduction through the provision and efficient use of renewable energy supply to promote sustainable livelihood systems for poor local communities in off-grid areas of the Philippines within the framework of public-private-civil society partnership. The project has piloted a community-based approach for the provision of electricity through renewable energy sources in off-grid areas of Negros Occidental.</p> <p>Winrock, an international NGO, has implemented the project in cooperation with LGUs and CSOs, including Preferred Energy Inc. (PEI), Negros Women for Tomorrow Foundation (NWTF), Alternative Indigenous Development Foundation Inc. (AIDFI), Sustainable Rural Enterprise (SRE), Sibol ng Agham at Teknolohiya (SIBAT), and International Resource Group – Philippines (IRGP).</p>

NGO involvement in ADB-financed technical assistance

Project Title	Project Objective and NGO Involvement
2003	
Rehabilitation of Renewable Energy Projects for Rural Electrification and Livelihood Development (\$450,000) Approved: 16 Sep 2003	<p>The project was intended to reduce poverty through the provision and efficient use of new and renewable energy (NRE) supplies that supported livelihood systems. NGOs, LGUs, and other stakeholders were consulted on the preparation of the background study on successes and failures in project design and implementation of NRE projects in the country. The executing agency, the Department of Energy, worked in close collaboration with other relevant government agencies and NGOs during implementation.</p>
2004	
Master Plan for Agusan River Basin (\$970,000) Approved: 23 Dec 2004	<p>The objective of this project has been to reduce poverty in the Agusan River system through integrated river basin management approach with the participation of civil society and business community. CSOs have participated in river basin workshops and discussions to prepare the master plan for the river basin management.</p>

Project Title	Project Objective and NGO Involvement
2005	
Metro Manila Services for the Urban Poor (\$700,000) Approved: 19 Jul 2005	The project has assisted Government in its asset reform agenda and in the implementation of the metropolitan-wide strategy for slum eradication and urban upgrading of Metro Manila. Representatives of government agencies, CSOs, and the private sector are members of the project steering committee that provides policy guidance and interagency coordination.
Strategy for Sustainable Aquaculture Development for Poverty Reduction (\$600,000) Approved: 2 Dec 2005	The project supports the elaboration of a medium- to long-term aquaculture strategy and an integrated action plan that will reduce poverty and enhance sustainability of the aquaculture industry. CSOs and other stakeholders have met regularly as members of the interagency steering committee to review progress in project implementation.

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- ¹ Racelis, Mary, 2000, "New Visions and Strong Actions: Civil Society in the Philippines," in Ottaway, Marina and Thomas Carothers, ed.s. *Funding Virtue: Civil Society Aid and Democracy Promotion*. Carnegie Endowment for International Peace, Washington, D.C.
- ² This section draws heavily upon Cariño, Ledivina V. and PNSP Project Staff. *Defining the Nonprofit Sector: The Philippines*. Working Papers of the Johns Hopkins Comparative Nonprofit Sector Project, with the University of the Philippines, 2001. Available at www.angoc.ngo.ph/pdffiles/IFCB-NGO%20Survey%20Report.pdf.
- ³ The Philippine Department of Social Welfare and Development defines POs as follows: "a bona fide association of citizens with demonstrated capacity to promote the public interest and with identifiable leadership, membership and structure."

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries substantially reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two thirds of the world's poor. Nearly 1.7 billion people in the region live on \$2 or less a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2007, it approved \$10.1 billion of loans, \$673 million of grant projects, and technical assistance amounting to \$243 million.

- ⁴ See Consuelo Katrina A. Lopa, 2003. *The Rise of Philippine NGOs in Management Development Assistance*. Synergos Institute, Manila.
- ⁵ Among those who have cited the 500,000 figure is Mayan Quebral, Executive Director, Venture for Fundraising (see: www.allavida.org/alliance/mar04b.html).
- ⁶ According to Antonio Quizon, Coordinator, ANGOC.
- ⁷ This section is based on the summary of registration requirements posted on the Asia Pacific Philanthropy Consortium website: www.asianphilanthropy.org/countries/philippines/registration.html
- ⁸ Songco, Danilo A. *The Evolution of NGO Accountability Practices and their Implications on Philippine NGOs: A Literature Review and Options for the Philippine Council for NGO Certification*. April 2007.
- ⁹ The description of conditions for tax exemption may be found on the Philippines page of the United States International Grantmaking website: www.usig.org/countryinfo/philippines.asp.
- ¹⁰ Gonzales, Raoul P. and Galang, Aquilina L. 1999. *A Survey Report: Capacity Building Needs of SNGOs*. ANGOC, Manila, Philippines.
- ¹¹ Mayan Quebral, Executive Director, Venture for Fundraising, at www.allavida.org/alliance/mar04b.html.

About the NGO and Civil Society Center

ADB's NGO and Civil Society Center (NGOC) serves as the focal point for ADB's interaction with civil society organizations (CSOs), including the broad range of nongovernment organizations, foundations, social movements, and trade unions. The NGOC is a part of the Gender, Social Development and Civil Society Division in ADB's Regional and Sustainable Development Department. Its key functions include empowering operations departments to work with NGOs/CSOs, serving as ADB's knowledge center and advisor on consultation and participation with NGOs/CSOs, managing implementation of ADB's Policy on Cooperation with NGOs, contributing to the capacity of ADB staff and NGOs/CSOs to work together, communicating on ADB's work with NGOs/CSOs, and supporting the exchange of knowledge and expertise between ADB and civil society. The NGOC also coordinates ADB's NGO and Civil Society Cooperation Network, which comprises designated staff from departments and offices across the institution.