

U4 Expert Answer



Overview of Corruption and Anti-Corruption in the Philippines

Query:

I would like to learn about the situation of corruption and anti-corruption in the Philippines. With respect to corruption: what kind of corruption takes place in the country, which sectors are especially prone and who are the major actors? With respect to anti-corruption: what are the major anti-corruption activities taking place right now, what are the major programmes, who are the major actors? Finally, what are donors doing on anti-corruption in the Philippines?

Purpose:

I am preparing a country study to explore how we can support the Philippines on anti-corruption, especially implementation of UNCAC.

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Summary:

Corruption is a significant obstacle to good governance in the Philippines. A review of recent literature suggests that all levels of corruption, from petty bribery to grand corruption, patronage and state capture, exist in the Philippines at a considerable scale and scope. Significant efforts have been made to combat corruption, which include putting in place legal and institutional frameworks, as well as efforts by civil society organisations and the media. Donor agencies are also actively involved in building capacity to curb corruption in the Philippines. The success of these initiatives, however, is far from guaranteed and many observers believe that structural obstacles such as entrenched cronyism continue to undermine anti-corruption efforts.

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Part I: State of Corruption in the Philippines

Extent and Types of Corruption in the Philippines

Corruption is prevalent in the Philippines. The country ranked 141 out of 163 countries in Transparency International's (TI) 2008 Corruption Perceptions Index. A review of related literature indicates that corruption can be found at all levels of the state apparatus in the Philippines: political / grand corruption, petty / bureaucratic/ administrative corruption, patronage and state capture are all present in different degrees.

1. Political / grand corruption

Although on the surface a thriving democracy with regular elections, the political system of the Philippines is regularly plagued by corruption scandals that involve politicians at all levels – from the President to members of opposition parties. Abuse of the political system starts with the electoral process and often continues throughout the entire tenure of politicians.

Electoral process plagued by corruption

In the 2007 Countries at the Crossroad survey, the Philippines scored 3.25 (out of 7, with 0 being the weakest performance) in the "Free and fair electoral laws and elections" category. Similarly, in the 2008 Global Integrity Indicators Scorecard of the Philippines, the "elections" category received a "very weak" rating. (Please see: [Countries at the Crossroads 2007 - Philippines](#) and [2008 Global Integrity Report - Philippines](#))

While, by law, all citizens are allowed to participate equally in the political process, the exorbitant cost of running a political campaign ensures that average citizens are not able to run for political office and elections are often won by whoever can mobilise the highest amount of financial support. By law there are no caps on the amount of personal donations to candidates and parties, and news articles on campaign contributions show that the

amount has reached up to 10 million pesos per donor.

The high cost of elections serves to create dependencies on rich campaign contributors, reinforces the power status quo and encourages corruption by politicians once they are in office. For example, it is common for ruling parties to use government resources to fund re-election campaigns. (Please see: [2008 Global Integrity Report - Philippines](#))

As of 2007, an archaic ballot system also creates ample opportunities for electoral fraud and corruption. At each election cycle voters need to vote for 25 to 30 separate positions and they are required to fill in, by hand, the names of all the candidates on a single ballot. These votes are then tallied and sent to Manila from local precincts by election officials. This is a highly laborious process that is vulnerable to corruption and vote purchasing at many decision points. The most notable recent election scandals involved current president Arroyo who was accused of seeking assistance from an election commissioner to ensure a million vote margin in the 2004 presidential race. This scandal led to impeachment proceedings being initiated against her in the senate. (Please see: [Countries at the Crossroads 2007 - Philippines](#))

Corruption rampant among elected leaders

The Philippines has a long history of corruption in government - embezzlement of public funds, graft and abuse of official power by elected officials is commonplace. A lack of legislative frameworks for strengthening political parties has led to a party system dominated by personalities and patronage. Another factor that fuels corruption is the lack of legal requirements for financial audit of political party expenditures. (Please see: [National Integrity System Assessment - Philippines](#))

These findings are also reflected in public perceptions of corruption in the political party system – TI's 2009 Global Corruption Barometer (GCB), a large-scale household survey that assesses general public attitudes toward and experience with corruption, found that political

parties are perceived to be one of the most corrupt institutions by the Philippine people. (Please see: [Transparency International's 2009 Global Corruption Barometer](#))

In his 14 year rule from 1972 to 1986, former president Ferdinand Marcos and his family are alleged to have stolen between 5 and 10 billion US dollars worth of state assets. Attempts by the subsequent government to recover these assets gave rise to one of the largest and longest running asset recovery cases in the world with only 658 million recovered thus far. (Please see: [Ferdinand Marcos - Basel Asset Recovery Knowledge Centre](#))

Following the end of Ferdinand Marcos' reign in 1986, it took only a few years for the country to again be plagued by major corruption scandals and accusations aimed at high-ranking political officials. In 1996, health secretary Hilarion Ramiro was accused of (and later charged) with attempted bribery and two counts of graft. In 1998, a Senate committee investigation found the Public Estates Authority guilty of receiving over US \$1billion in kickbacks. In 2001 President Estrada resigned amid a mass public outcry over accusations of corruption. He was later charged with stealing more than 4 billion pesos (US \$80 billion) of state funds. (Please see: [2008 Global Integrity Report - Philippines](#))

Current president Gloria Macapagal-Arroyo's government has been accused of corruption almost from its inception. In addition to an electoral scandal in 2004, a large corruption scandal concerning procurement irregularities in a US \$329 million national broadband project implicated the President in 2008. The chairman of the Commission on Elections (COMELEC) was forced to resign after being accused of having offered a 200 million peso bribe to hasten the approval of a deal which was won by Chinese state-owned company, ZTE. (Please see: [Philippines Country Profile, Business Anti-Corruption Portal](#); TI Global Corruption Report 2009 (forthcoming))

2. Patronage and State Capture

According to a recent Freedom House report, the electoral process in the Philippines privileges the dispensing of patronage over the delivery of good governance and limits the ability of voters to demand accountability from elected officials. (Please see: [Countries at the Crossroads 2007 - Philippines](#))

However, the prevalence of patronage and cronyism is not limited to the political system. Cronyism continues to be a major factor in appointments in many sectors - such as health, the electoral sector, etc. - and can influence public procurement decisions. (Please see: [National Integrity System Assessment - Philippines](#))

TI's 2006 National Integrity Survey found that systematic capture of the government by the country's political elite is one of the fundamental obstacles to good governance in the Philippines. However, business interests, both indigenous and foreign, are also implicated in state capture. (Please see: [National Integrity System Assessment - Philippines](#)) As mentioned above, a lack of financial independence from sponsors during election campaigns can pave the way for capture of the state by special interests since campaign contributors often demand a quid pro quo after elections.

3. Petty / administrative / bureaucratic corruption

Similar to grand corruption, special access to the state apparatus is a major avenue of wealth accumulation for bureaucrats in the Philippines. A cumbersome bureaucracy, low salaries for civil servants and a complex (and sometimes contradictory) regulatory regime create numerous vulnerabilities for rent seeking. In TI's 2007 Global Corruption Barometer, the Philippines was found to be among the countries most affected by bribery, with 32% of people surveyed claiming to have paid bribes to access public services. (Please see: [Transparency International's 2007 Global Corruption Barometer](#))

Private companies find petty corruption to be one of the biggest obstacles to doing business in the Philippines. According to the SWS 2008 Survey of Enterprises on Corruption, 7 out of 10 companies were asked for a bribe in administrative transactions. It is also alleged that established Filipino firms and local family conglomerates are often favoured when bidding for contracts. (Please see: [SWS 2008 Survey of Enterprises on Corruption 2006 - 2007](#))

Economic reforms - especially those initiated by the Ramos administration - attempted to reduce corruption by shrinking the role of the state in the economy through privatization, trade liberalization and deregulation of basic industries such as telecoms and shipping. However, available data indicates that the effectiveness of these reforms is limited. The 2009 World Bank / IFC Doing Business survey ranked Philippines as 140 among 181 countries in terms of ease of starting a business. Starting a business takes 15 procedures and 52 days, which is more complicated and time-consuming than in many other countries in the region. The Philippines also performs poorly in terms of dealing with construction permits, getting credit, protection of investors and enforcement of contracts. (Please see: [Doing Business - Philippines](#)). All this creates a business environment with multiple entry points for corruption.

Sectors / institutions most prone to corruption

According to TI's 2009 GCB, the following sectors are perceived by the general population of the Philippines to be some of the most corrupt:

- **Political parties, civil servants and parliament / legislator:** These three sectors were found to be the most corrupt in the 2009 GCB. 70% of Filipinos perceive political parties to be corrupt or extremely corrupt. 72% of those surveyed perceive civil servants / public officials to be corrupt or extremely corrupt and 68% believe the same to be true for the parliament / legislator.
- **Judiciary:** According to the 2009 GCB, more than half of all households surveyed consider

the judiciary to be either corrupt or extremely corrupt. On the positive side, the Filipino judiciary has been found in some high profile cases to uphold the rule of law against powerful interests: for example, the Supreme Court's decision in August 2008 to strike down the tentative territorial agreement between the government and the Moro Islamic Liberation Front (MILF) was a clear vote against President Arroyo. (Please see: [Freedom in the World 2009 - Philippines](#)). The judiciary system itself is also a victim of corruption. According to the World Bank, at least 20% of the annual judiciary budget is lost to corruption, which undermines the capacity to properly administer justice. The Philippines Centre for Investigative Journalism (PCIJ) claims that backlogs and congestion problems are 'the biggest stumbling block' to curbing corruption due to the snail-paced trial of graft charges. (Please see: [2006 National Integrity Survey of the Philippines and Bertelsmann Transformation Index 2006](#))

- **Private Sector:** Private sector actors are increasingly perceived by the populace as sources of corruption. In TI's 2009 Global Corruption Barometer, 32% of Filipinos consider the private sector to be either corrupt or extremely corrupt.
- **Media:** According to the 2009 GCB, the media is seen as being either corrupt or extremely corrupt by 12% of Filipinos.

Available data on direct experience of corruption with regard to key public services and institutions shows the following sectors to be particularly corrupt:

- **Police:** TI's 2009 GCB found that 19% of Filipinos who have had contact with the police in 2008 paid a bribe. According to the World Economic Forum Global Competitiveness Report 2008-2009, companies are critical of the police's reliability to protect them from crime and to respond to crimes committed against them. The police are also believed to be involved in kidnappings and organised crime. (Please see: [Philippines Country Profile, Business Anti-Corruption Portal](#))
- **Land services and registry / permit services:** 17% of Filipinos that sought attention from related public authorities

reported having paid a bribe at land service agencies in 2008, while 12% reported having paid a bribe to access registry / permit services.

- **Education:** 10% of Filipinos reported having paid a bribe with regard to education services in 2008.
- **Health:** According to the 2009 GCB, 7% of Filipinos reported having to pay a bribe to access medical services. In the health sector, as a result of decentralization, more discretionary power has been given at local level which has led to the misallocation of health funds and kickbacks to mayors and other local government officials. As a result, medicine is overpriced by 10-70% and sometimes even 100%. (Please see: [Philippines Country Profile, Business Anti-Corruption Portal](#))
- **Tax revenue:** 9% of Filipinos reported paying a bribe to tax revenue officials in 2008. (Please see: [Transparency International's 2009 Global Corruption Barometer](#))

Other sectors that are known to be vulnerable to corruption in the Philippines include utilities, and public procurement and contracting. According to the Bertelsmann Foundation, lack of transparency characterises public procurement in the Philippines and more than 30% of the budget allocated to government projects is lost due to corruption. The process of awarding government contracts for infrastructure and other public works projects is an important source of extra income for politicians and government officials. Bribes in a typical road construction contract can amount to as much as 40% of the contract price. (Please see: [Philippines Country Profile, Business Anti-Corruption](#)). In January 2009, for example, the World Bank sanctioned seven road construction contractors because of "collusive practices" in a major project to upgrade and rehabilitate 870 miles of the country's highway network. (Please see: [Construction and Alleged Corruption in the Philippines](#)).

Part 2: State of Anti-Corruption Efforts in the Philippines

Public Initiatives against Corruption

The Legal Framework

The Philippines has a relatively long history of corruption laws, beginning with the Anti-Graft and Corrupt Practices Act of 1960. Its legislative anti-corruption structure has been described by the 2008 Global Integrity Report as being "very strong". The 1987 constitution also includes specific articles pertaining to the accountability of public officials. The Office of the Ombudsman recently set up the National Anti-Corruption Program of Action (NACPA) secretariat and in 2006, President Gloria Macapagal-Arroyo agreed to fund a 1 billion peso (US\$22.1 million) Anti-Corruption Fund to accelerate the government's anti-corruption campaign, increase tax collection, and channel more resources into health care, social services and education.

The 2007 Anti-Red Tape Act also emphasises the government's commitment to fighting corruption in bureaucracy. (Please see: [Transparency International's Global Corruption Report 2008](#)) Lifestyle checks, as part of a mandatory review on the assets, liabilities and net worth of all government employees, are also included in the constitutional regime against corruption. The success of these checks, however, is limited as they have been unsuccessful in revealing high-level government corruption. Some commentators also express concerns that these lifestyle checks could be carried out as a means of attacking personal rivals or superiors. (Please see: [Countries at the Crossroads 2007 - Philippines](#)) Further evidence on the limitations of government efforts to fight corruption is presented in TI's 2009 GCB: According to this large-scale household survey 77% of Filipinos believe their government's anti-corruption efforts to be 'somewhat ineffective, ineffective or very ineffective.

With regard to **public procurement**, the Government Procurement Act of 2003 established a Government Procurement Policy Board to serve as the central body to develop procurement policy. The use of two observers, one from the related

segment of the private sector and another from civil society, is meant to further the fight against corruption in this area. This provision, however, is limited by the fact that, in what the government deems to be emergency situations, procurement is free to proceed without observer involvement. Moreover, according to TI's National Integrity Systems Country Study of 2006, this framework suffers from rigidity as the rules include no discretionary mechanisms despite the large variations in size and scope of procurement contracts. In 2008 President Macapagal-Arroyo's Executive Order 662-A created the Procurement Transparency Group to evaluate, comment on and oversee the procurement of national government agencies. (Please see TI's forthcoming Global Corruption Report 2009). Corruption, however, still costs Philippine government procurement 30% of its allocated budget as reported by the Bertelsmann Foundation in 2008.

The Government Procurement Reform Act and other pieces of legislation address corruption challenges related to conflicts of interest. However, the enforcement of this legal framework is not uniform across all agencies and therefore has limited the success of this initiative.

Though there are no laws protecting citizens' **freedom of information** enacted in the Philippines, the constitution contains "the right of the people to information on matters of public concern." The speed with which information can be accessed is contingent upon personal connections within the government and also suffers from a decentralized government data storage policy.

Transparency has also suffered as a result of the political pressures on Gloria Macapagal-Arroyo. Access to information has become more difficult since 2007 as a result of political pressure on the president and the ZTE scandal (Please see above and TI's forthcoming Global Corruption Report 2009 for more on the ZTE affair). Some documents concerning the broadband deal have been restricted, which has resulted in government data being generally less accessible to the public. Contrary to criminal proceedings, an individual receives no government support when he/she wishes to dispute an access to information case. Finally, while the Philippine government does give reasons for its denial of requested information,

these are not always clear or formally delivered. (Please see: [2008 Global Integrity Report - Philippines](#))

Whistleblowers are not well protected under Philippine law as the Witness Protection, Security and Benefit Act covers only witnesses and/or complainants, leaving whistleblowers vulnerable. Whistle-blowing is not a common practice as the negative consequences arising from a lack of protection acts as a strong deterrent. In practice, however, reports by civil servants and private sector employees are often submitted anonymously, which limits the scope of reported details and makes follow-up difficult. Whistleblowers have been severely denounced in the past: often shunned by colleagues and friends or even resulting in death. In connection to the ZTE scandal, it is alleged that only media exposure saved the former Philippine Forest Corporation president, Rodolfo Noel Imperial Lozada, Jr. from being "silenced". (Please see: [2008 Global Integrity Report - Philippines](#))

The Philippines ratified the **United Nations Convention against Corruption** in November 2006. The government has also joined regional efforts to combat corruption by endorsing the Asian Development Bank / OECD Anti-Corruption Initiative for Asia-Pacific in 2001 and it has ratified the UN Convention against Transnational Organized Crime in 2006. (Please see: TI's forthcoming Global Corruption Report 2009)

The Institutional Framework

The Philippines employs a number of institutional mechanisms to combat corruption. The degree of independence and effectiveness of these agencies, however, varies greatly.

The **Presidential Anti-Graft Commission (PAGC)** was established in 2001 through Executive Order No. 12 and supports the president's and the executive's fight against corruption. The independence of the PAGC is highly questioned as it does not enjoy fiscal autonomy from the state and it is dependent on the Office of the President for its budget. Moreover, the nature of the Commission's organizational structure and its proximity to the President puts its role as a legitimate tool in the

fight against corruption into question. Finally, the Commission lacks any capacity to secure convictions and receives a far smaller share of government funding than the Office of the Ombudsman.

The **Office of the Ombudsman (OMB)** was created in accordance with Article XI of the 1987 Philippine constitution. It enjoys constitutional independence and fiscal autonomy and is the primary anti-corruption agency in the Philippines. It is able to both investigate and prosecute public officials in the Sandiganbayan, a special court with jurisdiction to handle graft and corruption cases. The OMB also organizes campaigns to raise awareness for the fight against corruption.

Critics of the OMB highlight its focus on petty corruption at the expense of larger more senior-level cases. Its long history of inefficiency has also tainted its reputation (there were 14,652 cases awaiting OMB action in 1994 – Freedom House Countries at the Crossroads: Philippines 2007) and analysts were disappointed in 2006 about the body's withdrawal of charges against the Commission on Elections for an automation contract in 2004. Independence is further compromised by the fact that the Ombudsman is politically appointed by the president. The current head of the OMB is a former law-school classmate of the president's husband. She, Merceditas Gutierrez, is now facing calls to resign by locals and CSOs alike. The Coalition against Corruption, which includes members such as the Makati Business Club (MBC), described her as a "liability in the fight to stamp out corruption" given her alleged inactivity as the principal anti-corruption agent. (Please see: [Makati Business Club, anti-graft group asks businessman to resign](#))

The oldest organ to fight corruption is the **Commission on Audit (COA)**, whose beginnings go as far back as 1900. It deals mainly with the prevention of irregularities in the use of government funds and properties. (Please see: [National Integrity System Assessment - Philippines](#)) The COA lacks the capacity to prosecute or punish government officials guilty of corruption, but it is tasked with uncovering corrupt activities.

In 1940, the **Commission on Elections (COMELEC)** was founded as an independent supervisor of elections in the Philippines. Given its important mandate, it was designed to enjoy independence and fiscal autonomy. In practice, it has been found that COMELEC does not have the staffing level or the resources to conduct investigations and enforce penalties on offenders who breach electoral law, e.g. exceeding the spending limit on election advertisement. Moreover, studies have alleged that up to 93% of COMELEC personnel are politically endorsed (Institute for Political and Electoral Reform). Given the growing number of scandals associated with elections in the Philippines in this decade, it is not surprising that COMELEC suffers from a tainted reputation. For example, during the vote-counting stage of the 2004 presidential election, the incumbent President Arroyo was caught on tape speaking to the COMELEC Commissioner Virgilio Garcillano (known as the "Hello Garci" scandal), further arousing suspicion of foul play. COMELEC is now coming under increased pressure to reform or be abolished altogether and be replaced by another body to oversee anti-corruption and transparency in elections. (Please see: [2008 Global Integrity Report - Philippines](#))

Other Anti Corruption Initiatives

Civil Society

The Philippines has an active civil society that advocates, inter alia, on issues concerning human rights, social welfare and anti-corruption. CSOs are protected by law and are generally free from political oppression at the national level, though at the local level the situation is less secure. While there have been no deaths associated with the fight against corruption, kidnapping, arrests and extra-judicial killings of government opposition have not ceased as of 2008. (Please see: [2008 Global Integrity Report - Philippines](#))

- The **Transparency and Accountability Network (TAN)**, founded in November 2000, is a Philippines-based network of multi-sectoral anti-corruption organizations. Its strategy emphasizes the prevention and prosecution of corruption and strives to raise awareness about the problem in

the Philippines. The Network began with 19 founding member organizations and membership has almost doubled since then.

- **Transparency International Philippines** is part of the global network of TI chapters. The Philippines chapter conducts orientation seminars and workshops to heighten awareness of anti-corruption programs, related tools and activities as well as to promote the United Nations Conventions against Corruption within government, the private sector, civil society and the media. In July 2009 the TI Chapter partnered with UNDP on a Civil Service Commission project to "Building Integrity for Democratic Governance by Enhancing the Culture of Patriotism and Good Citizenship". This project is expected to last until December 2011.
- **Procurement Watch Inc. (PWI)** is a Manila-based organization striving to promote accountability, efficiency and transparency in Philippine public procurement. Projects include training CSOs' procurement trainers, observers and monitors which saw 364 people (255 from CSOs and 109 from the government) successfully complete the courses as well as the Differential Expenditure Efficiency Measurement project which strives to compare the actual and true cost of procurement projects with the goal of achieving more transparent prices of public procurement projects comparable to those present in a competitive market.
- **Bantay Lansangan (Road Watch)** is an effort to bring together representatives from various sectors – non-government organizations, private stakeholders as well as official development partners – to collaborate with the Department of Public Works and Highways and promote more transparent and efficient practices in the national roads service sector. Projects include "Supporting the Road Partnership (Road Watch) Project" which aims to oversee and advocate reforms in the Philippine roads sector.

- **The Makati Business Club (MBC)** is a forum of the Philippines' largest businesses. The MBC discusses public policy issues outside of the corporate world, including governance. It is raising awareness for the fight against corruption in the Philippines with their **Transparent Accountable Governance** project. The website aims to explain the reasons why corruption exists, the forms which it takes and its prevalence in Philippine society. What began with publishing studies, reports and research surveys, has led to the promotion of good governance in some cities of the island of Mindanao. Furthermore, MBC initiated the Coalition on Corruption (CAC) which oversees sectors such as procurement and Internal Revenue Allotment.

The Media

Freedom of expression and press are guaranteed in the constitution. The Philippine private media are active and vocal, though a study by the Philippine Center for Media Freedom and Responsibility (CMFR) reported "unabashed bias" by the state-run television stations. The private press, however, has also been characterized as, at times, being sensationalist.

Many reports describe the Philippines as one of the most dangerous places in the world for journalists. As of 2008, there have been 39 journalists killed during the administration of Gloria Macapagal-Arroyo, accounting for more than half of all journalists killed since 1986 (Please see: [Philippine Press Freedom Report 2008](#)). Although the national authorities have attempted to placate the situation with a police Task Force, impunity still thrives. The CMFR states that, of the journalists killed since 1992, there has been an impunity rate of 92 percent. Controversially, parliamentarians have been drafting the Right of Reply Bill which states that "any person accused of a crime or criticized for failings in conduct" is able to demand a right of reply from the concerned media source. The punishment for not replying comes in the form of severe fines, imprisonment and censorship which has led certain Philippine

journalist organizations to dub the Bill an “act of terrorism against the media.” (Please see: [Reporters without Borders – Philippines](#))

Part 3: Donor Efforts to Combat Corruption

Multi-lateral development banks such as the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the International Monetary Fund (IMF) and the World Bank issued a joint statement in 2006 that commits them to fight corruption by standardizing definitions, improving investigative rules and procedures, improving information sharing and ensuring compliance and enforcement. A task force has also been established to issue bi-monthly reports on progress made on these goals.

Bilateral donors are mainstreaming anti-corruption elements into their programmes to ensure aid delivery effectiveness. The **Canadian International Development Agency (CIDA)** established the Bureau of Internal Revenue (BIR) Call Centre Systems; supports a project promoting the government’s electronic procurement system (GEPS); reviews and consolidates the Bureau of Customs (BOC) rules and regulations nationwide and supports workshops on guidelines and inter-agency coordination in fighting corruption.

The **Australian Agency for International Development (AUSAID)** works on enhancing efficiency and accountability in trial courts; provides training for Supreme Court and appellate justices, court administrators and presiding executive judges. It has also developed an automated audit tool to enhance the Public Accountability Programme of the Philippine Commission on Audit.

The **European Commission (EC)** supports the EU-OMB Corruption Prevention Project; works on strengthening the Anti-Money Laundering Council by providing training; assists the judiciary programme Access to Justice for the poor and supports the EU-OMB corruption prevention project component, Winning the Cooperation of the Wider Public; assists Graft and Corruption Prevention Education (GCPE) teaching exemplars and builds

capacity for investigation and prosecution for Anti-Money Laundering in judicial and law enforcement agencies and civil society.

The **United States Agency for International Development (USAID)** works towards making government procurement more transparent, adopting the Integrity Development Review; It seeks to promote more transparent and accountable management at the BIR; works on strengthening relations between the judiciary and media and promotes Rule of Law Effectiveness (ROLE) through workshops and training sessions for courts of appeal and prosecutors.

The **UNDP** works with the Philippine National Police (PNP) to establish a more capable, effective and credible work force at the PNP. It also works towards enhancing capacities of oversight agencies for change management and bureaucratic reforms which complements the efforts of the Presidential Committee on Effective Governance (PCEG).

The **World Bank** supports one of the largest numbers of anti-corruption and governance projects in the Philippines. It has invested in judicial and civil service reform, media freedom and initiatives to reduce corruption risks in Bank projects. It also supports the Philippine government’s Procurement Policy Board Mapping capacity of internal audit units in each agency nationwide; judicial reform projects and education in corporate governance for boards of directors.

The **ADB’s** anti-corruption policy has been deemed exemplary because of its focus on monitoring and evaluation, update cycles and public consultation, outreach and enforcement. For example, to increase public consultation, comments on the anti-corruption guidelines are invited online. The ADB has established an Oversight Committee that determines whether parties to ADB-financed activity have failed to comply with the Anti-Corruption Policy and in cases of non-compliance determines sanctions, such as reprimands and debarment.

The ADB works with the Office of Auditor General, Integrity Division (OAGI) to protect and maintain confidentiality of whistleblowers. Staff members who fear reprisals can request an administrative review. The OAGI is also designated as the initial

point of contact for allegations of fraud, corruption and abuse among ADB-financed projects. (Please see: 2006 National Integrity Survey on the Philippines) The Asian Development Bank also collaborates with the OECD Anti-Corruption Initiative for Asia-Pacific, which the government of the Philippines has joined.

The government of the Philippines and international donors collaborate to form the [Philippine Development Forum \(PDF\)](#), a consultative group established to act as a mechanism to facilitate policy dialogue about the Philippines' development agenda. A PDF Working Group on Governance and Anti-Corruption focuses on governance reform, such as public expenditure management, performance management and public service delivery. The related anti-corruption reforms focus on the areas of investigation, prosecution and speedy trials, prevention and education – which is in line with the National Anti-Corruption Plan of Action.

(Please see: [National Integrity System Assessment - Philippines](#))

Part 4: Further Reading

[Business Anti-Corruption Portal Philippines Country Profile 2009](#)

This country profile gives background information concerning the political climate in the Philippines, corruption in the business sector, regulation efforts to fight corruption, a sector-by-sector summary of key public institutions, as well as an overview of public and private anti-corruption efforts.

[Centre for Media Freedom and Responsibility – Philippine Press Freedom Report 2008](#)

This report explains the legal framework surrounding freedom of the press, the successes and failures of the witness protection movement, discusses the ways in which the media can combat corruption in the press and gives an overview of killings and other attacks on journalists in 2008.

[Freedom House Countries at the Crossroads 2007](#)

This paper reviews the extent of corruption in the Philippines as well as the institutional framework

that exists to fight it. In doing so, it explains the key corruption scandals to have recently hit the islands, analyses anti-corruption efforts as well as the country's legal framework in relation to transparency and corruption.

[UNHCR – Freedom in the World 2009](#)

This article offers a chronological explanation and analysis of recent corruption developments and scandals in the Philippines. It also discusses the legal framework surrounding freedom of information and reports on the degrading state of affairs for journalists reporting in the country.

[National Integrity System Assessment – Philippines, 2006](#)

This report offers a detailed explanation and analysis of the state of corruption as well as anti-corruption efforts in the following sectors: the executive, legislature, political parties, electoral commission, judiciary, law enforcement agencies, public procurement, ombudsman, public anti-corruption agencies, the media, and civil society.

[2008 Global Integrity Report - Philippines](#)

This report offers a complete overview of the state of corruption in the Philippines. It includes a corruption timeline of the past 20+ years as well as detailed answers to questions concerning civil society, public information, the media, elections, government accountability, procurement procedures, whistle blowing, oversight, regulation, anti-corruption laws and legal enforcement.

[Social Weather Stations - 2008 Survey of Enterprises on Corruption](#)

This survey offers a sector-by-sector scorecard of 30 government agencies in terms of sincerity in fighting corruption as well as Filipino business associations.

[TI – Global Corruption Barometer 2009](#)

The Global Corruption Barometer is a survey that assesses general public attitudes towards and experience of corruption. The Barometer includes, for instance, both a general and a sector by sector overview of perceived corruption, bribing and its perceived effectiveness as well as the behaviour of a public official following a bribe.

TI – Global Corruption Report 2009 – Philippines Section (Forthcoming)

This report is an annual assessment of the state of corruption in the Philippines with a focus on the legal and institutional changes in the past year pertaining to corruption, the Philippine private sector and corruption. It explains the recent major corruption scandals to hit the islands – the ZTE broadband scandal – and the allegations and inquiry surrounding the Northrail Project and Philippine contracting.