

The Synergos Institute
Series on Optimizing ODA Funding
in Southeast Asia

Optimizing Japanese ODA – The GAGRP Partnership with Philippine CSROs

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2001

The case study series Optimizing ODA Funding in Southeast Asia was made possible by the generous support of the Sasakawa Peace Foundation. Editing assistance provided by Myra Alperson and John Heller of Synergos.

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Glossary of Acronyms

CSRO	Civil Society Resource Organization
EOJ	Embassy of Japan
FSSI	Foundation for Sustainable Society, Inc.
GAGRP	Grant Assistance for Grass Roots Projects
GNP	Gross National Product
IDEAS	Institute for the Development of Ecological and Educational Alternatives, Inc.
KAMAHARI	Katipunan Magbubukid sa Hacienda Roxas, Inc.
LGU	Local Government Units
MoFA	Ministry of Foreign Affairs (Government of Japan)
NGO	Non-governmental Organization
ODA	Official Development Assistance
PBSP	Philippine Business for Social Progress
PO	People's organization

Introduction

This study is part of the continuing effort of The Synergos Institute to make civil society resource organizations (CSROs) more effective channels of official development assistance (ODA). The study offers both ODA agencies and CSROs directions for building effective partnerships by looking at how the Government of Japan (through its Grant Assistance for Grass Roots Projects or GAGRP) benefited from working with two Philippine CSROs.¹ These are the Philippine Business for Social Progress (PBSP) and the Foundation for a Sustainable Society, Inc. (FSSI). The study discusses the gains attributable to the partnerships, some essential learnings, and several recommendations for increasing the effectiveness of the partnerships.

¹ The study uses primary and secondary data. Primary data came from discussions and interviews with CSRO workers, members of local partner organizations, GAGRP representatives, and key informants. Secondary materials included documents from the Ministry of Foreign Affairs, Government of Japan, reports from grassroots organizations funded by the CSROs, and research papers by The Synergos Institute.

Roots Of Japan's GAGRP

Japan was the world's top ODA net disbursing country from 1991 to 1998.² Japanese ODA as a ratio of Gross National Product has ranged from a low of 20% in 1996 to a high of 34% in 1984.³ There are four categories of Japanese ODA: grants (grant aid and technical cooperation), government loans, bilateral ODA, and contributions and subscriptions to international organizations. GAGRP is a component of Japan's grant aid.

Two major influences led to the establishment of GAGRP. One was the Japanese Ministry of Foreign Affairs (MoFA), which wanted to respond quickly to requests for support to small-scale initiatives at the local level. The other was the growing role of NGOs and civil society organizations in development assistance. In 1989, MoFA established two grant aid schemes, NGO Project Subsidies and Small-Scale Grant Assistance.

NGO Project Subsidies

This scheme was propelled by the growing number of Japanese NGOs involved in development aid. MoFA noted that Japanese NGOs overseas promoted *visible* Japanese aid⁴ because they complemented ODA projects that were concerned with large-scale economic and social infrastructures. These NGO projects included medical and educational facilities for local communities. MoFA recognized that Japanese NGOs strengthened the people-to-people dimension of Japan's official assistance. The NGO Project Subsidies finances half the cost of projects undertaken by Japanese NGOs

in developing countries. In 1998, this scheme assisted projects in rural development, environmental conservation, medical/health care programs, and women's empowerment.

Small-Scale Grant Assistance

MoFA launched this scheme after realizing that its conventional ODA procedures left many small-scale initiatives of local development organizations outside the Japanese Government's circle of support. MoFA noted that other major ODA countries achieved significant diplomatic success through small-scale grant assistance schemes. Consequently, MoFA launched Small-Scale Grant Assistance in 1989. The scheme empowered Japan's diplomatic missions, which were familiar with local conditions, to provide swift and focused assistance to relatively small-scale projects. It is now called Grant Assistance for Grassroots Projects (GAGRP).

² In 1998, the Philippines was the seventh largest recipient of Japanese ODA.

³ Ministry of Foreign Affairs. *Japan's Official Development Assistance – Summary 1998*. Tokyo: Association for the Promotion of International Cooperation, 1998.

⁴ This is the direct involvement of Japanese NGOs in development cooperation activities particularly in extending participatory economic cooperation through specific and personalized attention to the inhabitants of *developing* countries.

GAGRP – Humanizing Japanese ODA

GAGRP is a scheme for assistance in response to requests from local governments, research institutions, medical organizations, NGOs and other organizations working in developing countries. Under this scheme Japan can take up relatively small-scale projects through quick and appropriate handling by Japanese embassies and consulate generals who are well acquainted with the economic and social conditions in each country.⁵

Japanese diplomatic missions in 96 countries manage GAGRP across six regions and have full autonomy in selecting the grantees, the type of projects and the amount of grant. The main grantees of GAGRP funds are NGOs, community associations, peoples' organizations, educational and research institutions, medical institutions, local government units, and national agencies.

Based on consultations with 25 executive officers of individual NGOs and representatives of NGO networks in the Philippines, GAGRP makes a positive contribution to NGO work in the Philippines because it humanizes Japanese ODA to the country. In particular, GAGRP is considered relevant because:

- *It assists smaller NGOs* – GAGRP provides direct access to small groups, such as farmers' organizations and other community associations, which are often not able to access bigger grant or aid programs. It should be noted, however, that the Embassy does turn down requests from small NGOs whose legitimacy or credibility cannot be adequately established.
- *It can be used as counterpart and supplemental funding* – Counterpart funds are

usually a prerequisite before donor agencies approve funding. Many NGOs cannot generate sufficient counterpart funds from their internal operations. The practice is for NGOs to use funds received from other sources as their counterpart. The Embassy openly acknowledges this need and allows NGOs to tap the GAGRP facility for counterpart or supplemental funding.

- *It fosters dialogue* – The active presence and keen interest shown by GAGRP staff members in various NGO and local government unit (LGU) assemblies give the GAGRP facility and the Embassy of Japan a sympathetic human face among NGOs and LGUs. The staff member's readiness to listen encouraged them to share experiences and be more open about their problems with donor assistance. The Embassy now organizes regular consultations between its officials and NGO leaders.
- *It focuses on small infrastructure* – GAGRP responds to a growing need of local development projects for the acquisition of technical equipment and construction of small infrastructure facilities.
- *It abides by the four pillars of Japanese development assistance* – GAGRP is strongly guided by Japan's four development assistance priorities: health care, environment, children, and a geographical focus on Mindanao. Within these four areas, GAGRP reaches small communities missed by Japan's mainstream ODA in the Philippines.

⁵ *Japan's Official Development Assistance – Annual Report 1999*, (Tokyo: Ministry of Foreign Affairs, Government of Japan, 1999), page 109.

Partnering with Philippine CSROs

When the Japanese Embassy in the Philippines introduced GAGRP in April 1996, it encountered two immediate problems. First, it did not have the management reach to move the fund toward credible local organizations with truly deserving community projects. Second, it lacked mechanisms to identify those organizations properly. It was fortunate that Hirotaka Sekiguchi, recruited by MoFA to head the GAGRP facility in 1996, had extensive experience as a worker of a respected Japanese NGO. He participated regularly in Philippine-Japan exchange programs, spoke and understood Filipino, the national language, and knew the Philippine NGO community.

Drawing from Sekiguchi's knowledge and experience, the Embassy decided – and continues – to channel GAGRP funds not directly to grantees but through partnerships with mature and reputable civil society resource organizations. Aware that Philippine NGOs are organized into often-competing networks and coalitions, the Embassy has maintained a policy of being non-partisan and non-ideological. At no instance has a single NGO group dominated GAGRP funding.

Two examples of how GAGRP has worked with CSROs include the experiences with the Philippine Business for Social Progress (PBSP) and the Foundation for a Sustainable Society, Inc. (FSSI). Both are mature Philippine NGOs and are regarded highly within the nongovernment community in the country.

CSRO: Philippine Business for Social Progress.

PBSP is a private, non-profit foundation established in 1970 by the country's business leaders

to manifest concretely the business sector's corporate social responsibility and organized response to poverty. Its 160 member companies are among the biggest in the country. As members, they pledge 1% of their pretax profits to social development.

PBSP believes that helping the poor help themselves is the most effective, sustainable approach to reducing poverty, releasing human potential and achieving better socio-economic equity. PBSP's core development strategy is called "Area Resource Management" or ARM. This strategy aims to regenerate the environment and develop enterprises, build capacities of local institutions, and enhance local governance.

PBSP is both a grants making and an operating NGO. It provides a menu of services such as capacity building, community development, and organization building assistance. It also makes available funding resources to its local partners. PBSP takes on the role of an implementing agency with local partners as beneficiaries of projects.

Among PBSP's local partners is the Katipunan Magbubukid sa Hacienda Roxas Inc. (KAMAHARI), an agricultural, multi-purpose cooperative in Nasugbu, Batangas province. PBSP's assistance to KAMAHARI is a two-year program started in November 1998. It is supported by the Interchurch Organization for Development Cooperation, a funding agency based in Netherlands. This project has several components, including a Production Loan Fund, a Cattle Fattening Project, a Peasant Fund from the Philippine Government's Department of Agrarian Reform, a Tube Wells Construction Project with the National Irrigation Authority, and KAMAHARI Building Construction.

PBSP played a crucial role in linking the Japanese Embassy to KAMAHARI, which

received a GAGRP grant in 1999. GAGRP support made it possible for KAMAHARI to purchase a farm tractor. Seven villages benefited from the tractor, which is now being leased to members of the cooperative.

PBSP staff members assisted KAMAHARI in conceptualizing the project submitted to GAGRP. They also helped to draft the proposal and complete the application form. The presence and direct management of PBSP over KAMAHARI's capacity-building program was an important factor in the eventual approval of the project by the Embassy. The GAGRP office placed a premium on the availability of an experienced and skilled NGO like PBSP to guide KAMAHARI in the implementation of the project. As a component part of a bigger program, GAGRP support for the purchase of a tractor was seen as an important contribution to raising the welfare of KAMAHARI members.

Financial accounting and controls was another factor considered important by the Embassy in approving the KAMAHARI proposal. PBSP was able to ensure that the financial procedures of the project were followed according to the approved proposal. Likewise, PBSP's partnership with KAMAHARI facilitated the monitoring of the proper use of the tractor and the timely preparation of reports to the Embassy.

Overall, in establishing a partnership with PBSP, the Embassy received an assurance of quality in operations and project management. On this basis, GAGRP assistance to KAMAHARI appears to have a good chance of sustaining its positive effects because of this partnership.

CSRO: Foundation for Sustainable Society, Inc.

FSSI is a non-stock, non-profit foundation organized to manage and administer a trust fund

established after a 1995 bilateral agreement between the Philippines and Switzerland. The agreement cancelled the Philippine's debt to Switzerland, which amounted to approximately US\$11.1 million in September 1999.

FSSI's vision is to help promote sustainable enterprises that are community oriented, economically viable and ecologically sound. The eco-enterprises that FSSI prioritizes are micro-finance, coconut fiber, dust production, sustainable agro-forestry, seaweed production and solid waste management. FSSI is primarily a grant making organization. It is unique in providing substantial and sustained technological support to its partners and their enterprises. FSSI provides many of the services of a consulting firm that links its partners with technological resources for either product or market development. FSSI prefers to support "winning" or "model" enterprises in order to attain maximum positive impact on eco-systems. It offers different types and combinations of financial instruments, including loans, special deposits, grants, guarantees and equity.

Among the local partners of FSSI is the Institute for the Development of Ecological and Educational Alternatives, Inc. (IDEAS) of Silang town, Cavite Province. IDEAS is a local NGO. FSSI finances IDEAS' "Solid Waste Management Project" along with two other projects through a combination of a loan, equity, and a grant. These are being used, respectively, for working capital, acquisition of fixed assets, and training and research. The project is considered innovative for two reasons. One, it is a rare instance of the municipal government devolving one of its functions to a civil society institution under a fee-for-service arrangement. Two, it seeks to address ecological problems created by conventional waste collection schemes by

promoting waste segregation at the source, that is, among households and business establishments.

In December 1999, IDEAS became a GAGRP grantee. IDEAS learned about the GAGRP facility through FSSI. FSSI neither formally endorsed nor brokered the assistance provided by GAGRP to IDEAS. However, FSSI did provide GAGRP information to IDEAS and encouraged it to seek the support of the Embassy. According to the head of the GAGRP office, the close partnership between FSSI and IDEAS was a major factor in the positive assessment of the IDEAS proposal. The track record and reputation of FSSI within the Philippine NGO community provided the Embassy with a positive impression of the organizational integrity of IDEAS. The Embassy knew of FSSI's reputation for rigorous selection of its partners and its application of close monitoring and sustained technical support. This gave IDEAS a virtual "stamp of good standing."

Benefits of Partnering with CSROs

Civil society resource organizations benefit GAGRP by making possible the following:

- *Disseminating information about the GAGRP funding facility* – Many funding facilities do not advertise themselves. Unless these facilities are big and well known, many potential grantors remain unaware about the support they provide. NGOs that are not in mainstream networks and coalition groups tend to be marginalized and have difficulty raising funds. By actively seeking partnerships with reputable and mature CSROs, GAGRP successfully established its presence among NGOs and LGUs.
- *Project management and financial controls* – GAGRP's funding of smaller NGO projects assisted by CSROs helps ensure financial controls and project completion. The CSROs are able to assist the grantee in project implementation. CSROs also provide continuing support for the grantees' organizational viability and strategic program development. A basic assumption is that CSROs can help smaller NGO partners to rationalize their management and financial systems, institute project-management controls as well as improve their ability to operate autonomously.
- *Enhancing local capabilities* – CSROs have the skills and experience to guide and assist GAGRP grantees. With their assistance, grantees can steadily improve their performance and ability to see projects through to completion. The GAGRP facility provides opportunities for smaller NGOs, inexperienced LGUs and unknown community associations or peoples' organizations to gain experience in project development and partnering with funding groups. The aim of every CSRO is to direct the grantee toward becoming more independent and self-propelled.
- *Exposure to innovative development initiatives* – Through partnership with CSROs, the GAGRP is introduced to innovative areas of development work and approaches. It benefits from the technology and knowledge linkage of the CSRO.
- *Potential to join multi-sector activities* – CSROs are suitably placed to promote collaborative schemes among many sectors (LGU, NGO/PO, business groups). This is because these CSROs have accumulated much good will among the bigger community of development institutions and agencies. They have built a record of accomplishment in program completion and resource mobilization. They have developed network links that include nearly all of the major development players in the country.

To summarize, CSROs bring a relatively high standard of professionalism and project management quality. They have the resources and skills to help a grantee organization conceptualize its community project. They can provide a high level of capacity building and technology transfer to the grantee workforce. They can even help administer the grantee's project through appropriate and field-tested financial, management, and monitoring controls. When necessary, they can provide equity or counterpart funding. Finally, CSROs are noted for practicing transparency and accountability in their transactions.

With the cooperation of intermediary CSROs, the GAGRP facility has succeeded in helping 173 projects since April 1996, at an average of ¥5 million per project.⁶ Cumulative assistance as

⁶ For 2001, US\$1 = 120 yen.

of March 2001 is US\$5.56 million. The CSROs have been effective conduits for generating a positive awareness of GAGRP – and, by extension, of GAGRP as direct aid from the Japanese people. Awareness is so high among local organizations that in 1999 alone, the Embassy received about 2,000 applications for GAGRP funding.

CSROs have also helped the GAGRP to ensure an even spread of projects. Projects assisted are in the areas of agricultural post-harvest facility, fishery, education, environment, children's welfare, disaster relief, health and potable water. Most of the projects deal with infrastructure development and improvement of facilities through acquisition of equipment and small construction work. The CSROs have been instrumental in keeping the GAGRP facility focused on the main target group: the small NGOs who make up 71% of total GAGRP grantees for the period 1996–1999 (see Table 6 in Annex 1).

Conclusion

The case study on GAGRP is an example of how best an ODA facility could harness the presence and partnership of smaller NGOs and POs with CSROs. ODA is able to improve its effective reach to target beneficiaries as well as address the issue of sustainability of project support. The study also underlined the importance of the competency of ODA personnel who implement the aid program. In the case of GAGRP that is focused on building partnership with NGOs and POs, the networking and continuous linkage work, project monitoring efforts of the person in-charge were important.

Based on the experience of GAGRP, the following section identifies several issues and considerations.

Maintaining CSRO Partnerships

The experience thus far shows that the GAGRP benefits from the extensive NGO network of the CSROs, their experience in identifying legitimate social development organizations, their expertise in helping smaller organizations carry out successful projects, and their years of project development, management and monitoring capabilities. To continue being responsive, GAGRP will gain much from sustaining its cooperative mechanisms with CSROs.

Reducing Dependence on the CSRO

At the same time, there is a need for small NGOs, POs, and LGUs to reduce their dependence on CSROs. CSROs need to be sensitive to the capacities of GAGRP grantees. They would gain much by balancing their interventions so that the grantees are able to develop slowly their capabilities. Allowing them to go through their own process of understanding the requirements of project management and fund accessing will better strengthen the organiza-

tional and management capacities of grantees. It is imperative for CSROs to pace the transition of GAGRP grantees; the CSRO must find a balance between providing continued assistance and the need for the grantee to become independent. Doing so is often difficult since the transition usually takes much longer than the life of the project.

Changing Role of CSROs

The ODA mechanisms or facilities for NGOs must not expect its partner CSROs to provide assistance to grantees indefinitely. This is because CSROs change their roles over time. Small NGOs, POs, and LGUs are better able to access funds from facilities like GAGRP if they are more confident about their capacity to achieve the objectives of their proposals and to implement the project. ODA facilities will gain much from working with CSROs in ensuring that capability-building and technology transfer is integrated with the project.

Non-CSRO Advisory/ Consultative Mechanism

Some CSROs, especially big and better-established ones, could have substantial political and economic influence. An advisory/consultative mechanism is needed to provide independent counsel to the implementing units or staff of ODA facilities. This mechanism could be made up of a small group of individuals who in their personal capacity or by virtue of their organizational affiliations could provide ODA units or agencies with information, perspectives, opinions, contacts and general feedback. The mechanism could also be a pool of resource institutions and individuals who could profile, assess and evaluate important projects proposed to the ODA agency.

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Annex 1. Profile of Japanese ODA

Japan's Official Development Assistance (ODA) reached US\$50.6 billion in 1998. From 1991 to 1998, Japan was the world's top ODA net disbursing country. The highest disbursed amount was US\$14,489 million (1995) and the lowest at \$9,358 million (1997). Japan ranks twelfth out of 21 DAC member countries in terms of ODA/GNP.

Japan's ODA is classified into several types of aid, namely, grants (grant aid and technical cooperation), government loans, bilateral ODA, and contributions and subscriptions to international organizations.

Grant aid is a form of aid, which does not require the repayment of obligation from aid receiving countries. Japan's grant aid budget has increased sharply and grew from ¥181.1 billion to ¥262.2 billion by 1998 but decreasing a bit to ¥237.8 billion in 1999. This is a 10.1 percent decrease from FY1998.

In 1998, the Philippines ranked seventh (US\$297.55 million) over all in the list of major recipients of Japan's total bilateral aid although

it ranks fifth (US\$70.86 million) in the list of countries receiving grant aid. Under grant aid falls the grant assistance for grassroots projects. GAGRP takes approximately .02 to .04 percent share of the total Japanese ODA world wide as shown in Table 1.

GAGRP assistance in the Philippines comprises only .01 percent of the total ODA package of Japan for the country. This percentage share has remained constant for the past years.

Since April 1996 to March 2001, 173 projects totaling US\$5.56 million have been granted assistance under GAGRP in the Philippines. NGO share of total GAGRP funding from September 1996 to March 2001 ranged from a low of 50 percent to a high of 95 percent. Within the same period LGU shares ranged from 6 to 29 percent of annual grants. Apparently this allocation marks a change from the early years of GAGRP in the country where more LGUs and other recipients enjoyed support from the scheme.

GAGRP data show that the projects supported by the facility are in the areas of agricultural post harvest facility, fishery, education, environment, children's welfare, disaster relief, health and

Table 1. ODA & GAGRP World Wide (in ¥ 100 million)

Year	Total ODA Amount	Grant Aid	GAGRP	GAGRP as % of Grant Aid
1996	9,439	2,601	45	2%
1997	9,358	2,635	50	2%
1998	10,640	2,643	57	2%
1999	10,489	2,378	70	3%
2000	10,466	2,405	85	4%

**Table 2. GAGRP by Recipient & Regional Distribution
(FY 1998)**

Region	Local/ National Institutions	NGOs	Educational/ Research Institutions	Medical Institutions	Others	Total
Asia	102	218	45	30	1	396 (37.2%)
Africa	36	171	34	11	-	252 (23.7%)
Latin America	63	127	16	15	2	223 (21.0%)
Middle East	10	56	17	3	-	86 (8.1%)
Oceania	5	36	32	6	-	79 (7.4%)
Europe	1	13	9	5	-	28 (2.6%)
Total	217 (20.3%)	621 (58.4%)	153 (14.4%)	70 (6.6%)	3 (0.3%)	1,064 (100%)

potable water provision. Most of the projects involved infrastructure development and improvement of facilities through acquisition of equipment and small construction work.

Table 5 shows the breakdown of the US\$5.56 million disbursed by GAGRP within a five-year period (1996-2001).

Presently, there are about 50 Japanese NGOs operating in the country and they are allowed to access funds from GAGRP on the condition that they meet the requirements of the grant facility. However, only 11 such NGOs have actually availed of the funds from GAGRP for their projects. The bulk of the funding went to smaller NGOs in the Philippines as shown in Table 6.

**Table 3. ODA Disbursements to the Philippines
(in Yen 100 million)**

Year	Total ODA Amount	Grant Aid	GAGRP	GAGRP as % of Grant Aid
1996	2,667.12	107.31	1.16	.01
1997	183.94	105.43	.94	.01
1998	1,709.05	61.11	1.30	.01

Table 4. Profile of GAGRP Disbursements in the Philippines (US\$ million), April 1996–March 2001

Year	No. of Projects	Total Amount	Average Grant per Project
1996–1997	42	1.20	.03
1997–1998	37	0.88	.03
1998–1999	36	1.11	.04
1999–2000	28	1.14	.05
2000–2001	30	1.23	.04
Totals	173	5.56	

Table 5. GAGRP Disbursements & Partners/Recipients in the Philippines (FY1996-1999)

	Philippine NGO	International NGO	Local Government Unit	Educational Institution	Totals
1996–1997					
Number	27	1	11	4	43
Amount (US\$)	718,009	50,588	317,497	107,873	1,193,967
	60%	4.20%	26.60%	9.10%	
1997–1998					
Number	21	1	11	4	37
Amount (US\$)	469,751	29,804	267,634	109,244	876,433
	53.60%	3.40%	30.50%	12.50%	
1998–1999					
Number	27	3	6	0	36
Amount (US\$)	821,260	64,049	184,201	0	1,111,943
	79.86%	10.42%	18.02%	0	
1999–2000					
Number	21	1	5	1	28
Amount (US\$)	909,501	23,495	194,888	16,025	1,143,909
	79.51%	2.06%	17.04%	1.39%	
2000–2001					
Number	26	1	2	–	30
Amount (Million ¥)	1,112,248	65,389	57,689	–	1,235,326
	90.0%	5%	5%		

Table 6. GAGRP Disbursements & Grantees, Philippines, FY1996–1999

Year	Philippine NGO	International NGO	Local Governmental Unit	Educational Institution	Total
1996–1997	27	1	11	4	43
1997–1998	21	1	11	4	37
1998–1999	27	3	6	0	36
1999–2000	21	1	5	1	28
2000–2001	26	1	2	–	29
Total	122 (71%)	7 (4%)	35 (20%)	9 (5%)	173 (100%)

Annex 2. GAGRP Management in the Philippines

Over and above the explicit guidelines of GAGRP, the operational thrust and focus of GAGRP is highly influenced by the orientation and assessment of the person in charge of the facility. For example, the former staff member managing GAGRP follows some guidelines that prioritize support to small community associations that are assisted by better-established organizations or institutions.

The Economic Section of the Embassy of Japan (EOJ), under which the GAGRP is managed, regularly solicits feedback and information about the needs, activities, and concerns addressed by the NGOs in the country. The office regularly and actively participates in various NGO consultations. The staff members also study and update themselves regarding latest researches, discussion or position papers, reports and other materials disseminated by and about NGOs. The person in charge of GAGRP constantly goes on field visits to gain exposure to field level developments and dynamics of NGO projects and operations on the community level.

These activities have allowed EOJ to gain a broader perspective about the NGO thrusts, priorities and needs. The office was able to establish direct relations with NGO leaders and representatives. EOJ gained very clear and practical view of how best to support NGOs and balance this with the priorities and objectives of the Government of Japan in GAGRP. Concerned about the requisites of project management and implementation, EOJ has made it a policy to ensure that GAGRP funds are truly able to build on or build up the capacities of recipient organizations to achieve their objectives under the project.

Mr. Sekiguchi emphasized that an important part of his work was to balance the assistance to initiatives of both Filipino and Japanese NGOs and development programs. He helps provide assistance to deserving initiatives of Japanese experts and groups from JICA, the embassy and other development programs.

Annex 3. Eligibility for GAGRP Support

GAGRP is basically a supplemental mechanism. The funds are meant to expand or improve existing initiatives of grantees. GAGRP guidelines in the Philippines include the following:

- The grantee must be a legally recognized entity. NGOs and other private groups must be legally registered with the Securities and Exchange Commission or other regulatory bodies in the country.
- The grantee must have been in full operation for at least five (5) years.
- GAGRP does not provide funds for salaries and overhead expenses. Such expenses are supposed to be covered by the grantee. However, in 2001 a new policy stipulates that personnel expenses for project implementation in the project site especially for expertise not available to the implementing agency and crucial to the success of the project will be supported by the fund.
- The projects must fall within the priority areas for assistance set by the Government of Japan. Following a high-level policy dialogue with the Government of the Philippines in March 1999, Japan directed all its aid facilities for the country to be guided by the priorities agreed upon by the two governments. For GAGRP, the priorities strengthened the facility's focus on environmental measures such as waste disposal, natural conservation and other. Poverty alleviation measures for both rural and urban areas, including health/medical care and educational assistance, human resource development as well as disaster management gained continued assistance.

- Grantees must have a capacity for project management and monitoring. Financial controls are important considerations in screening grant applicants.
- Purchase of materials and equipment must be supported with competitive quotes from at least 3 vendors.
- A mid-term and a project completion report must be submitted to the donor.

Proposals to GAGRP follow an application form that solicits information regarding the record of accomplishment of the potential grantee in accessing financial or technical assistance from other donors. A full description of the proposed project and identification of the project site, target beneficiaries and effects of the project in achieving objectives need to be elaborated in the application. A map of the project site and technical specifications of the project are required too.

Annex 4. Katipunan Magbubukid sa Hacienda Roxas Inc. (KAMAHARI)

The Katipunan Magbubukid sa Hacienda Roxas Inc., an agriculture-based multi-purpose Cooperative in Nasugbu, Batangas, was a GAGRP grantee in 1999. The Philippine Business for Social Progress, manages a Capability Building Support to the Agrarian Reform Beneficiaries of KAMAHARI with fund support from the Interchurch Organization for Development Cooperation, a funding agency based in Netherlands. The two-year program started in November 1998. Components are.

- *Production Loan Fund* – A total of US\$82,608 (P3.5 million) credit facility was established with the Land Bank of the Philippines during the period 1996-1998 where approximately 100 or 53% of members are able to access loans.
- *Cattle-Fattening Project* – In July 1997, Southern Luzon Central Task Force granted a total of US\$ 3,030 (P128, 400) to KAMAHARI for the purpose of buying 11 heads of cattle and medicines. The cattle were loaned out to 11 member-beneficiaries. The Municipal Agrarian Reform Office assisted in project implementation and monitoring. As of April 1999, the beneficiaries have paid 90% of the loan. The payment in turn will be used to fund the next round of cattle-fattening project.
- *Peasant Fund from Department of Agrarian Reform* – KAMAHARI also obtained US\$ 2,100 (P89, 000) from the Department of Agrarian Reform's Peasant Fund to conduct various training activities.
- *Tube wells from the National Irrigation Authority* – Four shallow tube wells were distributed to four members of KAMAHARI.

- *KAMAHARI Building Construction* – The building will be constructed in a 298 square meter lot, with an assessed value of US\$ 11,800 (P500, 000) and which was donated to the cooperative. The building will allocate space for office, store, and warehouse purposes. Funds from local sources, e.g. LGU, will be mobilized to finance the construction, in addition to ICCO funds.

The project supported by GAGRP made possible the purchase of a farm tractor and implements necessary to support the development and strengthening of Agrarian Reform Communities. Seven barangays in the municipality of Nasugbu, Batangas, benefited from the tractor, which will be rented out to members of the cooperative. In Nasugbu, only ten individuals were reported to own farm tractors being rented by farmers for land cultivation. With around 1,500 agrarian reform beneficiaries in Hacienda Palico alone, the ratio of tractor to farmer-beneficiary was 1:150.

Access to farm tractors is even more limited if the other non-beneficiary farmers are included. Demand for farm tractor is high especially during planting season.

The project objectives are: i) improve farm cultivation activities leading to increased incomes and productivity of sugarcane planters; ii) enhance service delivery of KAMAHARI ABMPC through agricultural productivity support in order to promote and encourage member patronage; iii) generate income for the cooperative through collective effort of members.

Total project cost was US\$ 61,800 (Php2, 618,000) and fund requested from GAGRP was US\$ 52,893 (Php2, 241,000). The remaining US\$ 8,900 (Php377, 000) would be the cooperative's counterpart. GAGRP provided US\$58,973 (Php2, 498,627).

Annex 5. Institute for the Development of Ecological and Educational Alternatives, Inc. (IDEAS)

In December 1999, GAGRP supported the Silang Ecological Waste Management Program. This program is a US\$36, 111 initiative of IDEAS in Silang, a town in Cavite Province, showcasing a cost efficient mechanized composting facility for the municipality's solid waste management program.

The project was originally expected to be completed within one year but delays in the start up occurred so that as of August 2000, the target date to begin operation, the construction of the facility was still underway. The medium term report submitted by IDEAS to the Embassy of Japan reports that full operations was reset for September 2000.

IDEAS entered into a contract with the local government of Silang, Cavite to organize and implement a waste management program for the municipality. The initial areas to be covered are the urban barangays and its periphery.

The project has three major components: a) Education and Campaigns component; b) the Waste Collection and Disposal Component, and; c) Institution-Building Component.

The Education and campaigns component seeks to engender a positive policy environment and develop a constituency for the project. The waste segregation and collection, and recovery and disposal scheme seeks to increase the proportion of solid waste materials that could be turned into composts and recycled vis-à-vis filling materials. This involved the setting up of a central recovery center for materials that could be turned into composts and recycled in Silang. The collected materials are brought directly to

the center. "Recyclable" are then sorted, packed, and sold to junk shop dealers. On the other hand, materials for composting are transformed into compost and/or fertilizer.

The Institution-Building Component includes the formation of a separate corporation that shall directly provide collection and disposal services. This is jointly owned and managed by the various stakeholders, specifically, IDEAS, Silang Zero Waste Action Team (SZWAT), and FSSI. The formation of a separate entity to manage and implement the project is deemed necessary in order to ensure that service quality is constantly improved. It provides a venue whereby the different stakeholders are able to participate both in the management and ownership of the project.

In June 2000, construction of basic structures needed for the facility started. However by August 2000, IDEAS identified the following aspects of the project that needed additional resources:

- Power source through the purchase and installation of a 75 KVA
- Rendering cooker and drier for processing fish innards and slaughterhouse refuse
- Bigger warehouse for materials to be recycled
- Plastic shredding and pellet processing machine. IDEAS requested additional support from the embassy totaling US\$30,683 (P1.3 million) for these requirements.

About Synergos

The Synergos Institute is a nonprofit organization based in New York that works with local partners around the world to fight poverty.

Together, we build the local human, financial and social capital needed to create sustainable solutions to poverty.

Together, we:

- Strengthen the capacity and impact of local foundations that raise and direct resources for social investment
- Prepare leaders from all sectors to bring diverse groups together to address complex problems using a new approach called “bridging leadership”
- Provide committed philanthropists with opportunities to learn from each other and to invest in successful local initiatives to combat poverty.

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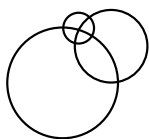
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