

22 March 2002

# SIGN3 - ASIA Regional Survey Philippine Report

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## How it went

**THIS SURVEY COMBINED THE USE OF [1] MAIL-OUTS** (mainly through e-mail communication) to a purposive sample of respondents; [2] phone follow-ups and brief sounding-offs; and [3] personal interviews with selected individuals from the sample.

The sample (see annexed list of eighty-eight (88) targeted respondents) was roughly distributed along the categories of stakeholders suggested by SIGN3-ASIA. Each of the individuals in the sample list received a uniform set of materials: [1] a cover letter; [2] concept paper; and [3] survey questionnaire.

The criteria for selection I used were as follows: [1] leadership position in the institution; [2] availability and accessibility of the respondent; [3] likelihood of interest in the project based on my familiarity with many of the respondents.

I have chosen the rest of the targeted respondents listed in the sample based on the criteria cited above.

I did some opportunity targeting as well, that is, grabbing at least four opportunities that came along to hype SIGN3-Asia Network and push the survey forward.

One, I began sounding off people during the January 8 country consultation in connection with the UN Conference on Financing for Development (otherwise known as the Monterey Summit on FfD) organized by the government's economic planning agency, the National Economic Development Authority (NEDA). I introduced the project and shared copies of the first drafts (Asia E3 Invest Network Survey) to the top leaders of this consultation—NEDA Undersecretary Gilbert Llanto (equivalent of deputy minister), Dr. Mario Lamberte, president of the government think tank Philippine Institute of Development Studies (PIDS), and convenor of Social Watch Asia and former Treasury chief Leonor Briones. They all agreed to send responses to the survey, although they have not done so as yet. From this same consultation, I obtained an initial list of possible respondents from the business/private sector. This list included the participants in a separate private sector consultation on FfD.

Two, I was specifically requested to do a presentation on the SIGN3-Asia Network's concept of sustainable investment in the workshop of the Earth Day Network-Philippines on 23 February. A number of potential respondents were present, among other leaders representing various environmental groups.

Three, I used the SIGN3-Asia Network concept paper as a reference and promotion material for the March 7 *Dialog on Development Scenarios* on the theme of financing for development organized by the Philippine Rural Reconstruction Movement (PRRM). Participants in that dialog included the World Bank Resident Mission Philippines (WB-RMP), Dr. Mario Lamberte, president of the Philippine Institute for Development Studies (PIDS), and former chief of the Philippine Treasury, Prof. Leonor Briones. The dialog also provided me the chance to meet and do instant interviews with hard-to-catch respondents, like former secretary of finance Vicente Jayme and ex-senator Helena Z Benitez, current Chair of the Board of the first women's university in Asia (PWU). Ms. Benitez chaired the Committee One of the UN Conference on the Human Environment (UNCHE) in 1972 in Stockholm and was president of the Third General Session of the UNEP in Nairobi.



Four, I also had a chance to introduce the SIGN3-Asia Network project during the March 14 consultation organized by Secretary Hernani Braganza and Undersecretary Efren Moncupa of the Department of Agrarian Reform (DAR). The consultation featured the presentation of the department's program which highlights the creation of agrarian reform zones as focal points of land reform and productive investments. These zones can be likened to agro-ecological zones that could attract foreign investments in environmental technologies, like the state-of-the-art drip irrigation from Israel which is already being put in place. Participants in that meeting included former DAR Secretary Horacio R. Morales and former Director General of the Technical Education and Skills Development Authority (TESDA) Edicio dela Torre. The two ex-government officials, along with current DAR secretary, are respondents of the SIGN3-Asia survey.

### **Who responded**

The concept paper and survey questionnaire had been sent to eighty-eight (88) potential respondents. Mostly, send-outs were through e-mail. Hard copies were also sent by messenger service, as and when demanded, or via other respondents. For example, Sec. Vicente Jayme kindly offered to personally deliver the hard copy for Chairman Jose Concepcion of the ASEAN Chambers of Commerce. The copy sent to Secretary Vicente S. Perez of the Department of Energy (DOE) was reproduced and issued with accompanying memorandum of DOE Undersecretary Cyril C. del Callar to the heads and leading functionaries of different public utilities and attached agencies of the department.

The listed potential respondents are fairly evenly distributed across stakeholder categories. The list included twenty-eight (28) from government and public agencies; twenty-one (21) from private business sector; eight (8) from financing institutions; eight (8) from academic institutions; twenty-three (23) from development NGOs and think tanks or policy institutes; one comes from the labor sector. Many of the respondents had been with government at some point in the past. Incumbent officials include nine (9) of Cabinet or ministerial level, three (3) incumbent senators, one provincial governor, among other public officials.

Disappointingly enough, actual responses to the survey questionnaire (31 in all) turned out to be highly uneven, showing a preponderance of respondents from government and development NGOs. Thirteen (13) of these come from government and public agencies. Twelve (12) fall in the category of development NGOs and other types of civil society



organizations, like corporate foundations. There are four respondents from academic institutions and only two from business and finance.

A big saving factor are the responses from government, specifically from the energy agencies. This is to say nothing yet about the enthusiastic response of the DAR Secretary and the provincial governor of Bataan. This province, by the way, is the site of the first Export Processing Zone that attracted many multinational companies and would have been the home of the first ever nuclear plant in the country were this project not aborted by popular protest.

Responses—more than 30 percent of the listed potential respondents—have been fairly substantial against my pessimistic expectations (based on my initial reply to Ramani when he requested me to help out in this survey).

Till this final report, I have been getting promises of a few more responses coming even if a bit too late into the deadline. One such indication came from Chairman Felicito “Tong” Payumo of the Subic Bay Metropolitan Authority, a government agency responsible for a major hub of foreign investments located in an area encompassing a global protected area for biodiversity. Another came from Tony Asper of the labor group Asian Labor Network for International Financing Institutions (ALNI) which does lobby and advocacy around the accountability of global institutions of finance.

Responses are not confined to the questionnaire. I have interviewed twelve (12) of the target respondents although not everyone interviewed, whether formally, casually, or briefly by phone, was able to return an accomplished questionnaire. For example, fellow environmentalists like Bebet Gozun, Delfin Ganapin and Roy Cabonegro from the Earth Day Network-Philippines and Ella Antonio from the Earth Council. Some unexpected events also prevented others from answering the questionnaire, as in the cases of eminent potential respondents, like Senator Juan M. Flavier, Sec. Vicente Jayme, and Washington Sycip.

Additional feedbacks and reactions were obtained from group meetings where I had the chance to present and discuss the SIGN3-Asia Network, such as the workshop of the Earth Day Network-Philippines, the dialogs on development scenarios of PRRM, the consultation with the Department of Agrarian Reform, among others.

Time had been a constraining factor. While it’s true that one could make time if he/she was really interested, the design of the survey might have complicated the time problem in that respondents felt



“intimidated” by what seemed to be an implicit test on their knowledge/ understanding of the subject. Not so, of course, for environmentalists who are familiar with issues concerning sustainability. Some described the survey as “difficult”, “too involved”, “not respondent-friendly”, “asking too much” and some such stuff. I could easily sympathize with these comments, knowing how much burden this survey also puts on the country authors themselves.

## How they responded

### *To the SI focus on FDI*

Focusing on foreign direct investment and making FDI align with the triple bottomline criteria of sustainable investment is given high importance generally. Survey respondents welcome such focus having observed, if not personally experienced, the damaging effects of volatile money that exits the national/local economy as fast as it enters. The havoc created by the 1997 crisis is uppermost in their mind.

Success in this effort, needless to stress, is certainly not easy to come by. The history of FDI in the Philippines has been largely negative. For example, there are claims that for every dollar invested four dollars flow out of the country in the form of profit repatriation, transfer payments and other modes of getting around with investments rules and regulations. Now that a more liberal regime is in place there are even less restrictions on FDI and foreign investors who are given a free hand as to what they want to do with the returns on their invested capital.

Making no bones of his cynicism, and coming from a long and direct experience in development policy, planning and implementation, Sixto K. Roxas had this to say about FDI:

*“Foreign Direct Investments had their heyday during the period of import and exchange controls everywhere and were motivated by the desire of TNCs to get behind the protective barriers and protect their market shares. In the Philippines certainly, FDIs peaked precisely during the period when there were restrictions on imports, exchange remittances, and nationalistic investment preferences. The gimmick to get around was joint ventures.*

*After the period of decontrol and liberalization, then many of the foreign joint venture partners found an opportunity to buy out their local partners and convert the local JVs into wholly owned subsidiaries. For example Yamaha has bought out all their local partners in Asia and made the motorcycle plants wholly owned subsidiaries, except in the Philippines where Norberto Quisumbing (NORKIS)*



*has kept 100% Filipino ownership. As a result, the local content of motorcycle manufacturing is lowest in the Philippines where the operation is still purely assembly of CKDs.*

*From my own experience on the boards of Transnational companies, local development has very low priority, and sustainable development with its equity and environment criteria, ranks even lower. The program assumes a deep metanoia as well in corporate board members of TNCs. That's even less likely — not even if they are struck by a bolt from heaven. These board members are more concerned about the level of the prices of their company stocks on the capital markets. Which means the quarterly meetings of the Boards and management of these TNCs with the investment analysts of their home capital markets will continue to weigh more heavily on investment decisions than the most eloquent pleas for making development in Third World countries sustainable.”*

Correcting past imbalances is tall order. Many survey respondents are highly skeptical as to how current investment policies can hack it. They are very critical of government's policy of attracting FDI by any means. A stream of views point to the possibility of undermining national interest as a result of indiscriminate opening up to any kind of foreign investment. They think some FDI, not just portfolio investments, needs some form of regulation. Investment that have to do with genetically-modified products or transfer of toxic wastes, for example.

***To the concept of SI and SIGN3-Asia Network  
(Q1-4 & 13)***

The responses have been overwhelmingly positive. None of those who responded said he/she is not interested. Seven of those who accomplished the questionnaire said they are 'very interested'. One from agribusiness sector even asked 'why only now?' Others verbally expressed the same high level of interest.

All respondents said the concept paper was great and very well articulated. Some of them, though, have commented that it's like motherhood nobody will argue against. For many of them it's not so much the soundness of the concept as how such a good idea could be made to work that they are really concerned about. Others, even more critically, take issue with the concept as falling short of its claim to a paradigm shift.

Interestingly enough, the respondent who took this survey most seriously was also the most 'cynical'. I'm here referring to Dr. Sixto K. Roxas, a highly respected economist, investment banker, adviser to different Philippine regimes (he once advised for the Malaysian



government) and is currently assisting local governments to demonstrate the feasibility of sustainable local development. He's involved, for example, in the flotation of municipal bonds as an instrument for financing sustainable development at the local community level. (SKR's response to the survey questionnaire attached as a sample).

Although standing out of the rest, the substance and tenor of Dr. Roxas' response somehow tend to echo some of the usual misgivings about noble and sound projects. And that is, that well-conceived projects like SIGN3-Asia Network may not work because it would have to sail against many policy and institutional obstacles and a general deterioration of conditions surrounding FDI and efforts to influence and shape FDI along the line of sustainable investment (SI).

Yet, every one of the respondents, including Dr. Roxas himself, is committed to help move the project forward.

What grabs the respondents, particularly among the development NGOs and other civil society leaders about this SI initiative is mirrored in various ways by the following comments:

Mindful of caveats one sees that this SI initiative can help "1. understand theoretical paradigms that underlie the present system of values, of organization structures and of decision logic in private business and government and test these against articulated alternative paradigm for sustainable development (SD); 2. translate the implications of this into specifics of project conceptualization, design and evaluation principles and prioritization criteria; 3. translate new praxis into specifics of investment promotions strategies, e.g. use of financial instruments and securities markets, reengineering of intermediation, e.g. development of SD investment bankers' specialized in SD venture capital and investment funds, etc."

"We seek SI opportunities for communities and people's organizations"

"Defining projects in line with guidelines of a SI framework. Having been involved with experimentation of such approaches, I will be very interested in having opportunity to implement such approaches."

"Corporate foundations can advocate with their principals for opening up opportunities to invest in sustainable enterprises that benefit the poor."



“The opportunity to participate and contribute to working out a new approach/focus to development work and advocacy which could result in concrete and sustainable benefits to people and country.”

Answers to supporting the initiative as a key regional forum:

Respondent from agribusiness sees the need for this initiative because “there is no such thing as a level playing field.” A respondent from an environmental development NGO sues for time before pledging: “Will need to see the final documents.”

***Compatibility of current initiatives with SI and readiness to support SIGN3-Asia Network (Q5&6)***

Generally, past and current initiatives of all respondents are concerned with the environment and community development. Few have had links with FDI and foreign trade.

Compatibility of current initiatives with SI is asserted. Respondents from government claim they are mandated by policy to align everything they do with sustainability goals, not failing to make constant reference to the country’s commitment to environmental protection and sustainability goals as spelled out in the Philippine Agenda 21. Whether and how this is being achieved is not that obvious.

Understandably, the Department of Energy and public utilities and corporations, where the bulk of respondents from government come from, are in a fix to make good on the triple bottomline criteria. Respondents from this group cite initiatives that are in keeping with environmental protection. These include, for examples, environmental management of petrochemical industrial estate; making use of instruments like environmental impact assessment; formulation of standards for fuel and related products to comply with the Clean Air Act; assisting industry players in securing environmental clearances and permits; environmental impact monitoring; and developing and implementing projects that would mitigate CO2 emissions through cleaner fuels and energy efficiency. Others are engaged in socialized housing and financing community development projects; investment promotion in downstream oil industry and monitoring of import/export activities of downstream oil industry players.

Comparatively, the programs and projects of the Department of Agrarian Reform (DAR) are easier to align with the SI framework. In the first place, its mandate and scope of work fall within the green agenda and its beneficiaries, the farmers, have high stakes in protecting soil, water



and forest resources as the sustainability of their livelihoods depend on restoring and maintaining the health of these resources.

The DAR's investment agenda in its agrarian reform zones appears to be environmentally sensitive. The Secretary himself seems to have a fairly high level of awareness of the issues concerning environment and sustainability. This is indicated, for example, in the kind of foreign assistance and technology transfer that the agency has mobilized to date. For example, none of the DAR-covered agrarian reform zones has become a site for Bt-corn field testing. In future these zones might also be demonstration sites of green and renewable energy, such as solar/photovoltaic, wind and biomass technologies. Already, these zones seem to be gaining some headway for a wider promotion of water and soil conservation and environment-friendly farming technologies across agrarian reform communities.

About the current initiatives on the environment.

Responses from the financing institution and agribusiness: "Developing business partnerships between farming communities and business firms." "Supporting environment friendly projects through providing financing."

Responses from the academe: "Promotion of eco-entrepreneurship."

From the development NGOs and other civil society organizations:

"Design of Ecological Social Science course - systematic understanding of patterns of social behavior impacting on economic, social (equity) and ecological integrity; combining integral ecology with integral social science."

"Investing in enterprises that manufacture environmental products and deliver environmental services." "Advocacy for SD initiatives at community and national levels."

"We provide professional foreign volunteers in the natural resource management sector. We are currently involved in a regional natural resources management (NRM) projects with our counterpart volunteer offices in Thailand & Indonesia."

"Sustainable reforestation with community participation and private investment participation." "We're mostly in tree planting, solid waste management; the League of Corporate Foundations (LCF) is also active in Clean Air Act through Bantay Usok (smokebelching watch)."



“Networking and advocacy for policies/programs promoting a sustainable and healthy environment and equitable and democratic access to and management of natural resources.”

On current initiatives on community development and poverty alleviation. Responses from the financing institution and agribusiness: “Providing micro-credit to the poor and disadvantaged sector.” “In business partnerships.” From the academe: “Undertaking research, teaching and consultancy on entrepreneurship with triple bottomline.”

From the development NGOs and other civil society organizations: “Design of systems of organization and management that use human community rather than business firm as basic unit of organization; systems translated into community-centered organization and management protocols using computer work stations down at village and household clusters.”

“Wholesale lending to microfinance institutions.” “We work with local communities in about 20 provinces in the Philippines.” “Organizing sustainable communities through provision of infrastructure, social services, civic enterprise and with local governance and partnerships.” “Training and advocacy on gender, health and poverty issues.”

On current initiatives on foreign direct investments. Responses from the development NGOs and other civil society organizations: “We are interested in finding foreign direct investors that might be interested in pursuing community-partnering arrangements along the outlines we have designed.” “Our principals are interested in different aspects, especially in joint ventures with foreign partners.”

On current initiatives on international trade. Responses from the development NGOs and other civil society organizations: “While our approach emphasizes international market exchange within and between local communities, we view export trade as important factor in development.” “Invest in environmental enterprises that export their products.” “Our principals are interested in various aspects of this.”

***Perception of opportunities and benefits from SIGN3-Asia Network (Q7, 8d & 11)***

All the respondents are saying, or at least claim, that SI is certainly the way to go if the Philippines were serious enough about sustainable development. Building on the claimed compatibility of their current initiatives with the SI framework they all believe they can commit to promote this kind of investment in their areas of work and responsibility.



They are willing to support a vehicle, like SIGN3-Asia Network, that can further the SI agenda. They also believe that the institutions they represent stand to benefit from the formation of SIGN3-Asia.

Otherwise, responses vary according to sectoral interests and concerns. Respondent from the Philippine National Oil Company (PNOC), for example, was hoping for potential funding of petrochemical industrial estate and potential partners. Other respondents from government mentioned information, funds, connections, technology transfer, access to FDI, international networking, contribution to government's poverty reduction programs at the national and local levels as anticipated benefits.

Respondents from government are looking into "1. potential funding for the petrochemical industrial estate such as: infra projects, technical assistance/services, utilities projects (waste treatment facilities, power, water sourcing and distribution), manpower training and capability building; 2.potential partners and/or investors in petrochemical plants and item 1 projects." Also "information, funds, connections."

"To gain access to new technologies thru exchange of ideas from would-be member countries and possible donor funds or grants for PNOC-EDC's continuing efforts to fulfill its social responsibility while achieving its corporate objectives."

"Transfer of technology, opening of opportunities for further training and development, possible partnerships for investments in the Philippine power sector, opportunity to tap into foreign capital, etc." "Access to FDI that would enable more effective implementation of energy projects." "Access to bilateral/multilateral donor funds/projects; Personnel development and skills training."

"Funding for development projects; Trainings on technology/policy; Resource promotion." "Development of livelihood program for local residents."

"It will provide our organization with international networking and strategic links toward sustainable international trade and investment inflows, specifically on exploration and development of indigenous energy resources."

"This shall provide the National Electrification Administration (NEA) a revival of the social mandate as well as an opportunity to join ventures that would push economic progress in the rural areas in a much shorter timetable."



"This could increase the DAR's access to additional ODA and help in the formulation of policies relevant to Department's mandate, programs and thrusts." "Funding of proposed projects."

"Help the local government in its poverty alleviation program to integrate the three core ingredients of development: economic growth, social equity and environmental sustainability."

Respondents from the financing institution and agribusiness and corporate foundation:

"This initiative might open some possible financing/investment opportunities for some of the projects initiated by our partners/clients in the community. These would be investments in projects that are environmentally sound but would require longer gestation periods that renders those not initially profitable in the short run but would require longer term investments." "Information exchange; Collaboration-in-country."

"The League of Corporate Foundations (LCF) could be informed of issues and help advocate within their companies for sustainable development practices, ensuring capital of the companies and assist their companies attract investors." "Identify business interested in sustainable development."

Opportunities and benefits seen by other respondents emphasized more on what impact SIGN3-Asia could have in correcting past imbalances created by unsustainable investment practices in particular and in advancing the sustainability agenda as a whole. Thus, they pointed to how the network might be able to help in changing values, mindsets, institutions, and practices.

From the respondents from the academe: "It will link our efforts in Philippines and Asia to promote entrepreneurship with triple bottomline to initiative involving FDIs with triple bottomline." "Information. Linkages." "As a local private organization, we could broaden our network and engage in mutually gainful exercises - to provide support as part of our social agenda as well as benefit from revenues in service provision."

"As a stakeholder representing academe with a specific Institute of Education and Management for Environment and Habitat, we expect to benefit from the strengthening of these areas of concern as a result of SIGN3 Asia's work."



From the development NGOs: "We seek support in the design and testing of an alternative community-centered sustainable development (SD) paradigm and organization and management protocol that makes use of the networking modes of organizing economic activity and provides a framework for business-community and government-community partnering arrangements."

"We can improve on our investment process and criteria. We can attract co-investors for our ongoing and future projects."

"The three bottomlines are goals of our organization. If this initiative succeeds, this will enhance our work in communities."

"Source of reliable information/leading edge practices on SI."  
"Information exchange on opportunities, innovations, possible collaborative ventures, resources." "Information sharing, participation in research, participation in training, etc." "Sharing of data and technical capabilities and resources. It would also be the global education initiatives that may result in advocacy carved among network members at the regional level." "New learnings. More capital. New technology."  
"Participation in the SI process to engage government and business. Access to state-of-the-art information, methodologies, etc. Training. Resources."

***Objectives, functions and structure of SIGN3-Asia Network (Q8a-8c & 10)***

There's a broad agreement with the mission and objectives of SIGN3-Asia except for some basic caveats and qualifications provided by some of the respondents.

From government: "Civil society, donor countries and development institutions are strong arms of government to achieve triple bottomline."

A respondent from the academe disagrees, "Given 1. inherent contradiction between sustainable development objectives and triple bottomline of capital investments 2. policy-action gap with respect to SD in Asia, elsewhere; SIGN3 Asia should take on advocacy, M&E role for SI; 'brokering' and 'safe-guarding' may be well-meaning but do not address realities."

Respondents from development NGOs qualify their agreement: "Provided it serves to encourage governments and business to act cooperatively. But how do we know about being 'honest'?" "For as long as transparency and stakeholder participation are assured."



Disagreement by other development NGOs are also expressed. "Brokering requires some sort and level of accountability which is not clear. Groups such as VSO Philippines don't require another organization to be a broker in its behalf. VSO UK does this in our behalf.

One suggested to remove 'while helping to safeguard commercial integrity of capital investments made by private sector and financial institutions for SI in development projects' and reformulate emphasis on safeguarding capital investments. Apart from being an 'honest regional broker' the Network must seek 'to promote/facilitate the flow of essential capital investments into developing Asian economies through the concept of SI that places stronger emphasis on the human and environmental dimensions of financial investments while safeguarding the profitability (or commercial integrity) of these capital investments in development projects.'"

There are questions about functions and structures while there's general agreement with what were stated in the survey. For example, some say yes to SIGN3-Asia Network as negotiator for general policies but no if it were to be like an investment banker negotiating for specific deals. Also, there are doubts about SIGN3-Asia Network entering into the field of risk assessment as there are established institutions that are better suited to do this job. I think though, that risk assessment is a natural part of doing SI.

Comments on the objectives of the initiative:

From government: "But on limited scale on resource-seeking so as not to destroy environment."

From development NGOs: "All sectors but in sequence and patterns suited to integral development imperatives of each nation and community at the appropriate stage. There must be a balance among enterprises producing physical products and services related to physical production."

"Add North America-Asia (north-south)." "Are developed north Asian countries, e.g., Japan, part of south?"

"For Asia-Pacific, fisheries/marine coastal sectors are important."  
"Concentrate on sustainable/appropriate technologies: sustainable housing, organic products, clean and renewable energy, environmental restoration, sustainable transport, etc."



Comments on the operational strategy:

From government: "With full participation of government agency concerned." "Especially rural development and small, medium based enterprises for better economy."

From development NGOs: "Provided training is in properly assessed and critically examined SD theory and practice; must be educating, not brainwashing." "After triple bottomline benchmarks have been translated into critically examined and tested operational indicators."

Some counsels worth heeding: "Too many think tanks. When in need of new ideas, the job can be farmed out to independent think tanks." "As long as broad representation is assured." "Must not discriminate the more critical segments/sectors." "Better to develop training materials and cases and let independent institutions popularize the training." "Also to serve as cross validation mechanism for other existing fora."

"There is need for complementing global and regional initiatives - advocacy needs to be done in all international fora." "Need to map out various initiatives and fora and use those."

The preferred nature of SIGN3-Asia Network seems mixed. Some respondents said it should be a private, not-for-profit corporation with SI advocacy, research, training and consultancy functions. A respondent from government wanted it to be a regional association with networks of local associations. One environmentalist thought a combination of not-for-profit organization (NPO), NGO and regional association might be best for the purpose. A regional assembly with a coordinating council, said an ex-Cabinet member.

Whatever, according to a renowned public figure now heading a big NGO, one major consideration is that this institution should have official recognition by the UN and European and Asian regional bodies. Others were simply silent on this one.

***Overall strategy and initial work program of activities of SIGN3-Asia Network (Q9, 12 & 14)***

Specific comments on the proposed activities of the network for the next five years (Q9):

On creating networking tools. From government: "Will facilitate communication among stakeholders." "Civil society, yes, but screen/select." "Need more training for local government units (LGU) chiefs



on the use of computers (Internet) and other information tools." From a development NGO: "Is there a way of excluding non-constructive dialog?"

On developing database. From government: "Database should include and reach down to grassroots/ground level/lowest economic strata." From a development NGO: "The Internet should do that."

On helping policy changes through dialogs, exchanges. From government: "Action plan should be simple, realistic and attainable even in less than 5 years." From development NGOs: "Must be top priority." "This is motherhood." "This will happen as programs/projects are identified and partnerships develop. Has to develop track record."

On undertaking risk assessment, investment appraisal and project evaluation. From government: "Government agencies concerned must be well represented." "Would require big number of manpower complement. Perhaps this can be handled by consultants." From development NGOs: "Should be done by independent consultants." "Limit (the Network) to the level of policy."

On screening potential investment through sustainable criteria and offering of certification facilities. From agribusiness: "Only by way of endorsement." From the academe: "Intense advocacy and lobby are needed for states and industry to adopt sustainable criteria and certification. Has to compete with market-based institutions in place."

From development NGOs: "Should not be a line agency in this business but as advisory to formal institutions engaged in this line for private businesses or governments." "Screening potential investments is not the same as certification." "Linking of certification to enhanced support or incentives is a key element." "Exclude certification facilities." "Provide a rating/sensitivity analysis service that governments can access at very affordable cost." "Including a carbon label for clean development mechanism (CDM) projects (referring to Kyoto Protocol)."

On offering services for intermediation. A difference of views among development NGOs: "No, if intermediary is understood as an investment usurer or guarantor." "Necessary to develop a framework for reconciling perceptions. An area that should involve all stakeholders in the process."

On operating as think-tank, response from a development NGO: "Better to commission special institutions to undertake studies and publish the results."



On becoming an observatory of investments: Organizing training programs and capability building activities, response from government: "Urgent need." From a development NGO: "Develop case studies and research summaries for training purposes."

On providing advisory services, publishing policy analysis, manuals, case studies of best practices, etc. Only comment from government: "These are necessary leverages for future success."

On coordinating media campaign. From a development NGO: "Help promote region-wide cooperation in business enterprises to achieve economies of scale."

Responses concerning strategic direction (Q12) vary from 'no comment' to very specific suggestions. It's an iffy thing for many respondents.

Among respondents from government: "Hard to tell. The initiative and how far it can go depend on sponsorship. If a group from the US, Japan or a European power spearheads it, it can go far. I foresee that the success will vary considerably from country to country." "Establish a well-organized network through extensive dissemination of information among varied industry sectors."

"Establish a strong presence in the international community in the next five years through its various activities. Aim to impact significantly on the socio-economic conditions of participant member countries for them to advocate the organization and its objectives." "1. Advocacy on SIGN3-Asia initiatives across nations/regions; 2. assessment/profiling of nations on how adoption and implementation of SIGN3-Asia initiatives can become an effective modality for sustained development (identify priority areas of concern of individual countries and involve government in identification); 3. Identify available resources to address these concerns; and 4. Identify appropriate sector to course implementation of specific projects."

"Socially responsive and environmentally acceptable energy projects and sound policies on energy concerns."

"If this initiative will be taken care of by qualified and sincere groups/bodies/committees, this promises sure economic boom in the regions and countries involved."

"It is a very ideal initiative but would need a lot of information and education campaign (IEC) to be totally embraced and implemented by all sectors of society. This paradigm shift must be imbibed by all."



From agribusiness and finance: "Target existing initiatives, e.g., WTO review." "First, a research on investment opportunities worth supporting should be conducted. This may take some time because this would involve scanning the market for such projects/undertakings. Second, a thorough advocacy and promotion for these projects worth supporting should be undertaken. Finally, monitoring and promoting the positive effects of these investments should be documented and disseminated to ensure that these are let known to the investing publics."

From an academic: "The priority challenges would be 1) reversing the declining trend in development aid; 2) helping strengthen developing states against capricious capital inflows-outflows by providing feasible alternatives to long term investments; 3) increasing the anti-poverty role of private investments."

"The initial strategic directions should be in advocacy and credibility building. Although sustainability concerns are now at the fore in society's agenda in general, translating these into actions and programs at entrepreneurial level calls for an organization/advocate of impeccable credibility."

From development NGOs:

"If properly organized and operated on the basis of critically reexamined alternative that shifts the orientation of development from profit seeking corporate growth to integral development of communities at local, national and global levels, it could revolutionize project design work and investment evaluation."

"Build SI data of ongoing and potential investments. Build credibility."  
"1. Development and acceptance by key stakeholders of the concept of sustainable investments and the three bottomlines; 2. Demonstrating the above thru actual agreements and project implementation."

"As an advocate of SI that will influence the policy environment in the Asian region." "Build trust and cooperation among Asian countries and organizations."

"Needs to gestate projects, then advocate." "Although it has many purposes, it must define its niche/value-added, specifically in facilitating synergy and innovation." "Would depend on capacity and capability."  
"Full realization of the proposed program and role of SIGN3-Asia."

"Be a catalyst for a transparent multi-stakeholder process to chart a more sustainable future, especially for developing countries." "Studies



on legal liabilities of corporations; Binding corporate codes of conduct."  
"Active advocacy for SI and conduct of a modeling project per Asian country to prove SI can produce positive results."

Suggested activities for stronger Asia-Europe partnership (Q14):

From government respondents: "Exchange of information and people."  
"We recommend projects/activities involving the development of indigenous energy resources as well as technologies for the reduction of greenhouse gases to mitigate global warming." "Various cooperation projects, short term implementation, long term impact, technical exchanges, as an example." "Infrastructure projects. Technology transfer. Capacity building."

"Petroleum exploration investment. Scholarships and trainings. Technology transfer thru donations of equipment, machinery, books, journals, etc." "Policy making strengthening; Best practice documentation; Donors to small-scale infra (energy); Technology transfer." "On energy sector, information campaign and training on clean coal technology." "Cross border dialog and knowledge tracking about sustainable investment in Asia; Training programs and other capacity building activities."

"Small and medium scale industries; Industries that need technological skills and trainings that are job provision-intensive. Studies/trainings are part of the provisions for the job seekers who can be recruited as scholars but whose commitments to continue to be part of companies joined in are signified in their contracts."

"Key to this would be those activities which would help promote a country's social equity condition. From said framework, Asia-Europe partnerships could further be strengthened. As DAR, the distribution of land is the primary equalizer to promote its social equity agenda. Alternative modalities of acquiring lands through ODA could speed up land distribution. The provision of additional finances for support services in infrastructure and capability building can ensure that AR gains are safeguarded. Activities which could assist the Department in policy issuances toward a rationalized approach in ODA delivery is vital as well. Examples: projects for mapping, census and database building, etc., are important to ensure that limited ODA and local funds deliver maximum impact with the least costs. Projects promoting partnerships with different stakeholders to bring about a common vision and understanding of varied issues confronting the program are likewise important to accelerate the same."



“International environmental benchmarking projects/activities.” “It would need a regular Asia-Europe summit and conferences.”

From a financing institution: “Continuous promotion of the concept of sustainable investments through fora, workshops, conferences with leading investment managers as discussants/ speakers; Active participation of the above lead institutions in the deliberation and discussions of key economic/development financing issues; Launch a search for best practices and come up with a listing of successful projects worth investing into.”

From academe: “1. Natural resource regeneration/rehabilitation in Asia with particular concern to stakeholder needs during the gestation period as well as returns to investments; 2. Deployment of European investments for the mobilization of domestic labor/human resources.”

From development NGOs: “1. Joint research projects to apply critical theory to growth and development strategies now widely in application in Asia. 2. Undertake joint three-cornered undertakings to test partnering arrangements with Asian European governments at national and local levels, European and Asian private enterprises and local communities of various sizes and types. 3. Establish clearing house for documenting project and new partnering arrangements that have resulted in sustainable modes, e.g., the Industrial Ecology design of Kalundborg, Denmark.”

“Exchanges and forums between and among leaders in government, business and civil society.”

“1. Projects that demonstrate actual benefits to the poor communities (of Asia) of European investments. These initiatives will show that investments under the new paradigm are different and not just another modern form of the old colonial relationships. 2. People-to-people exchange allows confidence building among stakeholders. Stakeholders must come together to discuss the new paradigm and how the bottomlines affect all of them.”

“Learning exchanges.”

“Projects that can combine investment and technology transfer related to cleaner production, with corporate philanthropy that invests in capability build up of potential markets and partners.”



"Help build the Southeast Asian energy grid. Help build ASEAN economic cooperation like EU."

"That is for you to find out."

"Actual coordinated efforts to promote FDI based on SI framework. Sharing/monitoring of information." "Initiatives that will advance/promote:

- transparency and anti-corruption drive
- biodiversity conservation
- renewable energy development and climate change mitigation measures
- social equity and poverty alleviation."

"Identification of projects that fit triple bottomline criteria; Publication of best practice; Advocacy thru inter-country, multi-sectoral bodies; Development of benchmarks and documentation of benefits."

"Bring into Asia those European investors in appropriate/sustainable technologies."

"Waste reduction/clean production projects with community participation. Energy industries within clean production framework as joint ventures, possible with community involvement."

"Strengthened multi-party institutional networking and partnership with pioneering/innovative programs and projects serving as illustrative examples and models."

### **Conclusion (Q15)**

All the respondents identified a number of key barriers that stand in the way of the SIGN3-Asia initiative. Some limited their choices to those listed. Others cited additional key barriers on top of those already listed.

Risks associated with community and environmental projects was identified by 11 respondents; lack of political will by 23 respondents; low level of interest of private sector and financial intermediaries by 19 respondents; low level of knowledge of private sector and financial institutions by 14 respondents; inappropriate or weak capital markets by 11 respondents; poor financial regulatory mechanisms by 8 respondents (only one from government ticked this off as a key barrier); and, suspected low returns on investment by 14 respondents. A woman respondent from a feminist NGO believes all in the list may be considered barriers in varying degrees.



Other key barriers mentioned came solely from non-government respondents. One respondent cited all the listed obstacles and added that “the biggest is probably the mindsets in international corporations, governments, investment and credit institutions — private and official — in conventional neo-classical criteria for evaluating investment opportunities and project feasibility.” Another said probably long gestation period. Also mentioned by one respondent were terrorism, drug trafficking, political strife, corruption. Other problems cited included lack of long-term capital, lack of understanding of other stakeholders, and need for more education and advocacy. All these may be topped by what one respondent, a green activist, cites as “mistrust on various sides”.

It won't be easy to overcome these barriers. If there's not enough social capital to begin with then the promotion of SI and the SIGN3-Asia as vehicle for such an agenda can best be done through investing in more dialogs about the project. Rebuilding mutual trust between and among sectors, e.g., business and labor, government and NGOs, or even only among NGOs themselves, is a formidable task for any group wishing to take up the challenge. The target respondents of this survey encompass a wide spectrum of persuasions that may be at odds with each other on certain issues concerning Philippine development and how it should be done in order to shift along a sustainable path.

Philippine civil society as such has been through a lot of convulsions and shake-downs in recent years and these have taken their toll on social capital and social consensus.

A possible next step, pretty much along the line of PRRM's dialog on development scenarios, could be to hold a series of dialogs on SI, focusing on how FDI could be made to toe the line, as it were. The dialogs should be able to involve a broad range of stakeholders. This might as well be a major post-Monterey Summit (Financing for Development) event that will combine a report back for the Philippine official and NGO delegations and an action planning to translate the commitments made in that summit.





## About the author

Isagani R. Serrano is Senior Vice President and Board Member of the Philippine Rural Reconstruction Movement (PRRM). He's written for CIVICUS the following: *Civil Society in the Asia-Pacific*, 1994; *Humanity In Trouble But Hopeful* in CITIZENS, 1995; *Profile: Philippines* for CIVIC INDEX, 1997; *Coming Apart, Coming Together* in Civil Society at the Turn of the Millennium, 1999; *A Global Citizens' Commitment*, 1999. A community organizer, educator, writer, guitarist, 'farmer', and political prisoner for seven years during martial law in the Philippines. Trained in education and literature, community organization and development management. Holds a Master of Science in Environment & Development Education (MSc in EE/DE) from the South Bank University-London.

