

**STREAMLINING WORKSHOPS IN BUSINESS PERMITS
AND LICENSING SYSTEM OF THE CITIES
OF PUERTO PRINCESA, TAGBILARAN
AND ZAMBOANGA**

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SUMMARY

The United States Agency for International Development (USAID) through its Strengthening Urban Resilience for Growth with Equity (SURGE) Project has been providing direct technical assistance to six selected cities under the Cities Development Initiative (CDI) program. Three of these are the cities of Puerto Princesa, Tagbilaran, and Zamboanga which are in the second batch of the CDI.

Building on the business permitting reforms started by another USAID-funded project- Investment Enabling Environment (INVEST) from 2011 to 2014 in the first three CDI cities namely Batangas, Iloilo, and Cagayan de Oro, SURGE will provide assistance in helping the three cities move towards a fully-automated BPLS and Building and Occupancy Permits system. In the second batch of CDI cities (Puerto Princesa, Tagbilaran, and Zamboanga), the project will help the cities streamline their business permitting processes, construction permitting and set up of Business One-Stop Shops.

In the first quarter of 2016, as part of the diagnostic phase in reducing the cost of doing business, the Project assessed the business permit renewal processes, inspection systems and the Business One Stop Shops (BOSS) of its six partner cities, representing the first phase of its city-level engagement.

In the second quarter, this benchmarking activity was identified following the experiences of the previously-assisted CDI cities of Batangas, Iloilo and Cagayan de Oro that a direct exposure through a study tour to other cities with reformed business permitting systems will be relevant, useful and inspiring for the assisted cities. Following the study tour, BPLS workshops were conducted in the six CDI partner cities.

This report addresses Task 2.2.2 Streamline business facility construction permitting process, Output 2.2.1.1.3 Workshop/Training/Study Tours on BPLS Streamlining and BPOS Automation.

INTRODUCTION

USAID SURGE Project and Focus Cities

The Strengthening Urban Resilience for Growth with Equity (SURGE) Project of the United States Agency for International Development (USAID) seeks to develop secondary cities that are more balanced and resilient with sustainable economic growth. One of the project's components seeks to promote low emission local economic development strategies thereby fostering efficient government service and improving the investment climate in the Philippines through direct technical assistance to six selected cities under the Cities Development Initiative (CDI) program.

Building on the business permitting reforms started by another USAID-funded project- Investment Enabling Environment (INVEST) from 2011 to 2014 in the first three CDI cities namely Batangas, Iloilo, and Cagayan de Oro, SURGE will provide assistance in helping the three cities move towards a fully-automated BPLS and Building and Occupancy Permits system. In the second batch of CDI cities (Puerto Princesa, Tagbilaran, and

Zamboanga), the project will help the cities streamline their business permitting processes, construction permitting and set up of Business One-Stop Shops.

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JMC 2010 and 2016

In 2010, the Department of Trade and Industry (DTI) and the Department of the Interior and Local Government (DILG) passed Joint Memorandum Circular (JMC) No. 01 series of 2010 on the “Guidelines in Implementing the Standards in Processing Business Permits and Licenses in All Cities and Municipalities.” This JMC had Republic Act (RA) No. 9485 or the Anti-Red Tape Act (ARTA) as the legal basis for re-engineering business processing systems at the local level.

In August 2016, JMC 2016 was released jointly by the DILG, DTI and the Department of Information and Communications Technology (DICT) on the Revised Standards in

Processing Business Permits and Licenses in all Cities and Municipalities in the Philippines. A comparison of JMC 2010 and JMC 2016 is shown in Table 1 below.

Table 1.
Comparison of JMC 2010 and JMC 2016

Indicators	JMC 2010		JMC 2016	
	New Application	Renewal Application	New Application	Renewal Application
Form	Unified	Unified	Unified	Unified
Steps	5	5	3 or less	3 or less
Processing time	Max of 10 days (per ARTA) but LGUs are enjoined to take only five days or less	Maximum of 5 days (per ARTA) but LGUs are enjoined to take only one day or less	Less than one day; maximum of one day	One day; maximum of 1.5 days
Signatories	Two on the permit	Two on the permit	Two on the permit	Two on the permit
Requirements for new permit	<ul style="list-style-type: none"> Filled-out unified form Securities and Exchange Commission (SEC)/DTI/Cooperative Development Authority (CDA) Certificate Location Map Barangay Clearance Occupancy Permit 	<ul style="list-style-type: none"> Filled-out unified form Previous business permit Barangay clearance 	<ul style="list-style-type: none"> Proof of business registration, incorporation, or legal personality (i.e., DTI/ SEC/ CDA registration) Basis for computing taxes, fees, and charges (e.g., business capitalization); Occupancy Permit, if required by national laws (e.g., Building Code) and local laws; Contract of Lease (if Lessee); Barangay clearance (for business applicants who does not need an occupancy permit). 	<ul style="list-style-type: none"> Basis for computing taxes, fees, and charges (e.g., Income Tax Returns); Barangay clearance

USAID SURGE Project Assessment Results for the Three Cities

From January to February 2016, USAID SURGE contracted third-party groups, local universities, and research institutions and individuals, to assess the extent of compliance of its partner cities with JMC 2010. A time and motion study of selected applicants, documentation of Business One Stop Shop (BOSS) operations and the inspection process, and a client satisfaction survey were conducted. Based on the assessment, the results for the three cities are shown in Table 2.

Table 2.
Assessment Results of the Three Cities¹

Indicators	Type of Application	Puerto Princesa	Tagbilaran	Zamboanga
Forms	New	3	4	Each office issues its own form
	Renewal	3	9	8
Steps	New	20	11	18
	Renewal	20	13	21
Processing time	New	5 days, 2 hours	6 days, 2 hours	3 days, 2 hours
	Renewal	11 days, 3 hours, 52 minutes	Six days, 5 hours	1 day, 4 hours
Signatories on the permit	New/Renewal	2	2	1
Requirements	New	2	2	
	Renewal	2	3	2

¹Integrated Assessment Report On Business Registration and Inspections Processes: Cities Of Puerto Princesa, Tagbilaran, Zamboanga, Batangas, Iloilo, and Cagayan De Oro

Note: Shown in Table 2 are BPLS indicators mentioned in Table 1. Other indicators measured in the study (e.g., no. of offices visited) are not shown.

All the three cities have more forms, steps and processing time than the JMC 2016 standard. The processing time is a maximum of one day in JMC 2016 for new permits, for example, but Puerto Princesa, Tagbilaran, and Zamboanga have at least five, six and three days respectively. Of the three cities, the processing time of Zamboanga City for renewals meets the standard (maximum of 1.5 days), but it has the most number of steps.

Training Workshop Activities and Outputs

Puerto Princesa City

Day 1 (August 30, 2016)

During the opening program, the Mayor voiced out his support for the BPLS streamlining. This was followed by expectations setting and the presentation of USAID SURGE on Investments and Economic Growth. The JMC definition of indicators was then tackled.

There were two groups, one for new business permits and one for renewals. It appeared that during this year, most requirements were post-processed instead of pre-processed.

Based on the discussions, the parameters for BPLS are shown below:

Table 3.

Puerto Princesa City Indicators Before the Streamlining Workshop

Indicators	New	Renewal
Steps	20	20
Forms	3	3
Required Documents	2	2
Signatures	2	2
Elapsed Time	5 days, 2 hours	11 days, 3 hours, 52 minutes

Puerto Princesa City uses E-tracks, a computer system developed by private service providers for local government units particularly on their Tax Revenue and Collection System (TRACS).

Several prospective strategies to streamline the BPLS were discussed such as co-locating the offices involved in a step or process, pre and post inspection of business establishments, automation and file sharing, use of electronic signature, and use of positive findings and negative list. Participants raised concerns about sharing of data, the completeness of requirements, and the management of backroom operation. It was observed that there is a need to, among others, strengthen the Joint Inspection Team, effectively disseminate BPLS reforms, and strictly implement local and national ordinances.

Day 2 (August 31, 2016)

Some streamlined models were presented during the morning session. Introduction to BOSS layout was also tackled. In the afternoon, two key issues were identified: the need for a memorandum of agreement (MOA) or understanding (MOU) with the Bureau of Fire (BFP) to facilitate co-location of BFP personnel during the assessment of taxes and fees. Further, the BPLO needed additional personnel. This is already in the pipeline through Sanggunian Panglungsod (SP) legislation.

There is also an Executive Order (EO) on joint inspection. This, however, has to be reviewed.

Day 3 (September 1, 2016)

Classification of buildings as to high, medium and low risk was taken up as a continuation of discussions on joint inspection.

Mr. Ramon Antonio Mendoza, Acting Assistant Treasurer for Operations of Cagayan de Oro (CDO) City, shared the experience of CDO on the implementation of automation. According to him, there are four key factors for sustainability of reform initiatives: people (assigning permanent employees and not job order to key tasks), good software, hardware, and support from management.

Discussions on the BOSS location, whether in the new or the old city hall, were tackled. Participants noted that the assessment and payment must be adjacent.

The agreed steps are shown in the below figures (Figure 1 and Figure 2). For new business permit process, the first step is the applicant submits the filled-out Unified Form (UF) and the required documents (DTI/SEC/CDA, Occupancy permit if required by National Law, Barangay Clearance if not required of Occupancy Permit, and Contract of Lease if lessee) to Window 1 (BPLO) who verifies the application for validity and completeness. The accepted application will be forwarded by the BPLO officer to the Tax Division officer for assessment of taxes and fees which will be done using backroom operation. A Tax Order of Payment (TOP) will be generated and together with all the application documents will be given back to the BPLO officer who will then give these documents to the applicant. When the applicant decides to proceed to payment (2nd step), the TOP and payment for taxes and fees will be submitted to the cashier in the CTO office (Window 2) for processing. Official receipts will be issued to the applicant which will be used to step 3, claim the Business Permit in Window 1 (BPLO).

Almost the same process will be followed for the renewal application but only barangay clearance is to be submitted and no need to fill out an application form. Instead, an interview with the applicant will be done to update the information that was electronically captured during the application for new business permit. Once the updating of information is completed, the applicant will go through step 2 and step 3 as described above.

A pre-registration process should be done prior to the application of new business permit to allow the applicant secure all the required documents such as Occupancy permit, Barangay Clearance, and Contract of Lease while a post-inspection will be done by the JIT to verify the information declared in the application by the applicant and to monitor the status of their

compliance to regulatory requirements of concerned government agencies.

It may be noted that the indicators of these processes meet the JMC 2016 requirements in all aspects. The numbers of steps are reduced: from 20 to 3 for both new and renewal. Processing time is also reduced from five days for new and 11 days for renewal to about one hour for both new and renewal as well as the number of forms used, from 3 to 1 for new and 3 to 0 (digitized) for renewal application.

Figure 1. Proposed New Business Permit Process for
Puerto Princessa City

Figure 2. Proposed Renewal Business Permit Process for Puerto
Princessa City

During the open forum, the following were identified as priority concerns:

- Training for existing personnel should start now. Basic training would have to be user training.
- Additional computers need to be purchased immediately.
- Hardware capacity must be increased.
- Generator is needed in case of brownout.

They also identified the actions that need to be done and these are enumerated below:

- Create a separate window for persons with disability (PWD), senior citizens and pregnant women to lessen queuing;

- There has to be a simulation before the actual operation. This could be set up in October and the dry run could start in the first week of November 2016;
- A queuing number has to be given by the security guard;
- Amend the ordinance on BOSS Board or create a BPLS technical working group (TWG) through an ordinance, and;
- The Fire Marshal should initiate a MOA with the LGU. DILG will help BFP on this.
- Having a satellite office is possible, but it is still being studied.

The participants came up with an action plan (shown below) for the implementation of the BPLS reforms.

Table 4.
Action Plan of Puerto Princesa City

No.	Solutions	Activities	Target Date of Completion	Responsible Unit or Person	Resources Needed	External Support Needed	Remarks
1	Creation of BPLS TWG	Secure EO creating TWG	September 09, 2016	City Administrator (Atty. Ma. Elena Rodriguez)			
2	Finalization of BPLS process (New/Renewal)	Review proposed BPLS process (New and Renewal)	September 16, 2016	BPLO Head (Ms. Aurea Pallaya); Member - BPLS TWG	Supplies, snacks		Integrate management inputs/ translate to two dialects
3	Forging of agreements with BFP and other NGAs	Prepare/ sign MOA with LGU and Fire Marshall	September 23, 2016	Fire Marshall (Mr. Nilo Caabay Jr.) and City Administrator and DILG (Mr. Rey Maranan)	Supplies, snacks		
4	Setting up of BOSS	Ensure that BOSS is set up	Oct 1st week 2016	IT Head (Mr. Roneson Senday-diego) and BPLO Head (for unified form: BFP)	Additional computers, wiring, cabling	Support of NGAs	Includes checking where BOSS will be set up and how to arrange process
		Coordinating with NGAs			Snacks		
		Procure equipment			Generator		
		Design Unified form			Furniture		
		Train BOSS personnel			for purchase of supplies/equipment		
		Conduct dry run					
					Extra man-power from GSO and Eng'g		
					Signages		
5	Institutionalization of JIT	Conduct training to JIT	Sept. 1st week 2016	JIT Head (Ma. Theresa Rodriguez)	Vehicle fuel		
		Prepare IEC materials	starting Sept. 16, 2016	Information Officer	Supplies		
		Generate positive findings/ negative list	Nov. 16, 2016	JIT Head (Ma. Theresa Rodriguez)	Supplies, food		
6	Secure EO for the new process	Draft EO and propose for approval	Sept. 2nd week 2016	BPLO Head with coordination from CTO			

The proposed streamlined process for new and renewal applications, BOSS layout, and JIT processes were presented to the city's key local officials (City Mayor, City Administrator, BPLO chief, and City Treasurer) to get their reaction and comments. After some clarifications and suggestions especially from the city mayor, there were enhancements made in the first step of the proposed processes. It was agreed that there would be assigned personnel who will do the checking and verification of the

applications and another assigned personnel who will do the interview and updating of applicant's information to avoid congestion of applicants in step 1.

The proposed BPLS reforms were initially accepted by key officials, and the city mayor instructed the concerned departments to have all the documents finalized to ensure compliance with budgetary requirements and to start the preparation for the next renewal period following what was agreed during the workshop.

During the closing remarks, the mayor said that the enhanced BOSS can be located in the new city hall and the City Social Welfare Department will be relocated to the old city hall. He also requested that the budget for hardware be allocated to jumpstart the implementation of the BOSS. It was also decided to have an officer-for-the-day to entertain complaints.

As there is already a BOSS Board, there is a need to create a BPLS TWG. The Mayor approved the creation of a BPLO oversight working committee instead. During the closing program, he said that the city government is committed to support the BPLS initiatives to enhance the delivery of BPLS services.

Overall, the plan of Puerto Princessa City will meet JMC 2016 standards.

Tagbilaran City

Day 1 (September 6, 2016)

A total of 27 participants from the LGU attended. The assessment of new and renewal business permit processes ended with the following indicators:

Table 5.

Tagbilaran City Indicators Before the Streamlining Workshop

Indicators	New	Renewal
Steps	20	13
Forms	5	3
Req'd Documents	15	12
Signatories	22	17
Travel Time	37.6 minutes	22.5 minutes
Waiting Time	7 days, 53 minutes	4 days, 5 hrs, 55 minutes
Processing Time	6 days, 1 hr, 43 minutes	1 day, 2 hrs, 11 min
Elapsed Time	13 days, 3 hrs, 13.6 minutes	6 days, 28.5 minutes

In the afternoon, the focus was on gaps and streamlining the BPLS. For both new and renewal, the following were the steps agreed upon by the participants using JMC 2016 as reference:

Table 6.

Proposed Streamlined Steps of Tagbilaran City

Steps	Office	No. of Signature	Processing Time
• Submit application and required documents*	BPLO		10 min
• Pay taxes and fees	CTO	1	2 hours
• Claim Business Permit	BPLO	1	15 min
Total = 3 steps	3	2	2 hours, 15 min

Steps	Office	No. of Signature	Processing Time
• Submit application and required documents*	BPLO		10 min
• Pay taxes and fees	CTO	1	2 hours
• Claim Business Permit	BPLO	1	15 min
Total = 3 steps	3	2	2 hours, 15 min

**With BFP co-locating at BPLO and with assessment as backroom activity*

The participants were quite active and helpful in the resolution of issues. Many of their questions were addressed and this reflected on their feedback, e.g. “it provided me more knowledge on how to streamline the process,” “streamlining of the process is possible” and “cooperate with other offices for effective service.”

Day 2 (September 7, 2016)

The day started with a review of the previous day’s learnings and a refresher of the proposed new and revised processes for Tagbilaran City. This was followed by an open forum related to the proposed processes.

One of the concerns raised was on unregistered businesses. The lead trainer, Dr. Mary O’ Penetrante, discussed the critical role of barangay centers in addressing this. Barangay Captains will need to be encouraged, similar to what is being done in some LGUs, to inspect businesses before giving barangay clearances regularly.

On the unified form, the provisions of JMC2016 were reviewed. Participants decided to add the field for gender and to tailor-fit some fields (e.g., taxes) to Tagbilaran City. The I.T. Head was chosen to design the unified form for the LGU taking into consideration the needs of the other offices.

Questions that could be addressed by inspection were raised since Day 1 as it appears that some participants were not familiar with how year-round inspection could address some streamlining concerns, e.g., generation of negative list. As to who should intervene regarding occupancy if a permit is for residential but actual inspection is commercial, it was agreed to have this addressed at the backroom level. Participants also decided to separate the inspection by Real Property Tax Division. Participants requested for a sample EO on JIT to be sent to them.

The BOSS guidelines were presented, and it was agreed to have the BOSS at the New City Hall. There was an identified need to check the speed of the system in the retrieval of data and computation of taxes and fees. There is also a need to have a dry-run before the business renewal period.

Strategies for massive information and education campaign (IEC), once the proposed processes are approved, were presented by the lead trainer.

Day 3 (September 8, 2016)

The discussions on the JMC, BOSS and joint inspection yielded the following streamlined processes:

The agreed steps are shown in the below figures (Figure 1 and Figure 2). For a new business permit process, the first step is the applicant submits the filled-out Unified Form (UF) and the required documents (DTI/SEC/CDA, Occupancy permit/OBO Clearance/Locational Clearance, Contract of Lease or Lessor's Permit if lessee and Barangay Clearance) to Window 1 (BPLO) who verifies the application for validity and completeness. The BPLO officer will forward the accepted application to the Tax Division officer for assessment of taxes and fees which will be done using backroom operation. A Billing Statement will be generated and together with all the application documents will be given back to the BPLO officer who will then give these documents to the applicant. When the applicant decides to proceed to payment (2nd step), the Billing Statement and payment for taxes and fees will be submitted to the cashier in the CTO office (Window 2) for processing. Official receipts will be issued to the applicant which will be used to step 3, claim the Business Permit in Window 1 (BPLO).

For the renewal application, only barangay clearance and affidavit of an undertaking for the declaration of gross sales are to be submitted to update the information that was electronically saved in the city's database during the application for a new

business permit. Once the updating of information is completed, the applicant will go through step 2 and step 3 as described above.

A pre-registration process should be done prior to the application of new business permit to allow the applicant to secure all the required documents such as Occupancy permit, Barangay Clearance, and Contract of Lease. This will also enable the concerned agencies to prepare a negative list to be used as a reference by the BPLO during the checking and verification of business permit application. A post-inspection will be done by the JIT to verify the information declared in the application by the applicant and to monitor the status of their compliance to regulatory requirements of concerned government agencies. A negative list will also be prepared based on the results of the JIT inspection and to be submitted to the BPLO for use during the processing of business permit application.

With these reforms, it is expected that the city would be able to meet the JMC 2016 requirements in all aspects. The numbers of steps are reduced: from 14 to 3 for new, and from 15 to 3 for renewal. The unified form will be adopted. Required documents are reduced from 13 to 4 for new, and from 8 to 2 for renewal. The number of signatures will match the JMC 2016 standard (two). Elapsed time for new is reduced from more than three days for new and about four days for renewal to about two hours for both new and renewal.

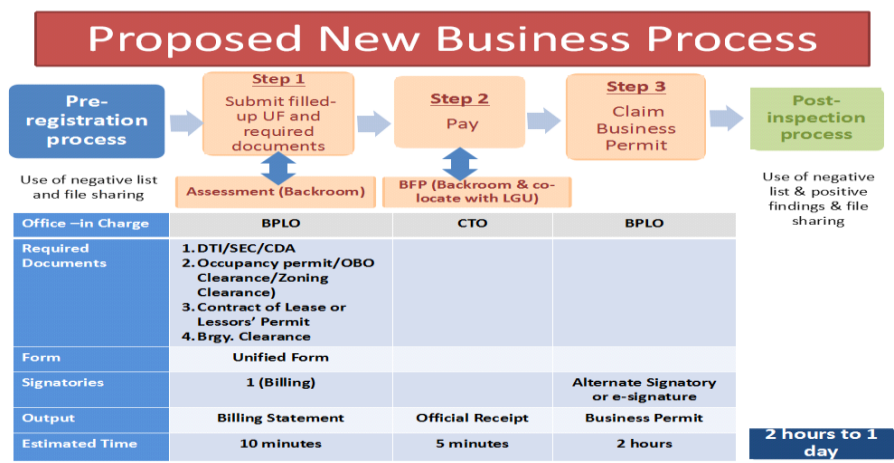


Figure 3. Proposed New Business Permit Process for Tagbilaran City

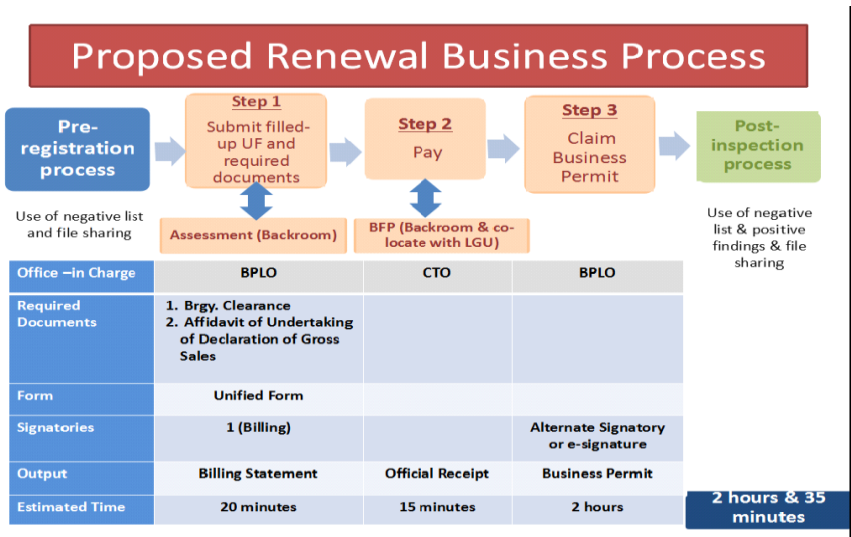


Figure 4. Proposed Business Permit Renewal Process for Tagbilaran City

Discussions about the action plan yielded the following output:

Table 7.
Action Plan of Tagbilaran City

No .	Solutions	Activities	Target date of completion	Responsible unit or person	Resources needed	External support needed
1	Creation of BPLS TWG	Preparation of EO	September 16, 2016	BPLO Head	Snacks / Supplies	City Program Coordinator (SURGE)
2	Development of streamlined BPLS process (new & renewal)	Preparation of EO	September 16, 2016	BPLO Head		
3	Review the design of the unified form	Development of digitized unified form for Tagbilaran City	September 23, 2016	ICT Head		
4	Forging of agreement between BFP & LGU	Preparation of MOA	3rd week of September	BFP Head; DILG Head; City Administrator ; ICT Head with Mayor; CEO and Budget Officer		
5	Setting up BOSS & requisite system	Following up of a request for hardware, cabling	September 15, 2016		c/o Office Budget	
	Procurement of additional hardware & cabling	Purchase - 2nd week of Oct 2016				
			Delivery - 1st week of Nov 2016			
		Installation of equipment, etc.	1st week of Nov 2016		ICT Head	Snacks
			Preparation & setting up of IEC materials/signages	1st week of Nov 2016	GSO; IT; BPLO	Funds for signages, supplies, snacks
6	Orientation/training of LGU/BFP & other staff (with simulation)	Activity design & budget approval	Sept. 19 (Design) Sept. 26 (Budget out)	Design - Ma'am Linda Paredes; Budget - CTO		
		Conduct of training/simulation	1st week of Oct. 2016	HR & IT		
7	Creation of JIT	Preparation of EO for JIT	September 16, 2016	BPLO; City Mayor's Office	Snacks/Supplies	BFP & other concerned NGAs & USAID SURGE
8	Training of JIT Team	Training of JIT Team	End of Oct 2016	BPLO Head		USAID SURGE CPC
		Preparation of negative list	Submission of negative list by Nov. 2016	BPLO Head		
9	Preparation/conduct of IEC	Preparation of IEC materials	September 23, 2016	Media Bureau; BPLO Head/TWG	GSO, CMO, Budget, HRMO, BPLO	DILG/DTI & USAID SURGE CPC
		Dissemination/distribution/conduct of IEC	September 30, 2016	Media Bureau; Information Officer		USAID SURGE CPC
10	Monitoring/evaluation of BPLS/reforms	Conduct of monitoring & evaluation activities	Starting Jan. 3, 2017	DILG		

Zamboanga City

Day 1 (October 18, 2016)

A total of 12 from the LGU attended the training workshop. The focus for the day was on assessment of steps for new and renewal of business permit. Proposed streamlined steps were also discussed. At the end of the day, the indicators for Zamboanga are as shown below:

Table 8.
Zamboanga City Indicators Before the Streamlining Workshop

Indicators	New	Renewal
Steps	20	13
Forms	5	3
Req'd Documents	15	12
Signatories	22	17
Travel Time	37.6 minutes	22.5 minutes
Waiting Time	7 days, 53 minutes	4 days, 5 hrs, 55 minutes
Processing Time	6 days, 1 hr, 43 minutes	1 day, 2 hrs, 11 min
Elapsed Time	13 days, 3 hrs, 13.6 minutes	6 days, 28.5 minutes

The proposed streamlined steps are shown below:

Table 9.
Proposed Streamlined Steps for Zamboanga City

Steps	Office	No. of Signatures	Time
• Undergo interview and get tax order of payment	BPLO	1	80 minutes
• Pay and claim business permit	CTO	1	12 minutes
TOTAL	2	2	1 hr and 32 minutes

Support strategies that were identified include:

- Intensive IEC on pre-registration requirements;
- Information sourcing from the Philippine Business Registry;
- A vicinity map and an info desk;

Day 2 (October 19, 2016)

The session for the day started with a review of the previous day's discussions. The following were then presented and discussed:

- Unified form provisions of the new JMC
- System flowchart of the proposed streamlined process presented by Zamboanga LGU
- Proposed new business process

It was also confirmed that the steps for renewal would be the same as that for new permits except that the requirements will be fewer. Backroom operations were discussed extensively during this part.

As the LGU already drafted a unified form, the proposed form was subjected for review and further streamlining. A routing slip will also be used with time in and time out data.

Regarding the BOSS layout, the LGU also presented its suggested BOSS to be located at the convention center. It is estimated that the venue could accommodate 400 people. So far, there is no concern with BFP regarding the fielding of personnel to the BOSS. The participants suggested some freebies for the applicants, such as water. The location of restrooms and boards for queuing numbers were also identified. The agreed BOSS process flow is shown below:

- Get queuing number, submit the unified form and get tax order of payment.
- Get queuing number for payment, pay to CTO and claim business permit.

The LGU has already identified the CTO as the lead for the JIT. The BPLO will act as the secretariat. Major challenges that were raised and discussed included:

- The need to have a police clearance;
- How the backroom will operate;
- Synchronization of expiration dates of locational and other clearances with business permitting process. It was agreed that client will pay only for remaining period during which time the business permit is not yet expired; and
- RPT assessment.

Day 3 (October 20, 2016)

On automation, an officer from the Department of Information and Communication Technology (DICT) and an LGU officer from Tanay, Rizal presented the computer system that LGU Tanay is using for their business permitting process. Inputs on the USAID E-Peso Project were also presented in relation to BPLS automation. Additional inputs on automation were then given by the lead trainer.

Action planning was done in the afternoon. There were councilors who attended the closing program. The final streamlined processes are shown in the following figures.

Just as the other two cities mentioned above, the City of Zamboanga developed a streamlined BPLS processes that involve two steps. First, the applicant will be interviewed to get business related-information. When the application is accepted for processing, a TOP will be generated using a back room operation.

A Tax Order of Payment (TOP) will be issued to the applicant which should be submitted to the cashier during the payment process. Official receipts of payments and a signed business permit will be issued to the applicant. The same process will be used to process a renewal application. A pre-registration will be done as well as the post-inspection to be conducted by the JIT.

It may be noted that these meet the JMC 2016 requirements in all aspects. The numbers of steps are reduced: from 20 to 2 for new, and from 13 to 2 for renewal. The unified form will be adopted. Required documents are reduced from 15 to 4 for new, and from 12 to 2 for renewal. The number of signatures will match the JMC 2016 standard (two). Elapsed time for new is reduced from more than 13 days for new and about 6 days for renewal to about 1.5 hours for both new and renewal.



Figure 6. Proposed New Business Permit Process of Zamboanga City

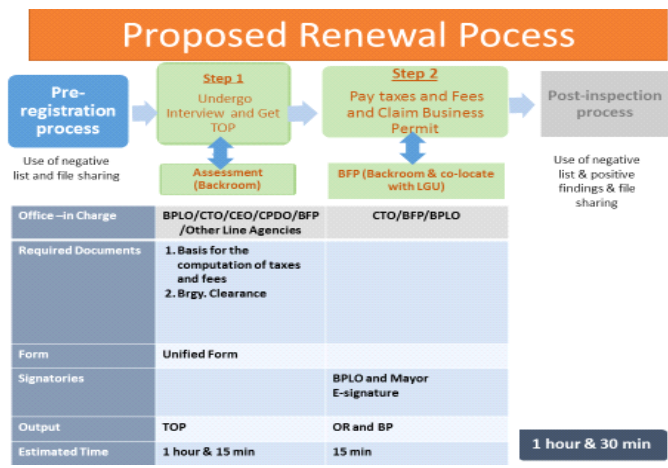


Figure 7. Proposed Renewal of Business Permit Process of Zamboanga City

Discussions about the action plan yielded the following table:

Table 10.
Action Plan of Zamboanga City

No.	Solutions	Activities	Target Date of Completion	Responsible Unit or Person	Resources Needed	External Support Needed	Remarks
1	Creation of BPLS TWG; Institutionalization of JIT; and secure EO for new Process	Meeting of JIT members; Presentation of BPLS reforms and signing of EO	Oct. 25, 2016 Oct. 28, 2016	CTO BPLO CPDO	Snacks Venue Supplies	SURGE	
2	Finalization of BPLS process (New/ Renewal)	Improvement of tax assessment module	Nov. 30, 2016	CSD		SURGE	
3	Setting up of BOSS	Set up of interim BOSS and preparation of all the materials needed in the BOSS	Nov. 30, 2016 Within Nov. 2016 First week Dec 2016	BPLO BPLO HRMO BPLO with all concerned agencies BPLO PIA With all concerned agencies	Signages	SURGE	
		Training of front-line personnel					
		Dry run of BOSS					
		Preparation and distribution of IEC materials (tri-media)			IEC materials		

Since only few selected participants attended the workshop in Manila, it was agreed that the department heads of the BPLO, the City Treasurer's office and City Planning Office, BFP with the support from the City counselors who attended the workshop will finalize the workshop outputs (that include proposed streamlined processes for new and renewal application, BOSS process layout, JIT proposed inspection processes and the BPLS reform action plan) and will be presented to the City Mayor and other concerned agencies for approval. Once approved, they will start implementing the reforms immediately since there are only a few weeks left before the renewal period in January. The SURGE city program coordinator will also help in organizing a presentation meeting and in monitoring the implementation process.

General Observations and Conclusion across the Cities

- It was observed that automation is seen to be important in streamlining BPLS in the three cities. Although there are available computer software that may be used for this purpose, peculiarities in each city's processes (e.g. effective local policies, the dynamics between and among the business sectors and the LGU, their longtime practices and accepted norms, level of ICT utilization, available resources, and readiness to adopt automation) require customization of these computer software to address the need of each of these cities. Failure to do so may result in reverting to the old system. Case in point is the experience of Cagayan De Oro City and Iloilo City.
- Across the three cities, some offices have limited knowledge of the entire permitting process thus their appreciation of why their output (quality) is an important input to the next process is also limited. This situation also limits the ability of the personnel to identify and apply appropriate corrective measures when a problem occurs. Thus an amalgamation of non-compliance is often unavoidable. Case in point: increasing non-compliance with an occupancy permit, zoning

ordinances, safety and security even beyond the given grace period after the business permit was released.

- Differing interpretation of government rules and regulations among concerned government agencies often disadvantage the business applicants. For example, there is a differing interpretation of affidavit of the oath of undertaking as stated in the Unified Form. In one city; this affidavit has to be notarized while in another city, the owner or manager has to sign this oath of undertaking.
- Among the BPLS processes, JIT receives less attention from the implementers. In fact, in all the three cities some JIT functions are being performed by non-regular/permanent employees who have minimal or no training in conducting an inspection.
- There is a strong level of commitment in all the three cities toward streamlining their BPLS. The experiences of other cities that have already streamlined were helpful.
- The presence of the city mayor or the mayor's representative during the closing program encouraged a greater level of commitment from the participants. Issues that need the feedback of the Mayor also got settled immediately.
- All three cities aimed for two to three steps only which initially, for some participants, was impossible to do.
- Having a national level JMC helps in pushing for streamlining of business permit processes.
- There are enablers that help the LGUs meet the JMC standards: co-location of BFP, BOSS, year-round inspection, and sharing of data.

RECOMMENDATIONS

- When designing computer software for BPLS automation in LGUs, it is better to involve key LGU personnel at the early stage of the project development so that their customization

need can be considered in designing the system. This will also enable the key personnel to easily understanding how the system works thus increasing adaptability and sustainability.

- Good understanding of the entire BPLS process among employees of the concerned departments would enable early detection of (possible) problems and the identification of appropriate corrective measures thus minimizing its ripple effect in the system. An orientation among LGU employees on how the BPLS system works is important. This will also provide a good avenue to thresh out gray areas, spot possible bottlenecks and harmonize initiatives of the different offices.
- There should be an orientation on the IRR of government rules and regulations among the LGU employees to enhance understanding and harmonized implementations of these IRR.
- Skills training among JIT members are important.
- Invite key persons from the offices involved in the BPLS process to provide immediate feedback and to facilitate faster decision-making during the workshop.
- Provide the LGUs (not just Tagbilaran) with a copy of a MOA that can be used by the LGU and BFP. This may also need coordination with DILG, so this could be pursued at the national level rather than leaving this for each LGU to draft its own. LGUs can revise to contextualize the terms to fit their need.
- Provide training to LGUs and other offices involved in the BPLS in adopting automation especially in designing an integrated database and IT infrastructure that will enable year-round BOSS operation and computer-based JIT operation.
- Conduct an assessment of the actual BPLS processes in the three cities within January 2017 to confirm implementation of BPLS reforms.
- A study tour is recommended for other cities that seek to streamline their BPLS. In the case of the three cities in this study, their exposure trip prior to the workshop was a good springboard for their own initiatives at streamlining.

REFERENCES

USAID-SURGE/ICMA. (2016). Integrated Assessment Report on Business Registration and Inspections Processes: Cities of Puerto Princesa, Tagbilaran, Zamboanga, Batangas, Iloilo and Cagayan De Oro.

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JMC 2016: http://www.dilg.gov.ph/PDF_File/issuances/joint_circulars/dilg-joincircular_2016815_81d0d76d7e.pdf