



British Embassy
Manila

Prosperity Fund Strategy and Guidance for the Philippines FY2014-15

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Introduction

The South East Asia Prosperity Fund is the UK Foreign & Commonwealth Office's (FCO) technical cooperation programme that aims to create the conditions for global growth. Working closely with project implementers and FCO's network of overseas missions, the Programme has supported over 90 policy projects (at a value of £3.4 million in the region) with projects in Indonesia, Malaysia, Burma, Singapore, Thailand, Vietnam & the Philippines - providing technical assistance, building capacity, encouraging stakeholder discussions and sharing the UK experience.

Priority Areas

Project concepts in the following areas will be considered for funding and can be bilateral (working in one country) or regional. We expect the earliest possible start for projects to be in May 2014.

Supporting Openness and Creation of Economic Opportunities

1. We are keen to fund projects that deepen private sector involvement in the economy – especially work on capital markets, public private partnerships and state-owned-enterprise reforms.
2. We are interested in supporting projects that encourage closer global and regional economic integration on a non-discriminatory basis, in line with international economic rules and standards. G20, World Trade Organisation (WTO), Organisation for Economic Co-operation and Development (OECD) and Open Government Partnership linked activities being of particular interest.
3. We are interested to fund sector-specific projects that break down the barriers to cross border trade and investment and help improve the regulatory business environment.
4. We are interested to fund projects that push for transparency and a rules-based economic system in South East Asia. This includes projects that:
 - Promote transparency in government and businesses, including work on anti-bribery and business licensing.
 - Enable government to nurture a non-discriminatory and transparent intellectual property regime that enables effective protection and enforcement.
 - Facilitates the adoption and implementation of international best practice on financial regulation.
 - Strengthen international tax standards and tackle international tax avoidance.

For the Philippines, enhancing the capacity of government partners by sharing the UK's system of undertaking PPP projects is a key area of intervention as the UK is a pioneer of the PPP mode of providing services to the public. Opening the capital and banking system to greater competition will allow for a lowering of the cost of corporate finance and individual's access to financial instruments. Decreasing the inefficiencies of the market arising from state participation in industries where no market failures exist will support greater focus on regulation to promote a level playing field for business and limit contingent liabilities. We are also keen to support opening up key industries in the Philippines to promote technology transfer from the UK, lower the cost of goods and services and avoid monopolistic competition.

For 2013-2014, we plan to continue promoting transparency and efficiency in business registration and licensing, increase government's capacity to regulate non-competitive business practices and for Philippine taxation to be in-line with international standards, particularly on tax avoidance.

Ensuring Climate Sustainability of Growth

1. We are keen to fund projects that help government authorities plan, implement and finance the transformation to a low carbon economy, in key sectors like energy, waste, transport, agriculture and land use.

2. In particular, we are keen to support projects which help authorities plan for and implement low carbon energy policies,

- Energy efficiency improvement in key sectors
- Low carbon energy supply(renewable, nuclear, clean energy)
- Promotion of natural gas as a transition fuel to low carbon energy supply
- Lower carbon energy solutions
- Removal of barriers to a low carbon energy future.

3. We are interested to build the capacity of governments to effectively engage in international and multilateral fora relevant to climate change, in particular to achieve the ambitious new global agreement all United Nations Framework Convention on Climate Change (UNFCCC) parties have agreed to secure by 2015.

4. We are interested to fund projects that help government authorities understand climate impacts on energy, water, food and resource security and implement comprehensive policy responses.

5. We are keen to support projects (consistent with our low carbon objectives) which reduce threats to growth from energy and resource insecurity, including through encouraging greater ASEAN energy cooperation, integration and interconnectivity.

In the Philippines, we are particularly interested in projects which support our shared goal of achieving an ambitious new global climate agreement by 2015 through the United Nations Framework Convention on Climate Change. We are also keen to support projects which promote low carbon energy supply and reduced energy demand, in particular through the increased application of energy efficiency.

Regional bids:

The Embassy in Manila is part of a regional network of Posts including all ASEAN countries. We are hoping that a portion of our projects will include regional, in particular, ASEAN participation.

A regional or global bid must have an impact potential in all of the countries involved and explain how this will be realised. The bid must have the support of all the relevant British Embassies or High Commissions. The bid should make clear the strategic importance of tackling that issue regionally or of the important influencing role that action in and with the Philippines could have. It should be clear what contribution each of the countries involved has to make.

The bid should consider how the different conditions in each country could be met within the same project and the union of the different project elements. A regional proposal is not just a composite of similar activities in nearby countries. The project outputs and purpose should achieve

something more than the sum of the individual country projects. The implementing organisation(s) should have the relevant expertise and contacts in each country.

Indicative Timetable

Bidding and Project Timeline FY 2014-2015	
Dates	Activity
Dec 2013	Communication of priorities and briefing of project partners
26 Jan 2014	Call for Bids Stage 1 Bidders submit project concept proposal
26 Jan 2014 – 01 Feb 2014	FCO Evaluates project Concept Proposals
01 Feb 2014 – 24 Feb 2014	Stage 2 Successful bidders develop full project proposal
24 Feb 2014 – 26 Feb 2014	Programme Board Meets to decide on bids
01 - 23 March 2014	Develop bids approved by the local programme board
23 March 2014	Submit to SE Asia Programme Board for Review
11 April 2014	Successful bidders are notified and invited to sign a grant agreement
01- 30 May 2014	Project Commences
15 March 2015	Project Ends

Programme and Project Partners

Partners can include government, business and NGOs, but **working with governments and official bodies is more likely to result in high impact, transformational outcomes which outlive the duration of the project.** An inclusive and collaborative engagement amongst various stakeholders are also likely to deliver sustained project outcomes buttressed by stronger project ownership and real partnership.

We are looking for practical interventions that will lead to a real and timely difference to decision-making and implementation changes. Proposals focusing purely on research, analysis, seminars or workshops will not be relevant unless they lead to **specific and measurable action.** Projects can be at regional or state level within a country, provided that replicability is built into the proposal and sufficient impact is likely.

Projects which focus on **creating champions** for important issues and policies, enabling departments to **make better use of resources, generate / attract additional resources,** or which **increase transparency, important knowledge and information** or are vehicles for important **advocacy** will be particularly attractive.

Potential partners should also be able to map out **why they are the best, most appropriate and effective partner for the work** they envisage, including **access to decision makers, a wide and senior network of contacts and a fully evolved theory of change and implementation plan.**

Proposals must make clear that they are adding value to, and not duplicating other donor activities. **Project purpose must be specific, measurable, ambitious but achievable, realistic and time bound (S.M.A.R.T).** The project purpose must be supported with clear outputs and measurable milestones, and project activities must be directly linked to the specific outputs. Budget proposal must show reasonable activity costs and demonstrate value for money practice.

Our partners in 2013-14 include government agencies or NGOs dealing directly with government. The Ombudsman's Office is providing capacity building on evidence gathering, case building and legal writing to its staff and its government partners that it usually works with to file corruption cases. GLOBE international supports climate resilience by convening legislators who will be involved in legislating laws that support national climate change strategies and UNFCCC negotiation outcomes. Bantay Kita is the NGO lead for the Philippines to fulfil the requirements of its application for membership to the Extractive Industry Transparency Initiative (EITI).

Our partners in 2013 is a step change from our 2012-2013 partners as the projects focused on support discussions for changes in policy. Our work with NGOs will be limited to those directly involved in policy discussions or those providing alternatives to the current theme and tone of policy discussions.

Given the priority areas of the fund, the embassy will not be funding livelihood projects; and building energy infrastructure for local governments unless very innovative, not involving subsidies, and clearly replicable.

Programme Board

Chair: Trevor Lewis, DHM British Embassy Manila

Board Secretary: Nell Belgado / Clarisse Fogg

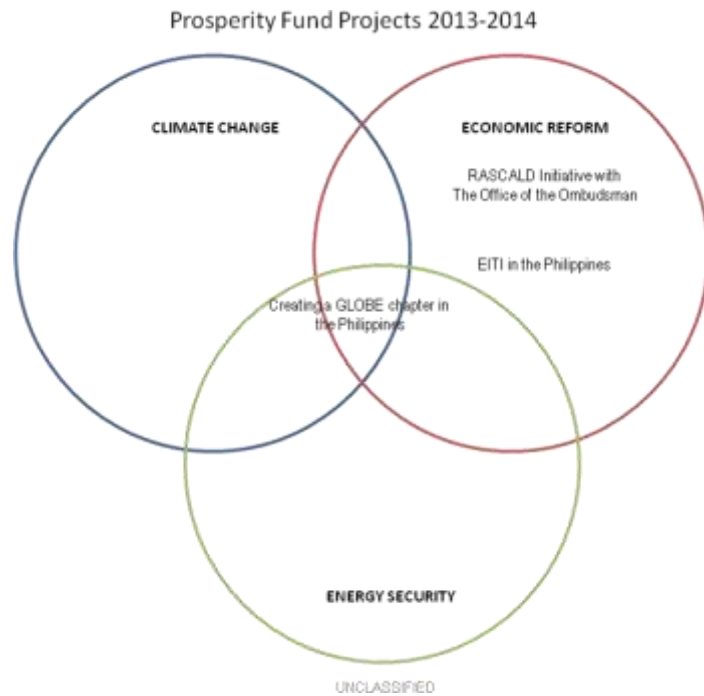
Members:

***Members of the British Embassy Manila Programme Board will be determined on January 2014.**

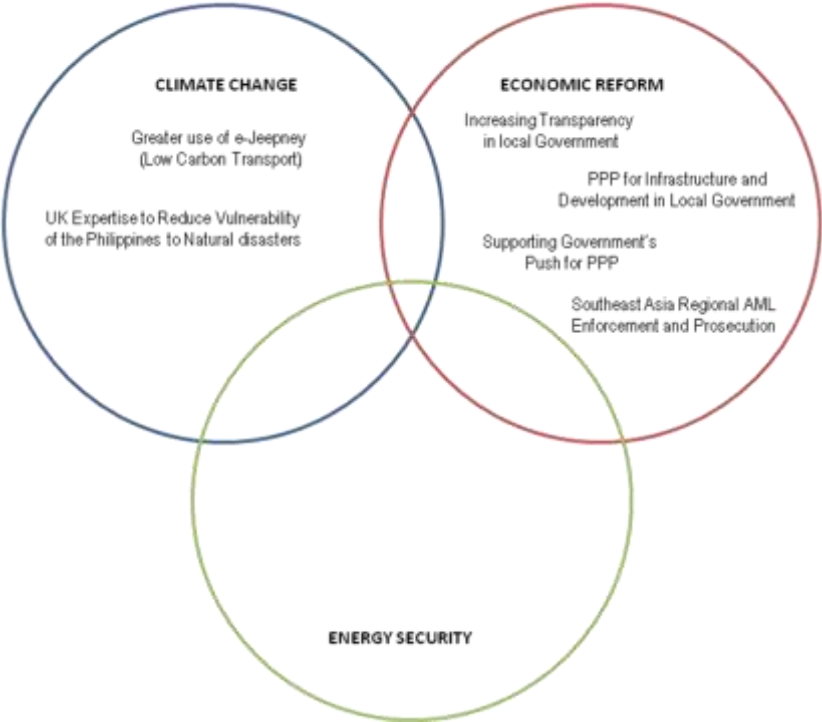
Previous and Ongoing Project Work

SE Asia Prosperity Programme FY 13-14

- a. RASCALD project with the Ombudsman to help reach their 8-point agenda targets by 2018
- b. Implementing EITI in the Philippines
- c. Creating a GLOBE (Global Legislators Organisation for Climate Change) chapter in the Philippines



Prosperity Fund Projects 2011-2013



Programme and Project Partners

Our Partners in 2013-14



Our Partners 2011-2013

Government



University



Civil Society Organizations



Private International Groups

