

**UPDATES ON JUDICIAL SECTOR REFORMS  
THAT IMPACT ON ENFORCEMENT OF CONTRACTS<sup>1</sup>  
May 2015**

**A. eCourts: Modernizing Case Management in  
the Trial Courts**

The eCourts is an automated case management system developed for the Philippine trial courts. With the support of the USAID through the American Bar Association-Rule of Law Initiative, the eCourt system is part of the Philippine Supreme Court's initiative to increase court efficiency by providing a modern tool primarily for judges and court personnel to monitor, manage and process cases and for court officials to monitor performance. It transforms the way the courts do their tasks by facilitating better workflows. It also impacts how the public interacts with the court system by increasing transparency and access to information. Below are some of the major impacts of the eCourts:

1. **Speeds up decision-making through automated monitoring of cases.** Every hearing, a judge and her staff need to know the incidents that have transpired in the cases that are in the court calendar. Going through the pages of case files just to find out what has happened to a case eats up hours, if not days, which could have been utilized for research and decision-writing. By freeing more time for research and decision writing, the eCourts is expected to drive-up productivity and case disposition output.
2. **Cuts case backlogs.** The eCourts provides judges with a dashboard that **tracks the status of a case on the judge's docket and provides information like the aging of cases, deadlines, and case incidents that require court action.** The information gives the judges a more precise picture of the status of their dockets – they can prioritize cases that have been delayed and issue needed orders/action on or before deadlines.
3. **Increases public access to information.** The public can find out the status of cases through computers in public kiosks that are found at the entrance lobby of court houses. People who are not IT literate can go to the Office of the Clerk of Court and get assistance to access the information on the status of their cases within a few minutes.
4. **Bolsters transparency and serves as anti-corruption tool.** The raffling of cases is now done electronically. The electronic raffle is done immediately upon filing, which the litigants and lawyers can observe from computer monitors at the Office of the Clerk of Court. Removing human intervention in the raffle of cases removes the possibility of underhanded schemes, which compromise the raffle.
5. **Saves more time for making decisions.** Every semester, courts conduct a two-week manual inventory of cases in order to generate reports on caseloads. Hearings are

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<sup>1</sup> The following contributed to this report: American Bar Association Rule of Law Initiative, Philippine Mediation Center Office, Court Management Office, and the Supreme Court Management Information Systems Office and Library Services.

suspended during these inventory periods. As soon as all case information is encoded in the eCourts system, courts will do away with such manual inventories as reports can be automatically generated and electronically submitted. That means an additional one month every year for decision-making.

6. **Adopts templates and forms for greater access and efficiency.** Following the innovation of the Small Claims Courts Project, eCourts will use templates of both court-bound and court-issued forms. These templates are ready for uploading on the eCourts system for ready access and use by litigants and lawyers, as well as by the judges and court personnel. The use of templates and ready forms will drastically reduce the time consumed by the courts to act on interlocutory and final case incidents. It will also be an access to justice tool for litigants unassisted by counsels.
  
7. **Adopts the Automated Hearing System.** The Automated Hearing System transforms the entire courtroom into an automated trial forum. This means that during trial, every activity is captured electronically, right there and then, including orders issued by the judge, minutes of the hearing conducted, judges' notes on testimony taken, markings of evidence, issuance of writs and other court processes. Piloted in Branch 85 in February 2014, all 58 Quezon City trial courts, both first level and second level courts, have been equipped with the infrastructure and the skills to conduct Automated Hearings. The system does away with the delay in the preparation of open court orders, which the parties now will be able to get prior to leaving the courtroom, the inevitable postponements due to our present reliance on the snail mail system, and most importantly, it frees up valuable time on the part of the judge and the court staff as they now no longer have to do these court orders after the hearing and can already devote themselves to the more important task of adjudication.

*Functions Performed by the eCourts*

**Table 1** summarizes some of the functions of the eCourts system that contribute to enhancing efficiency in the courts.

**Table 1. Summary of eCourts Functions**

Description	Functionalities
1. Automatic generation of a hearing schedule for all cases on the judge's docket	<p>Hearings are scheduled in eCourt by encoding it into the system as Incoming Document needing a court action and by making entries through case incidents tab.</p> <p>The eCalendar function of eCourt allows a user to set a limit as to the number of hearings the trial court will schedule each day and can record in the calendar the</p>

	<p>Holidays and no-hearing days or recess period.</p> <p>The hearing schedule can then be generated automatically after the above information have been input into the system.</p>
2. Track status of a case on the judge's docket	<p>The judge can track the status of the case in the Case Incidents feature of eCourt.</p> <p>The Case incidents feature provides for a timeline of the events that occur in a case during a particular stage. Tasks to be performed by the Court or orders to be complied with by a party will appear on the Judge's dashboard. The dashboard reminds them that there is a task or order which due date is approaching or is overdue.</p>
3. View and manage case documents (briefs, motions, etc.)	<p>The Case Incidents feature of eCourt provides for a timeline of the events that occur in a case during a particular stage. Incidents which involve tasks to be performed by the Court or orders to be complied with by a party will appear on Judge's dashboard. This will remind them that there is a task or order which due date is approaching or is overdue. (The document management function, which allows the judge and court personnel to view case records online is <i>not</i> yet available for use. However, see <b>discussion in Part B</b> on plans to implement a <b>Document, Records and Archive Management System</b>.)</p>
4. Assistance with judgment writing	<p>In the evidence, calendar and case incidents features, the judge can view what transpired in the case, which can assist the judge in writing the judgment. Templates of orders/judgments are also available for the use of judges.</p>
5. Semi-automatic generation of court orders	<p>In the Outgoing Document module of eCourt there are templates that the Judge can use to write a draft and release court orders.</p> <p>The templates of court orders are uploaded in the</p>

	eCourts and can easily be replicated and issued while hearings are on-going under the Automated Hearing System.
6. View court orders and judgments in a particular case	The Court Decision function provides information of the decision, resolution and order rendered by the Judge. It is a transparency tool as well as a safeguard against corruption as once an order or decision is made, it is uploaded and “published” such that alterations, save those upon parties’ motion or as allowed by the Rules of Court, may no longer be made, and any such alterations is automatically and electronically traced to the author.
7. Automated Hearing	<p>The issuance of orders in open court during the day of the hearing itself is facilitated by the eCourts through the templates of court orders, which are uploaded into the system.</p> <p>The automated hearings cut 2-4 weeks of waiting time, which is usually the amount of time it takes before the orders of the courts reach the parties through official mail. Since the orders are issued during the day of the hearing itself, the parties and their counsels are immediately notified of the courts’ orders. Thus, the period within which to comply with the court orders begins on the date of the orders’ issuance instead of the date of receipt by official mail under the old practice.</p>
8. Electronic Raffle System	The parties and their counsels can observe the electronic raffle of the cases through a computer monitor within minutes from completing the filing of the cases and payment of court fees. The absence of human intervention ensures that the assignment of cases is not manipulated to favor particular parties.
9. Additional features	<p>Judge can view :</p> <ul style="list-style-type: none"> <li>• payment/fees details of the case</li> <li>• information of the evidence and sub-markings of the evidence presented</li> </ul>

	<ul style="list-style-type: none"> <li>• original jurisdiction of the case</li> <li>• Summary of the cases raffled to his branch</li> </ul>
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*Status of eCourts implementation*

In 2013, the eCourts was piloted in the 58 courts of Quezon City, a major city in Metropolitan Manila that has the highest case load in the Philippines – about 7.5% of the total caseload in the country. Since then, it has been rolled out to 15 other courts in Angeles City north of Manila, and Lapu-Lapu City in Central Philippines. (The report on the status of eCourts implementation prepared by the American Bar Association-Rule of Law Initiative and supporting documents are attached as **Annexes A and A-1 to A-5.**)

This year eCourts will reach 94 more courts in Tacloban City, Davao City, Cebu City, and Makati City. Tacloban was the city ravaged by typhoon *Yolanda*, international code name *Hainan*, which destroyed court facilities and wiped out almost all their records. By implementing eCourts in Tacloban, we are, in a sense, building back better. Out of the rubble, we are building a modern court system for the people of Tacloban. Davao and Cebu Cities are main commercial hubs in Central and Southern Philippines, while Makati hosts the country’s main financial district. In implementing eCourts, the Judiciary is prioritizing not only the courts with the highest caseloads, but also courts which handle many commercial cases. We want to improve the investment climate in these key economic corridors by ensuring speedy dispute resolution using modern tools like eCourts.

In 2016, eCourts will be further rolled out to the 120 courts of the capital city of Manila, Pasig City and Mandaluyong City. By the end of 2016, eCourts will be in 287 trial courts handling about 30% of the total caseload of the Philippine court system.

But the Judiciary will move beyond these 287 identified courts. Court modernization must be complete and its benefits must reach all litigants, even outside the centers of population and commerce. Starting 2015, the Judiciary, with appropriations coming from the national government, is implementing its Enterprise Information Systems Plan (EISP), which is the Judiciary’s 5-year ICT master plan.

As part of EISP, the Judiciary is building two major data centers and around a dozen regional data centers and establishing network and connectivity in major locations, including all the courts where eCourts is targeted to be implemented. This will be the backbone of our ICT infrastructure, which will allow us to extend eCourts beyond the 287 courts already targeted. The opening of bids for the two major data centers is scheduled on 16 June 2015. The bidding for connectivity and network security is expected to start in June 2015.

## B. Implementation of the Enterprise Information Systems Plan

The EISP, approved in 2009, identifies over 20 software application systems to speed-up the adjudication of cases, increase personnel productivity, and improve court management. (An Executive Summary of the EISP is attached as **Annex B-1**.) The EISP was reviewed and updated in 2013-2014 in order to ensure the readiness of the Judiciary to implement the EISP and identify project implementation gaps and risks that need to be addressed before embarking on big ticket ICT projects. The updated EISP was approved by the Supreme Court on 21 October 2014.<sup>2</sup> (The Supreme Court resolution approving the Updated EISP is attached as **Annex B-2**.) About ₱1.44 billion has been made available in 2015 to jumpstart the implementation of the EISP.

Aside from the ICT infrastructure mentioned in the preceding section, a number of EISP software components have been identified for prioritization in 2015 because they are complementary to the eCourts. For instance, the **digitization of court records** and the **Document, Records and Archive Management System** will pave the way for eFiling and the electronic storage and access of court documents, which will not only speed up court processes by allowing quick access to specific pleadings and documentary evidence, but also secure court records against disasters like *Hainan*, which destroyed almost all the court records in Tacloban City. The **Lawyer Information System** will also be integrated into the eCourts system, giving information to both courts and the public on lawyers authorized to practice law, thus eradicating fake practitioners from the system. This will also facilitate the security aspect of the eFiling System and regularly update the courts and litigants alike of a lawyer's current status whether suspended, disbarred, or in good standing.

Also included in the 2015 priority list is the **Legal Resource Management System**, which will **facilitate knowledge transfer and make legal materials (laws, regulations case, law) accessible** to judges, court researchers and other court personnel. Bidding for these projects is expected to start in the 3<sup>rd</sup> quarter of 2015. At present, there is already an **eLibrary**, <http://elibrary.judiciary.gov.ph/>, which all judges, court lawyers and legal researchers can access and use for research and decision writing. This web-based legal resource database has been in place since 2004. (The Supreme Court resolution<sup>3</sup> approving the implementation of the eLibrary is **Annex B-3**.) Sixty-five law schools also access the system. (See the 2015 Report of the Supreme Court Library

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<sup>2</sup> A.M. No. 14-09-06-SC. Approval of the Updated Enterprise Information Systems Work Plan and Budget.

<sup>3</sup> A.M. No. 04-11-09-SC. Launching of Supreme Court Judicial E-Library and Memorandum of Agreement with e-Library Partners.

Services on the status of the eLibrary, which is **Annex B-4**.) The eLibrary contains the decisions of the Supreme Court, Court of Appeals (up to 2009, but subject to updating), Court of Tax Appeals (up to 2009, but subject to updating), Supreme Court issuances, executive issuances, laws and regulations, treaties and other legal references. The eLibrary will be integrated into the Legal Resource Management System.

Other application systems, including an upgraded financial system that is part of the integrated **Enterprise Resource Planning (ERP) System** are included in the priority list for 2016. An updated financial system will **pave the way for electronic payment of court fees**, which will cut red tape and protect the integrity of public funds by removing human intervention in the assessment and payment of court fees. The Judiciary expects that the national government will provide an additional ₱1.455 billion in the 2016 General Appropriations Act to support the sustained implementation of the EISP.

### **C. Hustisyeah! Case Decongestion Program: Nationwide, Targeted Implementation in 2016**

For 2016, the Judiciary is planning the deployment of **635 specially-trained court decongestion officers** (who are, *at the minimum*, law graduates) to trial court branches and stations across the country with caseloads (or average caseloads, in the case of court stations) of 500 or more, which have been determined to be "overburdened" courts primed for assistance. The Supreme Court *en banc* approved the program in a 21 April 2015 resolution (see **Annex C-1**).

This targeted decongestion program follows the steps taken in *Hustisyeah!*, the court decongestion program piloted in Quezon City courts and is now being implemented in Angeles City, Makati, Pasig, Manila, Cebu City and Davao City. The program, at present, is supported by USAID through The Asia Foundation.

#### ***The Hustisyeah! Decongestion Program***

The results of *Hustisyeah!* implementation in Quezon City support the expansion of this decongestion program.

In *Hustisyeah!*, volunteer paralegals and lawyers, and Court Management Office personnel go to target courts and do an intensive and methodical inventory of cases. They review the court records to accomplish several goals: to summarize the history of the case, identify grounds for preliminary or permanent dismissal that are apparent on record (e.g. non-prosecution of a case), identify cases that have been unduly delayed and recommend decongestion plans for the target courts.

According to the *Hustisyeah!* Program’s preliminary report, from its launch in July 2013, the caseload of 33 participating courts in Quezon City decreased from the baseline of 32,173 cases to 22,753. This means that almost 30% of the cases targeted were disposed as of December 2014, without considering the inflow of new cases during the same period. (For a breakdown of the results per court, see **Annex C-2.**)

In addition, the average clearance rate of these target courts went up from 113.72% in 2012 to 148% in 2014, which signifies that the number of cases disposed is greater than the number of cases that are filed with or received by the courts in the same period, with an almost 2:1 ratio. These results came in less than 12 months of implementation of *Hustisyeah!*

***Nationwide, Targeted Intervention***

These evidence of success support our plan to expand the *Hustisyeah!* program’s implementation to trial courts that are in urgent need of intervention to bring down their caseloads.

For the National Capital Region (NCR), the target courts are branches with 500 or bigger caseloads. The number of case decongestion officers (CDOs) is then determined by using the 1:500 CDO to case ratio. For courts outside the NCR, we target multiple-branch courts with *average* caseloads of 500 or above and single-branch stations with caseloads of 500 and up. The same 1:500 ratio is used to determine the number of CDOs to be deployed. Based on these criteria, we determined that 635 CDOs (see **Table 2**) need to be deployed in 119 branches in NCR and 116 branches in the rest of the country. Forty-two CDOs will be assigned in Quezon City alone.

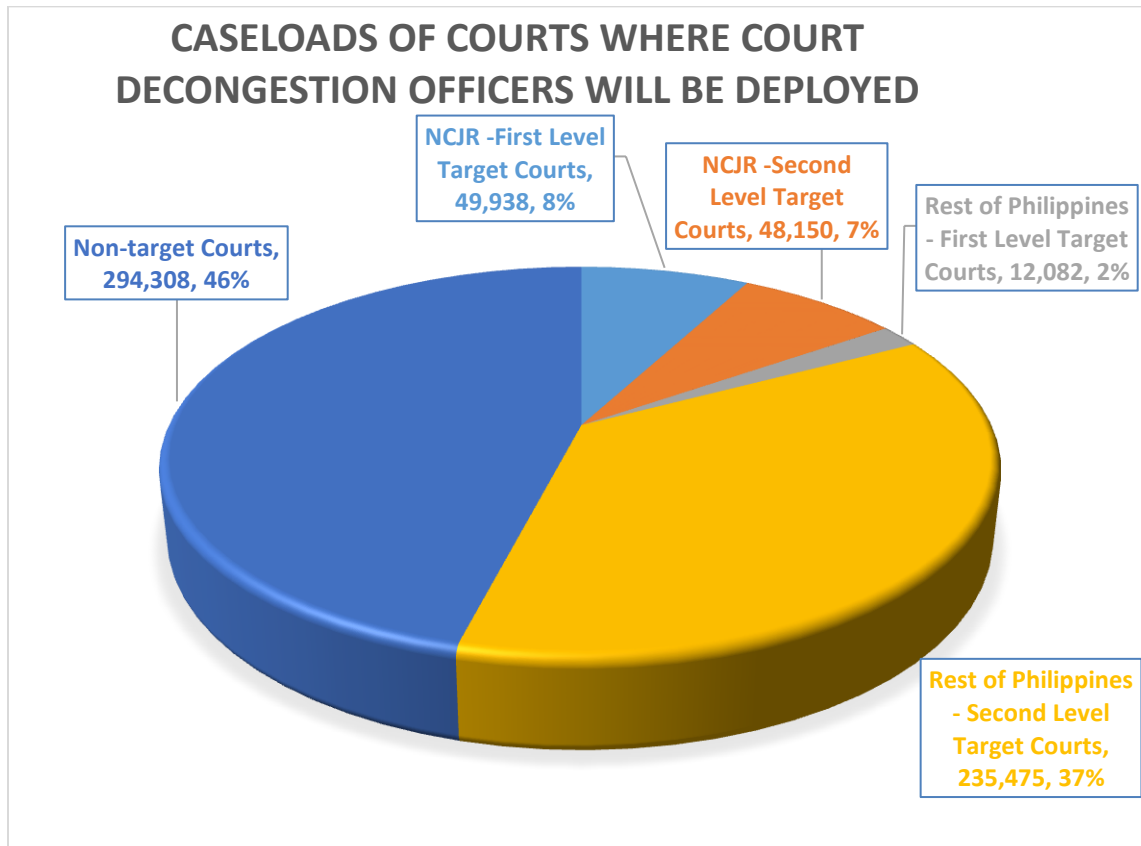
**Table 2. Number of Case Decongestion Officers**

	Number of Court Decongestion Officers
NCJR -First Level Courts	87
NCJR -Second Level Courts	83
Rest of Philippines - First Level Courts	23
Rest of Philippines - Second Level Courts	442
<b>Total</b>	<b>635</b>



*Deliverables of the CDOs*

The CDOs will be deployed in a total of 235 trial courts, which together handle 54% of the total caseload in the Philippine trial courts. (See **Figure 1**.)



**Figure 1**

The deployment of CDOs aims to reduce by a minimum of 5% the caseload of the target courts within 12 months from start of deployment. This means that the ending balance after the 12-month period will be 5% less compared to the beginning balance at the start of the program, *even considering the additional cases filed with these courts during the same period.*

The CDOs, working with the judges and existing court staff, are expected to meet this target by performing, among others, the following tasks on which they will undergo special training by experts involved in the *Hustisyaah!* Program:

- organization of cases by typology (per batch) before starting physical inventory;

- conduct of physical inventory of cases;
- consolidation of all case inventories per court;
- preparation of report on delay for civil, criminal and special proceedings;
- preparation of case briefs for the cases;
- monitoring of cases that are for disposal from the dockets; and
- preparation of monthly reports (as to be determined) for submission to the Supreme Court.

#### **D. Guidelines for Litigation in Quezon City Trial Courts: Drawing up Red Lines against Trial Delay**

Since 16 April 2012, the trial courts in Quezon City have been implementing stricter and innovative litigation guidelines (**Annex D-1**) for civil and criminal cases (the “Guidelines”). Intended to fast-track case flow and prevent delays, the Guidelines impose stricter rules on motions and pleadings, and postponements, which include among others:

1. **Limitations on pleadings.** Parties can only file pleadings subsequent to the complaint, answer (by respondent) and reply (by complainant), *with prior leave of court*. The Guidelines also limit the length of such subsequent pleadings.
2. **Limitations on motions.** Courts shall only require a comment/opposition to any motion which must be filed within a non-extendible period of five days. Subsequent pleadings like reply, rejoinder or sur-rejoinder are generally prohibited and may only be filed if allowed by the courts. Only one motion for inhibition per party is allowed. A non-compliant or defective motion is immediately denied. The filing of certain motions has been restricted to before pre-trial and is barred thereafter.
3. **Strict rules on and disincentives to postponements.** Courts shall not grant any postponement except for acts of God or *force majeure*. As disincentives against postponements, courts shall charge *escalating* postponement fees and the party responsible for the postponement shall pay the expenses of the other party. In the absence of counsel in a civil case, the court shall proceed with the hearing *ex parte* with no right to cross-examination. The absence of a witness will forfeit the right to present him/her as a witness.
4. **Judicial affidavits instead of oral testimonies on direct examination.** It has been reported that this rule results in cutting trial time by as much as half. It has thus been formalized and rolled out nationwide as the Judicial Affidavit Rule, effective January 1, 2013 (**Annex D-2**).<sup>4</sup>
5. **Clamp down on delay caused by courts themselves.** Lack of transcripts of stenographic notes is not a valid ground to interrupt the mandatory period within which to decide a case.

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<sup>4</sup> A.M. No. 12-8-8-SC *Judicial Affidavit Rule* (4 September 2012)

6. **Enhanced pre-trial process and alternative dispute resolutions.** Courts are required to strictly comply with *Guidelines to be Observed in the Conduct of Pre-Trial (Annex D-3)*. The order setting a case for pre-trial shall include a referral to mandatory mediation hearings, when applicable, or judicial dispute resolution.
7. **Service by private couriers.** Acknowledging the snail-pace of service by registered mail through the Philippine postal system, service through licensed private couriers has been permitted in Quezon City, speeding up service from the average 2-4 weeks to 1-2 days.
8. **Fast-paced Criminal Litigation.** From arraignment to promulgation of decision, the Guidelines impose shorter timelines and thus ensure speedier processing and adjudication of criminal cases which is also the main cause of jail congestion in the country.

In 2013-2014, the American Bar Association-Rule of Law Initiative (ABA-ROLI) conducted a study to gauge the results of the Guidelines in terms of improving case processing time. The study used a random sample of 2,423 disposed cases and 3,022 pending cases to determine the Guideline's impact.

The ABA-ROLI post-pilot study revealed many positive findings, including:

1. **Improvement of court productivity, particularly in 2012-2013, despite consistent or linear trends in workload.** The clearance rates<sup>5</sup> of the Regional Trial Courts ( RTCs) improved from 105% in 2008 to 132% in 2013. The Metropolitan Trial Courts' (MTCs) clearance rates also went up from 109% to 122%, which contributed to the reduction in pending caseload from 29,377 to 17,197 in 2013.
2. **Reduction in the age of disposed cases.** Data gathered by ABA-ROLI showed a significant reduction of 60-69% in the age of disposed cases in majority of case samples across various types of courts. In the case of RTCs, the age of disposed *civil cases* (in terms of number of days) went down from 365 prior to the Guidelines' implementation to 141 days during implementation. For MTCs, it went down from 524 to 194. In RTCs designated as Special Commercial Courts, the age of disposed cases went down from 1013 to 224.

The study found that there is a direct correlation between the age reduction of disposed cases and the reduction in the number of postponements, motions filed, and reduced duration of the pre-trial.

3. **Reduction in the number of postponements.** In the MTCs, the number of postponements in *civil cases* decreased from 1,049 prior to the Guidelines' implementation to 363 during implementation. In RTCs, the postponements went down from 580 to 90. In RTCs designated as Special Commercial Courts, the figure also went down to 41 from 161.
4. **Reduction in the number of motions given due course.** A comparison of the number of motions given due course before and during the Guidelines' implementation also showed a

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<sup>5</sup> Outflow over inflow of cases.

downward trend. In civil cases, the number went down from 220 to 157 in MTCs and from 71 to 60 in RTCs.

- 5. Reduction in the time for resolving motions.** It also took less number of days to resolve motions, from 53 to 25 in the MTCs, 36 to 23 in the RTCs and 53 to 36 in RTCs designated as Special Commercial Courts.

Because of the success of the Practice Guidelines in Quezon City, its roll-out nationwide is now being planned in partnership with the Integrated Bar of the Philippines.

### **E. Small Claims Courts and Small Claims Courts Monitoring System**

The Rule of Procedure for Small Claims (the “Rule”) was implemented to provide a speedy, simple and inexpensive means of dispute settlement in cases purely civil in nature, including the civil aspect of criminal actions, where the money claims do not exceed ₱100,000. “To hasten case processes...the [Rule] provides simple forms, dispute settlement procedures and one-hearing rule. The [Rule] simplifies court procedures by not allowing lawyers to represent parties, permitting a more informal hearing akin to a settlement conference, and providing ‘layman-oriented’ forms throughout the process [from filing of an accomplished Statement of Claim form by the plaintiff to the use of forms by the judge in rendering a decision and ordering execution of the judgment]. The [Rule] also feature filing fees which were reduced to the barest minimum and are viewed to be cheaper than any other court filing fees. Further, the Rule prioritizes in-court settlement among parties...”<sup>6</sup> The Rule is applied by all first-level courts.

In 2014, the ABA-ROLI also conducted a study on the impact of the Rule's implementation. The study involved the use of litigant perception surveys, analysis of 2010-2013 caseload statistics from 51 sample courts and analysis of 2010-2013 data extracted from the **Small Claims Courts Monitoring System (SC2MS)**<sup>7</sup> - **an automated reporting tool installed in all first level courts to measure the productivity and utility of the application of the Rule.** (The System Requirement Specifications of the SC2MS is **Annex E.**)

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<sup>6</sup> American Bar Association Rule of Law Initiative. (2015) *Limited Study on the Application of the Rules of Procedure for Small Claims Cases, as amended, in the Republic of the Philippines.*

<sup>7</sup> The Small Claims Case Monitoring System (SC2MS) was developed to facilitate the monitoring of the disposition of small claims cases and as a reporting tool to evaluate the effectiveness of the small claims rules and the performance of the first level courts in handling small claims cases. Its development was funded by the USAID through American Bar Association-Rule of Law Initiative. It was initially implemented in pilot courts in the NCJR and Antipolo City and was approved for nationwide roll-out in all first level courts on 06 May 2011. Now installed in first level courts, the SC2MS primarily functions as a repository of small claims case information and statistical data and as a facility to transmit these data from the first level courts to the Office of the Court Administrator.

According to the study, **the Rule has effectively reduced the age of disposed cases from an average of 4-6 months or 120-180 days to a mere 2.1 months or 75 days.** “The use of court-overseen settlement procedures in small claims cases have shortened overall case duration and increased settlement of cases [with 49%<sup>8</sup> or almost half of disposed small cases resolved through amicable settlement]. Moreover, 94.4% of small claims cases do not have continuances, and 78.2% of cases do not go through hearing re-settings, and hearings do not continue to more than 2 days. The reduction in continuances and resetting may be largely due to the 1-day hearing rule, stricter provisions on postponements...”<sup>9</sup> The 51 courts sampled were able to dispose as many small claims cases as entered their dockets, “boasting an **overall clearance rate of 104% and a disposition rate of 97% in 2013 based on median caseload figures.**”<sup>10</sup>

These positive findings are echoed by the satisfaction level of litigants. Ninety-four percent (94%) of plaintiffs surveyed reported that they were very satisfied or fairly satisfied with the efficiency and effectiveness of small claims procedures; 96% stated that they will use small claims courts again; and 90% will recommend small claims courts to others for settlement of disputes.<sup>11</sup>

The success of the Rule has resulted in calls to increase the threshold of small claims courts’ jurisdiction to ₱250,000 so that more cases can be covered. However, the ABA-ROLI study cautioned against an abrupt increase in the jurisdictional threshold as this may cause an unmanageable inflow of additional cases, resulting in case docket congestion that may negate the positive impact of the Rule.<sup>12</sup> The study recommended an incremental approach to increasing the jurisdictional value of small claims cases to allow the courts to assess their case carrying capacity.<sup>13</sup> To cover for inflation from 2009<sup>14</sup> to 2015 and for possible increases in inflation in the next two years after 2015, the study recommended that the threshold be increased to ₱130,000.<sup>15</sup> This proposal is now being deliberated in the Supreme Court.

## F. Alternative Dispute Resolution in Courts

### *Court-Annexed Mediation (CAM)*

CAM is conducted under the auspices of the court, where the judge refer the parties to the Philippine Mediation Center Unit (PMCU) for the mandatory mediation of their dispute by

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<sup>8</sup> American Bar Association Rule of Law Initiative. (2015) *Limited Study on the Application of the Rules of Procedure for Small Claims Cases, as amended, in the Republic of the Philippines*, pp.19, 51.

<sup>9</sup>Id., p. 25.

<sup>10</sup>Id., p. 50.

<sup>11</sup> Id., p. 53

<sup>12</sup> Id., p. 55.

<sup>13</sup> Id., pp.55-59.

<sup>14</sup> Start of Small Claims Courts implementation.

<sup>15</sup> Id., p. 60.

trained and accredited mediators. If full settlement of the dispute is reached, the parties, assisted by their counsels, draft the compromise agreement which is submitted to the court for judgment upon compromise or other appropriate action.

From 2002 up to February 2015, a total of 305,569 cases were mediated with 192,239 cases settled amicably for a success rate of 63%. (See **Table 3**) The number of cases that go through mediation has been steadily increasing from an annual average of 14,963 in 2002-2008 to an annual average of 28,347 in 2009-2014, an increase of 89%. The number of successfully mediated cases has moved in the same direction – the annual average went up from 9,982 cases in 2002-2008 to 17,252 in 2009-2014, an increase of 73%.

**Table 3. CAM Nationwide Statistical Report as of February 2015**

YEAR	NO. OF PMC UNITS	NO. OF COURTS COVERED	NO. OF ACCREDITED MEDIATORS	TOTAL NUMBER OF CASES REFERRED	TOTAL NUMBER OF BACK TO COURT CASES*	TOTAL NUMBER OF CASES MEDIATED	TOTAL NUMBER OF SUCCESSFUL MEDIATION	SUCCESS RATE
2002	26	442	360	4,118	559	3,559	3,000	84.29%
2003	26	442	360	4,246	1,149	3,097	2,410	77.82%
2004	30	601	309	20,277	12,787	7,490	5,899	78.76%
2005	37	675	483	25,745	14,028	11,717	7,626	65.08%
2006	40	730	524	21,211	8,161	13,050	8,159	62.52%
2007	53	931	628	38,816	18,671	20,145	13,633	67.67%
2008	70	1105	717	62,678	16,994	45,684	29,148	63.80%
2009	97	1380	571	49,702	18,477	31,225	19,406	62.15%
2010	97	1380	571	50,558	16,748	33,810	20,304	60.05%
2011	106	1496	706	49,497	19,777	29,720	18,029	60.66%
2012	107	1540	680	56,498	24,218	32,280	19,266	59.68%
2013	115	1623	704	58,786	18,638	33,556	20,525	61.17%
2014	119	1641	657	64,356	15,082	37,843	23,236	61.40%
2015	119	1641	661	6,704	964	2,393	1,598	66.78%
TOTAL	119	1641	657	513,192	186,253	305,569	192,239	62.91%

Source: Philippine Mediation Center Office, Philippine Judicial Academy

\* BACK TO COURT CASES - NO MEDIATION TRANSPIRED FOR THE FOLLOWING REASONS: NON-APPEARANCE OF PARTY/PARTIES; REFUSAL OF PARTY/PARTIES; LACK OF AUTHORITY OF THE PARTIES' REPRESENTATIVES TO ENTER INTO COMPROMISE AGREEMENT; REFERRED CASE NOT MEDIATABLE; AND, NON-PAYMENT OF MEDIATION FEE.

The PMCU in Quezon City has also shown positive performance. From 2007-2015, 62% of all cases that went through mediation were settled amicably. (See **Table 4**.) The success rate has even averaged 67% in the last 5 years (2010-2014).

**Table 4. CAM Statistical Report for Philippine  
Mediation Center Unit in Quezon City (as of April 2015)**

YEAR	TOTAL NUMBER OF CASES REFERRED	TOTAL NUMBER OF CASES MEDIATED	TOTAL NUMBER OF SUCCESSFUL MEDIATION	TOTAL NUMBER OF UNSUCCESSFUL MEDIATION	SUCCESS RATE
2007	4,727	3,303	1,539	1,764	46.59%
2008	3,985	1,928	767	1,161	39.78%
2009	4,966	2,805	1,909	896	68.06%
2010	5,012	3,455	2,295	1,160	66.43%
2011	4,018	2,502	1,704	798	68.11%
2012	5,504	2,666	1,693	973	63.50%
2013	4,953	2,406	1,723	683	71.61%
2014	4,550	2,330	1,520	810	65.24%
2015*	769	231	170	61	73.59%
Total	38,484	21,626	13,320	8,306	61.59%

***Judicial Dispute Resolution (JDR)***

JDR is a process whereby the judge (called the JDR Judge) employs conciliation, mediation or early neutral evaluation in order to settle a case at the pre-trial stage AFTER mediation has failed. In effect, JDR is a second-level of mediation which the Supreme Court saw as an attractive option for litigants versus the norm of protracted trial. In the event the JDR fails, then another judge (called the trial judge) shall proceed to hear and decide the case. From 2004-2015 (see **Table 5**), JDR has been successful in 37% of the failed mediation cases. We expect this figure to go up with the continuous training of judges on JDR.

**Table 5. JDR STATISTICAL REPORT AS OF FEBRUARY 2015**

YEAR	NO. OF JDR SITES (CLUSTERS)	NO. OF COURTS COVERED	TOTAL NUMBER OF CASES REFERRED	TOTAL NUMBER OF BACK TO COURT CASES*	TOTAL NUMBER OF CASES MEDIATED	TOTAL NUMBER OF SUCCESSFUL MEDIATION	SUCCESS RATE
2004	2	101	22		22	15	68.18%
2005	2	101	487		487	205	42.09%
2006	4	166	1,437		1,171	454	38.77%
2007	5	195	6,370	2,388	3,982	1,660	41.69%
2008	6	232	8,569	3,122	5,447	2,010	36.90%
2009	6	232	5,727	2,257	3,470	1,487	42.85%
2010	8	377	6,032	2,298	3,734	1,320	35.35%
2011	9	421	8,140	3,487	4,653	1,924	41.35%
2012	13	636	9,218	4,840	4,378	1,513	34.56%
2013	18	836	15,275	1,088	7,636	2,853	37.36%
2014	40	977	18,091	995	9,672	3,395	35.10%
2015	41	1038	887	36	305	137	44.92%
<b>TOTAL</b>	<b>41</b>	<b>1038</b>	<b>80,255</b>	<b>20,511</b>	<b>44,957</b>	<b>16,973</b>	<b>37.75%</b>

\* BACK TO COURT CASES - NO JDR TRANSPIRED DUE TO THE FOLLOWING REASONS: PARTY/PARTIES REFUSED JDR; AND, LACK OF AUTHORITY OF PARTIES' REPRESENTATIVES TO ENTER INTO COMPROMISE AGREEMENT

**Appeals Court Mediation (ACM)**

The ACM was introduced in 2002, pursuant to an Court *En Banc* Resolution in Administrative Matter No. 02-2-17 PHILJA. The program provided an alternative to costly and long drawn litigation in the appellate courts. The parties on appeal were provided an option to refer the resolution of their dispute to mediation. From 2005-2015, ACM has shown a success rate of 33%, which is a good figure considering that these cases are already in the appeal stage.

**Table 6. ACM STATISTICAL REPORT AS OF FEBRUARY 2015**



YEAR	NO. OF ACM UNITS	NO. OF DIVISIONS COVERED	NO. OF ACM MEDIATORS	TOTAL NUMBER OF CASES REFERRED	TOTAL NUMBER OF BACK TO COURT CASES*	TOTAL NUMBER OF CASES MEDIATED	TOTAL NUMBER OF SUCCESSFUL MEDIATION	SUCCESS RATE
2005	1	17	81	1		0	0	0
2006	1	17	81	3		2	1	50.00%
2007	1	17	81	23		18	7	38.89%
2008	1	17	81	161	79	82	30	36.59%
2009	2	20	81	391	183	208	70	33.65%
2010	2	20	71	748	356	392	141	35.97%
2011	2	20	77	1,106	765	341	111	32.55%
2012	3	23	79	1,238	491	747	231	30.92%
2013	3	23	93	1,400	600	606	213	35.15%
2014	3	23	93	1,171	437	494	154	31.17%
2015	3	23	93	164	7	8	3	37.50%
<b>TOTAL</b>	<b>3</b>	<b>23</b>	<b>93</b>	<b>6,406</b>	<b>2,918</b>	<b>2,898</b>	<b>961</b>	<b>33.16%</b>

\* BACK TO COURT CASES - NO MEDIATION TRANSPIRED FOR THE FOLLOWING REASONS: NON-APPEARANCE OF PARTY/PARTIES; REFUSAL OF PARTY/PARTIES; LACK OF AUTHORITY OF THE PARTIES' REPRESENTATIVES TO ENTER INTO COMPROMISE AGREEMENT; REFERRED CASE NOT MEDIATABLE; AND, NON-PAYMENT OF MEDIATION FEE.

### Mobile Court-Annexed Mediation (MCAM)

MCAM is an innovation in line with the objectives of the Action Program for Judicial Reform (APJR) and the Enhanced Justice on Wheels Project (EJOW), particularly, the decongestion of court dockets and the enhancement of access to justice. In line with the aim of the program to spread the benefits of mediation and improve the physical access to court services, especially by the marginalized citizens, buses were transformed into mediation rooms. Under this set up, each bus was considered as a mobile PMC Unit where the mediators conducted the mediation proceedings whenever the buses were deployed in areas where there are no mediation centers. From 2007-2015, the MCAM has shown an average success rate of over 90% (see Table 7).

**Table 7. MCAM STATISTICAL REPORT AS OF FEBRUARY 2015**

YEAR	NO. OF COURTS COVERED	NO. OF MCAM MEDIATORS	TOTAL NUMBER OF CASES REFERRED	TOTAL NUMBER OF BACK TO COURT CASES*	TOTAL NUMBER OF CASES MEDIATED	TOTAL NUMBER OF SUCCESSFUL MEDIATION	SUCCESS RATE
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YEAR	NO. OF COURTS COVERED	NO. OF MCAM MEDIATORS	TOTAL NUMBER OF CASES REFERRED	TOTAL NUMBER OF BACK TO COURT CASES*	TOTAL NUMBER OF CASES MEDIATED	TOTAL NUMBER OF SUCCESSFUL MEDIATION	SUCCESS RATE
2007	3	7	1,107	347	760	667	87.76%
2008	26	5	7,408	2,813	4,595	4,187	91.12%
2009	34	5	3,364	1,159	2,205	2,023	91.75%
2010	22	5	1,380	548	832	773	92.91%
2011	22	5	1,890	938	952	886	93.07%
2012	22	7	2,119	958	1,161	993	85.53%
2013	18	7	1,445	599	512	473	92.38%
2014	18	7	1,584	449	684	625	91.37%
2015	18	7	184	40	77	74	96.10%
<b>TOTAL</b>	<b>18</b>	<b>7</b>	<b>20,481</b>	<b>7,851</b>	<b>11,778</b>	<b>10,701</b>	<b>90.86%</b>