



WORKING GROUP ON DECENTRALIZATION AND LOCAL
GOVERNMENT



THEMATIC DISCUSSION ON CAPACITY BUILDING

Assistant Secretary Austere Panadero

Lead Convener, Working Group on Decentralization
and Local Government

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2006 OBJECTIVES/ GOALS

LOCAL GOVERNMENT FINANCE



Create more positive environment for financing LGU activities through consistency in policy implementation, improvement in environment for LGU financing, formulation of new policies that will provide greater flexibility in accessing financing & promote greater accountability & performance

CAPACITY BUILDING



Build the momentum for harmonizing capacity building efforts through more focused interventions, greater coverage and more cost-effective and innovative delivery mechanisms

PERFORMANCE BENCHMARKING



Expand utilization of performance monitoring systems through vigorous promotion of the use of the systems by setting up an incentive system for LGUs to encourage good performance and instituting measures to improve the integrity and credibility of the performance measures

POLICY REFORMS



Further support policies of devolution & rationalization through a thorough assessment of the devolution experience and the conduct of capacity building programs for DILG, DOF, the LGU Leagues and other concerned agencies which oversee the devolution process

OBJECTIVES OF THE THEMATIC DISCUSSIONS

- To present more detailed proposals to address the 2006 goals on performance benchmarking
- To identify proposed activities that would need development assistance



FLOW OF THE PRESENTATION

- **Review of the 2005 Accomplishments on Capacity Building**
- **Matching of Proposed 2006 Activities with Potential Funding;**
- **Proposed 2006 Activities for Funding Support**
- **Progress to Date**



Theme 1: CAPACITY BUILDING

- ✓ **Built the momentum for harmonizing local capacity building**

Greater efforts to align capacity building initiatives



- ✓ **More focused interventions to LGUs**
- ✓ **Greater coverage**
- ✓ **More cost- effective & innovative delivery mechanisms**

REVIEW OF 2005 ACCOMPLISHMENTS

- Prepared an Inventory of Capacity Building Programs
 - Identified areas where harmonization is critical (e.g. fiscal & financial management, planning, project development, service delivery & institutional issues)
 - Mapped current Capacity Building Programs granted to LGUs
- Organized three Subcommittees on Capacity Building
 - Identified mechanics for achieving greater harmonization (e.g. core competencies, common CB manuals, training tools, delivery mechanisms)

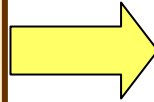


CAPACITY BUILDING

1. Harmonize Capacity Building Efforts of Oversight Agencies for LGUs

Proposed Action Agenda

- Synchronize provincial, city and municipal planning and budgeting calendars



Funding Source

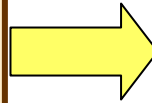
- Study undertaken by CIDA-LGSP

CAPACITY BUILDING

1. Harmonize Capacity Building Efforts of Oversight Agencies for LGUs

Proposed Action Agenda

- Harmonize planning and budgeting processes, guidelines and training modules
 - Study to reconcile different planning and budgeting manuals and preparation of harmonized training modules
 - Measures to strengthen the role of provinces in building capacities of cities and municipalities
 - Identify core local planning databases
 - Propose harmonized delivery mechanisms



Funding Source

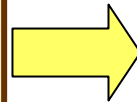
- Partly funded by ADB TA 4778

CAPACITY BUILDING

2. Implement the Action Programs of the WG Subcommittees on Capacity Building

Proposed Action Agenda

- Adopt a conceptual and operational framework on capacity development
- Develop a strategy for achieving harmonization of capacity development program in focus areas (i.e. planning, project development, revenue generation, etc.



Funding Source

- Submitted for inclusion in the ADB TA 4778
- The Subcommittees still need to discuss the scoping of the strategy

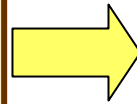


CAPACITY BUILDING

2. Implement the Action Programs of the WG Subcommittees on Capacity Building

Proposed Action Agenda

- Forge agreements with all stakeholders on core competencies, common needs assessment, training modules, and delivery mechanisms in planning, investment program, project development, revenue generation, expenditure allocation and financial management at the local level



Funding Source

- Terms of Reference need to be drafted/agreed upon by the Subcommittees after the government harmonizes planning and budgeting systems
- Fiscal and financial manuals (including training tools) being drafted under ADB TA 4556 (i.e. debt, tax, treasurers' manuals)
- PEGR planning to draft fiscal and financial management manuals based on experiences in pilot areas

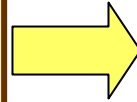


CAPACITY BUILDING

3. Enhance Information Sharing among Donors, NG Agencies, LGUs and Service Providers

Proposed Action Agenda

- Prepare an inventory of all capacity building programs, taking off from the Guevara study
- Improve present Working Group website to include more LGU-related information



Funding Source

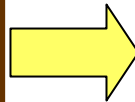
- May not need external funding; currently being undertaken by government (NEDA)
- WB

CAPACITY BUILDING

4. Capacity Building for NG Agencies and the Leagues to Oversee the Devolution Process

Proposed Action Agenda

- Re-engineer the BLGF
- Strengthen the monitoring of ODA for LGUs by the NG Agencies



Funding Source

- Funded by ADB TA 4556
- Submitted to ADB for inclusion in ADB TA 4778



SUMMARY OF PROPOSED MEASURES FOR FUNDING SUPPORT

Capacity Building

- Prepare and roll-out harmonized training manuals on planning, program development, budget/ expenditure management, revenue mobilization and financial management
- Development of innovative delivery mechanisms for LGU capacity building programs including the organization of composite training teams composed of oversight agencies at the regional level
- Further enhancing institutional mechanisms for better LGU planning and budgeting
 - Strengthening the role of provinces in capacity building for cities and municipalities
 - Study the feasibility of accreditation systems or common clearing house mechanisms for modules or service providers
- Development of 'core' local planning databases



STATUS (As of August 10, 2006)

Capacity Building

- TOR for the conceptual and operational framework endorsed by the Chairs of the Subcommittees on Capacity Building Programs and submitted to ADB for funding under ADB TA 4778
- DBM, DOF, NEDA and DILG DBM, DOF, NEDA and DILG has agreed to issue a joint Memorandum Circular that will harmonize planning, budgeting, revenue mobilization and financial management capacity building for LGUs
- Training modules for financial management funded under ADB TA 4778
- Capacity building programs for oversight agencies submitted to ADB TA 4556 and 4778

