



WORKING GROUP ON DECENTRALIZATION AND  
LOCAL GOVERNMENT



# PROPOSALS FOR HARMONIZING LGU CONCERNS WITH OTHER PDF WORKING GROUPS

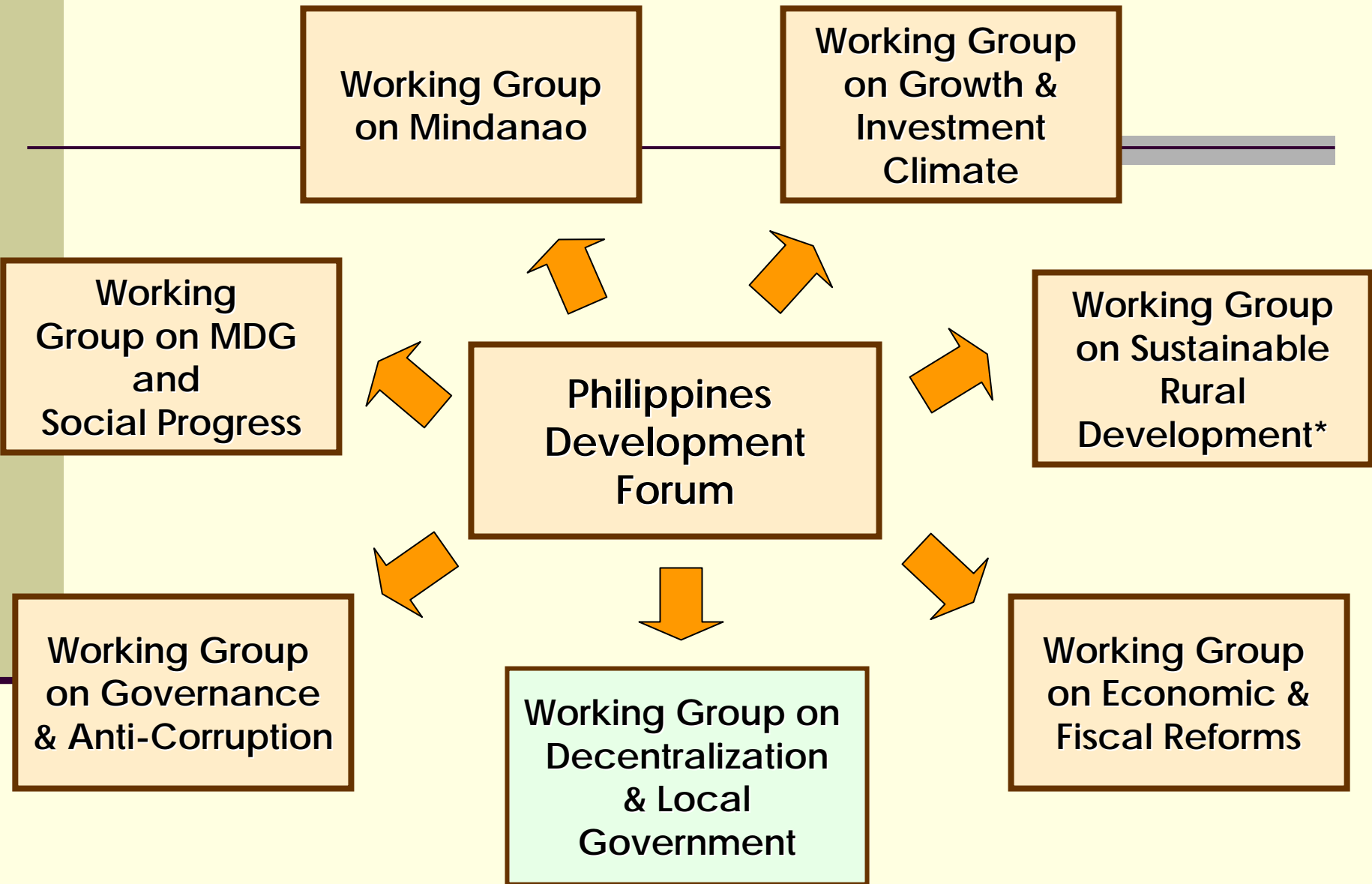
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**Asst Secretary Austere Panadero**

Department of the Interior and Local Government

Presentation during the Core Group Meeting

October 30, 2006, WB Office



**\* New**

# Major Objective: Strengthen Decentralization Thru Harmonized Development Assistance

Working Group → Improved Coordination → Aid Harmonization & Effectiveness

NG Agencies  
Leagues of LGUs  
Development Partners  
Private Sector

Among NG Agencies

Among Development Partners

Between NG & Development Partners

Between Donors & Leagues

Among the "Quartet"  
(NG, LGUs, Development Partners, Private Sector)

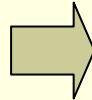
- Consensus building among NG agencies on national policies on decentralization and local government
- Better identification of needs & performance of LGUs
- Promote ownership of programs by both NG & LGUs
- Avoid duplication of donor initiatives

# LGU Concerns of PDF WGs

## Working Group on MDG and Social Progress

### Issues/Concerns

- Advocacy
- Address the financing gap for social services



### Relevant LGU Activities

#### Advocacy

- Hunger Mitigation Program
- MDG localization
- CBMS implementation
- Mainstreaming of gender concerns
- increased LGU financing and partnership in health, education and social protection programs

# Related Activities of the WG on Decentralization and Local Government

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- Improving the planning and budgeting linkages which may lead to improved budget provisions for MDGs and social sector concerns like poverty
- Study on the possible links between CBMS and the Local Government Performance Monitoring System
- Improving the quality of data for the LGPMS which includes input, output and outcome indicators on social sectors like health and education.

# Proposals for Harmonization with the Working Group on MDG and Social Progress

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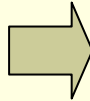
- The WG DLG to share information on the joint memorandum circular on planning and budgeting
- The WG DLG will involve and/or consult the WG on MDGs in its study on the possible utilization of the CBMS in the LGPMS
- Propose to WG on MDGs the conduct of a study on the use of the LGPMS in MDG monitoring.
- Invite the UNDP in the Subcommittee on Planning and Project Development CB Programs.

# LGU Concerns of PDF WGs

## Working Group on Sustainable Rural Development

### Issues/Concerns

- Convergence Initiatives
- Strengthen Decentralization and the role of LGUs
- Funding support with LGU involvement in the identification of public investments for rural development



### Relevant LGU Activities

- **Planning: institutionalization of the participatory planning techniques;**
- **b. Policy: encourage active participation of the LGUs and the agricultural and fishery councils at all levels in policy review and advocacy**
- **c. mainstream convergence initiatives in planning and implementation of programs and projects**

# Related Activities of the WG on Decentralization and Local Government

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- The WG intends to support the action plans to be agreed between the Leagues and the NG agencies including requirements during the transition, e.g. identification of legal and institutional impediments, identification of best practices on devolution

# Proposals for Harmonization with the Working Group on Sustainable Rural Development

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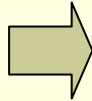
- WG DLG to share information with on the Joint Memorandum Circular on planning and budgeting guidelines
- The WG SRD to share information with WG on DLG on (1) progress of DA on its rationalization program; (2) implementation of the convergence policy in pilot areas of the WG on SRD; (3) training manuals on planning and budgeting developed specifically for the agriculture sector.

# LGU Concerns of PDF WGs

## Working Group on Mindanao

### Issues/Concerns

- Peace, security and public safety
- Socio-economic, environment and IP concerns;
- Good governance and development coordination.



### Relevant LGU Activities

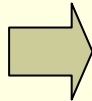
- **Strengthening LGU participation in peace-building initiatives such as (1) establishment of Mindanao LGU security network; (2) strengthening local peace and order councils; (3) formulation of an integrated area/community peace plans**

# LGU Concerns of PDF WGs

## Working Group on Mindanao

### Issues/Concerns

- Peace, security and public safety
- Socio-economic, environment and IP concerns;
- Good governance and development coordination.



### Relevant LGU Activities

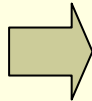
- **Strengthening the project implementation capacities of LGUs in conflict-affected/prone areas through:**  
**(1) assessment of the absorptive capacity of LGUs in the conflict-affected prone areas; (2) development of financing options not requiring sovereign guarantee for LGUs; (3) information dissemination of the available financing options for LGUs; (4) integration of capacity building projects for LGUs in need of the same in ongoing development projects instead of giving them low priority for intervention.**

# LGU Concerns of PDF WGs

## Working Group on Mindanao

### Issues/Concerns

- Peace, security and public safety
- Socio-economic, environment and IP concerns;
- Good governance and development coordination.



### Relevant LGU Activities

- Rationalization and coordination of development assistance for Mindanao through:
  - development of the ODA database
  - partnership building and strengthening of donor coordination.

# Related Activities of the WG on Decentralization and Local Government

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- IFC and ADB presented options/mechanisms for direct lending to LGUs without NG guarantee
- Incorporating geographical dimension in the mapping of capacity building programs for better targeting of LGUs needing capacity building will be benefited
- Development of a criteria for selection of LGUs for pilot testing and for prioritizing roll-out of capacity-building programs
- Improved monitoring of ODA projects/programs for LGUs is being planned as part of the institutional strengthening of DILG, NEDA

# Proposals for Harmonization with the Working Group on Mindanao

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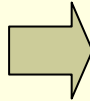
- WG DLG to share Information on the results of studies related to the following finance-related issues: direct lending to LGUs, performance-based grants, procurement law implementation at the local level.
- WG DLG to share database from the LGPMS for better governance of Mindanao LGUs
- The WG on Mindanao to share information to the WG DLG on ODA going to Mindanao and how these are managed by the LGUs in Mindanao

# LGU Concerns of PDF WGs

## Working Group on Governance and Anti-Corruption

### Issues/Concerns

- Good governance and management reforms in public expenditure management, performance management and service delivery
- Anti-corruption reforms



### Recommended Actions

- On improving expenditure management
  - Launching budget reforms for 2007 such as the development of forward estimates
  - Pursuit of auditing reforms
  - roll-out of e-NGAS in 35 LGUs
- Integrating performance management system in government
- Synchronize the MTPIP updating and the budget process
- Develop an integrated financial management information system: e-Budget, GEPS, e-NGAS,

# Related Activities of the WG on Decentralization and Local Government

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- Inclusion of financial and budgeting performance indicators in the LGPMS to enhance performance monitoring at the LGU level
- Introduction of forward estimates in local budgeting
- Identification of procurement problems encountered by LGUs and the preparation of local procurement manuals to address these
- Assistance to LGUs in organizing internal audit units
- Improving processes for the release of LGU shares in national wealth, etc.

# Proposals for Harmonization with the Working Group on Governance and Anti-Corruption

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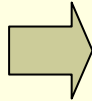
- Common areas where information-sharing may be needed are the following:
  - preparation of local procurement manuals
  - synchronized planning and budgeting processes
  - use of the LGPMS in performance monitoring

# LGU Concerns of PDF WGs

## Working Group on Growth and Investment Climate

### Issues/Concerns

- Inadequate and non-transparent regulations affecting SMEs resulting to inconsistency in implementation between LGUs



### Recommended Actions

- Streamlining business regulatory requirements through the preparation of a handbook for LGUs on the simplification of business registration

# Related Activities of the WG on Decentralization and Local Government

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- Through the LGPMS, the WG can generate information on “business-friendly” LGUs
- The WG plans to organize a workshop to identify good practices and mechanisms to assist LGUs to better manage their own business enterprises and promote private business

# Proposals for Harmonization with the Working Group on Growth and Investment Climate

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- The WG on Growth can assist the WG on Decentralization in setting norms and standards for determining “business-friendly” LGUs.
- Through the LGPMS, the WG on Decentralization can provide information to the WG on Growth in identifying the “not so business-friendly” LGUs based on the norms set, which may be a basis for identifying LGUs where capacity building may be needed.
- The two WGs can jointly organize a workshop to identify good practices and mechanisms to assist LGUs to better promote private business, manage profitable business enterprises and invest in catalytic ventures with the private sector.
- The WGD LG can tap the assistance of the WG GIC to promote the establishment of National Economics Research and Business Assistance Center (NERBACs) or one-stop shops and the formulation of training modules on the same for the use of LGUs. The WG on Growth to assist the WG on Decentralization in setting norms and standards for identifying business-friendly LGUs