

Inventory and Assessment of Local Government Capacity Building Programs

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PURPOSES, LIMITATIONS AND METHODOLOGY

The participation of local governments in the ODA for 2004 accounted for 18.0 percent or roughly US\$1.9 billion. The value of investments on capability building programs of LGUs by donors and multilateral institutions for the last three years is estimated at a minimum of US\$1.42 billion. These amounts are significant and could translate into greater efficiency in local governance. However, evidence that support a marked improvement in the capability of LGUs in service delivery has been largely anecdotal. The success stories that have been written on selected cases have not been brought to scale. In addition, perceptions on the impact of capability building programs have been divergent. They are also varied and fluid relative to the locality and its leadership. One perception is that the “national government through several agencies have provided more than enough assistance to LGU training over the years.” Akin to this is the observation on the “seeming proliferation of training programs that are uncoordinated and duplicative.” Thus, despite the growing number of training programs, gaps are apparent “in meeting the training requirements of LGUs that can strengthen their capacity for better service delivery”.¹ It has also been opined that “LGUs that are current beneficiaries of ODA are not getting the necessary assistance for capability building.”²

The weaknesses in the delivery of programs are both internal and external. LGUs have been observed to have limited capacities to start and manage change processes. Changes in LGU leadership also precipitate changes in priorities, project teams, and management styles.³ On the external side, the effectiveness of programs is compromised by lack of coordination, overlaps, and inconsistencies.⁴

The need for a more coherent strategy for LGU capability building has often been expressed. It should follow a framework that avoids duplication, sharper targeting and one that is demand-driven. This is not only to maximize the huge investments in LGU capability building programs but more importantly, to support LGUs as they assume leadership in community development and poverty alleviation. LGUs themselves indicate the need for better coordination of donors and development assistance to avoid duplication and to fill critical capacity building gaps in programs with external support.⁵

A good beginning in developing a coherent strategy is an inventory and an assessment of capability building initiatives that have been in place in the last three

¹World Bank and the Philippine Government, “Workshop on Joint Supervision of Projects Providing Services at the Local Level, April 13-16, 2004

² National Economic Development Authority, 13th Annual ODA Portfolio Review, <<http://www.neda.gov.ph>, July 12, 2005

³ Ibid. September 14, 2005

⁴ “Terms of Reference, Inventory and Assessment of Local Government Capacity Building Programs”

⁵ Local Governance Development Program Feasibility Mission, Draft Aide-Memoir for the Australian Agency for International Development, June 12 to 30, 2005

years (2002-2005). It would afford a better understanding of the current state of capacity building at the local level. It is a step towards developing a systematic knowledge about the experience in LGU capacity building. There is a need to learn what has worked best and how local governance capacity building can become sustained, demand-driven and results focused.⁶

A. Purposes and Limitations of the Study. Since most of the capacity building has been related to training, the study focuses on a systematic inventory and analysis of training programs for LGUs on the following core competencies:⁷

- Administration—development planning, local government finance and expenditure management, project development and procurement, human resource management and development, management systems, continuous improvement/innovations, and customer service
- Governance—public finance, transparency, accountability, participation, and legislative and other enabling mechanisms

The study does not cover sector-specific local level capacity building activities such as local health delivery or community forestry management.

The rapid assessment provides a quick overview of the type of programs being delivered, the delivery mechanisms, the type of provider and funding source, the composition of target groups, frequency, mode of delivery, and, regional concentration of training activities.

Insofar as the data permit, the study explores other forms of approaches, strategies, and methodologies which are used to help organizations to improve performance, other than the traditional training programs. Capacity is defined as the organization and technical abilities, relationship and values that enable organizations, groups and individuals to carry out functions and achieve their development objectives.⁸

The study also aims to:

1. Assess the comparative effectiveness of training programs for each competency area, determine if there are good existing training programs which could be made more effective if they are harmonized and better targeted to the core capacity needs of LGUs;
2. Assess demand, and identify priority areas where capacity improvements are required but where previous efforts have been absent or limited; meet with representatives from the various leagues of local governments, selected local and national government officials, and relevant donor projects to better assess demand for capacity building.
3. Summarize key issues emerging from the inventory analysis, with preliminary recommendations on how to strengthen the training and capacity building

⁶ “Terms of Reference, Inventory and Assessment of Local Government Capacity Building Programs”.

⁷ Ibid.

⁸ P. Morgan, “Capacity and Capacity Development-Some Strategies”, Policy Branch, CIDA as quoted in Ndolamb Ngokwey, “Capacity Building in UNICEF Supported Programmes Challenges and Opportunities, May 2004

programs for LGUs, particularly on how to fill the gaps in knowledge and skills, and how to strengthen delivery mechanisms, and institutional arrangements.

4. Prepare Terms of Reference, outlining next steps, and suggesting institutional and coordinating mechanisms for implementing a national capacity building program for LGUs focusing initially on the core competency areas. An assessment of the capacity requirements for institutions that make up the broader enabling environment should be considered as well as the types of support that can make the larger system operate effectively.

B. Methodology. An exploratory survey and assessment of capability building programs to LGUs in the last three years was conducted using secondary sources of data. These include project information and appraisal reports, aide memoires, syllabi, description of programs, annual reports, websites, catalogues and brochures of development agencies, academic institutions, and NGOs. The data were organized into tables that list competency areas that are overtly mentioned in the documents that describe the programs. The study did not consider competency areas that may be “implied” in the programs⁹. Data on the regional coverage as well as the amount of investments by the different programs were also organized.

Structured interviews were conducted among key informants representing multilateral institutions, government agencies, local governments, and the non-government sector to deepen understanding of the processes in the conduct of capability programs. The interviews provided insights on perceived relevance, strengths and areas of concerns¹⁰ on building capabilities of LGUs.

The findings of the study were organized in accordance with the following structure:

- a. Inventory of programs as to content, type of provider, and target groups.

Major programs are briefly discussed with respect to planning, implementation, institutionalization, tools for delivering capability programs, and the enabling environment. Observations are summed up towards the end.

- b. Assessment Notes and some Perspectives on Moving Forward

Major issues that emerged from the inventory analysis are summarized. These relate to overlaps, training gaps, ownership of programs, strengths, and challenges. Directions to make capability programs more relevant and functional to the needs of local governments are broadly outlined.

- c. Small Steps Towards Harmonization

An attempt is made to translate recommendations into small and doable programs.

⁹ The study acknowledges the limitation that documents about capability building programs are not exhaustive with respect to program content and coverage.

¹⁰ The list of individuals and officials who were interviewed is found in Annex A.

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AN INVENTORY OF CAPABILITY BUILDING PROGRAMS FOR LGUS

1. Development Planning. There are numerous programs that enable LGUs to undertake development planning.

1.1. Technical assistance from CIDA's Local Government Support Program (LGSP) and Local Governance Support Program in ARMM (LGSPA) always starts with consensus building. Stakeholders are assisted in assessing their needs until a consensus is reached on development priorities and a plan for change. The use of a baseline capacity survey (i.e. National Performance Measurement System)¹¹ enables them to identify strengths and weaknesses of the LGU using indicators in performance areas such as fiscal management and participatory planning. Thereafter, stakeholders are guided to arrive at a consensus on capacity gaps that need to be prioritized. The Local Chief Executive participates in the "Local Chief Executive Development Management Program" along with peers to strengthen skills leading to the development of an Executive Legislative Agenda (ELA). It is a three-year action program that identifies the development priorities of an LGU and translates them into programs and activities. The ELA is developed through a participatory planning process. The ELA is both an output and a means to develop participatory governance.

1.2. In the Municipal Development Program (MDP) of the Federation of Canadian Municipalities (FCM), capacity building is developed in stages. The first phase is diagnosis and consensus. Participants are trained to conduct needs analysis through baseline surveys. The MCP program in Bohol for example was designed to strengthen strategic planning capabilities. LGSP's capacity development framework is adapted from FCM's Municipal Capacity Development Framework.

Nene - Add info on Canadian Urban Institute and Institute of Public Administration of Canada projects (see your LGU Training Programs document and email).

1.3. The Asia Foundation provides technical assistance to LGUs in Mindanao on development planning and budgeting. Its programs cover team building, group facilitation methods, data gathering and analysis, and formulation of plans and budgets. The planning process is expected to result to the formulation of barangay and municipal development plans.

1.4. The Philippines Australia Governance Facility (PAGF) provides support for development planning at the local levels¹² through programs that strengthen participation of non-government organizations in local planning and budgeting. Another program, the **Philippine Australia Local Sustainability Program (PALS)** is designed

¹¹ This has spun off into the Local Governance Performance Measurement System (LGPMS) that is managed by the Bureau of Local Government Supervision of the DILG.

¹² The facility also supports governance programs at the national and regional levels.

to build the capacity of LGUs in Misamis Occidental to plan and implement activities to improve the lives of the poor. Strengthening activities include preparatory reviews, assessment studies and the formulation of provincial and municipal development plans. Modules and databases are developed on how to formulate barangay development plans and profiles, how to conduct household surveys and assess coastal resources. The **Philippines Australia Technical Support for Agrarian Reform and Rural Development (PATSARRD)** works with farmers to develop their development planning skills. Other programs of AusAID develop planning skills in highly specialized areas: in land information systems and asset management, through the Philippine **Regional Municipal Development Project (PRMDP)**, and, in provincial land use planning through the **Technical Assistance to Physical Planning (TAPP)**.¹³

1.5. World Bank programs emphasize the need for being demand-driven. Substantial investments are dedicated to enable communities to do collaborative planning. **The Community Based Resource Management program (CBRM)** aims to reduce rural poverty and environmental degradation through support for locally generated natural resource management projects. The program provides for training in development plan preparation and formulation of project packages. Community organizers are trained to work with communities to identify their needs, priorities, strengths, opportunities and resources to prepare and implement viable subprojects. The COs are engaged in data collection, conduct of social profiles, gender analysis, and facilitation of participation, collective action, and leadership identification and training. The project targets around 125 municipalities (40 percent of over 300 municipalities) in regions 5, 7, 8 and 13, the poorest classes of municipalities with high poverty incidence.

1.5.1. The Kapit-Bisig Laban sa Kahirapan Comprehensive Integrated Development of Social Services (KALAHI CIDSS) aims to empower communities through enhanced participation in barangay governance and involvement in the design, implementation and management of development activities. This goal is pursued through: empowerment of communities based on facilitated participatory planning, implementation and management of local development activities. Community block grants are given to barangays for community investment activities. Selection is competitive and the inter-barangay forum decides on the winning proposal. A grievance redress mechanism will be developed to provide an avenue for complaints if segments of a community have been bypassed in project selection. Implementation support is given to social mobilization, community organizing and capacity building. The program incorporates a “robust facilitation network to ensure the inclusion and participation of poor and marginal groups and to minimize gender bias”.

The project extends to one-fourth of all municipalities in provinces where the incidence of poverty is above the national average of 33.7 percent or 5,378 barangays in 193 municipalities in 40 provinces.

1.5.2. The ARMM Social Fund Project focuses on reducing poverty and providing support mechanisms for the promotion of peace in conflict-affected areas in ARMM. The project is intended to be community-driven through improved partnerships. Peoples' Organizations receive on a demand basis technical and financial assistance so they may efficiently implement subprojects addressing their priority socio-economic

¹³ The TAPP ended in 1997 but is included in the inventory due to the lessons learned from the experience.

needs. The subprojects are selected from an assessment of community needs in Mindanao, e.g. water supply, health stations, and farm-to-market roads. The program aims to enable the capability of the regional government and LGUs to prioritize investments in close consultation with stakeholders.

1.5.3. The Diversified Farm Income and Market Development Project provides capability building opportunities for LGUs. The “Development of a Market Information Service” is linked with local government units in nine provinces in focus areas: Region 10 (Bukidnon and central highlands of Mindanao); Region 7 (Cebu and Negros Oriental), Region 6 (Panay Island) and CAR (La Trinidad Valley, Benguet). The component on “Market Development Investments” provides funds, on a cost-sharing basis with LGUs and growers’ associations for rural roads and other infrastructure such as post-harvest and agro-processing activities. Investments are strengthened by sharpening the selection, approval and implementation criteria to ensure that they are demand-driven, market-oriented and are supported primarily through LGUs and producer groups. The grant involves technical assistance using local consultants that will develop participatory mechanisms to ensure that various stakeholders in the community are engaged in project identification. An Operations Manual will guide project preparation.

1.5.4. The development of planning skills is integral in sectoral programs of the World Bank. The **Laguna de Bay Institutional Strengthening and Community Participation (LISCOP)** project aims to strengthen capacity of LGUs to undertake environmental planning and investments. The capacity building activities include conduct of household and enterprise surveys, needs assessment, setting priorities, consensus building, preparing action plans, and detailing needed intervention. **The Philippines-Water District Development Project** supports LGUs to plan and implement sewerage and sanitation investments based on their residents’ wishes and willingness to pay. This requires user consultations in deciding which barangays are qualified to participate in the project as well as their technology option. Thus, the program targets to develop rapid demand appraisal skills.

1.6. Programs supported by the **Asian Development Bank** facilitate community-driven planning. The loans granted under the **Development of Poor Communities Sector** program are intended to decentralize shelter sector activities through LGUs. Communities are involved in driving the design of the sub-projects and are helped in preparing a Community Action Plan.

1.6.1. The **Poverty Reduction Project** has a significant component that provides technical support for project preparation. All proposals are expected to be developed by NGOs, Pos, or LGUs through a participatory consultation process. To be eligible for funding, the community needs to conduct participatory needs and poverty assessment. All activities are reviewed by the village council and planning office to ensure consistency with village and municipal plans. The project supports training LGUs and NGOs in poverty impact monitoring.

1.6.2. The **Regional Capability Building and Governance for an Expanded ARMM** supports capability building of the Regional Government in project identification and planning. The **Basic Urban Services program in Mindanao** provides for developing capabilities of LGUs in planning municipal investments. Another area-

specific program, the **Clark Area Municipal Development Program** is intended to strengthen capacities of LGUs in urban planning.

1.6.3. Sector-specific programs such as the **Secondary Education Development and Improvement Program** promote a community-driven planning process. The program provided technical assistance in participatory situation analysis and project planning process that were piloted in six provinces. Each pilot province completed a detailed analysis of the secondary education sector, identified locally suitable strategies to address priority issues and prepared a provincial secondary education development plan.

1.7. The **Local Government Academy (LGA)** is the primordial government agency that is tasked with building the capabilities of local governments. One of its regular programs trains LGU leaders in developing an Executive-Legislative Agenda (ELA) through strategic planning, prioritization of programs, and development of legislative support. Presumably, part of the competency skills is participatory management. The LGA offers specialized programs on how to enlist the participation of communities in planning and project management. A more specialized program is the **Local Prosperity Promotion (LPP)** for LGU poverty action teams to enable them to develop and manage pro-poor programs. A similar course is offered by DAP to enable participants to do poverty diagnosis, participatory planning, resource generation and pro-poor budgeting.

1.7.1 The British Embassy supports the LGA in building the capacity of Local Poverty Reduction Action Teams (LPRATs) in ARMM to help them formulate poverty reduction action plans. They are also trained to prepare project proposals.

1.8. Academic institutions provide short-term courses on development planning. The Ateneo School of Government runs programs that provide training to LGU personnel on development planning and in project preparation. It conducts training programs on ELA formulation in partnership with donor institutions such as LGSP-CIDA.

1.9. The development of planning skills is high on the agenda of **NGOs**. A network of organizations has a Task Force¹⁴ that implements a program on Participatory Local Governance. Among their initiatives is a workshop for barangay officials. Participants are provided lectures on good governance and how it is practiced in planning, fiscal management, and budgeting. Participants are encouraged to develop a re-entry plan that provides details on how they can improve the governance system in their respective LGUs.

2. Program Implementation. Training programs are also geared to support LGUs in program implementation.

2.1. LGSP and LGSPA provide technical assistance through training programs, facilitate discussions on issues of implementation, and assist LGUs in mobilizing and leveraging resources to enable a project to take-off. In some instances, e.g. housing and tourism projects, seed money is provided. Other programs such as resource generation are supported through the provision of new technology and software. The

¹⁴ Code-NGO, Galing Pook Foundation, LGSP, LSIG, BBGC, and LGCNet.

LGSP also links LGUs with other partners such as the Federation of Canadian Municipalities (FCM).

Capacity strengthening activities are undertaken to reinforce capacity building activities. For cost effectiveness, LGUs are clustered into groups of peers that share similar priorities. They participate in workshops, conferences and seminars that build information and develop skills on areas that they prioritize such as resource generation and environmental management. These workshops are also opportunities for guided peer-to-peer technical exchanges and study tours.

Stage 3 in LGSP Programs is Application. This is the learn-by-doing phase. Local Resource Partners (LRPs) serve as “mentors” and “on-site coaches” to provide on-going support in problem solving and decision making. Although the focus of mentoring may differ from one LGU to another, there is a standard TOR for coaches that defines their responsibilities and how mentoring will be conducted.

The impact of programs is measured using success indicators such as the formulation of a revenue plan,¹⁵ an increase in collection efficiency and expansion of the tax base.

2.2. The MCP’s program also extends to program implementation. It piloted a program to promote transparency in licensing businesses in Escalante, Negros Occidental.¹⁶

2.3. The Asia Foundation partners with city governments in Mindanao to implement a similar program. A “Business Permit Renewal Study” documents the number of steps in renewing a business permit: the number of forms and signatories required for each step, and transparency in the computation of fees. Officials of city governments are trained to formulate a work program that can streamline the procedures.

2.4. The PAGF and the PRMDP extend assistance to project implementation particularly on resource mobilization. A manual has been developed to help LGUs manage the fiscal gap including tools for assessing current approaches to revenue generation and best practices from Australia and the Philippines. The PRMDP also developed a computerized system of tax rating, assessment, collection and receipting for city governments. The PAGF has had institutional partnerships in community-based health management programs in partnership with Agusan del Sur. The experience that has been documented includes financial management of foreign aid funds, operations of the provincial health resource center, MIS for an RHU, and various manuals for BHWs, e.g. early case detection and treatment.

2.5. World Bank programs are designed to support LGUs to implement infrastructure programs and service delivery such as sewerage and sanitation, natural resource management projects, and critical infrastructure in conflict affected areas. In general, the Bank provides technical assistance for the development of O and M manuals, contracting, contract management and supervision, assessment of technical feasibility of projects, project design and management, bookkeeping, financial

¹⁵ A Revenue Plan by itself is considered an input to revenue mobilization rather than an output.

¹⁶ Escalante was also a participant to LGSP.

management, monitoring and evaluation. Monitoring of community projects under the Kalahi-CIDSS is done through a participatory process using “self-defined indicators.” In specific cases, technical assistance is provided on the basics of cost-benefit analysis, long-term projections of revenues and expenditures, pond treatment of sewage and septage (WDDP). The CBRM provides familiarization training on natural resource technology packages and financial and accounting system. Since World Bank projects are administered through national government agencies, LGUs perform a collaborative role.

2.5.1. The Philippines-Local Government Finance and Development Project (LOGOFIND) is geared towards strengthening capacities of LGUs particularly in revenue generation. Capability building programs have a US\$24.8 million support that can expand the Real Property Tax Administration program to achieve nationwide coverage. The program is managed by the Department of Finance (DOF) and the Local Government Academy (LGA) will likely play a key role in its implementation (*is LGA indeed involved??*). The key performance indicators are documentation of best practices, development of business tax administration and software, and, piloting of innovative approaches.

2.6. Documents on **ADB’s** programs are explicit on the goal of “strengthening the administrative capacity of LGUs in management”, and “placing LGUs in the driver’s seat in infra investments”. However, programs are administered by central government agencies and are heavily supported by consultants. It is highly probable that the role of the LGUs is supportive. An ADB report in 2001¹⁷ observed that ownership of program implementation was “intermittent”. Among others, this was attributed to programs that are externally aid-driven. The idea for initial change was not derived from any diagnostic study covering institutional assessment.

2.7. It is also not clear whether training provided by government agencies on project implementation is based on institutional assessment. Due to scarcity of resources, government agencies can also be donor-driven.

The **DOF Bureau of Local Government Finance (BLGF)** conducts seminar-workshops on Resource Mobilization as part of the technical assistance component of LOGOFIND. The workshops aim to strengthen the competencies of LGUs in mobilizing revenues from regular and non-traditional sources and in improving administration of the real property tax and local business taxes. The training programs for 2004 and 2005 have been mostly provided to LGUs from Region 4. Some workshops were conducted for participants from Cordillera Administrative region (CAR), regions 1, 3, 7, 6 and CARAGA.

Two other government agencies run programs on resource mobilization: the **LGA** and the **Development Academy of the Philippines (DAP)**. The LGA used to collaborate with the BLGF in delivering the Resource Mobilization program with the support of LOGOFIND. Currently, the LGA provides the module on its own and enriches it through the inclusion of Financial Analysis, Public-Private Partnerships under the Build-Operate-Transfer Law. The program covers expenditure and financial

¹⁷ Asian Development Bank, “Special Evaluation Study on Sustainability and Policy Reforms through Selected Advisory Technical Assistance”, January 2001

management. The value-added of the DAP program is a “five-step model on revenue generation” and “fiscal governance”.

Special programs on project management are provided by government agencies in line with their specific responsibilities. The Commission on Audit works with LGU personnel on property management, internal control, cash management, accounting and audit. The Department of Budget and Management provides very limited orientation to LGUs on the Procurement Law. Personnel from the Civil Service Commission give lectures on topics such as performance evaluation system, personnel policies, and discipline upon invitation by LGUs. Capability building programs on information technology are provided by the National Computer Center (NCC) and LGA. NCC works with pilot LGUs and provides them with computerized local government applications. They are also trained on their operations and maintenance through on-site training on open-source-programming, network and database administration. Application systems that are prioritized are those on real property taxation, business permits, licensing, and treasury management. The LGA offers a module on Computer Applications and Information Systems which teaches basic computer applications.

2.8. The Center for Local and Regional Governance of the University of the Philippines has a long-running course for LCEs that is designed to develop their administrative and technical capabilities. It has nine modules that cover resource generation, budgeting, internal control, and anti-poverty projects. The course is provided for almost a month.

The **Asian Institute of Management** has a program for Mirant Leadership Fellows that can enhance their capability to achieve their leadership goals within the context of societal divides. Fellows undergo a two-year intensive training and mentoring in bridging leadership. Each fellow has a principal mentor and multi-disciplinary consultation sessions with AIM subject matter experts are also arranged. Short training programs on social marketing, participation governance, constituency building, prosperity development, and development of institutions are provided. The fellows attend required courses at AIM during prescribed schedules, but are expected to apply knowledge, skills, and attitudes in implementing activities in bridging leadership at their sites. Opportunities are arranged where fellows can participate in forums and conferences. They are given exposures to domestic and international institutions, and training on resource mobilization with government, development and private institutions.

The **ASG (*what is ASG?*)** has training programs that can develop skills in project implementation. The module on Service Improvement Measures provides practical tools of service documentation, analysis and design to enable an LGU to improve poverty-related services. The course on Monitoring Evaluation for Results: Innovative Ways to Assess Local Government Programs—provides LGUs with tools and techniques for monitoring and evaluating projects. Participants are guided in using a LogFrame in monitoring project implementation.

2.9. Synergeia’s programs on education governance are built on “learning by doing”. Financing, budgeting and procurement are part of the processes to improve performance of children and teachers. Targets to increase test scores are translated into needed interventions that are further translated into financial programs. The LCEs work with the project management teams in introducing programs into the local budgets,

mobilizing additional revenues to finance the programs, and finding cost-effective schemes to procure goods and deliver services.

A support system for change-agents in LGUs is maintained. Templates and simple briefers on “how to do” simple processes are made available to LGU-partners. Mentoring and monitoring are done on-site. Mayor-leaders or those with earlier program successes coordinate programs in different localities whom they have adopted as “sister LGU”. Mayors mentor other mayors. Other enablers such as deans and professors from local academic institutions and professional managers from firms provide mentoring on-site. Mentors and partners form learning circles that meet regularly to discuss common subjects or themes where they can share experiences and difficulties in program management. Their outputs include a list of success indicators in measuring program impact and program manuals.

3. Program Institutionalization- A major threat to a change management program is that it becomes “projectized” or it ends with a change in leadership or closure of external support. Thus, sustainability is an end goal of many capability building programs.

3.1. LGSP and LGSPA -CIDA programs promote the internalization of the new processes through their integration of new systems into the legal, structural and cultural systems. These relate to the formulation of policies, ordinances, and introduction of new ways of doing things including changing the physical layout of offices to support streamlined systems. The change process is also translated into steps and procedures that are subsequently developed into manuals and knowledge products.¹⁸ Stories of successes and major wins are reported and celebrated using the “Kaagapay Seal for Excellence in Local Governance” as a platform.

3.2. The improved processes of governance from **AusAID’s** programs are sustained with the development of manuals.

3.3. Sustainability is “built into” the design of **World Bank** projects but discussions on approaches are often not specific. The expectation from the **Water Districts Project** is that perceived benefits from improved sanitation could increase demand from other communities. It is also assumed that local officials would respond to preferences of local communities. The **CBRM** program banks on three actions to enhance its sustainability: 1) LGU equity and LGU implementation which promote a strong sense of program ownership; 2) development of human and institutional capacity that would continue project operations; and; 3) support of project operations by line agencies. The **Kalahi-CIDSS** project assumes that the comprehensive facilitation process ensures inclusive participation of the poor, indigenous groups, men, women and the youth which could in turn ensure project sustainability.

3.3.1 The Diversified Farm Income and Market Development Project is clear on its strategies for sustainability. It noted that it may be better to tap existing GOP personnel as project staff, rather than hiring external staff who are not used to regular government rules and procedures. Such an arrangement may ensure better chances of

¹⁸ The manuals that have been developed by the different capability programs are listed separately in this study.

institutionalization of project innovations. The other safety nets in the program that can improve the chances of sustainability are the following:

- Building upon existing organizational arrangements, structures, and personnel so as to avoid being “put aside” as other programs or administrations come along.
- Development of a high level of private sector oversight through the National and Regional Councils for Agriculture and Fisheries.

3.4. ADB’s project documents do not provide specific strategies and plans on how its programs can be sustained. A paper that evaluated ADB’s country assistance to the Philippines in 2003¹⁹ raised questions over the sustainability of its projects in agriculture, natural resources, transport and communications, social infrastructure, and finance. Much of the skepticism stems from the lack of institutional capacity, inadequate budget allocations, and lack of political will. The paper noted the limited impact of programs on policy reforms and institutional development due to weak institutions. The importance of nurturing institutional development was highlighted through improving organizational structures, streamlining procedures, reforming incentive systems, and training both implementers and project clientele.

3.5. There are no documents and organized information that describe a framework on how training programs of government agencies and academic institutions can be sustainable. In some cases, government agencies and academic institutions are donor-driven and respond to what the donors need. They are always prone to the risk of behaving like consulting firms. There is very little attempt to develop a framework to integrate skills and knowledge that have been developed into the mainstream activities of LGUs. At best, the participants get additional points for promotion. But they are left on their own on how to reform processes using what they have learned.

3.6. Synergeia’s constant challenge is to make its programs sustainable especially with changes in local leadership. Thus, the goal of “enabling and empowering LGUs” is iteratively defined. Synergeia models no longer serve as the basis of how programs are structured. LGU partners articulate their ideas on a set of questions that can help them define their agenda, program of work, and success indicators. Training modules are reviewed and revised by LGUs and their personnel are seconded to trainers. They do their own manuals and workbooks with peer-mentoring from Synergeia partners who provide them with learning materials that they had earlier developed. Regular meetings are held to monitor progress and address difficulties. Local management teams are encouraged to keep minutes of meetings however rough to record decisions and track their implementation. Executive orders and ordinances are formulated to reflect changes in structures and processes, e.g. organization of project teams, increase in school board membership, changes in budget priorities, and new revenue measures. There is also a conscious effort to attract second generation leaders and new change agents from diverse sectors through team-building activities.

4. Tools for Delivering Capability Programs—there are different modalities for delivering capability building programs.

¹⁹ Asian Development Bank, “Country Assistance Program Evaluation, January 2003.

4.1. The **World Bank** works through national government agencies and NGOs. Training for development planning is conducted by the LGA, for example. The learning module consists of structured learning exercises, workshops, discussions, and action planning leading to the preparation of an “Executive-Legislative Agenda” following the principles of participatory governance.

4.2. The **LGA** and the **BLGF** collaborated initially in handling the training program on revenue mobilization under the **LOGOFIND** program. Currently however, both agencies work independently. The BLGF program consists of a three and one-half days workshop on the basics of taxation, real property and business tax administration, user charges, loans, and public-private sector partnerships. About four hours is devoted to a planning workshop on an action plan which “integrates the knowledge and skills they learned”. The plan is intended to serve as a benchmark in monitoring LGU performance and evaluating the impact of the program in LGU operations.

The LGA program covers not only revenue-mobilization and includes management of expenditures and financial accountability. The latter includes developing and managing a financial data base. The training techniques include case discussions, exposure to best practices, lectures, and discussions. Participants are expected to formulate a fiscal management plan at the end of the program.

Both agencies run a training program on updating the Local Revenue Code of LGUs. Their content and methods for delivery are similar. Lectures focus on the basics of taxation, provisions of a model revenues code, and procedures for enactment. The workshops include guided assessment of codes and planning how to conduct public hearings and passage of revenue ordinances. The training output is an updated revenue code.

4.3. The training component in other World Bank programs is contracted out. The Ateneo School of Government for example conducts the training workshop for community facilitation and mobilization for KALAHI-CIDSS project. The limitations of contracting arrangements have been acknowledged particularly because they can limit the ownership and participation of the community in the project. ²⁰

4.4. The institutional strengthening under the **ARMM Social Fund** is supported by **LGSPA-CIDA** as a parallel and coordinated project. Thus, its mode of delivery follows the CIDA-LGSP approach where programs are delivered through and with Local Resource Partners (i.e. NGOs, educational institutions and local consultants). They use adult learning methods such as peer mentoring, follow-up visits, on-the job-coaching, guided peer-to-peer technical exchanges, structured visits with follow-up, exposure to demonstration and pilot projects, and, structured replication methodology for exemplary practices.

4.5. **AusAID’s** experience with TAPP provided clear evidence that the “learning-with work” or “off-the-job training approach” is “appropriate” for bilateral technical assistance programs. It has been “very successful” as shown by key project outputs. More recent programs of AusAID such as the PAHRDF are structured along this approach. There is a short-term course (five-day) on the competency area, e.g. integrated management of

²⁰ World Bank and Officials of the Philippine Government, “Workshop on Joint Supervision of Projects”, op. cit

the HRMD function. This is followed by mentoring on HRMD development and installation and systems review or development. Programs also rely on coaching and creation of learning sessions to strengthen understanding and utilization of skills. For example, coaching and mentoring for an LGU that is installing a website is conducted for 12 days over a period of two months. Training programs are customized depending on institutional needs and are open to non-traditional modes such as training in third countries. Increased emphasis is also placed on utilizing local service providers especially those in Mindanao.

4.6. ADB programs use on-the job training, workshops, study tours, training and seminars. These approaches were found to be ad hoc and were developed without a priori needs analysis. In cases of study tours, little planning and preparation were done. The programs provided limited exposure to the various aspects of the reform process and, at most, have enhanced individual learning. 21

4.7. The **LGA** promotes the use of coaching in training LGUs. It has developed a workshop for coaches, i.e. community members and other stakeholders that can be “collaborators” in developing leadership. The program covers discovering leadership potentials, handling relationships, discovering roles in various backgrounds, prioritizing issues, seeking solutions and making recommendations. It is conducted by mentors who underwent a coaches training conducted by the Local Government Leadership Institute of Canada.

4.8. The governance initiatives of the **Asia Foundation** are delivered in partnership with academic institutions and NGOs. They facilitate workshops that are organized into modules. The PSEEAP for example is composed of six modules that run from six to eight months: service visions and values, service audit, service improvements, celebrating accomplishments, basic customer service skills, and public service accountability.²² The workshops are action oriented and are focused on developing an action plan to correct observed inefficiencies. Follow-up workshops are conducted to assess the extent of plan implementation.

4.9. The **Bridging Program of AIM** uses non-traditional methods. Fellows attend formal courses and apply knowledge and skills learned in bridging leadership at their sites. Their exposure is broadened through on-the job training in private, government and development institutions.

4.10. Synergeia programs combine workshops with “learning with work”. The sharing of reform experiences of an LCE jumpstarts the workshops. Participants are then guided to articulate how they would like the programs to be perceived by their constituents. Environmental scanning follows where they analyze the opportunities for and threats against. The workshops result into an annual work program. The LCEs serve as project directors who manage and coordinate the reforms. Coaching, mentoring, evaluation and feedbacking are regularly conducted.

5. A Disempowering Environment. If the odds are counted, there are several that work against real devolution. Despite a general policy on fomenting local

²¹ ADB, “Special Evaluation Study on Sustainability and Policy Reforms through Selected Advisory Technical Assistance” January 2001.

²² The modules were developed from UNDP and Civil Service Commission workshop materials.

autonomy, the policy areas do not make a coherent whole. Local finance policies stick out like a sore thumb. Local resources do not match devolved expenditures resulting to a fiscal imbalance, i.e. revenues of local governments from local sources amount to only an average of 41.0 percent of their expenditures. The ratio of revenues to expenditures was 1:3 in 2001. The revenue raising powers of LGUs are of martial law vintage and no significant taxing powers have been given to them by the Local Government Code of 1991.

Even with transfers from the central government, the revenue and expenditure assignments of LGUs are out of proportion. Prior to devolution, 7.23 percent of total revenues (i.e. revenues from the central and local governments) were generated by LGUs. The expenditures of LGUs accounted for 11.31 percent of the total. After the devolution, the imbalance worsened. LGU financed 20.81 percent of total expenditures in 2001 but their revenues accounted for only 7.25 percent of the total.²³ The formula for allocating grants from the central government does very little, if at all to correct the imbalance. LGUs with more revenues, higher taxable capacity, and more expenditure outlays receive more grants. Among others, a substantial portion, i.e. 25 percent of central government transfers, is distributed on an equal sharing basis among LGUs. The formula does not also incorporate indicators of needs and resources. Thus, it happens that some wealthy LGUs are awash with fiscal resources. Such a situation does not create the needed pressure for LGUs to fully utilize their revenue-raising powers. The disincentive is worsened by the availability of other funds like the pork barrel and dole-outs from agencies of the central government. LGUs are not subject to a hard budget constraint and can get away with under-utilizing their taxing powers.

In certain ways, program grants and loans from donors contribute to the lack of an incentive system for efficient utilization of revenues by LGUs. This is particularly true when grants are given without regard for needs, absorptive capacity, and performance.

The lack of an appropriate incentive system for efficient resource mobilization program cannot be fully addressed by training programs. This is also true in areas where there is no incentive system for performance. No amount of training program can develop accountability if officials are elected or if officials are appointed based on political patronage. The prospect of being re-elected imbues public officials with a strong incentive to perform. In the same vein, civil service personnel look at promotion as a reward for performance. The incentive systems do not work in cases where merit is disregarded.

Aside from the conduct of studies and advocacy, donors can do little to influence the policy environment prevailing in the central government. But capability programs that develop merit systems in local governance such as recruitment and promotion of personnel, procurement, and collection of revenues and, disbursement of expenditures can change local cultures and systems significantly. The success stories of outstanding LGUs attest to this. A grant system that considers performance in addition to need of LGUs can reinforce a good incentive system.

²³ Milwida M. Guevara, "The Fiscal Decentralization Process in the Philippines: Lessons from Experience", a paper presented before the conference on Fiscal decentralization in Asia, Hitotsubashi University, 2004.

6. Summary of Observations.

6.1. The Land of Choice. Capability building programs are mostly served in Mindanao, particularly in ARMM. Governance programs of major donors are in Mindanao: LGSPA-CIDA, ARMM Social Fund of World Bank, PASST and PALS of AusAID, Mindanao Basic Urban Services, Regional Capability Building of ADB, and TAG of Asia Foundation. Mindanao is also part of nationwide programs such World Bank's CBRM, KALAHY CIDSS, Diversified Farm Income and Market Development.

6.2. Focused Choice. LGSPA-CIDA worked with 208 LGUs in Mindanao and the Western Visayas; LGSPA-CIDA covers all LGUs in ARMM and the ARMM Regional Government. AusAID's programs are in selected cities like Naga and Gingoog and the provinces of Agusan del Sur, Bohol, Northern Samar, and Surigao del Norte. Programs that have a nationwide scope such as KALAHY CIDSS are focused on the poorest provinces.

6.3 A Planning LGU. Programs that support capabilities of communities to assess their needs, articulate their views, participate in collaborative planning, and do consensus building are plentiful. Specialized and sectoral programs such as those on environmental management, education, housing, sanitation and health have development planning components.

6.4 Sparse and Scarce. Structured programs on the following competencies are not as plentiful:

- Human Resource Development
- People Management
- Target Setting and Development of Standards and Benchmarks
- Collection, Organization, analysis and use of Data in Policy Formulation and Program Evaluation
- Conflict Resolution
- Tax Administration
- Administering Economic Enterprises
- Public-Private Sector Partnerships
- Budgeting and Expenditure Management
- Financial Management
- Asset Management
- Developmental Legislation
- eGovernance
- Records Management
- Monitoring and Evaluation

6.5. More than Skin Deep. Although there are training programs for specialized areas such as revenue mobilization, the course content is broad and relatively ambitious to be appreciated within a limited time-period. They do not provide specifics such as systems to broaden the tax base, determine correct values, and how to enforce collection of taxes and delinquencies. Training courses are generic and provided without prior assessment of LGU resources and needs.

Programs on financial management and procurement are tied with the requirements of the project and may not be particularly tailored to the needs of the LGU.

6.6. Overlays and Overlaps. Four areas stand out as areas for overlays and overlaps: development planning, resource generation, performance assessment and leadership training.

Community-based programs are phased in with development planning: LGSP and LGSPA-CIDA, FCM, PALS, PRMDP, ARMM Social Fund, DFIMD, KALAHI CIDSS, and LISCOP. Most ADB programs provide for participatory community-driven planning. Development planning is offered as a training program by itself by LGA, academic institutions and NGOs.

Resource generation programs are offered by LGSP and LGSPA-CIDA, LOGOFIND through BLGF, LGA, PAGF, ARMM Social Fund, and Ateneo School of Government.

There are a number of programs on how to assess performance of LGUs: DILG with the support of LGSP CIDA, DILG with Local Dev. Watch of PAGF, Asia Foundation with Public Governance Scorecard (AIM) and the Cities Competitiveness Ranking Project, GOFORDEV Index of PCPS.

There are also several providers on leadership courses.

There is little indication that content and methodologies of these programs are harmonized.

6.7. Studies and Manuals. A good number of manuals and studies have been prepared as outputs of programs. They cover local finance, best practices on community-based planning, promoting people's participation in governance, formulation of executive-legislative agenda, local legislation, barangay justice, and, service delivery, among others. There is little evidence that they are used as inputs in other programs.

6.8. Beyond Lectures and Discussions. Information building relies heavily on lectures and group discussions. Program documents make mention of "participatory activities", "learning by doing", "cross visits" but specifics are not provided.

Detailed information on non-traditional approaches is provided by LGSP and LGSPA-CIDA, AusAID, Synergeia, and AIM's programs. They have highlighted the effectiveness of peer mentoring, on-the-job training, and coaching. LGA identifies coaching as a missing link that can connect information with implementation. Successful capacity interventions in LGSP-CIDA programs are those where the LRPs and the LGSP staff provided technical skills, knowledge and expertise in

transferring them to others, where they maintained the support over a sufficient length of time and followed them up with on-site coaching at frequent intervals.²⁴

On-site mentoring of LCEs has given Synergeia's education governance programs significant credibility. Communities were observed to be more open to reform ideas after listening to the experiences of other reform agents. LCEs are process-oriented and provide detailed procedures on how programs can be implemented in contrast to theory- and principle-oriented workshops. The impact of programs on success indicators such as learning scores of children and increased financing for education is a genuine source of motivation.

The significance of peer learning was observed in the ADB study. Actual learning from workshops happened informally through interaction with "peers and local consultants".

6.9. Disconnect between Planning and Service Delivery. Many training programs are heavy on information building without clear strategies and follow-ups on knowledge application, i.e. how knowledge is used to improve current practices or to improve work processes.

6.10. Sustainability. Sustainability of programs is expected to result from the perceived benefits of the community from projects, from the development of personnel who would continue program operations and LGU involvement in project planning and implementation. Other programs have more specific strategies: formulation of policies and legislation that could sustain the reforms and development of operations manuals. LGSP- CIDA documents success stories and celebrated them using the "Kaagapay Seal for Excellence".

The absence of well-articulated strategies for sustainability in project documents does not provide a high level of comfort and the issue remains a major challenge. The sustainability of a number of ADB's loan projects remains in question owing to the lack of institutional capacity, inadequate budget allocations, and lack of political will.²⁵

6.11. Local Resource Partners. Donors are increasingly utilizing Local Resource Partners to serve as facilitators, mentors, and coaches. This practice is cost-effective and can help customize training packages to local culture and conditions. It promotes a good working relationship between trainers and participants, anchors capability building on the ground, and can support sustainability of programs since LRPs have become major stakeholders in their communities. The challenge is how to continuously make the LRPs support their communities after the programs have ended. The other is how to organize the LRPs so that they can support replication strategies and scaling up of programs.

6.12. Orchestrating the Convergence of Plans and Programs. Many beneficiaries receive support from various donors. One of the capacities they lack is integrating the components of the different programs and integrating them into their

²⁴ Agriteam Canada Consulting Ltd. "LGSP II Mid-Term Performance Assessment-Appendix 3- Lessons Learned from LGSP II", January 2005

²⁵ ADB, Capacity Assistance program Evaluation, 2003

core work.²⁶ This task is led by the LCE. The successful weaving of programs into a cohesive whole is attributed to a highly performing LCE.

6.13. Building Alliances. The initiative of LGSP and LGSPA-CIDA of organizing LGUs and their LCEs based on a common cause, e.g. geographical proximity, common needs, similar passion, similar problems, has borne very good results. One such alliance is the Northern Iloilo Alliance for Community Development (NIACDEV). One Iloilo Mayor attributes NIACDEV as the beginning of their working together for other causes such as education reforms. Other organizations²⁷ have benefited from such alliances in bringing their programs to scale. The mayors support each other, share learning experiences in informal meetings, complement each others strengths, and exert a pressure on other LCEs and communities to participate in similar reforms. Alliances have been proven to be a cost-effective way of scaling up programs in the entire Iloilo province and in the region.

6.14. Disincentives in the System. An incentive system to encourage LGUs to fully utilize their taxing powers and disburse revenues efficiently is inappropriate. Local revenues do not match the expenditure requirements of devolved responsibilities. The grant system from the central government and the donor communities does not use indicators of performance and resources of LGUs consistently in allocating resources.

The incentive system that can encourage performance and accountability in governance is also inadequate.

6.15. The Donor-Driven Fever. Owing to the lack of fiscal resources, capability building programs of government agencies, academic institutions, and NGOs are donor-driven. On their own, training programs of NGAs are limited to the implementation of new laws and circulars.

6.16. Scaling up the Programs. The capability building programs have remained discrete and disparate. Their effects are localized and their overall impact on improving governance and service delivery cannot be quantified.

²⁶ LGSP-CIDA, op cit.

²⁷ Synergeia Foundation started its education reforms in Iloilo with one municipality Concepcion. The program is in place in 11 municipalities. Program management is facilitated by the NIACDEV mayors.

Three

ASSESSMENT NOTES AND SOME PERSPECTIVES IN MOVING FORWARD

One cannot seem to put a handle on how capability building programs have affected local governance on an overall basis. While assessment studies and interviews have noted their positive effects on areas like social and resource mobilization, the observations are mostly perceptions and with little empirical support. Capability building programs have been noted to “improve planning and decision-making resulting to greater participation by the community in priority setting and improved efficiency of LGU management.” “Participatory planning has been embraced by LGU officials at all levels as well as beneficiaries.”²⁸ In the absence of a systemic monitoring system, it is difficult to trace the direct contributions of training programs to the good of the communities. It does not help that the programs throughout the country are disparate, discrete and do not form a coherent whole. Key officials who were interviewed could not see a convergence of these programs with respect to competencies that have been developed and more importantly, their impact on governance and service delivery of LGUs. There are showcases of excellence but their number has not reached a critical mass to fuse a movement towards good governance. The “poster boys” of LGUs have also remained the same through the years.

1. Demand or Supply Driven? One observation is that there is no symmetry with respect to the training needs of LGUs and the capability building strategies of donor-supported programs. Although project documents describe the programs as demand-driven, it is highly probable that they were developed following the top to bottom approach. Programs take shape as they are negotiated with national government agencies and with some consultations with selected local leaders. They are also driven by the organizations’ (and the project officers’) objectives and strategies. The LGUs on the other hand are driven by their motives too---“mas maraming project, mas mabuti” (the more projects, the better). They adjust their demands relative to what the menu offers. Training programs provide them with a break from their routines in comfortable environment. Training programs can be looked upon as perks instead of tools to bridge the competency gap between a person and the tasks that he is expected to do well. The subsidy that comes with training programs enhances the freebie perception and is given as one of the reasons why LCEs would rather participate in donor programs than those offered by LGA—“libre kasi at ang LGA, may bayad”—“it is for free and we pay for the LGA program.”²⁹

The ADB study notes limited and intermittent local ownership over program loans and attributes this to the lack of a diagnostic study covering institutional assessment.

It would be grossly unfair to say that the LGUs have not benefited from these programs. But the extent to which these benefits have been translated into increases in literacy rate, decline in poverty incidence, increase in collection efficiency, reduction in the period and number of steps in procurement, stronger participation of communities in budgeting, remains to be documented. The ADB Country Assistance program Evaluation in 2003 notes that the outcome of investment projects in the Philippines has not been

²⁸ These were quoted from selected assessment studies.

²⁹ Quoted from an LCE from Iloilo.

encouraging. Of the projects completed and post-evaluated in 1986-2001, only 31 percent were rated generally successful.

2. Uninformed Assessments? It could be that communities have not defined what they need and what they are looking for. It is true that communities are taught how to conduct and participate in assessment surveys. But survey results are limited to the inputs of the respondents who may be uninformed as to the causes of the problem. They are ordinarily related to the lack of infrastructure and access to resources thereby focusing the community's demand for more buildings, computer support, and increases in salaries.³⁰ Problems are perceived as lack of resources rather than from inefficiencies in resource management.

3. What is next After Development Planning? Significant resources are devoted to social mobilization and collaborative planning. Sensitization and analysis have become preeminent in capacity building. But program implementation and service delivery are equally as important since they serve as tests on the extent to which a community supports a community-driven plan.

Information on the processes through which LGUs are supported in translating plans into outputs is inadequate and unqualified. In programs that come with infrastructure, block grants and sub-projects such as those provided by the World Bank, there are training provisions on contracting, contract management, procurement, and financial management. Discussions on how the project will be maintained are brief and assume that strong ownership will sustain the project.

The relationship between stand alone programs on planning and project implementation is more difficult to ascertain. LOGOFIND's programs on revenue mobilization do not automatically translate into improvement in collection.

Project implementation is a difficult and a complicated process and strategies to support capabilities need to be fleshed out in great detail. LGSP and LGSPA-CIDA's phased approach to capability building emphasizes the need for mentoring and coaching. LCEs affirm the need for regular mentoring, but as experiences suggest, empowering LGUs to deliver services demands more competencies that cannot be developed through coaching and mentoring. These include: identification of benchmarks and standards, generating indigenous resources, mobilizing additional external support, negotiations, efficient monitoring and evaluation, people management, conflict resolution, crisis management and, efficient budgeting, among others. These competencies need to be defined and strategies that can effectively utilize training in order to change practices and improve the quality of services need to be thought of and formulated.

As a start, there are features in current programs that can be evaluated and strengthened through the adoption of good practices. Some of the country initiatives of UNICEF such as those in Angola are presented in terms of key results in capacity building, e.g. the capacity of government will be built to progressively take over the

³⁰ The ELA of municipalities in Tawi Tawi and Sulu cites education as a major concern but their action plans focus on the construction of school buildings.

management of therapeutic and supplementary feeding for children.”³¹ Success Indicators of programs can be refocused from being input oriented (e.g. number of community assemblies held and number of development agendas formulated) to being output based (e.g. number of small projects that are community initiated and implemented, number of conflicts that are resolved by the barangays, and increase in learning scores of children).

4. Making Training Relevant and Functional. It is also opportune to revisit the strategies for delivering capability building programs. Lectures, case analysis, and group discussions have remained as old and reliable techniques. Successful experiences of AusAID and LGSP and LGSPA-CIDA attest to the effectiveness of non-traditional methods such as on-the job learning. A more recent survey of management schools cite the importance of non-traditional methods in training managers such as intensive discussions with psychologists to enhance awareness of self and management of conflicts. This is not to over-emphasize the contribution of new sciences to management, but training can be made more functional if cultural behavior is considered in the training design. For example, the influence of peer-leaders on behavior can be stronger than that made by national government officials, academics and external consultants. LGU officials are naturally drawn to role models because they have successfully demonstrated how to make things work. Information that is built on credibility and inspiration can have a longer impact.

Assessment studies and LCES also point to the importance of sustained support. Information building through formal workshops and exposure to demonstration sites should be followed up with hand holding strategies and regular monitoring and, dialogue, provision of guidance and advice. LGSP and LGSPA-CIDA, AusAID and LGA advocate for regular mentoring and coaching. Knowledge products, manuals, and templates are helpful. But LGU officials need tutors to use them. Even distance education and self-programmed instruction provide for a feedback mechanism and tutorials.

5. Institution-Building. While the training of individuals is the entry point to a capability building program, the longer-term goal of building institutions should not be sidelined. It can happen that fixations in training individuals can take away the focus from institution building. Short cuts in delivering outputs can mean loss of opportunities of empowering communities to learn how to do the tasks themselves. It is always easier to deliver training programs, revenue codes, manuals, software, and systems, through the use of consultants or outside trainers. Developing partnerships is always a struggle. The processes are laborious because they entail analyzing capacity gaps, spending more time with the participants, guiding them to apply information in improving systems, adjusting to cultural and personal differences, and regular communications, and feedback. The path of least resistance however engenders communities to be donor dependent. Programs do not serve the purpose of building capacities of organizations so that they can formulate and manage the program by themselves.

Building institutions transcends changes in leadership and is a good away to support sustainability of reforms. A focus on institution building needs a re-orientation of goals, benchmarks and strategies. The end goal of interventions should be changes in policies, structures, and ways of doing things. The new-style institutional development projects are more concerned with processes rather than with inputs. They address

³¹ Ndolamb Ngokwey, op. cit.

organizational structure and culture and the incentives system that can produce appropriate outputs.

This brings to mind missed opportunities from the way programs are planned and delivered. Management is still highly centralized and the meaning of “close partnership” with LGUs is not defined. Overall responsibility for programs like the TEEP and the Early Childhood Development Project lays with the central government agencies. The NG serves as the driver and with the help of consultants, as the program implementer. LGUs are not held accountable for the results. Programs can only develop strong ownership if the real stakeholders are made accountable.

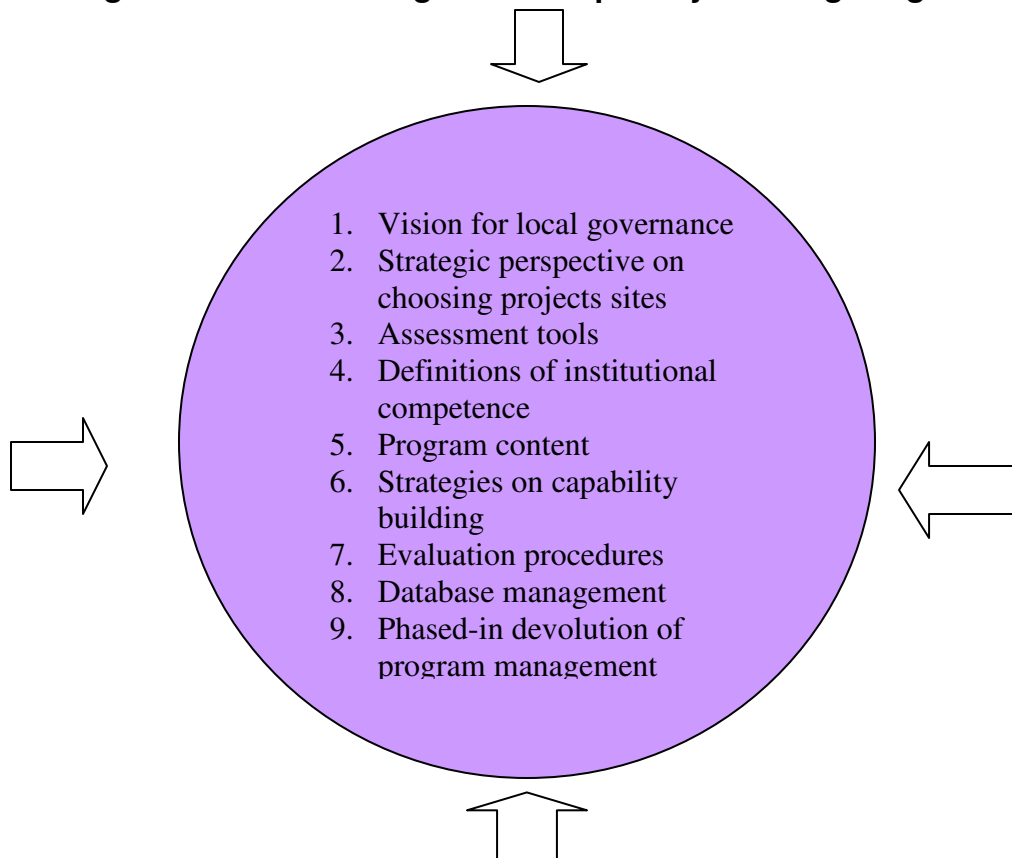
6. A Felt Need for Harmonization. The initial difficulty in harmonizing programs has already been addressed: donors, government agencies, and LGUs themselves have expressed the need and willingness for harmonization in capability building. Critical questions are being asked: What are the competencies that our programs are developing? What is out there? How can we make our programs useful to LGUs? What is the point of our convergence? Almost every organization has agreed to develop a common capacity building framework---a convergence of definitions of capacity building, goals, benchmarks, strategies, and systems for monitoring and evaluation of results. Its absence does lead to conflicting messages, overlapping programs, cost inefficiency, fragmentation of results, and programs that are piecemeal and ad hoc.

A common framework entails agreement or at least a consensus on some, if not all, of the following components (Figure 1):

1. Vision for local governance that is translated into quantifiable benchmarks and success indicators within a timeline that can be measured and regularly monitored. E.g. within five years, collection efficiency of the property tax in province or region A will be increased by 10 percentage points.
2. Sharing of responsibilities in attaining the benchmarks within the constraints of institutional policies and resources
3. A Shared strategic perspective on how to select and target program sites leading to scaling up of programs
4. Coordination among donors in a common geographical area with respect to contributions and responsibilities in a common program.
5. A common instrument in assessing capacity gaps, institutional constraints, and absorptive capacity of LGUs
6. Common definition of individual and institutional competencies in governance that need to be developed in specific programs
7. Content and coverage of training programs, or the very least a common definition of concepts and issues like participatory planning, institutional development, framework for a buoyant local finance structure

8. Consensus on strategies in capability building programs that work better than the others in terms or producing results.
9. Detailed approaches on strategies on how to link knowledge building activities to knowledge application
10. Systems and procedures for monitoring and evaluation of programs' progress, difficulties, and results.
11. Use of software in data base management and tax administration
12. Prescription of hardware requirements
13. System and procedures for monitoring and evaluation of program difficulties and results
14. Strategic approach to replication and scaling up of reforms in governance.
15. Strategy towards a phased-in devolution or program management to LGUs.
16. Development of a database of studies, training modules, manuals, knowledge products on local governance
17. Identification and support of an institution that can effectively coordinate efforts in capability building capabilities of LGUs in governance.

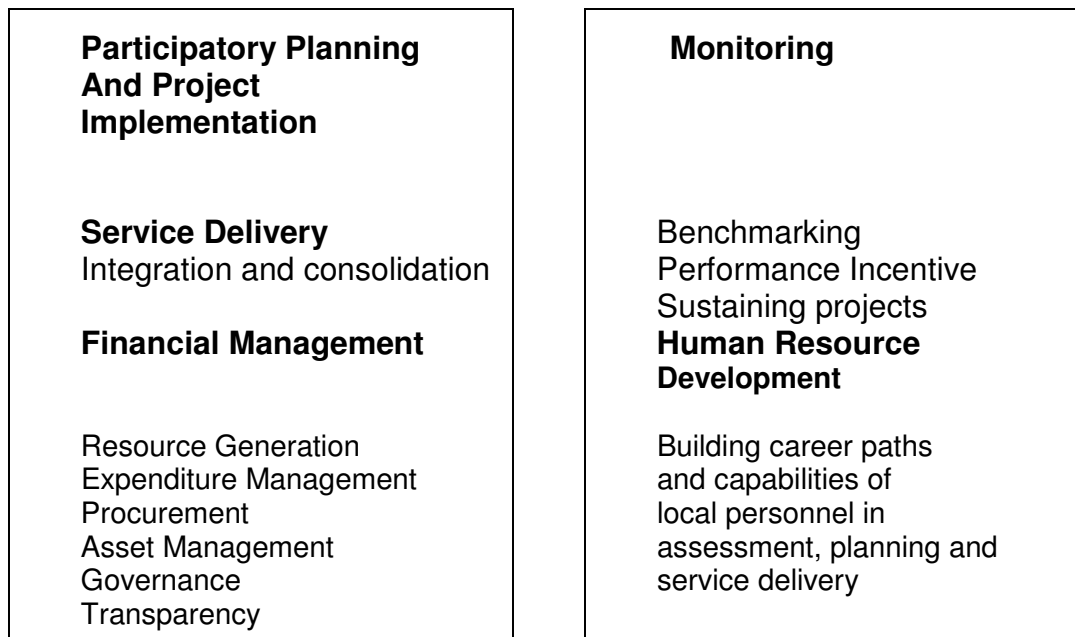
Figure 1. Total Convergence of Capability Building Programs



Four

Small Steps towards Harmonization.

1. Harmonization in Focusing Programs. The major challenges in capability building are consolidation and convergence of programs to enable them to have a greater impact. The programs that had been diverse and at times fragmented can be more focused to facilitate organization and harmonization. As a first step, the Working Group agreed to focus programs on five performance areas and their specific organizational competencies:³²



2. Harmonization of Program Content. The study observed that programs on planning and leadership have been numerous. There are also institutions that offer training on resource generation. However, the content, breadth, depth and strategies of these programs are uncertain. Do they convey similar messages? Are they consistent with local demand? Do they build skills or are just knowledge based?

As a first step, the modules, syllabi, studies, and manuals on planning, leadership and resource generation that have been developed by different donor organizations can be reviewed towards developing modules that:

- Identify core competency skills
- Suggest benchmarks against which the effect/output of the training programs areas can be measured
- Provide a tool for rapid assessment of needs and strengths of participating LGUs

³² These are the performance areas under the LGPMS, a DILG- CIDA project that measures the inputs and outcomes of LGU performance.

- Develop the course content that defines the message that each subject matter in the module conveys
- Suggest strategies and capability building techniques that go beyond traditional methods
- Identification of software and hardware requirements

3. Harmonizing Assessment Tools. There are currently several systems that provide for indicators of good governance and tools for self-assessment. One of these is the LGPMS that is complemented by a System on Assessment for Local Governments (SCALOG). These systems can be strengthened using good features of other assessment systems. More importantly, the system should be simplified to make user-friendly. The processes used in assessing Minimum Basic Needs (MBN) appear to be simple which could explain why the MBN remains in use even by rural barangays.

4. Training Gaps. There are many competency areas that are underserved: human resource development, project and expenditure management, monitoring and evaluation.

The organization of a team that can define what the LGU needs in terms of capacities, programs and resources is important.³³ Currently, it is only PAHRDF that has a dedicated program for HRD. The need for processes that recognize merit and performance in the recruitment and promotion of personnel is also paramount.

The need to relate the training world to the work world has always been emphasized. There is no systemic system for evaluating and strengthening program operations. The inadequacy stems from the absence of benchmarks and standards and the lack of capability of the LGU staff to collect, organize and analyze data.

A first step forward is to assess needs of local governments on the underserved areas so that competency skills that are available and unavailable among local government personnel can be identified. This can be done through focused interviews with LCEs, development administrators, and NGOs and a survey of existing studies on LGU program implementation.

The next step is for donor agencies to consider underserved areas in the development of new programs or their integration into existing programs.

5. Project Implementation. The processes through which the capability of LGUs to implement programs need to be more strategically defined and structured. A way to start is to document how specific programs have been successfully implemented by LGUs focusing on steps, procedures, strategies, and tools. The outputs of these studies are not case studies or feel-good stories but templates on “how to” start and implement a program. Some of the LGU programs that can be documented for template development are:

- LGU housing programs using the “Gawad Kalinga” approach

³³ Interview with Asst. Secretary Panadero

- Delivery of basic education by improving governance and financing using the Synergeia approach
- Community-based management of health, environment, and waste
- Private-public sector management in health and economic enterprises
- Introducing small innovations to generate livelihood and attain food-sufficiency
- Resource generation through doable improvements in tax administration and consumer services
- Organization of health services into health districts

Gawad-Galing Pook and LGSP-CIDA have a collection of programs that have been successfully implemented. The factors that contribute to a successful program implementation as well as common problems and how they were addressed can be summarized.

6. Peer Mentoring. After the template development comes the process of handholding or guiding the LGUs as they go through the project implementation phase. Peer mentoring has proven to be an effective way of walking an LGU through change management. LGUs are inspired by their peers and the learning environment is facilitative and non-threatening. Peer experiences are also more relevant and credible to LGUs.

A way to start is supporting the organization of learning circles among local chief executives. There are LGU leaders who are acknowledged as “primus inter pares”. The respect for these leaders is brought about by their consistent outstanding performance. They can be informally organized into a support system where they can share their experiences with peers and second generation leaders. Currently, they are often invited as resource persons in programs that are isolated. Their influence is thus limited into sparks of inspiration. There can be a more strategic way through their experiences and strategies in people management, coordination, decision-making and program integration can be documented and systematized into learning modules. A course on governance can be built based on their experiences in partnership with academic institutions or the LGA.

7. Building Capabilities of LCEs and LGU Administrators to Orchestrate Convergence of Programs. There is a need for a dedicated and less generic program to build the capabilities of LCEs in program management. This has to go beyond formal lectures on theories and principles of leadership. It should incorporate more exposure to how peer LCEs build constituencies for their vision, mobilize broad-based support for programs, manage convergence of stakeholders, integrate programs into the LGU development and financing plans, manage conflicts, and motivate personnel.

9. Alliance Building. Towards a strategic process in developing a peer mentoring system, alliance building among LGUs can be fostered. Alliance building has proven to be a successful strategy in harmonization and in scaling up reforms. The success of programs instituted by LGSP and LGSPA-CIDA and Synergeia, among others, in organizing LGUs that are bound by a common cause can be documented and analyzed. What factors bind them together? What are the modalities for governance and accountability? How do they learn from one another? How do they evaluate impact of programs? How much does the organization of alliances cost? How

do members allocate responsibilities and project costs? What organizational structures do they use? What are the incentives that make the alliance work? How can these alliances be supported so that their programs can be scaled-up? Regional alliances can be effectively utilized in mentoring LGUs in program implementation and in improving governance. They are effective handles in bringing a program to scale.

The means to foster the growth of alliances should follow an organic process which may be unique to the Philippines. Part of their success may be the natural way through which they evolved. They were bound by certain commonalities like vision, challenge, philosophy or friendship. There is a great risk that bureaucratic practices and hierarchical authoritarianism can stunt or obfuscate their organic development. The roles of central government agencies, donors, and the provincial government in strengthening these alliances need to be strategically thought out in close consultation with the major stakeholders.

10. Support for Competitions for Excellence in Local Governance. To minimize the risks of being archaic, the support system for LGU leaders needs to be open to other models of governance. A healthy competition for ideas and processes that work needs to be encouraged. The continuous search, recognition, and documentation of innovations and cases of excellence on local governance can be encouraged to ensure that parameters do not become static but become dynamic and progressive relative to needs. As several LCEs note, competitions such as the Galing Pook exert a constant pressure for LGUs to innovate and exceed their past accomplishments.

11. Reinforcing the Strength of LGA. The LGA has strategic roles to play in capability building. In addition to systematizing, coordinating, and possibly leading the process of accreditation of LGU training programs, the LGA can develop and mentor the process of developing Local Resource Centers (LRCs). In partnership with LGSP, the LGA is currently in the process of developing LRCs which are intended to be dynamic and interactive learning centers for LGUs in a region or a province. The LRC aims to be a repository of knowledge products and relevant information on LGUs such as profiles, policies and exemplary and replicable practices. The development of a database on local resource partners and institutions, training modules, studies and researches on local governance will be a parallel development to the LRC. This initiative deserves support from the national government and donors in terms of resources, and handholding to make the system operational.

The LGA is also developing a coaching workshop for LRPs and local leaders. The program content and strategies are based on the curriculum of the Local Government Leadership Institute of Canada. This initiative can be supported and enriched by contextualizing it using the Philippine setting and in improving the learning strategies.

The LGA can be the lead institution in harmonizing program content of training programs through documentary analysis of training modules complemented by interviews and observations of program beneficiaries. With the deterioration in the fiscal position of the national government, technical and manpower support can only be provided to LGA by external support.

12. Institutionalization of Donors' Forum. The regular meeting of donors can be "institutionalized" with at least a permanent secretariat that can coordinate the formulation of a work plan, development of an agenda, preparation of minutes, development of short concept papers for meetings, and follow-ups on agreements reached during meetings.

The donors' meeting can serve as a forum for a sharing and development of a consensus on common definitions of capacity building, competencies, and capacity building results. It is also an opportunity for sharing information on program developments. To enrich discussions with a reality check, LGU representatives can be invited to participate in some meetings.

Collaborative work among donors can be brought down to the municipal level. The DILG can encourage the Municipal Administrator to call for a donor's workshop to: 1) orient them with the program that each one is implementing; 2) minimize duplicative work; 3) identify areas or programs where they can work in partnership.

13. Organizing Local Resource Partners. A system for building a support system for LRPs is worth considering. Their experiences can be harnessed in developing and implementing capability building programs in their own communities. These LRPs can provide new perspectives that can drive innovations in governance. They can support LCEs to keep their focus on long term goals especially when they get buried in the details of project implementation. A database on the LRPs by municipality can be developed followed by a concept paper on how their expertise can be used to support program implementation.

14. Where Angels Fear to Tread. The national government through its policies can enable harmonization. There are coordinating mechanisms in this regard such as formulation of the development plan, donor's forum, ODA monitoring, and the ICC. However, territoriality and turfing issues result to inconsistencies and conflicts. There are of course the insurmountable difficulties stemming from personality differences and politics. Energies and resources will be wasted on initiatives that are difficult such as making two or three departments work on program implementation and supervision. What may be operationally feasible is to identify a lead institution for a program instead of expecting shared management and delivery among institutions.

The responsibility of the DILG in coordinating LGU capability-building programs of donors can be stepped-up through an Executive Order or through the specification of this function in the reorganized DILG

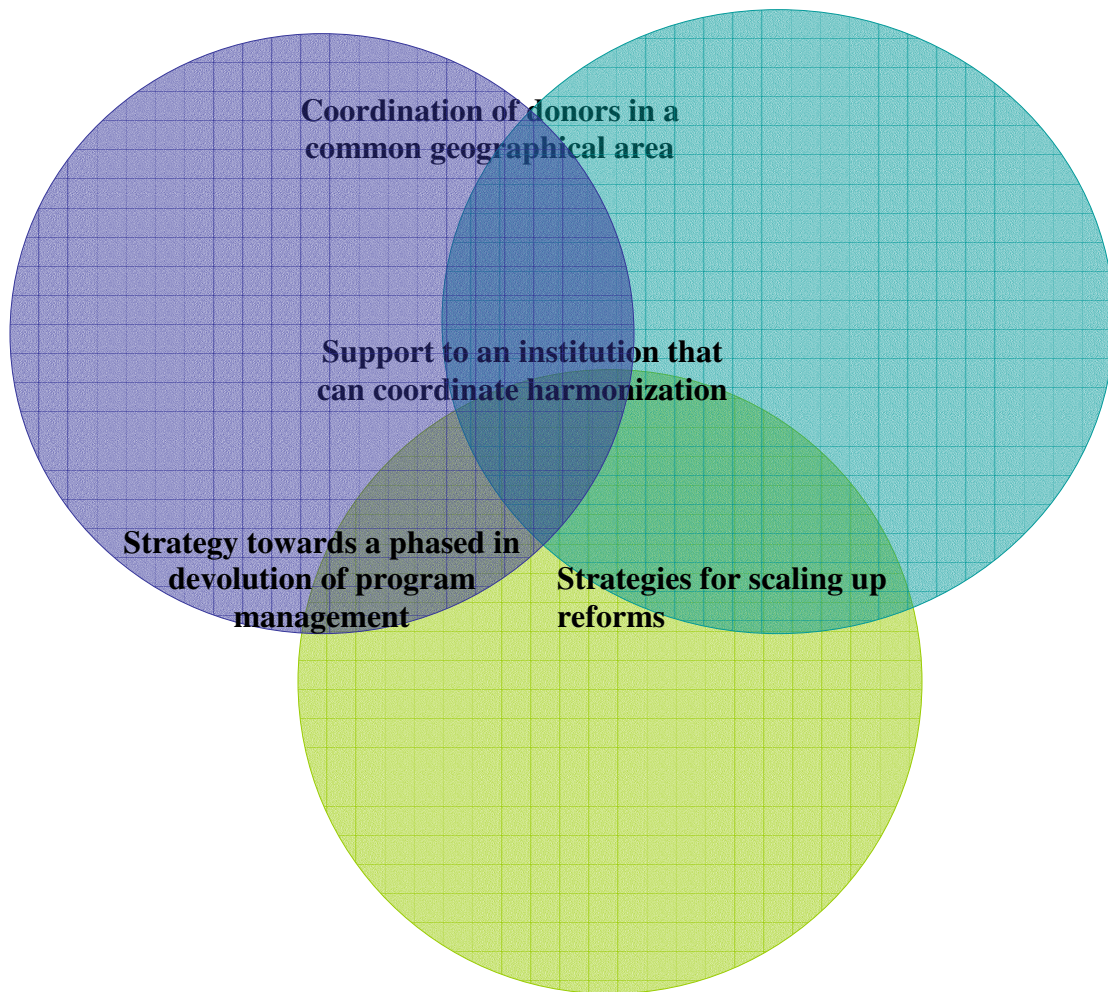
15. A Bridging Program for National Government Agencies. NGAs need to develop capabilities that would enable them to become good enablers and empowerers of LGUs. The core competencies involve an understanding of the principles, processes and values in fostering collaboration, partnership, and mentoring. Mentoring and immersion on cases on participatory governance, constituency building, and development of institutions are recommended.

The feasibility and modalities for providing LGUs with direct access to loans and grants from multinational institutions should continuously be pursued through studies that go beyond the box.

16. Policy Advocacy. Donor programs have produced studies that identify policies that serve as disincentives to the promotion of devolution and good local governance. The findings and recommendations from these studies should be organized to serve as a basis for information and advocacy programs that can be implemented by the different leagues.

17. Going beyond Short-run Needs. More work is needed in conceptualizing a common framework for targeting project sites, monitoring and evaluation, non-traditional methods for developing capability for service delivery, and, decentralized program management.

Figure 2. Phased– in Convergence of Capability Building Programs



Core competency areas	Clark Area Devl-ADB	Infra for Rural Productivity Enhancement-ADB	Mindanao basic Urban Services- ADB	Devl. Of Poor Urban Comm- ADB	LGU Private Infra Proj Devl. Facility- ADB	Health Sector Developm ent-ADB	Integrated Coastal Resrces- AB	Sec. Ed Devl. And Imp-ADB	Local Poverty Reduction- British Embassy
9. Marketing									
c. HRD									
1. HRD plan and Installation									
2. Improving customer services									
3. Recruitment/promotion									
D. Other Areas in Governance									
1. Developmental Legislation									
2. Ethics and Accountability									
E. Institutionalization									
1. Streamlining Procedures									
2. Development of Manuals and Knowledge Products									
F. Enabling Environment									
1. Performance Assessment of LGUs									
2. Credit rating system									
3. Policy Development and Advocacy									
4. Setting up secretariat									
5. Defining roles in devolution					√	√			

Amount of Investments on Capability Building Programs and Geographical Coverage

Draft 10 Jan 2006

Programs	Estimated amount of investment (in million US dollars)	Targeted Areas of Operation
TAPPS		77 provinces
PAGF	23.01	Cities of Naga and Gingoog
		Provinces of Agusan del Sur, Albay, Camarines Sur, Northern Samar, Misamis Occidental
PATSARRD	7.3	Provinces of Aklan, Agusan del Sur, Bohol, Misamis Occidental
PALS	8.76	Misamis Occidental, Northern Samar and Surigao del Norte,
PAHRDF	43.51	Misamis Occidental
PASTT		Provinces of Bohol, Agusan del Sur, Misamis occidental, Northern Samar, Surigao del Norte
LGSP	29	Mindanao
		205 LGUs; 175 municipalities, 11 cities and 18 provinces
LGSPA	15.5	Western Visayas, Mindanao and ARMM
FCM	0.257	All ARMM LGUs and ARG
Canadian Urban Institute	1.37	Provincial Authority of Bohol, Sta Maria, Olognapo, San Fernando, Escalante, MISORET, Tubigon
IPAC/Govt of Manitoba	0.455	Metro Iloilo Development Council, Guimaras, Malay
Asia Foundation	10.5	Prov of Benguet, Atok, Itogon, Tuba, La Trinidad; Prov of Samar, Calbayog City, Catbalogan Marabut, Pinabacdao, Villareal, Paranas, Basey, Calbiga
World Bank		16 cities and 76 municipalities in Mindanao, 583 barangays
WDDP	36.3	Cities of Cotobato, Cagayan de Oro and Davao
CBRM		Calamba, Laguna
ARMM Social Fund	8.8	Loans and grants to LGUs- 54.3; planning and implementation support- 6.7
		125 municipalities in Regions 5, 7, 8, and 13
		20% of barangays in ARMM

Amount of Investments on Capability Building Programs and Geographical Coverage

Programs	Estimated amount of investment (in million US dollars)	Targeted Areas of Operation
Diversified Farm Income and Market Devl.	10% of Market devel. Investments and Tech. devel and dissemination-3.19	Bukidnon and Central Highlands of Mindanao; Cebu and Negros oriental; Panay Island, Benguet
KALAHI-CIDSS	Total project cost is 99.0 million, 90.6 of which represents community block grants	193 municipalities in 40 poorest provinces-Iligao, Mt. province, Romblon, Quezon, Oriental Mindoro, Marinduque, Masbate, Albay, Camarines Norte, Catanduanes, Camarines Sur, Sorsogon, Iloilo, Capiz, Negros Occidental, Guimaras, Bohol, Siquijor, Cebu, Negros Oriental, Eastern Samar, Northern Samar, Samar, Leyte, Biliran, Southern Leyte, regions 9, 10, 11, 12, 13 (agusan)
Third Elementary Education Project	453. 7 (includes investments on improvement of education)	26 poor provinces
Early Childhood Development	12.3 for LGU sub-projects	Antique, Bohol, Capiz, Cebu, Guimaras, Iloilo, Lanao del Norte, Negros Occidental, Negros Oriental, North Cotobato
LOGOFIND	24.8 for capacity building and resource mobilization (95.7 million for LGU sub-projects)	
LISCOP		
ADB		
Poverty Reduction Project in Southern Philippines	2.8	Aloran, Misamis Occidental; Bayugan, Agusan del Sur; Calbayog City. Western Samar; Kapalong, Davao del Norte; Mainit, Surigao del Norte; San Jose, Occidental Mindoro; Surigao City, Surigao del Norte
Regional Capability Building for ARMM	0.86	Pfice of the ARMM Regional Government
Agrarian Reform Communities	93.16	140 Agrarian Reform Communities

Amount of Investments on Capability Building Programs and Geographical Coverage

Programs	Estimated amount of investment (in million US dollars)	Targeted Areas of Operation
Clark Area Development	24.3	Eight LGUs in Clark Economic Zone
Infrastructure for Rural Productivity Enhancement Sector	75	100 municipalities in Southern Philippines
Mindanao Basic Urban Services	30	40 Urban LGUs
Development of Poor Urban Communities	30.5	
LGU Private Infrastructure Development Facility	3	
Health Sector Development	200	
Integrated Coastal resources	36	65 municipalities in Cagayan, Zambales, Masbate, Cebu, Siquijor, and Davao Oriental
Secondary Education Development and Improvement	53	14-poverty affected provinces
Professionalizing Third-Level Civil Servants	0.5	
Local Government Finance and Budget Reform	0.86	

Table 3. Doable Programs to Harmonize Capability Programs for LGUs¹

Activity	Output	Timeline	Responsible Entity
1. Harmonizing training modules on planning, leadership and resource generation	1. Core competency skills for each of the three areas 2. Benchmarks or indicators that can be used in measuring efficiency in planning, leadership, and resource generation. 3. Tool/checklist that can be used in rapid assessment of needs 4. Outline of messages/issues that the course content should address 5. Strategies/approaches that have worked in effectively developing competencies 6. Software and hardware requirements	4 months starting January	
2. Assessment of strengths and needs of LGUs on underserved areas in capability building—human resource development, project management, monitoring and evaluation	Inventory of available and unavailable skills among LGUs in HRD, project management, monitoring and evaluation		
3. Development/integration of underserved areas into grant programs of donor agencies	Proposals for new programs or strengthening of current programs.		
4. Documentation of steps, factors, problems in implementation of successful programs	Template on how to implement a project that is simply and briefly written		
5. Organization of theories, approaches, experiences on scaling up programs through alliances	Study that puts together experiences on managing change through alliances with a summary on how		

¹ The boxes can be filled out by the working group.

	alliances can be fostered, sustained, and initiated in other areas.		
6. Development of a support system for outstanding LGU LCES	Plan for a support system; module on governance based on experiences of LCEs; Partnership with an institution to administer the support system.		
7. Strengthening LGA	Review of current programs that support LGA; Assessment of strengths and needs of LGA and how donors can support it; Proposals for LGA strengthening		
8. Institutionalization of donors' forum	Organization of a secretariat; Regular meetings with agenda; Concept papers for meetings; Inclusion of LGU representatives in certain meetings		
9. Donors' forum in the municipal/provincial level	Memo from DILG/ Proposal to Leagues on the conduct of regular meetings of organizations/donors in municipalities/provinces		
10. Integrating LRPs into the LGU system	Development of a database on LRPs by municipality; Concept paper on how LRPs can support capability building programs/program implementation in LGUs		
12. Conceptual framework in improving targeting of program sites, monitoring and evaluation of program impact, non-traditional methods for capability building, decentralized program management	Four Concept papers for discussion in the donors' forum		
13. Capability building program for NGAs on LGU empowerment	Partnership with AIM on developing and implementing a bridging course for NGAs		

14. Policy Advocacy	Organization of studies that have been conducted on policies of NG that do not provide correct incentives on fiscal management and other aspects of local governance		
15. Dedicated Program for LCEs and Development Administrators	Development of a capability building program for LCEs that provide them with exposure to their peers. The competency areas are mobilizing constituencies, conflict management, people management, convergence and consolidation of programs.		
16. Continuous Search and Development of Good Models on Local Governance	Development of programs to strengthen systems and institutions that search and document practices on good governance.		

Annex B. Summary of Programs by Donors, by Government Agencies, by Academic Institutions, and by Major NGOs

1. Foreign Donors

1.1. Canadian International Development Agency (CIDA)

1.1.1 The Philippine-Canada Local Government Support Program (LGSP)

The LGSP is a capacity development program that is funded by CIDA. It started in 1991 to support the government's policies on devolution by strengthening local governance in the areas of management, service delivery, mobilization of resources, and participatory governance. Phase I of LGSP was instituted from 1991 to 1999 with a C\$22.4 million grant; Phase II continues the work until August 2006 with a C\$34.8 million grant. LGSP I and II supported 205 LGUs (175 municipalities, 11 cities and 18 provinces across Mindanao, and in Western Visayas). Direct work with LGUs ended in December 2004. Since then, LGSP has focused on sustaining and institutionalizing results at the national level with DILG and the Leagues, particularly related to local planning, policy development, replication of exemplary practices, institutionalizing LGPMS, DILG local resource centres, and DILG organizational development. .

The LGSP uses a staged approach in its capacity building programs.

Stage 1 is the Development of Consensus. Stakeholders are assisted in assessing their CD needs until a consensus is reached on organizational development priorities and a plan for change. A baseline capacity survey (i.e. National Performance Measurement System)¹ enables the participants to identify strengths and weaknesses of the LGUs using indicators in performance areas such as fiscal management and participatory planning. Thereafter, stakeholders are guided to arrive at a consensus on capacity gaps that need to be prioritized. The Local Chief Executive participates in the "Local Chief Executive Development Management Program" along with his peers to strengthen skills leading to the development of an Executive Legislative Agenda (ELA). It is a three-year action program that identifies the development priorities of an LGU and translates them into programs and activities. The ELA is developed through participatory planning process. Although it is an output, the ELA is a means to develop participatory governance.

Stage 2 is Strengthening. Capacity strengthening activities are undertaken to reinforce capacity building activities. For cost effectiveness, LGUs are clustered into groups of peers that share similar priorities. They participate in workshops, conferences and seminars to that build information and develop skills on areas that they prioritize such as resource generation and environmental management. These workshops are also opportunities for guided peer-to-peer technical exchanges and study tours.

¹ This has spun off into the Local Governance Performance Measurement System (LGPMS) that is managed by the Bureau of Local Government Supervision of the DILG.

Stage 3 is Application. This is the learn-by-doing phase. Partners are assisted in the application of their new skills to improve program implementation. Local Resource Partners (LRPs) serve as “mentors” and “on-site coaches” to provide on-going support in problem solving and decision making. Although the focus of mentoring may differ from one LGU to another, there is a standard TOR for coaches that defines their responsibilities and how mentoring will be conducted. The LGSP has developed a template on interventions and methodologies that are appropriate relative to capacity needs.

The LGSP assists project implementation by facilitating discussion of issues, linking LGUs with other partners, and in some areas, assisting LGUs in mobilizing and leveraging resources to enable a project to take off.

The impact of programs is evaluated by identifying outcomes such as the formulation of a revenue plan, increasing collection efficiency, and expansion of the tax base.

Stage 4 is Institutionalization. Individuals and organizations are assisted to institutionalize new processes as well as to internalize the process of capacity development. Structures and processes are improved towards efficiency: improving physical layout of offices, using the one stop shop concept, streamlining procedures, introduction of new technologies, and development of policies and systems to support the change process. The steps to improve the processes are documented into manuals and are developed into knowledge products that are disseminated among LGUs. The “How To” materials include formulating an ELA, Records Management, Enhancing Participation, and Organizing Workshops. LGSP partners with Leagues, DILG and other agencies to disseminate best practices. Exposure to demonstration sites and pilot projects are also part of its replication strategy.

The CD program supports the processes of change in an individual, in institutions, and in the enabling environment. LGU officials, their staff and community leaders participate in training programs. Capabilities of local resource partners, NGOs, and business groups are developed to enable them to participate in and support the reform process. The organization of systems and processes strengthen the LGU as an institution. LGSP works with leagues and national government agencies to enhance their capacities in: coordination and facilitation of local government agendas; supporting capacity building programs of LGUs, policy advocacy and participatory governance.

LGSP uses adult learning methods to support capacities of LGUs or the direct application of new skills to learning situations. Since learning will likely be iterative, LGSP provides on-going support through mentoring and coaching. Project officers and Local Resource Partners (LRPs) engage LGU officials and personnel in regular dialogues to discuss implementation problems and alternatives to address them. The other tools to facilitate learning are : guided peer-to-peer technical exchanges, structured study visits with follow-ups, provision of resource kits, manuals and guides, and partnering LGUs with other stakeholders, peers, donors, national government agencies, and the private sector.

LGSP sums its major lessons from its CD programs:

1. Sustainable CD requires local ownership. It must be responsive to self-assessed needs and should not be imposed.
2. External support for CD requires a strategic and comprehensive approach based on analysis at the system, organization and individual levels.
3. Investing in those who deliver CD assistance ensures quality and consistency. Capacitated service providers ensure support to LGUs beyond the life of the donor-assisted program.
4. Adult learning methods, learning and on-site coaching are usually more effective than traditional large group training sessions with an “expert-trainer”
5. Peer-to-peer learning and technical exchanges are effective capacity development mechanisms.
6. Local partnerships are equally important. There is value in building alliances among groups of local governments with common concerns and interests.
7. Enhancing the enabling environment is critical for institutionalization, replication and sustainability.
8. For sharing information and replicating exemplary practices, national and regional-level mechanisms are necessary.
9. Projects and partners should take cultural diversity into consideration in planning and implementing CD activities.
10. LGUs must be assisted in coordinating CD support from various agents and integrating it into their core work.

The areas that remain to be addressed are the following:

1. Sustainability and efficiency of initiatives in the ELA such as resource generation.
2. Greater awareness of the absorptive capacity of the LGU and integrating it into project planning.

1.1.2 Philippines-Canada Local Governance Support Program in ARMM (LGSPA)

LGSPA supports capacity development for all 105 LGUs in ARMM, select departments of the ARG, and LGU leagues from 2005 to 2010. It builds on the LGSP capacity building frameworks, methodologies and lessons learned. The program also collaborates closely with the World Bank’s ARMM Social Fund Project. LGPSA is an C\$18.0 million grant.

1.1.3. The Federation of Canadian Municipalities² Municipal Development Program

The MDP (2002-07) seeks to increase the capacity of municipal governments to address local issues around social development, environmental sustainability, and economic well-being, improve the policy and management environment in which municipalities operate, and strengthen the regional and multilateral networks that support municipalities. The core of the program is partnerships and exchanges

² The Federation of Canadian Municipalities Program (FCM) is the national association of municipal governments in Canada. FCM’s international programming is funded by CIDA.

between Canadian and overseas municipalities including national association of municipal government. MDP's program in the Philippines (C\$300,000), supports partnerships between:

The Provincial Authority of Bohol and Portage La Prairie to implement a strategic planning project in four pilot municipalities to improve municipal capacity for corporate planning and the budgeting process;

Sta Maria and Olongapo with Milton and Windsor to improve their capacity to manage solid waste;

San Fernando and Langley to enhance capacity for land use planning and emergency services.

The program also engages in dialogue with the League of Cities and the League of Municipalities to strengthen local capacity to manage internal operations, address social development, environment and economic issues affecting local governments and to engage in policy dialogue with national government agencies.

Capacity building is carried out in four phases: diagnosis and consensus; development of knowledge and skills; development of systems, tools, and procedures; and incorporation of new skills and systems into day to day operations to create sustainable improvements. The CD program for each LGU is collaboratively designed by a Canadian city and Philippine partner and within a two year period and uses the following activities:

1. Needs analysis through baseline surveys
2. Technical exchange missions in Canada and in the Philippines to learn best practices
3. Workshops and support activities
4. Replication of results

1.1.4 Canada Philippines Partnership Project for Good Urban Governance

Through this project (C\$1.6M), the Canadian Urban Institute supports decentralization and empowerment of communities in Western Visayas. Assistance began in 1994 and the current three-year program will end in 2006. The Metropolitan Iloilo Initiative assists five local governments to pursue inter-municipal cooperation, regional planning, growth management and improvements to regional service delivery through the metro Iloilo Development Council. The Guimaras Economic Initiative develops capacities of provincial and municipal governments for economic development and poverty reduction, as well as sustain earlier environmental protection undertakings. The Malay Local Social Service Delivery Enhancement Initiative assists the municipality to improve the delivery of health services for disadvantaged groups.

1.1.5 Public Sector Capacity Building for Governance and Social Development Program

In the Philippines, this program of the Institute of Public Administration of Canada, partners the Government of the Province of Manitoba with the Local Government Academy to strengthen capacity of selected local officials and functionaries of the provinces of Samar and Benguet and targeted LGUs, provincial officers of the Leagues, and DILG Region VIII and CAR.

1.3. ASIA FOUNDATION AND TRANSPARENT ACCOUNTABLE GOVERNANCE

The “Transparent and Accountable Governance Project (TAG) is implemented by the Asia Foundation with a US\$10.5 million grant from the USAID from September 1999 to 2007. TAG aims to build civil society and private sector constituencies for a counter-corruption reform agenda targeting economic growth and poverty reduction. TAG focused initially on agencies of the national government. The project now extends to the city and municipal levels in Mindanao through the promotion of accountability and transparency in governance.

TAG works with 16 cities (60 percent of the cities in Mindanao) (Butuan, Dipolog, Panabo, Oroquieta, Ozamis, Zamboanga, Malaybalay, Tacurong, Koronadal, Iligan, Marawi, Cotobato, Surigao, General Santos, Samal, Dapitan). Its city-level activities are conducted in partnership with LCP, academic institutions, the Mindanao Business Council, NGO networks and LRPs.

Its municipal engagement is with 76 municipalities in ARMM and neighboring conflict-affected areas.

Procedural Reform Agenda of Mindanao Cities. Reforms are targeted to enable city governments to restructure services to improve efficiency, decrease the costs of doing business, and encourage investments. The CD program starts with consultations with major stakeholders on priority reforms. A Mindanao Mayors’ Meeting was held in April 2005 where Mayors drafted a covenant that commits them to the development and implementation of TAG Action Plans. Assessment studies are conducted to determine the required technical assistance. Technical consultants are engaged by the LCP to assist the city in developing a reform agenda. The agenda includes the formulation of a work plan and conduct of participatory workshops.

Making Cities Work. The project enables city governments to improve business processes and procedures in business registration and licensing (with special attention to small enterprises.) It is also about empowering the private sector to advocate policies that provide better support services to business.

The implementing partner is Ateneo School of Government which selects participating cities. The criteria include the presence of a local business association that can co-manage the project and the willingness of the LGU to co-share project costs. Assessment studies and the organization of technical working groups are undertaken to determine the technical assistance package that will be provided to the city government.

The results of the 2005 Business Permit Renewal Study serves as an input to the project. The survey is undertaken annually and determines the number of steps to renew a business permit, the number of forms and signatories required for each step, transparency in the computation of fees, among others. The results of the survey are used to benchmark the progress made by pilot cities in process simplification.

Public Service Excellence, Ethics and Accountability Program (PSEEAP). It aims to establish the values of public service excellence, ethics and accountability. The program is composed of six modules that run from six to eight months: service vision and values, service audit, service improvements, celebrating accomplishments, basic customer service skills, and public service and accountability.³ . The workshops are facilitated by university-based foundations and NGOs to elicit the participation of local government employees in improving transparency in operations and the quality of service delivery. The employees identify specific transactions in LGU offices that can be improved, e.g. issuance of mayor's permit, registration of birth, payment of real property tax, and application for permits. They then formulate an action plan to correct observed inefficiencies. Follow-up workshops are conducted to assess the extent of implementation of these action plans.

Local Development Planning and Budgeting. From 2002 to 2005, the Asia Foundation provided technical assistance to 57 municipalities and 583 barangays in Mindanao on development planning and budgeting. The CD program involves capacity building on team building, group facilitation methods, data gathering and analysis, and formulation of plans and budgets. The CD culminates in the development of barangay and municipal development plans.

The project includes a training of trainers who will assist the municipal officials in training barangay officials who are not covered by the project. To date, the project has trained about 360 workshop facilitators.

Building Capacities of the Muslim leagues. The Foundation provides institutional funding and technical assistance for the setting up of a secretariat that will support staff and capacity building of the Muslim League of Cities, Municipalities and Communities of the Philippines (MLCMCP). The CD program provides a two-day orientation on the ethics and accountability program, study tour and cross visits, newsletter and the development of a web based database system. There are also two to five days workshops on resource mobilization, networking, and technical writing.

Asia Foundations Programs outside Mindanao

eGovernance Initiatives. One to two day workshops are provided to orient LCEs and other IT champions in the Visayas areas on how to get started

³ The modules were developed from the UNDP and Civil Service Commission workshop materials.

on eGovernance and how to outsource systems development. An eGovernance Online Website is being developed in partnership with the Union of Local Authorities of the Philippines. The website will include best practices in eGovernance, a list of accredited service providers, and how to source funds.

Public Governance Scorecard Strategy. The project is implemented in selected cities to equip city administrators and heads of people's councils to initiate and pursue a public governance improvement program. At the end of the training-workshop, the participants are expected to identify benchmarks of good governance and responsible citizenship, propose a breakthrough strategy to promote good governance, develop a plan of action to how to deepen involvement of stakeholders in the PSG process. The cities that participate in the PSG project are: San Fernando, Calbayog, Tagbilaran, Naga, Samal, Surigao, Marikina, Iloilo, and Cebu.

1.4. AusAID'S Programs

1.4.1. Technical Assistance to Physical Planning (TAPP)

The project assisted 77 provincial land use committees to refine and improve the processes and outputs of physical planning and land use decisions through technical and training assistance.

The project developed manuals and databases such as:

- Refined regional and physical framework planning guidelines
- Refined regional physical framework plans
- Prescribed processes and procedures for integrating physical planning at all levels
- Draft provincial physical framework plans
- Learning materials for a provincial physical framework plan training program

The major lesson from the project is the clear evidence that learning-with work or the off-the job/on-the training approach of the type undertaken by the TAPP project is an appropriate approach to be considered in other similar bilateral projects.

1.4. 2. AusAID's Philippine Regional Municipal Development Project (PRMDP) 1997-2002

The project assisted 6 city governments in Southern Philippines (Bacolod, Cagayan de Oro, General Santos, Iligan, Puerto Princesa, Tagbilaran) to improve the processes of land tax revenues, asset maintenance, engineering planning, design and construction, land use planning and control and human resource development. It also assisted the process of consultation with communities on the delivery of basic services by city governments.

All cities developed and implemented LIS which consist of two major sub-components: a GIS based system of mapping and spatial identification and the TRACS; an Engineering Systems for Municipal Asset management (MAMS), Pavement asset Management (PAMS) and a Computerized Asset Register (CAR in the city engineers departments, Manuals and guidelines for planning and management and operation of engineering services and contract supervision (not widely utilized); Master plan for waste management.

The project was considered successful in helping improve the capacity of six cities to develop their planning and land information systems, training and revenue collection systems. However, the project has not resulted in the cities developing a strategic approach to planning and management which would have provided greater coherence to the component activities and more sustainable and extensive outcomes. The project was too technology-driven to service the needs of the infra outcomes, It may have been too ambitious in its expected outcomes, given the low base and capabilities of the cities to absorb advanced systems and new management practices. Many activities are still not complete; there are technical difficulties in using and upgrading some of the software systems and some systems are no longer operational.

No significant benefits appear to have accrued to the regions, provinces or other municipalities in which cities are located, thus the 'regional' nature of the program was not promoted, rather, it just focused on cities.

The replicable components of the program are the following:

- Computerized system of tax rating, assessment, collection and receipting which is operating on national standard endorsed by the appropriate national agencies
- Land information system (LIS)
- Support training and HR systems within framework of organizational needs assessment and organizational change models
- Development of master plans that is part of planning component

In 2003, the DILG submitted a proposal to AusAID for a second phase of PRMDP. AusAID subsequently developed a concept paper which proposed the development of a Local development Governance development Program (LGDP) to assist institutional capacity building at the local government level.

1.4.3. Philippines Australia Governance Facility (PAGF)

The facility was intended to provide responsive and effective support for governance at national, regional and local levels. The CD program was carried out in different LGUs (Goa, Camarines Sur, Provinces of Agusan del Sur, Albay, Camarines Sur, Northern Samar, Misamis Oriental, Naga City, Gingoog City,

The project developed the following manuals:

- A Resource manual on managing the fiscal gap: revenue generation and resource mobilization for effective local governance—tools for assessing current approaches to revenue generation and resource mobilization. Good and best practices from Australia and the Philippines were included.
- Model for LGU in revenue mobilization
- Naga City Peoples' Council (NCPC) training modules for basic and specialized courses for the basic sectors- the module consists of means to strengthen participation of non-government organizations and peoples' organizations in governance: leadership and communication, local government planning and budgeting, local administration and governance, documentation and recording, organizational management, simple accounting for non-accountants and advocacy
- Integrated groundwater management system-databases and GIS guidelines and procedures report---it covers the system design objectives, system description , and user manuals for the following components: groundwater database; water permits database; and geographical information system
- Planning and Monitoring framework-Operational planning and monitoring manual—an operation guideline that sets out detailed procedural requirements for interdepartmental operation planning and monitoring for the whole provincial planning process. It also covers procedural guidelines in conducting meetings, planning, budgeting, and monitoring and other coordination mechanisms. Gives performance indicators and schedules, timelines and guidelines in monitoring report preparation. It was developed in partnership with the province of Northern Samar.
- A manual on the local development administration performance—a set of indicators to measure local development administration in the Philippines in the areas of participatory governance, delivery of basic services, role of local legislative bodies in local governance, participation of NGOs in local special bodies, participation of NGOs in local special bodies. The manual provides for a workshop and is produced in diskette form. The project was implemented in partnership with DAP and was called the Local Development Administration Measurement System (LDAMS)
- Operations Manual on Developmental legislation—it contains roles of the legislature, legislative research and agenda preparation, development of legislative measures, tracking, monitoring, and evaluation of legislative measures. A licensed software on 'Legislative Tracking System' was installed. This was in partnership with the provincial government of Albay.
- Guidelines on strategic planning in urban areas—use of strategic planning process in the preparation and revision of comprehensive land use plans and other strategic urban area issues.
- Different manuals on community-based health management programs in partnership with Agusan del Sur: managing community-based health programs,

financial management of foreign aid funds, operations of the provincial health resource center, MIS for an RHU, various manuals for BHWs, e.g. early case detection and treatment

The project also produced the following reports:

- Overview of the nature of local revenue generation and resource mobilization strategies in the Philippines. It reviews related studies and policy initiatives in the past, statistics on different government levels; best practice on resource generation, and the issues regarding LU revenue mobilization
- Overview of revenue generation schemes in Australia and New Zealand
- Case studies assessing local revenue generation efforts and plans to strengthen resource generation
- Report on the IRA, estimating the IRA, Centrally-Provided local public goods and services, and other central fiscal transfers to local governments—it contains the baseline estimates of transfers to LGUS from 1995 to 1999; simulation results and analysis of alternative IRA distribution schemes
- Analysis of the provisions of the LGC on peoples' participation in local development councils, experiences on peoples' participation and an action agenda

The facility also supported the following programs:

- The Local Development Watch Project of the Bureau of Local Government Supervision (BLGS) was part of this facility. It produced a software that was installed within DILG that assesses the state of development of local governments across the country. It summarizes indicators that are available at the city/municipal levels. The Local DevWatch has a user-friendly manual that provides the indicators, how to generate and interpret them.
- Design of the LGU credit rating system and database and the computerized management and monitoring system in partnership with the Local Government Unit Guarantee Corporation (LGUGC)

1.4.4. The Philippines Australia Technical Support for Agrarian Reform and Rural Development (PATSARRD)

2003-2006

It assisted the DAR and LGUs in involving farmer beneficiaries into the development planning processes and was carried out in Agusan del Sur, Bohol, Northern Samar, Surigao del Norte, Misamis Occidental, and Aklan with an Australian grant of A\$10.0 million. Their participation was a way to facilitate delivery of support services, improve efficiency in resource allocation and demonstrate means to improve

access of rural poor to improved technology, markets and micro finance. The project developed the following materials:

- Participatory area planning manual
- Resource mobilization and networking
- Convergence: PATSARRD Experience (a monogram)

The project was considered highly successful with respect to developing participatory planning process.

1.4.5. Philippine Australia Local Sustainability Program (PALS)

2004-2009

PALS 1 was undertaken with an Australian grant of A\$12.0 million from 1999 to 2004. It piloted an integrated approach to community-based development in six municipalities in Misamis Occidental. The project has been extended in May 2004, PALS 2 to include the remaining eight municipalities in the province. The program aims to build the capacity of the LGUs to better plan, implement and manage sustainable activities to improve the livelihood of the rural poor. It attempt to address key constraints: lack of community participation in planning, weak community planning processes, poor access to basic water supply and sanitation services, unsustainable natural resource use and management practices, and disparities among vulnerable groups.

The strengthening activities during the first years focus on preparatory reviews and the conduct of assessments of provincial and municipal development plans. Modules and databases were developed on formulating barangay development plans and barangay profiles, how to conduct household surveys, and assess of coastal resources.

It noted the limited ongoing capacity of LGU officials to monitor Phase 1 supported projects and that resource constraints have constrained local staff in undertaking field activities. Turnover in LGU counterparts have had a negative impact on project implementation.

1.4.6. Philippines-Australia Human Resource Development Facility (PAHRDF)

2004-2009

The facility aims to achieve sustainable and equitable development in the Philippines by providing long-term scholarships and short-term specialized training to improve governance and management of key public and private institutions. It brings a new approach to structured HRD interventions by focusing more on the specific HR needs of key institutions. The focus of the program is on economic governance, rural development, security and stability with special emphasis on southern Philippines (Bohol, Northern Samar, Misamis Occidental, Agusan del Sur, and Surigao del Norte.)

Engagement with the services of the programs of the facility is by invitation only. Institutions are profiled against a set of criteria before partnering agreements are developed. The Australian grant is A\$59.6 million.

The HRD solution will support the needs of the institutions rather than adopting a standard format of short-course customized training. For instance, programs may include training or other activities in third world countries. Increased emphasis will be placed on utilizing local service providers, particularly those that are Mindanao-based. Assistance will also be given to selected local providers to improve their capability to provide services to the Facility. This may involve workshops on proposal preparation or technical assistance. The TOR may also support for hardware and software to enable the institutions to enable the graduating training cohort to implement the change strategy.

All graduates will be assisted via a re-entry program to implement their action plans'.

Some of the examples of the CD programs are as follows:

Bohol

- Short-term (five days) on integrated management of the HRMD function
- Mentoring on HRMD plan development and installation, enhancement
- Ten-day course on social marketing and ID development
- Assistance to a Local Resource Partner to develop a curriculum for masters or diploma course on integrated rural planning
- Modular course on development planning
- Mentoring and consultancy assistance on the preparation of the Master Development Plan
- Two-days session on fundamentals of economics and market analysis

The other training programs to participating programs depending on needs are as follows:

- IT Planning and Implementation
- Coastal resource management
- Benchmarking and setting Performance Standards
- Improving Customer Services

1.4.7. Philippines Australia Short Term Training Facility (PASTT)

The Facility provides short-term targeted training and HRD support to partner- agencies and key personnel. The PASTT activities concentrate on southern Philippines particularly Mindanao.

The staff of the facility works with organizations to develop initial training proposals. Training requests are then evaluated to ensure that they are an integral part

of the documented strategic and HRD plans of the organization involving change. The form of training that can be supported by the PASTT Facility is very flexible: e.g. training structures that combine in-Philippines and in-Australia training; training that includes follow-up workplace placement built into the training design; phased training wherein several phases of sequential training are given to a group of trainees, and training that incorporated distance modes of delivery.

1.5.LGU CAPABILITY BUILDING PROGRAMS OF THE WORLD BANK

1.5.1.Philippines-Water District Development Project (WDDP) 1999-

The WDDP finances investments to support NG's effort to improve sectoral capacity to deliver basic water supply and sanitation services to consumers. The project has two focus:

1. To test out a public performance audit system in the Metropolitan Waterworks and Sewerage System (MWSS); and,
2. To finance investment programs in sewerage, on-site sanitation, drainage development, and urban environmental improvements in low income communities based on LGU and community demand.

The project will support LGUs and water districts of participating cities⁴ to plan and implement sewerage and sanitation investments based on their residents' wishes and willingness to pay. The expectation is when residents perceive the benefits of improved sanitation, the demand for follow-up loans in other parts of the city would increase.

Ownership of the communal sanitation facilities will rest with the LGUs. They will be constructed through competitive bidding. Operation and maintenance will be undertaken by private operators on a three-year lease arrangement for an agreed monthly fee payable to the LGUs.

Institutional services will include consulting services for an O and M manual for each city, train operators on the basics of pond treatment of sewage and septage. Technical assistance will be provided on project monitoring and evaluation so that lessons learned could be fed back to improve future performance.

The selection of sub-projects in participating cities will be based on assessment of demand at three levels: LGU, barangay and household levels. The choice will be made by LGU councils based on results of cost-benefit analysis and long-term financial projections of revenues and expenditures. User consultations will be the instrument for deciding whether qualified barangays would participate in the project and also for

⁴ The loan was restructured into a line of credit on the basis of demand from any LGU willing to borrow on the project's lending terms.

choosing between options of technologies to be used in barangays. Where appropriate, household level surveys will be conducted for a rapid appraisal of demand.

The World Bank loan will be for US\$38.6 million of which US\$36.3 million will finance the households, civil society, and city councils' loan (SSD).

1.5.2.Philippines-Community Based Resource Management

1998-

The main objective of the project is to reduce rural poverty and environmental degradation through support for locally generated and implemented natural resource management projects.⁵ This would be done through: 1) enhancing the capacity of low-income rural LGUs and communities to plan, implement and sustain priority natural resource management projects; 2) provision of resources to LGUs to finance natural resource management projects; and 3) strengthen higher levels of government systems to transfer finance and improve implementation of environmental policies. The LGU Subproject investments has a total of US\$54.3 million that would provide eligible LGUs with a mix of grants and loans to finance community-based resource management projects on a demand-driven basis. Another US\$6.7 million would provide planning and implementation support to LGUs and their communities by way of training trough DILG and community organizers, and grants for financing project preparation. The project would support LGUs and their communities to become more effective managers of upland watersheds and coastal and nearshore resources that have been subjected to a lot of people looking for livelihood. The project would support the enhancement of planning and implementation capabilities of LGUs by providing training in preparing development plans, formulating project packages according to the Manual of Operations, and managing implementation of approved subprojects, including procurement and financial management. Training will be managed by the LGA of DILG at LGA centers. The training at the centers would cover: 1) planning for CBRM; 2) social preparation; 3) CBRM technology packages; 4) institutional development. In addition, training at the project sites will include: 1) participatory process; 2) local policy development and implementation; 3) project development management; 4) municipal finance. The project would provide support to Barangay Development Councils and communities in preparing development plans which will be integrated in the overall proposals of LGUs. Training will be provided to the Municipal Planning and Engineering Offices and the Provincial Engineering Office in contracting, contract management and supervision. The Treasurers' Office would be provided with technical assistance to enhance its financial and accounting system to meet the project's requirements.

The project would be implemented by LGUs while national government agencies would provide assistance in financial intermediation, technical support and project management. Project proposals would be formulated at the barangay level and the municipal government should consolidate interventions responding to locally perceived

⁵ Some of the lessons that the World Bank learned in its earlier projects on natural resources management are the need for an adequate local decision making powers and that beneficiaries must acquire the ability to operate within this framework by receiving the required managerial, political and technical skills from the project.

needs that are identified in line with Barangay and municipal development plans. Formulation, prioritization and packaging of subprojects would be supported by a community organizer (CO) with assistance from provincial government agencies. The COs will help to ensure that the voice of all groups will be represented in the community plans. Information from the social and economic profiles as well as gender analysis obtained for the each participating community will be used in planning so that all benefit and no one will be unduly burdened. Extra attention in planning and implementation will be provided to communities with indigenous groups. Project staff will be provided training on development for indigenous populations.

Community organizing for CBRM deals with the social preparation and community organizing processes which are necessary as soon as project requests for municipalities are approved. COs, who will be provided by municipalities, will be trained by the project to work with communities to identify their needs, priorities, strengths, opportunities and resources to prepare and implement viable subprojects. The COs will be fully engaged in data collection and conduct of social profiles of the community, gender analysis, and facilitation of participation, collective action, leadership identification and training, group formation, and or strengthening of project activities.

The project targets around 125 municipalities (40 percent of over 300 municipalities) in regions 5, 7, 8 and 13, the poorest classes of municipalities with high poverty incidence.

1.5.3. Philippines-Third Elementary Education Project

1996

The project would build the institutional capacity of DEPED and other stakeholders to manage the change process using the strategy of decentralization, partnerships with LGUs and communities. It aims to improve learning achievements, completion rates and access to quality elementary education in 26 poor provinces. Overall responsibility for project management would lie with the DEPED, in close partnerships with LGUs.

The project has an investment component, support to decentralized implementation and elementary education improvement, and provincial management structure capacity-building. Capacity building for LGUs is embedded in advocacy where the advocacy team will conduct research, formulate strategy and manage community mobilization work to gain support from stakeholders. It is also part of the elementary education improvement component (US\$453.7 million) to enable communities to actively support the program. Training will be on the project's principles and design, and the participatory activities such as planning, school management advisory council, and performance audit. The Loan will finance workshops and materials.

1.5.4. Philippines-Early Childhood Development Project

1996-

The project would assist the government to improve the health, nutritional, educational and psycho-social developmental status of pre-school children and improve the capacity of communities, local governments and NGOs to plan, manage, and finance child development interventions in an integrated manner. LGUs are the main implementing agencies and project funds are estimated at US\$34.9 million for service delivery and US\$ 12.3 million for support for LGU sub-projects that would be channeled to them. The first component is a program support for provincial LGUs: Expanded Program of Immunization, Integrated Management of Child Illness, the Micronutrient Malnutrition Prevention and Control which will all be managed by DOH. The parent effectiveness service will be managed by DSWD in coordination with DEPED and the DOH provincial health offices will incorporate it into the health education program. The grade 1 ECE/ECD package improves the child-readiness of elementary schools through the introduction of an 8-week "Early Child Experiences" module. The package would be managed by DEPED.

The financing facility will operate through the Municipal Development Fund. A facility will provide matching financing on a flexible cost-sharing basis relative to LGUs from cover regions 6, 7, and 12 (Antique, Bohol, Capiz, Cebu, Guimaras, Iloilo, Lanao del Norte, Negros Occidental, Negros Oriental, and North Cotobato. LGUs would submit proposals for three-year investment packages such as protein-energy malnutrition control program. The component will be managed by DSWD.

The program supports LGUs to implement investment packages in the areas of communications (advocacy, information, education, communication for LGU executives, opinion leaders, and decision makers, ECD providers and parents) planning, targeting, management information system, and human resource development. This sub-component would be managed by DSWD in coordination with a mix of agencies and NGOs.

The Research and development project will support strengthening of LGU capacity to manage and implement ECD programs and services.

1.5.5.Philippines-ARMM Social Fund Projects

The goals of the project are to reduce poverty and provide support mechanisms for the promotion of peace in the conflict-affected areas in ARMM. Part of the project's objective is improving local governance and institutional capacities with a focus on improved transparency and accountability in the allocation and management of public resources by participating communities, LGUs and ARMM regional government. The project is intended to be community-driven through improved partnerships and multiple mechanisms such as quick response methods. POs will receive on a demand basis technical and financial assistance so they may efficiently implement subprojects addressing their priority socio-economic needs. The approach will involve community contracting and various accountability mechanisms to ensure efficient and transparent use of funds.

The project has a component, US\$8.80 million that supports project management, institutional strengthening and enhanced governance. This component will initiate

processes towards improving service delivery, transparency and accountability. The component will support the cross-cutting theme of good governance in all the sub-project components. Open and transparent procedures will be piloted. Cross-visits will be organized to expose ARMM and LGU officials to best practices in local governance and public service delivery in other regions. Project management assistance will be implemented through “learning by doing” and in-service training. Information requirements and gaps will be assessed and a social marketing campaign will be conducted. The development of materials and other inputs could be sub-contracted to a private firm.

CIDA-LGSPA shall devise the appropriate implementing mechanism and processes for the TA support. This component will facilitate collaboration with the ADB’s TA support to ARMM. The TA for effective local governance will also use existing implementing guidelines and readiness processes that are applied by CIDA-LGSP. LGSP- assisted communities will be given priority to receive assistance. Opportunities for collaboration with USAID project’s TAG component are also seen.

The project will target 20 percent of ARMM barangay but all municipalities will be eligible to participate in accordance with the project’s selection criteria.

1.5.6. Diversified Farm Income and Market Development Project

The project has macro and micro interventions. At the macro level, the institutional capacity of DA will be strengthened through improving systems for planning, enforcements and support for market development. At the micro level, support will be given to focus area within the framework of devolution: Region 10 (Bukidnon and central highlands of Mindanao; Region 7 (Cebu and Negros Oriental), Region 6 (Panay Island) and CAR. DA investments in rural roads and other infrastructure will be strengthened by sharpening the selection, approval and implementation criteria to ensure demand-driven, market-oriented investments are supported primarily through LGUs and producer groups. Partnership with LGUs will be established to make information on technology development to farmers who are not affiliated with organized farmers’ groups. Information will include prices and on volume traded in major outlets.

The approach of the project builds on lessons learned from implementing WB projects in the past. Community-driven approaches are good but they should be done within the clear institutional context of devolution wherein LGUs play a critical role in facilitating these approaches to ensure better chances of sustainability. The grant involves a sizeable TA component using local consultants to work with LGUs to strengthen the role and capability of LGUs. It is important for rural infra to be prioritized by communities and implemented by LGUs. For these infra projects to be sustainable, practical O and M mechanisms should be put in place by LGUs themselves.

1.5.7. Philippines-Kalahi-CIDSS

The five-year project will empower communities through enhanced participation in barangay governance and involvement in the design, implementation and management of development activities that reduce poverty. This goal is pursued through: empowerment of communities based on facilitated participatory planning,

implementation and management of local development activities. Formal and informal institutions in local governance are strengthened to become more inclusive, accountable, and effective. Communities will be engaged in a demand-driven process of problem solving by consultations that match needs with limited resources.

The components of the project include: community block grants to the barangay that will be used for community investment activities. Implementation support will be given to facilitate barangay planning, implementation and maintenance of assets and investments.

The project will be implemented through the participation of LGUs. The province provides data on the ranking of municipalities. The provincial development plan provides the funding for higher infra investments to support those at the community level.

The municipalities will monitor and handle problem solving at monthly inter-barangay assembly meetings, provide technical services on request, support community investments through complementary municipal development planning, and audit accounting reports. To prepare guidance during implementation, the following manuals have been prepared:

- Community Organizing
- Community Infrastructure
- Community Livelihood
- Kalahi-CIDSS Project Financial System
- Community-Based Financial System
- Monitoring and Evaluation
- Training and Capacity Building
- Human Resources and Staffing

Sustainability is built-in the process. The comprehensive facilitation process aims at ensuring inclusive participation by the poor, indigenous groups, men, women, and youth in the planning process.

Community participation will be achieved using the following pillars;

1. A robust facilitation framework to ensure the inclusion and participation of poor and marginal groups and minimize gender bias. The participating barangays will submit proposals to the inter-barangay forum for selection. All barangays have equal chances to access project funds based on the feasibility of proposed activities.
2. Direct fund flows to beneficiary communities should revamp local decision making, build capabilities of barangays to manage assets and establish accountability and transparency.
3. A conflict resolution framework
4. An anti-corruption strategy including ex ante mechanism based on information flows and disclosure rules. Ex Post mechanisms include audits, suspensions and legal actions.
5. Cost-sharing

The implementation support consists of the following:

1. Social Mobilization and Community Organizing—project will recruit and train community facilitators in each region to undertake info dissemination at the community level, mobilize and support community volunteers regarding participation in project planning and implementation. Community facilitators will liaise with municipalities and consultants and facilitate inter-barangay forums. They will be provided training on development planning and management, conflict resolution, intra-and inter-barangay mediation, quality reviews, poverty assessments.
2. Capacity building for LGU communities---training will be provided on project planning, contracting, construction supervision, O and M, bookkeeping and financial management to barangay development councils. Training will be provided to technical staff to support barangay level activities regarding assessment of technical feasibility of projects, project design and management, and monitoring.
3. Monitoring and Evaluation—this will involve participatory monitoring by communities on self-defined indicators, internal monitoring of inputs, process and outputs. Baseline data for impact monitoring will be established during project implementation.

The project will cover one-fourth of all municipalities in provinces where the incidence of poverty is above the national average of 33.7 percent or 5,378 barangay in 193 municipalities in 40 provinces.

1.5.8.Laguna de Bay Institutional Strengthening and Community Participation (LISCOP), 2003-2009

The project will assist the Laguna Lake development Authority (LLDA), LGUs and other stakeholders improve the environmental quality of the Laguna de Bay watershed. The project will have two components: 1) support demand-driven investments that will improve the watershed environmental quality. Selection and prioritization will be based on the results of a participatory micro-watershed-based planning and identification process. The identified interventions will be implemented by multiple LGUs with each LGU borrowing for a sub-project within its jurisdiction. LGUs would be required to earmark a portion of their IRA for operation and maintenance. The LGUs would be required to reimburse LLDA the costs of doing the feasibility studies in the event that it decides not to proceed with the sub-project. 2) capacity building for LLDA, LGUs River councils and watershed stakeholders on environmental, social, technical, financial and managerial aspects of watershed management.

The project will strengthen LGUs capacity and provide financing to undertake environmental planning and investments. The process will be integrated and institutionalized as part of the local development planning and programs of the LGUs, thereby influencing other related sectoral plans and policies.

The project will further develop River councils into an advisory consultative and coordinative multi-stakeholder body for micro-watershed environmental issues. This will

be done through the micro-watershed planning framework that will include all LGUs in the micro-watershed. Additionally, implementation of programs of actions will be done by multiple LGUs to ensure a coordinated approach that can address the inter-jurisdictional micro-watershed issues.

The project will also provide an organized structure to involve civil society in environmental planning and management. Once this planning and implementation process is institutionalized, into the LGU development planning, the River Councils will serve as a permanent forum for LGUs to discuss environmental issues and to plan needed interventions.

The project will assist MDFO to develop and pilot a framework to enable LGUs within a micro-shed to collectively borrow and implement sub-projects for the first time.

The capacity building activities are the following: social marketing and promotion; household and enterprise surveys; water quality monitoring; technical analysis for identifying sources and causes of environmental degradation; setting priorities and identifying solutions and technical options; public consultation and participation; consensus building; detailing social, environmental, and technical interventions; capacity building needs assessment; preparing action plans; disclosure and dissemination.

Training programs will be grouped into broad categories: a) cross-cutting activities that are important for micro-watershed protection involving all stakeholders and stakeholder-specific targeted activities.