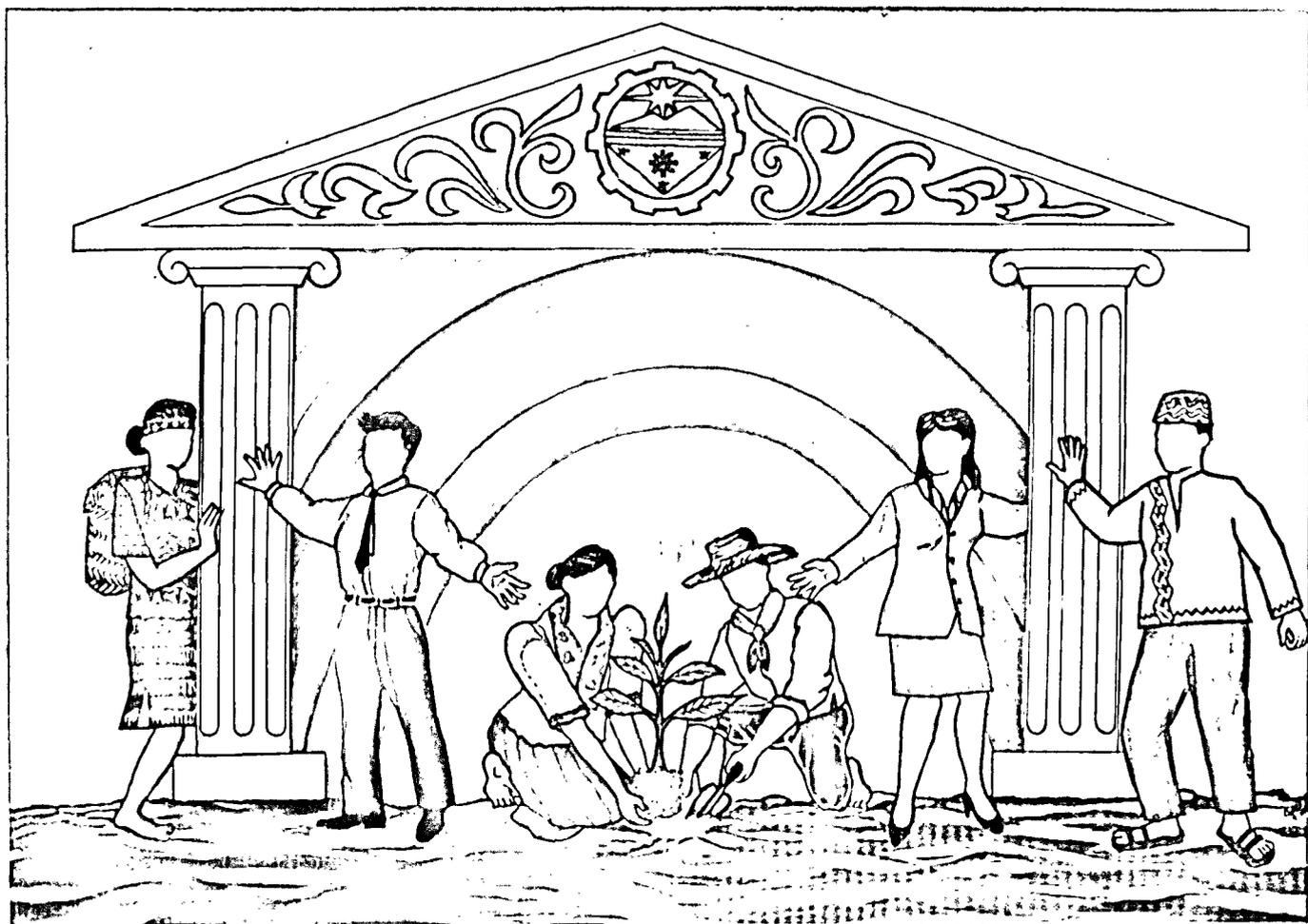


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# GOVERNANCE FOR SUSTAINABLE HUMAN DEVELOPMENT



An Integrated Paper On The Highlights Of Four Regional Consultation Workshops  
On Governance For Sustainable Human Development

Community Organization Training and  
Research Advocacy Institute (COTRAIN)  
in cooperation with the  
United Nations Development Programme (UNDP)-Philippines

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# Governance

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*for Sustainable Human Development*

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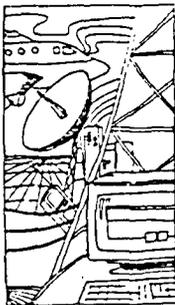
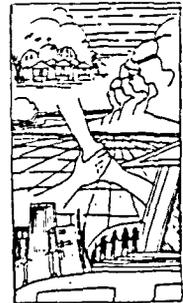
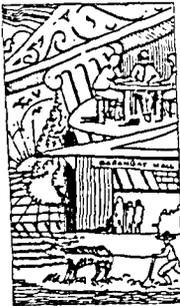
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# Governance for Sustainable Human Development

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## Preface

The Philippines has come a long way in promoting participatory governance since the February 1986 Revolution. The participation of civil society and the business community in governance has been demonstrated and formalized. Likewise, the decentralized mechanisms for governance and sustainable human development have been installed.

The results are noteworthy. However, revelling on the country achievements and laurels is not the objective of this document. Rather it highlights the issues on governance obtained through a series of consultations nationwide among various stakeholders from the ground level.

The results focus on three areas of concern, namely:

One, the need to further re-orient the perspective of the national government agencies (NGAs) and the legislative branch towards local autonomy. This implies building on and promoting mechanisms that support local governance and flexibility, rather than sustaining a bureaucracy oriented in centralized decision-making.

Two, the need to enhance the absorptive capacity of local government units and other stakeholders. This implies a coherent Human Resource Development (HRD) package for LGUs and their counterparts in the NGAs, the civil society and the business community.

Three, the need to further strengthen the collaboration among the government or state, the NGOs/Pos or civil society, and the private or business sector. This implies highlighting the mainstreaming models of synergy among the three sectors towards local development.

Towards sustainable human development, the UNDP assistance proposes to help build relevant capacities of public and private sectors and civil society to apply a people centered approach. UNDP can only do so in partnership with institutions and individuals willing to take the risk to promote change for the better.

With this message is our appreciation for the participants and the institutions involved as convenors. We would also like to challenge the various stakeholders - the government, the business community, the civil society organizations, the donors, and the people in general - to undertake further studies and anchor their programs accordingly.

Sally Timpson  
*UNDP Resident Representative*

# Executive Summary

A Nation-wide Consultation Series on Governance was held in April 1997. There was a total of four regional consultation workshops on governance and one national integration meeting sponsored by the United Nations Development Program, in coordination with the Community Organization Training and Research Advocacy Institute (COTRAIN). The national integration meeting was held in mid May 1997. The regional convenors of the workshops were the University of the Philippines-College of Public Administration for Luzon, BALAYAN-University of St. La Salle for the Visayas, the Notre Dame University for Miindanao, and the Ateneo de Manila University for the National Capital Region. CO-TRAIN was the convenor of the integration workshop.

The Nationwide Consultation Workshops on Governance was conducted as part of the process shift towards a strategic UNDP Governance Programme anchored on Sustainable Human Development and Poverty Alleviation, and the establishment of a Governance Network among representative stakeholders from the government, civil society, and the private sector. The main objective of the process was to solicit the points of view of representatives from the government, civil society organizations, the business community, and the donor community in Luzon, the Visayas, Mindanao, and the National Capital Region (NCR).

The first part of this paper includes an outline of governance issues in relation to public sector reform, local governance and area-based management, and tripartite partnership as summarized during the integration meeting and as expounded further by the ad-hoc committee composed of the convenors of the consultations. Some issues cut across the different areas. Each section discusses the key issues identified for that particular area of governance as well as the other issues surfaced in the regional workshops. These are followed by suggestions for program ideas which donor agencies can support, mechanisms for further collaboration, and the role of the UNDP.

## Public Sector Reform

Of the list of concerns raised in the four consultations about public sector reform, there were four key issues identified by participants in the national consultation. These are public management, public order and the administration of justice, local autonomy and governance, and public accountability. Aside from these, there were other sub-issues articulated by the participants concerning public sector reform.

**Local Governance and Area-based Management** There are six key issues identified in terms of local governance and area-based management. These are the need for genuine local autonomy, the rationalization of the use and allocation of the Countryside Development Fund CDF/CIA, the lack of a wholistic development framework, the exploitation of natural resources, the non-recognition of ancestral domain, and the erosion of indigenous socio-political systems of governance.

**Tripartite Partnerships** This section relates to the partnership among the government, the business community, and the civil society organizations (i.e. NGO's/PO's)

The key issues identified can be clustered according to the following themes: adversarial relations, meaningful participation, and transparency and accountability.

**Mechanisms for further collaboration** Based on the program ideas surfaced during the regional workshops and the integration meeting, the following mechanisms for further collaboration were raised:

1. Building on existing initiatives

- Mapping of initiatives
- Capacity-building
- Information exchange
- Issue advocacy
- Centralization of information

2. Global exchange through MAGNET

3. Citizens' Watch

4. Data-based to facilitate the flow of information

- Media
- Information exchange and dissemination
- Inter-facing of initiatives

## Background of the Consultation Process

### UNDP Strategy Paper On Governance

In the past, the concept of governance has been strictly limited to the spheres of politics and public administration; however, in recent years, there has been a growing interest globally in the issue of governance, particularly among sectors involved in development work. Various paradigms and theories on governance have been discussed and debated on by different theorists and practitioners alike. A number of development-oriented agencies have also undertaken numerous consultations with stakeholders on issues of governance.

By the same token, UNDP has taken a similar attention to governance issues and how they relate to development. In its Human Development Report, UNDP has been pushing vigorously for sustainable human development, which it defines in broader terms than conventional economic indicators. Development promotes increased quality of life and increased choices for people, particularly the vulnerable and disadvantaged sectors. UNDP's definition of development covers four essential elements: poverty eradication, job creation and sustainable livelihoods, environmental protection and regeneration, and the advancement of women (UNDP Human Development Report). The goal of sustainable human development is to build the capacity of people to work for development through the pursuit of these elements.

In response to the emerging interest in governance and the need to come up with a more well-rounded concept of development, UNDP has added governance as a fifth element of development. Development's goal is to increase quality of life and choices for people, and governance is one way for people to exercise such choices.

Governance, according to UNDP's definition, is the exercise of political, economic, and administrative authority to manage a nation's affairs (UNDP Strategy Paper on Governance). Good governance is characterized as participatory, transparent, accountable, effective, equitable, and promoting the rule of law.

Governance is not limited to the political sphere but also overlays the social and economic fields. It involves not only government, but other actors as well, such as civil society organizations and the private sector.

In view of these increasing trends, UNDP has included in its Sixth Country Programme a focus on Governance to underscore the importance of addressing governance issues in promoting economic, political, social, and sustainable development. In addition, UNDP sponsored this consultation-workshop series to gather input from various stakeholders nationwide on how sustainable human development can be achieved through good governance.

## Purpose of the consultation-workshops

The Nationwide Consultation Workshops on Governance was conducted as part of the process shift towards a strategic UNDP Governance Programme anchored on Sustainable Human Development and Poverty Alleviation, and the establishment of a Governance Network among representative stakeholders from the government, civil society, and the private sector. The main objective of the process was to solicit the points of view of representatives from the government, civil society organizations, the business community, and the donor community in Luzon, the Visayas, Mindanao, and the National Capital Region (NCR).

The specific objectives of the consultation-workshops were:

1. Surface the major issues, policy directions, and gaps on governance in general, and along the three focused areas of public sector reform, local governance and area-based management, and government-civil society-private sector partnership. This objective has a particular emphasis on how initiatives are institutionalized towards the alleviation of poverty and the promotion of sustainable human development.

2. Critique and improve on the draft UNDP Country Office Governance Strategy Paper and make recommendations on the framework for UNDP's Governance Programme, its operationalization through a multi-sectoral participatory mechanism, including possible entry points for UNDP support.

3. Initiate the process for setting up a Multi-Sectoral Governance Mechanism among the government (national and local), civil society, the private sector, and other institutions. The network may serve as feedback mechanism for the government and as the vehicle for assisting UNDP coordinate its governance programme.

4. Introduce and prepare the local networks towards a new source of information through the Internet known as the UNDP Governance Resource Facility, which will eventually link with the Global Management Development and Government Network or MAGNET.

## Consultation process

This consultation series was coordinated by the Community Organization Training and Research Advocacy Institute (CO-TRAIN) through the sponsorship of UNDP. A group of national convenors also participated in planning the consultation-workshops. This convenors' group was composed of representatives from each island region, CO-TRAIN, and UNDP, and other experts in governance issues.

It was decided by UNDP to select academic institutions to become organizers of the regional consultations, the reason being that such institutions, as neutral entities, were in the best position to convene representatives from government, civil society organizations, and the private sector. The regional convenors of the workshops were the University of the Philippines-College of Public Administration

for Luzon, the University of St. La Salle for the Visayas, the Notre Dame University for Mindanao, and the Ateneo de Manila University for the National Capital Region. They were responsible for organizing, convening, and facilitating the regional consultations.

CO-TRAIN took charge of designing the workshops, conducting the process observation of the four regional consultations, consolidating the results of the regional consultations into an integrated paper, and convening the national consultation. UNDP was an active discussant for the Strategy Paper on Governance and the Sixth Country Program. The Associates in Rural Development (ARD) provided insights based on its experiences in local governance, particularly the USAID-Governance in Local Democracy (GOLD) program.

## Workshop design

Each of the regional consultation included four workshop discussions. The focus and expected output of each workshop were as follows:

**Workshop 1: Mapping of existing initiatives on governance in the island region.** Participants were asked to identify existing initiatives, programs, or projects on governance within their region. These included initiatives that they are undertaking directly as well as those that they have heard about.

**Workshop 2: Identification of strategic issues in governance.** Participants were asked to formulate their own definition of governance, including its essential elements, characteristics, and operationalization. Issues in governance, responses to these issues, and gaps between strategic issues and responses were the expected output of the workshop.

**Workshop 3: Review of the UNDP Country Strategy Paper.** The workshop focused on participants' comments and suggestions on how to improve the UNDP Strategy Paper on Governance.

**Workshop 4: Operationalizing strategies on governance.** Practical and operational strategies on governance were the expected output of the workshop. Participants were also asked to propose areas of concern which could be supported by UNDP and other donor agencies, and identify feedback mechanisms on governance programmes.

Workshop 3 was not undertaken in any of the consultations. Instead, the UNDP Strategy Paper on Governance was presented as an introductory paper, to serve as guide for Workshops 2 and 5. Discussions focused more on Workshops 1, 2, and 4, although some workshop groups briefly commented on UNDP's definition of governance and the characteristics of sound governance.

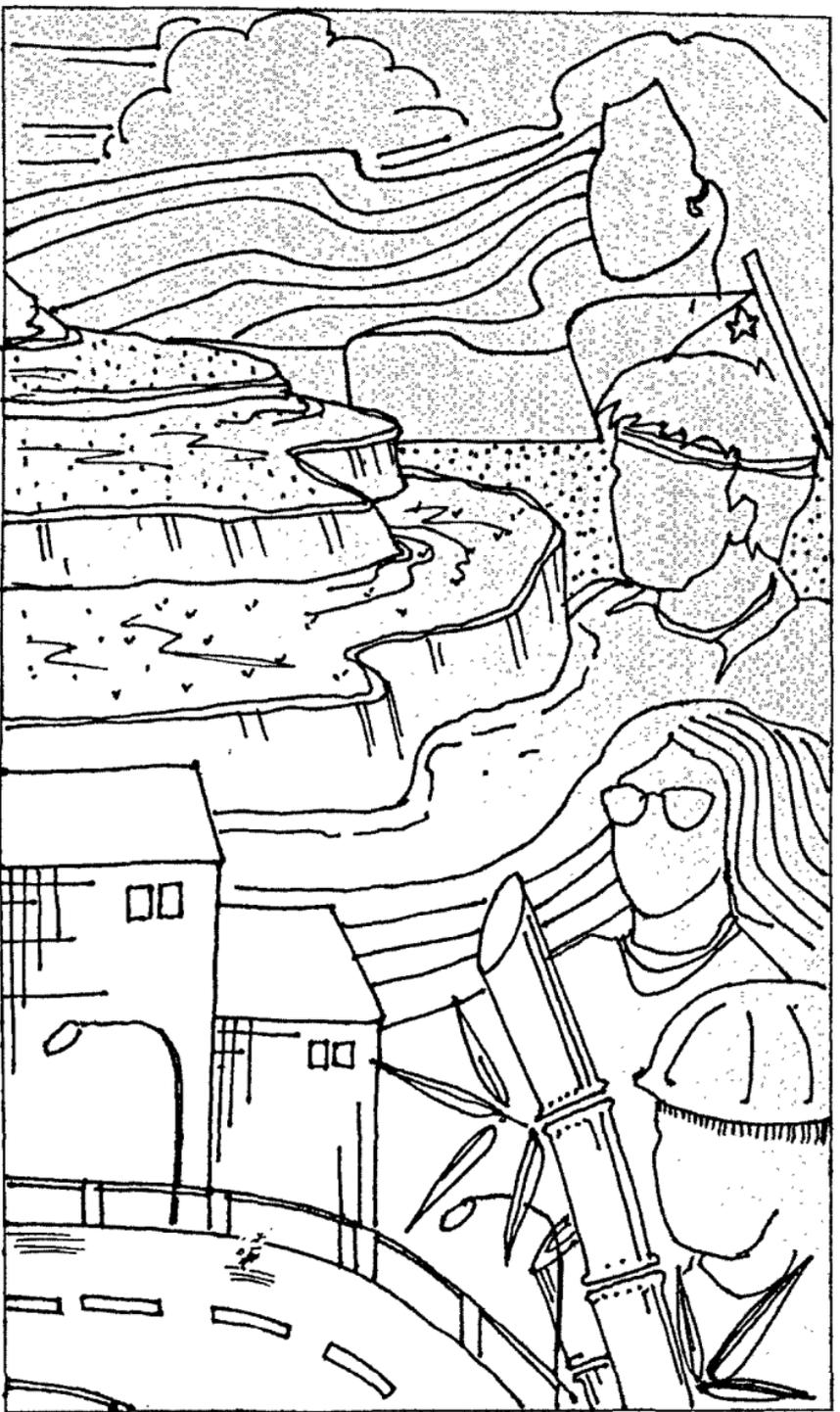
For a more detailed outline of the workshop design, please see Annex C.

## Participants

Each regional consultation had an average of thirty-two participants. An estimate of one hundred and thirty participants attended the consultations nationwide. The integration meeting had participants coming from the regions, national government agencies (NGAs), donors, and other stakeholders.

The breakdown of participants according sectors is as follows: 60% from PO's/NGO's; 26% from government; 1% from business; 8% from the academe; .8% from the donor community; and 3% did not indicate their organization nor sector. In all regional workshops, PO's and NGO's had substantial participation, followed by government and the academe. There was very little representation from the business sector in the Luzon and Visayas workshops, and none in Mindanao, and the NCR.

Please see Annex H for a more complete listing of the participants.



# Public Sector Reform

## Public Sector Reform

In UNDP 's Strategy Paper on Governance, public sector reform refers to the way in which government facilitates the creation of a strategy framework and develops capacities for managing the implementation of institutional reforms along the legislature, judiciary, and the executive institutions to focus on responsiveness to the plight of the poor and effectiveness and efficiency for poverty alleviation.

The issues surfaced in the area of public sector reform indicate a fundamental reaction to centralized government. With the enactment of the Local Government Code (LGC), local government units (LGU's); PO's and NGO's have become more optimistic about playing a greater role in governing their localities. However, while the LGC offered numerous possibilities for all stakeholders, it also had limitations which hindered the exercise of autonomy for the LGUs, primarily attributed to the lack of know-how on the part of the LGU's. Furthermore, along with successful experiences of devolution and decentralization come the defects and problems in working towards autonomy.

Much of the frustrations relates to the lack of appreciation of the significance of decentralization and autonomy by the national government agencies (NGAs), particularly the devolved ones. The NGA support to the LGUs were found wanting because most NGA programs and projects are still centrally managed. The LGUs' lack of fiscal autonomy has been cited as a major deterrent. During the Luzon consultation, Governor Pagdanganan of Bulacan pointed out that despite the greater internal revenue allocation (IRA) provided for LGUs, the total budget allocation from the national government constitutes only less than fifteen percent of the 1997 budget. Thus, LGUs, particularly the municipalities, were forced to rely heavily on national budget allocations through the NGAs or the countryside development fund (CDF) of Congress to be efficient and effective in service delivery.

A caution was raised during the integration workshop by M. Calavan of USAID about how to address governance issues:

*"The strength of democracy is that it is a self-perfecting system. People are always looking at how to perfect the system. In the process of achieving democracy, a catalogue of problems emerges. While it is important to look at these problems, it is equally important to step away and look at things with a jaundiced and optimistic eye. Hence, the Philippines should recognize that it is in the path towards perfecting or achieving democracy. The existing problems it faces may be perceived as symptoms of democracy.*

*In a recent governance conference in Dhaka, the Philippines was cited as being miles ahead of other countries in terms of governance, and is very much on the right track. Therefore, it is essential to begin on an optimistic note.*

*In addition, the Philippines should build on upon what is existing and recognize successful initiatives. The Local Government Leagues have become important and responsive political players in the area of local governance, being politically active across party boundaries. It is important to understand that there are thousands of good things happening out there. Short-comings of participation were surfaced in the consultations, but note-worthy too are the cutting-edge initiatives on participation, such as the participation in Naga City People's Council, how it works and its intentions, LGU's going into the private sector by hiring consultants, LDC that are working, multi-LGU management mechanisms that are managing bays are but a few examples. These are cutting-edge not only for the Philippines, but maybe for the world. It is important to recognize that kind of success.*

*The presentation talked about governance without the "D" and "P" word. There was no mention of democracy or politics. With the enactment of the 1987 Constitution and the LGC, people have made the choice of embracing the D concept and the P concept. Therefore, it is essential to figure out how to work with these concepts in a realistic way. Politics is not necessarily bad. There is such a thing as open politics or politics about real issues. Stakeholders must recognize the possibility that good politics exists. It is a question of making political processes more open, more transparent, more participatory. There are a lot of emerging good practices in these areas. They do not have to be reinvented from the bottom. They are happening out there.*

Of the list of concerns raised in the four consultations about public sector reform, there were four key issues identified by participants in the national consultation. These are public management, public order and the administration of justice, public accountability, and electoral reforms. Aside from these, there were other sub-issues articulated by the participants concerning public sector reform.

#### A. Public management

Management is performing a task with and through other people. In the context of the new Public Administration theory, management is focused on providing goods and services for the well-being of people. Public management is ensuring that the bureaucracy, the systems and procedures and the civil service manpower must be equitable, efficient, economical, and effective (Sourcebook on Effective Partnership for Local Governance, 1996; UNDP Discussion Paper on Public Sector Management, Governance, and Sustainable Development, 1995).

Equity implies creating a favorable environment for people, particularly for the basic sectors, to be mobilizing and have access to and control of resources for their sustained growth. Efficiency relates to the off-setting of a centralized system, cutting the distance between the national government and LGUs on the one hand, and the

the field on the other hand. Economy implies the reduction of overhead cost through inter-department and inter-agency coordination among the NGAs and the LGUs within a given territory. Effectiveness involves integrating development efforts among the government, civil society, and the private sector. As already discussed, participation of the civil society and the business sector in public management has to do a lot in promoting effectiveness.

The key issues raised during the consultations relate to the lack of capability of local officials in public management and the unresponsive mechanisms for good governance due primarily to a bloated bureaucracy.

### 1. Lack of capability of local officials for governance

In spite of their five-year experience in LGC implementation, LGU officials are still perceived to lack the technical, administrative, and political skills necessary to promote effective governance. Although not thoroughly discussed during the consultations, the lack of capability may be attributed to the “newness” of the management of devolved functions (i.e. health, social services, and agriculture), not only on the part of the local chief executive (LCE), but on the agencies involved as well.

A key area relates to the leadership role being played by the LCE. While participatory mechanisms and models were already developed by creative LGUs and NGOs, most do not fully appreciate the importance of participatory processes to promote political will to respond particularly to the needs of the poor and marginalized.

With the new job description of the LCE as manager of the LGU, coordinator of all development initiatives in the territory and the political representative of the LGU in national government affairs, some LGU officials were perceived to be ill-equipped for the demands of their positions. Examples cited include a) the lack of a baranggay socio-economic profile which should serve as basis for making development plans; b) the lack of cohesion and coordination for the localization of the Social Reform Agenda; and c) the local development councils are either not functioning or not maximized. These examples highlight the need for capacity-building and greater coordination among local players.

Opportunities for learning are available. However, many LGU officials ignore invitations to seminars and workshops intended for them. In most cases, they attended seminars only during the first hour of the day and let someone else continue the session for them. On the other hand, the training program design may not be appropriate. *Baranggay* officials shy away from advanced and sophisticated seminars or training sessions because the seminars did not consider their absorptive capacity.

### What can be done to enhance capability for local governance

The major recommendations centered on coming out with an appropriate human resource development (HRD) program for local governance. This involves a review and development of a program for the LGU officials, their counterparts among the NGOs-POs, and the NGAs. What the Local Government Academy found out is that mayors and governors also would not like to attend academic-oriented training. Thus, its recommended approach included experiential learning sessions where colleagues (i.e. other mayors and/or governors) share their success stories, such as those published in the Galing Pook Awards.

The HRD package must also consider measures to make the NGAs respond effectively and efficiently to the needs of the LGUs and their constituencies, including OD and HRD for the NGAs concerned. The following successful initiatives were recommended to be mainstreamed and incorporated in the proposed HRD programme.

#### For LGU officials and staff

- Immersion in the field to acquaint public officials of the nature of the clients (i.e. the people)
- As much as possible, training be conducted at the regional and field levels, rather than at the central level.
- Peer training and site visitations to successful initiatives
- During local training, mix NGA personnel with local government officials (politicians and administrators) for more synergy and integration of efforts
- Strengthen the Institutes for Local Government Administration (ILGAs) so that they could respond to the local governance training needs of LGUs and other local officers. This includes upgrading program sessions with the ILGAs and expanding their pool of trainers to include the LGU officials and NGO networks with successful models and strategies for local governance
- Investing in human resources by establishing and institutionalizing a Human Resource Development (HRD) system

#### For NGAs

- A program on decentralized management for civil service
- Re-orientation of NGA training programs so that the personnel could re-orient their functions to respond better to decentralization
- Exploring innovative arrangements between LGUs and NGAs. The following examples were cited during the integration workshop:

- NGAs selling their services to the LGU to generate their own resources (with the LGU provided more funding)
- Use of a voucher system among and between NGAs and LGUs where a budget allotment to an NGA is blocked in terms of a voucher to an LGU

## 2. Unresponsive mechanisms for good governance

The participants to the regional consultations acknowledged the administration's social reform initiatives and its provision of the climate for people's participation and social development. However, they also raised issues which depict the bureaucracy as still unresponsive, particularly in terms of law enforcement and delivery of basic services. Among the examples mentioned are the a) absence of a rational land use policy; b) the inefficient localization of the Social Reform Agenda; c) the lack of effective and meaningful participation of the citizenry, particularly the POs and NGOs in governance; and d) a further need to professionalize the civil service to include due process in hiring (i.e. no "palakasan") and standardized salary scheme for government workers.

A specific area cited during the integration meeting relates to the inadequacy of operating systems such as those pertaining to a) the audit system (Commission on Audit or COA); b) the allocation of the budget (Department of Budget and Management or DBM); and c) the Ombudsman function. The operating system, according to Department of Interior and Local Government (DILG) Undersecretary Austere Panadero, provides the rules governing everyone in the bureaucracy and the working environment for the players to operate.

Another area expressed relates to an over-sized bureaucracy which inhibits efficiency, effectiveness, and transparency, while, at the same time, promotes red tape. The bloated bureaucracy also makes for duplication of programs among different NGAs aside from lack of convergence and linkages of programs among government agencies and other stakeholders.

### What can be done to reform the national bureaucracy

During the integration meeting, DILG Undersecretary Panadero stressed that there are sectors within the government who are aware of the need for civil service reforms and would like to change the perception that the bureaucracy is inefficient, lacking in creativity and, to some extent, ridden with corruption. He cited that the Civil Service Commission is already taking steps along this line. In addition, initiatives for change management were already instituted, but on a piecemeal basis. Among those mentioned were the CSDP program and the immersions conducted by the Local Government Academy.

Dr. Kenneth Ellison of the Associates in Rural Development (ARD) underscored that the HRD package at the local level may involve

capability-building for the LGUs and line agency personnel, but constitute an OD process for agencies at the national level. This implies a thorough review and adjustment of agency functions to respond to the thrust for decentralization.

During the plenary, it was also pointed out that the role of government agencies is gradually evolving from the traditional bureaucratic one to that of ensuring the interests of marginalized sectors. Likewise, the civil society organizations and private sector groups must play a vital role in reforming the public sector. This may be done by enhancing the role of the academe and the NGOs and POs in participatory governance, and that of media and civil society organizations in advocacy work and monitor of government performance.

To establish mechanisms for good governance, the following recommendations were made during the regional consultations and the integration meeting:

- Review and update the systems that govern the auditing and ombudsman functions
- Streamline the bureaucracy and professionalize the civil service. The bureaucracy must be reorganized based on a common framework, such as Agenda 21 to avoid conflicting policies.
- Civil service reforms to be instituted down to the last level of the bureaucracy (this may imply the last level of the hierarchy which is the baranggay or the lowest ranked employee)
- Instituted reforms should be a total package (i.e. comprehensive, not only on a per agency basis). At the same time, the reforms should consider the harmony and synergy among the sectors (government, civil society, and the business community)
- Develop and institute an HRD package (please refer to previous recommendations on HRD for NGAs)

#### B. Public order and administration of justice

Public order and the administration of justice refers to the rule of law defined in terms of the legal framework being enforced fairly and impartially, particularly the law on human rights. It likewise involves the five pillars of the justice system, namely a) law enforcement; b) prosecution; c) courts; d) correction; and e) community. Law enforcement may be classified into two - enforcement per se which is within the purview of the Philippine National Police (PNP) and the baranggay tanods, and peacekeeping which relates to the Armed Forces of the Philippines (AFP), as they engage with rebel forces.

The issues raised along this area are unequal access to and slow delivery of justice, inefficient law enforcement, and poor gender sensitivity of law enforcement.

### 1. Unequal access and slow delivery of justice

Under the present judicial system, the administration of justice is slow and biased against the poor and marginalized. There is a lack of access to the effective delivery of justice, especially among the disadvantaged sectors of society. Discriminatory laws, such as Presidential Decree 772 or the Anti-Squatting Act, which are biased against the marginalized groups, are enacted by the system.

The existence of laws that are biased against the interests of the basic sectors prevent government from performing its function of protecting the rights and welfare of the poor and marginalized. Apart from the examples cited earlier, other discriminatory laws are the Mining Act which infringes on the rights of Indigenous People, and several agrarian-related laws which inhibit the distribution of land to farmers.

### What can be done to ensure equal access to and efficient delivery of justice

In order to establish a judicial system that is fair and responsive to the needs of all sectors and ensures accessible and effective delivery of justice for all, the following recommendations were raised:

- Institutionalize the para-legal system. This implies the conduct of para-legal training
- Strengthen and professionalize the Katarungang Pambarangay
- Provide tax incentives to private lawyers engaged in public defense
- Hasten the enforcement of judiciary reforms to include the formation of the Implementing Rules and Regulations (IRR) in the penal clause.

In terms of enacting laws that are responsive to the needs and welfare of the poor and marginalized sectors, the following recommendations were proposed:

- Review, repeal, and amend all laws that do not respond to needs of the basic sectors such as PD 772 or the Anti-Squatting Law, the Education Act of 1982, the Mining Act, the Oil Deregulation Act, etc.
- Work for an equitable access and sharing of resources particularly by the poor and vulnerable sectors
- Pass and/or implement the Land Use Code, the Fisheries Code, as amended for fisherfolk, and others
- Instituting parameters for regulation to allow space for innovation and flexibility

## 2. Inefficient law enforcement

While efforts at peacekeeping are recognized, issues raised are the high rate of criminality, abuses by the police force and military; and the lack of capacity of law enforcers in peacekeeping work. The high incidence of crime attributed to the police and the proliferation of morally depraved and abusive law enforcers and peacekeepers further decreased civilian trust in the police and military.

### What can be done to improve law-enforcement and peace-keeping

For a more effective and efficient peacekeeping, government must undertake the following:

- Hire and train morally upright and disciplined peacekeepers (i.e. PNP)
- Address and reduce criminality by providing the police with better equipment for protection, and values reorientation. Funding for such can be sourced from civic organizations.
- Restore civilian trust in the military

## 3. Lack of gender sensitivity in law enforcement.

Members of the military and law enforcers were found to be lacking in gender sensitivity. Previous experiences of how police handle domestic and spousal abuse cases, and rape and sexual assault cases are concrete evidences of this. The forceful and brutal methods by which law enforcers conduct raids on bars and night clubs likewise demonstrate the police's insensitivity to women workers in these places.

### What can be done to "genderize" law enforcement

To ensure that law enforcers are sensitive to the plight of women, the following were recommended:

- Train peacekeepers and law enforcers in gender sensitivity
- Create a women's desk in every police station
- Provide values orientation for police

## d. Local Autonomy Governance

Decentralization and autonomy refer to the transfer of powers from the national (central) government to the LGUs. Local autonomy provides for the structural shift from a highly centralized government bureaucracy to a decentralized one. Mandated in the Local Government Code is the complete devolution or the transfer of powers to LGUs from three departments - Health, Agriculture, and Social Welfare and Development. Partial devolution of powers were also mandated for at least eight other NGAs.

In terms of fund allocation, the Code mandates that forty percent of the Bureau of Internal Revenue (BIR) tax collection from the previous two years shall be divided among the LGUs (provinces, cities, municipalities, and baranggays) according to a given formula. Likewise, the funding for the cost of the devolved functions shall likewise be given to the LGUs (Local Government Code, 1992).

In terms of coordination, the LGU may exercise its power of mandatory consultation (Section 2 (c), Local Government Code) and may call upon any NGA assigned in the area to coordinate the formulation of plans and implementation of programs and projects (IRR Article 85-87).

The issues raised relate to a want of real autonomy and conflicting policies and programs of the national government.

### 1. Lack of real local autonomy.

Notwithstanding the effectivity of the LGC, the participants feel that LGUs and local based NGAs still lack real autonomy. Local government units (LGUs) feel that the devolution process is moving much too slow and incompletely. Functions and personnel have been devolved, but adequate funds have not been correspondingly transferred. Moreover, mechanisms to support the devolution process are inadequate. As a result, programs become fragmented and the localization of some national programs become ineffective.

Among the major reasons pointed out are the following:

- The functions and personnel are devolved, but adequate funds have not been correspondingly transferred (Note: Findings show that the cost of devolved functions were only given in 1997. Since 1992, only fifty percent were granted. Likewise, despite the devolution, the funding of the devolved departments like Health and Agriculture continue to grow each year, as per document obtained from ARD. This item is discussed further under the Local Governance section.).
- Unfunded mandates, i.e. LGUs are directed to implement national programs such as the Social Reform Agenda (SRA) with limited or without any corresponding additional funds. The results lead to ineffective program implementation.
- Although devolved agency personnel already report to the LGU, they (including the LGU itself and other regional offices) are still dependent on the national government for policy decisions.

The lack of funding for LGU's is one major obstacle for them to exercise greater autonomy. In contrast, the participants also question the Countryside Development Fund/Congressional Insertion Allotment (CDF/CIA) of congresspersons. The CDF/CIA should be managed by the executives and not legislators in the first place. In

most cases, the use of such funds is not dependent on the local development plans.

### What can be done to enhance autonomy

To enable LGUs and NGAs to exercise greater autonomy, the following were recommended:

- Build the capacity of LGUs to assume the functions and responsibilities of the devolved agencies
- Enable regional offices to exercise greater powers and flexibility regarding local affairs
- Federalization as an alternative be further studied (This was suggested by participants from Mindanao who shared that they have been inadequately represented in decision-making processes such as the Senate and the Executive branch of government)
- Consider a shift to a parliamentary system of governance (This was suggested by some advocates during the Luzon consultation).
- Re-define and rationalize the CDF in such a way that it is either channeled through the LGUs or at least alligned and anchored on the local sustainable development plan
- Work for a greater share of LGUs from the national budget and the budget for social reform be channeled through them (It was noted that in other countries the share of LGUs is around forty to seventy percent. In the Philippines, it is only fifteen percent).

## 2. *Conflicting policies and programs.*

While the Medium Term Philippine Development Plan (MTPDP) is clearly a strategic statement for the direction of the country, the participants during the regional consultations still think that the government does not have a clear policy framework for development. This is perceived particularly with reference to inconsistent or conflicting operational policies. The conflicting rules, it was stressed, may prevent the continuity and sustainability of policies during transitions in leadership.

An example pointed out in the workshops is the non-allignment of national priority programs such as the Social Reform Agenda (SRA), the Human and Ecological Security Program, and the Philippine Agenda 21. In terms of implementation therefore, the result of the unallignment and uncoordinated activities are varying levels of understanding, appreciation, and degrees of implementation by the LGUs, NGAs, and NGOs and POs. This justifies the clamor for an over-arching policy framework that would ensure consistency and coherence between the different government programs.

Another area of conflict is between programs of the LGU versus the national programs. Ms. Rowena Regalado, a business sector representative during the Visayas consultation pointed out that initiatives on governance should highlight efforts developed by LGUs and other local groups in response to local problems, and not centrally mandated programs for local implementation.

A caution was given that the over-all policy framework is not a solution to the local problems. While it provides the direction, the effort in coming out with it may re-direct resources away from its intended use, i.e. service delivery.

#### What can be done to address the conflicts in policies and programs

- Ensure that the government develops and adopts a wholistic framework of development applicable both at the national and local levels. The framework must be developed in a participatory manner, involving NGOs/POs and the LGUs aside from the NGAs concerned
- Ensure mechanisms to guarantee that succeeding administrations (national and local) respect and follow-through the development plans and programs of the previous administrations
- Capability-building on participatory planning for various stakeholders

#### D. Public accountability

Accountability refers to the requirement that officials and staff of government, non-government, and the private sector, answer to stakeholders (i.e. the public) on the disposal of their powers and duties, act on criticisms or requirements made of them and accept some responsibility for failure, in competence or deceit (UNDP Policy Document; Paul, 1991).

The major issues raised during the consultations relate to graft and corruption, lack of transparency, unclear performance indicators, the need for electoral reforms and change in political culture.

##### 1. Graft and Corruption.

The issue refers primarily to the use of one's position for self-serving personal interests instead of promoting the public interest. Accordingly, the participants think that graft and corruption are still prevalent both in government and in the private sector and from the national down to the *barangay* levels. Such impedes the promotion of good and effective governance and the adequate enforcement of administrative rules in government transactions.

It was stressed that graft and corruption is not only a concern of the public sector, but of the PO-NGO community and the business sector as well.

Juxtaposed with graft and corruption is the prevalence of traditional politics. This manifests itself in political patronage and the existence of political dynasties or clan mentalities. It likewise impedes the promotion of good governance because politicians tend to protect and enhance the interests of their political backers instead of the welfare of the people. In which case, policies and the delivery of services by government is dictated not by an over-all framework for development, nor by the needs of the constituency, but by loyalties to relationships with the government officials. As a result, the citizens who do not have political backing are deprived of the basic services that government is tasked to provide.

### What can be done to remove graft and corruption

The major recommendation relates to a call for civicness as a major component in making people deal with government and other sectors in a more integrated manner. Boy Homicillada, an NGO participant in the Visayas consultation, asserted that fighting graft and corruption implies promoting a culture of civicness or a concern for public interest over personal interest. Along this line, it is recommended that civil society exacts accountability from government, private companies, and among its ranks. Public sector reform must include all sectors and interests. In this regard, NGOs should likewise be professionalized or that a code of ethics be instituted among themselves.

Traditional politics is also a cultural and attitudinal problem. Hence, in order to establish good governance, a political culture and new modes of thinking conducive to reforms, and the promotion of the general welfare must be promoted.

Specific recommendations to remove graft and corruption and promote civicness include:

- Developing a form of benchmarking for government agencies to measure performance along honesty and efficiency parameters. This includes a data-base of programs and services, as well as rules and procedures of government and popularizing such information so that the public is made aware, and therefore not vulnerable to acts of government officials in circumventing the rules and procedures.
- Institutionalizing an ideology that provides a framework of service in government and motivating both the civil servants and the people to work efficiently. This should go beyond sloganeering and should include fully articulated thoughts and actions that are consistent and sustained.
- Enacting and/or strictly implementing laws against nepotism
- Promoting the Code of Ethics of Civil Service
- Among NGOs/POs, consistency and persistence in promoting the general welfare through active participation in governance, including the promotion of a “graft watch”

## 2. Lack of transparency.

Transparency relates to sharing information and acting in an open manner. It allows stakeholders to gather information that may be critical to uncovering abuses and defending their interests (UNDP Policy Statement).

The consultation participants perceive that the system to hold public officials accountable to their constituents is not in place or is not adequate. This is manifested in the following areas:

- Audit System - which does not involve the participation of citizens in the audit process and hence the officials lack fiscal and political accountability. The audit system, moreover, is perceived to be very bureaucratic and inflexible.
- Information-dissemination - the citizenry lack access to public records and relevant information

Related to transparency is the need for electoral reforms. Ed Reyes, a media advocate, stressed during the integration meeting that an Election Code that lacks safeguards for honest and clean election results in fraud and violence. Another consequence may be the election into office of incompetent and unscrupulous persons. Hence, he adds, there is a need for electoral reforms as a measure of ensuring clean, safe, and honest elections and of guaranteeing that conscious, qualified, and dedicated individuals are put into office.

### What can be done to ensure transparency

To promote transparency and accountability, both for appointive and elective public officials, the following were recommended:

- Agencies like the Commission on Audit (COA) and the Department of Budget and Management (DBM) must review and improve the audit system to make it more flexible, responsive, less bureaucratic, and open for NGOs/POs to participate in governance and administration.
- Moral re-direction must also be a conscious effort to ensure responsiveness of government officials (See recommendations under Graft and Corruption)
- To ensure honest, clean, and an equitable election process, the Election Code and the electoral processes should be reformed, and a widespread electoral education be conducted. This should result also in building a critical and well-informed electorate.
- To sustain the sound policies and programs of previous administrations, candidates should be required to study and appreciate the on-going programs and projects, and develop their platform on the basis of how they could improve on existing

programs and initiatives. The platform, together with track records, then becomes the basis of selection of elective officials by the citizenry.

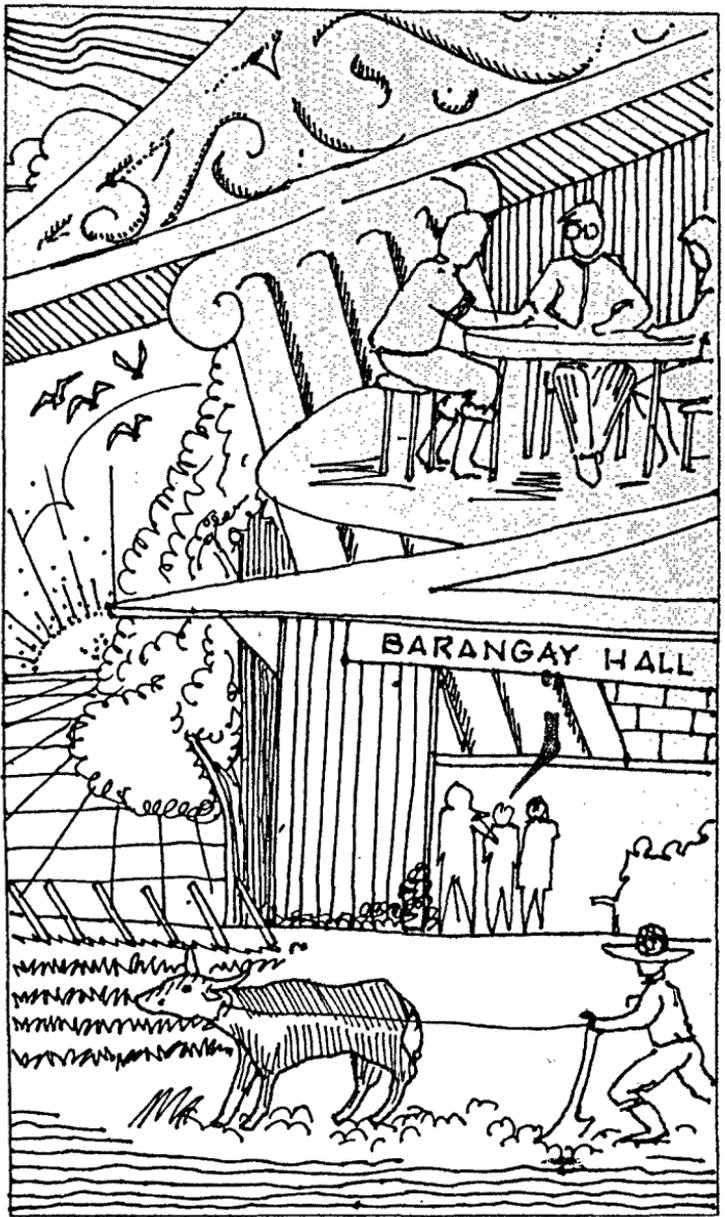
- Enhance the role of media and civil society particularly in their advocacy function
- Support citizen watch activities, both at the national and local levels. The pressure of a citizen audit enjoins the various agencies to perform based on a clear agreement of what performance level is expected. The examples of Bangladesh and India were cited to show that public ratings of agencies involved in utilities and of LGUs resulted in better performance.

### 3. Unclear performance indicators.

A major concern that breeds graft and corruption, and sustains traditional politics, and therefore hinders accountability is the absence of a systematic way of measuring performance of government officials and enforcing public accountability.

### What can be done to promote performance accountability

Benchmarking of government's performance would again be another way of ensuring clear performance accountability of government. A set of criteria for assessing the performance of government officials shall be the basis for performance audit by the citizenry. The participation of PO's and NGO's in the performance audit must also be guaranteed.



# Local Governance and Area-Based Management

# Local Governance and Area-based Management

Local governance and area based management refers to the efficient and effective delivery of services by LGU s within an area-based framework. UNDP's Strategy Paper further refers an area-based framework to special clusters such as urban areas, metropolis, the Autonomous Region of Muslim Mindanao (ARMM), and an ecosystems approach to island development.

The mission statement of an LGU may be taken from the General Welfare Provisions (Section 16) of the LGC:

*“Local government units shall ensure and support, among other things, the preservation and enrichment of culture, promote health and safety, enhance the right of the people to a balanced ecology, encourage and support the development and self-reliant scientific and technological capabilities, improve public morals, enhance economic prosperity and social justice, promote full employment among their residents, maintain peace and order, and preserve the comfort and convenience of their inhabitants...”*

There are six key issues identified in terms of local governance and area-based management. The issues emphasize the basic concern about LGU's capacity to undertake multi-functions of governance within a decentralized form of government. While there are a number of models of successful localization and devolution, there is also a strong clamor from all stakeholders to build their capacity to perform devolved functions. The call for more capacity-building efforts come from both local government officials as well as from PO's and NGO's. In terms of program ideas to address the need for capacity-building, organizational, more so than individual, interventions are strongly suggested.

## 1. Need for genuine local autonomy

The concerns along local autonomy was touched earlier under the Public Sector Reform chapter (See the item on Public Management, Lack of Capability of LGU Officials, and the item on Local Autonomy and Governance, Lack of Real Autonomy). In keeping with the integrity of the consultation process, however, the issues are also herein presented as the participants saw it. So, it is suggested that this portion be studied in relation to the recommendations earlier forwarded.

### 1. No fiscal autonomy and limited funding for LGUs.

One of the major impediments to the full autonomy of LGUs is the lack of funds. LGUs are still heavily dependent on national government for their funding, receiving a meager percentage of the national budget or share in IRA allocation. This can be attributed to the absence of implementing rules and regulations (IRR) in fund accessing, the diversion of some funds, and government's budgetary constraints.

### What can be done to promote fiscal autonomy.

To enable LGU's to achieve fiscal autonomy, the following recommendations were proposed:

- Review and revise the IRA allocation formula of the LGC to make it more responsive to fifth and sixth class LGUs so that such LGUs have more leverage in terms of resources
- Review and revise the Official Development Assistance (ODA) provisions of the LGC so that they may be channelled directly through LGUs, instead of passing through the national government
- Provide sufficient additional funding for nationally initiated programs through LGUs, instead of the national practice of giving mandates which are unfunded
- Encourage LGUs, together with their counterparts in the NGO/ PO community and the business sectors, to generate funds either from internal and external sources
- Strengthen and support the League of Leagues (LOL) as a collegial body which could advocate greater autonomy to the national government and could expedite mutual sharing of experiences among members. The LOL is composed of the LGC mandated League of Provinces, Cities, and Municipalities, the Liga ng mga Baranggay and the Sangguniang Kabataan National Federation, together with the non-LGC mandated associations like the Leagues of Vice-Mayors, Vice-Governors, Board Members, Councilors, and the National Movement of Young Legislators
- An HRD program for LGUs be developed organizational change and the installation of systems and procedures for development management which include planning, development administration, etc. (Please see recommendations for HRD programs under Public Sector Reforms - Public Management for details.)
- The CDF/CIA of Congress be channelled through LGUs or at least support the priorities of the LGUs per local development plan

### 2. Partnership issues (LGU-NGAs).

Partnership in the context of this document may refer to two types. The first relates to the partnership of the LGUs with the NGOs, POs, and the private sector. For a more detailed discussion on these topics, please refer to the chapter on Partnership and the succeeding issues related to Popular Participation. The second relates to the relationship between the LGUs and the NGAs operating at the local levels. Part of the issues between LGUs and NGAs were discussed in the chapter on Public Sector Reform, particularly on the issue of Unresponsive Mechanisms for Local Governance. To be treated under this section are those which were not yet presented, but which were discussed in the various consultations.

Aside from the total devolution of the functions and personnel from three NGAs, the relevant provisions of the LGC related to the partnership and collaboration of the LGU with the NGAs are outlined in the following:

As a political subdivision of the state, the LGU may exercise its power of mandatory consultation before any NGA may implement programs within the territory (Section 2 (c)). The LGU may also avail of the augmentation scheme to request assistance from NGAs and higher level LGUs (IRR Article 31) to enhance its development efforts. The Local Chief Executive (LCE) may also call upon any NGA assigned in the area, to coordinate the formulation of plans and implementation of programs and projects (IRR Article 85-86:b (1) (xvi)). In ensuring the delivery of basic services, the LCE may coordinate the implementation of technical services by NGAs for the territory (IRR Article 85:b (4) (ii)). (Sourcebook on Effective Partnership for Local Governance, 1996).

Among the issues raised during the consultations are:

- Ineffective localization of NGA support. Because some non-devolved agencies do not coordinate with the LGU or the LGU itself fails to exercise its power of mandatory consultations, the result is an over-lapping of functions and roles.
- Ineffective implementation of devolved functions due to a lack of capability or absorptive capacity of the LGU. An example cited was the devolution of tricycle registration (from DOT), fire protection and police control (from the PNPA under the R.A. 6935) to a Metro Manila City which is perceived as not efficiently managed.
- The LGU is also an oppressed sector because the LCE assumes responsibility for everything that takes place in the locality; that is, assumes stewardship of devolved functions and coordinates non-devolved ones. They are often blamed for inefficient or non-delivery of services by their constituents. The “ineffectiveness” is due primarily to the lack of capability on the part of the LCE.
- With the LGUs assuming more authority and expected to increasingly become more efficient particularly in regard to the local development councils, the role of Regional Development Councils (RDCs) and the regional offices are also increasingly being marginalized. The LGC does not provide any provision for this eventuality.

Highlighted during the consultations are the lack of mechanisms for effective local governance. Among the areas needing attention are:

- Capability and/or lack of initiative, resourcefulness, and innovativeness of LGU officials in implementing the LGC
- Partnership mechanisms and instruments for people's participation

- Data-base and resources
- Effective monitoring, evaluation, and assessment of the impact of the LGC implementation
- Inappropriateness of some existing political boundaries as basis for area-based management and the organization of government services

### What can be done to enhance partnership and improve the devolution/localization process

- Develop and enforce an effective mechanism for coordination of devolved and not-devolved functions; the mechanism should include NGA support to LGUs
- Mobilize local resources to support an effective implementation of devolved functions
- Ensure that SRA projects are based on the Minimum Basic Needs (MBN) and that they are implemented in designated convergence areas
- Ensure the integration of partnership mechanisms in capability-building projects for LGUs
- Establish local government centers with relevant courses similar to the Institute for Local Government Administration (ILGAs) and strengthen the local government training programs
- Build up data-base on local governance
- Institute *barangay*-based intervention systems with participatory mechanisms and institute workshops on governance

### 3. Popular participation in local governance.

In relation to local autonomy, the LGC defines various avenues for POs, NGOs, and the private sector to participate in governance, and therefore enhance local autonomy. Among the areas where NGOs, POs, and the private sector can participate are a) membership in the local development council and local special bodies; b) sectoral representation in the *sanggunian*; c) partnership in joint ventures, cooperative undertaking, financing schemes (e.g. Build-Operate-Transfer or BOT)); and d) recipient of funds and other assistance, including preferential treatment for cooperatives (Sourcebook on Effective Partnership for Local Governance, 1996).

Despite in-road in partnership development among the LGUs, the private sector and civil society organizations, the participants feel that the partnership is still lacking and that the avenues for popular participation are not thoroughly maximized. Among the areas cited which continue to hinder the promotion of synergy for greater autonomy are:

- Many LGUs do not facilitate the accreditation of NGOs and POs
- Dynamics between NGOs/POs and the LGUs which may be attributed to a lack of understanding and appreciation of each

other's role in governance, the processes involved and skills required.

- The provision on sectoral representation, particularly for women, has not been implemented.

### What can be done to enhance popular participation in local governance

The following recommendations were taken from the various regional consultations and complemented further by the chapter on Partnership.

- Popularize successful partnership models such as the Galing Pook Awards
- Push for the implementation of the LGC provision on sectoral representation in the *sanggunian*
- Establish mechanisms to increase and enhance NGO-PO participation in local governance such as a clear accreditation process (Note that there is an existing guideline for accreditation provided by DILG, but its implementation varies from LGU to LGU).
- Enhance significant representation in the *sanggunian*, the local development council and local special bodies through capability-building programs for NGOs and POs

### B. Rationalization of the CDF/CIA Allocation and Fund Use

The Countryside Development Fund or CDF is the discretionary fund of congresspersons and senators to be used for developmental purposes in their locality (for congresspersons) or in any part of the country. The Congressional Insertion Allotment (CIA) is the discretionary fund for each legislator which supplements the budgets of NGAs in the course of its implementation.

The LGU participants to the consultation, particularly the mayors and governors, raised the issues regarding the CDF/CIA and the increase of the budget of devolved NGAs. Among the comments pointed out were the following:

- The root cause of inequality lies in the government's system of resource allocation. In 1997, the total allocation for LGUs is only fourteen percent of the national budget, broken down into three percent for provinces, three percent for cities, five percent for municipalities, and 2.8 percent for *barangays*. While this was a marked increase from the 2.5 percent prior to the LGC implementation, the share is not enough. This is further compounded by unfunded mandates from the national government. When compared to other developed countries (with forty to sixty percent allocated for local governments), the share of LGUs is still very low for them to deliver the basic services to their constituents (Governor Roberto Pagdanganan).

- Despite the devolution of the Departments of Health, Agriculture, and Social Welfare and Development, the budgets of the three continue to increase since prior to the devolution. This implies that most funds which could be used by LGUs were retained by the respective NGAs (Dr. Alex Brillantes).
- The CDF or pork barrel allocation is not primarily based on the needs of the local governments as reflected in the local development plans, but on the discretion of the legislators. This system is vulnerable to abuse and corruption among legislators. The fund may be used to further the interests of the legislators through “electioneering” and patronage. Further, this defeats the purpose of having local executives, who fund and implement programs, with the legislators themselves acting as executives.
- The CDF/CIA fund constitute a big chunk of the national budget and is bigger than the IRA allocation of LGUs. According to Gov. Pagdanganan, a senator has a CDF/CIA fund which is bigger than seventy-five percent of all the provinces combined. Again, this results in mis-alignment of budgets to the national than to the local governments.

#### What can be done to rationalize the CDF/CIA and the budget allocation

To correct the imbalance in the resource allocation, the following recommendations were forwarded:

- Conduct a study on how national resources are channeled and distributed and recommend the re-channeling and re-distribution of funds to favor flexibility and local control
- Remove the CDF and allocate the fund to the LGUs, or at least ensure that the CDF are allocated to LGUs based on the priorities spelled out in the LGU local development plan
- Study and recommend a re-allocation of IRA funds for LGUs. A suggestion was to increase the allocation of provinces, municipalities, and reduce that of cities.
- Organize a “graft watch”

#### C. Lack of a wholistic development framework

The concerns raised along this issue of lack of a wholistic development framework may be analyzed as a critique on the planning process at two levels - the national government and the local governments. The major concern relates to the lack of participation of various stakeholders in the processes. The results are a) the lack of involvement of the stakeholders in the implementation of the programs and projects; b) the lack of coordination among various government agencies and the LGUs, and c) the further lack of access of the poverty sector to development opportunities. The specific concerns raised are outlined below:

- At the national level, the vision for development is not shared by all, or there is an absence of a common vision for development. Thus, despite the presence of the national government's Medium Term Philippine Development Plan (MTPDP) and the Newly Industrialized Country (NIChood) pronouncements, the local governments, the civil society (NGOs/POs) and the private sector pursue their own respective development approaches resulting in unintegrated development programs.
- At the local level, the mechanisms for participatory planning are either not adequate or not utilized. Many participants feel that there is no genuine effort on the part of development planners to go down to the *barangay* level for training and consultation. This leads to the lack of access to resources and opportunities by the poor and marginalized groups.
- Most LGU officials are perceived to be lacking in skills related to participatory planning and management. This also highlights the absence of lack of awareness on the part of LGU officials on the importance of the sustainable integrated area development (SIAD) approach. At the same time, the NGAs are not providing enough technical assistance along this line.
- The lack of an integrated framework shows in the non-integration of various national government programs at the local levels. This holds true for the Philippine Agenda 21, the Social Reform Agenda (SRA), the Human and Ecological Security (HES), and the National Protected Areas (NPA) programs.
- There is a mismatch in terms of time between the need for a medium and long-range development plan and the term of office of the LCE (governors, mayors, *barangay* captains) and other LGU officials. Since the term of office of the LGU officials is only three years, they only plan for programs and projects implementable within their term (three years) or those which could lead to their next term. This concern has to be factored in the development of a long-range wholistic development framework.

#### What can be done to develop a wholistic and integrated development framework (national and local)

In order to ensure the an integrated development planning process of LGU's, the following suggestions were made:

- Develop an integrated master plan for effective local governance with Philippine Agenda 21 as the core. The key component processes of the masterplan are:

- A value for growth with equity. Priority shall be given for access to resources by the poor and marginalized groups; provision of livelihood and other opportunities for them
- Ensure participatory planning processes with the active participation of all stakeholders, with the LGUs developing and institutionalizing mechanisms for people participation.
- Promotion of the sustainable integrated area development framework, i.e. application of the eco-system's approach (recommended by PA 21)
- Establish and institutionalize the local development councils as the primary body for participatory planning. Ensure the capability of LGU officials and LDC members through training programs along project development, fiscal administration, MIS, land use planning, and area-based management, and agrarian reform management. The mapping of various successful initiatives and sharing them shall reinforce the skills upgrading.
- Ensure active participation of NGOs/POs and the promotion of tripartism (civil society-private sector-government). This implies the conduct of an expertise inventory, matching, and the tapping of experts and consultants for development planning and implementation.
- To ensure sustainability of plans across administrations, the participatory planning mode should be emphasized. The plan developed is not only the plan of the incumbent officials, but of the people of the area. The next national and LGU officials must respect the people's will. This also highlights the importance of a development framework that is wholistic and anchored on PA 21.

#### D. Exploitation of natural resources

Within the context of area-based management, the participants expressed concern about the exploitation of the natural resources, especially in relation to the welfare of the indigenous communities and displaced groups. While no details were provided during the workshops, the issue is understood to include the unwarranted exploitation of forest products, particularly for timber and mining products; the destruction of mangroves and the habitat for fishes and other sea life through the unabated use of illegal fishing methods like dynamite and cyanide fishing; the pollution of rivers through chemical waste from factories; the pollution of air through smog and other dirty chemicals from factories and vehicles. To the list may be included the conversion of productive agricultural land into homestead or industrial centers, and the displacement of native or indigenous peoples from their ancestral homes.

### What can be done to protect and sustain natural resources

The recommendations affirm most of the suggestions already contained in the Philippine Agenda 21 document, especially in relation to promoting the eco-system's approach. Among the recommendations were:

- Increase stiff penalties for violators of anti-logging laws.
- Conduct a resource inventory and solicit community participation in curbing illegal practices such as those applied in *Bantay Gubat* (Forest guardian) and *Bantay-Dagat* (Sea Guardian) in Puerto Princesa City
- Promote and ensure the proper practice of sustainable utilization of natural resources and competence for environmental impact assessment (EIA) through capability-building, expertise-sharing, and soliciting of the academe's participation
- Information, education, and communication (IEC) campaign for the review and amendments of pertinent laws such as the Mining Act, Presidential Decree (PD) 705, People's Small Mining Act, and the Forestry Law
- Promotion of community-based resource management

### E. Non-recognition of ancestral domain

The concern for ancestral domain was raised primarily by the indigenous peoples (IP) participants from Mindanao and the Cordillera region, the Lumads and the Igorots, respectively. They pointed out that IPs must be supported in terms of their rights to the land of their forefathers, which they claim by inheritance, for those lands were present even before the birth of land titling.

Nestor Caoili of Green Forum stressed during the Luzon consultation that the IPs classify themselves as a distinct sector from the civil society, private sector, and government. He added that they have their own system and concept of governance and ecology management.

### What can be done for ancestral domain claims

To enable IP's to effectively manage their ancestral domain, the following were recommended:

- Expedite issuances or requests for postponement of deadline for the issuance of Certificates of Ancestral Domain Claims (CADC)
- Provide support mechanisms for IPs to manage their domain effectively. This includes increased access to resources and funds, support from LGUs, and representation in the DENR and the LGU special bodies and strengthening the League of Municipalities of the Philippines (LMP) Committee on IPs.

- Lobby for the passage of the Indigenous Peoples Rights Act (IPRA). Review and improve policies affecting IPs such as those related to dams, geothermal plants which displace their communities and people, and repeal laws that are discriminatory such as the Mining Act and the Forestry Law
- Review the idea of the autonomous regions and have a consultation process both for Mindanao and the Cordillera

#### F. Erosion of indigenous socio-political systems in governance

Most IP participants also raised the issue that indigenous systems of governance are not compatible with nor recognized by the LGC. Somehow, they felt that good practices should be preserved and integrated into the local governance system. Among the examples are the forestry conservation approach of the people in Sagada, Benguet, and the Council of Elders in most IP areas.

#### What can be done to promote indigenous practices

- Anthropological research on the indigenous governance system
- Forge and promote inter-tribal dialogues, relationships and federations. Support positive conflict-resolution mechanisms which are indigenous or traditional
- Enhance the role of the LGU in peace-building and governance for IP communities.

#### G. Other issues

##### 1. Plight of repatriates and displaced communities

The Mindanao group expressed concern over communities which were displaced due either to the war between the government and the MNLF, or land conversions and demolitions. The government has the obligation to such communities.

While not discussed during the other consultations, the concern may be expanded to include similar situations in other parts of the country. Among the areas are the plight of squatters who are evicted from their homes (the issue of the repeal of the Anti-squatting law was discussed in the Visayas consultation).

#### What can be done for displaced communities

Government must ensure an effective resettlement and livelihood program for the displaced communities.

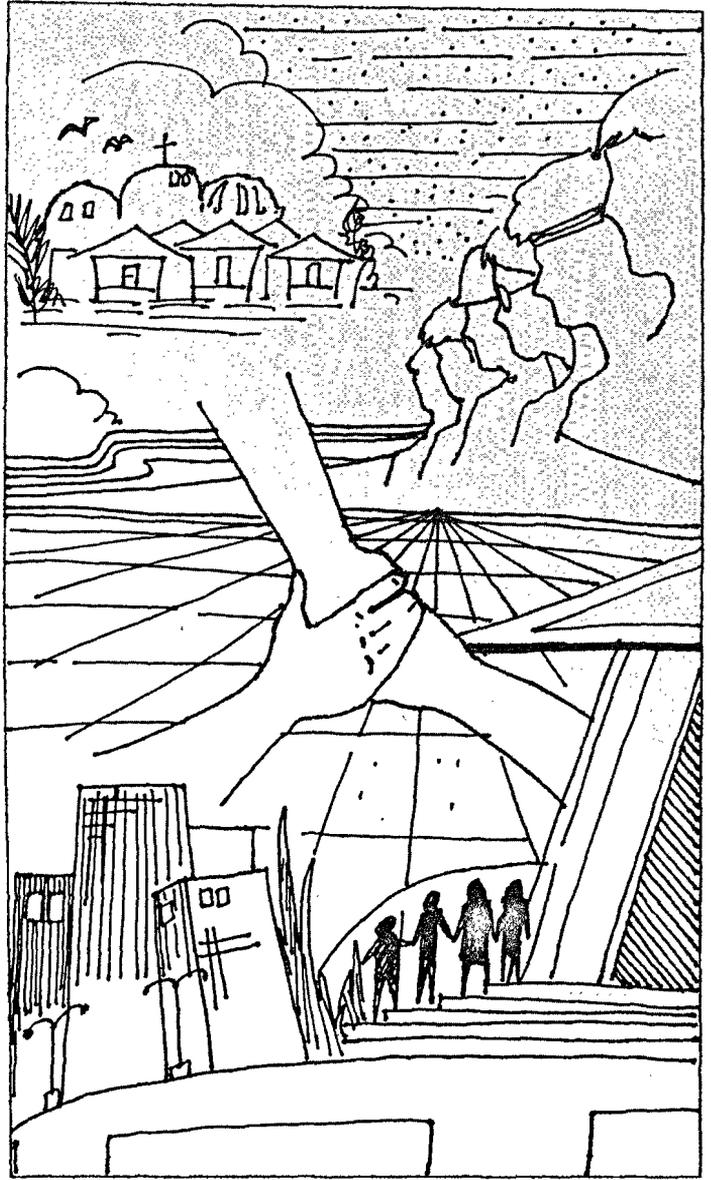
##### 2. Conversion of agricultural land by the LGU and national government

During the Visayas consultation, the DAR Region VI Assistant Regional Director Manny Liboon stated that the LGU still needs to

seek clearance for converting agricultural land. Article 38 of the Implementing Rules and Regulation (IRR) of the LGC provides that the city or municipality is authorized to reclassify land based on an approved zoning ordinance implementing the land use plan and after a series of public hearings. The agricultural land may be reclassified “when it ceases to become economically feasible and sound for agricultural purposes as determined by the Department of Agriculture” and when it has more economic value for residential, commercial, or industrial purposes as determined by the *sanggunian*.

While the issues of land conversion and land reform were not highlighted during the big group discussions, they remain major concerns of the NGOs and POs, particularly those engaged in supporting farmers’ groups.

Article 41 of the IRR states that the President may authorize a city/municipality to reclassify land in excess of the limitations set when a) public interest so requires and, b) upon recommendation of the National Economic Development Authority (NEDA), which considers the “requirement for food production, human settlements, ecological balance, and industrial expansion”. This may contradict the land use plan of the LGU or the need of farmers and other villagers for their land. During the Luzon consultation, for instance, some participants would not like the displacement of communities due to the Ambuclao Dam to be repeated in the proposed Casecan Dam. Should the central government still pursue land conversion despite the disapproval of the LGU and/or the people to be affected? Similar issues may be the subject of further discussions.



**Civil Society-Private  
Sector-Government  
Partnership**

# Civil Society- Private Sector- Government Partnership

Governance includes the state, but transcends it by taking in the private sector and civil society. All three are critical for sustaining human development. The state creates a conducive political and legal environment. The private sector generates jobs and income. And civil society facilitates political and social interaction, and mobilize groups to participate in economic, social, and political activities. Because each has weaknesses and strengths, a major objective for good governance is to promote constructive interaction among all three (UNDP Governance Policy Statement).

The partnership issues identified cut across the other areas of governance like public sector reform and local governance and area-based management. This explains why some of the concerns cited here will be reiterations of some issues mentioned in previous sections.

The following are the key issues and problems arising from the inter-relations between government, NGO/POs, and the private sector in promoting development. The basic problem that can be deduced from the issues identified is that the mistrust that existed between these sectors hinder their genuine partnership. Non-collaboration and even hostilities between these sectors can be attributed to differences in perspective and methodologies or approaches to development.

The key issues identified can be clustered according to the following themes: adversarial relations, meaningful participation, and transparency and accountability.

## A. Adversarial relations

The diverse and often times incongruous orientations of civil society organizations, government, and the private sector have led to adversarial relations between these groups. Addressing the root cause of such relations is key to promoting more meaningful partnerships.

### GO-NGO/PO relations

#### 1. Government-led NGOs.

Development oriented NGOs perceive that government-initiated NGOs or GRINGOs were set-up to serve as conduits of development funds. By the same token, fly-by-night NGO's (organized by government or by other groups) were founded merely to access funding, but would lack the long-term commitment to support a particular community since they exist only because of the funding provided.

The existence of such government-initiated NGOs affect the integrity of NGOs. Moreover, it promotes competition between them in terms of accessing assistance and resources. It likewise creates an uneven playing field since GRINGOs and fly-by-night NGOs enjoy preferential treatment from their organizers/benefactors in government.

## 2. Conflicting perspective on peace and development.

In general, NGOs opt for greater participation of the communities in resolving the issues related to peace. Since they have a natural bias for the poverty group, their method is primarily community organizing and institution-building. The government, on the other hand, is primarily infrastructure-oriented and pursues a trickle down approach, i.e. assume that greater economic activity will mean greater opportunity for the poor. These basic differences lead to various tensions and mistrust between the two. Both, however, agree that the reason for the call to arms of rebel groups and the Moro National Liberation Front (MNLF) relates to poverty and to marginalization of the basic sectors and Muslims.

The discordant views on peace and development also relate to the undefined and unclear approaches to partnership. On one hand, NGOs and POs are cautious about being co-opted by government. On the other hand, the government is wary about taking on a more activist role.

### Competition among various stakeholders

The competition or adversarial relationship is due primarily to the initial absence of a common ground for the three groups to work together as well as to the lack of initiative on their part to forge unities. This competition has, however, been slowly transformed to harmony. Although still far from the ideal, the new Constitution and the LGC do provide the policy framework for the unities to be strengthened. Likewise, models of cooperation among the three groups are developed and shared.

The competition among the three groups vary from LGU to LGU or from area to area. The specific concerns mentioned related to this issue are:

- Turfing among the three sectors
- Superiority complex and attitudes of condescension of one sector on the other two
- Non-institutionalization of linkages among the three sectors. Need to clarify and delineate roles and powers of NGOs within the local development council and other local special bodies. Lack of mechanisms to sustain tripartite initiatives or programs. Non-compliance of memoranda of agreement by each or any of the sectors
- Lack of access to information or sources of funds. Inadequate management information systems and data-base

### NGO/PO/Business sector relations

NGO/PO and business partnership initiatives for development have been few and far between. This stems from a history of mistrust, differences in orientation, and the lack of initiative from either sector to form partnerships. On the one hand, NGO's and PO's have yet to internalize an attitude of cooperation with business and other sectors in undertaking development initiatives. Program strategies to involve other sectors are also missing in the NGO's and PO's concerns and activities. On the other hand, business and other private sector entities have historically had very minimal involvement in social development endeavors. Although there are a few livelihood and socio-economic projects supported by corporate foundations, as well as business organizations advocating for a particular political cause, there are still not enough common activities between PO's and NGO's and the business sector which can assist them in establishing close-fitting and harmonious relations.

### Cooperatives and government

The issue of private sector-led cooperatives vis-a-vis government-initiated cooperatives was raised during the Luzon consultation. The private sector-led cooperatives held that the government should not initiate cooperatives. They claim that the successful cooperatives were those which were started from among the people themselves. Most government-led cooperatives faltered because they were organized based on government's carrot-stick (i.e. the loan fund) and not on the need to be organized.

What the Cooperative Development Authority (CDA) should do is to enhance the policy environment, making it conducive to the growth of genuine cooperativism. The CDA and other NGAs must, therefore, review their strategies to lessen dependence of the people on government.

### What can be done to promote partnership between NGO/PO, the private sector, and the LGUs/GO

The major recommendations to transform the adversarial relationship to one of positive partnership relate to the following which are applicable for all levels.

- Develop a common ground, i.e. a common framework for development
- In terms of policy development, come out with a system for joining or collaborative area-based projects
- In terms of capability-building, ensure mechanisms for communications and confidence-building

To address the specific issues of conflicting interests, the following were recommended:

- Level-off different and conflicting development perspectives through fora and training sessions
- Operationally define participatory concepts, roles and mechanisms in inter-relationships among NGOs, POs, the GO, and the private sector

To address the issue related to conflicting perspectives on peace and development, the following were recommended:

- Ensure greater participation of the people in the peace process
- Fast track the implementation of the agreements for the Southern Philippines Council for Peace and Development and resolve the obstacles to peace in a participatory way

To address the general issue of relationships, the following were recommended:

- Reinforce tripartite bodies such as the regional development councils, the local development councils, and other local special bodies
- Develop mechanisms to support partnerships, including the identification of a third party (e.g. the academe) which could mediate among the three sectors. Generating a bottom-up approach to consensus-building

## B. Meaningful participation

While the Constitution guarantees civil society and private sector participation and the LGC provided avenues for the two sectors to participate in local governance, the participation of the NGOs/POs are perceived to be token only or not yet significant in terms of the planning and implementation aspects of governance. Other specific concerns raised during the consultations are outlined below:

### NGO/PO participation in the LDC and LSH

- Unclear selection process for representatives in the LDC
- Reluctance of some NGOs to work with government
- Lack of capability of NGOs and LGU officials in local public administration processes, inhibiting effective participation

### NGO/PO participation in national programs

Duplication or lack of congruence between the programs of government and of NGOs. This is primarily due to a lack of understanding and appreciation of each other's programs and processes.

Conflicting interests which causes NGOs to advocate against the implementation of government programs. Examples cited are the Mining Act which is anti-environment, anti-IP, and against the program for agrarian reform; and, the Anti-Squatting Law which treats squatters or the urban poor sector as criminals.

### Inter-NGO/PO relationships

This relates to the internal dynamics among NGOs and between NGOs and POs which inhibit or weaken their position in terms of engaging in meaningful partnership with government and participation in governance:

- Issues on sustainability of NGO's and PO's due, for instance, to the lack of funds and management-related problems
- Failure to forge or sustain alliances and federations due to conflicting interests, internal politics, and lack of transparency and/or unclear concepts of what constitutes and NGO. This implies non-sustainability of NGO/PO advocacy work or engagement with the government counterpart.

### What can be done to promote active participation

The following general recommendations were highlighted during the integration meeting:

- In terms of a framework for development, clarify the terms of reference (TOR) for participation in governance between the two parties, e.g. bottom-up approach, participatory decision-making, etc.
- Establish a culture of peace
- Utilize formal and informal structures of policy development, as well as innovative policy development processes such as a wholistic BOT and privatization of social services function of government and the piloting of innovative projects (not limited by COA rules)
- Enhance the capacity for public policy mediation and conflict resolution and mobilize third party intervention for policy mediation

Specific recommendations from the regional consultations for strengthening the participation of NGOs/POs in governance include the following:

- Establishing mechanisms for information exchange between NGOs/POs and government, e.g. alternative media, regular fora, a directory of NGOs and POs
- Existing national alliances of LGUs (League of Leagues), PO federations, and NGO coalitions be supported at the local

levels. This strengthens the position for decentralization and mutual cooperation on an area basis

- Introduce safety nets or measures to sustain joint programs of LGUs and NGOs

Specific recommendations from the regional consultations for strengthening the NGO/PO community:

- Implement the Code of Ethics and self-regulatory mechanisms among NGOs. Prevent the proliferation of fly-by-night NGOs. Continue advocacy work with LGUs
- Expand and strengthen alliances among NGOs and POs and the federation of the basic sectors
- Enable NGOs to be entrepreneurs

The issue on transparency and accountability was also raised under the chapter on Public Sector Reform. The recommendations in this chapter are centered on how the issues hinder the partnerships, with the corresponding recommendations to enhance synergy and foster such partnerships.

### C. Transparency and accountability

The lack of transparency and accountability of government, as well as civil society organizations and private sector organizations, has also hampered partnership efforts within these groups. In order to build confidence and trust between and among the three sectors, each one has to work on exercising accountability and transparency to its constituents.

A specific concern raised relates to the fiscal and operational policy of the government, including the audit system, which hinders effective participation of NGOs/POs in governance. Particularly, the rules are not clear with reference to the participation of NGOs and POs in the local development councils, the other local special bodies, the partnerships and joint undertakings with government.

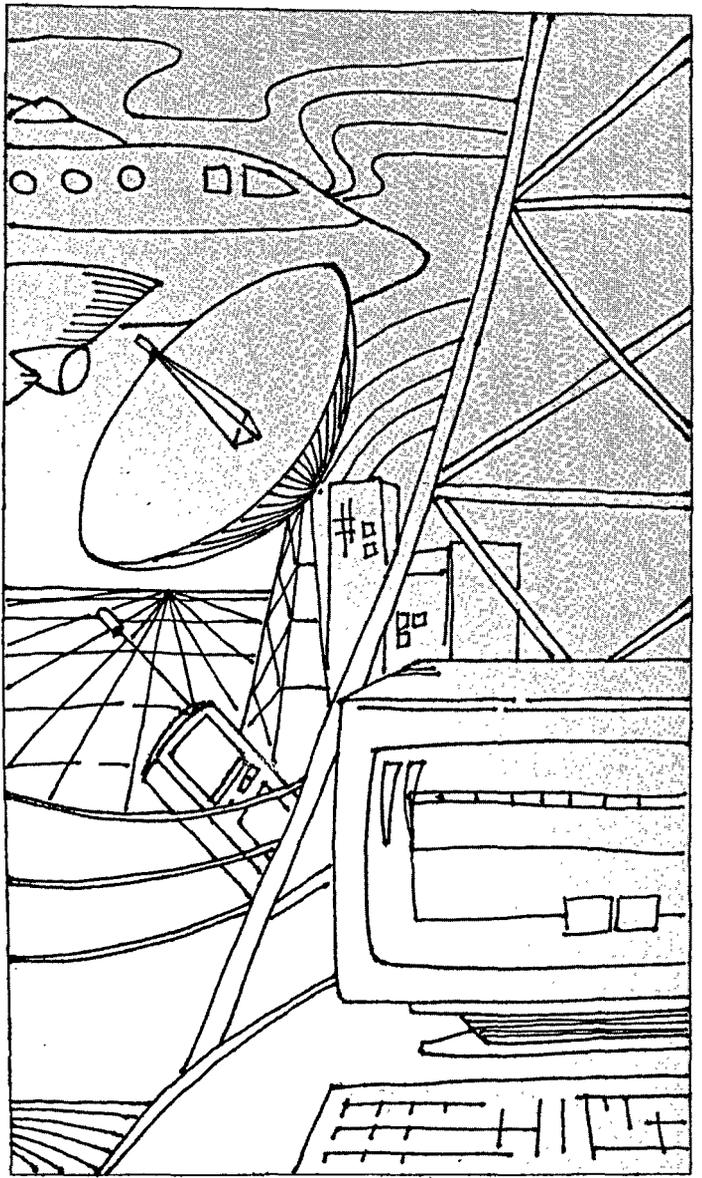
The lack of participation of NGOs/POs in the planning and budgeting process of the LGUs also inhibits transparency and possible tension among the two sectors.

NGOs and POs also need to exercise transparency, particularly since fly-by-night NGOs may damage the integrity of the legitimate NGOs. This same applies to the private sector who is also as guilty as its government counterpart, particularly in matters relating to the ten percent commission for government contracts and in relation to under-the-table arrangements internal to corporations.

What can be done to enhance transparency and accountability among the partners

The following were general recommendations presented during the consultations and the integration meeting:

- Review and improve the COA rules and regulations to permit more flexibility for NGOs/POs and the private sector to participate in governance
- Self-regulation among the ranks of NGOs/POs and the private sector. This involves mechanisms for check and balance among the coalitions and the associations of the private sector, such as the Chamber of Commerce. This may complement and eventually take precedent over the accreditation rules of the LGU which really limit the flexibility of the LGUs and the NGOs/POs as well as inhibit the acquisition of services of the private sector groups
- Promotion of transparency and accountability among the three sectors. The sense of civicness must also be promoted to ensure that public interest is paramount over self-interest. Within the ranks of the NGOs/POs, this would refer to strict compliance to the Code of Ethics. This also requires an incentive schemes for accountability.
- Promotion of participatory mechanisms in planning, budgeting, and implementation aspects of governance. The participatory process leads to joint accountability and greater transparency among the sectors.
- Improve the communication and information system
- Computerization of government operations
- Professionalize the management of NGOs



Technology

# Technology

The Programme Framework for Governance of UNDP identifies national system of innovation as one of its programme component. This refers to the promotion of technology that is appropriate to sustainable human development goals within the context of globalization (UNDP Governance Framework). Technology relates to advances made in science for the efficient and effective means of utilizing resources and skills, and promoting more effective ways of doing things. Some examples of these include appropriate technology, scientific innovations, and new approaches in management.

The issue of technology was discussed extensively in the Luzon and Visayas consultations as the fourth area of governance. The discussions centered on the question of how to strengthen relevant competencies and adapt environmentally sound technology to enhance development. The Mindanao and NCR consultations did not touch on technology in their workshop discussions. Moreover, at the national integration meeting, the issue of technology was tabled for discussion with the workshop group on local governance and area-based management. However, due to time constraints, the said workshop group was unable to identify priority areas and mechanisms for further collaboration in the area of technology.

In order to preserve the integrity of the workshop results, it was decided that the discussion on technology at the Luzon and Visayas consultations be included in this paper. The following are the key issues and program ideas surfaced by participants in terms of technology.

## 1. Inadequate resources for technological development

Most government as well as non-government entities were perceived to be constantly lacking and lagging in an effective and efficient communication system; while the private sector has arguably made more advances in this area. Technological knowledge as well as skills were found to be inadequate. Another common problem which contributes to a dearth in resources for technological development is the limited access to information technology. Although there has been an increase in information service providers, information technology has yet to reach the broader segment of the population, particularly the basic sectors.

## 2. Gradual eradication of indigenous and local knowledge and culture

Local and indigenous forms of technology are slowly being wiped out with the introduction of more modern and up-to-date technology, some of which have proven to be harmful to the environment. Along with this, there has been a want of alternatives to agricultural technology considered to be inconsistent with the values and principles of sustainable development.

### 3. Resistance to adapt to changes brought about by new technology

The opposite side of the concern raised previously is the oftentimes unreasonable resistance to change resulting from the adoption of new technology. New technology has often been associated with the erosion of traditional values and cultures. There is a need for maintaining some openness to change while also remaining moderately critical of new forms of technology.

### 4. Low priority on research and development related to appropriate technologies

Research and development on appropriate technology have sometimes ranked low in the list of priority concerns of government, the private sector, and POs/NGOs, resulting in a lack of new theories and practices on appropriate technology. It is necessary, therefore, to prioritize research and development on appropriate technology in order to keep in step with the latest innovations in this area.

### 5. Conflicting policies on technology transfer

Another concern brought up was the conflicting policies about technology transfer. There was a common perception that first world technology is being imposed on developing countries like the Philippines without due consideration for the local culture and values, and the capability of local entities to adopt this new technology. While it is recognized that new and modern technology can contribute to development, there must also be clear laws and policy directions to enable local groups to utilize such technology more appropriately and effectively.

### 6. Lack of comprehensive technology planning

A lack of comprehensive technology planning was also identified as an impediment to technology development. There is a need for governance stakeholders to engage in comprehensive technology planning that is congruent with sustainable human development goals.

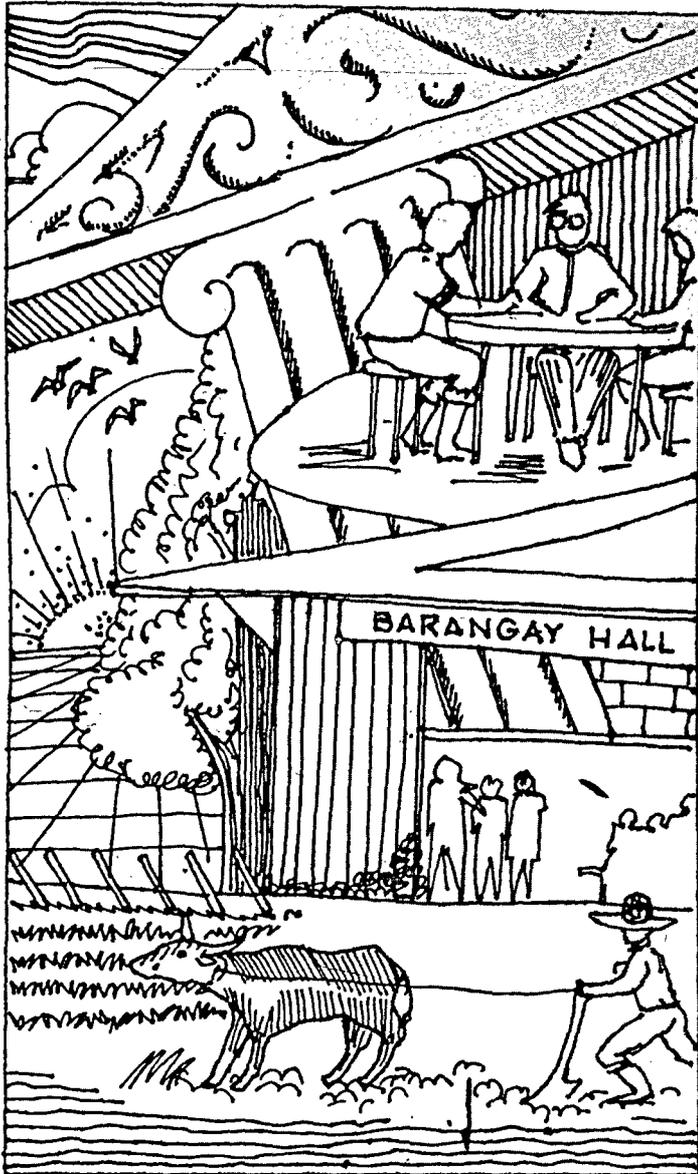
### What can be done to promote sound technology

Participants to the workshops identified initiatives they themselves have undertaken thus far in the area of technology. These include promoting community-based technology such as MASIPAG, the Integrated Pest Management (IPM), fry production, and bio-fertilizers; undertaking scientific researches by the academe and line agencies; provision of scholarships and awards for technology development; modelling and piloting of entrepreneurs; and setting up the National Livelihood Support Fund.

Aside from these existing initiatives, the participants identified other steps to be taken. These are:

- Promote sustainable agriculture through the following measures:
  - Promoting appropriate technology
  - Redefining the concept of conservation and bio-diversity to include conservation of cultures, local knowledge, and domestic animals
  - Promoting MASIPAG technology through research and advocacy
  - Promoting Integrated Pest Management by creating an alternative training center for appropriate and indigenous agricultural technology
  - Establish checks and balances for technology transfer
  - Promoting organic varieties of agricultural products
  - Increasing productivity, ensuring food security, and protecting the environment
  
- Conduct research and development for sustainable agriculture. In addition, popularize and produce manuals of scientific researches particularly on sustainable agriculture. Technology can be enhanced by popularizing it through the use of multi-media.
  
- Conduct a comprehensive technology plan for each region with the participation and consultation of all stakeholders. The necessary funding for the implementation of such planning must also be raised and provided. This should also be supported by policy reforms and review at the local and national level.





# Mechanisms for Further Collaboration

## A. Building on existing initiatives

Participants of the consultation strongly recommended on building on the existing mechanisms than creating new ones. Using the existing networks, the agenda of the UNDP consultations, or the issues common to all existing organizations, NGO's, PO's, etc., may be incorporated into lobbying points and advocacy of concerned organizations.

Although participants of the Visayas consultation would try to pursue and follow-up the consultations of UNDP, they perceive that there are limitations to a Visayas-wide network. A major setback to this is that they have no experience in inter-island networking considering that the Visayas is composed of several islands. At this point, it was suggested that UNDP coordinate with VISNET.

- Mapping of initiatives. Various PO's, NGO's, and even donor agencies have been undertaking governance initiatives. While these groups recognize that there needs to be some convergence and inter-facing of their activities, it is also important to map out their initiatives and identify their areas of operation. In so doing, these groups can avoid duplication of efforts and can work towards complementing and synergizing their efforts. Monitoring and regular assessments of current initiatives must be undertaken.
- Capacity-building. Capability-building should also be undertaken to be able to carry out the program ideas.
- Information exchange. Government, PO's and NGO's, and business groups must also commit to sharing information that would help promote stronger partnerships and linkages.
- Issue advocacy. There should be a commitment to push the program ideas and agenda as part of the mechanism.
- Centralization of information. There should be a centralized flow of information on the various initiatives within the country. Before embarking on specific projects, interested parties may obtain information of existing initiatives from this "Center" or "Standing Body". This would avoid duplication of services or initiatives. Currently, the only source of information on current initiatives are conferences. There is no "Standing Body" to collect information on various initiatives.

To summarize, the Center for Information and Communications will be a channel for all existing mechanisms. This also involves monitoring and assessment of each other's work by coming together to discuss and evaluate the initiatives in the respective regions.

### B. Global exchange through MAGNET

Participants of the consultation reiterated the virtues of undertaking global exchanges with international groups pursuing governance activities. Information-sharing of best practices in governance across countries and continents can enable local groups to learn from experiences and insights of similar groups from other countries. By the same token, groups implementing governance initiatives in the Philippines may contribute their own lessons and strengths to the efforts of other groups committed to promoting sound governance from other nations. The Philippines has often been cited as being more advanced than other countries in terms of decentralization; therefore, through a global network like MAGNET, it can disseminate its experiences world-wide.

### C. Citizens' Watch

In order to safeguard against graft and corruption in government, PO's and NGO's, and business organizations, the formation of a Citizens' Watch was suggested. A Citizens' Watch shall be tasked to monitor violations and transgressions against commitments to accountability and transparency.

In addition to monitoring graft and corruption, the Citizens' Watch shall also ensure that local government officials are discharging their roles and functions according to the set of performance indicators agreed upon. The Citizens' Watch shall execute a performance audit as a way of holding local officials accountable to their constituents.

### D. Data-based to facilitate the flow of information

- Media was identified as one of the neglected areas in the discussion on governance. The area to be explored for media participation is the sharing to the public information gathered from the database on governance.
  - Information exchange and dissemination
  - Inter-facing of initiatives
- *Note for further discussion:* The issue of who or what body will maintain the data-base on issues of Governance to facilitate information exchange.

## Conclusion

The issues brought forth in the regional workshops and in the integration meeting can be summarized into three major concerns.

In terms of public sector reform, the items raised concern the need for public management, public order and administration, local autonomy and governance, and public accountability. These issues reflect a general reaction to a centralized form of government. The LGC of 1992 provided for the autonomy of LGUs and the devolution of powers of some central agencies. After five years of the Code's implementation, not all LGUs can be considered fully autonomous and central government continues to enjoy hegemony over most governance concerns. Although the functions of three NGAs have been fully devolved, funds to enable LGUs to carry out these functions are still sorely lacking. In this view, there has been a resounding clamor to work expediently for decentralization and the strengthening of LGUs.

Another related concern has to do with LGUs' capability. The six key issues identified in the area of local governance and area-based management are the need for genuine local autonomy, the rationalization of the CDF/CIA allocation and fund use, the lack of a wholistic development framework, the exploitation of natural resources, the non-recognition of ancestral domain, and the erosion of indigenous socio-political systems in governance. Problems with decentralization stem from LGUs' want of capability in undertaking their functions. To address this issue, participants of the consultations strongly urged for the building of LGUs' capability to make them more equipped to carry out decentralization and efficiently and effectively undertake their functions. Similarly, NGAs need to be re-oriented in such a way that their efforts support and complement LGU initiatives in the decentralization process.

Finally, in terms of tripartite partnership between governance stakeholders, the issues raised were the existence of adversarial relations, the need for meaningful participation, and the need for transparency and accountability of all stakeholders. Therefore, genuine partnership and synergy of efforts need to be established between and among government, civil society organizations, and the private sector. Recognizing that there are levels in the progression of relationships between stakeholders, partnership should be expected to move gradually from an informal stage to a stage where more strategic relations can be established. Invoking more recent thinking on governance as streaming into social and economic fields and involving not only government but civil society and the private sector as well, forging partnership and cooperation are essential to achieving the goals and recommendations set forth.

To address the key governance issues arising from the regional workshops, some mechanisms for further collaboration were suggested. One major recommendation was to build on existing governance initiatives. There are myriad success stories and best practices on governance being undertaken all over the country which can be replicated in areas where such efforts have yet to be done.

Various lessons and insights on governance have also been drawn from these experiences. Building on these initiatives rather than inventing new ones would be essential in preserving and furthering the gains achieved from these efforts, and in addressing the governance issues raised from the workshops. The other mechanism recommendations are to engage in a global exchange through a world-wide network, organizing a citizens' watch, and building a data-base to facilitate information exchange. □

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## Appendices

- A. Results of the Integration Meeting
- B. Acronyms and abbreviations
- C. Program flow
- D. Global Context on Governance ( A Paper by Kenneth Ellison
- E. Concluding remarks by Robertson Work
- F. UNDP Strategy Paper on Governance
- G. Highlights of the regional consultations
- H. List of participants
- I. Trigger papers
- J. List of convenors

## Results of the UNDP National Consultation on Governance for Sustainable Human Development

As a culmination to the consultation process, a national integration meeting was held last May 1997 to consolidate and validate the results of the regional workshops. The meeting was attended by government representatives, both from National Government Agencies (NGAs) and Local Government Units (LGUs), members of Peoples Organizations (POs) and Non-governmental Organizations (NGOs), and representatives from the donor community.

In her opening remarks, UNDP Resident Representative Sally Timpson articulated UNDP's rationale for conducting consultations on governance and the expectations from the integration meeting. The consultation was further contextualized by Kenneth Ellison, of the Associates in Rural Development (ARD) GOLD project, who provided a Global Context on Governance, and Ernie Bautista of the UNDP, who expounded on UNDP's Governance Strategy. This was followed by a presentation by Corazon Juliano-Soliman of CO-TRAIN of the synthesized regional workshop results. An open forum followed the presentation where participants were invited to comment and react to the synthesis.

Smaller workshop discussions were held during the second part of the meeting. Participants were grouped according to the three areas of governance, namely public sector reform, local governance and area-based management including technology, and partnership. Each workshop group was provided with the following guide questions:

1. What are the key issues in this area of concern?
2. What are the program ideas that you would like to recommend to the donor community in general, and UNDP in particular? What can UNDP do?
3. What are the mechanisms for further collaboration on the issues/strategies/program ideas identified, keeping in mind the existing initiative we can build on?

Results of the workshop discussions were reported during the plenary session. The boxes below summarize the results of the small group discussions. The reporting of workshop results was followed by a consensus-building session on the issues, strategies, program ideas, and mechanisms for further collaboration.

The integration meeting was culminated with closing remarks from Jesusa of Guadalupe Viejo, who gave her own reflections about governance from a local perspective, and Robertson Work of the UNDP Headquarters, who shared his insights about governance coming from a global point of view.

Table 1. Key issues and program ideas for Public Sector Reform

Issues / Themes	Program Ideas
<p><b>1. Public Management</b></p> <p>a. Lack of capability of national government agencies to respond to the local setting. Limited absorptive capacity of local government units (LGU's).</p> <p>b. Weak mechanism for good governance</p>	<ul style="list-style-type: none"> <li>• Capability-building for local resource institutions (e.g. Institute of Local Government Administration or ILGA's)</li> <li>• Reform of NGA's — i.e. Re-orienting the functions of NGA's in support of decentralization</li> <li>• Re-orienting training programs of NGA's to support decentralization</li> <li>• Pilot innovation to alter power relationships between NGA's — e.g. NGA's selling their services to LGU's to generate budget/resources</li> </ul>
<p><b>2. Public Order and Administration of Justice</b></p> <p>a. Poor access and delivery of justice b. Poor law enforcement c. Poor gender sensitivity of law enforcement</p>	<ul style="list-style-type: none"> <li>• Strengthening community justice system through para-legal training</li> </ul>
<p><b>3. Local Autonomy and Governance</b></p> <p>a. Lack of real local autonomy b. Conflicting policies and programs</p>	<ul style="list-style-type: none"> <li>• Capability-building for local electoral officials</li> </ul>
<p><b>4. Public Accountability</b></p> <p>a. Graft and corruption b. Lack of transparency c. Unclear performance indicators</p>	<ul style="list-style-type: none"> <li>• Support citizens' watch activities -enhance the role of media, CSO's, and the academe</li> </ul>

Table 2. Key issues and program ideas for Local Governance and Area-based Management

Key Issues	Program Ideas	Mechanisms
<p>1. Need for genuine local autonomy</p> <p>a. Fiscal autonomy</p> <p>b. Partnership</p> <p>c. Popular participation</p>	<ul style="list-style-type: none"> <li>• Revision of the Local Government Code</li> <li>• Strengthen the League of Leagues</li> <li>• Direct assistance to LGU's capability-building programs</li> <li>• Systems and procedures development management (planning, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Support and expand inter-link between and among NGO's, LGU's, and the private sector</li> <li>• Formation of League of Leagues</li> <li>• Convergence and inter facing of local governance initiatives among the donor community convened by UNDP</li> </ul>
<p>2. Rationalization of Countryside Development Fund (CDF)/CIA use and allocation</p>	<ul style="list-style-type: none"> <li>• Review and monitor CDF/ CIA use</li> </ul>	<ul style="list-style-type: none"> <li>• Organize "Graft Watch"</li> </ul>
<p>3. Lack of a wholistic development framework</p>	<ul style="list-style-type: none"> <li>• Local integration of Philippine Agenda 21 (PA 21), SDA, Minimum Basic Needs (MBN), Human Ecological Security (HES), NAPS communities</li> </ul>	<ul style="list-style-type: none"> <li>• Capability-building of LGU's/LDC's in development planning and management</li> </ul>
	<ul style="list-style-type: none"> <li>• Sustainable Integrated Area Development (SIAD)</li> </ul>	<ul style="list-style-type: none"> <li>• Support and expand tripartism (civil-society private sector management)</li> </ul>
	<ul style="list-style-type: none"> <li>• Technical assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Mapping of various initiatives</li> <li>• Expertise inventory and matching</li> </ul>
<p>4. Exploitation of natural resources</p>	<ul style="list-style-type: none"> <li>• Review and amend laws affecting land and resources of IP's <ul style="list-style-type: none"> <li>- Mining Act</li> <li>- PD 705</li> <li>- People's Small Mining Act</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• IEC for the review and amendment of pertinent laws</li> </ul>
	<ul style="list-style-type: none"> <li>• Community-based resource management</li> <li>• Build-up of community competence in EIA</li> </ul>	<ul style="list-style-type: none"> <li>• Capability-building</li> <li>• Expertise-sharing</li> <li>• Enhancing of the participation of the academe</li> </ul>

Key Issues	Program Ideas	Mechanisms
<p>5. Non-recognition of ancestral domain</p>	<ul style="list-style-type: none"> <li>• Passage of IPRA</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen and expand support passage of IPRA</li> <li>• Encourage LGU's covering IP area to develop constituency among themselves</li> <li>• Expand support to League of Municipalities and Provinces (LMP) and committee on (Indigenous People) IP's</li> </ul>
	<ul style="list-style-type: none"> <li>• Review CADC/CALC</li> </ul>	<ul style="list-style-type: none"> <li>• Representation w/ DENR and LGU's</li> </ul>
<p>6. Erosion of Indigenous socio-political systems in governance</p>	<ul style="list-style-type: none"> <li>• Anthropological research on Indigenous Governance System</li> </ul>	<ul style="list-style-type: none"> <li>• Tap academe, PO's/NGO's, tribal communities</li> </ul>
	<ul style="list-style-type: none"> <li>• Inter-tribal relations/ dialogues</li> </ul>	<ul style="list-style-type: none"> <li>• Support conflict resolution mechanisms</li> <li>• Enhance the role of LGU's on peace-building and governance on IP area</li> <li>• Support the Inter-tribal Federation</li> </ul>

Table 3. Key issues and program ideas for Tripartite Partnership

Issues/Program Areas	Framework Development	Policy Development	Capability-building
1. Adversarial relations	<ul style="list-style-type: none"> <li>• Developing common ground</li> </ul>	<ul style="list-style-type: none"> <li>• Joint, area-based projects</li> </ul>	<ul style="list-style-type: none"> <li>• Communication</li> <li>• Confidence building</li> </ul>
2. Meaningful participation	<ul style="list-style-type: none"> <li>• Clarify TOR for participation (bottom-up, approach, participatory decision making, etc.)</li> <li>• Establish culture of peace</li> </ul>	<ul style="list-style-type: none"> <li>• Utilizing formal and informal structures for policy development</li> <li>• Innovative policy development processes (wholistic BOT/ privatization)</li> <li>• Pilot innovative projects (not limited by COA rules)</li> </ul>	<ul style="list-style-type: none"> <li>• Public policy mediation/ conflict resolution</li> <li>• Mobilizing third party intervention in policy mediation</li> </ul>
3. Transparency and Accountability	<ul style="list-style-type: none"> <li>• Promoting self-regulation rather than accreditation</li> <li>• Promoting transparency and accountability in all sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Providing incentives for accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Improving communication/ information systems</li> <li>• Professionalizing management of NGOs</li> <li>• Computerization of government operations</li> </ul>

## Appendix B: Acronyms and Abbreviations

ACSPPA	-	Ateneo Center for Social Policy and Public Affairs
ADB	-	Asian Development Bank
AF	-	Association of Foundations
AFTA	-	Asia Free Trade Zone
IDS	-	Anti-immunity Deficiency Syndrome
ANGOC	-	Asian NGO Coalition
ANIAD	-	Antique Integrated Area Development
APEC	-	Asia-Pacific Economic Conference
APS	-	Anti-Poverty Summit
ARC	-	Agrarian Reform Communities
ARD	-	Associates in Rural Development
ARMM	-	Autonomous Region of Muslim Mindanao
ASEAN	-	Association of Southeast Asian Nations
AusAID	-	Australian Agency for International Development
ARSP	-	Belgian Agrarian Reform Support Project
BBC	-	Bishop-Businessmen's Conference
BIMP-EAGA	-	Brunei-Indonesia-Malaysia-Philippines East Asia Growth Area
BJMP	-	Bureau of Jail Management and Penology
BOI	-	Board of Investments
BOT	-	Build Operate Transfer
BSP	-	Bangko Sentral ng Pilipinas (Central Bank of the Philippines)
CADC	-	Certificate of Ancestral Domain Claims
CARL	-	Comprehensive Agraria Reform Law
CARP	-	Comprehensive Agrarian Reform Program
CCA	-	Canadian Cooperative Alliance
CCAGG	-	Concerned Citizens of Abra for Good Governance
CDA	-	Cooperative Development Authority
CDF	-	Countryside Development Fund
CECAP	-	Central Cordillera Agricultural Program
CHR	-	Commission on Human Rights
CIA	-	Congressional Insertion Allotments
CIDA	-	Canadian International Development Agency
COA	-	Commission on Audit
COMELEC	-	Commission on Elections
CODE-NGO	-	Caucus of Development NGO Networks
CO-TRAIN	-	Community Organization Training and Research Advocacy Institute
CP	-	Country Program
CPP	-	Communist Party of the Philippines
CSO	-	Civil Society Organization
CTP	-	Comprehensive Technology Plan
DA	-	Department of Agriculture
DAR	-	Department of Agrarian Reform
DBM	-	Department of Budget and Management
DECS	-	Department of Education, Culture, and Sports
DENR	-	Department of Environment and Natural Resources
DILG	-	Department of Interior and Local Government
DOE	-	Department of Energy
DOF	-	Department of Finance
DOJ	-	Department of Justice
DOST	-	Department of Science and Technology

DOT	-	Department of Tourism
DOTC	-	Department of Transportation and Communication
DPWH	-	Department of Public Works and Highways
DSWD	-	Department of Social Welfare and Development
DTI	-	Department of Trade and Industry
EDC	-	Export Development Council
EDSA	-	Epifano de los Santos Avenue
EEC	-	European Economic Community
EIA	-	Environmental Impact Assessment
ENRC	-	Environment and Natural Resources Council
EU	-	European Union
FES	-	Friedrich Ebert Stiftung
FNS	-	Friedrich Naumann Stiftung
GATT	-	General Agreements on Tariffs and Trade
GDP	-	Gross Domestic Product
GEM	-	Governance and Equity in Mindanao
GHES	-	Gathering for Human Ecological Security
GNP	-	Gross National Product
GO	-	Government organization
GOCC	-	Government-owned and Controlled Corporation
GOLD	-	Governance in Local Democracy Program
GRINGO	-	Government-initiated Non-governmental Organization
GRIPO	-	Government-initiated People's Organization
GRP	-	Government of the Republic of the Philippines
GTZ	-	German Development Cooperation
HIV	-	Human Immuno-deficiency Virus
HLURB	-	Housing and Land Use Regulatory Board
HRD	-	Human Resource Development
IALDM	-	Integrated Approach to Local Development Management
IEC	-	Information, Education, and Communication
LGA	-	Institute for Local Government Administration
ILDA	-	Institute on Local Development Academy
ILO	-	International Labor Organization
ILPARRD	-	Iloilo Partnership for Agrarian Reform and Rural Development
IP	-	Indigenous People
IPM	-	Integrated Pest Management
IPRA	-	Indigenous Peoples Rights Act
IRA	-	Internal Revenue Allotment
IRAP	-	Integrated Rural Accessibility Planning
IRR	-	Implementing Rules and Regulations
KAISAHAN	-	Kaisahang Tungo sa Kaunlarang sa Kanayunan at Repormang Panakahan
LC	-	League of Cities
LDAP	-	Local Development Assistance Program
LDC	-	Local Development Council
LEAP-LGU	-	Local Enterprise Advancement Program for Local Government Units
LEDAC	-	Legislative-Executive Department Advisory Council
LGC	-	Local Government Code
LGSP	-	Local Government Support Project
LGU	-	Local Government Unit

LLDA	-	Laguna Lake Development Authority
LMP	-	League of Municipalities and Provinces
LOGODEV	-	Local Government Development Foundation
LSB	-	Local Special Bodies
LTFRB	-	Land Transportation Franchise Regulatory Board
LTO	-	Land Transportation Office
MAGNET	-	Management Development and Governance Network
MBC	-	Makati Business Club
MBN	-	Minimum Basic Needs
MDC	-	Municipal Development Council
MILF	-	Moro Islamic Liberation Front
MIS	-	Management Information System
MMDA	-	Metro Manila Development Authority
MNLF	-	Moro National Liberation Front
MOA	-	Memorandum of Agreement
MRP	-	Moral Recovery Program
MTDP	-	Medium Term Development Plan
MTPDP	-	Medium Term Philippine Development Plan
MTPIII	-	Municipal Training Program
NALGU	-	National Association of Local Government Units
NAMFREL	-	National Movement for Free Elections
NAPOLCOM	-	National Police Commission
NASUD	-	Negros Occidental Alliance for Sustainable Development
NCR	-	National Capital Region
NDF	-	National Democratic Front
NEDA	-	National Economic Development Authority
NEGORNET	-	Negros Oriental Network of NGOs
NGA	-	National Government Agency
NGO	-	Non-governmental Organization
NIA	-	National Irrigation Authority
NIC	-	Newly-industrialized Country
NPA	-	New People's Army
NUC	-	National Unification Commission
OCW	-	Overseas Contract Worker
ODA	-	Official Development Assistance
PA 21	-	Philippine Agenda 21
PAGCOR	-	Philippine Games and Amusement Corporation
PAO	-	Provincial Action Officers
PBSP	-	Philippine Business for Social Progress
PCCD	-	Philippine Commission for Countryside Development
PCHD	-	Partnership on Community Health and Development
PCHRD	-	Philippine-Canada Human Resource Development Program
PCSD	-	Philippine Council for Sustainable Development
PCSO	-	Philippine Charity Sweepstakes Office
PD	-	Presidential Decree
PDC	-	Provincial Development Council
PFTAF	-	Policy Forum and Technical Assistance Facility
PGC	-	Philippine Gamefowl Commission
PIA	-	Philippine Information Agency
PLEB	-	People's Law Enforcement Board
PNAC	-	Philippine National AIDS Council

PNP	-	Philippine National Police
PO	-	People's Organization
POPCOM	-	Population Commission
PPA	-	Philippine Ports Authority
PPDO	-	Provincial Planning and Development Office
PRISP	-	Philippine Rural Institutional Strengthening Program
PRMDP	-	Philippine Regional Municipal Development Project
PVO	-	Private Voluntary Organization
RA	-	Republic Act
RAM	-	Reform the Armed Forces Movement
RDC	-	Regional Development Council
RFA	-	Rapid Field Appraisal
SEED	-	Small Economic Enterprise Development, Inc.
SK	-	Sangguniang Kabataan (Youth Council)
SMILES	-	Small Island Agricultural Support Programme
SHD	-	Sustainable Human Development
SIAD	-	Sustainable Integrated Area Development
SPCPD	-	Southern Philippines Council for Peace and Development
SRA	-	Social Reform Agenda
SRC	-	Social Reform Council
STD	-	Sexually-transmitted Disease
TAPP	-	Technical Assistance to Physical Planning Project
TELOF	-	Telecommunications Office
TESDA	-	Technical Education and Skills Development Authority
TLRC	-	Technology Livelihood Resource Center
TOR	-	Terms of Reference
TWG-LGC	-	Technical Working Group for the Local Government Code Review
UN	-	United Nations
UNDP	-	United Nations Development Programme
UNICEF	-	United Nations Children Fund
USAID	-	United States Agency for International Development
VAW	-	Violence Against Women
VMGO	-	Vision, Mission, Goals, and Objectives
VOW	-	Values Orientation Workshops
WATSAN	-	Water Supply and Sanitation
WCR	-	World Competitive Report
WTO	-	World Trade Organization
ZOPAD	-	Zone of Peace and Development

# Program For The Workshop Consultation On Governance And The UNDP Strategy Paper On Governance

## *Day 1*

8:00 - 8:30	Registration
8:30 - 9:00	Opening Session <ul style="list-style-type: none"><li>•Introduction of participants</li><li>•Background information re the workshop</li><li>•Objectives setting</li></ul>
9:00 - 9:30	Reading of the papers or presentation of the summary
9:30 - 10:30	Workshop 1: Scanning the island region of existing initiatives on governance
10:30 - 10:45	Break
10:45 - 12:00	Plenary - Drawing the map of initiatives on governance in the island region
12:00 - 1:30	Lunch break
1:30 - 3:30	Simultaneous Workshops 2 a,b, & c <ul style="list-style-type: none"><li>a) Public Sector Reform</li><li>b) Local Governance and Area-Based Management</li><li>c) Government, Civil Society, Private Sector Partnership</li></ul>
3:30 - 3:45	Break
3:45 - 6:00	Plenary Free evening

## *Day 2*

9:00 - 12:00	Recap and synthesis of previous day (Pinpointing emergent issues) Presentation of convergences and common issues Open forum - Discussion Workshop 3 - Strategies in governance
12:00 - 1:30	Break
1:30 - 4:00	Plenary reporting Big group discussion Synthesis and evaluation Closing ritual

## Workshop 1 - Simultaneous workshops on

- A. Public Sector Reform
- B. Local Governance and Area-based Management
- C. Government-Civil Society-Private Sector Partnership

### Workshop Outline

1. Define governance based on your understanding and experience. Articulate the elements and principles in your definition.
2. Based on your definition, what are the strategic or key issues in this area of conception of governance?
  - a) public sector reform, b) local governance and area-based management, c) government-civil society-private sector partnership.
3. What, if any, are the strategic responses being developed? What are the gaps in responses (Example: Issue - poverty; Government response - Social Reform Agenda; Gap - implementation)?
4. What are the recommendations/suggestions to address the gaps identified? Be as concrete as possible.

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# Emerging Styles of Governance: A Global Context<sup>1</sup>

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by  
Kenneth H. Ellison, Ph.D.<sup>2</sup>

## Introduction

I have been asked by the United Nations Development Program to provide a few comments on the topic of "Global Governance" in order to set our conference in the context of the wider perspective of global change.

I must say at the outset that I would much prefer to be doing the opposite; that is, I would prefer to be in some "global" conference somewhere providing an unsuspecting audience with the vivid illustrations of local governance and democratic change in the Philippines. That is because the Philippines is what I know well and, more importantly, I would know that I had things to say which would astound the audience. For it is abundantly evident that the Philippines is the center of some of the richest experiments exploring new ways of governing based on decentralization, local autonomy and large scale participation of the non-governmental community in democratic processes. So while my task here today is to provide you with a sense of the shifts taking place in global governance, I do so in the humble knowledge that many of those shifts are being pioneered in our own surroundings, literally as we talk.

## Observations on Global Governance

There is, undeniably, a major governance reform movement at work in the latter part of the 20th century. One has only to pick up the newspaper or switch on the TV or connect to the internet to grasp that there is a fundamental "sea-change" going on globally in the way people are choosing to govern themselves or are allowing themselves to be governed. It is nearly impossible to capture the rich diversity of this movement. People all over the world are skirmishing on all sorts of fronts and by all kinds of means to restructure the way that the civic dialogue takes place. Whole societies and key sectors within them are striving to define a new, transparent and accountable covenant between citizen and government, between taxpayer and bureaucracy, between voter and politician. It is a movement to restructure the very terms of governance and, in so doing, will likely change the way we participate in the political economy of the 21st century.

At the end of the day, one cannot discount this movement by assuming it is confined primarily to countries that have seen their political ideology and planned economies collapse, such as the Soviet Republics and Eastern Europe. We cannot discount it by supposing that it is mostly a phenomena of developing countries in acute need of new public management models because of the failures of bulky, ineffectual, centralized bureaucracies. And we cannot discount it as an isolated phenomenon in a few marginalized, problematic locales which seem to perpetually disappoint; some of the most aggressive leadership, in terms of radical state re-engineering and privatization of functions heretofore considered state prerogatives, has been demonstrated in the UK (beginning with Thatcher's innovations), in New Zealand, and in the United States with U.S. Vice-President Gore's initiatives to "re-engineer" government.

So the global movement to invent the new governance can literally be found everywhere: in different climes, in different circumstances, among all types of government and within all levels of governing. Developing and developed world are equally involved. Capitalist and non-capitalist systems are equally challenged. The fact is that what is happening here in terms of the Local Government Code is not just an isolated event unique to the post-EDSA revolution in a group of islands called the Philippines. What is happening here is indicative of, part of, both a leader and a follower of, a vast global shift in governance.

This is all to say that our participation here in this National Consultation on UNDP's governance strategy is extremely important. We have to climb out of the old boxes and look anew at our conventional ways of thinking about what government is and does, so that we can invent things in a new way. And the first step is to listen to what citizens are saying because this movement is definitely being led by the people; in many ways our agencies and governments are just beginning to catch up to what people are demanding. This is as evident in the implementation of the Local Government Code as it is the implementation of the re-engineering system in the United States, or what is happening in China, or Chile, or the UK or the many, many other places throughout the world where systems are changing. They are changing because they must. There is a certain kind of pressure from the bottom up pushing governments to restructure themselves.

In a moment I will be presenting some trends in global governance. I strongly believe, and some of you know this from being involved in ARD's Rapid Field Appraisals, that we do the processes of governance a great injustice if we seek to isolate them in time and subject them to simplistic criticism for not measuring up to some presumed ideal or to some expert's notion of what *ought* to be. I am more and more convinced that conventional problem analysis, especially as practiced by development analysts and development economists, pretty much falls short of insight when it comes to understanding the dynamics of change in governance brought about by decentralization and local autonomy. Good governance is more like a journey than it is like having arrived somewhere; you are always somewhere in the process of journeying toward more effective governance. The best way to assess where you are is not to ask "what is wrong?", but is rather to look at the trends, especially positive trends, and ask "where are we going" or "where is the momentum now moving"?. Because after all, a trend is basically where the momentum of history is moving.

I have also chosen to focus more on the side of public policy and administration issues, than on the civil society side of governance. That is because I do think that in terms of the application of what is going on globally to the Philippine circumstances the arenas of administrative change and policy are very relevant.

Perhaps I have said enough in the way of general observations. Now I would now like to walk you through a series of trends that are going on globally. These trends are presented as a series of *shifts* in global governance. In identifying these shifts, I must say that I have drawn liberally from various thinkers who are talking about things like "the new managerialism", "re-inventing government", "public entrepreneurship" and "new institutional economics".<sup>3</sup>

To paraphrase the well known futurist John Naisbitt, there is such a thing as "Megatrends". In my view, there are three that are having a great impact on governance.

## The Shift from Public Administration to Public Management

The first megatrend is a shift in the basic sense of how government should be managed. It is a shift from viewing government as *public administration* to viewing it as *public management*.

Basically, in the old system of classic public administration the emphasis was on administering rules, regulations, standards and systems which essentially treat the components of government and civil society as like components. The public administration philosophy was embodied in top-down, command-control notions of supervision, rigid systems, strict functional divisions of operations, line offices, ministries, bureaus and similar official apparatus. Local government provided some of the action, but over-all the preference was for central government to provide oversight, operational control and supervision so that things were “administered” properly. Or that was the idea. The value here is the assumption that if you create a comprehensive system and you administer that system impartially, most people will derive equitable benefits from the system. Another assumption is that the system, not the manager, takes care of most requirements; so government functions are not so much premised on market-responsive management, as is the norm in the private sector, as they are premised on resolute administration of pre-defined systems, most of which are intentionally insulated from outside influences.

The shift to the new public management basically says that there is a new “managerialism” derived from the private sector. The basic notion is that the public and private sectors are more alike than they are different. A number of public pressures, and the trends they produce, are outcomes of the basic idea that *we ought to manage the public sector more like we do the private sector*. The new view is that it is a mistake for government to be set aside as a process that it is somehow vastly different from the market and the private sector.

One of the key things that happens in this shift to public management is that there is more attention to the “citizen client”. Government must pay more attention to citizen priorities and must organize itself in a manner which is responsive, rather than directive. The way that that is primarily manifested - and we see this more profoundly in the Philippines than we do in most places - is that the role of the non-governmental sector gets much greater emphasis as an expression of the client’s input into the manner of governance. And input is not just into the sort of general manner of governance in terms of electing officials and letting them go represent us, but in actually implementing services and managing how those services are delivered and evaluating whether they are doing the job intended.

## The Shift from a Centralized and Uniform Apparatus of Service Delivery to Decentralized and “Pluriform” Service Delivery

The second megatrend is both driving, and being driven by, the widespread desire for decentralization; it is the shift from using *centralized and uniform apparatus* to deliver services, toward using *decentralized and “pluriform” arrangements* to deliver services.

This is a trend that might be a little bit scary for those of us who are accustomed to worrying about equity and distributional issues. Basically, in the old system or the decaying system, the essential value is that to obtain distributional efficiencies and minimize the potential chaos of differing service “standards”, you should create a coherent integrated system managed by central bureaucrats. This in turn reflects objectives that bureaucratic organizations especially crave: control and efficiency. There was a rationale that said only a separate, centralized and highly technical civil service could

have sufficient macro overview of the situation to properly control when, where and how services would be delivered right down to the most local level. And only a national bureaucracy could obtain the kind of efficiency and equitable distribution of goods and services that is acceptable.

The commitment to the centralized, uniform apparatus of governance was especially strong in the European welfare and communist states, and was highly developed there. But it is equally strong, or has had equal impact on the development of other systems. Certainly many developing countries more or less hold to this philosophy, particularly those that have adhered more toward a democratic or a democratic socialist kind of approach. The Philippines has historically adopted this notion, overlaid and amplified from the American system. We have here a uniform state, the idea being that the uniformity will obtain of a way to manage more efficiently.

The global shift of course is obvious. Everyone knows that government operations are or will move towards decentralized operations and "pluriform" systems of delivery of services.

The word "pluriform" is a composite of "plural forms"; I use it to describe the emerging paradigm that the new public management is applying to services. Decentralization is implicitly about enabling pluriform arrangements of service delivery to flourish. It is not de-concentration. It is not the central state apparatus giving more authority to sub-units to implement uniform models at so-called "lower" levels. Decentralization is *de-constructing* systems in which the center always gets to define what must happen out at the local level. The "pluriform" model assumes that "inputs" do not have to flow from top to the bottom in identical "packages" in order for there to be reasonable order in the system and sensible content in the basket of services provided to the citizenry.

So pluriform service delivery is more local. You will know it when you see it. You will see a lot of subdivision into autonomous and semi-autonomous organizations, sub-national transfers of power, and initiation of activities at the local without reference to pre-determined "models" or coordination mechanisms derived from centralized project designs. In the pluriform mode, integration and coordination is done where practical and needed, not where theoretically elegant or desirable by the bureaucratic service. A lot of the desire for "integration" comes from those who see themselves in control at the top needing to have the appearance of integration and rationalization so that *they* can understand what is going on. It gets manifested in the need for an over-all framework, coordination of programs, synchronized planning and other forms of rationalization.

### **Shift from Self-Sufficiency to Inter-Linked Sectors**

The third megatrend is the shift from operating as if *government must be self-sufficient unto itself* to operations which *enable inter-linked services based on competitive advantage*.

The old system was based on the assumption that for government to deliver a service, it must be self-sufficient in doing so. We thought that if we needed to pave streets, the government should own asphalt plants, trucks and an army of workers. We thought that if we have to collect garbage, government should own garbage trucks. We thought that whatever government had to do, it had to do it all by itself. In developing countries especially, this idea got extended to virtually every "need" that needed to be provided, so national governments own schools, hospitals, prisons, pharmacies, fertilizer plants, seed farms, nurseries, bus fleets, and all manner of enterprises directly or indirectly related to providing for the public welfare.

The shift now is toward inter-linking sectors and using systems that have comparative advantage to deliver services. The over-arching notion is that it is no longer considered government's job to do everything by itself. It is government's job to see that services are delivered, not necessarily its job to deliver them themselves. The three main inter-linkable sectors are these:

privatization,  
sub-contracting, and  
competition.

These are all areas where the Philippines has taken leadership. *Privatization* is basically the retreat of the state from ownership of the means of producing services. Along with Thatcher's England, China is doing this. Chile. Mexico. India. Certainly the Philippines. Governments are privatizing and thereby getting rid of telephone companies and airlines and railroads and bus systems and power utilities and energy companies and water systems, all of which twenty, thirty years ago were generally assumed to be what government must own, or at least, should own if it could. Now, the whole world is divesting; saying yes, people need water, they need utilities, but it is better managed elsewhere.

*Sub-contracting* is more a mode that you see at the local level whereas privatization tends to be more national. Sub-contracting garbage, street-cleaning, accounting, even tax-collection. Prisons. In the US there are private firms that have contracts to run prisons. Now you must see some humor in that? What kind of entrepreneur would want to run a prison? I don't know, but they're doing that so apparently someone sees incarceration as lucrative!

The third area is *competition*, which is essentially deregulation of the state economy. Getting the state out of micro-managing economic forces. We see the rapid, tremendous impact of deregulation right here in the Philippines. The deregulation of Philippine telephone industry has, in a matter of a few years, literally transformed access to communications which has in turn contributed immensely to the growth of the economy. There are other ways. Voucher systems are a very creative way in which you give vouchers for services and then citizens go out and use those vouchers to shop for certain services - health care, etc. In the voucher system, public services must "compete" for serving citizens and in this manner are pushed to think in terms of client service and adding value to the product they bring to the citizen-government transaction.

### **Shift from Hierarchical Control to Empowerment and Client-Driven Operations**

The next shift is from *hierarchical control* to *empowerment*.

The core of hierarchical control is the assumption that people follow orders of their superiors, and thusly, that the way to get things done is for superiors to give lots of orders, hand down lots of policies, clarify lots of frameworks, etc. Here is where organigrams and organizational charts come into play: they imply that decisions made at the top naturally flow down to the bottom and are so implemented in response to the top.

This is in fact the notion implicit in analyses I see here and elsewhere that favor the "stream flow" model of how decisions work. The model envisions governance as a "flow" from top to bottom. "Upstream" is the policy-making operation. "Mid-stream" you have national institutions and agencies formulating the implementing rules and regulations. Finally, "downstream" we have all those

local actors that implement all those “upstream” policies and “midstream” rules. I am not faulting it as one type of paradigm, but I am saying that it is increasingly less relevant in a decentralizing world. The “stream flow” model is a reliably tidy concept, but when we talk about “upstream, mid-stream, and downstream” as if there is some immutable reality to this “flow” we are, I submit, quite mistaken.

When you have a failure of centralized governance, as has happened in many places, or an intentional shift to decentralized governance, in such a profound way as has happened here in the Philippines, you have shift in power. *Wherever* you stand is the center of power, *wherever* you stand is the point of control. Because when political/administrative/managerial power is dispersed laterally and at once concentrated locally, the vigor of the old “top-down” hierarchical flow from policy to implementation quickly dissipates. People pay less attention to the “command-control” hierarchical approach because it is no longer relevant to their needs. There is, *de facto*, other means to achieve better results; namely, through empowerment and client-driven (also called “stakeholder”) operations.

Now the shift to empowerment and client-driven operations is very key to understanding what is going on today. Empowerment is the understanding that you get more realistic, relevant and doable results if you grant greater authority to the citizen-clients (or “stakeholders”) to define how services are delivered and how good governance is operationalized.

The empowerment concept also recognizes what has been known in the literature as “street-level bureaucracy”. Street-level bureaucracy is the recognition that lower levels of the state bureaucratic apparatus, whatever they may be, have tremendous power over the allocation of public goods and services. In fact, the “lower” levels have far more power than the fiction of a direct-control hierarchy tended to admit. At the local level, public functionaries - bureaucrats representing national agencies - could decide and did decide a great deal about how things were allocated. There is a certain element of myth in the belief that a central government agency simply promulgates a policy and everything and everyone else falls in line. This belief is not a very accurate depiction of how things ever really worked; less so in a decentralized system. So this shift to empowering the local level to make those decisions recognizes to some degree that the old system was a fiction, but it also puts the responsibility squarely where a lot of decisions actually are made - at the local level - and places accountability in the equation by exposing decision and the management of operations to the stakeholders themselves.

### **Shift from Uniform and Equitable Service Delivery to Decentralized and Localized Service Standards**

Next is the trend from *uniform* service delivery to *localized* service delivery, basically a subsidiary trend of the shift from uniform apparatus to pluriform service delivery.

The old system was based on the notion that all citizens should receive equal benefits and should share equal burdens and pains for those benefits. As I stated earlier for another trend, this may be a shift that is not very comfortable for the equity values which are the concern of UNDP and others, because the main idea behind uniform administration is to obtain distributional equity. So the need for redistribution of public goods and services according to need is a big value in the old system. It is an uncomfortable thought that equity may not emerge as a primary value of decentralization, at least not in the classical sense.

Nonetheless, it just might be possible for greater equity to emerge because of other factors at work in the development dynamics at work in the new system. In the emerging system, based on decentralized services and local political autonomy, the potency of uniform service delivery is in fact called into question. In essence, it is called into question in the sense that it is not achievable. Those who support this idea would posit that a centralized hierarchy will in the end respond not to equity, but to internal institutional incentives which may, and often do, run counter to distributional efficiency as regards allocation of resources. So it would be argued that since centralized systems cannot in reality achieve better and more equitable distribution, one should not waste time maintaining them. This view stresses that although centralized systems are supposed to have complete control over resources and decisions and are supposed to make resource allocation decisions equitably, they do not, in fact, do so. They do not make equitable decisions for a variety of reasons, running on a spectrum from politicization of allocation decisions, to organizational incompetence, to institutional preferences for managing resources in such a way as to ensure permanence and security of tenure.

In short, the new governance recognizes that there are rarely in place institutional incentives and organizational depth of sufficient strength to ensure equity. Over the long run and all other things being equal (especially resource availability), local control over priorities and standards, coupled with decentralized control over modes of service delivery, are probably just as efficient and effective as centralized systems, and perhaps more so, since direct local control may elude the "leakages", "rents" and other inefficiencies which are liberally deducted from scarce national resources to perpetuate centralized bureaucracies.

### **Shift from "Upward" Accountability to "Outward" Accountability**

The next shift has to do with how accountability is structured.

The old sentiment was that accountability flowed *upward*, i.e., the bottom is accountable to do what the top wants it to do. The new idea is that accountability flows *outward*. What this basically means is this: in our old notion, one that is deeply imbedded in our collective psyche well before this century, all accountability goes to a sovereign. The way people are held accountable is that somebody above them supervises them and exercises that accountability; somebody is in a position of greater authority judging whether you have performed according to standard. The key thing here is while we had accountability to kings and queens and presidents and datus and fathers and mothers, this came in the old system to be transferred to ministers or department secretaries.

Now, the traditional lines of responsibility and accountability are blurred. Accountability is multi-form. Accountability is increasingly viewed as democratic, direct and outward. And again it must be related to the client, not just to an agency's hierarchy of internal loyalties. There are experiments in redefining accountability taking place around the world that are very interesting. For instance, there are efforts where public officials do their annual planning and establish their performance targets in "agreement" or "covenant" with their constituents. These covenants are then published to the citizens and the officials who are going to be responsible for achieving results are named. In this manner, government is more directly accountable outward to its client base; namely, the citizenry.

### **The Shift from Standardized Procedures to Performance Orientation**

Next is the shift from *implementing standardized procedures* to a *performance-orientation*, best exemplified by the idea of "public sector entrepreneurship".

This trend is also very key to understanding where the momentum of the new governance is taking us. Standardized procedures were idealized in the human resources development and career system approach favored by civil services virtually worldwide. This is something that the Philippines particularly is going to have to face very soon. It has been assumed that the civil service is a distinct career system to be managed according to different principles than those of the private sector. As a result, you got different rules governing the civil service or the state bureaucracy, some which are now viewed by citizens as quite unhelpful.

For instance, there is a deep questioning of the idea that civil servants are entitled to permanent appointment or secure tenure whereby they can only be dismissed for gross malfeasance. Much of the public seems to be saying that this simply enables mediocre performance and provides disincentives for excellence. Further, since politicians cannot fire civil servants without great difficulty, and since politicians *represent* citizens, it follows that citizens cannot readily hold civil servants accountable for poor performance. There is also concern that civil servants tend to be rewarded by rank and tenancy, rather than by merit. The emerging model is that government officials should be subjected to market competition, should be rewarded for accomplishments, not tenure, and should be given incentives to add value to client services.

There is a swell of pressure around the world to subject government to the same kind of performance-driven, client-centered orientation that we have come to expect in the market. The shift is toward personnel management more like the private sector; that is, pay per performance and differentiating the way people are rewarded.

There are still many questions about this. How do you measure public sector performance and the contribution of individual achievement to better public services? But I would predict that this is going to grow to be a major shift in the world. It will eventually come to pass that government service will no longer be considered a sheltered place of employment in which employees are, in the long run, secluded from merit evaluation and the possibility of being unemployed.

This issue will have to be faced in the context of the Philippines and is even now being raised in many quarters, in large part because of decentralization. The controversy around local government obligations for paying the Mangle Carta for health care professionals and similar concerns about the efficacy of "security of tenure" for devolved personnel are examples of this issue in the Philippines. Whatever may prevail in the near term, I am convinced that in the future the fundamental assumptions about the rights and protections of the civil service are going to be very different.

### **The Shift from An Apolitical Civil Service to Advocacy**

Lastly, there is shift from the premise of civil service being apolitical to a civil service that advocates their own ideas and promotes them openly.

Here again there has been an assumption that civil servants can and should be neutral, that they should simply manage/administer the system. The fact is that they rarely are politically neutral. By trying to assume that they are, they in many ways lose a certain capacity to govern effectively. So there is going to be increased links between the political and administrative roles of government. Allowing the bureaucracy to advocate their essentially political views may in the end be more effective than pretending they are isolated from the political process. This is the view of the new institutionalism that is recognizing that the neutrality of bureaucracy is not something that is abso-

lutely controllable, but that government organizations have their own values and these need to be allowed to be advocated openly. Intermingling between the civil and political takes on different degrees in different places. I am not myself sure how I feel about it, but it is a trend I feel compelled to report.

## Conclusion

I will conclude on that point. I want to make an observation in relation to the frequent proposals to do capability-building in the Philippines, as this relates to what is required for the new governance. We observe that, in many organizations which are now thinking about working more closely with and through local governments, there is a common assumption that the core issue is one of capability-building. Indeed globally, as governments decentralize, there is common assumption that the local is still not very capable. There is a problem with this idea. Several, in fact.

First, it is our experience that local governments are often at least as capable as central government. What they may lack is certain very targeted, task-specific technical inputs. But they do not need a whole lot more general, generic, off-the-shelf capability building programs. Such is potentially a large waste of resources. They also do not need to be trained to do everything just so that a donor project or loan portfolio performs well. Just as is the practice among national agencies here and elsewhere, expertise can and should be hired to accomplish certain technical tasks. We don't need to train everyone to do everything that is currently absent. Rather, we need to find ways to build access to a wide base of expertise at reasonable prices.

Second, capability-building has in the past emphasized individual skill-building. This is, I suppose, based on the theorem that if individuals (typically individuals in "leadership positions") can be given more and better skills, it will follow that the organization can do more and better management of service delivery. I suggest that because of the great shifts in governance outlined above - all of which in one way or another relate to making *organizations* work - capability building should begin to shift its focus from improving individual knowledge to improving institutional learning. Capability building should focus more on re-inventing institutional incentives and enabling organizational change. Capability-building needs to be building the competence of the organization to be public entrepreneurs, to be managers of change and orchestrators of inter-linked service delivery.

This is very different from the conventional approach which values technical skill over managerial competence. What is needed is improvements in organizational effectiveness and a change in institutional incentives, so that there is an incentive for the people who run institutions to perform. For instance, devolved line agencies need to restructure their incentives so that people are working with the local and responding more to local demand. Those who do should get rewarded for that, rather than be rewarded for responding to other priorities. In these ways, the structure of government service can begin to get in line with where the trends of governance are moving.

The global movement to invent the new governance is placing a fresh demand on all of us. I think there is a clear imperative to re-examine our assumptions, re-define our approach and re-tool our expertise. Whether we are politicians, members of government apparatus, citizens involved in governance issues or, as is the case with many of us in this room, development professionals dedicated to providing relevant technical assistance to enhance government processes and services, we all must take heed of these trends and respond with new energy. I firmly believe that something momentous is at work transforming both civil society and the elements of governance. Changes are coming faster than we all may think; if we don't re-tool ourselves, we will not be

relevant much longer.

### **Recommended Reading**

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<sup>1</sup> This presentation was delivered at the United Nations Development Program *National Consultation on Governance*, May 15, 1997, at the Sulu Hotel, Quezon City, Philippines.

<sup>2</sup> Kenneth Ellison, Ph.D., is currently Chief of Party of the USAID Governance and Local Democracy (GOLD) Project. He manages the GOLD project on behalf of ARD, Inc., where he holds the position of Senior Associate for Policy, Governance and Institutional Development.

<sup>3</sup> See bibliography for list of recommended readings.

**Closing Remarks**  
by Robertson Work  
*MDGD/BPPS, UNDP Headquarters*

It has been a privilege to participate in today's consultation on governance. Jesusa and I were introduced as representing the local and the global. But what is global and what is local? For me, the global is all of the locals. We are all local.

I am from a small town in Oklahoma in the USA. Jesusa is from Guadalupe Viejo, Makati in the Philippines.

When the Holy Father arrives in a country, the first thing he does is to kiss the ground. This symbolizes that every part of the earth is sacred. Even though I am part of a global bureaucracy and sit in a skyscraper in New York, I am still local.

It was an honor for me to visit Jesusa's home and community yesterday. I told our colleague from CO-TRAIN, who accompanied Cesar and me yesterday to Guadalupe Viejo, that his NGO does not need to empower Jesusa's women's group. They are already a powerful group of ladies. I find that most people do not need empowerment. What they need are opportunities and access to credit, resources, materials, and skills.

As was mentioned, it has been over two decades since I was last in your beautiful country. Much has happened over these years. I have become older, but the Philippines has become even more energetic and vibrant. I watched the thrilling events of the EDSA revolution from afar and believe that this revolution continues to unfold, to evolve even in this consultative process and in today's consultation itself.

In order to give a "global" perspective on today's consultation, I should share with you the perspective which I am representing. I am part of the Management Development and Governance Division of the Bureau of Policy and Programme Support at UNDP Headquarters. Our Bureau is suppose to be the global hub of learning for UNDP's 134 country offices. Our Division is concerned with the themes of governing institutions, decentralization and local governance, public and private sector management, urban management, the role of civil society in governance, capacity-building and systemic governance. In these areas, we can work with the country offices to design innovative programmes, pilot test innovative approaches, support monitoring and evaluation, conduct research, document good practices, disseminate our findings, formulate global policies and conduct global dialogues. The one thing we cannot do is implementation, which is the responsibility of the country office. As someone who has always been a practitioner, this is a bit frustrating, but we feel it is absolutely essential to stay in close contact with the country level as we do our work.

As I reflect on the recent consultative process on governance here in the Philippines, it is clear to me that you have been demonstrating sound governance. In fact in today's workshop, I have noted several attributes of sound governance as follows: care for others, energy and passion, directness, concern for relationships, depth in listening and dialogue, honor of each other, a sense of the need for justice, sincerity, intelligence, innovation, creativity, groundedness and centeredness, and an ability to laugh at the absurd. These are in addition to the usual list of characteristics of sound governance such as transparency, responsiveness, accountability, and the rule of law.

You have been demonstrating both the process and the substance of sound governance. Your process of conducting regional workshops involving the public, private, and civil sectors and then integrating these in a national workshop is itself a process of sound governance. The substance which you have been dealing with is very much on the global agenda of governance. UNDP recently published a global policy paper on governance. The way we prepared this was to begin with a global workshop in New York with people coming together from around the world representing national and local government, civil society, the private sector and the donor community. Dr. Leodivina Carino represented the Philippines in that workshop. We spent three days brainstorming, analyzing, and interpreting experiences from around the world. The issues you have been discussing in this consultative process in the Philippines are part and parcel of this global agenda on governance. In fact, the Philippines is on the cutting edge of this discussion, especially with your highly advanced concerns for participation and partnership, two of the essential characteristics of sound governance.

In terms of the substance of your discussion, I sense that your over-all concern is with systemic and decentralized governance. This is similar to UNDP's governance programmes in Mongolia, Bangladesh, Uganda, and Yemen which deal with the macro, meso, and micro levels and with the roles of the public, private, and civil sectors. Even your theme of public sector reform is essentially for the sake of accountability and responsiveness of the national level to the meso and micro levels of governance.

My sense after today's discussion is that you are deciding to focus UNDP's governance programme in five ways. First of all, as I mentioned, you are concerned to enhance the accountability and responsiveness of the national institutions, especially the legislature and the bureaucracy, through practical mechanisms and processes which strengthen the lower levels of governance while maintaining an adequate center.

Secondly, it will most likely be necessary to pilot test innovations in decentralized governance at lower levels, perhaps in pilot provinces and municipalities. USAID's GOLD Project and CIDA's local governance project are anchored in pilot areas throughout the country. UNDP could select a group of provinces and municipalities to test its approach. The various donors can continue to share lessons and best practices for wider application. Without this kind of demonstration strategy, it is difficult, if not impossible, to improve local governance mechanisms and processes.

Thirdly, as has been mentioned, there is a need for a Local Initiative Fund which would channel financial support directly to local projects by the local actors -- the CBO's, NGO's, and local authorities working together to improve the living conditions and livelihoods of the rural and urban poor. There are several models which can be adapted for this, including UNDP's Global LIFE Programme.

Fourthly, sound governance requires skilled facilitators to bring people and organizations together for brainstorming, problem identification, strategic planning, action planning, joint implementation, and collaborative evaluation. In today's consultation, we have seen a master facilitator at work. The Philippines needs thousands of "Dinkys". In fact, the Philippines can export facilitators around the world because of your commitment to and experience of participation and partnership. There are several effective methodologies for facilitation. GOLD is

using the Technology of Participation (ToP), which is a state-of-the-art approach. UNDP can assist in providing facilitator training throughout the country so that there are skilled facilitators at every level -- central, provincial, municipal, and barangay -- to facilitate sound governance processes.

Finally, UNDP's governance programme will continue to offer dialogues, similar to this series of consultations. These will be the mainstay of promoting sound governance by bringing together different actors from government, the private sector, and civil society, to deepen direct interaction which will build social capital, promote understanding and consensus, and transform antagonistic relationships into partnerships.

In all of this, the Philippines can be a model to other countries around the world. In this way, you will be perpetuating the EDSA revolution and disseminating it to other countries by your example. UNDP hopes to be your partner in all of this. We want to learn from your good experience to ensure that it is documented, analyzed, and disseminated around the world. For example, the Local Government Center has recently joined a global UNDP research project on decentralized governance and will be preparing a case study on the Philippines. Dr. Proserpina Tapales will be attending a global workshop in Boston this June to help finalize the research framework for the project. Also, at the end of July, UNDP is sponsoring a global conference on Governance for Sustainable Growth and Equity at the UN. The Philippines will be represented by one of your Ministers, a parliamentarian, a Mayor, and members of civil society. Because UNDP chairs the UN's Inter-Agency Task Force on Capacity-building for Governance and commits over 30% of its global resources to governance, the effective practices from the Philippines can continue to influence the global agenda on governance for sustainable human development.

Thank you again for allowing UNDP, as a whole, and myself, in particular, to be part of this great moment in your history.



1 **privates sector** refers to enterprises (commercial, trade, banking, etc.) present in the  
2 market place. **Civil society organizations** are the multitude of associations around  
3 which society voluntarily organizes itself, including trade unions, NGOs, gender,  
4 cultural, and religious groups; charities; social and sports clubs; cooperatives and  
5 community development organizations; environmental groups; professional  
6 associations; academic and policy institutions; and media outlets. The institutions of  
7 governance in these three domains must be designed to contribute to sustainable human  
8 development by establishing the circumstances for poverty reduction, job creation,  
9 environmental protection and the advancement of women.

## 10 11 **B. Country Setting**

12  
13 The following are highlight of accomplishments and issues since the peaceful  
14 revolution in February 1986, spanning the Aquino and Ramos Administrations.

### 15 16 **1. Economic Governance**

17  
18 The recent economic performance provides optimism for sustained growth. From a  
19 GNP rate of 0.8 percent in 1992, growth rate increased to 5.7 percent in 1995 and more  
20 than 7 percent in the 3rd quarter of 1996. However, poverty remains a pervasive  
21 problem with an estimated 35.8 percent of total families below the poverty line in 1994.

22  
23 **"International Competitiveness"** is the major strategy of government as spelled out in  
24 it Medium Term Development Plan (MTDP) 1993-97. This is translated into NIChood or  
25 making the country a newly industrialized country by year 2000. The government  
26 opted for **trade liberalization and de-regulation** through membership in the World  
27 Trade Organization (WTO). It also pursued stronger ties with other countries through  
28 the Asia Pacific Economic Conference (APEC), the Asia Free Trade Zone (AFTA), the  
29 Brunei -Indonesia-Malaysia- Philippines East Asia Growth Area (BIMP-EAGA) to  
30 ensure resource generation and markets for Philippine products. Locally, **growth**  
31 **corridors** were identified by the government to become centers of industrialization,  
32 trade and foreign investments. The government undertook tax reform measures,  
33 divestment and privatization programs and the liberalization of trade.

34  
35 To economically empower the poverty sectors, the Comprehensive Agrarian Reform  
36 Law (CARL), and the new Cooperative Code of the Philippines were passed . From 1987  
37 to June 1996, the Departments of Agrarian Reform (DAR) and Environment and  
38 Natural Resources (DENR) were able to transfer 3.88 million has. or 67 percent of the  
39 targeted land for agrarian reform to benefit 336,218 farmer. As of December 1996, more  
40 than 42,000 cooperatives were registered with the Cooperative Development Authority.  
41 Other laws designed to support the poverty sector include the Magna Carta for Small  
42 Farmers, the Magna Carta for Countryside Development and the Urban Development  
43 Act.

### 44 45 **2. Political Governance**

46  
47 **The 1987 Philippine Constitution** stated the government's policy towards people  
48 participation and empowerment of the non-government organizations (NGOs),

1 people's organizations (POs) and the private sector in nation-building (Article XIII  
2 Section 16). The **Local Government Code (R.A. 7160)** in 1992 defines, among others, the  
3 decentralization of the national government and the avenues for participatory local  
4 governance. After five years, a Rapid Field Appraisal (RFA) conducted shows a positive  
5 trend for (a) greater participation of NGOs/POs and the private sector in local  
6 government planning, decision-making and implementation, (b) increasing local  
7 government revenues and revenue generating capability; (c) inter-LGU and government  
8 agency collaboration and coordination, (d) greater appreciation and confidence by the  
9 LGU executives of their role in regard the devolved functions.

10 The areas for improvement relate to the capability of LGUs for (a) resource generation  
11 and revenue collection, including tax mapping (other than the internal revenue  
12 allotment); (b) local development planning; (c) coordination of national government  
13 agency (NGA) efforts at the local levels. Another concern is the continuing "centralized  
14 mental set" of the government bureaucracy. Instead of supporting local initiatives of  
15 the LGUs and the NGOs/POs, non-devolved national government agencies still  
16 continue to exercise their functions independent of the local leadership.

17  
18 A parallel initiative among NGOs/POs was undertaken. Of the seventy-seven  
19 provinces, seventy have existing provincial coalitions or formations of NGOs/POs.  
20 Most of these coalitions were organized as a response to the opportunities opened up by  
21 the LGC. However, the regional consultations conducted by the Caucus of  
22 Development NGO Networks (CODE-NGO) and the Technical Working Group for the  
23 Local Government Code Review (TWG-LGC) point out that most NGOs still have not  
24 maximize the opportunities provided by the Code. A major concern is the lack of  
25 understanding, appreciation and skills related to governance and the different aspects  
26 of public administration, such as planning, legislation and budgeting.

27  
28 A major achievement in the peace keeping process was the signing of the peace pact  
29 between the Moro National Liberation Front (MNLF) and the GOP, and the election of  
30 Nur Misuari as the leader for the Autonomous Region of Muslim Mindanao (ARMM.).  
31 This capped earlier gains with the peace accord signed with the right-wing Reform the  
32 Army Movement (RAM) and the continuing dialogue with the New People's Army  
33 (NPA). However, dissents continue to thrive among other militant groups such as the  
34 MILF, Abu-Sayyaf in the South and the runaway or splinter groups of the NPA in the  
35 rest of the country. The government is thus challenged to make the peace mission work  
36 through the participation of as many sectors as possible.

### 37 38 **3. Administrative Governance**

39  
40 After a series of consultations conducted by the **National Unification Commission** in  
41 **1992**, strategies and corresponding actions regarding social, economic and political  
42 reforms were undertaken to eradicate poverty (considered the root cause of armed  
43 conflict). Among them: (a) the establishment of the Presidential Commission for  
44 Countryside Development (PCCD), the Philippine Council for Sustainable Development  
45 (PCSD), the Social Reform Agenda (SRA), the Gathering for Human Ecological Security  
46 (GHES), and the Anti-Poverty Summit (APS). These mechanisms involve the  
47 participation of the NGOs and POs and the private sector. The thrust of the national  
48 government for the next few years is the localization of such mechanisms.

1  
2 An issue raised in several fora is that the government programs are centrally managed  
3 and not supported by congressional action, unlike the empowerment-related laws.  
4 Thus, after the present administration, the programs may fade away like the Kilusang  
5 Kabuhayan of the Marcos Administration and the Fisheries and Aquatic Councils and  
6 the People's Economic Councils of the Aquino Administration. Likewise, the  
7 localization of the programs imply legislative action and additional resources that  
8 should pass through the LGUs if sustainability is to be ensured.  
9

10 The increasing role of the private sector and economies require an adjustment of the  
11 government from direct provider of services to facilitator for efficient service delivery  
12 by the private sector or the civil society. The shift emphasizes the operationalization of  
13 GO-private sector partnership and people empowerment. This implies a shift in the  
14 capability building program of the Civil Service Commission and other government  
15 training facilities.  
16

17 The growing complexity of economic transactions due to increasing number of laws  
18 require new skills among the members of the judiciary to appreciate the broader context  
19 of economic policies. In addition, the delivery of justice system may have to be  
20 reviewed in terms of its responsiveness and efficiency, considering the increasing  
21 militancy of human rights advocates, the increase incidence of heinous crimes.  
22

### 23 C. The Role and Status of External Cooperation

24

25 Official Development Assistance (ODA) from bilateral and multilateral institutions  
26 plays an important role in helping the country achieve its socio-economic  
27 development goals. About 85 percent of external aid to the Philippines (1994-95 figures)  
28 comes in the form of loans from multi-lateral financial institutions (like World Bank  
29 and the Asian Development Bank). Grant funds which total 15 percent of the ODA are  
30 extended by bilateral sources and the UN system which accounts for about three  
31 percent of the total grant assistance.  
32

33 Aid coordination in the Philippines is undertaken in a multi-agency framework  
34 programmed through the National Economic development Authority in line with the  
35 country's Medium Term Philippine Development Plan and the Medium Term Public  
36 Investment Program. In the programming of external development assistance, meetings  
37 with the ODA partners are held regularly in which the country's investment priorities  
38 are matched with commitments of ODA funding.  
39

40 The promotion of decentralization efforts is a concern in which a number of external  
41 cooperation programs have focused their assistance on. These programs involve the  
42 enhancement of LGU capabilities towards accomplishing their roles in the decentralized  
43 environment, as well as the provision of assistance to national government agencies  
44 (NGAs) in implementing their respective programs at the local levels. Following are a  
45 array of bilateral funding support focused on governance:  
46

47 The USAID's Local Development Assistance Program (LDAP) in 1991-1995 and  
48 Governance in Local Democracy Program (GOLD) in 1996-1999 both support the

1 decentralization program through strengthening the capacities of LGUs along  
2 environmental management, resource development and revenue generation, and  
3 developing the partnership among the NGOs/POs, and the LGUs. Through the LDAP  
4 several partnership models were started and policies on NGA decentralization were  
5 made. The Governance and Equity in Mindanao (GEM) project promotes private sector-  
6 government partnership to foster socio-economic development. The PVO-Co-financing  
7 Program supports advocacy work of POs. The Governance Program of the Asia  
8 Foundation supports model building on participatory governance. The Ford  
9 Foundation helped the Galing Pook Awards public recognition to local government  
10 initiatives aside from supporting initiatives at civic participation and researches.

11  
12 The European Union has its Philippine Rural Institutional Strengthening Program  
13 (PRISP) in five provinces, the Central Cordillera Agricultural Program (CECAP), the  
14 Small Island Agricultural support Programme (SMILES) for five islands, the Agrarian  
15 Reform Support Program (5 provinces), and the Aurora Integrated Area Development  
16 Programme aside from several agricultural and ecology related programs.

17  
18 The Freidrich Naumann Stiftung (FNS) funded media inter-facing on decentralization  
19 and democratization. The Friedrich Ebert Stiftung (FES) supported the Municipal  
20 Enterprise Development Planning Manual under the Local Enterprise Advancement  
21 Program for LGUs (LEAP-LGUs) of the Small Economic Enterprise Development, Inc  
22 (SEED). The GTZ supports the integration of meta-planning techniques in local public  
23 administration and enterprise development. the Conrad Adenauer Foundation  
24 supports a number of LGU projects and the Local Government Development  
25 Foundation (LOGODEV).

26  
27 The AusAid supported the Philippine Regional Municipal Development Project  
28 (PRMDP) to enhance the delivery of selected services in seven city governments. It also  
29 supported the coming out of Physical Framework Plans in all the 77 provinces through  
30 the Technical Assistance to Physical Planning Project (TAPP).

31  
32 The CIDA has its Local Government Support Project (LGSP) for Regions VI, XI and  
33 ARMM. It also has the Policy Forum and Technical Assistance Facility (PFTAF) which  
34 supports NEDA, DBM and the Civil Service Commission on public sector reform  
35 issues. The Philippine-Canada Human Resource Development Program (PCHRD)  
36 supported the formation or strenththening of the national and regional networks of  
37 NGOs and POs. The Canada Cooperative Alliance (CCA) supported the strengthening  
38 of cooperatives.

39  
40 Among the UN System, the following were undertaken or are on-going:

41  
42 The ADB supported the Integrated Community Health Services in support to the  
43 Department of Health. The World Bank supported the Municipal Training Program  
44 (MTPIII) under the International bank for Reconstruction and Development Loan  
45 Assistance. The ILO, together with the Royal Dutch Government, provides training  
46 and technical assistance through the Integrated Rural Accessibility Planning (IRAP) for  
47 Regions VI, X, and XI. The UNICEF supported capability building the Integrated  
48 Approach to Local Development Management (IALDM).

1  
2 Aside from programmes on governance, UNDP supported the institutionalization of  
3 the Minimum Basic Needs (MBN) approach to planning and development and the  
4 Human Development Index.  
5

## 6 7 **II. The Programme Framework**

### 8 9 **A. The Government Policy**

10  
11 The government's thrust is contained in its Medium Term Philippine Development  
12 Plan (MTPDP) and is guided by the twin strategies of people empowerment and  
13 competitiveness within the framework of sustainable development. The development  
14 plan espouses the vision of the Philippines as a newly industrializing economy by the  
15 turn of the century - under "Philippines 2000". The basic elements of the vision include  
16 a competitive economy, a productive workforce, people participation in development,  
17 good governance and a just, orderly and a peaceful society. The policy on governance is  
18 spelled out in the Framework for Governance (of the Department of Budget  
19 Management) and the National Productivity Agenda. The two documents call for a re-  
20 engineering of the bureaucracy to make governance more responsive, efficient and  
21 participatory.  
22

23 The decentralization focus is anchored in the Local Government Code which called for  
24 the complete devolution of three national government agencies in charge of health,  
25 social welfare and development and agriculture; and the partial devolution of the  
26 regulatory and executive functions of around ten other institutions. In addition, other  
27 national government agencies were directed to decentralize their programmes and  
28 structures. This implies further localization of the government's flagship programs like  
29 the Social Reform Agenda (for anti-poverty) and the Agenda 21 (for sustainable  
30 development). The Code likewise provided the legal infrastructure for civil society, i.e.,  
31 the NGOs/POs to participate in local public administration through various local  
32 special bodies and partnership provisions.  
33

### 34 **B. Governance Programme Component**

35  
36 The over-all goal of the Programme for Governance is a more effective, efficient,  
37 accountable and participative governance within the framework of decentralization for  
38 sustainable human development.  
39

40 The programme components which are interlinked are: (a) public sector reform with its  
41 focus on the justice system, civil service reforms for national government agencies and  
42 the promotion of transparency and accountability; (b) local governance and area based  
43 management, including the promotion of greater complementation and joint  
44 responsibility among the government, the civil society and the private (business)  
45 sector; and (c) the national system of innovation (NSI), intended to promote technology  
46 appropriate to the promotion of sustainable human development within the context of  
47 globalization.  
48

1 At the operational level, the program components are not necessarily distinct and  
2 mutually exclusive elements. Public sector reform can be in the form of strengthening  
3 the partnerships between the private sector and government. Since national government  
4 laws have precedence over local government ordinances, national-level public sector  
5 reforms will have an implication for LGUs. On the other hand, the experience of local  
6 governments could help define how national government policies and programmes  
7 should evolve.

8  
9 The proposed projects pre-identified during various consultations are outlined below  
10 according to the major component :

## 11 **1. Public Sector Reform**

12  
13  
14 (a.) Civil Service Reform for National Government Agencies, particularly for devolved  
15 agencies and functions. This implies organizational development interventions for the  
16 agencies concerned, followed by round table discussions with various stakeholders,  
17 leading to recommendations for re-engineering the bureaucracy and the changed  
18 management itself.

19  
20 (b) Judiciary Reform which aims to enhance the efficiency and effectiveness of the  
21 judicial system and promote the rule of law, with the assistance to be geared towards  
22 supporting policy studies, identifying ways for improving court processes and the  
23 legal education/curriculum;

24  
25 (c) Audit Reforms which aims to review the accounting and auditing functions of the  
26 Commission on Audit within the context of globalization and the decentralization of  
27 governance and the governance call for greater transparency, accountability and citizen  
28 participation;

29  
30 (d) Media and Governance which highlights the role of civil society, particularly the  
31 media in civic information and education, advocacy work for legislative and executive  
32 action and monitoring of government performance.

33  
34 (e) Corruption and Good Governance involves selected studies on corruption as  
35 hindrances to good governance. the findings shall support initiatives to promote sound  
36 governance particularly as it supports projects for the poor.

## 37 **2. Capability Building of Local Government Units and Building Support Institutions**

38  
39  
40 (a) Strengthening of the League of Municipalities of the Philippines (LMP) to focus on  
41 strengthening the mechanisms and processes at the local level

42  
43 (b) Area Resource Management to promote the capacity of the LGUs to conduct HRD  
44 and deliver basic services for their constituents; harness both civil society and private  
45 sector support; and advocacy work for more efficient decentralized reforms.

46  
47 (c) Effective Governance for Sustainable Cooperative Development

48

1 **3. National System for Innovation** - in the context of heightened globalization, UNDP  
2 assistance shall focus on strengthening the national system of innovation, i.e.,  
3 **institutional mechanisms** required for the development, adaptation, dissemination and  
4 maintenance of competitive, appropriate and environmentally-sound technologies  
5 which foster the meaningful participation of the poor in globalization. These  
6 institutional mechanisms would include technology networks, private-public  
7 technological partnerships, links among technology sources and users, and support  
8 service mechanisms.

9  
10 (a) Enhancement of the competitiveness of urban and rural based small and medium  
11 enterprises while promoting the sustainable development of the environment. Among  
12 the initiatives are technology transfer mechanisms for the declining coconut industry  
13 which supports one-third of the population.

14  
15 (b) Provision of access to appropriate technologies to address specific concerns of target  
16 poverty groups (with emphasis on women) . This include linking modern science with  
17 the traditional medicine practiced by women from indigenous cultural communities.

### 18 19 20 **C. National Programme Strategy**

21  
22 The Governance Programme will be pursued along the lines of **model-building,**  
23 **mainstreaming, mobilization, and the maintenance of support mechanisms.**

24  
25 The governance programme will partly focus on **model-building** -- i.e. support to  
26 capacity-building innovations in the areas of public sector reform management, local  
27 governance, and partnerships, in support of SHD concerns. In the selection of models  
28 to develop, attention will be given to those models of relevance to other communities,  
29 government agencies, and collaborative development efforts.

30  
31 The aim is the **mainstreaming** of innovations, at the down-stream, mid-stream, and up-  
32 stream levels. These innovations will include those developed by the existing UNDP  
33 projects; or those developed by different national and local government agencies,  
34 people's organizations, NGOs, or cooperatives; or even by viable partnerships among  
35 civil society, the private sector, and government.

36  
37 Mainstreaming could be in the form of *replication* efforts, whereby viable innovations  
38 are diffused to and adapted by other LGUs, other government agencies, or other  
39 partnerships. Based on the models, mainstreaming could also be in the form of  
40 fundamental and simultaneous *changes in national policy and programmes*, which have  
41 implications on the enabling environment for governance.

42  
43 Model-building and the mainstreaming of innovations will be backed up by the  
44 systematic **mobilization** of political, technical, and financial resources. This would  
45 require the careful documentation and promotion of the experiences from the different  
46 models. Moreover, mobilization would include tapping technical and financial  
47 resources from within the UN system. Activities would also include the "selling" of  
48 projects to other donors through multi-bi, co-financing, and cost-sharing arrangements.

1  
2 As part of mobilization, a special emphasis will be put on *advocacy* efforts in order to  
3 assure support to the different projects under the governance programme, both from the  
4 donor community and the UNDP itself (i.e. HQ support). This might include tie-ups  
5 with the Galing-Pook awards or the development of similar recognition mechanisms  
6 (e.g. for government agencies undergoing reform) which can trigger replication and  
7 additional resources for the governance programme; and, the mobilization of and the  
8 enhancement of media as an “informal audit mechanism” to check on the performance  
9 of Congress, the NGAs and LGUs as well as to reward the successful initiatives.

10  
11 Lastly, resources will be directed towards the **maintenance of support mechanisms** for  
12 the projects under the governance programme. The main support mechanism for the  
13 governance projects may be a consultative decentralized governance network  
14 (GOVNET) built around existing mechanisms such as NGO and PO formations, LGU  
15 leagues, and Regional Development Councils. Emphasis will be on forging synergic  
16 alliances among local leaders and groups with proven representativeness, track record  
17 and credibility and on developing the (formal or informal) system for NGO-LGU/NGA-  
18 Business collaboration.

19  
20 Operating as the Luzon, Visayas, and Mindanao- wide networks, the GOVNET may be  
21 the forum through which different stakeholders might participate in the identification,  
22 conceptualization, design, and monitoring & evaluation of UNDP governance projects.  
23 Being independent of UNDP the GOVNET will be free to develop projects and  
24 initiatives beyond those supported by UNDP. As such the GOVNET can be a vehicle to  
25 solicit financial support from other donors, outside the national NEDA structure.

### 26 27 **III. OPERATIONAL ARRANGEMENTS FOR MANAGING THE PROGRAMME** 28 **FRAMEWORK**

#### 29 30 **A. Purpose**

31  
32 The Programme Framework is a management Tool to assist the government and UNDP  
33 in the following:

- 34  
35 1. Pursue a strategic approach that impacts both policy and people’s lives;
- 36  
37 2. Ensure over-all coherence and inter-relation among the components of the  
38 programme and coordination and linkages at the policy and operational level with other  
39 areas of the CCF, particularly for poverty alleviation;
- 40  
41 3. Monitor programme implementation and evaluate programme impact against  
42 established indicators;
- 43  
44 4. Serve as framework for resource mobilization
- 45  
46 5. Use programme outputs for learning, public information and advocacy purposes
- 47  
48

1 **B. Programme Oversight and Impact- Measuring Progress**

2  
3 The Key Result Areas and Performance Indicators for each project under the major  
4 components shall be developed. The matrix below may sum up the areas to be worked  
5 on. Examples of expected indicators are outlined in the succeeding paragraphs.  
6 Sub-themes of Governance Programme

7

<u>Key Activities</u>	<b>Public Sector Reform</b>	<b>Local Governance</b>	<b>Partnerships</b>	<b>Other Areas</b>
<i>Model-building</i>				
<i>Mainstreaming</i>				
<i>Resource Mobilization</i>				
<i>Support Mechanisms</i>				

8  
9 For initiatives along the Public Sector Management Reforms component, the indicators  
10 relate to the responsiveness, efficiency and effectiveness of the national or central  
11 government instrumentalities in promoting sustainable human development in a  
12 decentralized, participatory mode. Examples of indicators are: promulgation of policies  
13 or laws that promote greater empowerment and participation of basic sectors in  
14 governance (e. g. , urban poor, fishers, indogenous communities); a concrete program to  
15 reduce the back log of cases in the various courts, and the actual reduction of the  
16 poverty incidence resulting from concrete socio-economic measures. The indicators  
17 may also include cost-effective and improved delivery of basic and other services; more  
18 transparent and participatory mechanism for policy-making, development planning and  
19 implementation; and streamlined and responsive government procedures.

20  
21 For the Local Government and Area Based Management Component, the key result  
22 areas relate to the responsiveness of the LGUs in meeting the needs of the poverty  
23 sector and promoting sustainable development. The indicators for participation may be  
24 the number and quality of participation of non-government organizations and people's  
25 organizations in the local public administration processes of planning, fiscal  
26 administration, legislation, development administration, implementation and  
27 monitoring.

28  
29 For the sub-component on the partnership among the Civil Society, Private Sector and  
30 the Government the key result area relates to the efficiency of a mechanism for  
31 participatory governance among various stakeholders (i.e., the national government  
32 agencies, NGOs and POs, the business sector and funding institutions) towards the  
33 provision of basic services and promotion of the general welfare. For the privates  
34 sector, the indicator may include the operationalization of social responsibility as  
35 technology transfer both for government and the NGO/PO groups, the provision of  
36 financial, livelihood or market resources and opportunities for the disadvantaged  
37 groups; for the Civil Society Organizations, the indicators may imply meaningful

1 participation in legislation (national and local) in terms of the number of pro-people  
2 bills or ordinances or in joint undertakings between government (including LGUs) for  
3 the upliftment of the standard of living of the poverty groups. Government indicators  
4 may deal with the guidelines for joint undertakings and partnership and the  
5 mainstreaming of successful initiatives on a nationwide scale.

### 7 **C. Synergy with Regional and Global Initiatives**

8  
9 The Governance Programme framework will also ensure that the Philippines can  
10 maximize benefits from additional UNDP resources and support available at the  
11 regional and global levels. such programmes can include the global decentralization,  
12 and LIFE programmes, the UMPAP (AP 2000 and Habitat II) .

13 All components will build into the design resources required to link through the  
14 internet with the UNDP Management and governance Network (MAGNET).

15  
16 The local GOVNET could be the venue for model-sharing across the different UNDP  
17 programme units, i.e., sharing of best practices from other programme units. Likewise,  
18 the experience of the GOVNET can be channeled back to the different programme areas.  
19 Being linked up with MAGNET, GOVNET will likewise be the channel for the  
20 exchanges of experiences between the Philippines and the developing world.

21  
22

Proceedings  
UNDP Consultation Workshop on Governance  
(Luzon)  
25 April 1997

1. The consultation workshop opened with 42 participants out of the 49 who confirmed their attendance. In terms of sectoral representation, the number of participants could be broken down as follows (please see attached Directory of Participants).

- 14 government agencies/local government units
- 27 NGOs/Pos
- 1 private sector

An explanation of the rationale for the consultation workshop was presented after the self-introduction by the participants. The UNDP governance policy was briefly discussed as well as the highlights of the three commissioned papers. In the preliminary levelling of expectations, a participant stated that cooperatives should be considered or identified separately from NGOs, because they are different. In the same vein, a participant also suggested that Indigenous Peoples should be regarded as a distinct sector themselves.

Following the presentation, the participants were divided into four working groups for the discussion of the first workshop on existing initiatives on governance in Luzon.

It was suggested that the discussion of Workshop 2 proceed right after Workshop 1, as some groups were able to identify several issues on governance in the course of mapping existing initiatives in their areas. However, before proceeding directly to the workshop discussion, the participants were convened to inform them of suggested changes for the next two workshops.

The suggestion basically consisted of skipping the intended critique and assessment of the UNDP paper, based on previous experience in the Mindanao workshop. Instead, as a follow through to the results of Workshop 2, participants will be asked to prioritize the strategic issues, and later, to identify appropriate operational responses to these issues.

In the course of discussing the suggested changes, the participants articulated the following comments and observations.

### Comments by participants

1. There was a question of the direction of the consultation process. That is, some participants wondered about what would happen to their inputs and the resulting output of the consultation. Relatedly, some asked about the accountability of the UNDP to the participants regarding the outputs and exchange of ideas. While it was clarified by UNDP that as a minimum guarantee, the participants will be given a copy of the resulting documents that would arise from the integration of all the consultations, some participants asked whether UNDP would report back to them about the outcome and status of their suggestions and proposals.

A major concern that surfaced is the sentiment of some participants that many consultations involving Pos and NGOs had been done in the past, but the results have not been satisfactorily relayed to them, or that the process simply stopped after the consultation and conferences were done.

It was clarified by UNDP that among the objectives of the consultation process was for the participants to think of a feedback mechanism or a network for monitoring progress on governance initiatives. Thus, questions of feedback and accountability could be answered by whatever mechanisms for linkages that could be established as a result of the consultation process.

2. Some participants asked for clarification on why the critique and assessment of the UNDP Strategy Paper was being passed over. A participant expressed his opinion that he came over with the intention of sharing his ideas and insights on the strategy paper, and this to him is a worthwhile initiative that should not be skipped over.

Other participants commented on the fact that they were able to simply glance over the prepared reading and the strategy paper. Hence, they are not in the position to provide substantive comments on the UNDP document.

Comments also were made on the fact that technology was added among

the aspects of governance to be looked into, aside from public sector reform, local governance and area-based management, and tripartite partnership. There were questions on why technology was not part of the aspects discussed in the hand-outs.

Other comments focused on the use of the prepared readings and the UNDP paper as a framework for the discussions of issues on governance. Some participants said that since the papers already identified several issues, these should serve as starting points for discussion, rather than for them to identify issues first and to compare whether these had been earlier identified in the papers.

This was clarified by the convenor and the UNDP that the papers were meant simply to trigger discussion but not a framework within which participants will be boxed in. It was further explained that the process of soliciting issues and concerns forms part of the consultation, and an input to the UNDP paper. It was clarified that the outputs of the consultation process serve as a lobby document for donor agencies and other institutions to consider and as a policy document which could be a reference for discussion by policymakers.

3. After a lengthy discussion on whether or not to proceed with Workshops 3 and 4 as originally planned, the participants agreed to continue with Workshops 1 and 2 as scheduled. Workshop outputs were presented in a plenary.

## Governance Issues Identified by the workshop groups

### A. Public Sector Reform

1. Traditional politics, as manifested in political patronage and political dynasties, clan mentality/too muc politics.
2. Graft and corruption in both government and private sector.
3. Incomplete devolution process; functions and personnel have been devolved, but adequate funds were not correspondingly transferred.
4. Lack of access to government programs.
5. Local development councils are not functioning as provided for under the Code.
6. Lack of necessary mechanisms and inputs for effective governance (e.g. Updated barangay socio-economic profile to serve as basis for development plans of barangays, absence of a rational land use policy).
7. Policy framework/support issues (e.g. Passage of reform and equity measures, conflict and government policies inconsistencies in government policies, continuity and consistency policies in the face of political transitions such as changes in political leadership).
8. Ineffective localization of national programs.
9. Inequitable distribution of government funds (such as the IRA, CDF, or revenues from the exploitation of natural resources).
10. Lack of political will.
11. Bureaucratic red tape
12. Non-professionalization of the civil service.
13. Poor administration of justice including inefficiency in maintaining

peace and order.

14. Discriminatory laws against marginalized sectors.

**B. Local governance and area-based management**

1. Weak capability of LGU officials and staff in performing their functions/poor local management skills.
2. Mismatch between the short-term of previous officials and the need to formulate medium and long-term plans.
3. Lack of initiative/resourcefulness/innovativeness in LGC implementation.
4. Inappropriateness of existing political boundaries as basis for area-based management and organization of governmental services.
5. Indigenous systems of governance are not compatible/recognized under the Local Government Code. Related to this, how should indigenous peoples' system of governance be integrated or recognized among the approaches to governance.
6. Limited understanding of the LGC by public and local officials.
7. Lack of effective monitoring, evaluation and assessment of the impact of implementation of the Code.
8. Channeling ODA financing to LGUs.

### C. Government-NGO/PO-Private Sector Partnership

1. Too much politics among NGOs/need for transparency among NGOs.
2. Lack of access to governmental programs/projects/resources.
3. Lack of access to information or to funds.
4. Issues on perception (antipathy of LGUs towards NGOs, lack of interfaces between NGAs and LGUs willingness of NGOs to work with government, history of mistrust and ambivalence between LGUs and NGOs.)
5. Non-institutionalization of linkages among the three sectors/need to clarify, delineate roles/powers of local development councils and local special bodies where tripartite mechanisms should be present.
6. Lack of participatory planning in the development process.
7. Poor management information system/lack of data base.
8. Proliferation of fly-by-night NGOs/Pos
9. Lack of capability of both LGUs and NGOs to really participate in local governance implementation.
10. Lack of capability among LGUs, NGOs, and Pos.
11. Local development councils are not functioning as provided for under the Code.
12. Duplication of functions, programs, and projects among NGAs, NGOs, LGUs.
13. Non-sustainability of tripartite initiatives.
14. Need for clear concept of what constitutes the NGOs.
15. Need to define and clarify concepts and approaches to partnership.

## **D. Technology**

- 1. Inadequate technical know-how.**
- 2. Limited access to information technology.**
- 3. Resistance to adapt to changes brought about by new technology.**
- 4. Low priority on research and development related to appropriate technologies.**

## Proceedings

### UNDP Consultation Workshop on Governance

(Luzon)

26 April 1997

The morning session started with a recapitulation of what transpired during the April 25 sessions, particularly the issues and concerns identified during the second workshop. The highlights of the proceedings were read and comments were asked from the participants if there was anything that they would like to be included in the account. One of the participants said that the issues raised by the indigenous peoples sector should also be part of the issues under Public Sector Reform.

As agreed on, a review of the UNDP Strategy Paper on Governance was presented by Mr. Liporada.

Mr. Liporada set the review within the broader context of the UN System. Under the UN set up, the UNDP resident representative is also the UN Systems Coordinator in the country. There are now current efforts to harmonize initiatives of the various UN agencies in the country regarding development, in response to global trends such as globalization, rise of civil society and decentralization, as well as separate efforts of other institutions such as the World Bank to localize efforts in development assistance. According to Mr. Liporada, the World Bank is planning to open a country office in the Philippines.

The consultations being undertaken by the UNDP such as this workshop are due to the rising influence of the civil society. The consultations are also part of attempts toward transparency. Relatedly, UNDP would like to be known as partners of the people, and co-advocates of their development.

#### Open Forum on Mr. Liporada's presentation

1. The inclusion of the rule of law in the definition of governance is a legal terminology. Its inclusion is okay, provided that sound governance should ensure that the legal system is right. For example, laws should not discriminate against indigenous peoples.

*Participants were informed that the UNDP also has a project on the judiciary, which involves reeducation of the judiciary and push for judicial reforms.*

2. The way the strategy paper was presented, it was claimed that the paper marginalized or glosses over the interests and concerns of indigenous peoples (Ips). It was suggested that a separate paper on governance of the Ips be prepared. Again, it was asserted that the Ips are a sector with distinct historical background.

3. The paper was premised on the absence or lack of will or competence to govern. A premise that should be integrated is that problems, hardships, and sufferings of the people are due to the actions of First World countries. The paper should focus attention on how the First World countries contribute to the peoples' problems. In the case of the Ips, for example, the Mining Act is not consistent with indigenous governance, which is based on land.

4. NGOs/Pos have distinct experiences with government, and these have been articulated in many occasions. Perhaps, NGOs could come together to state their common experience, the business sector could also come together and do the same, and later on, NGOs, government and the business sector could talk together regarding their experiences.

Why not have consultations with government officials regarding the strategy paper among local governments, public sector and NGOs/Pos. Then, there could be a common venue where these sectors could talk things together.

NGOs/Pos have their own interests. They also have differences with government among themselves. There seems to be some hesitation on coming together.

Many mayors are turned off by NGOs who think that they are the saviors of the earth, and who think that graft and corruption is the monopoly of government.

On the other hand, it is true that NGOs are as numerous as sari-sari stores. But it is not NGOs' task to manage; local officials are the ones who have the mandate.

The question is: how do we (NGOs/Pos and government) work together?

5. The UNDP definition of governance included the economic, political, administrative dimensions, but lack the social governance dimension.

*It was clarified that the overall framework is Sustainable Human Development, not just governance. The social dimension is discussed by another unit within the UNDP concerned with social development.*

6. While the whole paper is very encouraging, there is the question of sustainability of the program.

*That is why UNDP wants to push through with the governance network among regions, or GOVNET.*

7. The paper has not emphasized the direct participation of the public at large. The issue is how to consult the people so that the process would be meaningful.

The paper also focuses on those who govern rather than those who are governed. Would UNDP, for example, fund education and awareness campaigns among the grassroots.

*UNDP is forming a working group among media to promote civic education. The aim is to enhance the existence of institutions such as the media which could prepare society members for future roles. The project includes legislative watch by media, reorientation of media through roundtable discussions and promotion of ethics.*

### Workshop 3

After the presentation on the UNDP paper, the issues and concerns mentioned in yesterday's workshop were examined and grouped into related categories. The participants then continued their discussion on the issues and concerns on governance, but this time, identifying strategies and modes of action in response to the cited issues. The workshops discussion continued until mid-afternoon, after which each group presented its output in the plenary presentation (See attached matrices of workshop outputs).

## Remarks by Governor Pagdanganan

As the plenary presentation was progressing, Governor Roberto Pagdanganan came and listened to the presentation. He was asked to give some comments after the plenary presentations.

Gov. Pagdanganan noted that while the country's GNP grew, still, people live in poverty. The population density is skewed, with Metro Manila highly densed, while others are sparse. To him, the root cause of this inequality lies with the governmental system of allocating resources. Provinces only get 3 percent of the national budget, while barangays get 2.8 percent. On the whole, while local government share of the national budget improved from 2.5. Percent prior to EDSA revolution to 14 percent, the share is still not enough. The issue is resources, as well as unfunded mandates.

There is a need to study how resources are channeled and distributed. For example, a senator is equivalent to the budget of 75 percent of all the provinces. There is also a need to revise laws that foster control and inflexibility (e.g. Recall, Ombudsman). Government must be retooled.

There is a need as well to study the possibility of rechanneling CDF/CIA funds to LGUs, make them part of the appropriations of LGUs.

## Comments by participants on the plenary reports

1. On the issue of NGOs, there should be a sense of proportion. Regulation of NGOs should be put into the proper context. In our experience, we have a treaty of cooperation between Green Forum Philippines and CODE-NGO.
2. There is also dynamics between NGOs and coops. NGOs at the top do not understand the dynamics of cooperatives at ground level.
3. On electoral reform, there should by funding for electoral parties to enable them to equalize the playing field.
4. Fakeof pseudo-NGOs could be sued if they are thought to be stealing

money.

5. On structural reforms and power relations, the Leagues of Provinces, Cities, and Municipalities and NGOs/Pos are coming together on the initiative of the USAID and Ford Foundation to forge a common stand.

### Participants' Assessment of Consultation Workshop

1. I am happy to have been invited to the workshop and the invitation serves as a vindication that the IP interests were recognized, I am happy that the organizers were supportive of the Ip's position.

Would UNDP share the results of the consultations, I recall that UNDP gave some money to DENR to conduct consultations for the drafting of the ancestral domain bill. But the consultation by different IP groups had been done earlier, but was not used.

2. The workshop consultation was done alright. I hope the consultation would not stop after the workshop. Let us not forget our advocacy role which is a common activity which we could do together.

3. The workshop is an avenue through which tripartism becomes effective. Partnerships are evolved, although developing them takes time. During the workshop, issues had been ventilated not to destroy other agencies/institutions but to constructively analyze them.

4. The workshop consultations and the discussions are very helpful to our work.

5. I am representing a network, to whom I am accountable to report on what has happened here. I participated in behalf of the network, based on critical participation. For NGOs, the question is how do you constructively engage government, as times have changed. The rules of engagement are not clear. NGOs must come together. UNDP could support coalition building among NGOs and support their initiatives.

6. Process is generally good. Organizers deserve our applause.

7. Workshops could have been prepared better. In this kind of

workshops, facilitating is important.

8. It has been a productive exercise, except for time management, which is quite lax. It is regrettable that some of us were not able to stay longer.

9. The definition of NGOs/Pos is still a source of friction. There are still some gray areas in the definition.

10. The discussion lacked depth, as some of the materials were not available to us, and we were not given enough time to go over them. We had been stuck with issues on relationships/partnerships. We need to address the concerns of the UNDP paper continually. The consultation process should continue.

11. There are still other NGOs who were not present. We were not able to set the levelling of expectations at the start.

12. We were not able to properly set the levelling of expectations.

13. Discussions brought forth broad issues which are beyond governance.

14. The process is good because we were able to interact.

15. The question is on the feedback mechanism. How would the NGOs that the organizers have tapped become part still of the process. How do you still sustain their participation.

16. The levelling of expectations were not properly managed. IP's governance was not touched. However, organizers have been open to criticism and suggestions.

17. The organizers have been very kind, so the time was not enough for discussion of plenary issues. Also, the levelling of expectations. The experience of the participants were not maximized.

18. I gained a lot through the wealth of experience shared by others. I am particularly impressed by the passion displayed by the IP representatives. The workshop exposed me to new perspectives.

19. Regarding the objectives, we do really hope that IP concerns would be integrated into the country program.

**(Draft)**

## **PROCEEDINGS**

**Re: UNDP Nationwide Consultation-Workshop on Governance  
for Sustainable Human Development**

### **I. INTRODUCTION**

The United Nations Development Programme or UNDP-initiated nationwide consultation-workshop on governance for sustainable human development is an effort at bringing together the government, civil society and private sector to come to a consensus on major issues, policy directions and gaps on governance which were outlined in the UNDP's Governance Policy Paper. The UNDP's governance policy is currently being integrated into the Sixth Country Programme and in view of the integration process, it was expedient that a national consultation be conducted among key players from various sectors in the hope that a strategic UNDP governance programme be achieved.

The National Capital Region (NCR) consultation held on 25 April 1997 at the Sulo Hotel in Quezon City was part of the series of nationwide consultation. The consultation was formally called to order at 10:00 A.M. by the Consultation Moderator Ms. Marie Victa Labajo after an hour late of schedule. It started with an Invocation by Mr. Roberto B. Tordecilla, ACSPPA's Program Manager for Decentralization and Local Governance and a welcome remarks given by Dr. Ernesto Bautista, UNDP Assistant Resident Representative.

In his welcome remarks, Dr. Bautista briefly introduced the UNDP's framework of governance and assistance program. UNDP as one of the founding agencies of the United Nations (UN) is concerned with the country's development focusing on five issues or areas of concern namely: poverty, environment, gender, sustainable development and governance.

Dr. Bautista explained that the consultation is one of the series of five consultations aimed at providing inputs to the UNDP's five-year Country Development Program. It hopes to develop and identify strategic issues of governance that will become the basis for strategic intervention of UNDP assistance.

He then discussed the significance or strategic importance of governance to the Philippine economic and social development. He presented the UNDP's Country Cooperation Framework on governance explaining its concepts and the imperatives of sound governance, and cited some progress in the development situation in the Philippines from a governance perspective especially in regard to the expanded participation/representation of civil society in policy formulation and implementation processes (e.g. PCSD and SRC). He also shared some inputs on development challenges and capacity constraints which provided the impetus for the UNDP program

on governance. It is in the context of development challenges and identified capacity gaps that the overall objective of the UNDP program was set, to help build the capacity of the public sector, the private sector and civil society towards a people-centered approach to development. Towards this goal UNDP have developed and hope to pursue with government and other stakeholders, program strategies that will build models on good governance practices; mainstream or replicate these practices at the policy, institutional and local levels; mobilize technical resources and financial support to disseminate lessons; and lastly, support decentralized mechanisms through linkages with UNDP's regional and global Management Development and Governance Network (MAGNET).

Dr. Bautista also explained the proposed governance sub-programs related to public sector management reform which include regulatory reform specifically within the context of the Local Government Code (LGC) and for the improvement of delivery of social services, civil service reform, and judicial reform; as well as sub-programs related to local governance and development of technology in support of sustainable human development.

In closing, Dr. Bautista reiterated the UNDP's objective of consulting with stakeholders groups in the hope that its strategy/policy paper on governance will be further improved. He stressed that the said UNDP paper is by no means exhaustive and being a product of consultations, it needs validation by concerned individuals and organizations both from the government, non-government and private sectors.

Dr. Bautista's talk was followed by an elaboration/explanation of the rationale and specific objectives of the consultation by Dr. Fernando T. Aldaba, ACSPPA's Executive Director. Mr. Aldaba initially gave a short introduction about the Center for Social Policy as the socio-political unit of Ateneo de Manila University and its program on local governance.

Taking off from the preceding discussion, Dr. Aldaba explained the significance of the governance component in the UNDP Sixth Country Program as well as the important contribution of the ongoing consultation in this regard. He mentioned the rationale behind the national consultation-workshop to be that of being able to get some inputs for the UNDP governance strategy to be integrated into the Country Program which is currently undergoing finalization stage. Another interesting rationale that he revealed was that of bringing together for greater understanding the dynamics of the three sectors (GO-NGO/PO-Private Sector) in governance. He then proceeded to the discussion of the specific objectives of the consultation-workshop which are:

1. To surface the major issues, policy directions and gaps on governance along the three focused areas of public sector reform, local governance and area-based management; and, government-civil society-private sector partnership;

2. To critique and improve on the draft UNDP Country Office Governance Strategy Paper, and make recommendations on the framework for UNDP governance programme, its operation through a multi-sectoral, participatory mechanism, including possible entry points for UNDP support;
3. To catalyze a process for setting up a multi-sectoral governance mechanism among the government (national and local), civil society, the private sector and other institutions; and
4. To link local networks with the UNDP governance resource facility which will eventually link the country to regional and global governance network (i.e. MAGNET)

## II. WORKSHOP

Following the preliminary matters was the workshop proper. Ms. Labajo gave the instructions and guidelines of the workshop. The participants were grouped into three according to their preferences under the three headings/themes: Group 1 - Public Sector Reform; Group 2 - Local Governance and Area-Based Management; and Group 3 - GO-NGO/PO-Private Sector Partnership.

The workshop group discussion began at 11:00 A.M. and lasted until lunch time.

Each workshop was assigned a presenter, facilitator and documentor. The discussion was started with the presentation of a Trigger Paper by a resource person for each of the group themes. The workshop Trigger Papers are entitled Developing Public Sector Capacity for Good Governance by Ms. Henedina Razon-Abad of the Ateneo School of Government; Government-Private Sector-NGO/PO Partnership in Governance by Dr. Fernando Aldaba of CSPPA; and Local Governance and Area-Based Management by Mr. Enrico O. Garde of Center for Community Services. [See Appendix \_\_\_\_\_ /conference kit]

The first workshop tried to surface governance issues and responses and identified gaps or needs to be addressed in relation to public sector reform, local governance and area-based management, and GO-NGP/PO-Private Sector partnership. Specifically, the workshop guide questions were formulated to be as follows:

1. What are the key governance issues on matters related to
  - a) public sector capacity for good governance
  - b) local governance and area-based management
  - c) government, private sector, NGO/PO partnership in governance
2. Were there initiatives done in your region to address these issues? If yes, identify these initiatives.
3. What can be further done to achieve sound governance?

## Workshop Proceedings:

### Group 1

Topic: Developing Public Sector Capacity for Good Governance

Presenter: Henedina Razon-Abad

Facilitator: Ruth Canlas

Documentor: Memen L. Lauzon

Members:	Roy Tordecilla	ACSPPA
	Cops Mercader	PCJC
	Doy Romero	ISDS
	Jo Angsico	NHA
	Ester Mercado	DECS-NCR
	Teresita Vergara/Joel Lasam	NEDA
	Aggie B. Lagrosa	Philssa

To set the mood of the workshop discussion and initiate thinking as to how to develop public sector capacity for sound governance, Ms. Abad highlighted the significant points in her paper starting with the three important attributes of the public sector's institutional capacity for good governance namely: technical capacity, administrative capacity and political capacity. Institutional capacity refers to or may be indicated by transparency, accountability, adaptability and effective administration of justice. Ms. Abad stressed that taken altogether, developing these capabilities must lead to improvements in the capacity to identify problems needing public and priority attention, generate and assess strategies of addressing said concerns, implement projects and activities to realize policy objectives required by the same and sustain said activities over time to be able to have a significant impact.

She also highlighted the five dimensions affecting capacity as the framework for analysis, pointing out the broader action environment which refers to the economic, social and political context within which an organization attempts to operate. This entails looking not just at the needs but also the constraints and the facilitating factors that will affect the accomplishment of a task. Some of the general issues and trends related to improving public sector capacity for good governance were also cited by Ms. Abad. In summary, Ms. Abad noted that enhancing public sector capacity for good governance is consistent with the goals of decentralization.

The workshop group members commented that the presentation was a good survey of the bureaucracy which led them to ask the question of who really is the problem, whether the government in its entirety or individuals within the bureaucracy?

In relation to the above and in response to the workshop guide questions, the following issues were raised by the group members. Among these issues pertain to the treatment of government employees. Dr. Romero noted that the value given to people in government is much to be desired. He observed that there is discrimination between

high and low performers, or how much influence a government agency has in policy making. This observation was reinforced by the other group members' remark that there is a problem in beneficiary-motivation approach, performance measurement, and more importantly, in the basic orientation of employees about their agencies mission and functions.

The size of the bureaucracy is also an issue in itself which therefore, has to be rationalized.

The other issues identified by the group members are related to decentralization; the absolute power of LGUs and the possible clash between the national and local government.

One of the participants commented that the role of government is to clarify whether the state is one and the same as government. A follow-up point raised on the matter of role of government was made by one of the participants who said that the overall role of government is to ensure that market forces work. Another mentioned about the regulatory role of government which means not just licensing. In this regard, certain parameters for regulation should be instituted. With this parameter, a space for innovation or flexibility can be defined which will further enhance and encourage efficiency and productivity of government employees.

The group also came to a consensus that there should be rethinking of the overall civil service system; reorientation of the entire system of control and regulation-directed governance.

The changing economic environment compels government to shift or reorient its role. Therefore, advocacies within the government is increasingly needed. This include advocating for change of perspective.

Related to the preceding point was the issue of mind-set in government, that means what each government employee think of him/her self, the organization/agency, and its client. There is also the issue of leadership in government whereby the top leadership should be able to institutionalize an appropriate mind-set or orientation.

On civil society participation, the workshop group members strongly feel that civil society should understand where government is coming from and the limitations of government. It was also recognized that linkaging is needed in the same way that the terms *coordination* and *convergence* should be clarified and understood by people in government.

A few other important points raised by the workshop group were the issue of interpretation of the law by the judicial branch of government. In this regard, there might be a need for the judiciary to reconsider or rethink as well its perspectives. Further, the point of transparency for information dissemination not only within the

bureaucracy but to the larger society as well, is a vital mechanism for informing the public.

The last point that was noted by the group was the role of the academe. In this regard, partnership between the state and the academe should be established and strengthened for purposes of problem-solving research and funding researches.

## Group 2

Topic: Local Governance and Area-Based Management

Presenter: Mr. Enrico Garde

Facilitator: Noi Q. Corneby

Documentor: Debbie Sabarre

Members:	Nadz O. Adan	ACSPPA
	Letty Tumbaga	ACSPPA
	C.L. Baguilat	DENR-NCR
	Edwin C. Chavez	Kaisahan
	Proserpina D. Tapales	UP Local Government Center
	Gerardo G. Magat	QC-PDO
	Tony Dalag	Minority Leader-Sangguniang Bayan ng Valenzuela

The group initially discussed the following issues arising from the Trigger Paper given by the presenter Mr. Garde:

On the high cost of devolution, a group member cited the example of the health sector in which the function of maintaining personnel was devolved but not the health equipment. In the case of DENR, the devolved functions were not income-generating for the local government unit (LGU). Although LGUs were given the power to generate funds and resources to support services, the problem is that LGUs could not simply handle the demands, not to mention the fact that LGUs were not prepared with the devolution process.

There is also the issue of unclear relationship of regional structures and LGUs. Conflict or unclear roles between MMDA (Metro Manila Development Authority) and the LGUs specifically on the issue of zoning classification in Metro Manila area; in regional areas the Regional Development Councils (RDCs) are no longer functional or important in view of the presence of Local Development Councils. There is also the overlapping of functions, e.g. in the case of Ozone fire in Quezon City.

The LGUs are not capable of delivering programs. This issue is related to revenue generation. Although LGUs can raise taxes as a means of generating revenues, some are hesitant because it is unpopular with the people. On the other hand, some LGUs have limited income-generating potential of devolved powers or functions, i.e. rural LGUs don't have the same sources of funds compared to urban-based LGUs.

There is also the point on technology, skills and expertise which may be lacking in some LGUs.

In addition to the issue of devolution, it was observed that some devolved powers are not meaningful. This is manifested in urban-bias in terms of the Internal Revenue Allotment (IRA) share computations. Another case is Metro Manila-- while most national offices are based in NCR, some projects being implemented do not involve LGUs, yet NCR units are affected i.e. traffic problem brought about by the MRT or Skyway projects. MMDA has direct control or supervision over other issues confronting NCR areas such as garbage and flood control but not the traffic problem.

Furthermore, LGUs assume full responsibility over the squatters problem which is supposedly a national concern. In the case of the garbage problem, the Quezon City government is required to bear the maintenance costs of dumpsite, but it is unable to utilize it.

The LDC of the city of Manila is another case in point. It has become unmanageable considering the fact that there are 900 barangays in the locality which all have to be represented aside from the sectoral representatives that should compose the council.

In spite of the LGC, laws enacted by past administration continue to govern other areas. Quezon City for one is unable to take initiatives because of existing laws which are relatively inconsistent with the LGC.

On sectoral representation in LDCs, in some areas, LDCs are non-existent or inactive. NGO representation is not ensured especially when the NGO sector is not in good terms with local chief executives. Deliberations within LDCs are done even without NGO representatives as long as there is a quorum.

The workshop group also noted the presence of disunity within the NGO/PO sector. This somehow contributes to its ineffective performance in the LDCs, where there is representation.

Regarding the initiatives being done to address the above issues, the participants mentioned some capability-building initiatives of LGUs. In the case of DENR, trainings for anti-smoke belching campaign were provided to LGUs. There is also the coordination and integration of development plans among LGUs.

In response to the last workshop guide question re: what are still needed to be done to address those issues, there was a strong proposal to review (or revise/amend) the LGC. The review should be able to identify roles, functions, extent of autonomy, accountability of government structures or units i.e. MMDA, LGUs. A coordinative function should be designated to MMDA and RDCs to balance the general and local welfare and to integrate local plans. More powers should be delegated to concerns

directly affecting local units i.e. transportation. Corrective measures on IRA formula/scheme, Sanggunian bodies vis-a-vis LDCs should be undertaken to make LGC more meaningful to LGUs. More importantly, the LGC should be made consistent with laws pending in Congress such as Land Use Code, Environment Code and Revenue Code.

Another important point that needs to be done pertain to the formulation of laws/ orders/ ordinances which will ensure or require LGUs to implement LGC provisions and support initiatives on the creation of local environmental units (for DENR) and capability-building of LGUs.

Lastly, a continuing and strengthened coordination/consultation among national agencies, such as MMDA, LTO, DOTC, etc. needs to be carried out.

### Group 3

Topic:	GO-NGO/PO-Private Sector Partnership	
Presenter:	Fernando T. Aldaba	
Facilitator:	Marie Victa Labajo	
Documentor:	Rose Romero	
Members:	Amy Coronel	IPG
	Elisa Manansala	Kaisahan
	Leah Valientes	ACSPPA
	Lito Madrasto	_____
	Atty. Joey Mendoza	PIAF
	Fely Soledad	AF
	C. Arida	_____
	Melanie Garcia	PHILSSA
	M. Takada	UNV
	Edwin Chavez	_____
	S. Tavera	_____
	Roy Codia	Gerry Roxas Foundation

After the presentation of the Trigger Paper by Mr. Aldaba in which the different types of partnerships and the possible areas for partnership in governance were highlighted, the participants discussed the issue of "tokenism". As cited by Ms. Fely Soledad, in Misamis province the participation of NGO/PO is not maximized if not even utilized. It appears that the invitation for NGO/PO participation is simply a token. They may have participation but only for a "show". She then asked if there are efforts being done by other groups where LGUs really acknowledge/recognize the participation of NGOs?

It was noted by Mr. Aldaba that tokenism exists because of differences in orientation. On the other hand, Mr. Madrasto observed that there has been a change in the acceptability of participation from outside government.

However, much as there have been openness, some kind of attitude which led to superiority complex developed in which the private sector claims they're better than the public sector; and on the other hand, the government felt they are rulers, not servants. Meanwhile, the NGOs focused on the people which the other groups did not look into. Eventually, each of these sectors has put up barriers against each other. The orientation of each group is so rigid that they feel they are better than the rest. This started the turf orientation which became difficult to break down.

Based on the experience shared by Elisa Manansala of Kaisahan, she cited that in Negros the LGUs realized more and more the need to enter into a partnership with NGOs. She said that there were some reasons Kaisahan was able to penetrate the LGU circle and these are: (1) contact with the leaders (mayors, barangay captains) who are familiar with Kaisahan because they participate in Kaisahan activities; also, sometimes, these people have had past involvement with Kaisahan even before they assumed office; (2) the leaders have a progressive outlook, they are open, and are willing to learn from NGOs; somehow, there is trust between the two sectors so much so that partnership became possible; and (3) there is a common venue since both are working within the same community; having reached this, both have no choice but to work with one another.

Kaisahan also shared that it is not always easy to deal with the government sector, mostly because lower officials like Councilors are not easy to be familiar with. They are wary and are suspicious of the NGOs because they have the prevailing thinking that the latter could be a possible competitor for the office they already hold. In this regard, what is needed is the assurance of no competition in order to work with them effectively. Also, there is the issue of misconceptions regarding the work of NGOs and the Government, to the effect that NGOs are identified with a specific turf and the government to its own. This is clearly manifested in situations where the people refuse to be consulted because of the belief that NGOs already know the issues and needs of the people which is the subject of a consultation. However, after explaining to them the need for their participation, they began to have the sense of value, and a sense of ownership for something done for their community.

NGOs realize that it is really important for them to work with LGUs to be able to give what is needed by the people. And they realize that they gain more by working in partnership with the government. An example was the making of a barangay development plan which is done by the NGO with the community. These plans are brought to the municipal level to become the basis for the municipal development plans.

It was clear from the sharing that NGOs worked with people in government who were placed in power. In this regard, the NGOs connection with the people in power is important. The Gerry Roxas Foundation can attest to this. In Region VI, the Foundation is very influential or powerful due to the fact that the heads of the

foundation also hold the seats of power and are also the ones in control of the business in the area. The projects are headed by the wives of the prominent people in the area like the CWL, where Judy Araneta-Roxas is the head. It is quite easy for the Gerry Roxas Foundation to move about because they are the same people within the three sectors.

Another participant commented that the partnerships of the three sectors will remain good as long as the same people will continue to be in power; but when the time comes and others will take-over the power, there may occur some problems in regard to these changes. Once a change in power happens, the ties or bond collapses. Therefore, what may be needed is a sustainable partnership, regardless of linkage to people in power. The link must be with the office itself and not with the person holding it.

Mr. Aldaba suggested that based on the preceding point, what may be needed are institutions that are not political which could get the three sectors together. These institutions may be the academe, the Church, or others. The idea is to be able to identify an institution or agency which could facilitate the partnership among the three sectors.

It was noted that the experience in Panay of the Gerry Roxas Foundation may be an exception but definitely other NGOs can get lessons from it.

Related to the issue of importance of linkage to power, Kaisahan has been dealing with the ERP and the LGU in Nueva Ecija; and because of this they were able to gain good standing and relationship with the powers that be in Nueva Ecija when they implemented a project with the Department of Agriculture.

The Ugnayan ng Pahinungod shared its experience in dealing with government for its project to improve the management of jails in Quezon City and Mandaluyong. The BJMP was unwilling to help, claiming they cannot divulge confidential records for fear of leakage. However, Ugnayan feels that the agency was hesitant because it felt that Ugnayan poses a threat or a competition. With the presence of the NGO (Ugnayan) the agency's inefficiency or ineffectiveness may be exposed.

On the other hand, Ugnayan cited their programs that were successful, like the housing-project for the Mt. Pinatubo victims, for which they were able to get the support of government and the business sector.

Atty. Joey Mendoza of PIAF shared that with the creation of PCSD, the partnership of the three sector was recognized to be needed and should be legitimized. There are issues that inevitably involve these sectors, hence, a common ground has to be reached; an example would be the issues of mining, real estate and socialized housing. It must be recognized that much as business is part of the problem it is also part of the solution. There should be a role for each of these sectors and there must be a convergence of objectives, despite the difference in orientation or perspective. It is

impossible to find all three sectors on one side as there must be a particular mandate brought in by each sector, but they must be complementary.

The government particularly has a special role to play, it must take on a regulatory/facilitative role.

On this point, Mr. Aldaba indicated that the business sector is important to be brought in, however, it will only enter into a partnership with the NGOs, if it will gain something from it. On the issue of socialized housing, the business/ real estate sector will only comply if it will not defeat the purpose of profitability. Furthermore, business can be gained with the right government policies.

Another point raised by the participant is on the problem of implementing national projects in the local level. Sometimes policies are formulated but cannot be implemented because there was no consensus. Therefore, consensus-building is important. Unless certain sectors stop building barriers against others, nothing will happen. An example of this is the Kabisig project. It was one organization that joined the three sectors together, but politics got into it. It did not succeed. If only the GO-NGO and private sectors can move together without the political color, then it will succeed. In this regard, it would be helpful if the formulation of policies starts from below.

With the passage of the LGC, partnerships became possible in the local level. The three sectors can partner together in pushing local issues to the national level. NGOs have also realize that there is a need to compromise and meet halfway.

Mr. Madrasto cited the partnership of sectors in Zambales where the barangay/ community, and NGO and a private construction company came up with a training center project for the youth. Attempts of some political figures to be involved in the project created some complications. But when they were finally booted out, the project succeeded.

It was observed that concerns are different in the local level and in the national level. The concerns from above are too macro. It is in the lower level that the real concerns can be found. Hence, politicians are usually not accommodated since it was observed that assistance do not filter down to the people when these are coursed through politicians. Lastly, the focus must be made on the local level in terms of generating consensus. Consensus-building initiatives should be done in the lowest level; it should be a bottom to top approach/process.

It was also observed that partnerships are usually forged based on commonality of interests. There may not be a particular policy to follow such as on the issue of land use planning, but still partnerships happen between the LGUs and the business sector. The latter's partnership was noted to be very easy to do; both sectors immediately ally with each other depending on the issue at hand.

## IV. WORKSHOP GROUP REPORT

The body reconvened after the lunch break at about 2:00 P.M. for the report on the results of workshop group discussions.

The first group to report was represented by Dr. Doy Romero who reported on the results of the group's discussion as follows:

### Group I (Public Sector Reform)

#### 1. Governance Issues on Public Sector Capacity:

- How to value people?
- Prevailing culture in government
- Lack of leadership and motivation
- Evolving roles of government agencies i.e. moving out of traditional government roles
- Size and distribution of bureaucracy
- Transparency/ information dissemination
- Convergence and linking among agencies and other sectors

#### 2. Initiatives done to address these issues:

- On human resource/valuing people in government
  - productivity measures
  - Values Orientation Workshops (VOW)
  - VIGOR
  - Mapping of government employees' knowledge, skills & orientation
  - re-thinking of training programs
- COA reforms
- Institutionalization of partnership with private sector (including NGOs)

#### 3. What can be done in developing public sector capacity?

- Investing in human resources
- Sustaining mechanisms
- Instituting parameters for regulation re: space for innovation/flexibility
- Rationalizing size and distribution of bureaucracy
- Role of academe
- Advocacy
- Benchmarking among government agencies (i.e. how do you know if you're doing well in comparison to other agencies or local governments?)
- Institutionalizing ideology in government (not just slogans but fully articulated thoughts and actions that are consistent and sustained)

The second workshop group output was presented by Elisa Manansala.

## Group II (Local Governance and Area-Based Management)

### 1. Issues on GO-Private Sector-NGO/PO partnership in governance:

- “Tokenism” - token participation of NGO/PO e.g. in Misamis province there is participation but only for show (tokenism might be the result of differences in orientation)
- Turf Orientation - each group’s orientation is so rigid that they feel that one group is better than the others
- Superiority Complex - each group claims that it is better than the others (look down on others)
- Competition among the three groups - one may expose the others’ failings to look good or better

[all the above lead to mistrust among themselves which hinders the occurrence of tripartite partnership

- Linkage to power - success of partnership depends upon the person in power (e.g. Gerry Roxas Foundation and Kaisahan)
- Commonality of interests of groups against another group/s (e.g. on issues of mining and land use)

### 2. Initiatives done to address these issues:

- Presence of local executive officials who have had previous involvement with NGO/POs (like Kaisahan)
- Complementing of roles - compromise among the 3 sectors in working for a particular goal
- Reaching a common venue - the 3 groups have no choice but to work with one another
- Government taking a facilitative role/regulatory role e.g. housing issue
- Overcoming barriers: of mistrust (e.g. Kaisahan’s Nueva Ecija project); of competition (e.g. Ugnayan ng Paghinuhon’s Mt. Pinatubo Victims project)

### 3. What can be done?

- Identification of institutions that are not political which could get the 3 sectors together
- Identification of the roles each group plays in the community
- Generating consensus-building process in the lowest level (bottom to top approach)

The last group was represented by Dir. Clarence Baguilat, who reported on the results of the workshop's discussion on GO-NGO/PO-Private Sector partnership.

### Group III (GO-NGO/PO-Private Sector Partnership)

#### 1. Issues on local governance and area based management:

- Inter-governmental relations
  - overlapping of functions and roles i.e. national-regional-local; LGU and other government units (e.g. MMDA and RDCs)
  - powers devolved to LGUs not meaningful i.e. Quezon City area concerns on transportation, fire protection, police control, etc.
  - review IRA formula
- NGO-LGU relations
  - dynamics between NGOs and LGUs
  - NGO representation
- LGU's capacity to govern / ability to deliver
  - cost of devolution e.g. health service
  - capacity to generate local revenues
  - technical skills/expertise e.g. DENR

#### 2. Initiatives done:

- Coordination and integration of development plans
- Capability-building of LGUs e.g. DENR

#### 3. What can be done?

- Review of LGC in terms of roles/overlaps, extent and definition of local autonomy; and of ensuring capability-building of LGUs

## V. OPEN FORUM

Following the workshop group reports, the participants were given the opportunity to add and clarify points related to the subject matter at hand.

Among the points that were discussed during the open forum were in relation to decentralization or devolution of functions to LGUs, the resources (i.e. budget, IRA, fund-generation, etc.) and powers that go with it, as well as the role of local special bodies.

On the issue of planning, it was also observed that national plans do not include local plans, which is an indication of the lack of coordination even within the government. It was also added that planning capability in all aspects i.e. financial, technical, physical, infrastructure, etc. should be improved.

Partnership issues were given lengthy discussion in so far as enhancing and maximizing the purpose of partnership between GO, NGO/PO and private sector. This means promoting asymmetrical partnership in the sense that the NGOs/POs are not junior partners but are of equal status. In this regard, mechanisms should be put in place to ensure working or functional partnerships among these key sectors or players in governance. Partnerships therefore, should be encouraged at different levels and degree, such as partnerships on the level of projects and programs as these will lead to a deepening level of relationship.

[Refer to Appendix \_\_\_\_\_ for complete transcription of open forum]

## **VI. SYNTHESIS**

Dr. Aldaba capped the workshop with a synthesis of the discussion points that were raised by the consultation participants. Dr. Aldaba enumerated the following major areas of concern which could be deduced from the preceding discussion on governance issues:

1. Planning and capability-building at local government level as well as on the level of national government agencies and even NGOs
2. Finance, budgeting and revenue generation
3. Political consensus among key players and establishment of mechanisms that would enhance political consensus-building
4. Human resource development not only on skills but also the development of incentive and motivation schemes.

## **VII. WORKSHOP 2/ PLENARY DISCUSSION**

Workshop 2 was a plenary discussion on the following guide questions:

1. What are the feasible institutional mechanisms (bilateral or tripartite) to ventilate, articulate and resolve major governance issues (on the national or local levels)?
2. What do you think should be the role of UNDP in bringing about such mechanisms?

The following consensus points were reached after a thorough but brief discussion throughout the rest of the afternoon.

## 1. On Institutional Mechanisms:

- Localize capability-building of LGUs with support from local academic institutions, NGOs and private sector such as the Institute on Local Development Academy (ILDA) through training programs
- Review of LGC by NGO-PO technical working group on LGC with an attempt to build consensus among 3 sectors and a review of local development councils
- Interaction between academe and NGOs by strengthening Research Forum, a national network of academe
- Strengthening of the different leagues such as National Association of Local Government Units (NALGU) through dialogues
- Strengthening of sector-based mechanisms such as the PCSD, SRC, GHES
- Expansion of networks such as Human Development Network
- Exchange of expertise
- Promotion of interpersonal relationships by tapping “transectoral consultants” who are conversant about the 3 sectors (GO-NGO/PO-Private Sector) and can operate within and among these sectors
- Maximize use of media, schools, and information technology
- Strengthening of national offices in the regions

## 2. Role of UNDP

- Ensure that networks/fora are in place in the local levels
- Support local initiatives on capability-building and other mechanisms on human resource development
- Promote model-building by information dissemination and mainstreaming of these models
- Tracking of area-based development initiatives
- Linking of global experiences to Philippine experience on governance
- Advocacy on human development

- Mapping of projects
- Identification of strategic projects
- Influencing other donor agencies
- Resource inventory

## **VIII. CLOSING**

At the end of the plenary discussion, Dr. Bautista, UNDP representative was asked to give his feedback on the points and issues raised by the consultation participants.

Dr. Bautista disclosed that the initial thinking of the UNDP governance unit was confirmed and validated by the results of the consultation-workshop. The points raised were no different from those earlier surfaced in previous fora and consultations. This therefore gives UNDP enough basis to further promote a more strategic intervention in governance. He further emphasized that the results of the consultation will be shared with the donor community. He also mentioned that UNDP is committed to ensure there will be no duplication of efforts and that sustainable human development is implemented.

The closing remarks was given by Ms. Lou Melegrito, ACSPPA Associate Director. She acknowledged the presence of each of the participants and thanked them for their time and valuable contribution to the discussions.

The NCR consultation-workshop ended with a cocktails which was served immediately after the acknowledgments.

**PROCESS DOCUMENTATION**

**OF**

**MINDANAO CONSULTATION-WORKSHOP  
ON  
POLICY AND GOVERNANCE**

**Hotel Perlita, Zamboanga City  
April 16-17, 1997**

**Submitted by:**

**CO-TRAIN**

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**PROCESS DOCUMENTATION OF  
THE MINDANAO CONSULTATION-WORKSHOP  
OF POLICY AND GOVERNANCE**

Date: April 16-17, 1997

Venue: Hotel Perlita, Zamboanga City, Philippines

**A. Opening Session**

1. Introduction of Participants

The session was opened by Father Eliseo Mercado of Notre Dame Univeristy. The participants were requested to introduce themselves, stating their names and their office.

2. Background Information on the Workshop .

3. The participants were also provided with a short background and rationale of the workshop. The objectives of this conference were also enumerated.

**II. WORKSHOP I – SCANNING THE ISLAND REGION OF EXISTING  
INITIATIVES ON GOVERNANCE**

**A. Process**

The participants were requested to count-off from one (1) to two (2) to achieve two groups. They were provided with blank tables/matrices to guide them in the presentation of workshop results . This workshop aimed to answer the following questions, as follows:

1. Based on your knowledge and experience, what are the existing initiatives on governance where you are an active participant; that you are aware of but not a participant?

2. Please describe the initiative:

- a. objectives of the effort,
- b. area of coverage,
- c. stakeholders,
- d. nature of effort,
- e. desired outputs of the effort and
- f. the status and of the effort.

## **B. Points of Clarification During the Briefing of the Workshop**

### **1. One the Grouping of Participants**

**The Secretariat Head, Mr. Rene Agbayani of NDU-CPASS, presented the proposal agreed upon between the convenors and UNDP to divide the participants by geographic areas for Workshop I. Initially, the participants were to be divided into ZOPAD and non-ZOPAD areas and then smaller groupings may be initiated by these two big groupings depending on their situation.**

**The participants objected to this proposal. The following comments were made:**

**a. Geographic -- Due to limited number of participants, representation in workshop groups would be unbalanced if division is by geographic areas. Besides, this was scanning of governance initiatives all over the island of Mindanao and the participants would want to know the existing initiatives outside their areas during the workshop itself.**

**b. Random -- The participants, then, adopted the random mode of selection for the workshop groups. Each participant was asked to count-off from one to two. Because this was the first day, other participants had not yet arrived, there were only two workshop groups for Workshop I.**

### **2. Flexibility in the Matrix Format**

**Mr. Ernie Bautista of the UNDP commented that the workshop was not merely scan the already existing initiatives in governance but to scan emergent issues and planned initiatives as well .**

**Some comments were raised on the matrix format stating that the matrix would limit their responses. Mr. Agbayani explained that flexibility would be allowed in answering the questions and using the matrix. Terms may be added . Both current and future initiatives could be included in the presentation. It was also explained that the matrix were formulated to facilitate the participants response as well as facilitate documentation by the secretariat.**

### **3. The Need to Define the Basic Concepts and Terminologies**

**Some participants also said that identification of initiatives necessitates leveling-off of perception on various concepts such as governance. This would assist and guide the participants in enumerating which initiatives are relevant and classify them accordingly. The reaction of the convenors and UNDP was to state that there is a workshop for this later on and that the definitions would emerge from the workshop.**

A follow-up to this was the suggestion that a working definition should be established and that an advance copy of a briefing paper would facilitate leveling off of perceptions.

#### **4. End-Use of Consultation**

**One of the participants inquired where the workshop results be directed. This question was posed to ensure that information would be channeled to the right parties. In response to this concern, it was explained where the inputs would go, emphasizing that this would help the UNDP and the UN system and other international donor agencies in facilitating its support for the local people and communities.**

## C. Plenary – Presentation of Workshop 1 Results

### 1. Group 1 Workshop Report

Note: Minimal revisions were undertaken to capture the essence of the workshop group's presentation. The same treatment will be accorded to other workshop group presentations in this report.

Existing Initiatives in Governance	Type of Participation	Objectives of Initiative	Area of Coverage	Nature of the Initiative	Desired Output	Participants	Status/ Impact of Initiative
1. NGOs sitting in local special bodies	<ul style="list-style-type: none"> <li>• Participation only during the approval phase of the project</li> <li>• Well-recognized but inconsistent</li> <li>• No participation</li> </ul>	<ul style="list-style-type: none"> <li>• For transparency and counter-checking purposes</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial</li> </ul>	<ul style="list-style-type: none"> <li>• As provided by RA 7160</li> </ul>	<ul style="list-style-type: none"> <li>• Participatory</li> </ul>	<ul style="list-style-type: none"> <li>• NGOs/ POs</li> </ul>	<ul style="list-style-type: none"> <li>• Involvement of NGOs in gov't projects and programs</li> </ul>
2. Networking with LGAs to ensure success of projects	<ul style="list-style-type: none"> <li>• During &amp; after the project life.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability of the project</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Educational upliftment &amp; Poverty Alleviation</li> </ul>	<ul style="list-style-type: none"> <li>• LGUs, NGOs/ POs, Academe</li> </ul>	<ul style="list-style-type: none"> <li>• So far, so good</li> </ul>
3. Federation of NGOs in the province	<ul style="list-style-type: none"> <li>• Active in some areas</li> </ul>	<ul style="list-style-type: none"> <li>• Stronger stand/ position in pushing for issues</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial</li> </ul>	<ul style="list-style-type: none"> <li>• Recognition of NGOs as support for Gov't programs</li> </ul>	<ul style="list-style-type: none"> <li>• Fiscalizer</li> </ul>	<ul style="list-style-type: none"> <li>• NGOs/ POs</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfactory in some provinces</li> </ul>
4. Localization of PCSOs	<ul style="list-style-type: none"> <li>• NGOs which are PCSO members</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring of policies formulated (PA 21)</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial &amp; regional</li> </ul>	<ul style="list-style-type: none"> <li>• Per output of PA 21</li> </ul>	<ul style="list-style-type: none"> <li>• Participation of civil society</li> </ul>	<ul style="list-style-type: none"> <li>• LGUs, NGO/ POs</li> </ul>	<ul style="list-style-type: none"> <li>• On-going</li> </ul>
5. Livelihood Assistance	<ul style="list-style-type: none"> <li>• NGOs/GRINGOs</li> </ul>	<ul style="list-style-type: none"> <li>• Poverty Alleviation</li> </ul>	<ul style="list-style-type: none"> <li>• Barangay level</li> </ul>	<ul style="list-style-type: none"> <li>• SRA</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Alleviation</li> </ul>	<ul style="list-style-type: none"> <li>• LGUs</li> </ul>	<ul style="list-style-type: none"> <li>• Impact not felt</li> </ul>

## **2. Group 2 Workshop Results**

In view of the flexibility allowed in workshop presentations, Group 2 used a different format in their presentation by enumerating the various initiatives in the region under specific classifications.

1. Peace Agenda
  - a) Peace Agreement: Creation of ZOPAD-SPCPD/CAs<sup>1</sup>
  - b) Peace Education
  - c) Media and Peace Process Reporting
  - d) Use of excessive Force in armed conflict/dealing with dissent
2. Economic Agenda
  - a) BIMP-EAGA
  - b) Privatization (GOCCs)
  - c) Special Economic Zones
  - d) Regional Agro-Industrial Centers
  - e) Fiscal Management Strategies
    - (1) Bond flotation
    - (2) IRA & utilization
  - f) GEM
  - g) SMAP
  - h) Cooperatives
3. Environmental Agenda
  - a) Agenda 21 (Eco-system Management); ERA; EIA
4. Political Agenda
  - a) Electoral Reforms; Federalization -- research
  - b) Decentralization
  - c) Barangay Development
5. Administrative Agenda
  - a) LGSP/LRP
  - b) PNP Reform
  - c) Strengthening BOT capabilities of LGUs
  - d) Administrative delineation
6. Social Reform Agenda
  - a) Localization of MBN
  - b) Gender and Development
  - c) Housing
7. Special Concerns
  - a) Ancestral Domains
  - b) Drug Prevention
  - c) Moral Recovery
  - d) Information Technology

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<sup>1</sup> Please refer to Annex for identification of acronyms.

## **D. Open Forum – Issues Raised with Reference to the Workshop 1 Presentation**

### **1. Clarification on the Definition of Networking**

Networking is one of the initiatives identified by Group 1. This was defined mainly as partnership and collaboration. The participant also added that, thus far, they have had positive experience in cooperative relationship with the agencies of the local government.

### **2. Economic Zones**

A law has been passed on the establishment of Economic Zones. However, implementation of this law have been very slow.

Economic Zones have their own peculiarities and potentials towards achieving economic development. It should be recognized that not all areas are the same. To maximize economic opportunities for particular economic zones, approaches should be adjusted according to the existing conditions of these zones.

### **3. Other Initiatives**

**Other initiatives have to be recognized, these are as follows:**

- **GOLD**
- **CIDA project**
- **PRISP**
- **Mandatory Review**
- **Establishment of alternative political parties**
- **Initiatives focusing on civil social participation**
- **Involvement of the academe in the centers for local governance.**

## II. PRESENTATION OF TRIGGER PAPERS

Prior to the simultaneous workshops on three different governance concerns, the three papers were to be presented to “provoke” discussion on the topics/concerns and provide a framework for the discussions. Since the papers writers were not in the conference, paper presenters were assigned to present a summary of these papers.<sup>2</sup>

### A. Public Sector Reform

---

Mr. Cesar Liporada of UNDP presented the paper with special focus on the parameters for Public Sector Reforms, as follows:

Legislative	-----	NGOs/POs
Executive		
Judiciary	-----	Business/Private Sector

In view of the current government structure and the respective components of the Legislative Body (Congress); Executive Office (Office of the President, LGUs and NGAs) and the Judiciary, some current trends were also discussed in the presentation. These are as follows:

1. Redefinition of Governance
  - Emphasis on participatory mechanisms
  - Civil society
2. Integrated Area Development
  - Decentralization and Autonomy
  - Sustainable development -- environment - people
3. Globalization
  - Government as Facilitator than Manager

In conclusion, the implications for Public Sector Reforms were enumerated summarized as follows:

- |                          |                |
|--------------------------|----------------|
| 1. New systems and modes | Political      |
| 2. New technologies      | Economic       |
| 3. Skills                | Administrative |
| 4. New structures        |                |

<sup>2</sup> Please refer to the Annex for the full text of these papers.

## B. Local Governance and Area-Based Management

Mr. Rene Agbayani of Notre Dame University-CPASS, gave a presentation on local governance and areas-based management providing additional inputs to the papers. The presentation mainly involved *Resource Mapping of Area Resource Use Management*, which was suggested as main considerations in area-based management. The presentation is summarized as follows:

### PLAN:

Sustainable development -- balancing conservation and economic development in the used of resources.

Respect biographic boundaries vis-à-vis political boundaries. Areas as an ecological zone further classified into smaller Eco-zones each with an appropriate development plan.

#### Example of possible LGU policies

- penalizing additional resource use and pollution
- collaboration across institutions

Mechanisms for collaboration between and among institutions:

- |              |                  |
|--------------|------------------|
| 1. LGU - NGA | 3. Inter LGU     |
| 2. GO - NGO  | 4. International |

## C. Government-Civil Society-Private Sector Partnership<sup>3</sup>

Ms. Diane Respall, representing CO-TRAIN, presented the paper on partnership between the three sectors -- government, civil society (also comprising NGOS) and the private/business sector. Various issues and trends were discussed which serve either as obstacles or opportunities for advancing the relationship between the three sectors in the bilateral or tri-lateral spheres. It was emphasized that the three sectors should use their "sectoral niches and expertise" to effectively work together for the "common clientele" and for the common good.

After the paper presentations, space was given for reactions; however, most of the feedbacks were mainly related to the subsequent workshops. Hence, the emcee requested the participants to reserve their points and comments for the workshop proper.

<sup>3</sup> Heretofore referred to as Partnership.

**IV. WORKSHOP 2 – SIMULTANEOUS WORKSHOPS ON  
PUBLIC SECTOR REFORM, LOCAL GOVERNANCE & AREA-BASED  
MANAGEMENT AND GOVERNMENT-CIVIL SOCIETY–PRIVATE SECTOR  
PARTNERSHIP**

**A. Process**

---

To group the participants, they were requested to count-off from one (1) to three (3) to comprise three (3) groupings. These groupings were assigned into the three area/spheres of governance -- Public Sector Reform, Area-based Management and Partnership.

The participants were provided with copies of the questionnaire and blank table to be filled-up as guide for their group presentation. The questions asked were as follows:

1. Define governance based on your understanding and experience. Articulate the elements and principles in your definition.
2. Based on your definition, what are the strategic or key issues in this area of conception of governance.
3. What are the strategic responses being developed, if any?
4. What are the gaps in responses?
5. What are the recommendations/suggestions to address the gaps identified, be as concrete as possible.

## **B. Plenary -- Presentation of Workshop 2 Results**

### **1. Defining Governance**

	<b>Group 1 - Public Sector Reform</b>	<b>Group 2 -- Area-Based Management</b>	<b>Group 3-- Partnership</b>
<b>Definition of Governance</b>	<ul style="list-style-type: none"> <li>• Art of and the will to exercise political, economic and administrative authority to manage the nation's affairs to facilitate the delivery of services for the upliftment of the quality of life of the people.</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt UNDP definition</li> </ul>	<ul style="list-style-type: none"> <li>• Refers to the exercise of political, economic and administrative authority to manage the nation's affairs through a wholistic framework of development.</li> </ul>
<b>Principles</b>	<ul style="list-style-type: none"> <li>• Decentralization</li> <li>• Participatory</li> <li>• Transparency</li> <li>• Accountability</li> <li>• Effective</li> <li>• Developmental</li> <li>• Wholistic</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable development</li> <li>• People-centered</li> </ul>	<ul style="list-style-type: none"> <li>• Culturally sensitive</li> <li>• Participatory</li> <li>• Transparency</li> <li>• Accountability</li> <li>• Effective</li> <li>• Equitable</li> <li>• Wholistic</li> <li>• Gender sensitive</li> <li>• Promotes the rule of law</li> </ul>
<b>Elements</b>	<ul style="list-style-type: none"> <li>• Morality</li> <li>• In development, people are in control of their destiny</li> <li>• Interconnected</li> </ul>		<ul style="list-style-type: none"> <li>• Governor/Facilitator or</li> <li>• Governed/People</li> <li>• Laws</li> <li>• Territory</li> <li>• Instrumentalities</li> </ul>

## 2. Issues, Current Responses Gaps, and Recommendations

### a. Group 1 – Public Sector Reform

Key Issues	Strategic Responses	Gaps	Recommendations
(1) Decentralization	Devolution	<ul style="list-style-type: none"> <li>• Slow implementation - inadequate or no established mechanism</li> <li>- fragmentation</li> </ul>	<ul style="list-style-type: none"> <li>• Real consultation in policy formulation</li> <li>• Review</li> </ul>
(2) Participation	Partnership	<ul style="list-style-type: none"> <li>• Weak NGO participation</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen participation of significant NGOs.</li> </ul>
(3) Accountability <ul style="list-style-type: none"> <li>• Fiscal</li> <li>• Political</li> </ul>	Transparency	<ul style="list-style-type: none"> <li>• Access to public records</li> </ul>	<ul style="list-style-type: none"> <li>• Improve capability of NGOs for greater access</li> </ul>
(4) Effective Government	None	<ul style="list-style-type: none"> <li>• Big Hole</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership</li> <li>• Privatization</li> </ul>
(5) Development	Growth w/ equity	<ul style="list-style-type: none"> <li>• Difficulty in accessing resources</li> </ul>	<ul style="list-style-type: none"> <li>• Increase access to resources especially by the poor and the vulnerable sector</li> </ul>
(6) Wholistic	Unity	<ul style="list-style-type: none"> <li>• Fragmented</li> </ul>	<ul style="list-style-type: none"> <li>• Autonomy</li> <li>• Resource sharing</li> <li>• Networking</li> </ul>

#### **SOME NOTES:**

*Participation of Significant NGOs:* The group emphasized participation of “significant” NGOs due to the emergence of “fly-by-night” NGOs or NGOs created by some government officials to gain access to NGO funds or achieve “token” participation of NGOs.

**b. Group 2 -- Local Governance and Area-Based Management**

<b>Key Issues</b>	<b>Strategic Responses</b>	<b>Gaps</b>	<b>Recommendations</b>
(1) Harnessing of Resources	SRA, EIA, CBRM, IFMA, LGSP	<ul style="list-style-type: none"> <li>• Inefficient implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce red tape.</li> </ul>
(2) Human Resource Development		<ul style="list-style-type: none"> <li>• Gov't officials come from traditional political clans</li> <li>• Defective election code</li> <li>• No due process in hiring of personnel</li> </ul>	<ul style="list-style-type: none"> <li>• Revise the Election Code</li> <li>• Strict implementation of the Civil Service Code</li> <li>• Education (long process -- i.e., inclusion of local governance and other concerns in the curriculum.</li> </ul>
(3) Lack of Planning	Training, LGSP	<ul style="list-style-type: none"> <li>• Lack of consultation at the local level</li> <li>• Diversion of funds</li> <li>• No genuine effort to go down to the barangay level for training</li> </ul>	<ul style="list-style-type: none"> <li>• NEDA to provide training up to lowest level.</li> </ul>
(4) Over-exploitation of Resources and IPs	PA 21	<ul style="list-style-type: none"> <li>• Non-implementation and non-passage of laws.</li> </ul>	<ul style="list-style-type: none"> <li>• Passage and strict enforcement of laws.</li> </ul>

**SOME NOTES:**

- There is sufficient data on local level governance which would facilitate formulation of (development) plans.
- The major problem is not the lack of laws but non-implementation or improper implementation of existing laws.

One of the identified problems is the need for livelihood projects which address displacement and consequent unemployment of Filipinos in Sabah.

**b. Group 3 --**  
**Government-Civil Society-Private Sector Partnership<sup>1</sup>**

<b>Key Issues</b>	<b>Strategic Responses</b>	<b>Gaps</b>	<b>Recommendations</b>
(1) Peace Agreement between the MNLF and the GRP	Sincerity More information	<ul style="list-style-type: none"> <li>• Because of diversity of approaches, misunderstandings occur.</li> </ul>	<ul style="list-style-type: none"> <li>• Funding</li> <li>• Budget</li> </ul>
(2) Privatization	More study	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Personnel</li> </ul>	<ul style="list-style-type: none"> <li>• Gov't. to initiate a "participatory" study focusing on GOCC privatization.</li> </ul>
(3) Diverse and Conflicting Development Framework held by the GOs, Civil Society, and the Private Sector.	Understand each sectors' development framework through a consultative or dialectical process.	<ul style="list-style-type: none"> <li>• Openness of each sector</li> <li>• Budget</li> <li>• Who will convene the initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Come up with an agreed upon development framework with the state as convenor/initiator.</li> </ul>
(4) Process of Selecting NGO Representatives and Role of NGO Representatives in Special Bodies	Institutionalization as manifested by the creation of an office under the City Mayor.	<ul style="list-style-type: none"> <li>• The will to create this office on the part of the LGU</li> <li>• Not part of the office specified under the re-organization plan.</li> </ul>	<ul style="list-style-type: none"> <li>• SP to create a committee so that this committees can initiate the process in institutionalizing NGO/GO partnership.</li> </ul>

<sup>1</sup> The group emphasized that they came from different areas of Mindanao.

<p>(5) Bureaucratic set-up of Government as Hindrance to Partnership</p> <ul style="list-style-type: none"> <li>• COA &amp; Other GO regulations unclear &amp; unfamiliar.</li> <li>• Forms are more important than substance (content/issue)</li> </ul>	<ul style="list-style-type: none"> <li>• De-bureaucratize GO/LGU set-up by instituting mechanism &amp; guidelines that will enhance participation</li> </ul>	<ul style="list-style-type: none"> <li>• NGOs/POs are unfamiliar with GO guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>• Two-way approach where NGOs/POs exert extra effort to understand GOs/LGUs through capability-building and exposure.</li> <li>• GOs/LGUs to "liberalize" COA and other GO guidelines to allow flexibility.</li> <li>• GOs to exert extra effort to understand how NGOs work.</li> </ul>
<p>(6) Budget Constraint</p>	<p>Policy &amp; Advocacy w/ the LGUs for possible budgetary allocations, incorporating similar programs &amp; projects.</p>	<ul style="list-style-type: none"> <li>• Tied-up with the Bureaucratic process.</li> </ul>	<ul style="list-style-type: none"> <li>• Access to resources and public funds.</li> <li>• Joint work plans and budgeting between LGUs &amp; POs/ NGOs.</li> </ul>

### SOME NOTES:

#### (a) Peace Agreement:

There was a lot of media coverage on the Peace Agreement during its signing, highlighting its merits and advantages. However, this was not matched with adequate response and proper implementation. Hence, there is need for the government to show its sincerity in complying with its promises.

There had been numerous occasions misinterpreting the capability and powers of the MNLF. People have high expectations on Misuari thinking that he will have control on all aspects of power, able to immediately respond to problems; for instance, through peace-keeping. That fact is, the MNLF does not have military power. In this light, the group recommended for budget allocation for the MNLF.

## **(b) Privatization**

The government has resources and yet it has not been able to provide adequate water supply to the public. In view of this, the group recommended transfer of water services to the private sector. On a wider scale, a special body may be created to segregate non-earning GOCCs and to identify private sector groups for take-over to augment government resources.

## **(c) Diversity of Views on the Development Framework**

Government should also consider the views of the business sector and civil society. To come up with a development framework, government may initiate and convene consultations involving the different sectors. This initiative would also foster and promote better relations among these sectors.

## **(d) Various Roles and the Process of Sustaining Development**

The local government code calls for participation of NGOs. The LGU formed a committee to define NGOs and determine qualifications for NGOs to participate. Initially, NGOs felt "euphoric" over the materialization of the Local Government Code. Representatives were selected for special bodies. However, NGOs later became disenchanted. They felt used as mere rubber stamps for the local government plans. They were often invited to participate at the stage when the local government plan has already been drafted.

This problem may be addressed through institutionalization of NGO participation by creating bodies of offices for the NGOs in the LGUs. <sup>2</sup>The identified gap is for the National Government Plan for the City Council to create a committee within the LGU.

## **C. Open Forum: Comments and Issues Raised After the Presentations**

### **1. Group I - Public Sector Reform**

#### **a. The Danger of NGO Access to Government Funds**

There has already been increasing demands by NGOs to the LGU to provide financial support. This gives politicians with dishonest interests in mind opportunities to take advantage of NGOs and use them to pursue

<sup>2</sup> Recommendation of the group.

their personal or political interests. In this light, there should be revision in the criteria for NGO recognition.

**b. Token NGO participation**

LGAs create their own NGOs just to comply with the requirements of the local government code. This aspect/issue should be looked into to prevent creation of NGOs by government.

One of the participants suggested that they should draft a resolution addressed to the National Government on “GO-created NGOs.”

**c. Clarification on “Significant NGOs”**

Significance of NGOs refer to the extent of influence as well as capabilities. Grass-roots POs may be significant in terms of influence and capabilities but weak in terms of geographical scope. These are the groups which are at least represented in participatory governance.

There are also NGOs which are weak in their respective geographical areas but are strong at the federation level. Weakness or strength of NGOs may also be measured in terms of their stage of organization/creation. Hence, NGOs could also be weak in the sense that they are still at the organizing phase.

**d. Revisit Privatization as a Recommendation**

Caution must be observed in readily recommending privatization in addressing corruption. Corruption may not necessarily be eradicated by passing the services to the private sector since the private sector is also not immune to corruption.

Based on European experience, corruption was one of the emergent problems after privatization.

**2. Group 2 – Local Governance and Area-Based Management**

**a. Ancestral Domain and the Land-Use Plan**

At the LGU level, the identified gap is the lack of a land-use plan. Assistance should be extended to the LGU to complete the land-use and zoning plans. The National Government should be requested to expedite formulation of the Land-Use Government Code. In addition, there is a

need to formulate a “real” mapping of the ancestral domain of the Indigenous Peoples (IPs). This should include the coral reefs and mangroves of the Badjaos, through coordination among the DENR, IPs, and NGOs.

Suitable livelihood programs should also be conceptualized and implemented to address environmental destruction of ancestral domain which has affected the livelihood sources of the population.

**b. Mapping of the Ancestral Domain**

As an update, a meeting was held recently, attended by representatives of DENR, IPs, Government and Donor Agencies. The action plan also addresses mapping of the ancestral domain, incorporating from the IPs. These are issues involving land registration which need to be advocated for legislation.

**c. Agenda 21**

Agenda 21 is not a law. It is a document presented in Rio de Janeiro. The strength of this document is that it is participatory, cuts across sectors and geographical scope.

**d. Clarification on Human Resources**

The problem is more on the implementation of policies arising from red-tape. It is possible that “unfit” persons are hired based on patronage not merit.

**3. Group 3 – Government-Civil Society-Private Sector Partnership**

**a. “NGO or People Unfriendly” Audit Rules<sup>3</sup>**

COA rules do not recognize community organizing, which aims to achieve social preparedness among people, in the assessment of projects. <sup>4</sup> The deadlines do not consider people’s social preparation. Audit rules should, therefore, be more people or NGO friendly.

<sup>3</sup> These paragraphs show the varying views brought up by different persons.

<sup>4</sup> An experience shared by one of the participants in a project with DAR which applied COA audit rules.

However, flexibility could also pose as a problem in undertaking cooperative endeavors with NGOs/POs as partners -- i.e., when government contracts another party for public purposes. Basic COA rules stipulates that no public funds should be used for private purposes.<sup>5</sup>

There are certain procedures that need to be followed. On the other hand, flexibility may be allowed in special cases and if properly justified. Flexibility may be allowed through simplification of procedures.

On the other hand, allowing flexibility in COA rules has implications on the incidence of corruption.<sup>6</sup> Even with the existing strict COA rules, corruption still exists. Flexibility, then, might even aggravate problems of graft and corruption.

NGOs may also undergo orientation on COA audit rules to fully appreciate the rationale for such rules.

#### **b. BOT Arrangement at the Local Level**

BOT arrangements relate to the corporate nature of the LGUs. Provisions of the LGU Code are not maximized. The LGU is still a political machinery of government officials. Hence, government should push for creation cooperatives at the barangay level. The barangay may be oriented on how to create cooperatives.

#### **c. Diversity of Views on the Development Framework**

Diversity may not necessarily be a problem as long as the goals of the various sectors are the same.

#### **d. Genuine Partnership**

Genuine partnership has not yet been achieved through representation in councils. To improve relations between GOs and NGOs/POs, continuous interaction must be undertaken to minimize biases.

To achieve genuine participation, NGOs must be present in budget hearings of the LGU.

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Reaction of a government official.

Word of caution of a participant from the private sector.

NGOs are often treated as a *junior partner* in cooperative endeavors. This breeds perception of NGO co-optation.

**e. Ambiguities in the Use of “NGO” as a Terminology**

Ambiguities in the use of NGO as a term breeds misunderstanding. It can be misleading to lump together organizations which are not government in nature as all NGOs.

There is a need to further clarify the term. For instance, civic organizations which are mainly business-led organizations, are considered by some as NGOs. This has implications on NGO participation in planning as this would generate token NGO participation – i.e., participation in name only.

**f. Some Comments:**

**(1) On Privatization**

There is a trend towards minimalist government intervention. However, caution must be taken in letting the private sector take over. Based on the experiences of Eastern European countries, take-over of the private sector led to chaos. Hence, in implementing privatization, creation of a regulatory mechanism must be considered.

With particular reference to water supply, there is subsidy by government in water supply services. Although the private sector will be able to deliver water to the neglected areas, it cannot afford to subsidize since orientation of the business sector is by nature towards making profits. The company would consequently charge higher rates.

**(2) On Decentralization**

**(a) Abdication of Functions**

Donors have reservations on fast-track decentralization. In implementing decentralization, it is important to look into devolution or abdication of responsibilities by the national government. Considering the fund raising role of NGOs and the prevalence of “volunteerist” attitude, the government might take advantage of this trait.

**(b) Accountability of Government**

It is also necessary to examine object of government accountability (i.e., to whom it is accountable). In some cases, the central government activities are based on vested interests. With reference to central government activities at the local level, activities may be accountable to the central government but not necessarily accountable to the local demands.

**(c) UNDP is more demand-driven**

UNDP's main objective is to find ways for government to be more responsive to the people's views and concerns and, therefore, be more demand-driven.

## V. RECAPITULATION

The recap was presented by Ms. Diane Respall, the CO-TRAIN representative. The recommendation of the previous day's workshop presentations were clustered and presneted to the participants. The participants were encouraged to make the necessary correction particularly for those recommendation were the participants were not able to present the contexts during the plenary presentation but which were lengthily discussed in the workshop groups.

## VI. PRESENTATION OF THE UNDP GOVERNANCE STRAGEGY PAPER

Mr. Cesar Liporada of UNDP presented the paper with special focus on the concept of Sustainable Human Development and Governance. Certain issues were mentioned linking them with the three areas of concern in governance. Mr. Liporada also presented the convergence between the points raised by the participants the day before and the concerns of UNDP.

## VII. PLENARY -- CLUSTERING AND PRIORITIZATION OF ISSUES AND RECOMMENDATIONS

### A. Process

Using the recap as take-off points for discussion, the participants were requested to groups the issues and recommendations according to priority. The members of the concerned workshop group were encouraged to elaborate and explain the context of the identified issues and recommendations of the preceding workshop for further clarification. This enabled the participants to prioritize the issues and recommendations. These are summarized as follows:

## **1. Public Sector Reform**

### **a. Good and Effective Governance**

- Decentralization, Autonomy, Federation
- Participation of NGO's/PO's
  - strengthen NGO's/PO's participation,
  - particularly significant NGO's/PO's
- Transparency and accountability
  - performance audit with NGO's/PO's as "watchdogs"
  - training of NGO's in monitoring, evaluation and appraisal
- Holistic not fragmented - BOT
- Privatizing some social services for cost-effectiveness

### **b. Development**

- Access to resources (equitable, particularly by poor and vulnerable sector)
- Sharing of resources
- Partnership in Dev. - Gov't. NGO's/PO's , private sector
- Privatizing GOCC (cost-effect)

### **c. Audit (gov't, COA & DBM)**

- less bureaucratic
- flexible

## **2. Area-Based Management**

### **a. Integrated Development Planning**

- Capability-building
- Participatory planning
- Weak implementation, SRA Localization
- Provision of Access to livelihood and other opportunities

### **b. Harnessing of Natural Resources (Ecosystem)**

- over exploitation of resources
- lack of planning

- access to funds (private and public)

c. Ancestral Domain

- access to resources/funds
- support mechanism

d. Displacement/Migrants

**3. Partnership**

a. Peace Agreement

- partnership between SPCPD, etc.
- fast-track implementation

b. Difference in Development Perspective and Approaches

- participatory governance
- conflict in development perspective
- definition/clarification of NGO's/partnership, etc.
- cooperative arrangements
- appreciation of each other's role (capability - building)

c. Fiscal Policies re: NGO work

- budget constraints
- joint work plan/budget
- institute NGO participation

## **VIII. WORKSHOP 3 -- OPERATIONALIZATION OF GOVERNANCE STRATEGIES**

### **A. Process**

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Instead of re-grouping the participants, it was unanimously agreed among the participants that the groups be maintained since the respective groups members have already initiated discussions on various issues under the specific areas of governance previously assigned to them. These previous workshop discussions have already levelled-off perceptions among themselves on specific concepts and were already familiar with the context of identified priority issues.

The three groups also retained the previously assigned area of governance -- public sector reform, local governance and area-based management and partnership. The groups were requested to further operationalize the issues and their recommendations by identifying the respective objectives, outputs, major activities and recommended institutions and organizations. To facilitate workshop discussion, each workshop group were provided with a copy of the recommendations as prioritized in the preceding plenary session.

### **B. Presentation of Workshop 3 Results**

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This workshop was facilitated by Father Eliseo Mercado of Notre Dame University.

The participants were allowed to ask questions and give their comments after the presentation of each group.

In the course of discussing the workshop presentations, two policy gaps were identified -- the judicial system and the police. It was then agreed by the group that separate discussions would be undertaken to tackle these issues at the plenary level. Section IX of this report covers the output of this plenary discussion.

**1. Presentation of Group 1 – Public Sector Reform**

<b>CONCERN/ ISSUE</b>	<b>OBJECTIVES</b>	<b>OUTPUTS</b>	<b>MAJOR STRATEGIES/ACTIVITIES</b>	<b>RECOM- MENDED INSTITUTIONS</b>
<b>GOOD &amp; EFFECTIVE GOVERNANCE</b>				
a. Decentralization	<ul style="list-style-type: none"> <li>To fully decentralize the basic social services to the LGU.</li> </ul>	<ul style="list-style-type: none"> <li>Decentralized basic social services.</li> </ul>	<ul style="list-style-type: none"> <li>Amendment of LGC to include functional mechanisms.</li> <li>Capability-building of LGUs to handle devolved function.</li> <li>Empowering the LGUs in revenue sourcing for resource mobilization.</li> </ul>	<ul style="list-style-type: none"> <li>Oversight Committee</li> <li>DILG</li> <li>Saggunian</li> </ul>
b. Autonomy	<ul style="list-style-type: none"> <li>To attain full autonomy in the region &amp; the decentralized LGUs.</li> </ul>	<ul style="list-style-type: none"> <li>Full autonomy to the region and the decentralized LGUs.</li> </ul>	<ul style="list-style-type: none"> <li>Review of the extent of competent and powers of regional offices.</li> </ul>	<ul style="list-style-type: none"> <li>ARMM</li> <li>Congress</li> </ul>
c. Federalization	<ul style="list-style-type: none"> <li>For the regional office to exercise full powers on local affairs.</li> </ul>	<ul style="list-style-type: none"> <li>Creation of 2 federal groupings -- ZOPAD &amp; non-ZOPAD.</li> </ul>	<ul style="list-style-type: none"> <li>Congressional legislation.</li> </ul>	<ul style="list-style-type: none"> <li>Congress</li> <li>SPCPD</li> <li>Kusog Mindanao</li> </ul>
d. Partnership	<ul style="list-style-type: none"> <li>To have an effective &amp; meaningful participation of NGOs.</li> </ul>	<ul style="list-style-type: none"> <li>NGOs &amp; Pos full partnership with GOs.</li> </ul>	<ul style="list-style-type: none"> <li>Capability-building of NGOs.</li> <li>Dialogue of NGOs &amp; Gos.</li> </ul>	<ul style="list-style-type: none"> <li>NGO Network</li> <li>Sanguunian</li> </ul>
e. Transparency & Accountability		<ul style="list-style-type: none"> <li>Responsible &amp; Accountable government</li> </ul>	<ul style="list-style-type: none"> <li>Capability-building of LGUs &amp; NGOs.</li> <li>Performance Audit</li> </ul>	<ul style="list-style-type: none"> <li>NGO Network</li> <li>Performance Audit Team</li> </ul>

**1. Presentation of Group 1 – Public Sector Reform (continuation)**

<b>CONCERN/ ISSUE</b>	<b>OBJECTIVES</b>	<b>OUTPUTS</b>	<b>MAJOR STRATEGIES/ACTIVITIES</b>	<b>RECOM- MENDED INSTITUTION S</b>
<b>DEVELOPMENT</b> a. Wholistic  b. Access of reseources by the poor & vulnerable	<ul style="list-style-type: none"> <li>• To come up with wholistic development framework.</li> <li>• To create a mechanism where the poor will have access to resources.</li> </ul>	<ul style="list-style-type: none"> <li>• Wholistic development framework</li> <li>• Growth with equity.</li> </ul>	<ul style="list-style-type: none"> <li>• Capability-building</li> <li>• Consultation with concerned sectors.</li> <li>• Formulation of cooperatives.</li> <li>• Capability-building</li> <li>• Review of financial policies &amp; regulations.</li> </ul>	<ul style="list-style-type: none"> <li>• LGUs</li> <li>• NEDA</li> <li>• DILG</li> <li>• NGO Networks</li> <li>• CDA</li> <li>• DOF</li> <li>• NDEA</li> </ul>
<b>AUDIT</b>	<ul style="list-style-type: none"> <li>• To come up with a system which is less bureaucratic &amp; more flexible.</li> </ul>	<ul style="list-style-type: none"> <li>• Less bureaucracy to enhance NGO participation in Gos programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Capability-building of COA &amp; NGOs.</li> <li>• Orientation of COA-DBM on NGO culture &amp; vise-versa.</li> </ul>	<ul style="list-style-type: none"> <li>• COA</li> <li>• DBM</li> <li>• NGOs</li> </ul>

## **SOME NOTES AND CLARIFICATIONS ON THE PRESENTATION ON PUBLIC SECTOR REFORM:**

### **a. Good and Effective Governance**

- **Fast-track Devolution of the functions and responsibilities to the LGUs**

Due to fast-track devolution of functions to the LGU, the local government executives were not prepared to assume their responsibilities. Hence, capability-building is one of the recommendations to fill this gap.\`

- **Autonomy**

Regional offices are still dependent on the national government on certain policy decisions even if these office can make the decisions at their level.

- **Federalization**

May not be limited to barangays but may extend to bigger groups (in Mindanao) such as ZOPAD, etc.

Legislation for federalization has to be followed up by the SPCPD and other aggrupations in Mindanao.

- **Transparency and Accountability**

Transparency and accountability are issues addressing graft and corruption with a view of achieving good and effective government. Moral re-direction is also incorporated in capability- building.

The Performance Audit Team would comprise the DBM, COA, DILG and the Office of the President.

### **b. Development**

- **Holistic framework**

Holistic would mean that the framework should apply to the whole island covering all aspects of development.

Capability-building focuses on those responsible in development planning.

**There should be consultation at all stages of planning not after the plans have been drafted as this attracts confrontation.**

- **Access to Resources**

**Access to resources refers to both public and private resources.**

**Growth with equity means that growth should benefit the whole population, particularly the marginalized. An example would be the AGRA Law which sets aside a percentage of the loan which should be available to the poor in the agricultural sector. However, only a few gain access to this loan due to the unaffordable financial requirements.**

**c. Audit**

**The Audit system should be more "NGO/PO friendly". The NGOS and POs get discouraged when they get to be apprised of the stiff COA requirements.**

**2. Presentation of Group 2 – Local Governance and Area-based Management**

CONCERN/ ISSUE	OBJECTIVES	OUTPUTS	MAJOR STRATEGIES/ACTIVITIES	RECOM- MENDED INSTITUTIONS
a. Integrated Development Planning	(1) To improve/enhance capability of LGUs, civil society & private sector in planning.	<ul style="list-style-type: none"> <li>• Trained trainers</li> </ul>	<ul style="list-style-type: none"> <li>• Training in capability-building,</li> <li>• monitoring and evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>• NEDA</li> <li>• Academe</li> <li>• Line agencies</li> <li>• Federation of NGOs by concerns.</li> </ul>
	(2) To ensure active participation of local executives, stakeholders/ beneficiaries in planning.	<ul style="list-style-type: none"> <li>• Institutionalization of mechanisms for participation.</li> </ul>	<ul style="list-style-type: none"> <li>• Profiling of NGOs; training of NGOs which are members of local planning board.</li> <li>• Advocacy &amp; information dissemination on the important of involvement.</li> </ul>	<ul style="list-style-type: none"> <li>• Federation/ Alliance of NGOs</li> <li>• PPDO</li> <li>• Local media</li> <li>• barangay fora</li> </ul>
	(3) To ensure the provision of livelihood opportunities	<ul style="list-style-type: none"> <li>• Package of do-able &amp; appropriate livelihood projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct of RSA, PAR-CIPS training</li> <li>• Installation of local CIPS</li> </ul>	<ul style="list-style-type: none"> <li>• LGU</li> <li>• NGOs/POs</li> </ul>
b. Harnessing of Natural Resources	<ul style="list-style-type: none"> <li>• To ensure sustainable utilization of natural resources.</li> </ul>	<ul style="list-style-type: none"> <li>• Local ordinances to protect, rehabilitate &amp; conserve resources in the areas -- impose stiff penalties for violators.</li> <li>• Institutionalization of CB-CRM, CB-RM.</li> </ul>	<ul style="list-style-type: none"> <li>• Activating groups like Bantay-Dagat., Bantay Gubat, Community-based Resource Management (CB - CRM)</li> <li>• Strict implementation of laws.</li> </ul>	<ul style="list-style-type: none"> <li>• SBs</li> <li>• LGUs</li> <li>• Policy groups</li> <li>• Advocacy groups</li> <li>• DENR</li> </ul>

**2. Presentation of Group 2 – Local Governance and Area-based Management (continuation)**

CONCERN/ ISSUE	OBJECTIVES	OUTPUTS	MAJOR STRATEGIES/ACTIVITIES	RECOM- MENDED INSTITUTIONS
c. Ancestral Domain	(1) To expedite issuance of CADC.	<ul style="list-style-type: none"> <li>• CADCs issued to IPs, Moro people</li> <li>• Mapping/delineating Ancestral domain.</li> </ul>	<ul style="list-style-type: none"> <li>• Assist IPs/Moro peoples to comply with requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• OSCC</li> <li>• OMA</li> <li>• NGOs</li> <li>• LGUs</li> </ul>
	(2) To enable IPs/Moro people to manage their domain.	<ul style="list-style-type: none"> <li>• Congressional legislation</li> <li>• Advocacy programs for IPs/Moro re: ancestral domain.</li> </ul>	<ul style="list-style-type: none"> <li>• Remove July deadline.</li> </ul>	<ul style="list-style-type: none"> <li>• Senate</li> <li>• Congress</li> </ul>
	(3) To provide support mechanisms for IPs/Moro in the management of ancestral domains.	<ul style="list-style-type: none"> <li>• Available funds for Ancestral domain management. -- technology; structure inter-face between Ips &amp; modern technology.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide easy access to funds for managing Ancestral domains</li> <li>• Skills training</li> </ul>	<ul style="list-style-type: none"> <li>• PAGs</li> <li>• Media</li> <li>• TESDA</li> <li>• NGOs</li> <li>• LGUs</li> <li>• OSCC</li> <li>• OMA</li> </ul>
d. Displaced populations/ Repatriates	<ul style="list-style-type: none"> <li>• To provide re-settlement &amp; livelihood for Filipino repatriates</li> </ul>	<ul style="list-style-type: none"> <li>• Repatriation of displaced populations</li> <li>• Livelihood opportunities for repatriates</li> <li>• Gainful employment for re-settled repatriates.</li> </ul>	<ul style="list-style-type: none"> <li>• Skills/Entrpreneurial training</li> </ul>	<ul style="list-style-type: none"> <li>• DAR</li> <li>• OSCC/OMA</li> <li>• LGUs</li> <li>• NGOs</li> <li>• DTI</li> </ul>

## 2. Presentation of Group 3 – Partnership

CONCERN/ ISSUE	OBJECTIVES	OUTPUTS	MAJOR STRATEGIES/ACTIVITIES	RECOM- MENDED INSTITUTIONS
a. Peace & Development	(a) Ensure wider & greater participation of the people in Mindanao in the peace process.	<ul style="list-style-type: none"> <li>Updated &amp; integrated consultation documents on the peace process (NUC,PAP, POC, UNDP)</li> </ul>	<ul style="list-style-type: none"> <li>Tri-people &amp; multi-sectoral consultations &amp; dialogue, convention.</li> </ul>	<ul style="list-style-type: none"> <li>NGOs/POs</li> <li>Gos</li> <li>Other organized groups from Moro, highlander &amp; settlers.</li> </ul>
	(b) To increase/speed-up implementation of laws to safeguard the properties & lives of the people.	<ul style="list-style-type: none"> <li>Decreased criminality; increased investments.</li> </ul>	<ul style="list-style-type: none"> <li>Research &amp; advocacy.</li> </ul>	<ul style="list-style-type: none"> <li>Academe</li> <li>NGOs/POs</li> </ul>
	(c) To resolved impediments/ obstacles to the peace process.	<ul style="list-style-type: none"> <li>Harmonious relationship among people in Mindanao.</li> </ul>	<ul style="list-style-type: none"> <li>Resource-sharing (human materials, financial resources, time...)</li> </ul>	<ul style="list-style-type: none"> <li>Civi organizations</li> <li>Religious organizations</li> <li>Fraternal groups</li> <li>Business organizations</li> </ul>

**2. Presentation of Group 3 – Partnership (continuation)**

CONCERN/ ISSUE	OBJECTIVES	OUTPUTS	MAJOR STRATEGIES/ACTIVITIES	RECOM- MENDED INSTITUTIONS
b. Different and Conflicting Development Perspective & Approaches	(a) To level-off different & conflicting development perspectives & approaches among NGOs, POs, privates sector (PS) & GOs.	<ul style="list-style-type: none"> <li>• One &amp; agreed upon development framework.</li> </ul>	<ul style="list-style-type: none"> <li>• Selective ammendments of the LGC especially on provisions governing partnership.</li> <li>• Consultations, dialogues</li> </ul>	<ul style="list-style-type: none"> <li>• Lobby groups in Congress and Senate.</li> </ul>
	(b) To operationally define the concept of partnership, roles and mechanisms of interrelationship between & among GOs, civil society &the PS.	<ul style="list-style-type: none"> <li>• Common &amp; accpeted category of civil society groups.</li> <li>• Clear mechanism of relationship/inter- action.</li> </ul>	<ul style="list-style-type: none"> <li>• Consultations</li> </ul>	<ul style="list-style-type: none"> <li>• NGOs, Pos</li> <li>• Private sector</li> <li>• Gos (LDCs)</li> </ul>
c. Fiscal Policies regarding GO work	(a) To propose & lobby policies that are applicable & reasonable to NGOs/POs.	<ul style="list-style-type: none"> <li>• Relevant fiscal policies for NGOs/POs</li> </ul>	<ul style="list-style-type: none"> <li>• Proposal preparation</li> <li>• Lobbying</li> </ul>	<ul style="list-style-type: none"> <li>• Academe</li> <li>• NGOs/POs</li> </ul>

**2. Presentation of Group 3 – Partnership**

<b>CONCERN/ ISSUE</b>	<b>OBJECTIVES</b>	<b>OUTPUTS</b>	<b>MAJOR STRATEGIES/ACTIVITIES</b>	<b>RECOM- MENDED INSTITUTIONS</b>
c. Fiscal Policies regarding GO work (Cont)	b) To educate NGOs/POs/PS on planning & budgeting.	<ul style="list-style-type: none"> <li>• NGOs, Pos, PS competent in the fiscal &amp; administrative policies &amp; procedures of the government.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct training &amp; seminars for NGOs, Pos, PS on fiscal &amp; administrative policies &amp; procedures of the government.</li> </ul>	<ul style="list-style-type: none"> <li>• ILGA</li> <li>• NGOs</li> <li>• Pos</li> <li>• PS</li> <li>• GO</li> </ul>
	(c) To ensure the active participation of NGOs/POs/PS in planning & budgeting.	<ul style="list-style-type: none"> <li>• Joint workplans/budgets.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct seminars &amp; training on work &amp; financial planning.</li> <li>• Joint action planning and budgeting.</li> </ul>	<ul style="list-style-type: none"> <li>• ILGA</li> <li>• NGOs</li> <li>• Pos</li> <li>• PS</li> <li>• GO (DILG, DBM)</li> </ul>

## **C. Comments and Issued Raised on the Presentation**

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### **1. Public Sector Reform**

#### **a. De-centralization/Autonomy**

##### **(1) Which Agencies should be devolved?**

Autonomy given to regional offices will not be good for line agencies since there are insufficient funds for these agencies to undertake their devolved functions. De-centralization is also accompanied by de-centralization of funds.

##### **(2) Some exceptions in devolution of functions**

The hospitals must remain under the jurisdiction of the national government. In general, hospitals are classified into the following

- Primary Hospitals -- handle emergencies, out-patient cases
- Secondary Hospitals -- performs major operations
- Tertiary Hospitals -- refer to regional hospitals which also handle training.

In this context, all social services except the DOH, Secondary and Tertiary hospitals must be de-centralized since the provinces cannot handle the scope of activities handled by these hospitals.

##### **(3) Comment: Federalization and sparsely populated areas/regions.**

If the population is too small, "decentralization" should be according to regions- e.g., regions 10, 11, 12.

Details of federalization will take several processes and will have to be addressed in other venues.

There should also be a review of the practices and the operational activities involved in the federalization process.

**b. Definition of Development and Its Geographical Scope**

**(1) Definition**

The definition of the concept is based on the holistic framework -- i.e., there is one Eco-system and everything is interrelated with each other in terms of development.

Formulation of Development Plans per province or region are not independent of each other since development of each province or region is interrelated with each other. Currently, the development plans are fragmented, each provinces independently formulate its own development plan without relating or linking it with the other areas.

In view of this, it becomes difficult to integrate the development plans of each region or province.

**(2) Feedback on the Mindanao Master Development Plan**

There is a Mindanao blue-print of development, called *Mindanao 2010*. This process took two years to complete. This is based on the Medium-Term Development Plan.

In this master plan, the roles of each actor are identified for each province/area.

It was then suggested by the participants to consult the provinces and validate the Mindanao Master Development Plan.

**(3) Holistic Approach**

How will the regions fit into the holistic Mindanao Development Plan? The Mindanao Master Development has not yet been disseminated.

Dissemination of the Mindanao Master Development Plan should, therefore, be an additional recommendation.

All aspects of development are integrated into the holistic framework - - e.g., infrastructure development should also take into consideration other areas such as social development since there are communities affected by infrastructure development.

**c. Audit**

Capability should also include entrepreneurial vocation. Hence, this involves inter-facing of NGOs/POs and COA.

Standardization/uniformity of auditing contradicts with the recommendation on NGO/PO friendly audit system. (Note: Comment was made earlier by one of the participants on the occurrence of graft and corruption even with the existing strict enforcement of audit rules and regulations.)

**2. Group 2 -- Local Governance and Area-Based Management**

a. Use the term "Repatriates" rather than "Migrants"

**b. Harnessing Natural Resources**

**(1) Increase Penalties as an additional recommendation**

Price of forest products should be increased to discourage denudation. Note: Caution should be taken since there might be people who might take advantage of the price increase.

**(2) Guarded forests are relatively the more denuded areas.**

Forest Areas, populated by indigenous peoples and not guarded by DENR personnel, do not have problems of forest denudation. It is the guarded areas which appear to be exploited.

Therefore, stiff penalties should be implemented for violators.

**(3) Bantay-Gubat**

As a parallel to the Bantay-Dagat initiative/recommendation, there should also be Bantay-Gubat.

**(4) Bantay-Dagat**

There are cases where in guarded areas, there is dynamite fishing. The problem is sometimes not the absence of law but lack of strict implementation.

**(5) Successful Initiatives:**

One of the participants was involved with the Watershed Study Group.

There has been two successful strategies in addressing the issue of deforestation.

Bantay-Gubat involved the participation of the civilian population. They do not depend on the government to guard the forests. The people arrested the guards who took part in illegal cutting of trees.

Therefore, there should be more active participation by the people. This is addressed in relation to the recommendation referring to the community based-resource management (or CB-CRM).

A municipality has an ordinance against forest denudation. It implements strict issuance of licenses. For instance, violation is committed, the chain saw is confiscated and destroyed.

NGOs should be "effective" watchdogs of GOs.

**c. Problem in sustainability of Development Plans**

It is observed that there is the tendency for the succeeding governments to disregard the development plan of the previous administration. There is, therefore, a need to create mechanism to ensure that the next administration respect and/or consider the preceding development plan.

### **3. Group 3- Partnership**

#### **a. NUC – National Unification Commission**

The NUC has had multi-level consultations, reports have been consolidated but not disseminated.

#### **b. Criminality and the Police**

The police need better equipment for protection. The budget for the police comes from the LGU. If there is insufficient government resources, funds may be sourced from civic organizations who can donate equipment. (NOTE: Criminilaty was identified as a policy gap during the session.)

The police officers need values orientation. On the other hand, they should not be solely blamed for criminality. The police also identifies flaws in the justice system which hinders effective law enforcement -- e.g., There have been various occasions when criminals are released from prison.

**XIV. PLENARY – THE IDENTIFIED POLICY GAPS:  
THE JUDICIAL SYSTEM AND PEACE-KEEPING**

<b>ISSUE/ CONCERN</b>	<b>OBJECTIVES</b>	<b>OUTPUTS</b>	<b>STRATEGIES/ ACTIVITIES</b>	<b>RECOMMENDED INSTITUTIONS</b>
<b>Judicial System Speedy, just and equitable</b>	1. Accessible, effective delivery of justice	1. All judgment & prosecutive positions filled up	1.1. DOJ immediate appoint people to vacant positions.	1.1. Congress  (Appointments)
			1.2. Increase salaries of judges, positions filled dup.	1.2. DOJ, OP, IBP, Supreme Court
			1.3. Revise system of selection of judges/prosecutors	1.3. Office of the President
		2. Substantial reduction of backlog of cases	2.1. Creation of more courts & shariah	2.1. Congress, Supreme Court
			2.2. Establish appellate courts. in the regions	2.2 Congress
		3. Trained paralegals	3.1. Paralegal seminars 3.2. Organization of paralegals.	3.1. IBP, NGO, DOJ 3.2. -DO-
			4.1. Include people's basic rights & responsibilities in the curriculum	4.1. DECS
		4. People aware of their rights	4.2. Train & strengthen Katarungan Pambarangay	4.2. DILG, LGA
			4.3. Review & amend PD 1083 suitable	4.3. Congress w/ Ulama's Participation
		5. Poor & vulnerable sectors given more in law.		

**XIV. PLENARY -- THE IDENTIFIED POLICY GAPS:  
THE JUDICIAL SYSTEM AND PEACE-KEEPING**

<b>ISSUE/ CONCERN</b>	<b>OBJECTIVES</b>	<b>OUTPUTS</b>	<b>STRATEGIES/ ACTIVITIES</b>	<b>RECOMMENDED INSTITUTIONS</b>
PNP- Peace Keeping	1. Fit, morally upright & effective peacekeeping force	1. Disciplined peace-keepers	1.1. Review recruitment of peace-keepers	DILG, PNP
			1.2. Continuous re-training of peace-keepers	DILG, PNP
			1.3. Advancement program for peace-keepers	DILG, PNP
			1.4. Increase salaries of peace-keepers	DILG, PNP, Congress
		2. Substantial reduction of criminality	2.1. NGO/citizens' vigilance	DILG, PNP
			2.2. Police visibility	
		3. Restored civilian trust in PNP	3.1. Dialogues between PNP- NGO/citizens 3.2. Strengthen PLEBS 3.3. Information dissemination	DILG, PNP
		4. Well-equipped peace-keepers	4.1. Resource sharing 4.2. Implement police modernization 4.3. Summary dismissal of police with cases	4.1. DILG, PNP, NGOs/POs, Civilians 4.2. DILG, PNP, Congress 4.3. DILG, PNP

**XIV. PLENARY – THE IDENTIFIED POLICY GAPS:  
THE JUDICIAL SYSTEM AND PEACE-KEEPING**

<b>ISSUE/ CONCERN</b>	<b>OBJECTIVES</b>	<b>OUTPUTS</b>	<b>STRATEGIES/ ACTIVITIES</b>	<b>RECOMMENDED INSTITUTIONS</b>
Cont. PNP- Peace Keeping		5. Non-involvement of police in illegal activities	5.1. Stiff penalties for law violations 5.2. reward/recognition for upright police	5.1. DILG, PNP 5.2. DILG, PNP, NGOs/POs, Civilians
		6. Speedy & just investigation & apprehension of criminals	6.1. Approximate ideal police & population ratio	DILG, PNP, NGOs/POs, Civilians
		7. Gender sensitive peacekeepers	7.1. Integrated human rights and gender sensitivity in police curriculum 7.2. Recruit gender sensitive police	DILG, PNP, NGOs/POs, Civilians
		8. Women officers at every police stations	8.1. Immediate filling up of vacancies for women officers/desks	DILG, PNP, NGOs/POs, Civilians
		9. All police officers to undergo periodic drug testing		DILG, PNP

## **X. EVALUATION SESSION WITH THE PARTICIPANTS**

Each participant was asked to evaluate the consultative workshop based on the following criteria: <sup>1</sup>

- A. Process
- B. Resource Papers
- C. Content
- D. Participants
- E. Administration

## **XI. CLOSING RITUAL**

To conclude the conference, each participant was requested to present an object as an “offering” to symbolize their commitment and declare a commitment with a lighted candle on hand.

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<sup>1</sup> Please refer to the Annex for an enumeration of the participants comments.

# THE UNITED NATIONS DEVELOPMENT PROGRAM (UNDP) CONSULTATION ON GOVERNANCE

## Introduction

The United Nations Development Program (UNDP) Consultation on Governance for Sustainable Development for the Visayas was conducted from April 29 to 30 at Balay Kalinungan, University of St. La Salle, Bacolod City. The convenor was the Balayan office of the University of St. La Salle.

## Participants

The convenor drew up a list of Non-governmental Organization (NGO), People's Organization (PO), Government and Private Sector representatives from the three Visayas regions, Regions VI (Western Visayas), VII (Central Visayas) and VIII (Eastern Visayas). Of those people invited to the consultation, several responded and participated [cf. Directory, Annex "A"].

UNDP Representatives were Cesar Liporada and Nelia Miranda.

The Consultation Co-ordinator was Cesar Villanueva of Balayan-USLS. There were four Consultation Facilitators: George Aguilar, Carmen Benares, Dudie Locsin and Celia Flor.

## Venue

Balay Kalinungan (House of Peace) at the University of St. La Salle, Bacolod City was the consultation site. Participants enjoyed pleasant surroundings at the University and were accommodated in dormitories. Some of the participants stayed out.

## The Consultation

### The First Day

On April 29, 1997, Tuesday morning, after the welcoming session (handled by Cesar Villanueva), participants introduced themselves and shared expectations they had of the course.

Some of the expectations were:

1. Recommendations for policy changes
2. Identification of issues and concerns hindering implementation at the local level
3. Identification of areas for collaboration/partnership among NGOs/GOs/POs
4. A brief about the 6<sup>th</sup> CP of UNDP
5. Sharing of experiences

6. Role of UNDP in terms of coordination and support
7. Discuss reasons for failure of local government initiatives
8. Identification of convergence of all initiatives
  - Have more LGUs represented here
  - How can area-based management be used for effective governance
9. Update on NGO/PO participation in local governance
10. Clarify 3rd workshop
11. How to sustain collaborative partnership
12. Identification of windows of opportunities and beef up existing programs

These expectations were leveled-off with the Consultation program. Most of them were within the scope of the consultation and there appeared to have been problem with whether the consultation was the proper venue for this.

After the opening session, Cesar Liporada of the UNDP presented global trends and explained the UNDP program on governance.

In the afternoon, the first Workshop was conducted. The participants shared initiatives on local governance in their areas. They were asked to fill up a framework consisting of the program initiative, the program objectives, the area of coverage, the stakeholders and the program status.

Results of the first workshop is as follows:

## WORKSHOP I (SHARING INITIATIVES ON LOCAL GOVERNANCE)

### *REGION VII*

PROGRAMS	OBJECTIVES	AREA OF COVERAGE	STAKE - HOLDERS	STATUS/ RESULTS
Magna Carta of Students	Protection of rights & welfare of students	Nationwide	Students	Second reading in Congress
Socialized Housing	Housing Projects for Urban Poor	Cebu City	Urban Poor LGUs, all Housing Agencies	Identification of sites and (committees) TWG, potential problems
LPP	Strengthen MC I health, Child Survival, Family Planning	Cebu City, Negros, Bohol	LGU-Health Workers POPCOM Workers	On-going, Benchmarks set accomplished

PPLL	POP DEV Integration	Tagbilaran City, Bohol	Planners at the LGU	On-going
PPMP Program Advocacy	Strengthen implementation of PPMP/HES	Negros Oriental	Information Officers of Heads of Offices at the LGUs	Organized adv. team, orientation conducted at various sectors
PRE-Council	Advisory body to the Gov. along Pop Dev. Planning PPMP/HES	Cebu Prov.	Heads of Offices NGO RAFI-OPS	On-going
SRA-MBN	Capability Bldg. for Reg'l/Prov'l and Municipal Teams	Cebu Prov.	Health Workers Social Workers DILG, POPCOM, NGOs	On-going Pre-Council allocated HES funds for the conduct of the survey of the Mun. level
AHYDP	Capability Building for the youth as peer facilitators to undertake projects along PPMP/HES	Dumaguete City Cebu Prov. Negros Or. Bohol, Tagbilaran City	OSY/ISY	On-going OPPM in the pipe line Setting up of youth centers
Cebu Upland Project	Improved Standard of Living and Rehabilitation of the natural environment	Municipalities of Alcoy, Boljoon and Oslob (Cebu Province)	LGU and community groups	-Federation of groups and their accreditation with the SBs for participation in governance -Joint task forces to support community development work -Support in the encoding of SRA-MBN survey data -Cooperation in the HES programs

Integrated FP/MCH Program for socio-civic organization	To assist the SCOs of Metro Cebu and Prov in the FP/MCH Program who were untapped groups of the society due to lack of skills and expertise	Metro Cebu & Cebu Prov	LGU, socio-civic organization GO, NGO	-80 Farmers were trained as para-vegetarians  Sustained by the community Beneficiaries of SCOs with the LGUs
STD/AIDS Awareness Prog. for Gays (Beauty Parlor Base) of Metro Cebu under the ASEP of City Health Office		Cebu City	City Health Office organized gays	(Both are USAID Grants)
CIDSS	-Empowerment of communities -Poverty alleviation	Region 7	LGUS	MBN Survey conducted ID of needs
Licensing of NGOs	Minimum Standards of NGO operation	Region 7	NGOs DSWD	Brgy. Dev. Incorporated w/ Mun./ Prov. Dev. Plan
SMISLE	Capability Bldg. of LGUs and communities through micro-project dev't.	Bantayan Is. Camotes, Bohol	LGUs, communities	On-going
CUSW	Protection of Watershed	Cebu Province	LGUs, NGOs, Business Sector	On-going

Neg. Or. Alliance for Sustainable Development (NASUD)	Collaborative partnership of GOs- NGOs/POs in Negros	Neg. Or. (all cities and mun.)	Prov'l. Gov't, all mayors, LMP, DILG, NEGORNET	Ready for SEC Registration
GOLD-PPSC (NGO/PO Component)	NGO/PO effective part- icipation in local governance process	Bais City, Bayawan, Sibulan, ARD strategic direction, Bohol	NGOs/POs, LGUs, NEGORNET, BANGON, DILG ARD GOLD TWG	On-going
Participatory Dev't Planning	To train trainees in the mun. and selected brgys. in Participatory Dev't. Planning	Bayawan Mabinay	LGU, Mun. Brgy. Nat'l. line Agencies, NGOs, POs, PS, EU, TMF-CVPE	On-going
PRISP				
Barangay Capability Bldg.	To capacitate brgy. officials in local governance	Dumaguete City	City Government Line Agencies, LGUs, NGOs Communities	Completed
SRA	Effective Delivery of Social Services	Region 7	Fisherfolks	On-going
Coastal Resource Mgt.	Protection and Rehabilitation of marine resources	Bohol	Fisherfolks	On-going
Belgian Agrarian Reform Support Project (BARSP)		3 Towns in Bohol	Farmers	Terminated
Watershed Dev't. Program (LISARD)		4 Towns	LGUs	

<p>LDAP</p> <p>Environment &amp; Nat. Resources Council (ENRC)</p> <p>LDC/LSB Participation</p>	<p>LCC Dissemination of Capability Bldg</p>	<p>36 Municipalities</p>		
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*REGION VIII*

PROGRAMS	OBJECTIVES	AREA OF COVERAGE	STATUS/ RESULTS
<p>1. Environmental Protection, Preservation &amp; Management</p>	<ul style="list-style-type: none"> <li>• Environmental awareness</li> <li>• Rehabilitation of watershed areas</li> <li>• Advocacy against mining/ deforestation</li> <li>• Coastal resource mgt. rainforestation</li> <li>• Fish &amp; bird sanctuaries</li> <li>• Estuary (mangroves)</li> <li>• FARMC Organization</li> <li>• Tree parks</li> </ul>	<p>Region-wide</p>	<ul style="list-style-type: none"> <li>• On-going</li> </ul>
<p>2. Basic Services Delivery</p>	<ul style="list-style-type: none"> <li>• Partnership on Community Health &amp; Dev't (PCHD)</li> </ul>	<p>Region-wide</p>	

	<ul style="list-style-type: none"> <li>• Building of infirmaries</li> <li>• WATSAN projects (potable water system)</li> <li>• Housing &amp; lot acquisition (CMP)</li> <li>• Literacy (functional)</li> <li>• Public utilities</li> <li>• Conversion of electric coops</li> <li>• Agrarian reform communities</li> <li>• Task force "Sugarland"</li> </ul>	<p>Hernani, E. Samar</p> <p>Region-wide</p> <p>Leyte, W. Samar &amp; N. Samar</p> <p>Region-wide</p> <p>-do-</p> <p>Region-wide</p> <p>-do-</p> <p>Leyte</p>	
<p>3. Economic/ Livelihood Assistance/ Development</p>	<ul style="list-style-type: none"> <li>• Cooperative rehabilitation &amp; strengthening</li> <li>• Brgy. integ.</li> <li>• Agricultural sustainability</li> <li>• Consumer protection</li> <li>• Industry capability build-up</li> <li>• Feedmill, coco-oil mill, sinamay production.</li> <li>• Small &amp; Medium Enterprise Dev't Center</li> <li>• Establishment of EV Regional Agro-Industrial Center</li> </ul>	<p>Region-wide</p> <p>Region-wide</p> <p>Leyte</p> <p>Leyte, So. Leyte, E. Samar</p> <p>Region-wide</p> <p>Region-wide</p>	
<p>4. Gender &amp; Development Program</p>	<ul style="list-style-type: none"> <li>• Integration of gender (FW) in all projects</li> <li>• Effective</li> </ul>	<p>Region-wide</p>	<p>On-going</p>

	participation of women in local governance <ul style="list-style-type: none"> <li>• Plan of action after the Beijing conference</li> <li>• (GAD) trainings</li> </ul>		
5. NGO/ PO Incentive & Capability Building Fund	Fund support for (POINCO)projects	Tacloban City	On-going
6. Peace Initiatives		Eastern Samar	
7. Understanding Local Culture for Sustainable Development		Visayas-wide	1 province Completed
8. Capability Building Program for LGUs	<ul style="list-style-type: none"> <li>• LDAP</li> <li>• VMGO Workshop</li> </ul>	West & East Samar up to No Samar	

## REGION VI

### Economic Development

Airport and Seaport, Passenger Terminal  
 Roads and other infrastructure  
 Trade and Enterprise Development (ANP, MBCCI)  
 Tourism joint ventures  
 Competency Based Economies for Formation of Entrepreneurs (Countryside Entrepreneurship Dev't Program and German Assist For Tech. Coop.)  
 People's Industrial Enterprise  
 PRESEED (Dole Credit Lending)  
 Tulong sa Tao (DTI microcredit lending)  
 Capital-Build-Up/Micro Credit Program  
 Cooperative Bldg.  
 Micro Credit Financing / GRAMEEN Bank  
 Housing (Socialized) / Squatter Resettlement  
 Sustainable Agriculture/Livelihood Program  
 Tax collection

## Health

Primary Health Care and Family Planning  
Partnership for Com. Based Health Dev't. (PCHD)  
AIDS/HIV/STD  
Sanitation  
(Barangay Health Centers) Local Health Post  
Local Health Workers Volunteers Training

## Environment

Country Based Coastal Resource Mgt.  
Mt. Range Biodiversity Managed Resource Development  
Forest Land Mgt. Agreement  
Watershed Rehabilitation  
Upland Area Resource Dev't. Mgt.  
Localization of PCSD and PA 21  
Integrated Area Dev't.  
LGU Capability Bldg. on Biodiversity  
Bantay Dagat/Task Force on Marine Boundaries  
Integrated Social Forestry Program  
Forest Protection and Rehabilitation  
Certificate of Ancestral Domain Claim

## Agrarian Reform

Coop. Bldg.  
ARC Dev't./Infra Support Project  
Paralegal Volunteers Training  
Network Bldg.  
ILPARRD (Agrarian Reform and Rural Dev't.)  
Operation Sugarland  
Productivity System Dev't.

## Women

Provincial Council for Women  
Women's Center for Victims of VAW  
Consortium of Women's Organizations

Others

Capability Bldg. on local governance

LGU-NGO Partnership on Appropriate Technology

Agriculture Dev't.

Energy

Ecotourism

Partnership Bldg.- RDC,PDC,MDC, LSB, FARMCs

Prov. S.R. Council

PAMB/PMRB

PMAR

Technology-Taxmapping and Mgt. Info System

The second workshop started with defining the four key areas namely, Public Sector Reform, Local Governance, Area-Based Management, and Government-Civil Society Private Sector. After defining each term the groups were asked to identify key issues, strategic responses, gaps and recommendations per key areas of concerns.

Results of the second workshop were as follows:

**WORKSHOP II (DEFINITION)**

*REGION VI*

**A. PUBLIC SECTOR REFORM**

Refers to the executive, judicial and legislative branch of government, including special bodies under the office of the President (SPCPD-ARMM)

**B b1. LOCAL GOVERNANCE**

Adopted definition of UNDP governance unit strategy paper  
Page #07 Line 05

**b2. AREA BASED MANAGEMENT**

Adopted definition of UNDP governance unit strategy paper  
Page #07 Line 18

**C. Government - Civil Society - Private Sector Partnership**

refers to strategies to relate units and be considered as stakeholders, pool resource to maximize support in the community

PUBLIC SECTOR

**KEY ISSUES**

- Duplication of Similar Programs Different Government Agencies
- Devolution/ Unclear Function of National Government and LGU

**RECOMMENDATIONS/ SUGGESTIONS**

- \* Agencies concerned should sit down to determine its role and function

- Conflicting Laws
- Inadequacy/ Ineptness of Gov't Institutional Commissions (CHR, Urban Poor)
- Countryside Development Fund/ Congressional Insertion
- Graft, Corruption and Criminality
- Multi - Agreements
- Bureaucratic Institutional Arrangement

- \* Establish provincial office
- \* Provide additional resources (human, financial resources)
- \* Encourage local initiative to create task force as implementing bodies (Bantay-Dagat)
- \* Reduce allocation of CDF to its Congressional district
- \* Increase allocation of IRA to local government units
- \* CDF funded projects must conform with the local plan
- \* Capability Building of civil society
- \* Data banking, Networking -- storing data on criminality

## LOCAL GOVERNANCE

### KEY ISSUES

- Accreditation of NGO with local governance unit
- Insufficient Skills of Local Development Councils (LDCs)
- Allocation of IRA share of LGU
- Lack of Political Will
- Lack of implementing role and guidelines in accessing funds
- Insufficient capacity/ capability of LGU in Development Management
- Development vs. Peoples Right to food, security and security of tenure
- Sectoral Representation

### RECOMMENDATIONS/ SUGGESTIONS

- Policy advocacy: strengthen local government units in line with local governance
- \* Operationalize and concretize sustainable development strategy
- \* Preserve food security area
- \* Develop Electoral Programs
- \* Participation of civil society in policy-making body

## PARTNERSHIP

### KEY ISSUES

- Lack of Coordination of NGOs not to be able to create a strong federation to advocate issues
- Trafficking of funds intended to local NGOs by the National Network
- Lack of Internalization for NGO to cooperate with Business Sector
- Tenure of office of elected official affects programs/ projects
- Lack of programs and (projects) strategies for the NGO in involving other sectors in civil society

### RECOMMENDATIONS/ SUGGESTIONS

→ Redefine strategies and maximize people's participation

## TECHNOLOGY

### KEY ISSUES

- Conflicting views on Technology Transfer (Sustainable Agriculture vs. Gintong Ani)
- First-world Technology in Third-world Condition
- Resistance in Diffusion process re: Technology

### RECOMMENDATIONS/ SUGGESTIONS

## *REGION VII*

### Definition of GOVERNANCE:

Exercise of political, economic and administrative authority to manage the affair of a specific constituency.

### Definition of AREA-BASED MANAGEMENT

Planning, allocation and use of resources for Sustainable Integrated Area Development (SIAD) (which may extend beyond a political boundary) to meet the needs of the present generation without compromising the needs of future generations

### Definition of PARTNERSHIP:

Pro-active collaborative effort of the state, civil society and private sector in planning, implementations, monitoring and evaluation of programs, projects and activities geared towards sustainable human development

PUBLIC SECTOR REFORM

Key Issues	Strategic Response/s	Gaps	Recommendations/ Suggestions
<ul style="list-style-type: none"> <li>◆ Gov't's neo-liberal approach inadequately responds to the needs of the majority; conversion of agricultural lands to residential/ industrial/ recreational facilities</li> </ul>	<ul style="list-style-type: none"> <li>◆ Alternative models/ SIAD</li> </ul>	<ul style="list-style-type: none"> <li>◆ Inadequate resources: financial/ human</li> </ul>	<ul style="list-style-type: none"> <li>◆ Collaboration/ partnership between gov't &amp; civil society actors at the minimum</li> <li>◆ Adoption of such models at the maximum</li> </ul>
<ul style="list-style-type: none"> <li>◆ Lack of transparency and accountability: graft and corruption/ allocation of inadequate resources which are generally misappropriated</li> </ul>	<ul style="list-style-type: none"> <li>◆ Moral Recovery Program</li> </ul>	<ul style="list-style-type: none"> <li>◆ Selective implementation: limited to mid-mgt &amp; rank-and-file</li> </ul>	<ul style="list-style-type: none"> <li>◆ Strict implementation of MRP at all levels</li> </ul>
<ul style="list-style-type: none"> <li>◆ Slow implementation of pro-people laws/ programs (CARP, SRA, VDHA)               <ul style="list-style-type: none"> <li>■ lack of political will</li> <li>■ legislation of mechanisms allocation and other agenda (NAPS commitments)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>◆ Advocacy work</li> </ul>	<ul style="list-style-type: none"> <li>◆ Politicians protect their own interest</li> </ul>	<ul style="list-style-type: none"> <li>◆ Continued advocacy work/ lobbying</li> <li>◆ Additional allocation of resources at the local level (for new initiatives)</li> </ul>
<ul style="list-style-type: none"> <li>◆ Lack of mgt. skills of local gov't executives:               <ul style="list-style-type: none"> <li>■ Fiscal administration</li> <li>■ Entrepreneurship</li> <li>■ Participatory dev't planning</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>◆ Capability-building trainings/ seminars</li> </ul>	<ul style="list-style-type: none"> <li>◆ Lack of commitment</li> </ul>	<ul style="list-style-type: none"> <li>◆ Promotion of MRP/ Mgt skills trainings/ seminars</li> </ul>
<ul style="list-style-type: none"> <li>◆ Legislators doing executive work (implementors of projects)</li> </ul>			<ul style="list-style-type: none"> <li>◆ Scrap CDF and allocate such to local gov't units</li> </ul>

- State = creation of conducive political and legal environment, allocations of resources geared towards SHD
- Private = generation of jobs & resources and technology, corporate citizenship/ social responsibilities geared towards SHD
- Civil Society = facilitate political & social interaction, (100%) mobilization of groups to participate in socio-economic & political activities  
= active accessing of resources geared towards SHD

**Definition of TECHNOLOGY:**

It is the process of utilizing resources, skills and values efficiently and effectively towards creation and production of certain goods and services. It is governed by the principles of excellence (universal), honesty, environment-friendliness, equity, justice, and moral, local and indigenous knowledge, and spirituality

LOCAL GOVERNANCE AND AREA-BASED MANAGEMENT

Key Issues	Strategic Response/s	Gaps	Recommendations/ Suggestions
'Kanya-kanya approach to program development & implementation/ Management	CLUP  Formulation of enabling ordinances & measures for existing policies as well as supporting ordinances & measures for second generation issues and concerns	<ul style="list-style-type: none"> <li>◆ Lack of technical skills &amp; logistics</li> <li>◆ Missing coordination between prov'l and municipal gov't</li> <li>◆ No national land zoning framework (Land use code)</li> <li>◆ Need for common understanding on concept and elements of sustainable dev't</li> <li>◆ Haphazard public hearing, if any</li> <li>◆ Lagging behind work in cadastral surveys</li> </ul>	<ul style="list-style-type: none"> <li>◆ Fast track of passage of Land use code</li> <li>◆ Lobby for the incorporation of elements towards SIAD</li> <li>◆ Promotion of workable tripartite relationship (GO, NGO, PO) and interlocal cooperation</li> <li>◆ Capability-building → HRD</li> <li>◆ Review of MTPDPS</li> <li>◆ Use Of Ramos' proclamation of the overarching framework defined from PA 21 as a common parameter</li> </ul> <p>Paramount consideration on harmony among people, environment and technology</p>

## PARTNERSHIP

Key Issues	Strategic Response/s	Gaps	Recommendations/ Suggestions
1. Biases and apprehension of state against private sectors -vice versa-	♦ Training/ information campaign	♦ Inadequacy of information campaign	♦ Design team building type of activities
2. Lack of knowledge about programs/ objectives of either of the partner	♦ There are existing advertisement regarding agency program both in radio & TV	♦ Inadequate medium/ channel used ♦ Lack of skills & capability to organize consultations/ dialogues	♦ Organized consensus groups, resource accessing/ matching forum
3. Inadequacy (people involved in the consultation may not be the right person) of consultation process particularly in the LGUs	♦ Creation of bodies	♦ Token representation	♦ Follow criteria in the recruitment process of representative for the local council as stipulated in the LGC ♦ Consultation

## TECHNOLOGY

Key Issues	Strategic Response/s	Gaps	Recommendations/ Suggestions
1. Slow eradication of indigenous/ local knowledge/ culture ■ Apptech ■ Community initiatives ■ Intergenerational historicity	♦ Community Based Approach to Tech Dev ■ Masipag ■ Tissue Culture Alternative/ Integrated Pest Mgt. ■ Fry Production ■ Bio Fertilizers ♦ Scientific	♦ Isolated among NGOs & POs ♦ Lack of support and public recognition (grants, subsidies, financing, technical assistance, public awareness) ♦ Lack of	♦ Support & provide incentives like research grants, subsidies & technical assistance ♦ Document, preserve and popularize indigenous and local knowledge in technology ♦ Popularization of scientific researches

<p>2. Lack of support &amp; incentives for innovations &amp; scientific discovery of people &amp; cmts. (e.g. infra/ research grants, expt/ utilizations)</p> <p>3. Incomplete Technology Dev't. Cycle</p> <ul style="list-style-type: none"> <li>■ more into production of raw materials or training people to become employees</li> </ul> <p>4. Inadequate Resources for Tech. Dev't.</p> <ul style="list-style-type: none"> <li>■ Agriculture: land</li> <li>■ Equipment/ Machines</li> <li>■ Cheap Labor</li> <li>■ Finding Specialized Skills</li> <li>■ Other Materials e.g. (fabric)</li> </ul>	<p>Researches by Academe/ line agencies</p> <ul style="list-style-type: none"> <li>◆ Few scholarships and awards</li> <li>◆ Modeling/ Piloting of Entrepreneurs</li> <li>◆ National livelihood Support Fund</li> </ul>	<p>information/ education &amp; application/ utilization</p> <ul style="list-style-type: none"> <li>◆ No systematic and policy direction especially in allotted budget - (DOST, etc )</li> <li>◆ Not wholistically integrated in education curriculum,</li> <li>◆ Lack of financing, mktg. &amp; technical assistance esp on equipment and machines</li> <li>◆ Politically managed</li> <li>◆ With CDF</li> <li>◆ Where? How to access them?</li> </ul>	<p>through Participatory Action Research &amp; Exposures/ Field Visits/ Exchange Programs</p> <ul style="list-style-type: none"> <li>◆ More concrete incentives, subsidies &amp; long-term soft loans for initiatives with budget allocation</li> <li>◆ Review and integrate curriculum at all levels on entrepreneurial development</li> <li>◆ Fund allocation to financing/ equipment/ marketing</li> <li>◆ More incentives and organizational dev't. for skilled workers Product → Financing - Mktg</li> <li>◆ Review Funding Priorities and Policies for Financing and Trading practices (AR, export/ import &amp; etc, Yaw)</li> <li>◆ Scrap CDF and the funds transferred to joint ventures "locally initiated/ managed"</li> </ul>
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<p>5. Laws/ Policies Direction</p> <ul style="list-style-type: none"> <li>◆ Labor Code <ul style="list-style-type: none"> <li>■ Subcontracting</li> <li>■ Child</li> <li>■ Labor</li> <li>■ Hazardous unsafe, working environment</li> </ul> </li> <li>◆ IPR</li> <li>◆ Land Conversion</li> <li>◆ Tariff/ Taxes</li> <li>◆ Monopolies</li> <li>◆ Banking (20% for poor)</li> <li>◆ Industries (SMEs, Mes &amp; Micro)</li> </ul>		<p>Non-implementation/ skirting around</p>	<ul style="list-style-type: none"> <li>◆ Legislative Reforms</li> <li>◆ Strengthened community organizing/ social preparation component “claim making/ negotiating skills”</li> </ul>
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*REGION VIII*

A. PUBLIC SECTOR REFORM

Key Issues	Responses/ Gaps	Recommendations/ Suggestions
<p>1. Bloated Bureaucracy and inefficient/ ineffective gov't. services</p> <ul style="list-style-type: none"> <li>⇒ Security of Tenure counterproduction</li> <li>⇒ Politically-influenced employment</li> <li>⇒ Non-responsive IIRD</li> <li>⇒ Conflicting/ delayed guidelines</li> <li>⇒ Excessive fringe benefits (GOCCs)</li> </ul>	<p>PAS CSC Rules and Regulations</p>	<p>1. Right Sizing</p> <ul style="list-style-type: none"> <li>⇒ Improve performance evaluation</li> <li>⇒ Need based training</li> <li>⇒ Simplify</li> <li>⇒ SSL</li> <li>⇒ Merge/ abolish</li> </ul>



### C. LOCAL GOVERNANCE AND AREA-BASED MANAGEMENT

Key Issues	Responses/ Gaps	Recommendations/ Suggestions
1. No fiscal autonomy	LGC	1. Develop LGU capability in resource mobilization, generation
2. Conflicting eco./ sustainable development	PA 21	2. Review programs & redesign
3. "Lutong-macao" EIAs		3. Stiff fines for violation
		4. Community education

### D. TECHNOLOGY

Key Issues	Responses/ Gaps	Recommendations/ Suggestions
1. Lacking and lagging communication system	Entry of other players	1. LGUs should forge telephone company
2. Dearth of alternatives to harmful agricultural technologies	SA Models	2. Retooling of agricultural technician; sustainable agricultural transfer
3. Lack of product development/ market linkaging	TLRC, DTI, DOST Trade Fairs	3. Info-exchange among LGUs, POs, NGOs & other sectors

## The Second Day

On April 30, 1997, Wednesday, the day started with a recapitulation of the previous day's activities. This was followed by a plenary of Workshop II and prioritization of areas of concerns.

The third workshop was an opportunity to make recommendations regarding the four key areas, based on issues that were relevant to each area. The agencies concerned were also listed. Each of the regions tackled particular areas of concern.

The results of the third workshop were as follows

### WORKSHOP III (PROPOSED AREAS OF CONCERN)

#### REGION VII

#### A. PUBLIC SECTOR REFORM

Issues	Recommendations	Agencies
1. Duplication of programs of different GAS	<ul style="list-style-type: none"> <li>◆ Agencies concerned should sit down to determine each role and function</li> <li>◆ Hasten the legislation on the reorganization of the gov't. bureaucracy based on common framework (PA 21) thereby revising MTPDP</li> </ul>	* NEDA, DILG, PPDO
2. Bloated Bureaucracy <ul style="list-style-type: none"> <li>• Ineffective, inefficient gov't. service</li> <li>• lack of transparency</li> <li>• bureaucratic institutional arrangements</li> <li>• inadequacy of gov't. institutions (e.g. CHR, UP)</li> </ul>	◆ Hasten the legislation on the reorganization of the gov't. bureaucracy based on common framework (PA 21) thereby revising MTPDP	* Congress, NEDA
3. Slow administration of justice/ criminality	<ul style="list-style-type: none"> <li>◆ Beef up PAO especially in research work</li> <li>◆ Tax incentives to private lawyers engaged in public defense</li> <li>◆ Fill up vacant "salas"</li> </ul>	* DOJ, Congress  * Office of the President

<p>4. Laws that do not respond to needs of basic sectors</p>	<ul style="list-style-type: none"> <li>◆ Institutionalize paralegal volunteers in justice system</li> <li>◆ Hasten enforcement of judiciary reforms to include formulation of IRR (Penal Clause) e.g. LGC</li>   <li>◆ Review, Repeal Amend all laws that do not respond to the needs of the basic sectors such as PD 772 (anti-squatting); Ed. Act of 1982, New Mining Act, Oil Deregulation Act</li> <li>◆ Implementation of the Fisheries Code</li> <li>◆ Passage of Land Use Code and Ancestral Domain, Magna Carta for Students, Anti-Rape Bill and other Nat'l Bills</li> </ul>	<ul style="list-style-type: none"> <li>* DOJ</li>   <li>* NGO/ PO</li>   <li>* Congress</li>   <li>* DA</li>   <li>* Congress NGO/ PO</li> </ul>
<p>5. CDF/ Congressional insertions legislators doing executives' work</p>	<ul style="list-style-type: none"> <li>◆ Redefine and rationalize CDF using Peoples Initiatives</li> </ul> <p>Formulate Implementing Guidelines after re-definition anchored on local sustainable plan and channeled to the LGUs with identical portion for partnership with NGOs</p>	<p>Congress NGO/ PO</p> <p>DILG, DBM, CoA</p>

B. LOCAL GOVERNANCE & AREA-BASED MANAGEMENT

Issues	Objectives	Outputs	Major Strategies	Rec. Inst./Org
1. Fiscal Autonomy	<ul style="list-style-type: none"> <li>◆ Full control of mgt. of funds &amp; other resources by LGUs</li> <li>◆ Increase IRA allocation</li> </ul>	<ul style="list-style-type: none"> <li>◆ Efficient mgt.</li> <li>◆ Effective delivery of services</li> <li>◆ Proper program implementation</li> <li>◆ Increase funding for LGUs</li> </ul>	<ul style="list-style-type: none"> <li>◆ Mobilization/ advocacy for the passage of legislation to effect full control of funds &amp; resources by LGUs</li> </ul>	<ul style="list-style-type: none"> <li>◆ NGO/POs Councilors', Mayors', Governors' Leagues/ NGAs &amp; other stakeholders</li> </ul>
2. Conflicting Eco-Sustainable Dev't. (Lack of common vision, inst'l. support structure, lack of master planning)	<ul style="list-style-type: none"> <li>◆ Come up with common VMG &amp; master plan applicable to local &amp; natural scenarios promoting effective local governance</li> <li>◆ Install responsive institutional &amp; other support structures that enhance governance</li> </ul>	<ul style="list-style-type: none"> <li>◆ Integrated master plan responsive to the biases of the basic sectors</li> <li>◆ Full support of NGOs, POs, &amp; LGUs in the implementation of the plan</li> </ul>	<ul style="list-style-type: none"> <li>◆ Defining and concretizing common framework for development those e.g. the PA 21</li> <li>◆ Bldg. up from and integrating present initiatives; e.g. PA 21</li> <li>◆ Advocacy towards the legalization of PA 21</li> </ul>	-do-
3. Accreditation of NGOs with LGUs (Constitutional dev't.)	<ul style="list-style-type: none"> <li>◆ Enhance/ increase/ strengthen participation of POs &amp; NGOs in local governance</li> </ul>	<ul style="list-style-type: none"> <li>◆ Increase no. of accredited NGOs/ POs</li> <li>◆ Increase membership to LDCs LSBs</li> <li>◆ Passage of local ordinance promoting the initiatives responsive to the issues of basic sector &amp; civil society</li> </ul>	<ul style="list-style-type: none"> <li>◆ Capability bldg.</li> <li>◆ Advocacy</li> <li>◆ Info. dissemination &amp; issue popularization</li> <li>◆ Push for amendments of the provision of new LGC to enhance/ promote preferential treatment for major sectoral concerns</li> </ul>	

<p>4. Insufficient skills of LDCs</p>	<ul style="list-style-type: none"> <li>◆ Develop/enhance the capability &amp; skills of LDC &amp; LGUs in the following: <ul style="list-style-type: none"> <li>■ PIME/ Prog. Dev't. &amp; Mgt.</li> <li>■ Fiscal Administration</li> <li>■ MIS</li> <li>■ Micro-Macro Economy</li> <li>■ Area-based mgt.</li> <li>■ Land Use Planning</li> <li>■ Agrarian reform</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>◆ Integration of POs/ NGOs' agenda in dev't. of the brgy./ mun./ prov.</li> <li>◆ Adoption of participatory approach in PIME</li> <li>◆ Functional MIS</li> <li>◆ Improved fiscal administration</li> <li>◆ Land Use Plan/ other plans formulated</li> </ul>	<ul style="list-style-type: none"> <li>◆ Come up with accreditation criteria</li> <li>◆ Regular feedbacking mechanism (NGO-GO-PO)</li> <li>◆ Capability bldg. Activities for LDCs &amp; LGUs</li> <li>◆ Tapping experts &amp; consultants</li> <li>◆ Popularization/ promotion of SIAD approach</li> </ul>	
<p>Others: 1. Promotion of Local Governance</p>	<ul style="list-style-type: none"> <li>◆ Support to local gov't initiatives</li> </ul>	<ul style="list-style-type: none"> <li>◆ Sufficient funding for the identified initiatives</li> <li>◆ Participation of other sectors (business, civic org'n., religious, academic &amp; media)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Resource inventory &amp; mobilization</li> <li>◆ Encourage LGUs to generate fund &amp; other resources both internal and external</li> <li>◆ Initiate local workshop on governance involving business, media, civic org'n., academe &amp; other sectors</li> </ul> <p>Bridging fund from UNDP + other donors</p>	<p>LGUs/ NGOs/ POs/ NGAs</p>

REGION VIII

C. PARTNERSHIP

Priority Issues	Objectives	Output	Strategies
1. NGOs not able to form federations	<ul style="list-style-type: none"> <li>◆ Expand/ strengthen prov alliances/ local network</li> <li>◆ Federate basic sectors with all levels</li> </ul>	Increased membership and strengthened PF/ Federation for each basic sector per province	Convening around common issues
2. Lack of Funds	NGOs self-sufficient and sustainable	Financially stable and viable NGOs	NGOs as Entrepreneurs
3. Lack of internal-ization. For NGOs to cooperate with business sector & others, etc.	Develop a mechanism, e.g. council for institutionalizing partnership between and among sectors	Partnership forged with private sector in the form of joint ventures, counterparting resources sharing	<ul style="list-style-type: none"> <li>◆ Joint Ventures</li> <li>◆ Counterparting</li> <li>◆ Resource sharing</li> </ul>
4. Lack of mechanism for institutional-ization of programs	Put-up safety nets or measures that will ensure sustainability of programs initiated by both NGOs and LGUs	Initiatives carried out and programs completed	
5. Lack of knowledge about programs of both NGOs & LGUs, etc	Develop info exchange mechanism and among LGUs, NGOs	Information disseminated to all concerned/ affected	Alternative media

D. TECHNOLOGY

OUTPUT	STRATEGIES/ ACTIVITIES	RECOMMENDED INSTITUTION/ ORGANIZATION
⇒ Comprehensive Technology Plan (CTP) per Region to include Human Resource Dev't. for Appropriate and Identified Technology	<ul style="list-style-type: none"> <li>• Consultation with different sectors</li> <li>• Public Hearings</li> <li>• Implement, monitor, evaluate and review</li> </ul>	Multi-sectoral DOST - Lead Agency CHED \ - Lead Agency DECS / for Academe TESDA
⇒ Provision of Funds for Comprehensive Technology Plan (CTP)	<ul style="list-style-type: none"> <li>• Lobbying/ Advocacy</li> <li>• Counterparting for Seed money (LGU, DOST, Business Sector)</li> </ul>	Multi-sectoral NGO, PO, \ LEAD Business Sector/
⇒ Technology Protect, Enhance Culture	<ul style="list-style-type: none"> <li>• Long-Term Multi-Media Campaign</li> </ul>	PIA - Lead Agency Gov't. TV station, DTI, NGO, PO, Business Sector, ACADEME (CHED, DECS)
⇒ Patronage of local Products	<ul style="list-style-type: none"> <li>• Food Mart, Travel Mart, Trade Fairs</li> <li>• To include patronage of local product as core value within MRP (Moral Recovery Program)</li> </ul>	DTI - Lead Agency  KABISIG
⇒ Create Appropriate Technology utilizes local Resource	<ul style="list-style-type: none"> <li>• Redefine the concept of conservation and diversity to include conservation of culture, local knowledge and domestic animals, local flora/ fauna see: CTP</li> <li>• Apply re: definition in CTP</li> <li>• Promote MASIPAG Technology, Integrated Pest Management (IPM)</li> </ul>	DOST    NGO-PO: Lead Agency DA

<p>⇒ Policy Review and Reform at the local and National level</p> <p>⇒ Mechanism to check and balance for Technology Transfer</p>	<ul style="list-style-type: none"> <li>■ Create an alternative training center for appropriate and indigenous agriculture</li> <li>■ Establish MASIPAG Coop'</li> <li>• Review and Reform as part CTP</li> <li>• Include relevant policy reform in the master plan (Provincial, Regional, NEDA Master Plan</li> <li>• Research Advocacy</li> </ul>	<p>Multi-sectoral NGO - Lead Agency TESDA</p> <p>NGO - Lead Agency Academe</p>
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The plenary reacted to the third workshop. With respect to the Region VI presentation, more particularly with respect to Technology, the need to legislate policy change was emphasized. It is not only the NGOs but the Government which should mainstream SA. The Region VIII suggestions on technology was also to be inputted.

With respect to Local Governance and Area-Based Management, a common comment was that PA 21 should remain as the framework and there should an initiative towards localizing PCSD. There should however be support for this.

Comments on the Region VII report were that the issue is not whether NGOs are federated. The issue is the lack of initiative to mainstream governance. The sustainability of these initiatives was also an issue. A framework for collaboration was to be developed. There should also be an outline of the windows for opportunities for Gos with NGOs and POs.

There was a suggestion that the NGO Code of Ethics be inputted into the discussion.

The consultation ended with resolutions thanking the convenor and the UNDP for the consultation, plans to network with each other and a request for the UNDP to give the participants copies of the result of the consultation.

**DIRECTORY**

UNDP- Visayas Consultation on Governance  
April 29-30, 1997 \* Balay Kalinungan, USLS

**Annex A****Region VI**

<b>Organization/</b>	<b>Representative &amp; Position</b>	<b>Address/ Phone/ FAX/ E-mail</b>
<b>Antique Federation of NGOs (AFON)</b>	<i>Lorena Navallasca, Chairperson</i>	Bagumbayan, 5700 San Jose, Antique
<b>Panay-Guimaras</b>	<i>Wilfredo Homicillada, Chairperson</i>	c/o PROCESS Panay 31 Avancena St. Molo, 5000 Iloilo City Tel./Fax No.: (033) 77386
<b>Iloilo Code</b>	<i>Mohd. Yusah Baddong, Chairperson</i> <i>Emmanuel Aroño, Provincial Coordinator</i>	26 San Jose St. Jaro, Iloilo City (033) 3203590
<b>Capiz Code</b>	<i>Danilo Pamplona, Chairperson</i>	c/o PHILAMER College Roxas Ave. 5800 Roxas City Tel. No.: (036) 211484 Fax No.: c/o PT & T
<b>Aklan-Can</b>	<i>Dante Mijares, Coordinator</i>	c/o USWAG Dev't. Foundation L. Barrios St. 5600 Kalibo Aklan Tel. No.: 6223059 Fax No.: 6623059

Organization/	Representative & Position	Address/ Phone/ FAX/ E-mail
Special Projects Division, Office of the Governor	<i>Evangeline Baceno Alo</i> , PDO III	PAC, North Capitol Road, Bacolod City Tel. No.: 81141
Province of Negros Occidental	<i>Edith Villanueva</i> , SPM	Bacolod City Tel. No.: 25494
Bacolod City	<i>Celia Flor</i> , Councilor	Bacolod City Tel. No.: 82850
DAR	<i>Manuel Libo-on</i> , Asst. Regional Director	Jaro, Iloilo Tel. No.: 309-06-10

Region VII

Organization/	Representative & Position	Address/ Phone/ FAX/ E-mail
Cebu Province	<i>Necias Vicoy</i> , Asst. Prov'l Agriculturist	Cebu Capitol, Cebu City Tel. No. 253-3640
DSWD	<i>Ester Versoza</i> , Regional Director	Cuenco St, Cebu City Tel No 93564
PHILCOS	<i>Carmen A. Baugbog</i> , Convenor	Cebu City Tel. No.: 2323-221
Population Commission (Pop Com-7)	<i>Pompeia Cortel</i> , Regional Director	Banilad, Cebu City Tel. No.: 232-5421
Cebu Youth Center, Inc.	<i>Helen B. Navarro</i> , Project Coordinator	Cebu City Tel. No.: 254-4956

<b>Organization/</b>	<b>Representative &amp; Position</b>	<b>Address/ Phone/ FAX/ E-mail</b>
<b>QUIDAN/ KAISAHAN</b>	<i>Teodorico Peña</i> , Executive Director	Bacolod City No.:0918-670-3313
<b>PsP-N/ UCDO</b>	<i>Delia Santiago-Loecin</i> , Executive Director	c/o UNO-R, Bacolod City Tel. No.: 25720
<b>Balayan</b>	<i>Cesar Villanueva</i> , Director  <i>Edwin Balajadia</i> , Labor & Advocacy Officer  <i>Rose Palomaria-Cam</i> , Admin Officer	Balayan Office, University of St. La Salle 6100 Bacolod City Tel. No. : 435-3857
<b>University of St. La Salle</b>	<i>George Aguilar</i> , Observer	c/o USLS, Bacolod City Tel. No.: 81080
<b>CURE/ EWA</b>	<i>Roy M. Cordova</i> , President	c/o CENECO, Bacolod City Tel. No.: 435-3641
<b>VISFACC</b>	<i>Nelson Sembrano</i> , President	San Jose, Antique
<b>MUAD-Negros</b>	<i>Danilo S. Braza</i> , Unit Head	49 North Capitol Road, Bacolod City Tel. No.: 434-2168
<b>SRA Antique</b>	<i>Jose Allan Bartolo</i> , Youth Representative	San Jose, Antique Tel. No.: 601
<b>Iloilo Business Club</b>	<i>Rowena Regalado</i> , Executive Director	3F Amigo Terrace Hotel, Iznart St., Iloilo City Tel. No. : 335-0333

Organization/	Representative & Position	Address/ Phone/ FAX/ E-mail
<b>Negros Oriental Network of NGOs (NEGORNET)</b>	<i>Rossel Garcia</i> , Executive Director  <i>Engr. Dominador Dumalag, Jr.</i> , TMF	c/o YMCA, 151 North Road 6200 Dumaguete City Tel. No.: (035) 225-4718 Fax No.: 225-3633
<b>Bohol Alliance of NGOs (BANGON)</b>	<i>Leo Petarco</i> , Provincial Coordinator	3 <sup>rd</sup> Floor, BWS Bldg. 6300 Tagbilaran City Tel No.: (038) 411-2462 Fax No.: (038) 411-4445
<b>KAUGMARAN SA SUGBU</b>	<i>Crisologo Tagupa</i> , Provincial Director, Cebu Upland Project	2 <sup>nd</sup> Flr. Baex Bldg., Cebu Capitol 6000 Cebu City Tel. No.. (032) 253-1536
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<b>FREEDOM</b>	<i>Rainer Ciaridad</i> , UPY Chairperson	Colon St. fronting Gaisano Bookstore, Cebu City Tel. No.: 99043
<b>PBSP-Cebu</b>	<i>Rodolfo Bornaes</i> , Program Officer	PBSP-URO, Molave St., Lahug, Cebu City

Region VIII

Organization/	Representative & Position	Address/ Phone/ FAX/ E-mail
Municipality of Ernani Ernani, Eastern Samar	<i>Mayor Lee Magno</i>	Eastern Samar Tel. No.: 830-0305
EASTERN SAMAR COALITION OF NGOs & POs	<i>Aquilino Dulfo, Chairperson</i>	cor Cinco-Amboys Sts. Baybay, Borongan 6800 Eastern Samar Tel. No.: 8300-142 Fax No.: c/o PT & T
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Northern Samar Dev't. Caucus (NSDC).	<i>Rolando Lagrimas, Chairperson</i>	Catarman, North Samar
CO-TRAIN	<i>Joyce R. Hermoso, Consultant</i>	80-A Malakas St., Brgy. Pinyahan, Quezon City 926-6755/ 927-7001
United Nations Development Program (UNDP)	<i>Cesar D. Liporada, Programme Manager</i> <i>Nelia Miranda, Programme Secretary</i>	c/o Co-Train

PROCESS  
DOCUMENTATION

**DISCUSSION HIGHLIGHTS  
OF THE  
UNDP INTEGRATIVE CONSULTATION ON  
GOVERNANCE FOR SUSTAINABLE HUMAN DEVELOPMENT**

Date: 15 May 1997

Venue: Quezon East Room, Sulo Hotel  
Matalino Street, Quezon City  
Philippines

Submitted by:

DIANE RESPALL  
CO-TRAIN

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**DISCUSSION HIGHLIGHTS OF THE  
UNDP NATIONAL CONSULTATION ON  
GOVERNANCE FOR SUSTAINABLE HUMAN DEVELOPMENT**

Date: 15 May 1997

Venue: Quezon East Room, Sulo Hotel, Matalino Street,  
Quezon City

**I. Welcome Address: *Background of the Consultation and Expectations of UNDP***  
by: Sarah L. Timson, UNDP Resident Representative

**A. Introduction:**

UNDP is currently in the consultation mode. A number of UN agencies have also undertaken numerous consultations with UNDP.

Governance has been frequently taken up as a topic under Public Administration. Recently, Governance as a separate issue has increasingly become the focus of interest.

Based on the Human Development Report, development does not merely arise from or is indicated by Gross Domestic Product or other purely economic indicators. Development also covers increased quality of life and increased choices for people.

**B. Sustainable Human Development:**

The focus of the day's discussion is on how Sustainable Human Development is achieved through Good Governance.

**C. Coverage of Governance**

Governance is not limited to the political sphere but also covers the social and economic spheres. Governance also refers to responsibilities of all actors, not merely the government.

**II. Activities for the Day<sup>1</sup>**

Ms. Soliman briefed the participants on the day's activities (flow of the program) and major outputs.

The group was also enlightened on the rationale of the consultations preceding this particular workshop; that is, to contextualize the workshops' concepts and discussions.

<sup>1</sup> Please refer to *Annex 1* for the Schedule/program of the National Consultation.

It was recognized that some of the participants may have been involved in previous consultations on governance. It is through the participants' experience and fields of expertise that meaningful results could be achieved from the workshops.

### III. Global Governance Context <sup>2</sup>

by: Kenneth Ellison

Associate, Rural Development

Consultant, UNDP Governance for Sustainable Human Development

Governance is dynamic and is not based on some fixed idea. It changes through time and could differ between various countries. It should be noted that it would be simplistic to fix governance on some fixed idea.

The focus of discussion would be on the current global trends in Public Policy and Administration. It would then be useful if the current global trends could be linked with the Philippine experience.

What is relevant (for the particular objectives of the session) is to link the existing global trends/mega shifts with the Philippine experience.

#### A. Mega Shifts

FROM	TO
<p><u>Public Administration</u></p> <ul style="list-style-type: none"> <li>Governance refers to the administration of rules, regulations and systems based on the notion of supervision by the central government.</li> <li>The system is designed to assume <i>all responsibilities</i> in the delivery of services.</li> </ul>	<p><u>Public Management</u></p> <ul style="list-style-type: none"> <li>This is based on the new managerial system, which is mainly derived from the private sector.</li> <li>More 'client-driven' where the clients' inputs are given importance. This is mainly demonstrated in the Philippines by the NGOs.</li> </ul>
<p><u>Centralized &amp; Uniform Apparatus</u></p> <ul style="list-style-type: none"> <li>Coherent, integrated system managed by centralized bureaucrats who is supposed to have an overview of the situation to be able to achieve equitable distribution of 'goods' and to minimize chaos.</li> </ul>	<p><u>Decentralized &amp; Pluriform Delivery</u></p> <ul style="list-style-type: none"> <li>Equitable distribution is achieved through 'dismantled shifts' as opposed to the rational, top-to-bottom direction in the identification of needs and initiatives.</li> <li>Integration of activities is based on</li> </ul>

<sup>2</sup> For the matrix showing the summary of the presentation, please refer to *Annex II*.

<ul style="list-style-type: none"> <li>Assumption is that Uniformity will achieve efficient management.</li> </ul>	<p>practical needs, not on a theoretical, integrated plan.</p>
<b>FROM</b>	<b>TO</b>
<p><u>Separation Between Political and Administrative</u></p> <ul style="list-style-type: none"> <li>The civil service is non-political and independent.</li> </ul>	<p><u>Intermingling of Political &amp; Administrative</u></p> <ul style="list-style-type: none"> <li>The politician tries to gain control on the bureaucratic structures of the state to be able carry out his/her programs.</li> <li>Politics and administration are intermingled to be able to direct the activities towards the objectives.</li> </ul> <p>For Example:</p> <p>In Philippine experience, the local executive get things done outside their office through their own 'personal' pool of personnel (for urgent matters or fast-track projects).</p>

### B. Policy/Administrative Shifts

<b>FROM</b>	<b>TO</b>
<p><u>Self-Sufficiency</u></p> <ul style="list-style-type: none"> <li>Government owns everything and manages everything it is supposed to deliver.</li> </ul>	<p><u>Inter-linked Sector</u></p> <ul style="list-style-type: none"> <li>Systems with comparative advantage deliver the services.</li> <li>It is no longer the government's responsibility to ensure that <i>everything is delivered</i>.</li> <li>The government subcontracts other groups to be able to deliver the services.</li> <li>At the national level, the trend is towards privatization of services (e.g., water)</li> <li>At the local level, the trend is towards subcontracting of services.</li> </ul>

FROM	TO
<p><u>Direct Control (hierarchy)</u></p> <ul style="list-style-type: none"> <li>• Top-bottom approach in decision-making.</li> <li>• The top-level is responsible for policy-making.</li> <li>• The <i>mid-level</i> administration formulates the implementing rules and regulations.</li> <li>• The <i>bottom-level</i> institutions are the implementors.</li> </ul>	<p><u>Empowerment &amp; Client Orientation</u></p> <ul style="list-style-type: none"> <li>• More power and authority given to the lower levels and the clients themselves in the allocation of goods and services. hence, allocation of services becomes more suitable to the needs of the clients.</li> </ul>
<p><u>Uniform Services &amp; Equitable Delivery</u></p> <ul style="list-style-type: none"> <li>• Centralized system administers uniformity and aims to achieve equitable delivery of services but this is not achieved due to high politicization or existence of divergent ideas in the disposition of resources (by the national officials).</li> </ul>	<p><u>Decentralization &amp; Local Autonomy</u></p> <ul style="list-style-type: none"> <li>• This system questions the ability of the centralized system to achieve equitable distribution of goods and services.</li> <li>• The responsibility of distribution of goods and services is delegated to the local government.</li> </ul>
<p><u>Accountability Upward</u></p> <ul style="list-style-type: none"> <li>• The “superior” makes the plans and supervises and determines performance level of the “subordinates”.</li> <li>• Characterized by standardized procedures or <i>idealized</i> human services and career systems where appointments are permanent.</li> <li>• <i>Human resources do not adjust to the market milieu.</i></li> </ul>	<p><u>Accountability Outward</u></p> <ul style="list-style-type: none"> <li>• ‘Blurred’ accountability</li> <li>• Accountability is transferred to the ministers or department secretaries.</li> <li>• Accountability is client-oriented.</li> </ul>

FROM	TO
<p><u><i>Apolitical Civil Service</i></u></p> <ul style="list-style-type: none"> <li>• The civil service of the state is supposed to be neutral but this, in reality, does not occur.</li> </ul>	<p><u><i>Advocacies &amp; Idea Promotion</i></u></p> <ul style="list-style-type: none"> <li>• There is increased linkage between the political and administrative roles of the government.</li> <li>• Allows the bureaucracy to advocate its political views rather than pretending to be neutral and isolated from politics.</li> <li>• Government is exposed market competition where advancement would be based on merit.</li> </ul>

At the end of the presentation, Mr. Ellison specified one major point -- the New Institutional Economy. In this framework, capability-building focuses on institutional incentives and institutional change, not on capability-building of individuals.

#### **IV. Presentation of Integration of Regional Consultation Results** by: Ms. Corazon Juliano-Soliman, CO-TRAIN

It was emphasized that the presentation, as much as possible, honors the integrity of the workshop presentations of the respective regions -- to reflect the voice of the people. Hence, some of the terms used were maintained in order to minimize loss of context in the course of integration.

Ms. Soliman then explained the processes followed by the regions for the participants to gain full comprehension of the regions' workshop results. Highlights of the regional workshops were as follows:

- The academic sector of each region served as the convenors of the workshops.
- "Trigger" or key papers were presented to provide the framework for the workshop discussions. These papers focused on the key issues comprising UNDP's sub-programmes for its Governance strategy, namely: Public Sector Reform, Local Governance and Area-Based Management and Partnership between, the Civil Society, the State and Private/Business Sector.

Integrated Results of the Regional Workshops were presented in a Matrix form.<sup>3</sup>

<sup>3</sup> For details of the presentation of the matrix, please refer to *Annex III*.

## V. Open Forum : After the Presentation of Integration of Regional Consultation Results

### A. Process

Ms. Soliman asked several persons to comment or share their thoughts to trigger the discussion or comments from the participants.

### B. Comments From the Participants<sup>4</sup>

#### 1. *Areas for Donor Participation*<sup>5</sup>

The issues presented encompasses the broad development agenda, some of which are not directly concerned with governance and some are not donor programs.

However, these are the inputs that have been brought up by the (regional) participants.

Our major interest is to identify areas where a donor or technical assistance organization can be involved in.

#### 2. *LGU is an Oppressed Sector*<sup>6</sup>

LGU is always being blamed for non-delivery of services. At the same time, it does not have the capability to implement programs. There is too much burden on the local government units.

#### 3. *"Minor things" that Merit Attention*<sup>7</sup>

- a) As the local development councils are strengthened, the role of the regional offices are not addressed in the Local Government Code. The question is "*What is to be done with the regional offices? Should they to be phased out*"
- b) Changes in Human Resource Development. Although undertaken at the local level, this has been undertaken on a piecemeal basis; not on a larger scale.
- c) Institutions should focus more on ILGAS and other similar entities at the local level. Mechanisms should be identified to increase capability of local development councils.

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<sup>4</sup> Please note that these views expressed may be the personal views of the participant, therefore, not necessarily representing the views of the organization.

<sup>5</sup> Ms. Sarah Timson.

<sup>6</sup> Mayor Tabanda of La Trinidad, Benguet

<sup>7</sup> Ms. Chit Tapales

#### 4. *Capability-building of Institutions*<sup>8</sup>

##### a) Focus on Institutional Capability-building

The structures should be the focus of capability-building of institutions, an example of this is re-writing job descriptions.

##### b) Regional Offices

With reference to the new role of the regional offices in the devolution of functions to the local government units, there are two options for the regional offices -- these may be technical assistance work for the local governmental, or be phased out. ? The current trend is that these offices are becoming marginalized.

##### c) Countryside Development Fund or CDF

As a mechanism for revenue availability, the CDF appears to have a dysfunctional structure in terms of resource allocation. Streamlining of personnel has not been accompanied by decrease in budget allocation.

##### d) A Word of Caution on Adoption of Comprehensive Policy Frameworks

Comprehensive or "Over-all" frameworks tend to re-direct local resources away from their intended use.

## VII. UNDP Governance Strategy

by: Ernie Bautista

Mr. Bautista's presentation covered in following areas:<sup>9</sup>

### A. UNDP Concept of Governance

1. Definition
2. Importance of Governance
- 3.. Development Challenges and Capacity Constraints.

### B. Proposed Programme on Governance

1. Over-all Objective
2. Programme Strategies

<sup>8</sup> Mr. Kenneth Ellison

<sup>9</sup> For details of Mr. Bautista's presentation, please refer to *Annex II*.

### 3. Proposed Governance Sub-programmes

- a. Public Sector Management Reform
- b. Local Governance
- c. Developing and Adapting Technology in Support of SHD

## VII. THE WORKSHOP PROPER

### A. Process

Instead of holding three separate workshops for the three major areas of concern (e.g., Public Sector, Partnership, etc.), Simultaneous Workshops were held. The participants were requested to group themselves into three by identifying which workshop he/she would be interested in or would be best able to contribute.

### B. Workshop Questions:

1. What are the key issues in this area of concern?
2. What are the program ideas that we would like to recommend to the donor community in general, and UNDP in particular? What can UNDP do?
3. What are the mechanisms for further collaboration on the issues/strategies/program ideas identified, keeping in mind the existing initiative that we can build on?

### C. Presentation of Workshop Results

#### 1. Public Sector Reform

Issues/Themes	Program Ideas
<p><b>a. Public Management</b></p> <ol style="list-style-type: none"> <li>1) Lack of capability</li> <li>2) Weak mechanism for good governance</li> </ol>	<ul style="list-style-type: none"> <li>• Capacity -building for local resource institution (e.g., ILGAs)</li> <li>• Reform of NGAs -- i.e., re-orienting the functions of NGAs in support of decentralization.</li> <li>• Re-orient training program of NGA to support decentralization.</li> <li>• Pilot innovation to alter power relationship between NGAs – e.g., NGAs selling their services to LGUs to generate budget/resources</li> </ul>
<p><b>b. Public Order and Administration of Justice</b></p> <ol style="list-style-type: none"> <li>1) Poor access and delivery of justice</li> <li>2) Poor law enforcement</li> <li>3) Poor gender sensitivity of law enforcement</li> </ol>	<ul style="list-style-type: none"> <li>• Strengthening community justice system through para-legal training.</li> </ul>

<p><b>c. Local Autonomy and Governance</b></p> <ol style="list-style-type: none"> <li>1) Lack of real local autonomy</li> <li>2) Conflicting policies &amp; programs</li> </ol>	<ul style="list-style-type: none"> <li>• Capability-building for local electoral official</li> </ul>
<p><b>d. Public Accountability</b></p> <ol style="list-style-type: none"> <li>1) Graft and corruption</li> <li>2) Lack of transparency</li> <li>3) Clear performance indicators</li> </ol>	<ul style="list-style-type: none"> <li>• Support citizen's watch activities</li> <li>- enhance the role of media, CSO and the academe.</li> </ul>

***Proposed Mechanism:***

Build on existing Leagues of Local Government (LMP, LC, EEC) & NGO/PO coalition and other initiatives (PCSD, SRC).

***Some Notes Arising from the Group's Presentation:***

- Underlying sub-issues were identified.
- The issues are not in order of priority.
- Re-orientation is necessary in the process to devolution (of functions).
- Build on the existing mechanisms and enhance their inter-faces rather than creating new ones.

**2. Local Governance, Area-based Management and Technology**

Group Members: NGOs -7; Donor -5; GO - 3, Academe - 1.<sup>1</sup>

Key Issues	Program Ideas	Mechanisms
<p><b>a) Need for genuine local autonomy</b></p> <ol style="list-style-type: none"> <li>1) Fiscal autonomy</li> <li>2) Partnership</li> <li>3) Popular participation</li> </ol>	<ul style="list-style-type: none"> <li>• Revision of the Local Government Code</li> <li>• Strengthen the League of Leagues</li> <li>• Direct assistance to LGU capability-building</li> </ul>	<ul style="list-style-type: none"> <li>• Support &amp; expand inter-link between and among NGOs, LGUs, and the private sector.</li> <li>• Formation of League of Leagues</li> </ul>

<sup>1</sup> Group members are as follows: Crisologo Tagupa (Cebu Upland Project); Napolcon de Leon (USAID); Nestor Caoili (UDI); Christin Mann (EC Delegation); Adam Bruun (UNDP); Joel Pagsanghan (Atenco School of Government); Atty. Gil Cruz ((League of Cities); Mike Callahan (USAID); Jomar Oelgario (LOP); Joselito c. De Vera (NEDA); Rene Garucho (LGSP, CIDA), Steven Rood (ARD/GOLD); Willy Nuqui (UNICEF); Brigida L. Sayme (UNFPA); Lia Jasmin M. Esquillo (Kaisahan); Roberto Acosta (PBSP-GOLD); and Carmen Baugbog ((PHILCOS/People's Coop)

	<p>programs</p> <ul style="list-style-type: none"> <li>■ systems &amp; procedures development management (planning, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Convergence &amp; inter-fac-ing of local governance initiatives among donor community convened by UNDP.</li> </ul>
<b>b) Rationalization of CDF/CIA use and allocation</b>	<ul style="list-style-type: none"> <li>• Review &amp; monitor CDF/CIA use</li> </ul>	<ul style="list-style-type: none"> <li>• Organize “Graft Watch”</li> </ul>
<b>c) Lack of a wholistic Development Framework</b>	<ul style="list-style-type: none"> <li>• Local integration of PA 21, SDA/MBN/HES, NAPS commitments</li> </ul>	<ul style="list-style-type: none"> <li>• Capability-building of LGUs/LDCs in development planning/management</li> </ul>
	<ul style="list-style-type: none"> <li>• SIAD</li> </ul>	<ul style="list-style-type: none"> <li>• Support and expand tripartism (civil society-private sector-management)</li> </ul>
	<ul style="list-style-type: none"> <li>• Technical Assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Mapping of various initiatives</li> <li>• Expertise inventory and matching</li> </ul>
<b>d) Exploitation of Natural Resources</b>	<ul style="list-style-type: none"> <li>• Review &amp; amend laws affecting land &amp; resources of IPs <ul style="list-style-type: none"> <li>⇒ Mining Act</li> <li>⇒ PD 705</li> <li>⇒ People’s Small Mining Act</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• IEC for the review and amendment of pertinent laws.</li> </ul>
	<ul style="list-style-type: none"> <li>• Community-based Resources Management</li> <li>• Build-up of community competence in EIA</li> </ul>	<ul style="list-style-type: none"> <li>• Capability-building</li> <li>• Expertise-sharing</li> <li>• Enhancing of the participation of the academe</li> </ul>
<b>e) Non-recognition of ancestral domain</b>	<ul style="list-style-type: none"> <li>• Passage of IPRA</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen and expand support passage of IPRA</li> <li>• Encourage LGUs covering IP area to develop constituency among themselves</li> <li>• Expand Support to LMP committee on IPs</li> </ul>
	<ul style="list-style-type: none"> <li>• Review CADC/CALC</li> </ul>	<ul style="list-style-type: none"> <li>• Representation w/ DENR &amp; LGUs</li> </ul>

f) <b>Erosion of Indigenous socio-political systems in Governance</b>	<ul style="list-style-type: none"> <li>• Anthropological research on Indigenous Governance System</li> </ul>	<ul style="list-style-type: none"> <li>• Tap Academe, POs/NGOs, tribal communities.</li> </ul>
	<ul style="list-style-type: none"> <li>• Inter-Tribal Relations/Dialogues</li> </ul>	<ul style="list-style-type: none"> <li>• Support conflict resolution mechanisms</li> <li>• Enhance the role of LGUs on peace-building &amp; governance on IP area.</li> <li>• Support Inter-tribal Federation.</li> </ul>

NOTE: It should be noted that the participants did not have time to discuss Technology. Presentation, therefore, excludes this particular topic.

### 3. GO-Private Sector-NGO/PO Partnership Proposed Framework for GO-Private Sector-NGO/PO Partnership

<i>Issues/Program Areas</i>	<b>Framework Development</b>	<b>Policy Development</b>	<b>Capability-Building</b>
<b>a. Adversarial Relations</b>	<ul style="list-style-type: none"> <li>• Developing common ground</li> </ul>	<ul style="list-style-type: none"> <li>• Joint, area-based projects</li> </ul>	<ul style="list-style-type: none"> <li>• Communication s</li> <li>• Confidence building</li> </ul>
<b>b. Meaningful Participation</b>	<ul style="list-style-type: none"> <li>• Clarify TOR for participation (bottom-up approach, participatory decision-making, etc.)</li> <li>• Establishing culture of peace</li> </ul>	<ul style="list-style-type: none"> <li>• Utilizing formal and informal structures for policy development</li> <li>• Innovative policy development processes (wholistic BOT/privatization)</li> <li>• Pilot innovative projects (not limited by COA rules)</li> </ul>	<ul style="list-style-type: none"> <li>• Public policy mediation/conflict resolution</li> <li>• Mobilizing third party intervention in policy mediation</li> </ul>
<b>c. Transparency &amp; Accountability</b>	<ul style="list-style-type: none"> <li>• Promoting self-regulation rather than accreditation</li> <li>• Promoting transparency and accountability in <i>all</i> sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Providing incentives for accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Improving communication/info. systems</li> <li>• Professionalizing management of NGOs</li> <li>• Computerization of government operations</li> </ul>

NOTE: The shaded section of the matrix is the proposed program for UNDP/donor involvement.

### *Proposed Mechanism for Tri-Partite Partnership*

*Recognize that there are levels in the progression of relationship between government and private sector (business-NGO-PO) — informal/casual stage, collaboration stage, strategic relations. We should not expect that the relationship can immediately move into the strategic relations stage without having gone through the first two stages.*

- Donor coordination in governance programs --- mapping of donor initiatives in governance and rationalizing services and resources
- Disseminate information on good practices (i.e., ideas that work)
- Global exchange of governance best practices/innovation (MAGNET)

### *Some Notes Arising from the Presentation:*

- **Group Members: Academe/NGOs -- 6; Government -- 1<sup>2</sup>**
- Third parties should have no direct stake or interest in the policy question.
- *Participatory* Terms of reference was recommend since the intended functions in the formal structures are frequently not carried out.
- Relationships/partnerships should first start at an informal level to be graduated to a more formal arrangement.

### **D. Discussion Arising From the Workshop Presentation<sup>3</sup>** **(Clarifications, Questions, Issues Raised)**

NOTE: The participants were requested to introduce themselves.

#### 1) Build on What Already Exists<sup>4</sup>

The strength of democracy is that it is a self-perfecting mechanism. In the process of achieving democracy, a catalogue of problems emerges.

<sup>2</sup> Group members include the following: Dan Songo(CODE-NGO), Sam Ferrer (Green Forum), Nap Navarro (UNDP), Leddy Carino (UP), Lilia Bejerano (ADZNEDA), Virgilio Salentas (NEDA), Leticia Pardinias (NEDA), Cesar Villanueva (ARD/GOLD), and Nanoy Aldaga (Atenco).

<sup>3</sup> The views expressed may represent the personal views of the participant, not necessarily the views of the organization.

<sup>4</sup> Mike Callahan, UASID

Hence, The Philippines should recognize that it is in the path towards “perfecting” or achieving democracy. Existing problems may be perceived as a process towards achieving democracy and are, therefore, symptoms of democracy.

Mr. Callahan shared an experience of his recent visit to Dhaka. In the course of discussion in the meeting he attended, he was reminded by his colleagues that the Philippines is already miles ahead of some countries and is “on track.”

Philippines should, therefore, build on what already exists and recognize the successful initiatives.

In the workshop results, there has not been any reference to democracy in achieving good governance. Philippine laws -- the Local Government Code and the Constitution -- embrace democracy and participation.

## 2) Decentralization<sup>5</sup>

Decentralization is a national policy and does not solely refer to the local government units. It is therefore also important to determine the roles of the national government in decentralization -- whether to provide technical assistance, identify priorities or regulate the system.

## 3) Graft and Corruption<sup>6</sup>

Graft and corruption should not only refer to the public sector. It should refer to the other sectors as well. Hence, there should also be cross correction among the various sectors, moving towards “civicness”. This should be accompanied by professionalization of NGOs where NGOs are no longer headed by their founders.

Public sector reforms must, therefore, include *all sectors and all interests*.

## 4) Institutional Capability-Building<sup>7</sup>

The point raised by Mr. Ellison in the presentation on “institutional capability-building” or organizational development should be adopted.

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Ledy Carino, University of the Philippines.

Ms. Ledy Carino.

Mr. Bong Garucho, CIDA.

### **5) Sustainable Development through Concrete Programs<sup>8</sup>**

Area Development should be expressed in more *concrete terms* in the identification of programs based on “what exists” and “what can be done”.

### **6) Capability building at the local level<sup>9</sup>**

The multi-faceted concerns of sustainable development should already be addressed. Currently, integration of area development is still based on a very national perspective; at the same time, the local government has already devolved a lot of its functions.

*Capability building* for (local) area development is important to achieve *sustainable* area development.

### **7) Identification of Areas of Convergence among the three sectors<sup>10</sup>**

Presently, there is no convergence of the three sectors -- business, state and civil society. There is absence of common development objectives among these sectors where they can all participate. As an initial step, areas of convergence should, therefore, be identified.

### **8) Strategic Resource Allocation in Planning<sup>11</sup>**

Decentralization does not necessarily mean breakdown of planning. Considering that there is limited resources for development, optimizing resources through *positioning in planning* would be more effective. This refers to identification and establishment of various *growth centers* in the country -- e.g., CALABAR Zone. Geographically, development would be more widespread when the fruits of these growth centers spill over to the neighboring areas.

### **9) Reforms for National Bureaucracy<sup>12</sup>**

The areas for (donor) assistance should address the following:

- a) Fix the operating system of rules that govern auditing or OMBUDSMAN. Civil Service reforms should be implemented down to the last level

<sup>8</sup> Mr. Bong Garucho of CIDA.

<sup>9</sup> Mr. Garucho.

<sup>10</sup> Mr. Garucho.

<sup>11</sup> Mr. Garucho, CIDA.

<sup>12</sup> Undersecretary Austere Panadero, DILG.

- b) Reforms should be total and comprehensive. At the same time, these should achieve harmony and synergy across sectors. It is also important to identify who is accountable in sustaining these reforms.
- c) Adopt Organizational Development Approach in Capability-Building.<sup>13</sup>

#### **10) Knowledge on Existing Programs as a requirement for electoral candidacy<sup>14</sup>**

To sustain the sound policies and programs of the previous administration, it was suggested that the candidates should be required to possess adequate knowledge and appreciation of existing projects. His platform should therefore focus on how to further improve or develop the existing programs. This would also be consistent with building on the existing initiatives.

#### **11) Problems in Qualifications of LGU Officials<sup>15</sup>**

Some are not qualified in the sense that they do not undertake their mandated functions. Many officials ignore invitations to seminars and workshops intended to augment their capabilities in running the government.

Training programs should also be designed according to the mental capabilities or orientation of lower-level officials (e.g., those at the barangay level).

### **E. Consensus-building on Issues and Strategies**

#### **Note on the Process:**

Based on the workshop results, the key issues were written on the white board. The participants were encouraged to raise questions, add if some issues were left out, or make some changes. These key issues are summarized as follows:

#### **1) Key Issues:**

- a) Public Sector Reform
  - (1) Public Management
  - (2) Public Order and Administration of Justice
  - (3) Public Accountability

<sup>13</sup> Undersecretary agrees with the point raised by Mr. Ellison.

<sup>14</sup> Issue raised with reference to Public Sector Reform.

<sup>15</sup> Mayor Tabanda.

b) Local Governance and Area-Based Management

- (1) Need for Genuine Local Autonomy
- (2) Rationalization of CDF/CIA use and Allocation
- (3) Lack of A holistic Development Framework
- (4) Exploitation of Natural Resources
- (5) Non-recognition of Ancestral Domain
- (6) Erosion of Indigenous Socio-political Systems in Governance

c) GO-Private Sector-NGO/PO Partnership

- (1) Adversarial Relations
- (2) Meaningful participation
- (3) Transparency and Accountability

**2) Cross Cutting Issues:**

Ms. Soliman explained that overlaps can be observed in the three areas -- public sector reform, local governance and area-based management, and partnership. These are as follows:

- a) Public Accountability
- b) Need for Genuine Social Autonomy
- c) Need for Popular and Meaningful Participation

Ms. Soliman commented that, from a long list, each workshop group was able to reduce the issues into key issues for each area of concern.

**F. Major Points Raised in the Process of Consensus-building na Prioritization of Program Ideas**

**1) Electoral Reforms<sup>16</sup>**

Defective electoral system should be added as one of the key issues in Public Sector Reform. This was not brought up by the workshop group (to which he belongs) probably because there was no recommendation listed under this issue.

Electoral reforms may be tackled through legislation or through other initiatives. It is suggested that this issue be tested and discussed in the future.

<sup>16</sup> Father Elisco Marcado, NDV.

## 2) Development Planning Process<sup>17</sup>

There are too many requirements for national government in the preparation of development plans. To address this issue, it should be determined if it should be tackled as part of Public Management or advocated as a separate issue.

## 3) The Distinct Issue of the Indigenous Peoples and the Limits of Donor Support

Mayor Tabanda that the issue of Indigenous Peoples should be considered as a separate, distinct issue. Hence, it is not acceptable to subsume this under Ancestral Domain.

She suggested that the process of Cordillera Autonomy may be an item for UNDP support; particularly, the support for the dissemination of information .

It is not politically correct for UNDP to provide support or be involved in politically-related processes.<sup>18</sup> The political process is something internal to the state. It is politically incorrect in the sense that it trespasses on the country's sovereignty.

As a point for clarification, another participant raised the following related points, as follows:

- In autonomy, there are two Schools of Thought: 1) Autonomy without ancestral Domain and; 2) Autonomy with Ancestral Domain.
- It is yet to be determined if a passage of a law on ancestral domain is a political act.
- There is, thus far, no Cordillera Autonomous Region.

Considering the contending views on the issue of Indigenuous peoples, it was decided that this issue will have to undergo further discussion in the future.

## G. Prioritization of Program Ideas

- 1) Voter's Education
- 2) Building and Strengthening of Partnership (ZOPAD, SPCPD, POs and NGOs)
- 3) Information dissemination on the Consultation Processes for the Cordillera region (Note: Identified for further discussion)

## H. Discussion of Mechanisms For Further Collaboration

### 1) Identified Mechanisms are summarized as follows:

- a) Build on the existing mechanisms
  - (1) Mapping of Initiatives
  - (2) Capacity-building
  - (3) Exchange of information
  - (4) Pushing for Issues
  - (5) Centralization of Information
- b) Global Exchange -- MAGNET
- c) Citizen's Watch
  - (1) Graft and Corruption
  - (2) Other Performance Indicators
- d) Data-base to facilitate flow of information
  - (1) Media
  - (2) Information
  - (3) Inter-facing of initiatives

### 2) Discussion Highlights

#### a) **Building on the Existing Initiatives**

Although the visayans would try to pursue and follow-up the consultations of UNDP, the people from Visayas perceive that there are limitations to a Visayas-wide network.<sup>19</sup> A major setback to this is that they have no experience in inter-island networking considering that Visayas is composed of several islands. At this point, it is suggested that UNDP coordinate with VISNET.

Father Mercado also strongly recommended on building on the existing mechanisms than creating new ones. Using the existing "network", agenda of the UNDP consultations (or issues common to all existing organizations, NGOs, GOs, etc.) may be incorporated into lobbying points and advocacies of the concerned organizations. At this point, Ms. Soliman informed the group that the participants will be provided with copies of the workshop results of the consultations.

There should be *commitment* to push the program ideas/agenda as part of the mechanism.<sup>20</sup>

<sup>19</sup> Mr. Cesar Villanueva, BALAYAN.

<sup>20</sup> Ms. Soliman.

Capability building should also be undertaken to be able to carry out the program ideas.<sup>21</sup>

**b) Center of Information and Communication/ Mapping Initiatives**

Monitoring absent in the current initiatives.<sup>22</sup> Monitoring may be undertaken through regular assessment.

There should be a centralized flow of information on the various initiatives within the country. Before embarking on specific projects, interested parties may obtain information of existing initiatives from this “Center” or “Standing Body.” This would avoid duplication of services or initiatives. Currently, the only source of information on current initiatives are conferences. There is no “Standing Body” which collects information on various initiatives.

To summarize, the Center for Information and Communications will be a channel for all existing mechanisms. This also involves monitoring and assessment of each other’s work by coming together to discuss and evaluate the initiatives in the respective regions.

*It is still subject to further discussion on who is going to maintain the data-base on issues of Governance (to facilitate information exchange).*

**c) Media**

Media was identified as one of the neglected areas in the discussion on governance. The area to be explored for media participation is the sharing to the public information gathered from the data-base on governance.

NOTE: The convenors will discuss what to do with the ideas brought up by the participants.

<b>VIII. CLOSING REMARKS AND RITUAL</b>
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Mr. Rob Work of UNDP and a representative of a People’s Organization were requested to share their thoughts and insights.

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<sup>21</sup> Ms. Soliman.

<sup>22</sup> Mayor Tabanda.

# DIRECTORY OF PARTICIPANTS TO THE CONSULTATION-WORKSHOP ON POLICY AND GOVERNANCE

April 16-17, 1997  
Hotel Perlita, Zamboanga City

<b>Participants</b>	<b>Sector</b>	<b>Organization/Address</b>
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4. Hudaypa Asdaon-Lim	SPCPD - CA	ALIF Inc. Bansamoro, Basilan Provincial Hospital
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# Developing Public Sector Capacity for Good Governance

by

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## I. INTRODUCTION

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The 1990s have seen the resurgence of interest in governance. Public policy and administration experts have underscored its value as a determining factor of sustainable development with multilateral financial institutions, such as the World Bank and the Asian Development Bank constantly referring to the governance factor, (meaning the manner by which a government use power and influence, and manage its relationship with its citizens in the performance of its functions and the implementation of social and economic programs) as a critical component in ensuring the success and sustainability of development programs. The call to reform the bureaucracy, particularly of developing countries, to secure policy and program gains for sustainable development has also been echoed by bilateral development organizations and non-government organizations.

In the Philippines, reforming the bureaucracy to meet the challenge of equitable economic development is one of the daunting task of any administration. Every government that comes to power invariably includes bureaucratic reform as part of its agenda. And yet, in most cases, governments either fail or fall very short of their promises. Part of the problem is that reformers dwell too much on the mechanical and technical dimensions of the problem -- downsizing, training, salary standardization, etc., -- which are for sure important, but devote less attention to the more fundamental issue of **defining the role of the state in the development process**. By role, we refer here not only to the functioning inherent in the state, but the tasks that certain conditions require the state to perform. In addition, it is important to consider the context within which the state operates and its capability to perform the task.

*This paper aims to present a framework to analyze the capacity-building requirements of the public sector to perform appropriate tasks given the demands of good governance. It will also attempt to identify issues and trends in building public sector capacity through a general application of the framework.*

Public sector is defined in variable ways. One definition of public sector refers to activities of government and the state in general as opposed to private sector which refers to the activities of the corporate or business and non-government organizations.

Another definition refers to economic activities and/or entities not privately owned. Instead, ownership is vested either in the state, public corporations, central government and local authorities. In this paper the definition of the private sector is limited to the executive branch of government, encompassing the office of the president, the cabinet and the entire government bureaucracy, with emphasis on the upper level and middle level policymakers and policy managers tasked with technical and managerial responsibilities.

The framework proposed in this paper has been adapted from the work of Merilee S. Grindle and Mary E. Hildebrand entitled "Building Sustainable Capacity: Challenges for the Public Sector" published by the Harvard Institute for International Development in 1994.

## II. EVOLVING ROLE OF THE STATE

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The characteristics of most development policies in the '60s and '70s emphasized the role of the state as the "manager of the economy", the principal agent of growth. Power has centralized in the national government and decision-making on development priorities and policies emanated from the capital. In the Philippines, this dominant role of the state partly manifested itself in the rapid growth of public corporations during the Marcos regime, reaching its all encompassing peak during the period of martial rule. In 1907, only 60 parent and subsidiary government-owned and controlled corporations were in existence. By the time Marcos fled the country in 1986, their number had swelled by more than 500% to 301.

In the 1980s, runaway fiscal deficits, huge and unwieldy bureaucracies and poor economic performance raised calls for economic restructuring and a reduced role of the state in economic decision-making. Because states intervened in economic interactions too energetically and mismanaged policy-making and implementation too regularly, policy reform prescriptions generally focused on limiting the role of government in the economy and deferring to the market as the primary engine of economic growth. Thus, came to being the concept of the minimalist state. In the Philippines, for example, as a reaction to excesses of the Marcos regime, the newly installed Aquino administration and its successor the Ramos government, drastically reduced the number of government-owned or controlled corporations (GOCCs) from 301 in 1988 to 76 at the present. Deregulation, liberalization and privatization of state enterprises became the core package of developmental policy advice and conditionally imposed by international financial institutions and donor agencies.

By the early 1990s, a growing consensus began to emerge among development planners, multilateral institutions and even industrial leaders that the orientation towards a minimalist state was not totally health: while market-oriented economic policies fueled unprecedented economic growth, widespread poverty and sectorally and geographically imbalanced development persisted -- in fact, in some countries

worsened. The reality of market failures and the lack of conscience and compassion of the "invisible hand" began to be recognized and accepted. The experiences of many countries in Asia, South America and Africa validate the findings of the United Nations Development Program (UNDP). In its 1996 Human Development Report, UNDP highlighted that over-emphasis on economic growth and over reliance on the interplay of market forces has led to "jobless," "rootless," "futureless" and "ruthless" growth in these regions. This development called for a re-assessment of the relationship among dominant industry, a shrunken state, and an energetic civil society. It called upon government to step in and adopt drastic measures to reverse the situation. It also called upon the public sector to collaborate closely with the growing civil society groups to bring this reversal about. The call for activism brought the state back in the midst of the development process -- not in the nature of the regulatory and protectionist state of the '70s but a state that respects the importance of the market in shaping economic policies and at the same time recognize its right and responsibility in pursuing the general welfare of its citizens, including intervening in economic affairs, if so warranted. Thus, the notion of the *capable and enabling state* was born.

The notion of a capable and enabling state necessarily implies the ability to operate in a manner relatively autonomously from dominant political and economic interests that may instrumentalize it for their own narrow ends. Philippine history is replete with instances of being manipulated by the elites or dominant class to serve their interests and purpose. But the experience with the Aquino and Ramos administrations argues against the reductionist view that the state will always be an instrument of wealth accumulation and power perpetuation by the dominant and powerful classes. The dismantling of monopolies in the agricultural sector and the telecommunication, shipping, and banking sectors and the deregulation of the downstream oil industry present excellent examples of the state intervening actively to protect and promote, not a long-entrenched few but the general economic welfare of all.

### III. EMERGING CHALLENGES TO CAPACITY OF PUBLIC SECTOR INSTITUTIONS

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The reconsideration of the minimalist concept of the state and the emergence of a positive and constructive outlook of the state has given rise anew to debates on state intervention, but this time not only the necessity of state action, but also on its ability to perform tasks demanded of it by prevailing societal conditions. What adds urgency and complication to this debate are rapid and profound economic and socio-cultural developments that have produced a new environment of international and domestic realities. In the area of economic development, the dominant policy orientation of protectionism, regulation and state-directed economic planning have given way to the era of global competition and regional trading partnerships, such as GATT-WTO, and APEC and AFTA, that recognize the market and the private sector as the main engines of economic growth. Export and 'trade-not-aid policies', accompanied by unprecedented openness to foreign investments and global competition, have become the accepted strategies. These situations require policymakers and public

managers who comprehend these global developments and have the capacity to act and think strategically to be able to position their respective economies to compete in a rapidly globalizing world. They have also created an impatience for "traditional" politicians and a demand for a new generation of politicians called "technopols," or leaders equipped not only with the usual arsenal of political skills but also with bureaucratic and macroeconomic management abilities.

Then there is the unprecedented growth of civil society -- in numbers, in breadth of coverage and in influence. In the Philippines, name an issue -- human rights, sexual harassment, agrarian reform, urban land reform, death penalty, etc... -- or a sector -- women, senior citizens, peasants, fisherfolks -- and there is for sure a non-governmental or people's organization -- or a network of them -- pushing an advocacy or another. The vibrancy of these social movements and their expanding local, national and international linkages have placed added pressure on governments to perform. In addition to the substantive issues that NGOs demand, governments are forced to respond in ways that are transparent, responsive, sensitive and participatory. Regimes that refused have fallen under the weight of sustained "people power" opposition.

Finally, the growing awareness of the wastefulness and inequity of a growth strategy measured purely in economic terms as represented by the almighty GNP, has given birth to the sustainable development movement. Sustainability defined in all aspects -- not only ecological but also cultural, political and social. Biodiversity, sustainable agriculture, renewable energy, eco-tourism are not only fads but have found their way not only in government micro-projects but even in official policy -- even if only in the rhetoric. The Philippines holds the distinction of being the first after the Rio de Janeiro environmental summit to establish a national council for sustainable development, a forum where government and non-government agencies thresh out issues in the promotion and implementation of Agenda 21. Together with the struggle in the arena of policy debate, the battle has also to be won in the arena of policy implementation where the bureaucracy through policy managers hold sway.

#### **IV. DEFINING AND MEASURING CAPACITY OF THE PUBLIC SECTOR**

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For this proposed framework, we define state capacity as the *ability of the public sector to undertake appropriate tasks in measurable terms, at the least cost and in a sustained manner*. Let us take the key concepts in this definition separately.

By ability, we refer to four essential capabilities -- institutional, technical, administrative and political. *Institutional ability* pertains to the authority and legitimacy of the state to define and assert the "rules of the game," or the primacy of policies, legal conventions and regulations. Thus, a government closely associated with illegal loggers or industrial polluters diminishes its institutional ability (and moral authority, of course) to set stringent environmental standards and compel strict compliance. Or it may be sincere and committed in protecting primary agricultural lands from indiscriminate conversion, but its inability to define and implement a rational land use

policy provides it with no legal basis to delineate land use and contain rampant conversions.

There are three important attributes of the public sector's institutional capacity for good governance :

- **Transparency** - refers to the degree of accessibility and availability of the citizens to information on government rules, regulations, policies, and decision- making processes;
- **Accountability** - refers to the responsible use of power by the government for the advancement of public welfare as reflected by the bureaucracy's capacity to effectively deter and address improper practices, including bribery, corruption and graft.
- **Adaptability** - refers to the capacity of the government to adjust its public policies to new economic realities in an effective manner as reflected in the capacity of public bureaucrats to shift policy direction in response to changing global and domestic contexts.
- **'Smooth judicial system** - refers to the capacity of the government, as "referee" or "arbiter" , to be independent and efficient in the resolution of issues.

*Technical capacity* refers to the ability of the state to set and manage effective macroeconomic policies. It is manifested in the presence of a cadre of well-trained and strategically deployed economic analysts and managers. This skill is particularly critical in this era of fast-paced globalization and rapid economic growth defined only in terms of GNP and competitiveness indices but leave out equity and environmental standards. While urbanization and industrialization necessarily leads to some degree of environmental damage, how do you strike an acceptable balance between industrial development and ecological integrity?

Today, the country calls for not only effective macroeconomic policies but equally important is the need to develop the capacity to provide a **coherent policy framework balancing economic and social reform** where both public policy maker and manager firmly pursue growth and equity goals.

*Administrative capacity* focuses on the ability of the principal agency mandated to perform a particular task - to perform basic administrative functions. The Department of Agrarian Reform (DAR), for example, is principally mandated to implement the Comprehensive Agrarian Reform Program, the core program of a bigger task, the poverty alleviation program.

Finally, *political capacity* refers to the ability of the state to establish channels and mechanisms for societal demand making and representation. It includes skills in mediating conflicts among different stakeholders in society. The increasing number of social conflicts arising from land and resource disputes between indigenous cultural communities and mining companies or farming communities and developers require negotiation, mediation and consensus building and conflict management skills on the part of state officials.

**TABLE 1. GOOD GOVERNANCE INDICATORS BASED ON CAPACITY**

CAPACITY	GOOD GOVERNANCE INDICATOR
INSTITUTIONAL CAPACITY	accountability
	transparency
	adaptability
	effective administration of justice
TECHNICAL CAPACITY	coherent policy framework balancing equity and growth goals
	proficiency of bureaucracy in macro-management
ADMINISTRATIVE CAPACITY	sound management system
	administrative culture that values quality performance
POLITICAL CAPACITY	institutionalized channels and mechanisms for demand making and representation by various stakeholders, especially the poor

Taken together, developing the above capabilities must lead to improvements in the capacity to identify problems needing public and priority attention, generate and assess strategies of addressing said concerns, implement projects and activities to realize policy objectives required by the same and sustain said activities over time to be able to have a significant impact.

## V. FIVE DIMENSIONS AFFECTING CAPACITY: A FRAMEWORK FOR ANALYSIS

While the focus of any study in capacity building must necessarily focus on the particular agency that is mandated to perform a task, it is also a fact that institutions do not operate in a vacuum and must contend with a number of factors within their immediate and broader environment. This larger context influences their ability to

undertake the task according to the standards earlier discussed -- effectively, efficiently and sustainably. Five such dimensions corresponding to five levels of analysis should be studied -- the broader context, the public sector institutional environment, the task network, the institution itself and its human resource.

### ***The Broader Action Environment***

The broader environment of organizational action refers to the economic, social and political context within which an agency or organization must attempt to accomplish its task. Within this dimension, a broad set of factors must be considered in terms of their impact on the ability of an agency to perform its particular tasks. Economically, the state of global campaign for sustainable development, general economic condition, the incidence of poverty, the magnitude of donor support for environmental program, the sensitivity of the private sector to environmental concerns, among others, all influence the direction of government's activities. Politically, performance is also influenced by the credibility and commitment of the political leadership, the activism of civil society, particularly in the communities affected and the vigilance of the media and other sectors like the churches and the local government units. Social factors like the level of nutrition and literacy, the degree of social division and tolerance and the pervasiveness of media should also be considered.

### ***The Public Sector Institutional Context***

The institutional environment includes the policies and regulations covering the civil service and government operations, such as hiring, promotion and remuneration policies and performance standards. It is also concerned with the relative importance that a particular agency enjoys among other offices in the bureaucracy as evidenced by its financial and budgetary support. Thus, forest conservation may be high in the priority task of the DENR. But if its budget enables it to deploy only one forest guard for every 5,000 hectares of forest, it will never get its work done. It also includes conflicting policies that hinder the DENR from protecting mangroves and prime agricultural lands. For example, a policy aggressively promoting tourism zones and regional industrial centers, while not meant to encroach upon these protected areas, will ultimately have that impact. Finally, it includes power relationships among the different departments that enable some offices to corner more resources and/or wield more influence in policy decisions. In the Philippines, the economic and financial departments, such as finance, budget, and trade and industry have traditionally dominated economic policymaking over such departments as agriculture, agrarian reform or science and technology. As a result, agricultural development for decades suffered from serious neglect, the effects of which are still being felt to this day. Agencies involved in social welfare are even at the lower end of the influence ladder and budgeting priorities. Consequently, social safety nets that should have been set in place to cushion the socially disadvantaged sectors from the adverse effects of economic adjustments and liberalization are inadequate, if they all exist.

## **The Task Network**

While the first two levels of analyses relate to the context of policy formulation and action, the task network pertains to the web of organizations that are involved in a certain task. Performing principal, secondary and support functions, these organizations, which may involve different levels of both public and private organizations, must necessarily interact to facilitate organizational performance.

A classic example of this dimension is the Comprehensive Agrarian Reform Program (CARP) of 1988. While the principal agency tasked to implement this centerpiece program of the Aquino administration is the Department of Agrarian Reform (DAR) (whose central mandate is land tenure improvement), the program depends on a complicated tangle of organizations and agencies to attain its objectives of uplifting the farmer from poverty and transforming him into an entrepreneur and modernizing the agricultural sector as a foundation of sustained agri-based industrialization. Towards this end, the participation of such key departments as Agriculture (for agricultural support services), Trade and Industry (for entrepreneurial development), Public Works and Highways (for irrigation and infrastructural development), Land Bank of the Philippines (for credit provision), to name some of them, is critical. The cooperation and support of principal partners from the non-government side -- farmers' organizations and primary cooperatives (as principal beneficiaries and vehicles of the reform program) and rural development NGOs (for institution building in the grassroots level) is just as indispensable.

Other departments, while not central to the implementation of CARP, nonetheless perform vital, though secondary, functions. These include Budget and Management, Science and Technology, Education and Culture, Finance and Cooperatives Development. While such departments and offices as Interior and Local Government, National Defense, Social Welfare and Development, National Housing and others are not directly involved in the process, their inability to undertake their CARP-related functions can hinder the implementation of the program. The national task network of the CARP is the Presidential Agrarian Reform Council, which includes both government and non-government representatives. The interactions of these organizations could hinder or facilitate the performance of DAR, the lead reform agency.

Under the Ramos Administration, this network of interacting organizations has become even more complex with the designation of DAR as lead agency for a much broader but intimately related program, the Social Reform Agenda (SRA), the government's poverty alleviation flagship. Recognizing that the root causes of impoverishment and social conflict are landlessness and rural poverty, President Fidel V. Ramos has anchored its poverty alleviation program on agrarian reform and poverty alleviation. It subsequently created the Social Reform Council as the national policy coordinating arm of the program.

## ***The Organization***

The fourth level of analysis, the next dimension of capacity, focuses on the organization itself -- its history, structure, processes, leadership and management style, and resources. These factors influence how the organization defines its vision, mission and objectives, establishes and allocates functions and responsibilities, clarifies relationships of authority and justifies a system of reward and punishment to influence the behavior of its officers. Ultimately, these factors give rise to an organizational culture that defines the character of the agency, or the lack of it.

Equally -- or even more -- important are informal structures, processes and institutional experiences and relationships that underlie the above factors. For example, Philippine bureaucracies, because of the combined consequences of low pay, low level of technical competence and vulnerability to political patronage and partisanship, have developed a unique culture of survival that baffles and frustrates anyone unfamiliar with them -- sometimes even the very people designated to oversee them. Employees are divided into informal factions that represent batches of recruits brought into the organization by a succession of department heads.

## ***Human Resource***

What ultimately enables any organization to achieve its reason for existence is its people. And concern for human resource is no more important than in government institutions. Low-pay, the primacy of political connection over merit, and low regard for career in public service combined to make it difficult to attract qualified personnel and to keep them. Government has through time become the employment of last resort, for this reason, the fifth dimension focuses on the policy managers and implementors, the upper and middle level officials of public sector agencies. The focus of analysis is the educational preparation, both formal and informal, of public officials for career in public service, their motivations for joining government, and the further training that they receive to enhance their technical, professional and managerial skills. More important, this dimension pays special attention to how talents are employed within the organization. Is there a good matching between experience and expertise, on the one hand, with functions and responsibilities, on the other? Considering the fast turn over of personnel, is there a fair and transparent policy and package of promotion, educational, welfare and retirement benefits that encouraged professionals to stay and develop meaningful careers within the organization? These are some of the questions that need to be addressed if human resources within public institutions are to be transformed into working assets that principally drive the agency towards its goals.

**Table 2. Salary Comparison of Administrators in the Civil Service of Selected Countries in Asia (US\$ 1995)**

COUNTRY	STARTING SALARY	INFLATION RATE (%)
Japan	2,628	1.5
Hongkong	2,000	6.0
Singapore	1,200	2.0
Taiwan	1,080	3.0
Malaysia	550	3.5
Thailand	252	5.0
Philippines	200	11.0

Source: Joaquin Gonzales, *Governance, Socio-Economic Development and the East Asian Miracle: Some Lessons for the Philippines*

This framework is a useful tool to pinpoint deficiencies in institutional capacities, as well as the strengths in capacity that can be nurtured. It is helpful in developing effective capacity-enhancing interventions for any ability that has to be developed and strengthened -- institutional, technical, administrative and political -- at any level or dimension -- broader environment, public sector institutional context, inter-organizational, organizational and individual. Conclusions and lessons drawn from such analysis are invaluable in building state capacity and promoting effective governance.

## **VI. GENERAL ISSUES AND TRENDS**

The following are the some of the issues that should be addressed to improve public sector capacity for good governance:

### **1. Issues pertaining to institutional capacity:**

- *Lack of a higher degree of accountability and transparency*

The culture of graft and corruption is endemic in our bureaucracy. Thaffliction reached systemic proportion during the Marcos regime earning for the Marcoses the moniker "conjugal kleptocracy", resulting into the systematic plunder of the country. The Aquino and Ramos administrations tried but failed to minimize this problem. Interestingly, although both leaders were never directly and seriously implicated in any graft and corrupt incident, cases of graft and corruption among their key officials were numerous. The failure to minimize graft and corruption has been attributed to the nature of the anti-corruption strategies.

The fight against graft and corruption has been essentially punitive rather than preventive.

There are 4 constitutionally mandated bodies responsible for enforcing public accountability among government officials and civil servants. These are the

(1) Civil Service Commission (2) Commission on Audit (3) Office of the Ombudsman and (4) Sandiganbayan. Despite the presence of these institutions, enforcement of our anti-corruption laws (e.g. Anti-Graft and Corruption Practices Act and Article XI, 1986 Philippine Constitution) remains to be a problem. Moreover, some of the government officials heading anti-corruption agencies such as the Ombudsman suffer from a lack of moral ascendancy and credibility. Because of these reasons, the Philippine government's reputation continues to suffer as reflected in our 1995 World Competitive Report (WCR) ranking of 45 out of 48 countries.

Despite current efforts in broadening popular participation in policy formulation and implementation through media, NGO-PO-GO consultative mechanisms, and public hearings, the Philippine government ranked 33 out of 48 countries in the 1995 WCR for transparency. Recent events, particularly the recent rulings of the Supreme Court which resulted in the abrogation of public contracts awarded to firms through a public bidding process, such as the Manila Hotel decision, have put at stake the reputation of the Philippine government to be transparent. The issue here is not whether the Court can review economic issues brought to it (this is clearly mandated by the 1987 Constitution in cases where there is grave abuse of authority) but rather the perspective in which the Court interprets the economic issues. What are the parameters of the decisions made by the Supreme Court? What would protect a legitimate winner of a public bidding from "trigger-happy litigants seeking relief from the court after losing their bids in a valid contract?"

Existing transparency mechanisms need to be enhanced and institutionalized, particularly in the following areas:

- Improve transparency of government decision-making processes, especially those involving awarding of contracts to lay-off fears of bribery and corruption.
- Develop a culture of transparency as opposed to a culture of secrecy which involves awareness-building and orienting the bureaucracy of the "right of the public to know" by making information - pertaining to decisions made and transactions done by government - accessible and available to the citizens
- Educate the justices to have a modern economic perspective

- ***Need to sustain capacity to conceptualize and implement necessary structural reforms responsive to the demands of globalization as well as poverty alleviation***

Adaptability, particularly the ability of the Ramos administration to shift policy directions to respond to changing economic realities is where the Philippines was given a relatively high ranking in the 1995 WCR. The country ranked 15 out of 48 countries. However, whether the reforms achieved and the growth attained from these macroeconomic reforms could be sustained is still uncertain.

- ***Need for an independent, efficient and honest system in the administration of justice***

After conducting a study monitoring the state of the judiciary and the legal profession in country for ten years, covering the period from 1985 to 1995, the Social Weather Station concluded that the level of negative public perception of judges, lawyers and court personnel has reached critical and alarming levels. The judicial process is plagued with inefficiency with courts perennially clogged with pending cases and corruption pervading the system. It is common knowledge that a large portion of the judges are known to render favorable decisions to groups or individuals who are able to dole out money or who prove to be the highest bidder.

**TABLE 3. HIGH PERFORMING ASIAN ECONOMIES (HPAEs), DEVELOPING COUNTRIES, THE PHILIPPINES AND SELECTED GOVERNANCE INDICATORS, WEIGHTED RANKS (1989-1995)**

	HPAEs	DEVELOPING COUNTRIES	PHILIPPINES
Accountability	21.9	30.3	43
Transparency	15.9	26.5	29
Adaptability	11.5	22.7	19
Justice	20.6	29.8	41

Source : Joaquin Gonzales, Governance, Socio-Economic Development and the East Asian Miracle: Some Lessons for the Philippines

## **2. Issues pertaining to technical capacity**

- ***Need to resolve contradicting economic and social policies to equally pursue growth and equity goals***

The Ramos government has been resolute in achieving substantial economic reforms. Its efforts have paid off with the Philippines exiting from the

IMF program this coming June. However, the same vigor and determination does not characterize the government's efforts against poverty. The social reform agenda which is based on the principle of asset reform and investments in human capital has so far been mostly rhetorical. Worst, there are existing contradictions between economic policies pursued and the social reforms to which the government has committed itself to. There is the need to develop the capacity and the commitment to equally pursue macroeconomic policies that equally pursue growth and equity goals. Immediately, the task calls for resolving existing contradictions, such as the following:

a). Mining Act of 1995 granting to foreign corporations incentives for the development of large mines is contradictory to the rights of indigenous people to their ancestral domain. To date, there is still no law that would provide the legal framework in protecting the rights of the indigenous people;

b). Promotion and protection of the rights of laborers is in peril with labor casualization and subcontracting as the widely accepted measures to cope with globalization. Workers are demanding careful monitoring and regulation of subcontracting practices. However, government appears to be reluctant imposing stricter regulations

c). Land redistribution objectives of agrarian reform are eroded due to unabated conversion of agricultural lands to industrial use and/or real estate.

- ***Need to develop competence in macro-management***

One of the identified deficiency in the area of technical competence is the lack of proficiency in technical skills in macro-management, particularly in the promotion of equitable development and the limited understanding of policy managers of the market economy. Since the bureaucracy is unable to debate and discuss authoritatively on these issues, it is constrained in taking a more proactive role in policy making.

### **3. Issues pertaining to administrative capacity**

- ***Need to develop improved administrative culture***

The deeply-rooted culture of patronage prevents our policy managers from doing "what they ought to be doing" as they are too preoccupied with pleasing the political leadership or their "political masters". Decision-making then becomes a game of "second guessing" what the political leadership wants rather than what the situation demands to be done. The development of cognitive skills and independent judgment become unnecessary for those seeking career advancement in the public sector. What is more effective is cultivating "useful relationships".

There is also the tendency within the bureaucracy to circumvent administrative standards. People are hired not on the basis of their qualifications but rather through political influence and pressure. As a result, people are ill-equipped to perform specific tasks that are required of them.

Existing institutional arrangements, such as the budgetary control of the legislature also allows the perpetuation of the patronage system. This enables Congress and the Senate to intervene in the implementation of programs and the appointments of personnel in exchange for requested budgetary allocations.

## **VII. SUMMARY AND CONCLUSIONS**

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Good governance indicators require a clear definition of the role of the state in the development process. Not to do so would reduce interventions to the technical and mechanical dimensions of the problem rather than the more substantive questions of what government should do and how can it perform the tasks effectively, efficiently and sustainable. The framework presented in the previous sections of this paper allows us to analyze in an integrated and holistic manner the requirements for capacity-building of the public sector. The issues presented in the paper suggest that substantive bureaucratic and political reforms are equally important as economic reforms. Sustaining the present economic and political gains can only be achieved if improvement in the public sector institutions can also be assured.

**TABLE 4. ACTION ENVIRONMENT**

FACTOR	FACILITATING	CONSTRAINT
Economic	<ul style="list-style-type: none"> <li>• modest economic growth achieved in the past three years - 5.1 % in 1994, 5.7% in 1995 and in 7.1% for the first three quarters of 1996</li> <li>• improvements in wages received by civil servants with increases in per capita salaries by 130% from 1992 to 1996</li> <li>• movement towards privatization significantly reduced the number of government owned and controlled corporations</li> <li>• global competition pressures bureaucracies to be efficient and effective</li> </ul>	<ul style="list-style-type: none"> <li>• poverty is still a persistent problem</li> <li>• income and asset distribution are still highly skewed (based on 1994 statistics, 20% of the population controlled 50% of the country's income)</li> <li>• salary rates are still way below industry and/or corporate rates resulting into bureaucracy's inability to retain most of its good people</li> </ul>
Political	<ul style="list-style-type: none"> <li>• political stability strengthened by successful peace negotiations with RAM and MNLF</li> <li>• good international acceptability of the Ramos government</li> </ul>	<ul style="list-style-type: none"> <li>• lack of a genuine party system</li> <li>• although general peace and order situation has improved, there has been an alarming increase of violent crimes, such as kidnappings for ransom, drug syndicates, and sex crimes such as rape some of them involving law enforcement officials and other high ranking officials.</li> <li>• lack of consistency between rhetoric and action in critical issues, such as the implementation of the social reform agenda, minimizing graft and corruption, sends mixed signals as to the priorities of the political leadership</li> <li>• recent moves to amend the constitution threatens the destabilize the democratic gains achieved</li> </ul>

Socio-Cultural	<ul style="list-style-type: none"><li>• vibrant and free media</li><li>• presence of Egos and POs provides pressure for greater transparency and accountability of the government</li></ul>	<ul style="list-style-type: none"><li>• culture of patronage prevails</li><li>• low investments given to human resource development</li></ul>
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**TABLE 5. GENERAL CAPACITY-BUILDING NEEDS OF THE PUBLIC SECTOR**

<p><b>LEVEL OF ANALYSIS</b></p> <p><b>CAPACITY</b></p>	<p><b>PUBLIC SECTOR INSTITUTIONAL CONTEXT</b></p>	<p><b>TASK NETWORK</b></p>	<p><b>ORGANIZATION</b></p>	<p><b>HUMAN RESOURCE (INDIVIDUAL)</b></p>
<p><b>INSTITUTIONAL</b></p>	<p>Lack of accountability and transparency</p> <p>Need to sustain capacity to respond to the demands and requirements of globalization as well as poverty alleviation</p> <p>Judicial process inefficient and reduces credibility of the system to administer justice competently and honestly</p>	<p>Institutional framework governing task implementation -- both for individual organizations and inter-agency coordination and collaboration – tends to be more regulatory and constricting rather than creating an environment conducive to entrepreneurship and innovation.</p>	<p>Budgetary control of legislature holds bureaucracy captive to interventions of members of the House of Representatives and the Senate</p>	
<p><b>TECHNICAL</b></p>				<p>Lack of technical skills in macromanagement and strategies to promote equitable development</p> <p>Lack of sound basic management skills</p> <p>Lack of skills in conflict management and consensus-building</p>
<p><b>ADMINISTRATIVE</b></p>			<p>Tendency to hire people through political influence and pressure rather than on the basis of their qualifications</p>	

			Decision-making not based on what needs to be done but is reduced to a game of second guessing what the political leadership wants	
<b>POLITICAL</b>		Existing mechanisms for people's participation in governance need to be enhanced		Lack of orientation in recognizing the value of working with NGOs and POs in policy development and program implementation

## EXHIBIT 1. SAMPLE ANALYSIS OF A SPECIFIC TASK

**APPROPRIATE TASK:** Agrarian reform as a core program for poverty alleviation

**CAPACITY TO BE EXAMINED:** Technical

**LEVEL OF ANALYSIS::** Public Sector Institutional Context

Agrarian Reform is not creating a dramatic impact in delivering its twin objectives of

- 1) Absence of a coherent macroeconomic policy framework that -
  - a) Gives due importance - by way of budgetary allocation and contemplating policies (pricing, foreign exchange, infrastructure, credit, land use, etc.) - to land redistribution and agricultural modernization
  - b) Links industry (source of consumer goods, capital, employment) to agriculture (source of labor, foreign exchange, domestic market) in a mutually reinforcing (forward and backward linkages) relationship leading to a fully integrated economy (as against a disjointed economy that is more dependent on external market in the absence of or due to the negligibility of the domestic market)
- 2) Gap between official policy and actual priorities (for reasons given above)
- 3) Poor understanding of the bureaucracy as to the meaning of agrarian reform
  - a) not only land transfer but also support services, institution building and macroeconomic policy re-orientation
  - b) essential not only for political reasons because of its social justice mandate but also important because of -
    - I. economics - agrarian reform and rural development frees productive energies of countryside; also creates and broadens domestic market
    - II. cultural - breaks culture of dependence, poverty and hopelessness and create collective psychological and spiritual renewal
    - III. environmental - because poverty and lack of access to low lands pushes landless farmers to the uplands (18M Filipino according to the DENR), pressure on upland resources is great
- 4) Failure to fully appreciate that global competition and liberalization and deregulation programs will have worst impact on agricultural sector is no serious direct strategic and significant attention is given to farmers and the countryside.

## **CAPACITY-BUILDING INTERVENTIONS:**

1. Macroeconomic policy analysis and research
2. Looking at cases of Taiwan, Japan, Korea and Thailand and draw lessons for possible adaptation
3. Study impact of GATT-WTO and APEC commitments
4. Model Building

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# Government-Private Sector-NGO/PO Partnership in Governance

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Good governance requires the synergy among various stakeholders in pursuing common goals and objectives. This is because government, the private sector, the NGOs and POs have a common stake in the development of the Filipino nation. This mode of interaction among various sectors, agencies, or groups to achieve a particular task, objective, goal or vision may be referred to as "partnership". According to the Asian NGO Coalition (ANGOC) and the United Nations Development Program (UNDP), "partnerships are nurtured and developed depending on the degree of urgency to respond to a particular need, level of trust, organizational culture, target clientele/area, or commonality of mandate." Partnerships also connote a collective sharing of vision, goals and human, financial, and technical resources to achieve greater impact on the political and economic life of a community or the nation as a whole.

## I. The Different Types of Partnerships

ANGOC and UNDP defined five possible types (or degrees) of partnership with regard to NGO/PO-GO relations. We utilize the same definitions for the tripartite partnership of government, the private sector, NGOs and POs:

**A. Consultative Partnership** - this refers to mechanisms, regular dialogues or fora among the various partners where they are able to share information, experiences, ideas, and opinions.

**B. Coordinative Partnership** - this refers to the various efforts made by partners to synchronize various independent efforts to avoid duplication and achieve greater efficiency and effectiveness in each group's activities.

**C. Complementary Partnership** - in this type of relationship, while each party has separate initiatives, the partners are guided by a common framework or program characterized by purposive efforts to support and complement each other.

**D. Collaborative Partnership** - in this relationship, the partners agree to work closely together, sharing a common vision, establishing common objectives, and plans of action on a program level.

**E. Critical Partnership** - in this relationship, partners work together on a more strategic and long-term arrangement on various aspects of the socio-economic and political life of the community.

## **II. Possible Areas for Partnership in Governance**

There are a variety of areas where partnerships may be forged among the three sectors. (Please refer to Table "A" on page 3). These areas may be classified according to the various spheres of governance.

### ***A. The Spheres of Governance***

*1. Policy Formulation* - One of the major spheres of governance is policy-making. These include laws, implementing rules, and regulations that provide the framework on how the various stakeholders in the community may be able to perform their activities and responsibilities. Most of the major national policies are made in the Legislative, i.e. Congress while local laws called ordinances are formulated by the local Sanggunians. The Executive branch at the national (through the line agencies) and local levels provide the implementing rules and regulations.

*2. Program/Policy Implementation* - Important programs and policies are implemented by the executive branch at the national (Office of the President and line agencies) and the local levels (Office of the governor or mayor).

*3. Service Delivery* - These services are typically performed by the national line agencies (e.g. labor and education) while some others (e.g. health and social welfare) were devolved to the local government units.

*4. Administration of Justice* - A major part of this responsibility lies with the Judiciary (i.e. litigation). However, some other areas are implemented by the Department of Justice and the Department of the Interior and Local Governments (mostly through the public prosecutors and the Philippine National Police).

### ***B. The Levels of Governance***

Governance may also be approached from various levels of government units.

*1. National* - At this level, the scope of policy formulation and implementation or service delivery is always at the country level. In terms of institutions these would refer to the office of the president, the different national line agencies, Congress, and the Supreme Court.

*2. Regional* - This level would refer to the various administrative regions (region 1 to 12 including NCR) most especially the Cordillera Autonomous region and the Autonomous Region of Muslim Mindanao. National line agencies for example have regional branches. The regional development councils are also examples of institutions dealing with regional governance.

3. *Local* - This level would refer to the provincial or municipal governments. One can still extend this level to the barangay which is considered the basic political unit in the Philippines.

### ***C. The Fields of Governance***

Lastly, governance may also be seen from the various fields of endeavor in society.

1. *Political* - These would refer to any issue, policy or program related to the powers, constitutional and legal rights, responsibilities, form and processes of the civil government, public institutions and even of civil society.

2. *Economic* - These would refer to any issue, policy or program related to the production and distribution of goods and services in the country; to the utilization and development of the country's resources (whether natural, human, or technological).

3. *Socio-Cultural* - These would refer to any issue, policy or program related to the social sectors like education, health, social welfare and to the nation's culture like language, art, and entertainment.

Table "A" : Possible Areas of Partnerships in the Governance Matrix

Levels of Governance	National			Regional/Local		
	Economic	Political	Socio-Cultural	Economic	Political	Socio-Cultura
Fields of Governance						
Spheres of Governance						
Policy Formulation						
Program/Policy Implementation						
Service Delivery						
Administration of Justice						

## II. Bilateral Partnerships: Issues and Trends

### A. NGO/PO-GO Relations<sup>1</sup>

#### 1. Context

During the Marcos regime, the relationship between NGOs and POs and government mainly characterized by noncollaboration at its best and mutual suspicion and even outright hostility at its worst. NGOs and POs were very critical of the government mainly because of its authoritarian processes and its failure to effectively deliver many of the basic social services to the people.

NGOs and POs especially cooperatives during this period provided the venue for democratic practice by the people and also rendered alternative social and development services to the communities. A politicized section of the NGO community even clandestinely supported activities that tried to subvert and topple the regime.

After the EDSA revolution, the Aquino regime instituted various policy reforms that encouraged the growth of NGOs and POs in the country. The role of the NGOs and POs in nation building was officially recognized by the Philippine Constitution of 1987 (i.e. Article II Sec.23, Article XIII, Sec.15 and 16). Several line agencies during this period also established NGO desks to facilitate cooperation and collaboration in governmental activities. NGO/PO participation at the local government level was further enhanced with the passage of the Local Government Code in 1991.

#### 2. Major Issues in the Relationship between NGOs/POs and GOs

##### a) Difference in Development Perspective and Approaches

In terms of development philosophy, many NGOs and POs still believe in "state led" development and this is the basis for most of the criticisms levelled against government's perceived failures (e.g. in poverty alleviation and other social reform). Government, on the other hand, has been moving towards the neo-liberal concept of a minimalist state where privatization, deregulation, and liberalization are the key programs. In terms of approaches, government strength lies in pursuing programs on a large scale while for NGOs, it is in ensuring that a project conforms with local conditions (Navarro and Garde, 1996).

## b) Problematic GO interventions in the NGO Community

Several interventions by the government in the development terrain are perceived negatively by the NGOs and POs and these include:

- state regulation for NGO/PO accreditation
- GO organized NGOs and Pos
- cooptation of some NGOs and Pos
- tokenism as replacement for genuine participation
- some cases of harassments

## c) Lack of Understanding of the Bureaucracy by NGOs and POs

The bureaucracy because of its size has a number of limitations and constraints especially its inflexibility. NGOs and POs, on the other hand, by their very nature, are very flexible in their operations. Thus, expectations of NGOs with regard to their GO counterparts are not usually met in terms of timing and efficiency of service delivery and project implementation. However, NGOs are being challenged to increase their understanding of the bureaucratic processes and institutions as well as the political and cultural aspects of civil service.

### *3. Existing Examples of Partnerships between GOs and NGOs/POs*

#### a) Development and Economic Arena

In terms of policy formulation at the macro-level, a primary example is the **Philippine Council for Sustainable Development**. This council was established in response to the calls for greater NGO/PO-GO cooperation for sustainable development after the UN Conference on the Environment and Development in Rio de Janeiro, Brazil in 1992. Just recently, the council, composed of Cabinet secretaries and NGO/PO leaders signed an agreement spelling out the Philippine Agenda 21, a framework that would be the basis for present and future Philippine development plans.

At the local level, the **Local Government Code** has mandated the participation of NGOs and POs in the following areas: membership in local special bodies (e.g. Local development councils), partnership in joint ventures, and sectoral representation in local legislative bodies.

An example of project/program partnership at the local level is the **Antique Integrated Area Development Program** where the provincial government and the local network of NGOs (Antique Federation of NGOs) are involved from policy formulation to project implementation. Other areas where partnerships occur include agrarian reform implementation, social forestry, and environmental management.

## b) Political Arena

A recent attempt at collaboration is the establishment of the **Social Reform Council (SRC)** which is composed of Cabinet secretaries and NGO/PO representatives and chaired by the President. The SRC is the institutional mechanism that monitors the implementation of the flagship programs of the government's Social Reform Agenda.

In Metro-Manila, an example of NGO/PO-GO relations to combat crime and promote peace and order is the establishment of **local peace and order councils** at the city and municipal levels. During the terms of Commissioner Christian Monsod and Haydee Yorac of the COMELEC, there was an active collaboration between NGOs and POs and the COMELEC to push for **electoral reforms**. Another field for partnership is **graft and corruption monitoring**. In Abra, the Concerned Citizens of Abra for Good Governance (CCAGG) monitors for the local government public works projects in the province.

## c) Socio-Cultural Arena

Partnerships are very much alive in the health sector. In terms of policy formulation, a recent attempt was the establishment of the **Philippine National AIDS Council** which is composed of government and non-government organizations and which drafted the National AIDS Strategy. For a specific project example, there is the **Botika Binhi Project** which involves the Department of Health, the Department of Labor and Employment and POs in Smokey Mountain. This project provides cheap medicines and essential drugs to target beneficiaries. Other areas where working relations and some cooperation exist include **adult education** and **combatting child labor and abuse, welfare and protection of OCWs**. The **community mortgage program** has also been an example of NGO-GO partnership in the provision of low cost housing in the country.

## B. NGO/PO-Business Relations<sup>11</sup>

### 1. Context

Traditionally, the business sector's primary social concern has been to increase its contribution to the country's economic development by expanding its production and distribution of products to a wider market including foreign markets. In this respect, they are able to generate jobs which are needed to absorb surplus labor of the economy. However, the social and development orientation has continued to spread within the business sector through the establishment of corporate foundations and community relations programs.

The concretization of this developmental concern can be traced to the early 70s when the Philippine Business for Social Progress (PBSP) and the Association of Foundations (AF) were established. The PBSP was founded by 50 companies which

vowed to contribute a certain percentage of their profits for the social development projects of the foundation. The AF, the oldest NGO network, was organized mostly by the existing corporate foundations during that period.

In more recent times, the business sector has created institutions that tackle developmental issues of the day like the Philippine Business for the Environment (PBE) and the Corporate Network for Disaster Response. All these initiatives provide the basis for greater understanding and cooperation between business related institutions and NGOs and Pos.

## *2. Major Issues and Trends*

### a) Lack of Mutual Trust

Many NGOs still have apprehensions with regard to the motivations of the business sector's involvement in social development. They suspect that the motivation behind is still to gain higher profits and that community relations and the various developmental and welfare projects are implemented to enhance profitability, marketing image, and company stability (i.e. industrial peace). But for more pragmatic NGOs, as long as these business related groups are able to adequately respond to the needs of the community, the question of motivation becomes irrelevant.

On the other side, some sections of the business sector have been wary of NGOs and POs because of the latter's perceived bias against capital and because of their leftist tendencies. These have been exacerbated by activities that have paralyzed business operations like industrial strikes or consumer boycotts.

### b) Cultural Divide

The business culture which has been developed in a highly competitive and survival oriented environment is "output and results oriented". NGOs and POs, on the other hand, because of their bias for participation, is more "process oriented". With these divergent cultures, NGOs/POs find it difficult working with business related institutions especially in joint projects or programs.

### c) Competition Over Developmental Funds

While many corporate foundations have endowments supplied by their mother companies, some try to leverage such funds for those provided by international private and public donors. As such, they become direct competitors of NGOs in accessing developmental funds.

#### d) Lack of Interfacing Mechanisms

Because of divergent views particularly on development and the economy, working relationships between NGOs/POs and the business sector are relatively few. Because of ideological differences, both sectors fail to tap the expertise of one another. For example, business may be able to share its skills in management, marketing, finance, and resource mobilization while tapping the community organizing or participatory research expertise of the NGOs. The lack of interfacing mechanisms has contributed to the inability of both sectors to maximize the strategic potential of partnership.

### 3. Existing Partnerships

#### a) Development and Economic Arena

Corporate foundations have been **funding some NGO and PO activities** for the past two decades. Foremost among these is PBSP which has worked with almost 900 NGOs and POs. As David Rockefeller said in the first assembly of CIVICUS, an international organization of civil society organizations :

"...the sharp division (between the voluntary and business sectors)...fails to give adequate credit to industry which has generated funding for the third sector (NGOs and POs) and continues to do..."

Aside from direct funding, certain corporations in the Philippines have **subcontracted some of its operations to cooperatives and NGOs**. An example is the San Miguel Corporation which has provided dealership agreements with cooperatives.

#### b) Political Arena

Both sectors are into **advocacy work** and examples of organizations where both sectors are active include the Bishop-Businessmen Conference (**urban poor and labor issues**) and the National Movement for Free Elections (**electoral reforms and monitoring for clean elections**).

#### c) Socio-cultural Arena

Corporations have supported NGO initiated activities related to education (**scholarships and training programs**) and to arts and culture (**sponsorships of activities and programs**) and even health (e.g. Levis and Guess contributing to HIV-AIDS Programs of NGOs). Through the Philippine Business for the Environment, The Corporate Network for Disaster Response, PBSP and AF, the business sector has worked together with NGOs and POs in the field of **environmental protection, disaster management, health, social welfare and development advocacy**.

## C. GO-Business Sector Relations

### 1. Context

Historically, the Philippine state has been interventionist in terms of the economy. Thus, time and time again, it has used its fiscal and monetary powers to effect desired changes in how the various industries operate. This has spawned protests from the business sector which has always upheld the principle of free enterprise. State intervention was exacerbated especially during the Marcos regime where cronyism became pervasive (certain businesses used connections with the regime to gain undue advantage over competitors).

However after the EDSA revolution, both the Aquino and Ramos regime adopted a more minimalist stance for the state (i.e. decreasing interventions in the market economy). It was in the latter's administration however that greater liberalization and deregulation had taken place (e.g. in telecommunications, banking, shipping and the oil industry). The Ramos regime in its Philippines 2000 has committed itself to levelling the playing field and in creating the atmosphere where the private sector becomes the primary engine for growth.

### 2. Major Issues and Trends

#### a) Government's Political Will to Undertake Greater Economic Reforms

While the Ramos administration has successfully initiated reforms in various sectors of the economy, the business sector feels that it has to continue to do so especially with regard to fiscal and bureaucratic reforms, exchange rate reforms (especially for the exporters, and reforms in the stock market). These reforms are necessary for the sustainability of the present economic growth.

#### b) Tax Reform and the Business Sector's Commitment

Tax collection rate from the business sector in the Philippines is one of the lowest in the ASEAN region. Given the fiscal crises the government has been plagued with in recent history, tax reforms and the commitment of the business sector to pay the right taxes are strategic steps toward sustained growth.

#### c) Bureaucratic Efficiency

Inefficiency still abounds in the heavily bloated bureaucracy. Until the present time, the Ramos administration has failed to streamline the bureaucracy. Congress has not passed the emergency powers being requested by the President to be able to streamline the bureaucracy. With the elections coming up next year, hopes are dim for the trimming of the bureaucracy. Smoother relations between GO and business can be greatly facilitated by an efficient bureaucracy.

#### d) Maintenance of Political Stability

While the Ramos regime was able to forge peace agreements with two important rebel groups (RAM and the MNLf), it still has to negotiate with the MILF and the CPP-NPA-NDF. Also, the government has not performed well in improving the crime situation where kidnappings and robberies continue to hound the business community. Note that political stability and the peace and order situation are primary requirements for sustained investments to take place.

#### e) Consistency of Economic Policies

The resolve of the government to attract foreign investment has been recently hampered by the Supreme Court decision on the privatization of Manila Hotel. The business sector in the Philippines have questioned consistency in terms of economic policies among the three branches of government. There are also repercussions from the rebidding of the Subic Bay Port Management and the controversial Amari deal.

### *3. Existing Partnerships*

#### a) Development and Economic Arena

In terms of policy formulation, private sector representatives sit in important bodies like the **Bangko Sentral ng Pilipinas (BSP)** and the **Export Development Council**. In terms of joint ventures and projects, the Philippines was one of the originators of the **Build Operate Transfer (BOT)** schemes in infrastructure development. The BOT is a mechanism that taps the business sector's capacity to raise the much needed resources and to manage large scale infrastructure projects of the government. At the local government level, business groups have already assisted LGUs in the field of financing (resource mobilization, bond flotation, etc.) and management informations systems.

#### b) Political Arena

Business organizations like the Makati Business Club and the Bishop Businessmen Conference are active in **monitoring important government activities and institutions** (e.g. Congress Watch). The National Movement for Free Elections which has been led mostly by business personalities have always been active in the **electoral arena**.

Specific personalities from the business and political sectors often forge explicit and implicit partnerships especially during the **election campaigns**. Traditionally, candidates from various political parties court the business sector for their campaign funding requirements.

## c) Socio-Cultural Arena

**Corporate sponsorship** has been tapped by various government institutions at both national and local level for programs and projects dealing with **health, social welfare, labor training programs, the environment** (e.g. Piso para sa Pasig and Save Laguna Lake), and the **arts** (e.g. the Cultural Center of the Philippines). **Tourism and real estate development (from industrial estates to low cost housing)** is also a field where the private sector and government are also in active partnership.

## IV. Tripartite Partnerships: Issues and Trends

### A. Context

Clearly, government, business, NGOs and POs have their own developmental (even ideological) perspectives and methodologies. At the same time, each sector has its own niche and expertise (See Table "B" below). However, note that their clientele are one and the same - citizens of Philippine society either as customer, constituent, partner or beneficiary. At the same time, the three sectors do not exist independent of each other. According to Professor Tomas Lopez, Jr. of the Asian Institute of Management,

"Despite each player's unique agenda...., collaboration and complementarity become viable strategies because of the needs of society at the time. The inadequacy of one player to fulfill its mission does not make for the dominance of the interests of another, rather, it provides for an opportunity for complementarity or collaboration. Because in the end, what is at stake is not the preeminence of government, nor of business, nor of development institutions....[but] society's self interest - nothing more, nothing less."

**Table "B" Sectoral Niches and Expertise**

Sector	"Clientele"	Niche	Expertise
Government (national or local)	Citizen Constituents	Over-all Governance: Policy Formulation Service Delivery Justice Administration	broader reach: (nationwide) vast human resources police/coercive power fiscal & monetary policies
Business Sector	Customer	Entrepreneurship Profit-making Cost-efficiency	resource generation technological innovations risk management marketing, finance & production
NGOs and POs	Partners members and beneficiaries	Social Development Voluntarism Participation	community organizing social preparation human resource development development advocacy

Thus, for the common good of all, there is a need for each sector to work together in the various arena of politics, economy and culture. The synergy among the three sectors is an important ingredient towards a more wholistic type of development.

## **B. Major Issues and Trends**

### *1. Difference in Perspectives and Methodologies*

As was discussed in various sections above, a major difficulty in forging tripartite relations is related to ideological differences. For example, business and government are more or less similar in their advocacy of neo-liberal policies in terms of the economy. NGOs and POs, however, are more inclined to have an activist state in the market economy. Because of this divergence, more time and patience are required to be able to get the three sectors working together in a development-oriented agenda. However, this diversity can also be harnessed in ensuring that development programs become more attuned to the needs of the citizenry.

### *2. Mistrust Based on Previous Experiences*

Trust among the sectors is developed through experience. However, previous encounters when negative, provide built-in constraints for dialogue and working relations. With the changing times and the environment, the three sectors are developing more open-minded attitude in relating to each other. The demands of a

global economy and a fast changing Philippine society require that the sectors be able to transcend their biases against each other.

### 3. *"Superiority Complex" Among the Three Sectors*

As Professor Lopez puts it, the sectors view each other condescendingly - from the NGO perspective, government is a meddling necessity while business is an exploitative and ruthless behemoth; from the government viewpoint, the proliferation of NGOs are just a fad while business is a crucial sector needed to be courted; for business groups, NGOs are nuisances while government is a necessary evil. Because of these perspectives, government tries to coopt NGOs and subdue business lobbies. Business on the other hand, refuses to deal with NGOs and just pay-off (bribe) government. NGOs and POs on the other hand, actively criticize both government and business for their "social sins". Each sector, behaving with a "holier than thou" attitude foregoes the possibility of partnerships with each other.

### 4. *Dynamics within Each Sector*

Each sector is not monolithic. Within each sector, there are also a variety of opinions and methodologies. There is a lot of dynamism among the players in each sector. But many individuals and groups within each sector fail to realize this important fact. The most significant implication is the feasibility of cross-sectoral alliances. It is not at all impossible to find like-minded individuals and groups among the three sectors. A critical mass of leaders coming from each sector agreeing on a common vision, thrust, action and reforms, may be able to implement relevant changes in Philippine society.

## **C. Existing and Potential Tripartite Partnerships**

While there are a lot of issues and difference between and among the three sectors, there exists current partnerships and working relationships that can be maintained or further developed.

### 1. *Development and Economic Arena*

In terms of policy formulation at the macro level, an existing mechanism is the **steering committee for the Medium Term Philippine Development Plan**. This committee includes other sectors like the academe. However, there is a need for greater business sector participation in the said committee. The same is true for the **Philippine Council for Sustainable Development** which is heavy on GO and NGO/PO membership.

A potential mechanism for tripartite partnerships at the regional level is the structure of the **Southern Philippine Council for Peace and Development**. At the industry levels, some tripartite structures already exist like the tripartite mechanisms

encompassing business, government and the labor sectors (an active one is the hotel and restaurant industry). At the local level, the **Local Development Council** is a venue where working relationships and partnerships may occur among the three sectors. In fact **land use planning** should require the active participation of all three sectors.

## *2. Political Arena*

Potential mechanisms include the **Legislative-Executive Department Advisory Council (LEDAC)** which discusses the priority bills for legislation and the **Social Reform Council (SRC)** which monitors the implementation of the Social Reform Agenda. However, greater participation of the business and NGO sector is required for LEDAC. The role and participation of the business sector in the SRC should also be defined as it may be able to complement government's resource mobilization efforts.

## *3. Socio-Cultural Arena*

**Environment, social welfare, social credit, health, housing, education** are areas where government, business, NGOs and POs must be able to work together. Clearly these are areas that concern the everyday lives of our people. Government's resources are inadequate and business should be able to help out. NGOs and POs on the other hand may be able to assist in the design of programs and projects and with actual implementation.

## **V. Summary and Conclusions**

Undoubtedly, diversity exists among the three sectors in terms of vision, development praxis, methodological approaches, and expertise. However, they all serve the same constituency. And when one speaks of good governance to promote sustainable development, the necessity for cooperation and partnerships among the three sectors (whether bilateral or tripartite) become particularly relevant. While issues regarding the relationships of each sector exist, resolution of such issues are not entirely impossible. In fact, providing venues for more dialogues and sharing is a starting point for resolution and eventually, for strategic steps toward working together. From mere sharing of information to strategic partnerships, the three sectors realize that collaboration brings about greater and broader impact to the citizenry. Below is a table showing samples of existing and potential bipartite and tripartite partnerships among the three sectors.

**Table C: Examples of Potential and Existing Partnerships**

Relationships	Economic Arena	Political Arena	Socio-cultural Arena
NGO/PO-GO	Philippine Council for Sustainable Development (PCSD) Antique Integrated Area Development (ANIAD)	Social Reform Council (SRC) Concerned Citizens of Abra for Good Governance (CCAGG) Public Works Monitoring	Philippine National AIDS Council (PNAC) Botika Binhi
NGO/PO-BO	Philippine Business for Social Progress (PBSP) San Miguel Corporation's Subcontracting Coops	National Movement for Free Elections (NAMFREL) Bishop-Businessmen Conference (BBC)	Scholarships Training Programs Dual Tech
GO-BO	Export Development Council (EDC) Build Operate Transfer (BOT) Schemes in Infrastructure	Congress Watch by the Makati Business Club (MBC) Political Campaigns	Piso Para sa Pasig Save Laguna Lake
GO-BO-NGO/PO	Medium Term Philippine Development Plan (MTPDP) Steering Committee Local Land Use Planning	Legislative Executive Department Advisory Council (LEDAC) Social Reform Council (SRC)	Low Cost Housing Credit Programs

**End Notes**

<sup>1</sup> A majority of this section is adapted from chapter II-D of "Trends and Traditions, Challenges and Choices: A Strategic Study of Philippine NGOs" authored by Edna Co and Alan Alegre.

<sup>2</sup> A substantial part of this section is taken from chapter II-F of "Trends and Traditions, Challenges and Choices: A Strategic Study of Philippine NGOs" authored by Fernando T. Aldaba and Ma. Gisella T. Velasco.

# LOCAL GOVERNANCE AND AREA-BASED MANAGEMENT

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## 1. INTRODUCTION

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As part of the process shift towards a strategic UNDP Governance Programme, a Nationwide Consultation-Workshop on Governance for Sustainable Human Development shall be conducted to solicit views from stakeholders across sectoral and regional clusters. One of the expected outputs of the three-month consultation process is a refined UNDP Country Office Philippine Governance Strategy Paper.

This paper is one of three documents written to serve as inputs to the consultation process. As such, its primary aim is to synthesize key information in order to stimulate discussion by the participants of the workshops.

The focus of the subsequent discussions are concerned with the ability of the Local Government Units (LGUs) to deliver basic services to promote the welfare of local constituents within an area-based, participatory framework. These are based primarily on the mandate of the Local Government Code (LGC).

The presentation will cover three major areas. Section 2 will discuss key concepts and definitions pertaining to the local autonomy. Section 3 will elaborate on the essential features of the Local Government Code within the context of area-based development and management. It shall provide background information on the decisions, rulings by various agencies which, over time, have set the parameters of powers and potentials that local stakeholders can utilize to pursue their development objectives. Finally, section 4 shall summarize major issues that have arisen regarding local governance.

## 2. GENERAL CONCEPTS AND DEFINITIONS

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The passage of the Local Government Code was in accordance with the constitutional mandate that 'the state shall ensure the autonomy of local governments.' It has been hailed by many as a piece of legislation that is by far the most radical and has a wide-ranging effect on the the politico-administrative system. It was primarily aimed at addressing the problem of the overcentralized decision-making in government.

## 2.1. The Nature of Local Governments

a. The Supreme Court has defined a Local Government Unit as a political subdivision which is constituted by law and possessed of substantial control over its own affairs. As such, municipal corporations owe their origin to, and derive their powers and rights wholly from legislature. Under a unitary system of government, a local government is an intra-sovereign subdivision of one sovereign nation.

b. Local Governments/Municipal Corporations have a dual nature and two fold powers:

***LGUs are agents of the state.***

They are partners national government in achieving national goals. They exercise governmental powers delegated by national government.

***LGUs are, at the same time, agents of the community.***

LGUs govern a specific area and exercise proprietary powers to promote local necessities and convenience for its own community.

## 2.2. The Nature of Local Autonomy

a. The Supreme Court had stated that a 'local government unit is autonomous in the sense that it is given more powers, authority, responsibilities and resources. Power which used to be highly centralized is thereby deconcentrated, enabling especially the peripheral local government units to develop not only at their own pace and discretion but also at their own resources and assets.'

b. Thus, as contemplated by the law, local autonomy in the Philippines does not lead to the creation of a federal government. It does not make mini-states out of local government units.

c. Local autonomy is not self-executing. It requires the enactment of specific legislation such as the passage of a local government code, a local tax law, income distribution legislation, and a national representation law.

d. Moreover, autonomy does not lead to the severance of the partnership relation and interdependence between the central administration and local government units.

***The Doctrine of 'Supremacy' of National Over Local Government***

As previously mentioned, municipal governments are only agents of national government; they owe their origin to, and derive their powers and rights wholly from legislature.

Thus, the LGUs cannot regulate, via taxation or other means, any instrumentality of the national government. They have no power to retard, impede, burden, or in any manner control the operations of constitutional laws enacted by Congress to carry into execution the powers vested in the national government.

### ***Legislative Control Over Local Governments***

Control means the power of an officer to alter or modify or nullify or set aside what a subordinate had done in the performance of his duties and to substitute the judgement of the former for that of the latter.

It is in this context that the National Legislature retains control of the local government units although in significantly reduced degree. Local government units cannot defy or modify or violate its will.

Concretely, for instance, the legislative powers that local councils exercise merely represent delegated powers given by Congress as the national lawmaking body.

Paradoxically, even as Congress retains control, its responsibility is to wean local government units from overdependence on the central government.

### ***Executive Supervision Over Local Governments***

Supervision means overseeing or the power or authority of an officer to see that the subordinate officers perform their duties.

Presidential power over local governments is limited by the 1987 Constitution to the exercise of general supervision 'to ensure that local affairs are administered according to law.'

In this regard, the President has no control over the acts of local governments in the sense that he substitute their judgements with his own.

### ***Administrative Autonomy of Local Governments***

There is administrative autonomy when the central government delegates administrative powers to political subdivisions. This is undertaken in order to: [1] to broaden the local power-base; [2] to make units more responsive and accountable; [3] to ensure fullest development as self-reliant communities; [4] to break the monopoly of national government over managing local affairs; and [5] to relieve the national government from the burden of managing local affairs.

Principally, administrative autonomy pertains to the power and responsibility to deliver basic services.

### ***Political Autonomy of CAR and ARMM***

Political autonomy involves an abdication of political power in favor of local government units declared to be autonomous. In that case, the autonomous government is free to chart its own destiny and shape its future with minimum intervention from central authorities...the autonomous government is accountable not to the central government but to its constituency.

The creation of the Cordillera Autonomous Region and the Autonomous Region of Muslim Mindanao are peculiar features of the 1987 Constitution. It contemplates the grant of political autonomy and not just administrative autonomy to these regions.

It should be noted, however, that the Cordillera Administrative Region is not equivalent to the Cordillera Autonomous Region defined by the constitution.

### ***The Nature of the Devolution***

The devolution implemented by the Local Government Code represents administrative, rather than political, autonomy to the local levels. Under this set-up, local officials remain accountable to the central government.

The specific grant of powers and authority to local governments cannot be expanded to cover those powers which are not otherwise specified in the LGC.

## **3. THE KEY FEATURES OF THE LOCAL GOVERNMENT CODE**

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The Local Government Code was meant to transform local government units by providing greater powers to the area manager (i.e. the local chief executive) to develop their respective areas of responsibility, be it a province, city, municipality or barangay. Interestingly, the objectives and strategies of an area manager correspond to the essential features of the Local Government Code.

### **3.1. The Area Development and Management Objectives**

a. Professor Eduardo A. Morato of the Asian Institute of Management characterizes area-based development as 'a local government orientation where the integration of the area's multi-farious interests are deemed paramount...The 'perspective taken is the area manager's, whose primary responsibility is to all his or her constituencies, present and future.

b. The objectives of an area manager are interlocking. These include:

- [1] to provide equitable benefits to all and to assure quality of life of the people;
- [2] to increase area productivity; and
- [3] to ensure the continued sustainability of the environment.

In turn, these may be achieved by:

- [4] mobilizing area stakeholders; and
- [5] harnessing area resources.

### 3.2. Key Features of the Local Government Code

a. The formulation of the key LGC features by Dr. Alex Brillantes, Executive Director of the Local Government Academy, bears a remarkable similarity to the area managers' objectives outlined above. Essentially, these are the following:

#### ***Devolution of Powers for Delivery of Basic Services***

The LGC transferred the responsibility of providing basic services from the national to local government units. This included the absorption by local governments of appropriate personnel, assets, programs and projects, and equipment to ensure that service delivery is not disrupted.

There were only three exceptions where national personnel could not be absorbed: [1] when it is not administratively viable (e.g., duplication of functions) ; [2] when the transfer constitutes involuntary servitude ; and [3] appointments of the national employee was not renewed.

There were several key sectors involved in the devolution. The primary departments were : the Department of Health health (field health, hospital services, and other tertiary services); the Department of Social Welfare and Development (social welfare services); the Department of Agriculture (agricultural extension and on-site research), and the Department of Environment and Natural Resources (community-based social forestry projects). Exhibit 1 below shows the magnitudes of the personnel transferred to LGUs. Other services devolved include: public works that are funded locally; tourism (facilities, promotion and development).

Appendices 1-2 presents a summary of rulings, decisions rendered by different agencies regarding the parameters of the devolution. These were clustered according to concerns of an area manager. (see also Agra, 1996).

## Exhibit 1. MAJOR POWERS/FUNCTIONS AND PERSONNEL DEVOLVED

AGENCY INVOLVED	DEVOLVED POWER/FUNCTIONS	NO. OF PERSONNEL DEVOLVED
• DOH	• Field health, hospital and other tertiary services	• 45,945 Health Personnel
• DSWD	• Social Welfare Services	• 4,127 Social Workers
• DA	• Agricultural Extension and On-site Research	• 17,823 DA Personnel
• DENR	• Community-Based Forestry Projects	• 895 DENR Personnel

***Devolution of Regulatory Powers and Enforcement of Laws***

Local Government Units have likewise been empowered to enforce some regulatory and licensing functions.

As enumerated by Dr. Brillantes, these include: reclassification of agricultural lands; enforcement of environmental laws; enforcement of the national building code; operation of tricycles; establishment of cockpits and holding of cockfights; inspection of food products and quarantine; processing and approval of subdivision plans.

(For further information, Appendices 1-2 enumerates the decisions and rulings on issues raised related to these powers. See also Agra, 1996).

***Creation of a Legal and Institutional Infrastructure for Civil Society Participation in Local Governance***

The Local Government Code provides avenues for participation by civil society and the private sector in local governance. In particular, several modes of participation are open.

First, NGOs and POs may be able to sit in the various sanggunians by way of the mandatory, ex-officio membership of three sectoral representatives, and of the chairperson of the Sangguniang Kabataan.

Second, there are specific allocations for NGOs and POs in local special bodies such as the local development council, local school board, local health board, and other multi-sectoral structures mandated or created.

Other avenues open are recall and people's initiative provisions, as well as the mandatory consultation for national projects. Exhibit 2 below provides background information on decisions and rulings on the structures available.

### Exhibit 2. STRUCTURES FOR CITIZEN'S PARTICIPATION

LOCAL STRUCTURE	DECISIONS/ RULINGS
Sectoral Representatives in the Sanggunian	<ul style="list-style-type: none"> <li>• Sectoral representatives cannot be dispensed with even if the local government units face financial constraints and difficulties. They are ex-officio members of the local legislative councils.</li> <li>• The number of representatives is mandatory. There shall be 3 sectoral representatives in each of the provincial, city, and municipal councils.</li> <li>• The manner of selection shall be through election by members of the sectoral organization, not appointment..</li> <li>• Sectoral representatives shall have the same rights, privileges, powers and responsibilities as regular members of the sanggunian.</li> </ul>
Sangguniang Kabataan	<ul style="list-style-type: none"> <li>• The SK is a segment of the barangay under the LGC. The SK chairperson is an ex-officio member of the sangguniang barangay.</li> <li>• An SK chairperson is elected directly by the registered voters of the katipunan ng kabataan.</li> <li>• The president of the federation of chairpersons of youth councils shall serve as ex-officio members of provincial, city, and municipal councils.</li> </ul>
Local Development Council	<ul style="list-style-type: none"> <li>• The LDC formulates local development plans</li> <li>• The sanggunian has the option to approve or disapprove the local development plans.</li> <li>• The sanggunian may introduce development projects using the 20% IRA allotment even if these were not introduced by the local development council.</li> <li>• A quorum must be obtained to effect a valid proposal or decision by the sanggunian</li> <li>• A municipality cannot authorize the payment of honoraria to members of the municipal development council</li> </ul>

## Exhibit 2. STRUCTURES FOR CITIZEN'S PARTICIPATION

LOCAL STRUCTURE	DECISIONS/ RULINGS
PBAC	<ul style="list-style-type: none"> <li>• Only provinces, cities, and municipalities are mandated to have and to constitute PBACs.</li> <li>• A barangay may form its own PBAC incidental to a 1.5 million project</li> <li>• The Mayor is the one mandated to head the PBAC which is his/her technical arm in the matter of prosecuting projects by contract.</li> <li>• The Mayor finally acts on the recommendations of the PBAC.</li> <li>• Members of PBAC are not entitled to honoraria.</li> </ul>
Local School Board	<ul style="list-style-type: none"> <li>• The Local School Board is the sole authority empowered to disburse or provide for the appropriations of the Special Education Fund</li> <li>• A representative of the teachers' organization from public schools sits in the local school board.</li> <li>• No Funds may be disbursed to private schools.</li> <li>• Only members of the LSB who are not government employees are entitled to travel expenses.</li> </ul>
Local Peace and Order Council	<ul style="list-style-type: none"> <li>• In recognition of services rendered, a sanggunian may provide for honoraria to members of the council.</li> </ul>
Resource Management Board	<ul style="list-style-type: none"> <li>• Local Governments may create fishery Resources Management Councils by way of an ordinance.</li> <li>• These councils allow proper coordination and management of fishery resources leading to an improved economic viability of said activity.</li> <li>• Members of the Provincial Resource Management Board may be granted honoraria if such board is considered a special project or an inter-agency committee as determined by the CSC.</li> </ul>

## Exhibit 2. STRUCTURES FOR CITIZEN'S PARTICIPATION

LOCAL STRUCTURE	DECISIONS/ RULINGS
People's Law Enforcement Board	<ul style="list-style-type: none"> <li>• The PLEB and the Mayors have been granted disciplinary powers over PNP members.</li> <li>• The jurisdiction of the PLEB refers exclusively to members of the PMP and does not extend to officials of the Bureau of Jail Management and Penology (BJMP) nor to the Bureau of Fire Protection.</li> <li>• The NAPOLCOM exercises appellate jurisdiction over decisions of the PLEB.</li> <li>• Membership in the PLEB is a public office. Persons occupying public positions such as a mayor, a local election officer, a regional trial court stenographer, a field officer of a municipality cannot serve as chairman or be a member of the PLEB.</li> <li>• The law provides that a member of the sangguniang bayan/panglungsod shall be a member of the PLEB but does not provide for representation by a sangguniang panlalawigan member.</li> <li>• The term of office of PLEB members is 2 years upon assumption. It is not coterminus with the executive officers.</li> <li>• PLEB members have to hold office until successors shall have assumed office.</li> <li>• The sanggunian bayan/panlungsod who is a representative to the PLEB must be replaced upon his/her resignation or upon expiration of his/her term of office notwithstanding his/her reelection.</li> </ul>
Local Market Committees	<ul style="list-style-type: none"> <li>• The sanggunian may create a market committee which shall be responsible for the award or adjudication of vacant market stalls.</li> <li>• The power to appoint representatives of Market Vendors Associations to the local market committees has been transferred to the local chief executives.</li> </ul>
Project Monitoring Committee	<ul style="list-style-type: none"> <li>• Members of the Project Monitoring Committee may be entitled to honoraria.</li> </ul>

### ***Increase in Financial Resources Available to LGUs***

The Local Government Code provides greater resources to local governments directly and indirectly.

First, the share of the LGUs from national taxes, i.e. the internal revenue allotments or IRAs, have been increased from a low of 11% to as much as 40%.

Second, the LGC provides the LGUs with specific shares from national wealth exploited in their area of responsibility. This includes mining, fishery and forestry charges.

Third, the taxing powers of the LGU have been broadened to create more room for local governments to generate revenues from local fees and charges.

Exhibits 3 , 4 and 5 belows provide some indications regarding the allocations and scope of taxing powers of the different LGUs.

Exhibit 3. SCOPE OF TAXING POWERS OF LGUs

Type of Taxes/Fees	Cities	Prov	Muni	Bgy
On Real Property			(in MM only)	
On Transfer of Real Property Ownership				
On Business of Printing and Publications				
Franchise Tax				
On sand, gravel and open quarry				
Professional Tax				
Amusement Tax				
Annual fixed tax for delivery trucks				
Business Tax				
For regulation, inspection, licensing				
For sealing, licensing weights and measures				
Fishery rentals, fees, and charges				
Community Tax (individuals and corps)				
On Stores and Retailers				
For regulation/use of bgy-owned facilities				
Barangay clearance				
Cockfights/cockpits/cockbreeding				
Recreational places with admission fees				

## Exhibit 4. DISTRIBUTION OF PROCEEDS

Type of Taxes/Fees	Cities	Prov	Mun	Egy
Real Property Tax (for Province)		35%	40%	25%
(for cities)	70%			30%
(for MMA Municipalities)		35%(MMA)	35%	30%
Internal Revenue Allotment	23%	23%	34%	20%
Share in National Wealth (located in prov)	(45%)	20%	(45%)	35%
(located in city)	65%			35%

## Exhibit 5. IRA SHARE OF LGUs

YEAR	IRA SHARE (in B)
1991	9.4
1992	20.2
1993	36.7
1994	46.7
1995	51.9
1996	56.5
1997	71.05

***Creation of the Foundation for Local Government Entrepreneurs***

The LGC had set the foundation for greater innovation for local governments within the context of pushing them to be 'more businesslike' and aggressive.

Local governments are encouraged to engage in creative means of generating internal resource to enable them to deliver the much needed basic services to their constituents.

In this regard, various means have been made available, such as: credit financing through loans, bonds, and build-operate-and-transfer schemes. Likewise, local governments can access foreign grants directly, and foreign loans through the national government.

### 3.3. Summary

A summary of the highlights of this section is presented below:

OBJECTIVES OF AN AREA MANAGER	KEY FEATURES OF THE LGC	HIGHLIGHTS OF LGC PROVISIONS/RULINGS ON LOCAL AUTONOMY
<p>[1] To provide equitable benefits to all and to assure quality of life of the people</p> <p>[2] To increase area productivity</p> <p>[3] To ensure the continued sustainability of the environment.</p>	<ul style="list-style-type: none"> <li>• Devolution of powers for delivery of basic services</li> <li>• Devolution of regulatory powers/ enforcement of laws</li> </ul>	<p>Devolution of :</p> <ul style="list-style-type: none"> <li>• health (field health, hospital and tertiary services)</li> <li>• social welfare services</li> <li>• school building program</li> <li>• regulation/franchising of tricycle operations</li> <li>• power to issue fishing privileges in municipal waters</li> <li>• license/regulate activities of tourism enterprises</li> <li>• agricultural extension and research</li> <li>• regulation of cockpits/cockfighting</li> <li>• cooperative promotion and development</li> <li>• community-based forestry projects</li> <li>• reclassification of agricultural lands</li> <li>• provl permit for quarrying in public lands</li> <li>• powers over locally-funded infrastructure projects</li> </ul>
<p>[4] Mobilizing area stakeholders</p>	<ul style="list-style-type: none"> <li>• Creation of a legal and institutional infrastructure for the participation of civil society</li> </ul>	<ul style="list-style-type: none"> <li>• representation in sanggunians</li> <li>• representation in local consultative bodies</li> <li>• recall and people's initiative</li> <li>• mandatory consultation in national projects</li> </ul>
<p>[5] Harnessing area resources.</p>	<ul style="list-style-type: none"> <li>• Increase in financial resources available to LGUs</li> <li>• Creation of a foundation for local government entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in IRA allotment</li> <li>• Increase in share of national wealth</li> <li>• broader powers to tax</li> <li>• Power to incur loans, issue bonds, undertake BOT schemes</li> <li>• Direct and indirect access to foreign grants and loans</li> </ul>

## **4. EMERGENT ISSUES**

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While the previous section highlighted the positive aspects of the devolution and greater local autonomy, the implementation of the LGC was not without its problems. The issues and concerns may be clustered around three main points.

### **4.1. Issues Pertaining to Inter-Governmental Relations**

There are several items that may be enumerated under this grouping. These include:

***Clarifying the role/s of National Government Agencies (NGAs) whose functions have been substantially devolved.***

This would be relevant especially for NGAs where the personnel, assets, equipment, programs and projects have been transferred to local government units. Since local autonomy in the Philippine setting does not imply the severance of partnership relations and interdependence among national and local units, there appears to be a need to clarify the emergent roles of these NGAs, e.g., the Departments of Health, Agriculture, and Social Services.

***Delineating the role/s of NGAs and LGUs where NGAs retain substantial administrative control.***

As shown in the appendices, a number of NGAs continue to retain substantial control over programs critical to local government units. They had been excluded from devolution due to either of the following reasons: [1] they were not included in the list provided in the Local Government Code; [2] a separate statute provided the necessary legal basis for their continued control of centralized power (e.g., PAGCOR); [3] the constitution expressly mandated the NGA to retain control (e.g., DENR).

In reality, however, national programs and projects have direct impact, whether positive or negative, on specific communities. Thus, arrangements have to be worked out in this regard.

***Developing Schemes to Align Priorities of National and Local Government Units***

Corollary to the previous paragraph, it had been observed that some NGAs still formulate, and package programs and projects at the national level. This had been traced to two possible causes: [1] the low commitment to decentralization, or; [2] the low prioritization and underinvestment by the local government of nationally-defined policies. At the worst, local governments are not consulted, but simply mandated to implement them without the corresponding funding support.

***Encouraging Inter-LGU Collaborations***

There are many problems faced by LGUs which cuts cross political boundaries, and therefore require greater collaboration among different units. A case in point is the preservation and/or rehabilitation of an ecosystem such as a forest reserve. Another concrete example is the management of traffic problems in highly urbanized areas. In these instances, consolidation of resources and coordination of efforts will prove to be beneficial to all concerned.

**4.2. Issues Pertaining to NGO-LGU Relations*****Enhancing Meaningful Participation by Civil Society***

The importance of engendering meaningful participation by civil society groups have been underscored by the the Constitution, the LGC, in several legislations, and in rulings by different agencies. They can serve as the voice of sectors which otherwise not be given due recognition by government. Moreover, well-managed NGOs can be of significant assistance to LGUs, if harnessed properly.

**4.3. Issues Pertaining to the LGUs Capacity to Govern/Ability to Deliver*****Professionalizing/Strengthening the Local Human Resources***

The absorption of added responsibilities, especially of the magnitude designed by the LGC, is certain to put a strain on the existing capacities and the operations of LGUs. As such, there are instances where the quality of devolved basic services have actually deteriorated have been observed. The deterioration of health service delivery is one concrete example. As such, professionalizing the local personnel administration to respond to career pathing, skills upgrading needs is one major area of concern.

***Strengthening Capability for Funds Generation***

Even as the LGUs have been given greater powers for taxation, there is some reluctance in availing of this power because of it may be unpopular and can have a political backlash on elective officials. Still, LGUs will have to inevitably use this powers if the are to become more self-reliant.

In addition, harnessing external resources

***Adjusting the Formula for IRA Allocation***

While it is true that the IRA allotment have increased over time, a number of criticisms have been raised regarding its bias against provinces and municipalities. Ironically, these are the LGUs which have absorbed most of the devolved functions. Thus, there has been clamor for adjustments in the IRA distribution formula.

***Engendering/Disseminating Local Innovations***

The experience has shown that while problems have indeed been encountered, there had likewise been a number of innovations that have emerged at the local level. These are primarily from local executives who had the 'exciting' vision for their communities, the entrepreneurial qualities which enable them to take advantage of the unique opportunities their areas offer, and the leadership that allowed them to harness the energies of the different stakeholders.

## Appendix 1.a. DEVOLVED POWERS RELEVANT TO SOCIO-ECONOMIC DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Public Transportation Sector	<ul style="list-style-type: none"> <li>LTFRB</li> </ul>	<ul style="list-style-type: none"> <li>Regulation and franchising of public land transportation services, other than tricycles, are retained by LTFRB</li> </ul>	<ul style="list-style-type: none"> <li>LGU is limited to regulation and franchising of tricycles for hire</li> </ul>
	<ul style="list-style-type: none"> <li>LTO</li> </ul>	<ul style="list-style-type: none"> <li>The registration of motor vehicles whose effects are not confined to a region (other than motorcycles and motorized tricycles) should not be devolved to the ARMM and legally remain with the LTO</li> </ul>	<ul style="list-style-type: none"> <li>Only LGUs can collect registration fees for tricycles</li> </ul>
	<ul style="list-style-type: none"> <li>CAB</li> </ul>	<ul style="list-style-type: none"> <li>The CAB has no authority to devolve or share any of its general or specific functions in the regulation of all entities engaged in air transportation or air commerce in the Philippines</li> </ul>	<ul style="list-style-type: none"> <li>The ARMM may assist the CAB in the performance of its functions</li> </ul>
Cockfighting	<ul style="list-style-type: none"> <li>PGC</li> </ul>	<ul style="list-style-type: none"> <li>The functions of the Philippine Gamefowl Commission has been devolved to the LGUs</li> </ul>	<ul style="list-style-type: none"> <li>LGUs can authorize the establishment, operation, and maintenance of cockpits and to regulate cockfighting</li> <li>The LGUs can regulate the importation of gamefowls subject to quarantine laws and regulations.</li> </ul>

Appendix 1.b. DEVOLVED POWERS/FUNCTIONS RELEVANT TO SOCIO-ECONOMIC DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Tourism/Travel Agencies	<ul style="list-style-type: none"> <li>• DOT</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Licensing and regulation of activities by travel agencies, tour operators and professional congress organizers should be transferred to LGUs</li> </ul>
Cooperative Development	<ul style="list-style-type: none"> <li>• CDA</li> </ul>	<ul style="list-style-type: none"> <li>• Registration of Cooperatives, issuance of rules and regulations, policies and guidelines remain with the CDA</li> </ul>	<ul style="list-style-type: none"> <li>• The devolved functions are promotion, organization, and development of cooperatives</li> </ul>
Casinos	<ul style="list-style-type: none"> <li>• PAGCOR</li> </ul>	<ul style="list-style-type: none"> <li>• PAGCOR is mandated to regulate and centralize gambling. Thus, a sanggunian cannot prohibit the setting up of casinos.</li> </ul>	<ul style="list-style-type: none"> <li>• The power of local government to suppress gambling refers only to illegal gambling.</li> <li>• Such power does not extend to those allowed by other statutes.</li> </ul>
Fisheries Sector	<ul style="list-style-type: none"> <li>• LLDA</li> </ul>	<ul style="list-style-type: none"> <li>• The LLDA has exclusive jurisdiction to issue permits for the enjoyment of fishery privileges in Laguna de Bay to the exclusion of municipalities therein</li> </ul>	<ul style="list-style-type: none"> <li>• Concerned LGUs shall have the authority to process and issue, in accordance with the standards and criteria prescribed by the LLDA, the pertinent permits and/or clearances on activities and projects affecting the lake, including the putting up of structures in the lake.</li> </ul>

Appendix 1.c. DEVOLVED POWERS/FUNCTIONS RELEVANT TO SOCIO-ECONOMIC DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Fisheries Sector	<ul style="list-style-type: none"> <li>• DA</li> </ul>	<ul style="list-style-type: none"> <li>• The Dept of Agriculture may opt to devolve the function of regulating the operation of fishing vessels within municipal waters</li> </ul>	<ul style="list-style-type: none"> <li>• The power of LGUs to issue fishing privileges in the municipal waters, i.e. within a 15-km radius was clearly granted for revenue purposes</li> <li>• Commercial fishing operation within the 15-km area of municipal waters may be prohibited provided that: [1] the activity is undertaken within 7 kms from the shoreline; and [2] the same is not allowed in waters 7 or less fathoms deep</li> <li>• The LGU may prohibit, by way of an ordinance and without obtaining the approval of DA, the catching of tropical aquarium fish</li> </ul>
Telecommunications Sector	<ul style="list-style-type: none"> <li>• TELOF</li> </ul>	<ul style="list-style-type: none"> <li>• The Telecommunications Office cannot devolve its regional office functions to the LGUs considering that the telecommunications network under TELOF has interdependence among its various systems nationwide</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
Pioneer or Non-Pioneer Enterprises	<ul style="list-style-type: none"> <li>• BOI-DTI</li> </ul>	<ul style="list-style-type: none"> <li>• The determination of the status of registered enterprises as pioneer or non-pioneer which are tax-exempt, is the sole concern of the Board of Investments</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

Appendix 2.a. DEVOLVED POWERS RELEVANT TO GEO-PHYSICAL DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Zoning	<ul style="list-style-type: none"> <li>• Congress</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal corporations are empowered by law to adopt zoning ordinances and regulations</li> </ul>
Land Classification	<ul style="list-style-type: none"> <li>• Office of the President</li> </ul>	<ul style="list-style-type: none"> <li>• All classification or reclassification of all public lands, except agricultural lands, is determined by executive proclamation.</li> </ul>	<ul style="list-style-type: none"> <li>• The authority of the local sanggunian is limited to the reclassification of agricultural lands</li> <li>• The power of cities and municipalities is to reclassify agricultural land into commercial, industrial, and residential status is only for purpose of assessment and real property taxation</li> </ul>
Land Use Planning	<ul style="list-style-type: none"> <li>• HLURB</li> </ul>	<ul style="list-style-type: none"> <li>• The HLURB must provide technical assistance to the province, and if the plan is in consonance with existing policies, must approve the same</li> </ul>	<ul style="list-style-type: none"> <li>• The LGC mandates that the province and the HLURB coordinate in the formulation of the provincial land use plan.</li> </ul>
Land Conversion	<ul style="list-style-type: none"> <li>• DAR</li> </ul>	<ul style="list-style-type: none"> <li>• The power of DAR to approve or disapprove conversions is limited to the applications for reclassification by land owners or tenant beneficiaries</li> </ul> <p>Once a landholding acquired and redistributed under CARL, it is excluded from reclassification as may be authorized by LGUs</p>	<ul style="list-style-type: none"> <li>• The approval of DAR is not required in order for a LGU to expropriate a tract of agricultural land. Further, the LGU need not apply for conversion.</li> </ul>

## Appendix 2.b. DEVOLVED POWERS/FUNCTIONS RELEVANT TO GEO-PHYSICAL DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Infrastructure Activities	<ul style="list-style-type: none"> <li>DILG</li> </ul>	<ul style="list-style-type: none"> <li>The DILG shall be the lead natl agency to oversee/administer natl govt assistance to LGUs in the implementation of devolved infrastructure programs.</li> <li>The identification and formulation of infrastructure programs/projects shall be coordinated with the DILG to rationalize their development</li> </ul>	
Communal Irrigation	<ul style="list-style-type: none"> <li>NIA</li> </ul>	<ul style="list-style-type: none"> <li>Foreign assisted CIPs are exempted from devolution</li> <li>The NIA shall undertake ongoing projects jointly with the local governments through provincial irrigation offices</li> <li>On authority to implement CIPs, the NIA [1] will still monitor and evaluate implementation in terms of technical standards or specifications and progress of implementation; [2] may render technical assistance ; and [3] will still maintain the PIO to implement foreign assisted CIPs</li> </ul>	<ul style="list-style-type: none"> <li>The implementation of locally-funded CIPs shall be devolved to LGUs</li> <li>Allocation for locally-funded CIPs will no longer be released to the NIA but will be transferred to the LGU</li> <li>The LGU will jointly undertake foreign assisted CIPs with NIA</li> </ul>

Appendix 2.c. DEVOLVED POWERS RELEVANT TO GEO-PHYSICAL DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Implementation of Natinal Building Code	<ul style="list-style-type: none"> <li>DPWH</li> </ul>	<ul style="list-style-type: none"> <li>The exercise of appellate jurisdiction over the decisions and order of local building officials remains with the Secretary of the DPWH</li> </ul>	<ul style="list-style-type: none"> <li>The LCE has authority to appoint an engineer who shall also act as the local building official</li> <li>A council resolution may require the municipal engineer to demolish stall located in a public plaza</li> </ul>
Forestry Program	<ul style="list-style-type: none"> <li>DENR</li> </ul>	<ul style="list-style-type: none"> <li>The DENR has the constitutional mandate to protect and preserve the environment, its powers cannot be encroached upon by the LGU</li> <li>DENR retains power of control over community-based forestry projects</li> <li>An LGU cannot prohibit private corporations in engaging from logging activities</li> </ul>	<ul style="list-style-type: none"> <li>The LGU can undertake community-based forestry projects subject to the control of DENR</li> </ul>
Quarrying	<ul style="list-style-type: none"> <li>DENR</li> </ul>	<ul style="list-style-type: none"> <li>DENR retains the power to issue quarry permits to private lands</li> </ul>	<ul style="list-style-type: none"> <li>A provincial governor's authority to grant and issue quarry permits extends only to public lands</li> </ul>
Energy/Use of Coal Resources	<ul style="list-style-type: none"> <li>DOE</li> </ul>	<ul style="list-style-type: none"> <li>The power to regulate exploration, development, exploitation, production and utilization of the country's coal resources lies with the DOE</li> <li>An LGU has no authority to regulate the operation of coal operators by requiring mayor's permits</li> </ul>	

## Appendix 2.d. DEVOLVED POWERS RELEVANT TO GEO-PHYSICAL DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Ports Regulation/ Operation	<ul style="list-style-type: none"> <li>• PPA</li> </ul>	<ul style="list-style-type: none"> <li>• Ports which are vital to the national interest and are linked with each other are expressly excluded from devolution to the ARMM</li> <li>• The PPA cannot dispose of its port facilities to LGUs.</li> </ul>	<ul style="list-style-type: none"> <li>• The PPA may enter into contracts or agreements with LGUs for the operation or maintenance of ports, ports facilities, and cargo-holding services.</li> </ul>
Reclamation	<ul style="list-style-type: none"> <li>• PEA</li> </ul>	<ul style="list-style-type: none"> <li>• The authority and responsibility over reclamation projects funded by national government is lodged with the PEA</li> </ul>	<ul style="list-style-type: none"> <li>• The authority of LGUs to undertake reclamation projects is limited to those projects funded out of local funds</li> </ul>

Appendix 1.a. DEVOLVED POWERS RELEVANT TO SOCIO-ECONOMIC DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Public Transportation Sector	<ul style="list-style-type: none"> <li>LTFRB</li> </ul>	<ul style="list-style-type: none"> <li>Regulation and franchising of public land transportation services, other than tricycles, are retained by LTFRB</li> </ul>	<ul style="list-style-type: none"> <li>LGU is limited to regulation and franchising of tricycles for hire</li> </ul>
	<ul style="list-style-type: none"> <li>LTO</li> </ul>	<ul style="list-style-type: none"> <li>The registration of motor vehicles whose effects are not confined to a region (other than motorcycles and motorized tricycles) should not be devolved to the ARMM and legally remain with the LTO</li> </ul>	<ul style="list-style-type: none"> <li>Only LGUs can collect registration fees for tricycles</li> </ul>
	<ul style="list-style-type: none"> <li>CAB</li> </ul>	<ul style="list-style-type: none"> <li>The CAB has no authority to devolve or share any of its general or specific functions in the regulation of all entities engaged in air transportation or air commerce in the Philippines</li> </ul>	<ul style="list-style-type: none"> <li>The ARMM may assist the CAB in the performance of its functions</li> </ul>
Cockfighting	<ul style="list-style-type: none"> <li>PGC</li> </ul>	<ul style="list-style-type: none"> <li>The functions of the Philippine Gamefowl Commission has been devolved to the LGUs</li> </ul>	<ul style="list-style-type: none"> <li>LGUs can authorize the establishment , operation, and maintenance of cockpits and to regulate cockfighting</li> <li>The LGUs can regulate the importation of gamefowls subject to quarantine laws and regulations.</li> </ul>

Appendix 1.b. DEVOLVED POWERS/FUNCTIONS RELEVANT TO SOCIO-ECONOMIC DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Tourism/Travel Agencies	<ul style="list-style-type: none"> <li>• DOT</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Licensing and regulation of activities by travel agencies, tour operators and professional congress organizers should be transferred to LGUs</li> </ul>
Cooperative Development	<ul style="list-style-type: none"> <li>• CDA</li> </ul>	<ul style="list-style-type: none"> <li>• Registration of Cooperatives, issuance of rules and regulations, policies and guidelines remain with the CDA</li> </ul>	<ul style="list-style-type: none"> <li>• The devolved functions are promotion, organization, and development of cooperatives</li> </ul>
Casinos	<ul style="list-style-type: none"> <li>• PAGCOR</li> </ul>	<ul style="list-style-type: none"> <li>• PAGCOR is mandated to regulate and centralize gambling. Thus, a sanggunian cannot prohibit the setting up of casinos.</li> </ul>	<ul style="list-style-type: none"> <li>• The power of local government to suppress gambling refers only to illegal gambling.</li> <li>• Such power does not extend to those allowed by other statutes.</li> </ul>
Fisheries Sector	<ul style="list-style-type: none"> <li>• LLDA</li> </ul>	<ul style="list-style-type: none"> <li>• The LLDA has exclusive jurisdiction to issue permits for the enjoyment of fishery privileges in Laguna de Bay to the exclusion of municipalities therein</li> </ul>	<ul style="list-style-type: none"> <li>• Concerned LGUs shall have the authority to process and issue, in accordance with the standards and criteria prescribed by the LLDA, the pertinent permits and/or clearances on activities and projects affecting the lake, including the putting up of structures in the lake.</li> </ul>

Appendix 1.c. DEVOLVED POWERS/FUNCTIONS RELEVANT TO SOCIO-ECONOMIC DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Fisheries Sector	<ul style="list-style-type: none"> <li>• DA</li> </ul>	<ul style="list-style-type: none"> <li>• The Dept of Agriculture may opt to devolve the function of regulating the operation of fishing vessels within municipal waters</li> </ul>	<ul style="list-style-type: none"> <li>• The power of LGUs to issue fishing privileges in the municipal waters, i.e. within a 15-km radius was clearly granted for revenue purposes</li> <li>• Commercial fishing operation within the 15-km area of municipal waters may be prohibited provided that: [1] the activity is undertaken within 7 kms from the shoreline; and [2] the same is not allowed in waters 7 or less fathoms deep</li> <li>• The LGU may prohibit, by way of an ordinance and without obtaining the approval of DA, the catching of tropical aquarium fish</li> </ul>
Telecommunications Sector	<ul style="list-style-type: none"> <li>• TELOF</li> </ul>	<ul style="list-style-type: none"> <li>• The Telecommunications Office cannot devolve its regional office functions to the LGUs considering that the telecommunications network under TELOF has interdependence among its various systems nationwide</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
Pioneer or Non-Pioneer Enterprises	<ul style="list-style-type: none"> <li>• BOI-DTI</li> </ul>	<ul style="list-style-type: none"> <li>• The determination of the status of registered enterprises as pioneer or non-pioneer which are tax-exempt, is the sole concern of the Board of Investments</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

Appendix 2.a. DEVOLVED POWERS RELEVANT TO GEO-PHYSICAL DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Zoning	<ul style="list-style-type: none"> <li>• Congress</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal corporations are empowered by law to adopt zoning ordinances and regulations</li> </ul>
Land Classification	<ul style="list-style-type: none"> <li>• Office of the President</li> </ul>	<ul style="list-style-type: none"> <li>• All classification or reclassification of all public lands, except agricultural lands, is determined by executive proclamation.</li> </ul>	<ul style="list-style-type: none"> <li>• The authority of the local sanggunian is limited to the reclassification of agricultural lands</li> <li>• The power of cities and municipalities is to reclassify agricultural land into commercial, industrial, and residential status is only for purpose of assessment and real property taxation</li> </ul>
Land Use Planning	<ul style="list-style-type: none"> <li>• HLURB</li> </ul>	<ul style="list-style-type: none"> <li>• The HLURB must provide technical assistance to the province, and if the plan is in consonance with existing policies, must approve the same</li> </ul>	<ul style="list-style-type: none"> <li>• The LGC mandates that the province and the HLURB coordinate in the formulation of the provincial land use plan.</li> </ul>
Land Conversion	<ul style="list-style-type: none"> <li>• DAR</li> </ul>	<ul style="list-style-type: none"> <li>• The power of DAR to approve or disapprove conversions is limited to the applications for reclassification by land owners or tenant beneficiaries</li> </ul> <p>Once a landholding acquired and redistributed under CARL, it is excluded from reclassification as may be authorized by LGUs</p>	<ul style="list-style-type: none"> <li>• The approval of DAR is not required in order for a LGU to expropriate a tract of agricultural land. Further, the LGU need not apply for conversion.</li> </ul>

Appendix 2.b. DEVOLVED POWERS/FUNCTIONS RELEVANT TO GEO-PHYSICAL DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Infrastructure Activities	<ul style="list-style-type: none"> <li>DILG</li> </ul>	<ul style="list-style-type: none"> <li>The DILG shall be the lead natl agency to oversee/administer natl govt assistance to LGUs in the implementation of devolved infrastructure programs.</li> <li>The identification and formulation of infrastructure programs/projects shall be coordinated with the DILG to rationalize their development</li> </ul>	
Communal Irrigation	<ul style="list-style-type: none"> <li>NIA</li> </ul>	<ul style="list-style-type: none"> <li>Foreign assisted CIPs are exempted from devolution</li> <li>The NIA shall undertake ongoing projects jointly with the local governments through provincial irrigation offices</li> <li>On authority to implement CIPs, the NIA [1] will still monitor and evaluate implementation in terms of technical standards or specifications and progress of implementation; [2] may render technical assistance ; and [3] will still maintain the PIO to implement foreign assisted CIPs</li> </ul>	<ul style="list-style-type: none"> <li>The implementation of locally-funded CIPs shall be devolved to LGUs</li> <li>Allocation for locally-funded CIPs will no longer be released to the NIA but will be transferred to the LGU</li> <li>The LGU will jointly undertake foreign assisted CIPs with NIA</li> </ul>

## Appendix 2.c. DEVOLVED POWERS RELEVANT TO GEO-PHYSICAL DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Implementation of Natinal Building Code	<ul style="list-style-type: none"> <li>DPWH</li> </ul>	<ul style="list-style-type: none"> <li>The exercise of appellate jurisdiction over the decisions and order of local building officials remains with the Secretary of the DPWH</li> </ul>	<ul style="list-style-type: none"> <li>The LCE has authority to appoint an engineer who shall also act as the local building official</li> <li>A council resolution may require the municipal engineer to demolish stall located in a public plaza</li> </ul>
Forestry Program	<ul style="list-style-type: none"> <li>DENR</li> </ul>	<ul style="list-style-type: none"> <li>The DENR has the constitutional mandate to protect and preserve the environment, its powers cannot be encroached upon by the LGU</li> <li>DENR retains power of control over community-based forestry projects</li> <li>An LGU cannot prohibit private corporations in engaging from logging activities</li> </ul>	<ul style="list-style-type: none"> <li>The LGU can undertake community-based forestry projects subject to the control of DENR</li> </ul>
Quarrying	<ul style="list-style-type: none"> <li>DENR</li> </ul>	<ul style="list-style-type: none"> <li>DENR retains the power to issue quarry permits to private lands</li> </ul>	<ul style="list-style-type: none"> <li>A provincial governor's authority to grant and issue quarry permits extends only to public lands</li> </ul>
Energy/Use of Coal Resources	<ul style="list-style-type: none"> <li>DOE</li> </ul>	<ul style="list-style-type: none"> <li>The power to regulate exploration, development, exploitation, production and utilization of the country's coal resources lies with the DOE</li> <li>An LGU has no authority to regulate the operation of coal operators by requiring mayor's permits</li> </ul>	

Appendix 2.d. DEVOLVED POWERS RELEVANT TO GEO-PHYSICAL DEVELOPMENT

LGU CONCERN	AGENCY INVOLVED	POWERS OF NATL AGENCY	POWERS OF LGU
Ports Regulation/ Operation	<ul style="list-style-type: none"> <li>• PPA</li> </ul>	<ul style="list-style-type: none"> <li>• Ports which are vital to the national interest and are linked with each other are expressly excluded from devolution to the ARMM</li> <li>• The PPA cannot dispose of its port facilities to LGUs.</li> </ul>	<ul style="list-style-type: none"> <li>• The PPA may enter into contracts or agreements with LGUs for the operation or maintenance of ports, ports facilities, and cargo-holding services.</li> </ul>
Reclamation	<ul style="list-style-type: none"> <li>• PEA</li> </ul>	<ul style="list-style-type: none"> <li>• The authority and responsibility over reclamation projects funded by national government is lodged with the PEA</li> </ul>	<ul style="list-style-type: none"> <li>• The authority of LGUs to undertake reclamation projects is limited to those projects funded out of local funds</li> </ul>

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