



Regulation and oversight in local governance reform

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Regulation inside government

- We can draw a distinction between primary regulation, which is exercised by the courts and legislature, and secondary regulation (Downe 2007).
- Secondary regulation is defined as oversight of bureaucracies by other public agencies (Hood et al. 1998, 2000).

Secondary Regulation

- Secondary Regulation typically involves the following:
- ***information gathering***
- ***standards setting, and***
- ***attempts to modify behavior***

(Hood et al. 1998, 2000).

Types of Regulators

- Audit bodies
- Inspectorates
- Ombudsman
- Central agency regulators
- Departmental regulators of agencies
- Central government regulators of agencies
- Central government regulators of local authorities (Hood et al. 1999)

Local Governance: The Philippine Context

- The Local Government Code was legislated in 1991 .
- LGUs receive a share of National Government Resources called the Internal Revenue Allotment (IRA)
- LGU functions and responsibilities:
 - Generate and manage local revenues
 - Perform devolved functions
 - Deliver social services
 - Craft and implement local plans, programs and projects
 - Comply with the provisions of national laws
 - Exercise police powers

Commission on Audit



- The Commission has the exclusive authority to define the scope of its audit and examination, establish the techniques and methods required therefor, and promulgate accounting and auditing rules and regulations, including those for the prevention and disallowance of irregular, unnecessary, excessive, extravagant, or unconscionable expenditures or uses of government funds and properties.

Office of the Ombudsman



- A report submitted by the Ombudsman's Finance and Management Information Office showed that for the year 2016, a total of 2,799 cases were filed against officials from the LGUs. The top 10 government agencies with most cases filed in 2016 are the following:

1. Local government units	2,799 cases
2. PNP	1,022
3. Department of Education	222
4. Armed Forces of the Philippines	201
5. Department of Environment and Natural Resources	120
6. State universities and colleges	109
7. Bureau of Customs	104
8. Department of Justice	88
9. Department of Agriculture	85
10. House of Representatives	84

Oversight Agencies on PFM

- Joint Memorandum Circular No. 2, Series of 2016 was issued by the DILG, NEDA, DOF and DBM on November 18, 2016.
- It aims to provide better coordination and improve the quality of Oversight Agencies' technical assistance to LGUs public financial management and ensure that the different tools of the Oversight Agencies, including policy development, advice, guidance, manuals, issuances, awards and others, complement each other.

Oversight Agencies on BPLS

- Joint Memorandum Circular No. 1, Series of 2016 was issued by the DILG, DTI, and DICT on August 30, 2016.
- It aims to disseminate a new set of service standards in processing business permits and licenses and guidelines to all cities and municipalities in streamlining the business permits and licensing system (BPLS).

Department of the Interior and Local Government

DILG-LG Sector Indicative Conceptual Framework





Hindi lahat ng matino ay mahusay,
at lalo namang hindi lahat
ng mahusay ay matino.

Ang dapat ay matino at mahusay
upang karapat-dapat tayong
pagkatiwalaan ng pera ng bayan.

-- Jesse Robredo
(May 27, 1958 - August 18, 2012)



Seal of Good Local Governance

PAGKILALA SA KATAPATAN AT KAHUSAYAN NG PAMAHALAANG LOKAL



Financial
Administration



Disaster preparedness



Social protection



Business-friendliness
and competitiveness



Peace and order



Environmental Management

LGPMs

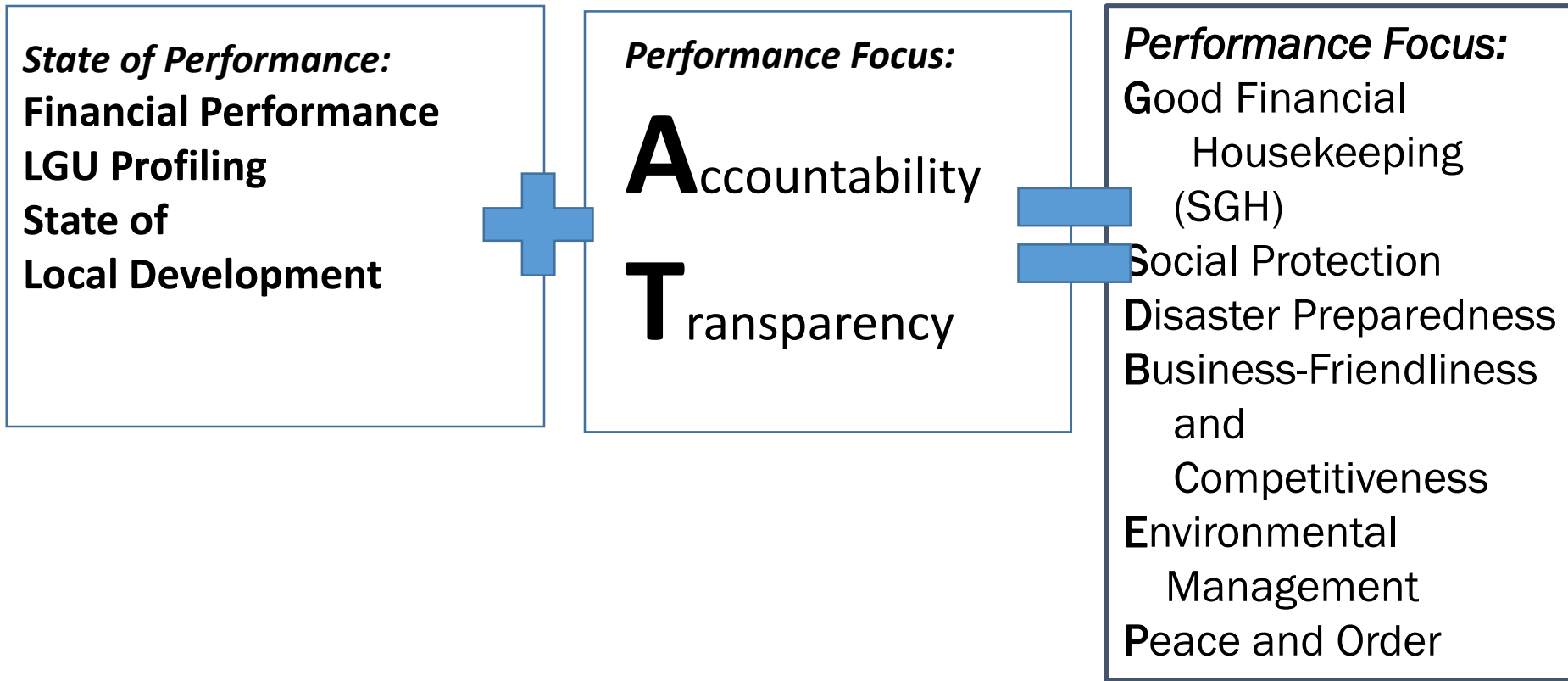
2009 - onwards
Self-Assessment

SGH

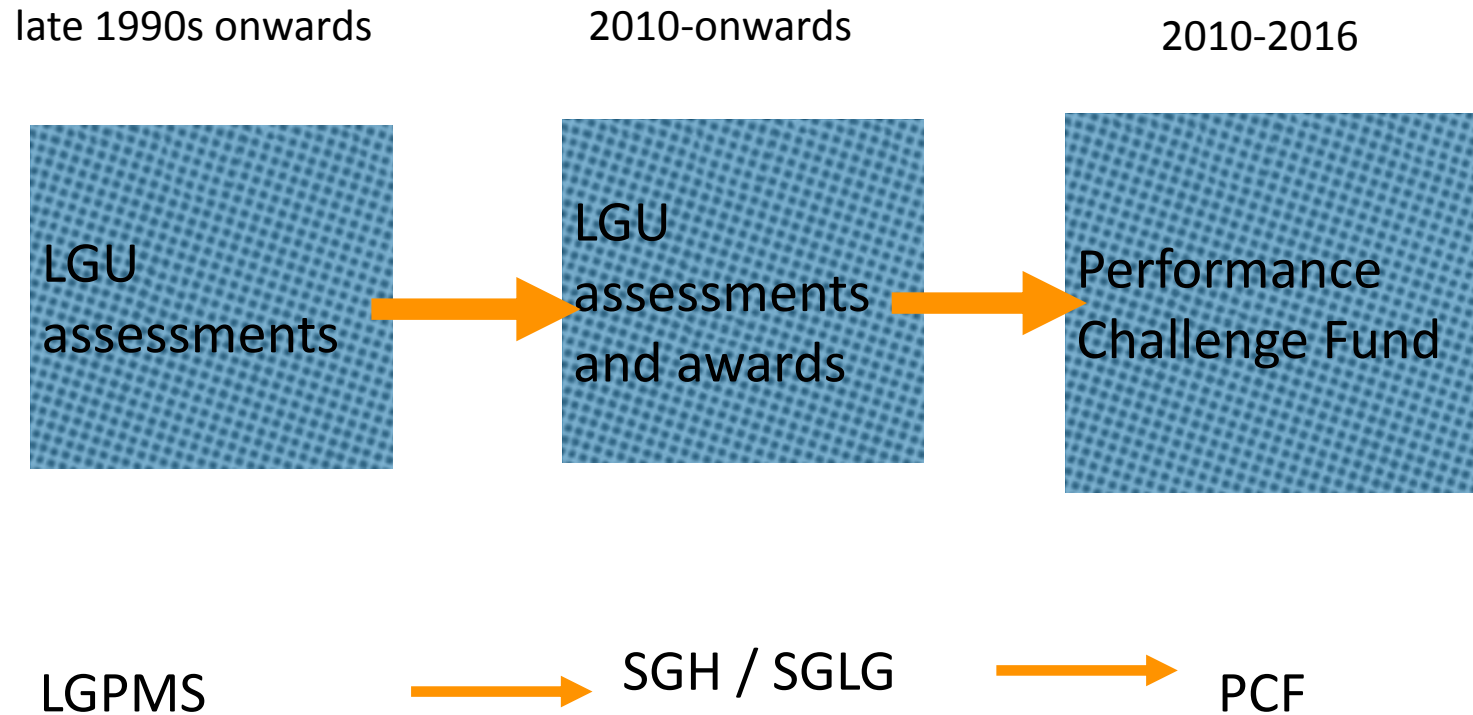
2010 – onwards
Third-Party Assessment

SGLG

2014 - onwards
Third-Party Assessment



SGLG and Performance Grants



Coverage

81 provinces

145 cities

1,489 municipalities





Good Financial Housekeeping

- Compliance with the Full Disclosure Policy
- Favorable COA Audit Report
- Utilization of PhilGEPS
- Capacity to generate locally-sourced revenue

2014 GFH Passers

Region	Province	Compliance	City	Compliance	Municipalities	Compliance	Total	Compliance	(%)	Rank (1 Highest)
ARMM	5	2	2	0	116	23	123	25	20.33	16
CAR	6	6	2	2	75	71	83	79	95.18	7
I	4	4	9	9	116	115	129	128	99.22	1
II	5	5	4	4	89	86	98	95	96.94	4
III	7	7	14	13	116	106	137	126	91.97	12
IV - A	5	5	18	17	124	118	147	140	95.24	6
IV - B	5	5	2	2	71	65	78	72	92.31	11
IX	3	3	5	4	67	64	75	71	94.67	8
NCR			16	11	1	1	17	12	70.59	14
V	6	6	7	6	107	100	120	112	93.33	10
VI	6	6	16	16	117	114	139	136	97.84	2
VII	4	4	16	15	116	114	136	133	97.79	3
VIII	6	6	7	7	136	92	149	105	70.47	15
X	5	4	9	8	84	83	98	95	96.94	4
XI	5	4	6	6	43	38	54	48	88.89	13
XII	4	3	5	5	45	43	54	51	94.44	9
XIII (CARAGA)	5	5	6	5	67	65	78	75	96.15	5
TOTAL	81	75	144	130	1490	1298	1715	1503	87.64	

Source: BLGS-DILG. (2015). Official list of 2014 GFH passers and passers of after assessment compliance as of June 30, 2015.



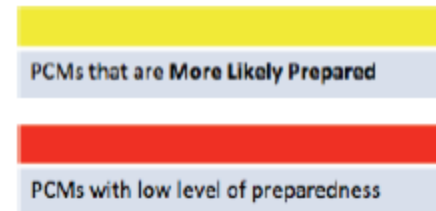
Disaster preparedness

- LGUs are required to establish a functioning Local Disaster Risk Reduction and Management (DRRM) Office
- LGUs are required to craft and implement local Disaster Risk Reduction and Management Plans including evacuation plans
- LGUs are mandated to invest in LGU competencies in DRRM particularly on disaster preparedness

LGU disaster profile, 2014

	Indicator Bar	No. of LGUs	Preparedness Rate
Philippines		1,714	41%
<i>Provinces</i>		<i>80</i>	<i>89%</i>
<i>Cities</i>		<i>144</i>	<i>65%</i>
<i>Municipalities</i>		<i>1490</i>	<i>36%</i>

Legend



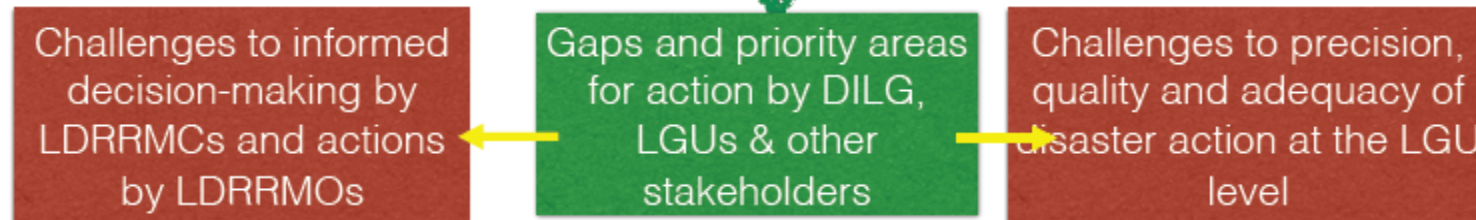
Source: BLGS-DILG
2014

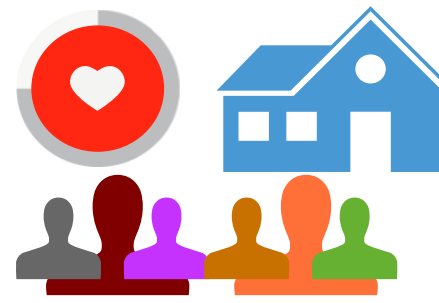
based on initial run of the disaster preparedness audit dated 1 August 2014

Gaps in Local DRRM Planning

Source: BLGS-DILG
2014

	I. Early Preparedness Action		II. Critical Preparedness Action
	Organizing	Hazard Assessment, Planning & Budgeting	Operational Readiness
	<i>LDDRC, LDRRMO, & Standard Operating Procedures</i>	<i>Hazard awareness, risk and vulnerability assessment, link to Plans - CLUP; DRRM Plan; Contingency Plan; & Climate Change Action Plan, and Budget</i>	<i>Early Warning, Evacuation Center, Information Guide, SAR, Prepositioning of relief operations, medical and security groups</i>
Philippines			
<i>Provinces</i>			
<i>Cities</i>			
<i>Municipalities</i>			





Social protection

Express lanes for pregnant women and PWDs

For PWDs: Ramps and handrails in public and private buildings, Representation to Sectoral Meetings

For Women: Maternal Health Care Package, Hygiene Kits and LDRRMC Representation (for Disaster Preparedness)

For IPs: IP Mandatory Representation in the Sanggunian

For Children: Seal of Child-friendly recipient **OR** Functionality of Local Council for the Protection of Children

Persons with Disabilities

- ❑ **Only 40% of 1,200 Local Government Units complied with the accessibility law for people with disabilities.**
(Angara, 2015; Interaksyon, 2015)



Peace and Order

- LGUs are mandated to craft and implement Local Peace and Order (Anti-Criminality) Action Plans
- Convening of Local Peace and Order Councils
- Activated and functional Anti-Drug Abuse Council
- Organized Barangay Peacekeeping Action Teams
- Logistical support to PNP Office
- Increase in percentage of drug-cleared barangays
- Logistical support to Katarungang Pambarangay



Business-friendliness and competitiveness

- Streamlined business permit and licensing system (Time and Steps)
- Year-on-Year increase of new and renewal registration for business
- Establishment of a LEIPO
- Year-on-Year increase in number of jobs created from new and renewed business
- % of annual capital expense for local infra to total expenditure
- Size of local road network as a share of total land area

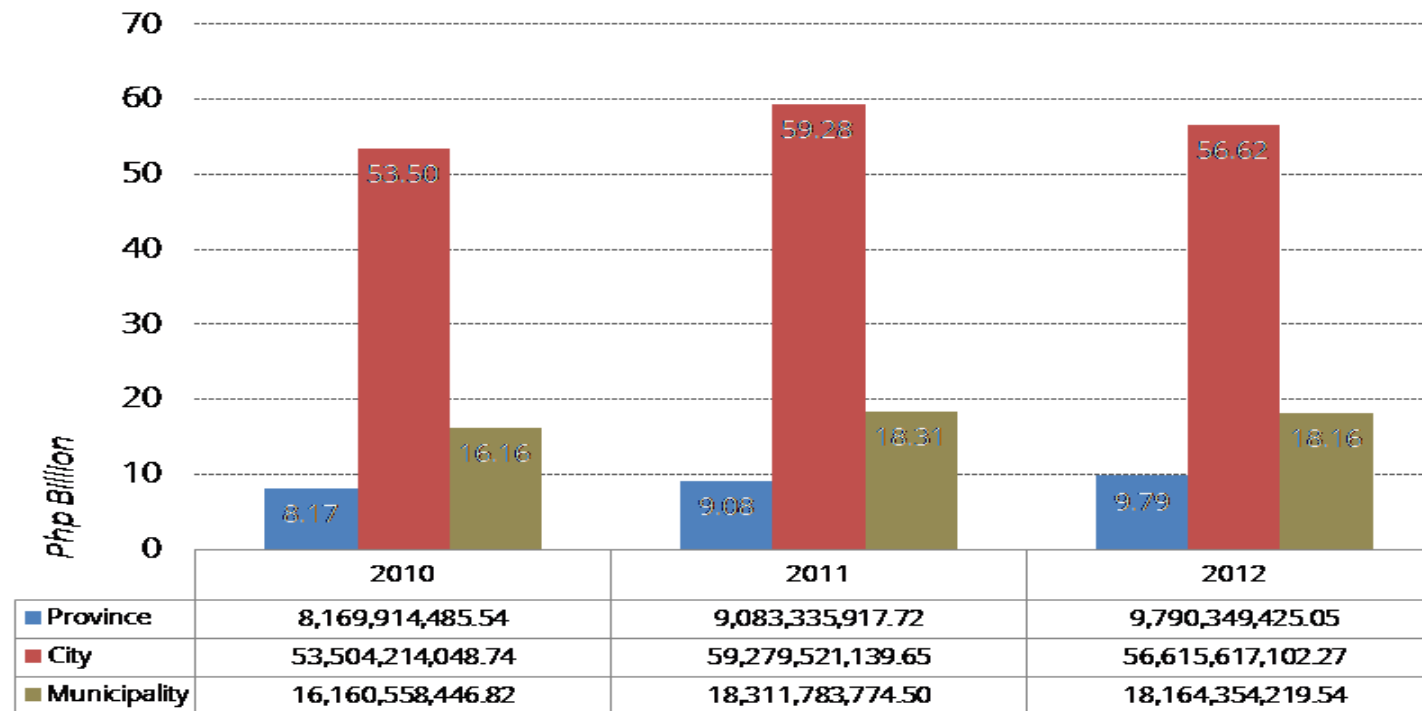
2009 -2012 LGU Fiscal Sustainability Scorecard



Angkop Iskor ng 'young Bayan?
LGU FISCAL SUSTAINABILITY SCORECARD
 FY2010 to FY2012

Locally Sourced Income

Revenues from tax and non-tax sources



Tax sources: real property tax (basic), tax on business, other taxes, regulatory fees, user/service charges and income from economic enterprise



Environmental Management

- Crafting and implementation of local Solid Waste Management Plans
- Presence of operational Materials Recovery Facility
- Presence of, or access to, Sanitary Landfill through contract or MOA with host LGU
- LGU innovations on environmental management

Status of 10-Year Solid Waste Management (SWM) Plans

No. of approved plans	90
No. of conditionally approved plans	562
No. of plans for evaluation	388
No. of plans returned to LGU for re-evaluation	29
No. of plans considered as drafts	6
No. of plans for approval of the Commission	4
Total	1,079

Source: National Solid Waste Management Commission



Tourism, Culture and Arts

- Presence of a Local Tourism Office or designated officer
- Tourist Information and Assistance Center or Desk
- Tracking system of tourism data
- Presence of a Council for the promotion of culture and arts
- Budget appropriated for the conservation and preservation of cultural property
- Cultural property inventory in the LGU

2015 SGLG Passers

- ✓ **181** PCMs passed all three Core Areas and three Essential Areas;
- ✓ **68** PCMs passed three Core Areas and two Essential Areas; and
- ✓ **5** PCMs passed three Core Areas and One Essential Area.

	Total	Prov	HUC	CC/ICC	Mun 1-3	Mun 4-6
Passers	254 (15%)	41 (53%)	6 (18%)	22 (20%)	114 (15%)	71 (10%)



Assessment Structure

- **Regional Assessment Teams**, to be organized by the DILG-Regional Offices, each composed of cross-posted cluster leader and representative from a CSO. The participation of a representative from a partner-national agency or the private sector is optional.
- **National Validation Teams**, to be organized by the Bureau of Local Government Supervision (BLGS), composed of representatives from DILG-Central Office, DILG-Regional Offices, CSOs and/or partner-agencies.
- **National Quality Committee**, to be organized by the BLGS, composed of experts and advocates of good governance coming from CSOs and the academe, including the Undersecretary of Local Government.

Co-Production of Public Services

- the production of a service, as contrasted to a good, was difficult without the active participation of those receiving the service (Brandsen and Pestoff 2006).
- Co-production was one way through which synergy could occur between what a government does and what citizens do (Ostrom 1999).
- Where the traditional public administration framework posits the public sector as a sole provider of services, co-production acknowledges the importance of efforts of users and organizations (Fledderus, Brandsen and Honingh (2014)).

Citizen Participatory Audit

- Citizen participatory Audit was conducted of Marikina City's selected Barangay Health Centers from April to August 2013.



Citizen Participatory Audit

- The Community Score Card was used as a tool where the service providers and the beneficiaries were active participants in determining the quality of services received and provided against the standards.
- A survey was also conducted to validate existing conditions based on *Sentrong Sigla* Quality Standards list.



Good Financial Housekeeping



FDPP
Full Disclosure Policy Portal

LGPMS
Local Government Performance Management System
SIMPLE MEASURES, GREAT RESULTS

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG

HOME TEMPLATES/ REFERENCES ABOUT RESOURCES FAQ

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Simple Guide to the following Templates:

- [20% Component of the IRA Utilization](#)
- [Annual Budget Report](#)
- [Annual GAD Accomplishment Report](#)
- [Miscellaneous Procurement Reports](#)
- [Report of SEF Utilization](#)
- [Statement of Cash Flows](#)
- [Statement of Debt Service](#)
- [Statement of Receipts and Expenditures](#)
- [Trust Fund \(PDAF\) Utilization Report](#)

Open Data and Citizen Oversight

- Instead of reinforcing current processes, open data should result in *open government* in which the government acts as an open system and interacts with its environment.
- Not only should data be published, but citizens should be sought actively for feedback to improve the government (Janssen, Charalabidis and Zuiderwijk 2012).



MAKING ALL
VOICES COUNT



A GRAND CHALLENGE
FOR DEVELOPMENT



Knowledge Partnerships for Open Government



Knowledge Hubs for Citizen Oversight

- Our partner universities engaged their CSO communities in analyzing open data provided under the Full Disclosure Policy. As information intermediaries, they developed knowledge products including information portals, budget reports and infographics that the CSOs can use in monitoring their LGUs.



Citizen Oversight

- The Cagayan de Oro City government has recently established a local CSO Office - the City Poverty Reduction Action Team (CPRAT). The CPRAT will coordinate local development projects identified through participatory budgeting mechanisms.
- The CPRAT representatives have expressed strong interest to use the portal developed by the MAVC project. The portal shall serve as a repository of knowledge tools and information to promote the transparency and accountability of the CPRAT since the office will be supported by public funds.
- The portal will contain information on the community projects funded by the government, CSO social accountability tools, minutes of CPRAT meetings, and relevant infographics.

Recommendations

- Expand performance-based fiscal transfers to further incentivize good local governance
- Assign expenditure functions based on local capacity
- Strengthen regional monitoring and evaluation systems
- Invest in technical assistance programs to enable LGUs to meet service standards
- Widen the scope of citizen participatory audits
- Recognize the role of knowledge hubs to support citizen oversight mechanisms

Maraming salammat!