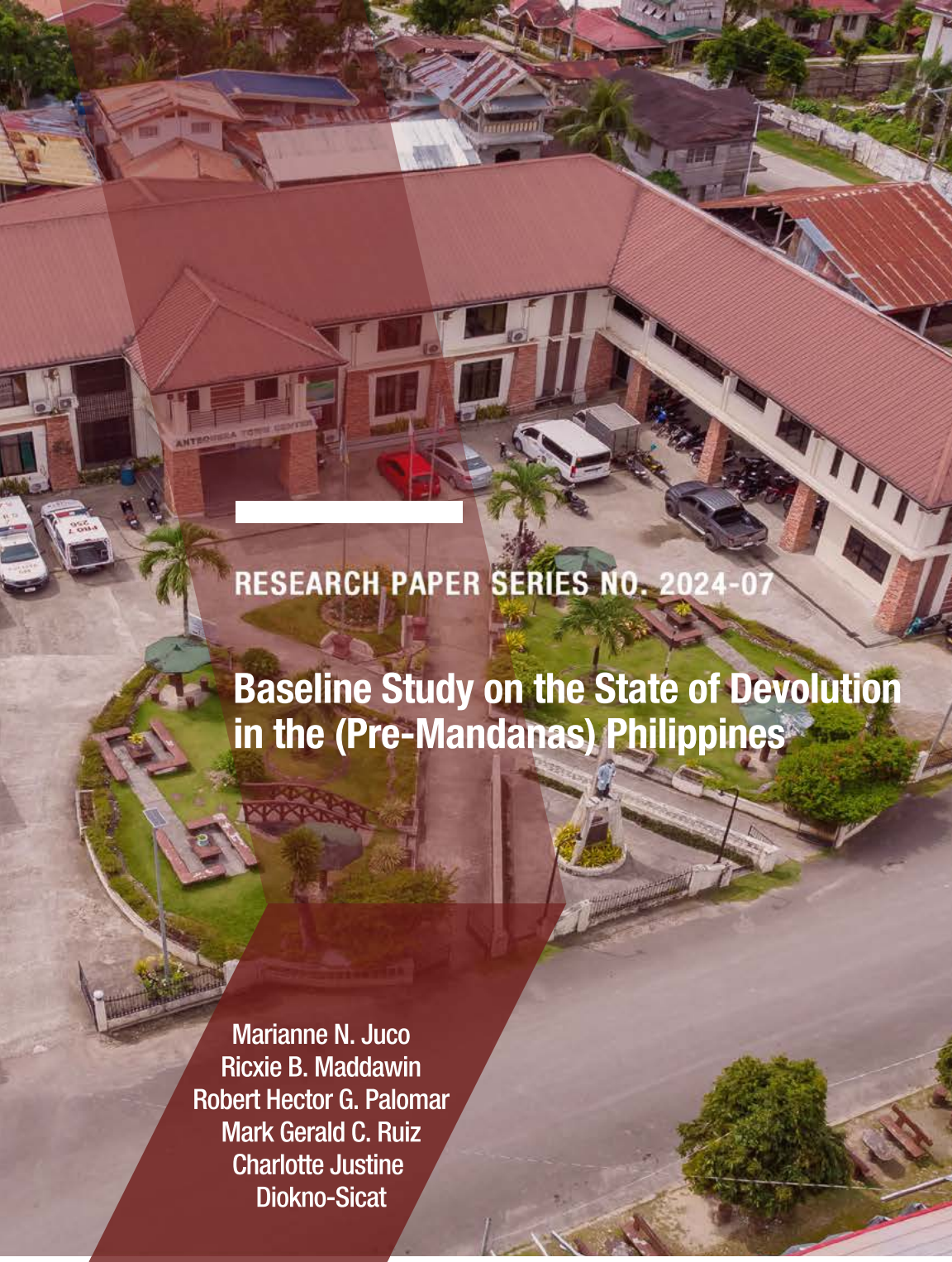

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List of Acronyms

BARMM	Bangsamoro Autonomous Region in Muslim Mindanao
CALABARZON	Cavite, Laguna, Batangas, Rizal and Quezon
CapDev	Capacity Development
CAR	Cordillera Administrative Region
COE	current operating expenditures
DBM	Department of Budget and Management
DILG	Department of the Interior and Local Government
DOH	Department of Health
DRRM	disaster risk reduction and mitigation
DTP	devolution transition plan
FSF	functions, services, and facilities
FY	fiscal year
GVA	gross value added
IRA	Internal Revenue Allotment
IRR	Implementing Rules and Regulations
JMC	Joint Memorandum Circular
LGC	Local Government Code
LGU	local government unit
MIMAROPA	Mindoro, Marinduque, Romblon and Palawan
NGAs	national government agencies
NTA	National Tax Allotment
PHP	Philippine peso
POPCOM	Commission on Population and Development
PPAs	programs, projects, and activities
SOCCSKSARGEN	South Cotabato, Sultan Kudarat, Sarangani, and General Santos City

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Abstract

Two recent key events have advanced the country's decentralization agenda. In 2019, the Mandanas-Garcia Supreme Court (Mandanas) ruling expanded the tax base for intergovernmental fiscal transfers to support the autonomy and revenue-raising capacity of local governments. In 2021, Executive Order (EO) 138 established the guidelines for effectively transferring functions and responsibilities from the national to the local governments. One of the directives in EO 138 is the development and review of devolution transition plans (DTPs).

Given the current state of devolution in the country, there is uncertainty about how local government units (LGUs) will fully assume all devolved functions and whether the prescribed devolution transition period is sufficient. This study aims to establish the baseline of current (pre-Mandanas) devolved functions and capacities by evaluating LGU-crafted DTPs. The results will serve as a pivotal starting point for evaluating performance and progress in the phased adoption of devolved functions. The study reveals (i) high variation in LGU prioritization of devolved functions and LGU capacity, (ii) complete full devolution by 2024 is not achievable according to LGUs' self-assessment, and (iii) capacity development interventions to aid in the devolution agenda primarily focused on workforce and training requirements. Additionally, the study recognizes the need for (i) a mechanism to collect accurate and comprehensive baseline data on the devolved functions of LGUs, (ii) an asymmetric decentralization strategy from the national government, and (iii) greater coordination and guidance from national agencies, particularly on disaster risk reduction and management.

Introduction

There was a major shift in Philippine decentralized governance in 2022 with the implementation of the Mandanas-Garcia Supreme Court (Mandanas) ruling. This decision effectively increases the base on which to compute the intergovernmental fiscal transfer now known as the National Tax Allotment (NTA).[1] This shift provides an opportunity for local governments to assert their local autonomy by taking charge of devolved functions and revenue-raising responsibilities to "attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals" (LGC of 1991, Sec. 2). The overall NTA has increased by 38 percent, reaching a total of PHP 959 billion, which is almost 20 percent of the 2022 national budget of PHP 5.024 trillion and approximately 4 percent of gross domestic product. With the increase in NTA for local government units (LGUs), they now have a more crucial role in achieving development and growth targets.

To mitigate the impact of the Mandanas ruling on fiscal space, the Department of Budget and Management (DBM) proposed that LGUs gradually absorb the already devolved functions and services, which are currently provided by the national government. The proposed devolution transition period is three years, from fiscal year (FY) 2022 to not later than 2024 (EO 138, Sec. 4).

Since the finality of the Mandanas ruling decision in 2019, oversight agencies and fiscal policymakers of the national government have been considering how to ensure a well-planned and smooth implementation. Executive Order (EO) 138 and its Implementing Rules and Regulations (IRR) provide the guidelines for the effective transition of functions and responsibilities. One of the directives in EO 138 is the establishment of a Committee on Devolution that will oversee the efforts of LGUs and affected national government agencies (NGAs). This includes the design and review of the required devolution transition plans (DTPs), which outline the devolved functions and services to be transferred to LGUs and the phasing of this devolution (EO 138, Sec. 5).

[1] Formerly called Internal Revenue Allotment

Objectives

Given the current state of devolution in the country, there is uncertainty about how LGUs will manage the devolved functions and whether the prescribed devolution transition period is sufficient. This study aims to establish the baseline of current (pre-Mandanas) devolved functions and capacities as reported in their DTPs before the Mandanas ruling was enforced. The main objective of this study is to establish the current state of decentralized LGU functions, services, and capacities. To achieve this, information from the DTPs will be used. The results will serve as a pivotal starting point, a baseline from which to evaluate LGU performance and progress in the phased adoption of devolved functions.

Specific objectives

a. Examine the proposed phased assumption of devolved functions
b. Identify any gaps or assistance needed to assume the devolved functions
c. Identify ways to deepen decentralization for LGUs to achieve their fullest development as self-reliant communities

Significance of the study

The results of this review and assessment can serve as guidance for policymakers, serving as a basis for (1) conducting primary data collection to further examine the needs of LGUs in the Mandanas devolution transition, (2) revisiting the Local Government Code (LGC) and the provisions of EO 138, and (3) reevaluating the rational planning (i.e., the Comprehensive Development Plan) process. Moreover, the study results can serve as a baseline for monitoring and evaluating progress in the Mandanas devolution transition in 2025 (after the completion of the transition) and in the longer term, specifically in 2031 (which will mark the 10th year of Mandanas implementation and the 40th year of the LGC).

Scope and limitations

Relevant portions of the LGC guide the scope of this paper's analysis of the DTPs. Specifically, Section 17 of the LGC identifies the basic services and facilities that are to be devolved to LGUs. This paper analyzes the following sectors: (1) social welfare, (2) health, (3) agriculture, (4) environment, (5) disaster risk reduction, and (6) infrastructure. These

sectors have the most number of roles and functions for devolution and are prioritized by this study, considering the expectation that the government must provide necessary interventions concerning these sectors to ensure social and economic security for citizens.

The LGC outlines the basic services and facilities for devolution based on the level of government, ranging from the barangay to the provincial level. This paper covers DTPs submitted by provinces, cities, and municipalities. Barangay DTPs are not included in the scope of this analysis. Specifically, the study analyzes DTPs from 76 provinces and 142 cities, encompassing all provinces and cities in all Philippine regions except those from the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). Additionally, a sample of 300 municipalities is included. Table 1 provides a summary of the reviewed DTPs.

Table 1. Total DTPs reviewed*

Total Provinces	Province DTPs Reviewed	Total Cities	City DTPs Reviewed	Total Municipalities	Municipality DTPs Reviewed
76	76	142	142	1,373	300

DTPs = devolution transition plans
*The totals for provinces, cities, and municipalities are from all regions in the Philippines, excluding BARMM.
Source: Authors' compilation

The study is limited to the contents of the DTPs submitted by these LGUs. Aside from the DTPs being the sole source of information for the paper, the quality of information that is obtained is reliant on the ability and thoroughness of the LGU representatives to accomplish the DTP forms.

Organization of the study

The next section provides a literature review on the definition and rationale behind decentralization. It is followed by an examination of the history of decentralization in the Philippines, from its initial movements to the present. The discussion of current expertise focuses on the LGC, the Mandanas ruling, and EO 138, which served as the basis for the creation of the DTPs analyzed in this study.

Another section discusses the conceptual framework used to evaluate decentralization, followed by discussions on the study's assessment of the current state of devolution through the analysis of the DTPs. Within this section, the methodology, data, and scope are explained. Assessments are presented separately for provinces, cities, and municipalities. This paper concludes with a summary of the key findings and recommendations, as well as the monitoring and evaluation plan for a baseline survey following this study.

Concepts, Definitions, and the Philippine Experience

Definition of decentralization

The general understanding of decentralization is that it involves transferring responsibilities and authority over public functions from the central to the local governments or autonomous or semiautonomous organizations (Rondinelli et al. 1983). However, challenges remain in defining decentralization precisely, as it can take various forms and dimensions.

There are different types of decentralization, including (1) political, (2) fiscal, and (3) administrative decentralization (Litvack et al. 1998). Political decentralization refers to increasing citizens' capabilities to participate in public policy decisions, often through their elected representatives. Fiscal decentralization involves dispersing the power to tax and generate revenues to other levels of government (Yuliani 2004). Administrative decentralization entails transferring administrative powers from the central to local levels of government, allowing local governments to take fiscal and regulatory actions through their policy decisions (Litvack et al. 1998).

The transfer of powers can take different forms and levels, which can be distinguished by understanding the differences between deconcentration, delegation, and devolution (Litvack et al. 1998). Deconcentration refers to transferring responsibilities to lower levels of government without granting decisionmaking authority. Delegation involves decentralizing decisionmaking and the delivery of public functions to semiautonomous organizations. On the other hand, devolution entails the central government transferring both the responsibility to deliver required functions and the authority for

decisionmaking, finance, and management concerns to lower levels of government. Devolution also defines the legal geographic boundaries within which the local governments can exercise their authority to perform public functions (Litvack et al. 1998).

Rationale for decentralization

Economic principles behind decentralization

Assigning the provision of goods and services to lower levels of government improves the overall welfare of the people, despite the advantages of the higher level of government with economies of scale. This is because local governments have a better understanding of citizens' preferences and can use public resources more effectively (Oates 2008).

Bahl and Bird (2013) identified four economic principles that support the decentralization of goods and services provision to lower levels of government. The first principle is subsidiarity, which means assigning public service responsibilities to the lowest possible level of government. This aligns with the decentralization theorem, which suggests that local governments are closer to the people and have a better understanding of local preferences and conditions, thereby benefiting local citizens (Oates 1972). According to Tiebout's "voting with the feet" concept, voters will choose to move to local governments that provide better benefits in terms of goods, services, and taxes (Stiglitz and Rosengard 2015).

The second principle considers external costs, benefits, and spillover effects of public goods and services in decisionmaking. Assigning responsibilities to different levels of government, especially the lowest level, depends on the actions of residents and nonresidents. If a resident chooses to access goods and services from other local governments (i.e., an indication that those local governments are able to provide offerings than their own), a higher level of government may assigned responsibility (Diokno-Sicat and Paqueo 2021).

The third principle focuses on economies of scale in administrative and compliance costs. Smaller scales of government can lead to cost advantages in administrative expenses. However, it is important to consider the optimal size of jurisdictions to maximize these advantages.

The fourth and final principle relates to redistributive and macroeconomic stability, which is typically the responsibility of the central government (Diokno-Sicat and Paqueo 2021).

Administrative principles behind decentralization

The administrative rationale behind decentralization includes the expectation that there will be an improvement in the provision of public services and government responsiveness, as well as an increase in citizen participation (Gomes 2010). The effectiveness of decentralization relies on several factors, including the proper delegation of specific responsibilities and ensuring sufficient administrative capacity to perform these responsibilities (Hankla 2009).

This highlights the importance of institutions in designing decentralization policies. Institutional policies for decentralization are concerned with accountability, governance, and the capacity of those responsible for absorbing the decentralized functions (Litvack et al. 1998). Decentralization is believed to improve service delivery based on the assumption that local governments possess adequate information on the needs and preferences of the public, given their closer proximity to the people they serve (Canare and Francisco 2019). This aligns with the economic principles mentioned earlier.

Further, devolving power to the local government level can increase accountability and transparency, which in turn fosters greater political participation and involvement among citizens. Research has shown that this leads to better outcomes in public services (Hankla 2009).

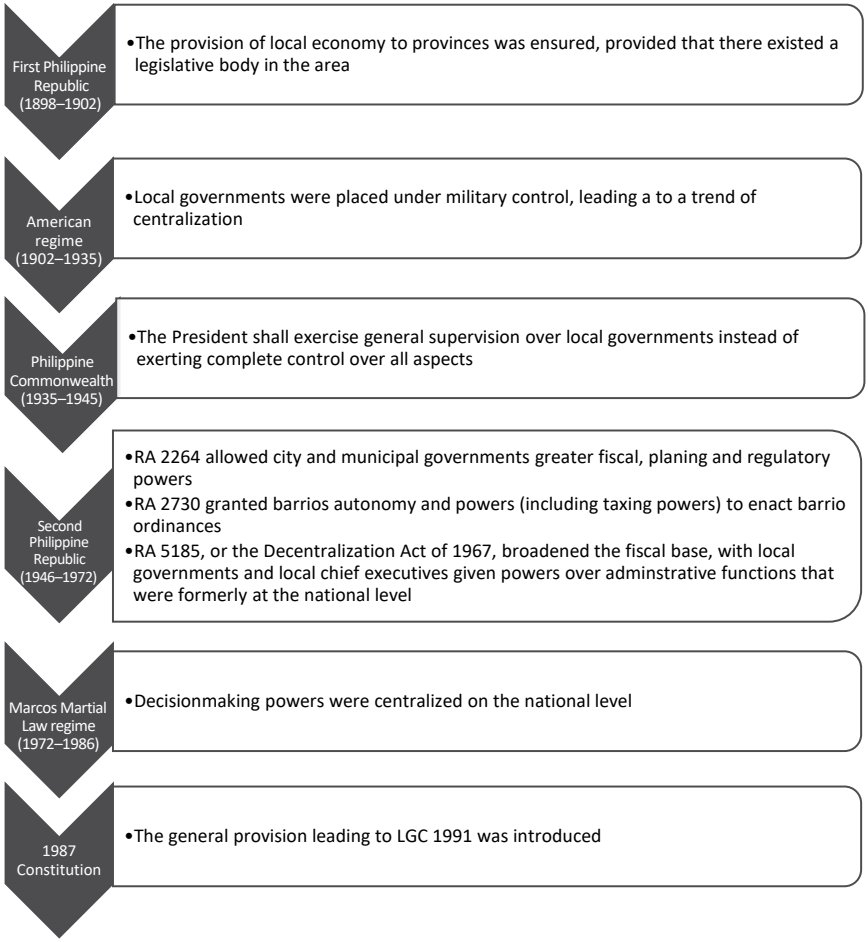
Decentralization in the Philippines

Timeline

The Philippine government was highly centralized for more than four centuries, with only sporadic efforts at decentralization during most of this period (Diokno-Sicat and Maddawin 2018). The country has a "long tradition of political-administrative centralism" before being challenged by the 1987 Constitution and the LGC (Guess 2005, p.219).

A discussion on the history of decentralization in the Philippines may be viewed periodically (Figure 1). Philippine decentralization efforts may be traced back to the First Philippine Republic (1898 to 1902), which

Figure 1. Timeline of Philippine decentralization leading to the LGC of 1991



LGC = Local Government Code; RA = Republic Act
Source: Brillantes (1987)

granted local autonomy to provinces and municipalities as long as there was an existing legislative body in the area (Brillantes 1987). However, the local governments still faced restrictive regulations, especially in terms of provincial and municipal taxation (Brillantes 1987). In the 1935 Constitution, Article VII, Section 10 indicated that the President may exercise general supervision—as opposed to complete control—over local governments as provided by law. However, this remained

problematic given that it still relied on the interpretation of Congress and the President (Tapales 1992).

From the start of the Third Republic in 1946 until 1986, there were five attempts to empower the four levels of local government in terms of political and administrative authority before the 1987 Constitution and the LGC (Yap and Sator 2001, cited in Guess 2005). The Martial Law period from 1972 to 1986 is understood to have played a huge role in limiting the movement toward decentralization, as the enforcement of Martial Law further reinforced centralization.

Following the Martial Law period, the 1987 Constitution was introduced, which had a general provision (Article X, Sec. 3) indicating that Congress shall enact a local government code. This eventually led to the LGC of 1991.

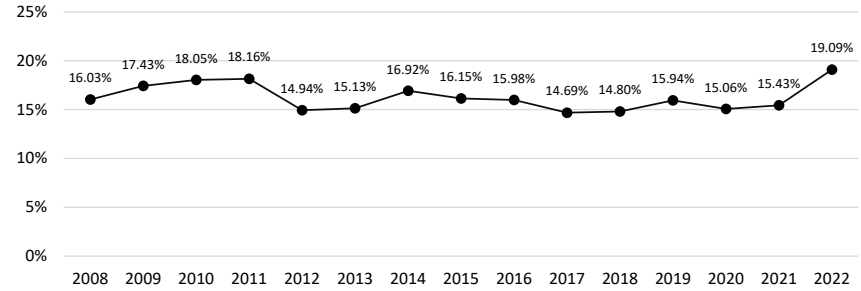
LGC of 1991

Political decentralization. The LGC establishes the authority and functions that are to be devolved to the LGUs. Sections 39 to 75 of the LGC provide details on the citizen-elected local officials (e.g., governor, city mayor, municipal mayor), as well as their local legislative powers. Book II of the LGC provides information on local taxation and fiscal matters, including details on the powers to create sources of revenue for local governments.

Mandanas ruling and fiscal decentralization. The Mandanas ruling has provided the opportunity to revisit the discussion and approach to decentralization in the country (World Bank 2021). This is especially important in addressing the structural challenges that persist and negatively impact devolution. The implementation of the Mandanas ruling has resulted in a 38 percent increase in the intergovernmental fiscal transfer (NTA), amounting to PHP 959 billion. This is nearly 20 percent of the PHP 5.024 trillion national budget for 2022 (Figure 2). To accommodate the increases in the share of subsidy to LGUs, there may be reductions in the shares of Education (social service sector) and Agriculture/Agrarian Reform/Natural Resources, Communication, Roads and Transportation, Trade and Industry, and Tourism (economic service sector) (Diokno-Sicat and Palomar 2021).

Administrative decentralization. The LGC was passed to address issues related to the delivery of basic services in a highly centralized government (Diaz-Manalo et al. 2021). It contains provisions that establish the devolved functions of LGUs. The basic services and facilities for devolution to LGUs, as identified in Section 17 of the LGC, include, but are not limited to, those listed in Table 2.

Figure 2. Share of IRA/NTA to national government expenditures, 2008–2022



IRA = Internal Revenue Allotment; NTA = National Tax Allotment
Source: DBM (various years)

Table 2. Devolved basic services for cities/municipalities and provinces*

Services	Specifics
For cities and municipalities	
Social welfare	• Social welfare programs and projects - Child and youth welfare - Family and community welfare - Women's welfare - Welfare of women, elderly, and persons with disabilities - Rehabilitation programs for vagrants, beggars, street children, scavengers, juvenile delinquents, and victims of drug abuse - Livelihood and other pro-poor projects
Health	• Health services-related programs and projects - Primary health care - Maternal and child care - Communicable and noncommunicable disease control - Access to secondary and tertiary health services - Purchase of medicines, medical supplies, and equipment - Nutrition and family planning services

Table 2 *(continued)*

Services	Specifics
Agriculture	• Agriculture extension and on-site research services and facilities related to agriculture and fishery activities - Dispersal of livestock and poultry, fingerlings, and other seedling operations of demonstration farms - Improvement of local distribution channels - Inter-barangay irrigation systems - Enforcement of fishery laws - Fish ports
Environment	• Implementation of community-based forestry projects • Management and control of communal forests with an area not exceeding 50 square kilometers • Establishment of forest development projects • Solid waste disposal system or environmental management system
Disaster risk reduction	• Disaster prevention and mitigation • Disaster preparedness • Disaster rehabilitation and recovery
Infrastructure	• Infrastructure facilities - Municipal roads and bridges - School buildings - Health centers and facilities - Communal irrigation - Small water impounding projects - Rainwater collectors and water supply systems - Seawalls, dikes, drainage, and sewage - Flood control - Health facilities for general hygiene and sanitation
For provinces	
Social welfare	• Social welfare programs for - Rebel returnees - Relief operations - Population development
Health	• Health services, which include hospitals and other tertiary health services
Agricultural	• Agricultural extension and on-site research services and facilities • Services on credit and marketing • Assistance in the organization of farmers and fishermen cooperatives and other collective organizations • Transfer of appropriate technology
Environment	• Natural resource management services • Environmental services
Disaster risk reduction	• Disaster prevention and mitigation • Disaster preparedness • Disaster rehabilitation and recovery
Infrastructure	• Infrastructure support - Health - Agriculture - Education - Economic development

* As stated in Sec. 17(b)(4), the devolved functions for cities encompass all the services and facilities provided by municipalities and provinces in addition to facilities for adequate communication and transportation, and support for education and police and fire services.
Source: LGC of 1991

However, full devolution, in terms of the LGUs solely providing all of the devolved functions and services, has not yet taken place. The NGAs are still delivering devolved services, and LGUs are at various stages of adoption. Hence, while the country has achieved full political and fiscal decentralization, with the latter being accelerated by the Mandanas ruling, administrative decentralization remains incomplete.

Recent developments: Strengthening devolution in the Philippines

Three decades after the enactment of the LGC, challenges in the delivery of devolved basic services remain (Diokno-Sicat et al. 2020). Despite the efforts to decentralize the government 30 years ago, the local governments in the country have not fully taken on the devolved functions outlined in the LGC.

The lack of clear accountability and responsibilities between local and national governments contributes to the difficulties encountered in devolution. The national government continues to be involved in delivering services that are supposed to be devolved to local governments. This overlap in responsibilities creates problems due to communication or capability issues. If a local government is unable to provide the devolved services, the national government must step in. However, this intervention should only be temporary until the lagging local governments can handle these functions. Therefore, it is the responsibility of both national and local governments to work together and identify the process of devolving all responsibilities.

To strengthen decentralization in the Philippines and complement the LGC, EO 38 was issued. This EO was proposed after the Mandanas ruling and specifies that functions, services, and facilities (FSF) should be fully devolved from the national government to the LGUs by the end of FY 2024. According to Section 17(g) of the LGC, the devolved FSF will be funded by the LGUs' share of national taxes and other local revenues. To ensure a smooth transition and alignment between the devolution plans of the national government and LGUs, both sides must prepare DTPs that clearly identify and clarify the functions and services devolved from NGAs to LGUs.

Table 3 provides a summary of the required contents of DTPs for both NGAs and LGUs.

Table 3. Required contents of DTPs

For National Government Agencies	For Local Government Units
Assignment of functions, services, and facilities to each level of LGU with an implementation strategy Identification and inventory of standards for the delivery of services Framework for performance assessment and organizational effectiveness proposals	Narrative report must contain the following: • The state of devolved functions, services, and facilities • Capacity development agenda • Organizational structure and staffing • Local revenue forecast and resource mobilization strategy • Phasing of full assumption of devolved functions and services • Performance targets

DTPs = devolution transition plans
Source: EO 138; IRR of EO 138

For NGAs, the DTPs should contain (1) assignment of functions, services, and facilities to each LGU level with an implementation strategy; (2) identification and inventory of standards for delivering such services, including minimum cost, scope, specifications, quality and organizational structure, and workforce complement; and (3) a framework for performance assessment and proposals to improve organizational effectiveness.

For LGUs, the DTPs should contain "a narrative report containing the state of devolved functions, services, and facilities; capacity development agenda; organizational structure and staffing pattern; local revenue forecast and resource mobilization strategy; phasing of full assumption of devolved functions and services and the corresponding performance targets for such" (EO 138 IRR [s. 2021], Sec. 15).

Conceptual Framework

Conceptual framework for evaluating decentralization

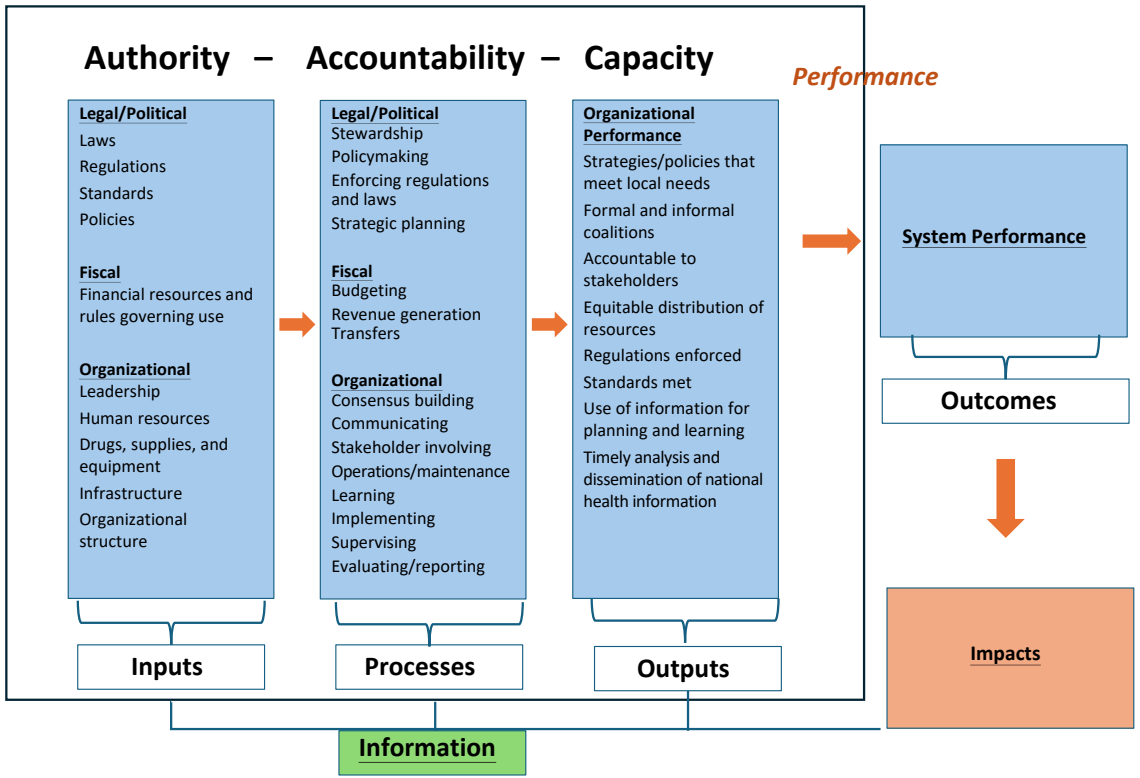
The framework for evaluating decentralization (Figure 3) is adopted from the work of Hutchinson and LaFond (2004). This framework is used to monitor and evaluate decentralization reforms in developing countries. It is based on the common taxonomy used in the literature, which categorizes decentralization into three types of devolved responsibilities: political, administrative, and fiscal.

The framework recognizes that devolution will affect the performance of local government service delivery through key areas of change: authority, accountability, capacity, and information use of LGUs. Specifically, successful decentralization relies on the LGUs' effectiveness in the following areas of change: having authority over organizational decisionmaking, accountability for public funds use, capacity to implement devolved functions, and access to accurate, reliable information for decisionmaking. Furthermore, Hutchinson and LaFond (2004) propose that an evaluation of the devolution process must follow a progression that begins with system inputs, outlining key processes essential to the proper functioning of public service delivery and identifying common outputs and intermediate system goals of decentralization and outcomes.

In the Philippines, political decentralization has been achieved since the First Philippine Republic (Brillantes 1987). Meanwhile, fiscal decentralization has been advanced through the Mandanas ruling. To begin, this study focuses on establishing the baseline for organizational and administrative decentralization in the country. Specifically, the study evaluates organizational inputs, such as the capacity-building needs of LGUs, and assesses their outputs in comparison with the existing list of devolved services.

Moving forward, systematic data collection is essential for an effective evaluation of decentralization in the Philippines. This should include baseline information on current LGU authority, fiscal accountability, capacity, and information use. Additionally, baseline indicators on social outcomes, especially at the LGU level (province, municipality, and city), are crucial. With baseline information and proper monitoring and evaluation tools, the government can assess the

Figure 3. Conceptual framework for evaluating decentralization



Source: Adopted from Hutchinson and LaFond (2004)

progress of its decentralization program; evaluate the achievement of expected changes in LGU structures, institutions, and resource flows; and measure the impact on social outcomes.

Importance of Data for Monitoring and Evaluation

Having quality data is key to effective planning, implementing, and monitoring of programs. When data are unavailable or incomplete, it can lead to poor planning and inaccurate needs estimations, resulting in a waste of government resources and efforts (Diokno-Sicat et al. 2020). According to the World Bank (2021), the potential of decentralization to improve service delivery in the country was not fully realized due to a lack of clarity on the specific functions that were to be devolved. Additionally, monitoring and evaluation have been limited due to the absence of comprehensive and accurate data to measure changes in the quantity and quality of inputs, outputs, and outcomes, as well as changes in the processes and capacity of the LGUs.

Monitoring and evaluation can focus on either the process of devolution (i.e., determining if decentralization has been done effectively or if full devolution has been achieved) or its impact on development outcomes. Previous studies have measured the effects of different decentralization procedure implementations on poverty incidence (Canare and Francisco 2019), corruption and the size of the informal economy (Goel and Saunoris 2016), and perceptions of good governance. In the Philippines, studies such as Cuenca (2018) have examined the progress of decentralization, specifically in the area of public health services. However, having more and better data available would enable in-depth assessments of devolution in the country.

Empirical work evaluating the progress of devolution includes the following examples:

Bojanic (2020) analyzed a sample of 84 countries with varying levels of development to identify the main determinants of fiscal decentralization. The study considered relevant literature to select important variables and found that a country's geographical land size consistently influences the level of fiscal decentralization. Specifically,

it was shown that fiscal decentralization increases with larger land sizes (Bojanic 2020). Other variables that showed positive correlations with fiscal decentralization were income distribution, education of the population, democratic structures, high urbanization, and openness to trade. However, these correlations may vary based on regional and income differences (Bojanic 2020).

The results of this study are consistent with those of Canavire-Bacarreza et al. (2017), which reviewed the role of geography as a determinant of fiscal decentralization. They considered the level of geographical fragmentation in a country by using a dataset of 94 countries from 1970 to 2010. Their study found that geographical variables have a positive effect on fiscal decentralization, with high levels of fragmentation being significantly associated with high levels of fiscal decentralization.

Digdowiseiso (2023), referencing the results of Canavire-Bacarreze et al. (2017), contributed to the existing literature by examining institutional quality as a factor in the degree of fiscal decentralization in developing countries. The study analyzed the determinants of fiscal decentralization from 1990 to 2014 using a panel of 34 developing countries. The findings indicated a nonlinear relationship between indicators of institutional quality and fiscal decentralization.

Current State of Devolution Based on LGU DTPs: An Initial Assessment

Litvack et al. (1998) argue that the successful devolution of powers from a central government requires subnational governments to have the fiscal, political, and administrative capacity to manage this responsibility. Smoke (2015, p.255) discusses that the successful implementation of decentralization in public service delivery depends on the "substance, timing, and sequencing of how new systems and processes are rolled out on the ground". Shifting the focus to administrative devolution, the key elements of a decentralized local government system are reviewed in this study. In this section, the plans of LGUs at the provincial level are assessed, gaps are identified, and courses of action are recommended to deepen decentralization and enable local governments to attain self-reliance and respond effectively to constituent needs.

Specifically, the authors aim to answer the following questions:

- How can decentralization be deepened so that LGUs can develop as self-reliant communities? How can the delivery of devolved basic services be improved to make LGUs more effective partners in achieving national goals?
- What is the status of devolved functions, as defined in the LGC and reported in LGU DTPs?
- What are the trends in the identified programs, projects, and activities (PPA) priorities? Which sectors have the most and least interventions?
- What is the nature of the devolved PPAs that LGUs have yet to fully assume?
- What are the identified interventions needed?

Methodology, data, scope, and timing

The assessment used data gathered from DTPs submitted by the LGUs. This review covered DTPs for 76 provinces, 142 cities, and a sample of 300 municipalities.[2] The 300 municipalities represent a sample of the 1,373 municipalities in the Philippines (from all regions except for BARMM), and this sample was obtained using the stratified sampling method based on income class[3] (Table 4).

Table 4. Sampling of municipalities

Income Class	Average Annual Income	Municipalities (Population)	Municipalities (Sample)
1	More than PHP 55M	320	70
2	PHP 45M–PHP 55M	170	37
3	PHP 35M–PHP 45M	254	56
4	PHP 25M–PHP 35M	358	78
5	PHP 15M–PHP 25M	252	55
6	Less than PHP 15M	19	4

PHP = Philippine peso; M = million
Source: Authors' compilation

[2] The list of provinces, cities, and municipalities is presented in Appendix A.

[3] Based on the Philippine Statistics Authority's Philippine Standard Geographic Code

For the initial assessment, data are consolidated for six priority sectors: health, social welfare, agriculture, environment, disaster risk reduction and mitigation (DRRM), and infrastructure. The data used in the study were encoded from the following annex tables of the DTPs:

- State of Devolved Functions, Services, and Facilities (Attachment 1-A [Annex E-1])
- Phasing of Full Assumption of Devolved Functions, Services, and Facilities (Attachment 2-A [Annex F-1])
- Capacity Development Agenda (Attachment 3-A [Annex G-1])

The study obtained information from the DTPs submitted by LGUs in 2021. However, since the data were encoded and analyzed in 2022, any reference in this study to the year 2022 should be interpreted as a forecast or projection.

The initial assessment was conducted through a desk review of the data from the DTPs. The descriptive analysis aims to provide an overview of existing trends in devolved services, including PPAs that are currently devolved, the projected timeline of full assumption, and capacity development needs. Since the analysis was only based on a desk review, the next recommended step would be to validate the study's findings. This assessment can be supplemented with a survey, key informant interviews, or focus group discussions as sources of qualitative information that can help validate how these DTPs were accomplished and the study's findings.

Assessment and observations on the form and content of DTPs

The Joint Memorandum Circular (JMC 2021-1) of the DBM and the Department of the Interior and Local Government (DILG) provides guidelines on the preparation of LGU DTPs. The JMC also contains Annexes with templates that LGUs need to fill out to construct their DTPs. This section focuses on the LGUs' efforts in accomplishing key templates (i.e., Annexes E-1, F-1, and G-1) related to this paper's objectives.

After reviewing and analyzing these Annexes, it is observed that there are inconsistencies in how the templates are filled with the needed information. Annexes E-1, F-1, and G-1 show inconsistencies in how each template was accomplished. These inconsistencies may

have different causes, such as the structure of the templates, allowing too much room for interpretation by the LGUs (i.e., Annex E-1). On the other hand, guidelines and templates may also be restrictive (as seen in Annex F-1). Additionally, there is currently no way to ensure that the requested information is provided and there are no blanks before submission by the LGUs (this issue is observed in all Annexes). However, these inconsistencies may also be due to errors that are unrelated to the templates' structure. For instance, some parts of the templates are left blank, and there are instances where the DTPs submitted to the DILG's system contain errors (e.g., missing attachments, duplicate files).

For instance, Annex E-1 on the "Inventory of LGU Functions, Services, and Facilities" requires LGUs to identify the PPAs per function and whether they have existing efforts in those areas. Some LGUs included only the existing PPAs under one function, indicating that they have fully assumed that function. The terms used to identify functions, services, and facilities in the templates are generally consistent across LGUs' DTPs. However, certain functions are identified in some LGUs but not in others. Moreover, the terminology used in identifying PPAs varies among individual LGUs, making it difficult to identify which specific PPAs are possibly the same across all LGUs but worded differently. This variation in detail and specificity may explain the significant differences in the number of existing and nonexisting PPAs reported across LGUs.

Furthermore, there are instances of disconnect between certain functions and the PPAs identified under those functions. This means that accomplishing certain PPAs will not affect the assumption of the respective function, as they appear to be unrelated. Ideally, all listed PPAs in Annex E-1 should be comprehensive and consistent across all LGUs. They should also be consistently listed in Annex F-1 (phasing of full assumption) and Annex G-1 (Capacity Development [CapDev] Agenda). However, this is generally not the case, as the list of PPAs in Annex F-1 may not match Annex E-1, and the CapDev Agenda in Annex G-1 is primarily organized per performance area or governance sector.

Annex F-1 focuses on the "Phasing of Full Assumption of Devolved Functions, Services, and Facilities". According to Section 4.3 of JMC 2021-1, LGU DTPs shall "adopt a phased approach, from FY 2022–2024,

toward the full assumption of these devolved responsibilities". This directive may lead LGUs to declare that they will fully assume the functions by 2024, even if they have capacity constraints and feasibility concerns about reaching full assumption within the imposed deadline. Additionally, there are cases where the years given are too ambiguous to provide substantial information (e.g., 2022 onwards ; 2024 onwards). In connection with Annex E-1, certain functions that are expected to be devolved are not included in the phasing of full assumption, giving the impression that LGUs will not assume functions they have not indicated.

Another observation on Annex F-1 is that the requested information on the funding resource requirement is often left blank. The same issue applies to Annex G-1 (CapDev Agenda), where the information for the funding requirements is either left completely blank, or some LGUs may only identify funding requirements for specific items. Similarly, it is difficult to determine if the timeline provided in Annex F-1 is feasible due to the limited information available. Hence, it is also challenging to assess whether the capacity development interventions indicated in Annex G-1 will result in the desired outcome of LGUs with adequate capacity to assume all functions.

Assessment of devolved functions to provincial LGUs

State and trends of devolved functions to provincial LGUs

The DTPs report an aggregate of around 17,000 total number of PPAs for devolution to provincial LGUs. The health sector reflected the highest number of identified PPAs for devolution, followed by the agriculture sector and social welfare sector (Tables 5 and 6). PPAs on disaster risk reduction reflected the least number of identified PPAs. With the view that health, social welfare, and DRRM are overarching functions that are needed across the provinces, it is notable that DRRM had the least number of PPAs for devolution.

Across the six sectors, the provincial LGUs have indicated that the DRRM and infrastructure sectors are relatively more devolved, with 91 and 79 percent of the identified PPAs, respectively, already either partially or fully assumed by the LGU (Table 5). The social welfare sector has yet to devolve more than half of its identified PPAs, and the health, agriculture, and environment sectors have yet to devolve 39 percent of

the identified PPAs to the provincial LGU. These findings are relayed with a caveat and the observation discussed in the previous section is reiterated, highlighting that there are DTPs wherein the LGU only listed existing PPAs. This implies that the total number of nonexisting PPAs may be understated.

This study examines whether sectors with broad themes, such as health, social welfare, DRRM, and infrastructure, would have a greater

Table 5. PPA count and share per sector: Provincial LGUs

Sectors	PPA Count			Percent		
	Existing (Partially and Fully Assumed)	Not Existing	Total Identified PPAs	Existing (Partially and Fully Assumed)	Not Existing	Total
Health	3,174	1,996	5,170	61	39	100
Agriculture	2,745	1,781	4,526	61	39	100
Social welfare	1,423	1,518	2,941	48	52	100
Infrastructure	1,234	320	1,554	79	21	100
Environment	1,055	678	1,733	61	39	100
DRRM	892	91	983	91	9	100
Total	10,523	6,384	16,907	62	38	100

PPA = programs, projects, and activities; LGUs = local government units;
DRRM = disaster risk reduction and mitigation
Source: Authors' compilation

Table 6. Partially and fully assumed PPAs: Provincial LGUs

	PPA Count	Percent Share
Health	3,174	30
Agriculture	2,745	26
Social welfare	1,423	14
Infrastructure	1,234	12
Environment	1,055	10
DRRM	892	8
Total	10,523	100

PPA = programs, projects, and activities; LGUs = local government units;
DRRM = disaster risk reduction and mitigation
Source: Authors' compilation using raw data from the DTPs

share of PPAs. Conversely, sectors with more specific PPAs, such as agriculture or environment, would be reflected in a higher number of PPAs in specific agricultural and ecological regions. A comparison of the average number of identified, existing PPAs per province across regions shows significant variation across regions (Figure 4).[4] For instance, provinces in Regions I, II, and III reported an average of over 200 partially and fully assumed PPAs for devolution. On the other hand, Eastern and Western Visayas provinces reported the lowest average of less than 60 for the 6 sectors.

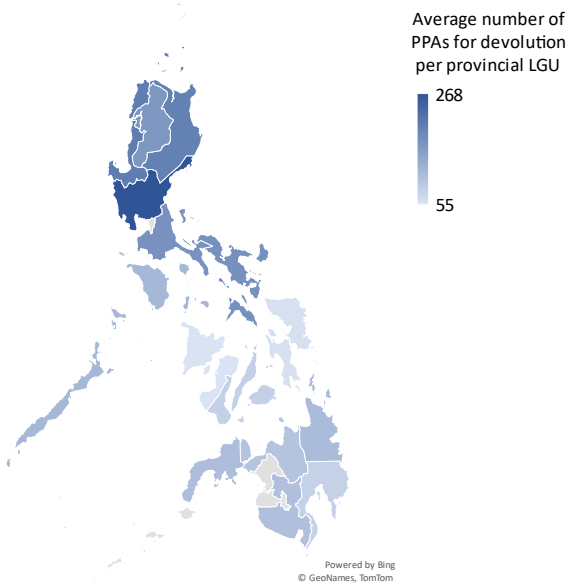
Furthermore, some provinces identified a remarkably low number of partially and fully assumed PPAs. These provinces include Southern Leyte, Leyte, Northern Samar, and Samar in Eastern Visayas, as well as Capiz and Aklan in Western Visayas. Surigao del Norte and Mountain Province are outliers, as they did not indicate any PPAs. This disparity is also evident when shares of nonexisting PPAs across regions are compared (Figure 5). It is observed that provincial LGUs in the Visayas and Mindanao regions have a higher share of nonexisting PPAs.

To explore potential sources of the variation in the number of devolved PPAs, the correlations between the number of PPAs with the Internal Revenue Allotment (IRA) and expenditures of the LGU are evaluated. Based on the scatter plot (Figure 6), there is a very low correlation (0.1692) between the number of PPAs and 2021 IRAs in provinces, while the average IRA from 2019 to 2021 also shows a very low correlation (0.1676) with the number of PPAs (Figure 7). Moreover, the correlation between total PPAs and total current operating expenditures (COE) in 2020 (Figure 8) is also low (0.2786). Relationships between population density and PPAs are also explored. According to the Commission on Population and Development (POPCOM 2022), population size and density are general determinants of health sector PPAs, specifically with regard to referral systems. A low correlation of 0.1491 with the 2020 population density[5] is observed (Figure 9).

[4] Regions with more provinces are expected to report a higher number of PPAs in aggregate. Instead, the average number of PPAs reported per province within the region are compared.

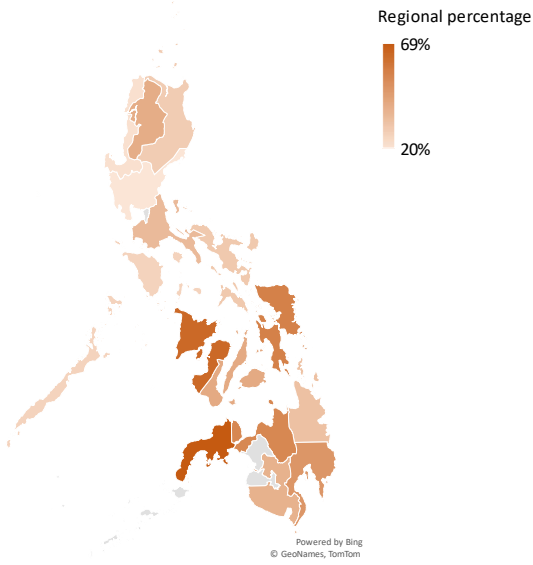
[5] To establish a narrative behind the observed trends generated from the DTP data, the study explores relationships between the devolved PPAs and related social and/or economic outcomes. The study does not intend to establish causality.

Figure 4. Comparison of partially and fully assumed PPAs across regions: Provinces



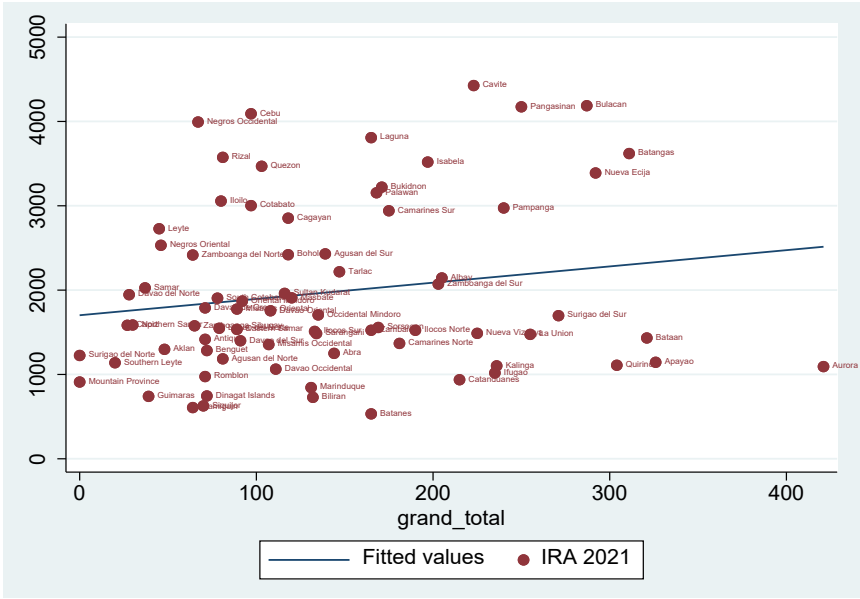
PPAs = programs, projects, and activities; LGUs = local government units
Note: Heatmap represents partially and fully assumed PPAs.
Source: Authors' illustration using raw data from the DTPs

Figure 5. Distribution of nonexisting PPAs for devolution across regions: Provinces



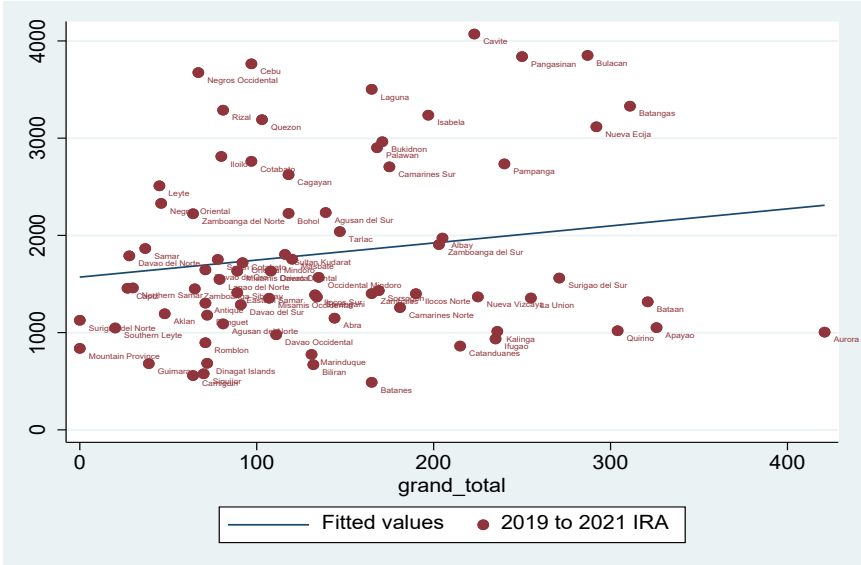
PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Figure 6. Distribution of total province PPAs with 2021 IRA



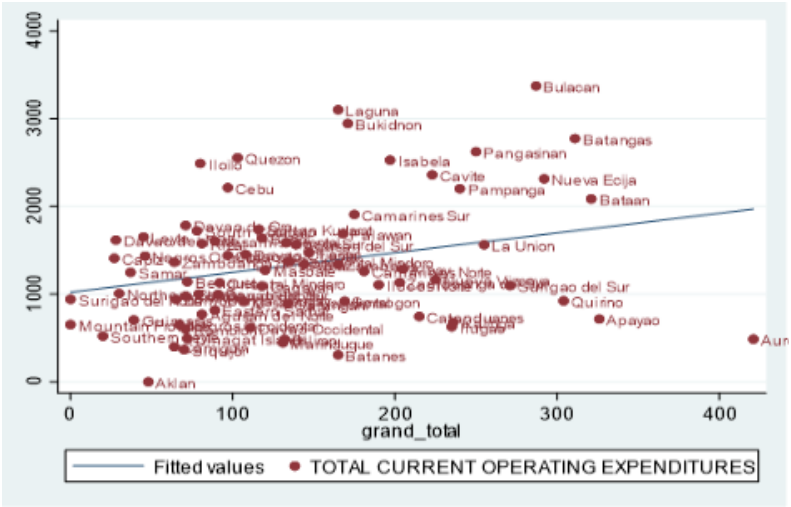
PPAs = programs, projects, and activities; IRA = Internal Revenue Allotment
Source: Authors' illustration using raw data from the DTPs; BLGF (various years)

Figure 7. Distribution of total province PPAs with 2019–2021 IRA



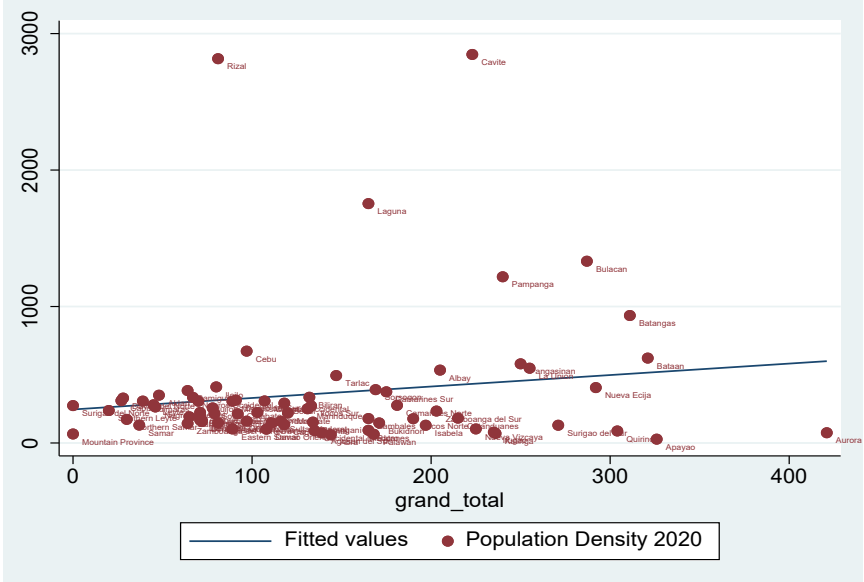
PPAs = programs, projects, and activities; IRA = Internal Revenue Allotment
Source: Authors' illustration using raw data from the DTPs; BLGF (various years)

Figure 8. Distribution of total province PPAs with 2020 total COE



PPAs = programs, projects, and activities; COE = current operating expenditures
Source: Authors' illustration using raw data from the DTPs; BLGF (various years)

Figure 9. Distribution of total province PPAs with 2020 population density



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs; PSA (2021)

The average number of partially and fully assumed PPAs across LGUs segmented by capacity is also compared. It is found that there is little variation across the four segments, on average (Table 7). From a sectoral perspective, it is generally seen that high-capacity, high-performance LGUs identify a greater number of PPAs, while low-performing, low-capacity LGUs indicate a lower number of PPAs (Table 8). The low number of PPAs, as reflected in their DTPs, may then indicate their lack of capacity to plan and forecast services and functions and the capacity requirements needed for them to assume devolved functions fully.

The identified PPAs include the specific functions per NGA (Table 9). When comparing the list of devolved functions defined in Annex C of the DBM-DILG JMC 2021-1, it is observed that the list of devolved functions contained in the DTPs is consistent with those defined in Annex C.

Provincial health sector

The sector with the highest number of PPAs identified for devolution is health, with high-capacity LGUs having the greatest number of health sector PPAs. These functions are generally classified as health services, which include hospitals and other tertiary health services.

Figure 10 illustrates that while health services represent a primary public service needed across all LGUs, there is a visible variation in the number of health sector PPAs across the regions. Specifically, provinces in Central Luzon, SOCCSKSARGEN [South Cotabato, Cotabato, Sultan Kudarat, Sarangani, and General Santos], and Cordillera Administrative Region (CAR) have identified the highest number of existing PPAs, on average. Meanwhile, Ilocos Region, Caraga, Northern Mindanao, Eastern Visayas, and Western Visayas have identified the fewest PPAs.

Provincial agriculture sector

Agriculture has the second-largest number of PPAs for devolution. These are categorized into four main functions: (i) plant and animal pests and diseases; (ii) dairy farms, livestock markets, animal breeding stations, and artificial insemination centers; (iii) credit and marketing services; and (iv) assistance to farmers and fishermen cooperatives and other collective organizations, as well as the transfer of appropriate technology. High-performing LGUs have indicated the highest number of PPAs for devolution.

Table 7. Breakdown of partially and fully assumed PPAs based on LGU segmentation*: Provinces

	Number of Provinces	Number of PPAs	Average
Quadrant 1 (High capacity and high performance)	34	5,131	151
Quadrant 2 (Low capacity and high performance)	11	1,661	151
Quadrant 3 (Low capacity and low performance)	20	2,367	118
Quadrant 4 (High capacity and low performance)	11	1,364	124

PPAs = programs, projects, and activities; LGU = local government unit
* See Appendix B
Source: Authors' computation using raw data from the DTPs

Table 8. Breakdown of partially and fully assumed PPAs per sector based on LGU segmentation: Provinces

	Social Welfare	Health	Agriculture	Environment	DRRM	Infrastructure	Total
Quadrant 1 (High capacity and high performance)	724	1,636	1,382	502	308	579	5,131
Quadrant 2 (Low capacity and high performance)	293	387	418	178	203	182	1,661
Quadrant 3 (Low capacity and low performance)	286	705	630	214	200	352	2,367
Quadrant 4 (High capacity and low performance)	140	446	315	161	181	121	1,364

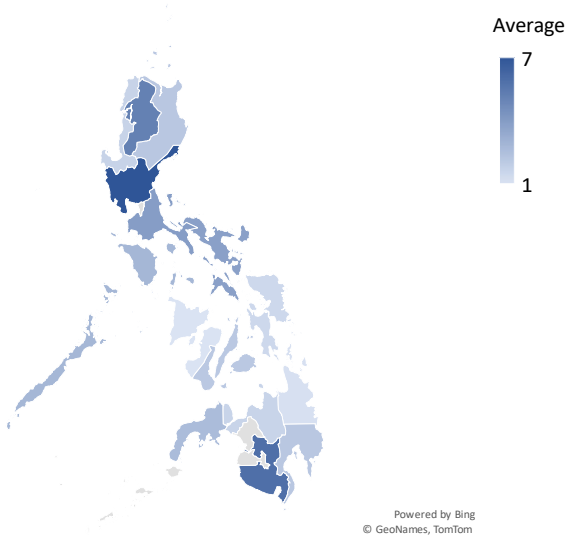
PPAs = programs, projects, and activities; LGU = local government unit ; DRRM = disaster risk reduction and management
Source: Authors' computation using raw data from the DTPs

Table 9. Breakdown of NGA functions for devolution: Provinces

Function		Count	Share of Total
Health			
i. Health services, including hospitals and other tertiary health services		3,174	100
Agriculture			
i. Plant and animal pests and diseases		1,044	38
ii. Assistance to farmers and fishermen cooperatives and other collective organizations, as well as the transfer of appropriate technology		754	27
iii. Dairy farms, livestock markets, animal breeding stations, and artificial insemination centers		643	23
iv. Credit and marketing services		304	11
	Subtotal	2,745	100
Social welfare			
i. Population development services		823	58
ii. Relief operations		385	27
iii. Programs for rebel returnees		215	15
	Subtotal	1,423	100
Infrastructure			
i. Support on economic development		554	45
ii. Support to agriculture		347	28
iii. Support to health		236	19
iv. Support to education		97	8
	Subtotal	1,234	100
Environment			
i. Natural resources management services		682	65
ii. Environmental services		373	35
	Subtotal	1,055	100
DRMM			
i. Rehabilitation and recovery		339	38
ii. Preparedness		326	37
iii. Prevention and mitigation		227	25
	Subtotal	892	100

NGA = national government agency; DRRM = disaster risk reduction and mitigation
Source: Authors' computation using raw data from the DTPs

Figure 10. Comparison of the number of existing PPAs for health services: Provinces



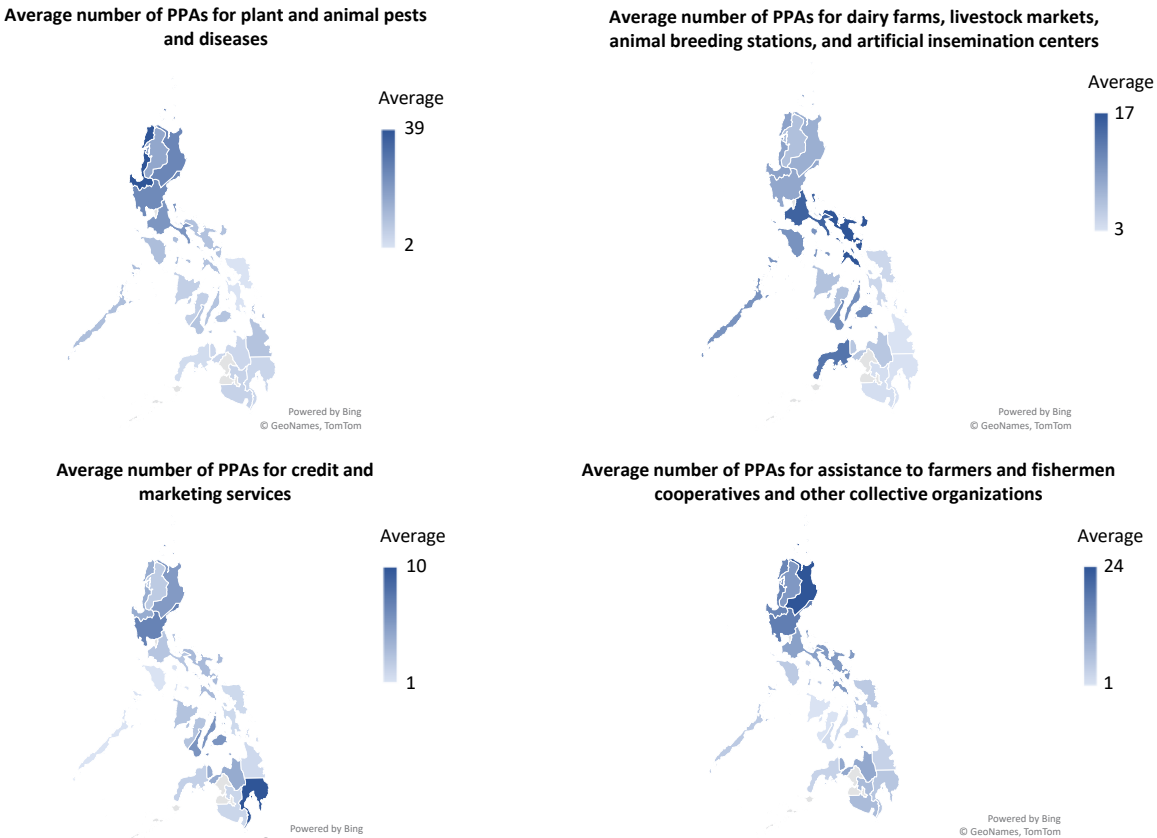
PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

A mapping of the average number of PPAs indicates different priority areas per province with respect to the four functions across regions (Figure 11). For example, provinces in Ilocos Region and Central Luzon identified the most PPAs for plant and animal pests and diseases; Bicol Region and CALABARZON [Cavite, Laguna, Batangas, Rizal, and Quezon] identified the most PPAs for dairy farms, markets, breeding stations, and insemination centers; Davao Region for credit and marketing services; and Cagayan Valley for assistance to farmer and fishermen cooperatives and organization.

Meanwhile, provinces in the Eastern and Western Visayas regions have indicated the fewest agricultural PPAs despite having relevant agricultural sectors.

Figure 12 depicts the gross value added (GVA) in agriculture, forestry, and fishing across different regions. Central Luzon boasts the highest GVA, followed by Northern Mindanao and Davao Region. The relatively high GVA for Regions I, II, III, and IV-A may be attributed to the high count of PPAs in agriculture, as observed. Conversely,

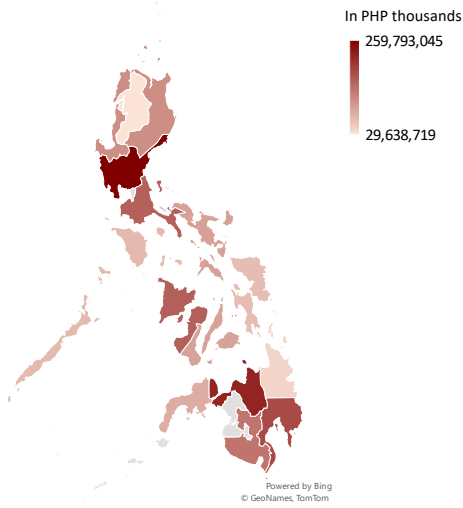
Figure 11. Comparison of the number of existing PPAs for the agriculture sector: Provinces



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

although provincial LGUs in Northern Mindanao and Davao Region have identified fewer PPAs (except for credit and marketing services), these regions still make a significant contribution to the sector's GVA. Similarly, Western Visayas contributes a relatively high GVA in agriculture despite the low count of identified PPAs reported by provincial LGUs in this region.

Figure 12. Gross value added in agriculture, forestry, and fishing (PHP thousand), 2021

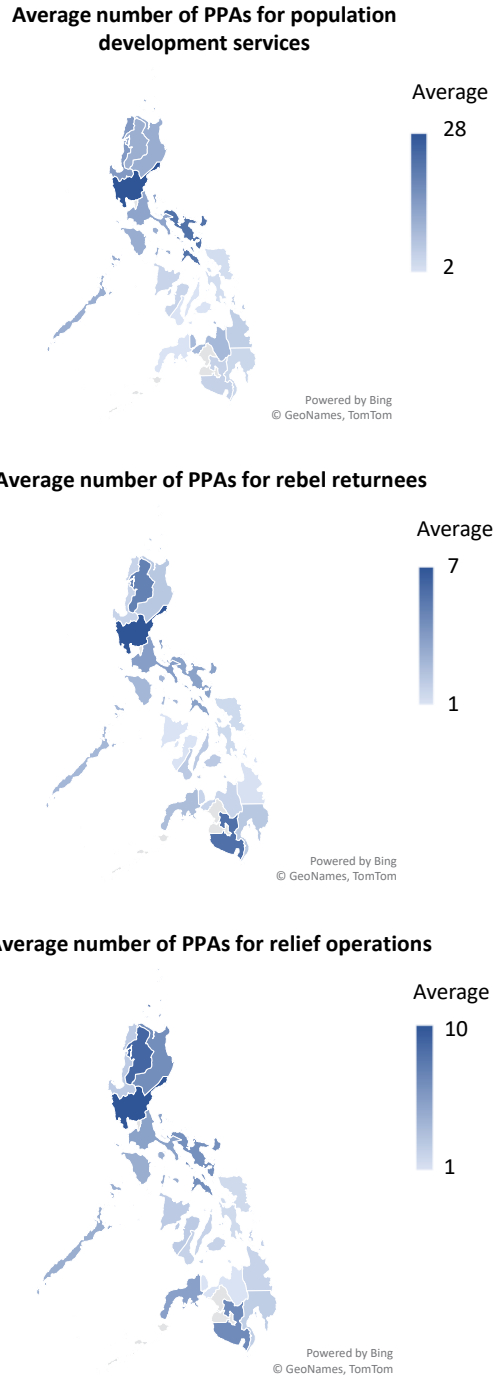


PHP = Philippine peso
Source: PSA (2022a)

Provincial social welfare sector

Similar to health services, social welfare encompasses essential functions that apply to all LGUs regardless of size, capacity, and performance. These functions are categorized into three main groups: (i) population development services (which comprise more than half of the total number of social welfare sector PPAs), (ii) relief operations, and (iii) programs for rebel returnees (Figure 13). While there may be little variation across LGU segments on rebel services and relief operations, high-performing LGUs have identified a greater number of population development services PPAs compared to low-performing ones (Table 10).

Figure 13. Comparison of the number of existing PPAs for social welfare sector: Provinces



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Table 10. Breakdown of existing social welfare PPAs per LGU segmentation: Provinces

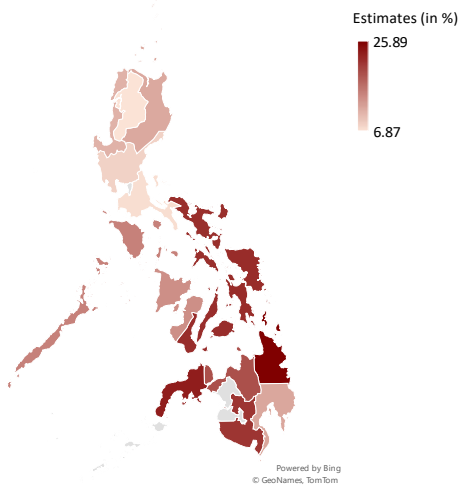
	Programs for Rebel Returnees	Relief Operations	Population Development Services	Total Social Welfare
Quadrant 1 (High capacity and high performance)	3	5	13	21
Quadrant 2 (Low capacity and high performance)	3	6	18	27
Quadrant 3 (Low capacity and low performance)	2	5	6	13
Quadrant 4 (High capacity and low performance)	3	3	6	13

PPAs = programs, projects, and activities; LGU = local government unit
Source: Authors' computation using raw data from the DTPs

From Figure 13, it can be noted that provinces in Central Luzon consistently identified the greatest number of social welfare sector PPAs for all functions. Provinces in the SOCCSKSARGEN and CAR identified a greater number of PPAs for programs for rebel returnees. Meanwhile, the variation in the number of PPAs for population development and relief operations may indicate differences in priority areas and capacity constraints across the provincial LGUs.

The notable high number of existing PPAs in the social welfare sector is particularly observed in Central Luzon, where poverty incidence is relatively low compared to other regions in the country (Figure 14). In contrast, despite having high poverty incidence, provincial LGUs in Eastern Visayas and Central Visayas are among those with the lowest number of existing PPAs in the social welfare sector. These trends suggest a potential correlation between high poverty incidence and a lower number of devolved social welfare services. However, there are exceptions to this pattern, as seen in Bicol Region, where both identified existing PPAs in social welfare and poverty incidence are notably high.

Figure 14. Estimates of poverty incidence among families (in percent), 2021



Source: PSA (2022b)

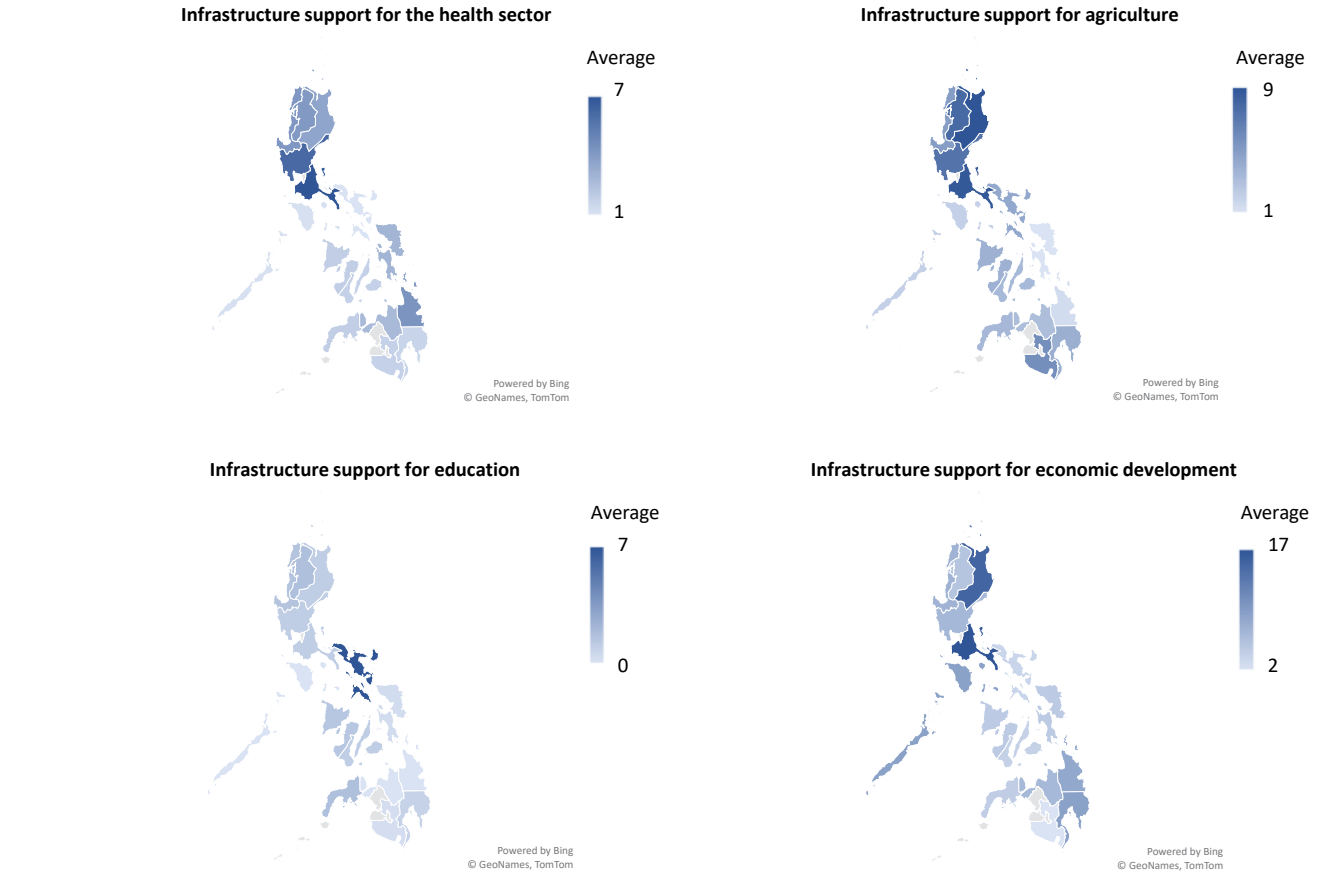
In such cases, these LGUs with high poverty levels may have increased the devolution of PPAs on social welfare in their attempt to address poverty in their respective jurisdictions.[6]

Provincial infrastructure

Infrastructure PPAs are categorized into infrastructure in support of (i) the health sector, (ii) agriculture, (iii) education, and (iv) economic development. The prioritizations of these categories vary across provinces (Figure 15). For instance, provinces in Central Luzon and CALABARZON show a high number of infrastructure PPAs for the health sector, while provinces in Cagayan Valley, CALABARZON, and CAR prioritize infrastructure support for agriculture. Bicol Region focuses on infrastructure support for education, while CALABARZON and Cagayan Valley prioritize infrastructure support for economic development. On the other hand, provinces in SOCCSKSARGEN and Central, Eastern, and Western Visayas have identified minimal infrastructure support.

[6] To establish a narrative behind the observed trends generated from the DTP data, the study explores relationships between the devolved PPAs and related social and/or economic outcomes. The study does not intend to establish causality.

Figure 15. Comparison of the number of existing PPAs for infrastructure: Provinces



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Provincial environment sector

Environment sector PPAs are categorized into (i) natural resource management services and (ii) environmental services. Provinces in Central Luzon, Ilocos Region, Cagayan Valley, and Zamboanga Peninsula have the highest number of existing PPAs (Figure 16). In contrast, provinces in Davao Region, Eastern Visayas, and Western Visayas have the fewest number of PPAs, despite the ecological sector's significance in many natural tourist destinations. The variation in the number of identified PPAs may reflect the priority areas of each provincial LGU or a capacity constraint that hinders the identification of relevant functions for devolution.

Provincial disaster risk reduction and monitoring

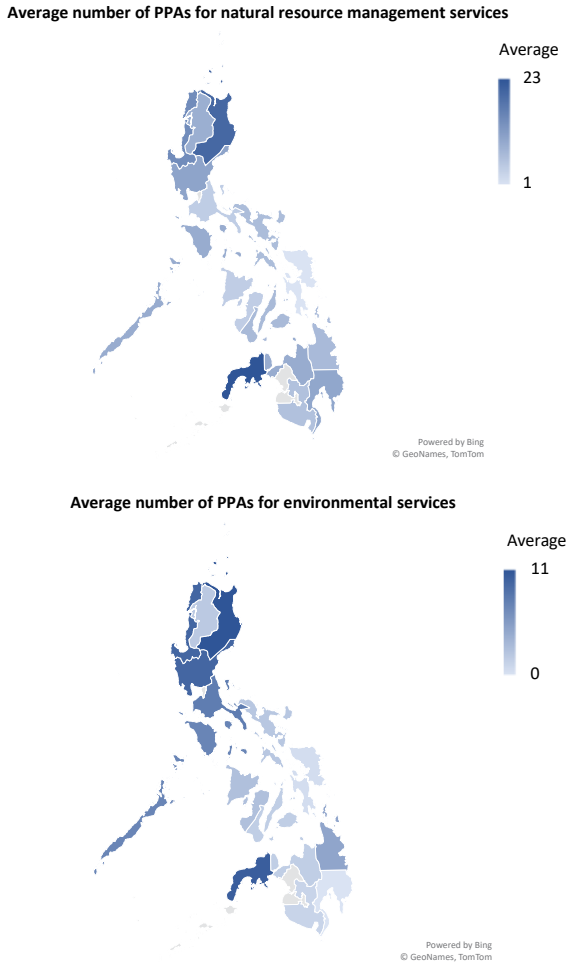
For DRRM, the functions for devolution are categorized into (i) prevention and mitigation, (ii) disaster preparedness, and (iii) rehabilitation and recovery (Figure 17). Similar to health services and social welfare, DRRM is considered an overarching need, especially in a country that is highly vulnerable to disasters and climate change (Amnesty International 2021).

Similar to earlier observations, the prioritization of DRRM functions varies across regions, as shown in Figure 17. For example, the provinces in Central Luzon, Cagayan Valley, Zamboanga Peninsula, and CAR have identified the highest number of PPAs across three functions. In contrast, provinces in MIMAROPA [Mindoro, Marinduque, Romblon, and Palawan] and Central, Western, and Eastern Visayas regions have the fewest, with some even having no PPA identified for at least one of the DRRM functions.

Phasing and nature of devolved provincial PPAs

Provincial LGUs have specified in their respective DTPs the projected year of completion for the full devolution of various sectoral functions. The evaluation aims to determine if the target of achieving full devolution by 2024, as defined in EO 138, is feasible based on the self-assessment of the LGUs. A completion rate is calculated for each sectoral function, representing the proportion of provinces that have achieved full devolution of these functions in the years 2022–2024 and beyond,

Figure 16. Comparison of the number of existing PPAs for the environment sector: Provinces

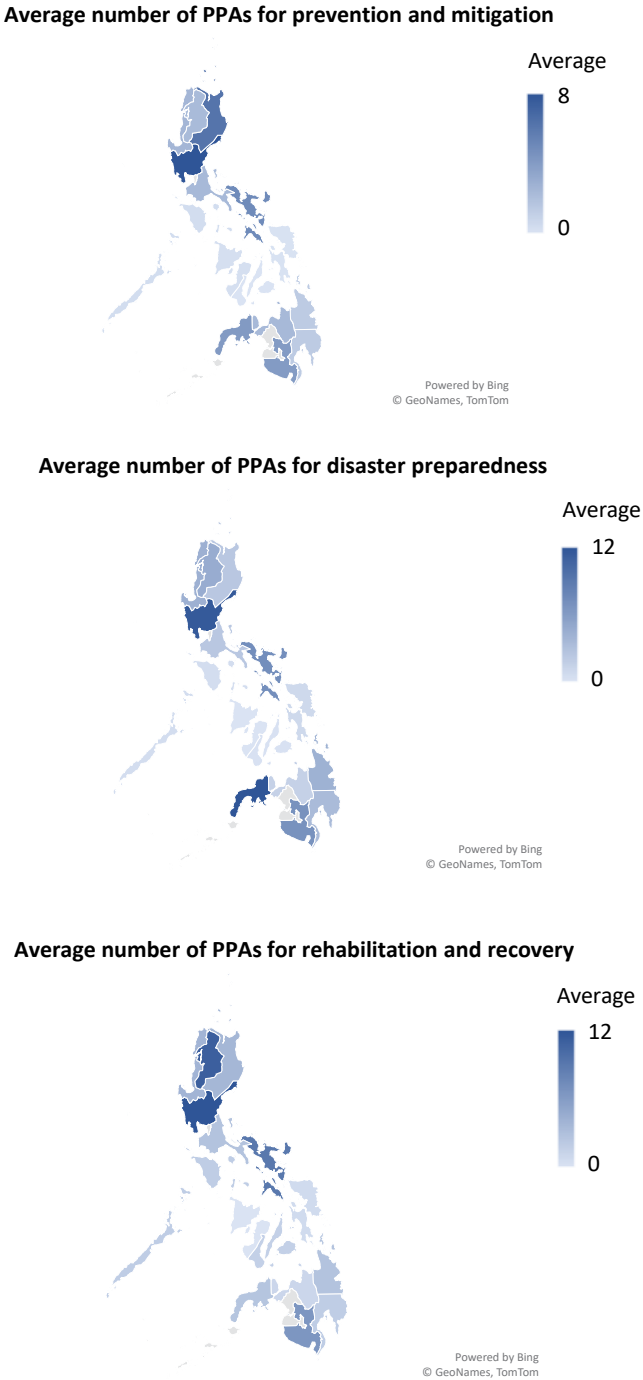


PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

if applicable (see Figure 18).[7] When interpreting the data, it should be noted that the DTPs were submitted by the LGUs in 2021. Hence, references by the LGUs to the year 2022 are considered projections or forecasts.

[7] For example, a completion rate of 50 percent in 2022 for function *x* would mean that half of the provincial LGUs have fully devolved their PPAs for function *x* in that year.

Figure 17. Comparison of the number of existing PPAs for DRRM: Provinces



PPAs = programs, projects, and activities; DRRM = disaster risk reduction and mitigation
Source: Authors' illustration using raw data from the DTPs

The assessment reveals several key points. Firstly, none of the provincial LGUs reported meeting the 100 percent full devolution target by the end of 2024. Secondly, it is noted that the health services achieved a relatively high completion rate of 89 percent by year-end 2024, as did plant-animal health services and dairy farm and livestock market facilities (agriculture), with completion rates of 89 percent and 87 percent, respectively. For the social welfare sector, it is expected that an average of 66 percent of provinces will fully assume the devolved functions by the end of 2024. Similarly, for the agriculture sector, about 82 percent of provinces anticipate full devolution by 2024. Meanwhile, provinces expect a completion rate of 76 percent for the environment sector, 61 percent for infrastructure, and 43 percent for DRRM, reflecting the lowest expected completion rates by the end of 2024.

Furthermore, provincial LGUs have failed to provide an expected completion year for many of the devolved functions. For example, about half of the provinces did not give an expected target year for the DRRM functions, and about 40 percent are without a target year for the infrastructure PPAs. This lack of clarity also contributes to the low completion rate for DRRM functions and infrastructure PPAs in support of education, as shown in Figure 18.

Needed interventions of provincial LGUs

To achieve full devolution by 2023, LGUs have identified necessary interventions to enhance their capacity for managing and implementing reforms. The DILG has defined six capacity development pillars for 2022–2024, which include (i) structure, (ii) competencies, (iii) management systems, (iv) enabling policies, (v) knowledge management, and (vi) leadership. Under each pillar, the LGUs have identified specific interventions, which the study team classified into (i) hiring of personnel, (ii) orientation or consultations with respect to guidelines/rules/ordinances, (iii) development of a monitoring and evaluation tool, (iv) acquisition or procurement of equipment and construction, (v) trainings and technical assistance, and (vi) other interventions. The classification is based on the most common interventions identified by the LGUs in their DTPs. It is important to note that while these interventions have been identified, there there is a lack of comprehensive measures of the current state and progress toward securing them.

Figure 18. Cumulative share of provinces with expected fully devolved functions

DRRM = disaster risk reduction and mitigation
Source: Authors' illustration using raw data from the DTPs

The World Bank (2021) acknowledges that the lack of technical capacity at the local level has led subnational governments to rely heavily on NGAs for delivering devolved public services. Smoke (2015) also highlights multiple factors contributing to the failure of LGUs to deliver devolved functions, including "understaffing, lack of resources, insufficient capacity, a preference for central government reliance, and low demand from citizens". In this section, the needed interventions identified by the provincial LGUs in their DTPs are assessed.

The capacity development requirements appear consistent across all six sectors and provinces. An immediate need under the structure pillar is the hiring of personnel. This need is supported by the orientation on guidelines, resolutions, and ordinances related to the devolved functions. Enabling policies are also required to ensure LGUs have the authority to make hiring decisions. Alongside increased workforce, training and technical assistance are crucial to address capacity needs under the competencies and knowledge and learning pillars. Another common requirement is the development of monitoring and evaluation tools, which can improve both the management systems and knowledge and learning pillars (Figure 19).

From Figure 19, a diminished requirement for equipment acquisition and facility construction can be noted. Capital investments are expected to complement the increase in workforce and service delivery requirements. However, the DTPs indicate that LGUs consider this a lower priority, possibly because there is already overcapacity in equipment and facilities, or because this factor has not been assessed properly. Additionally, the DTPs have limited capacity development requirements listed for the devolution of DRRM functions. In more than 50 percent of DTPs, the LGUs have indicated "None" or no needed interventions for this sector. Similarly, a relatively high number of DTPs have indicated no interventions required for the devolution of infrastructure projects. This raises questions about the adequacy of capacity assessments performed in these areas.

Figure 19. Capacity development interventions per sector: Provinces

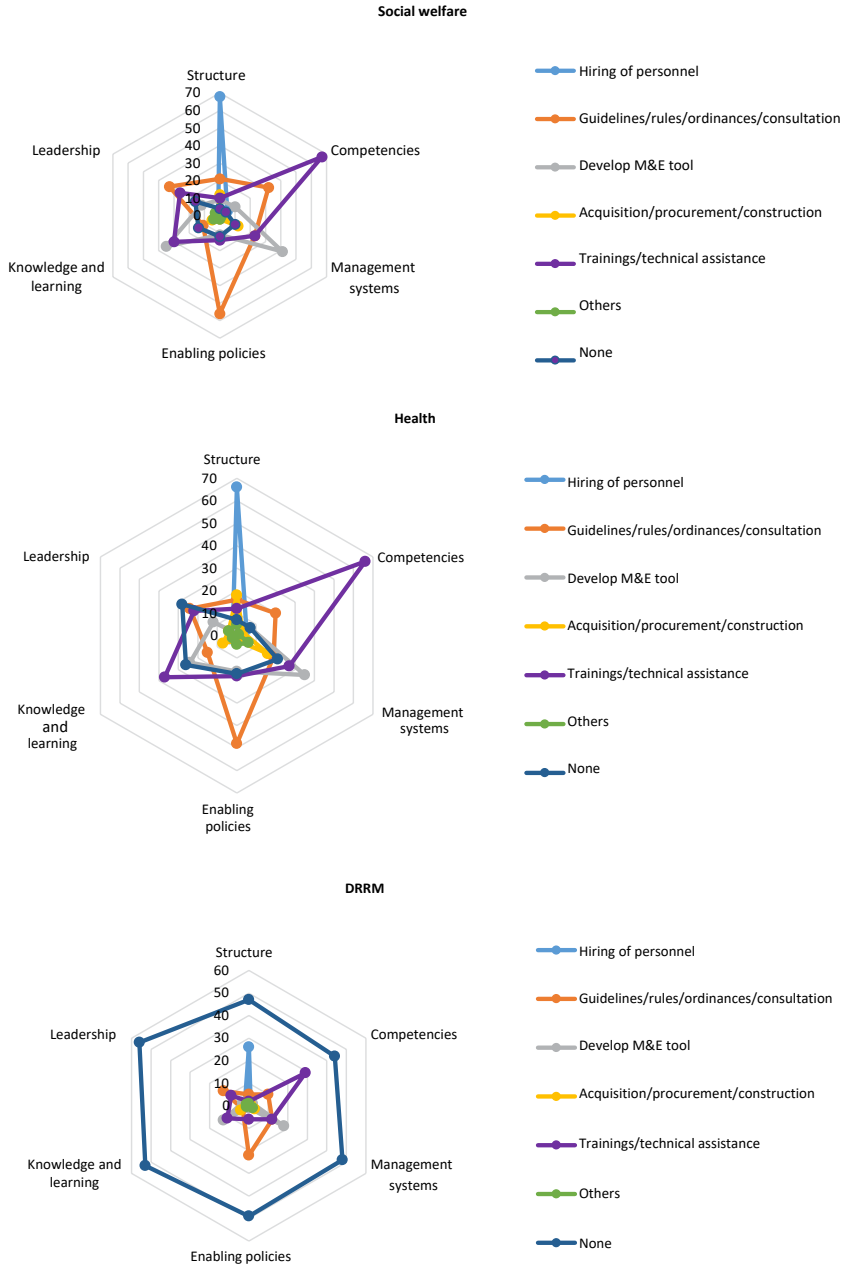
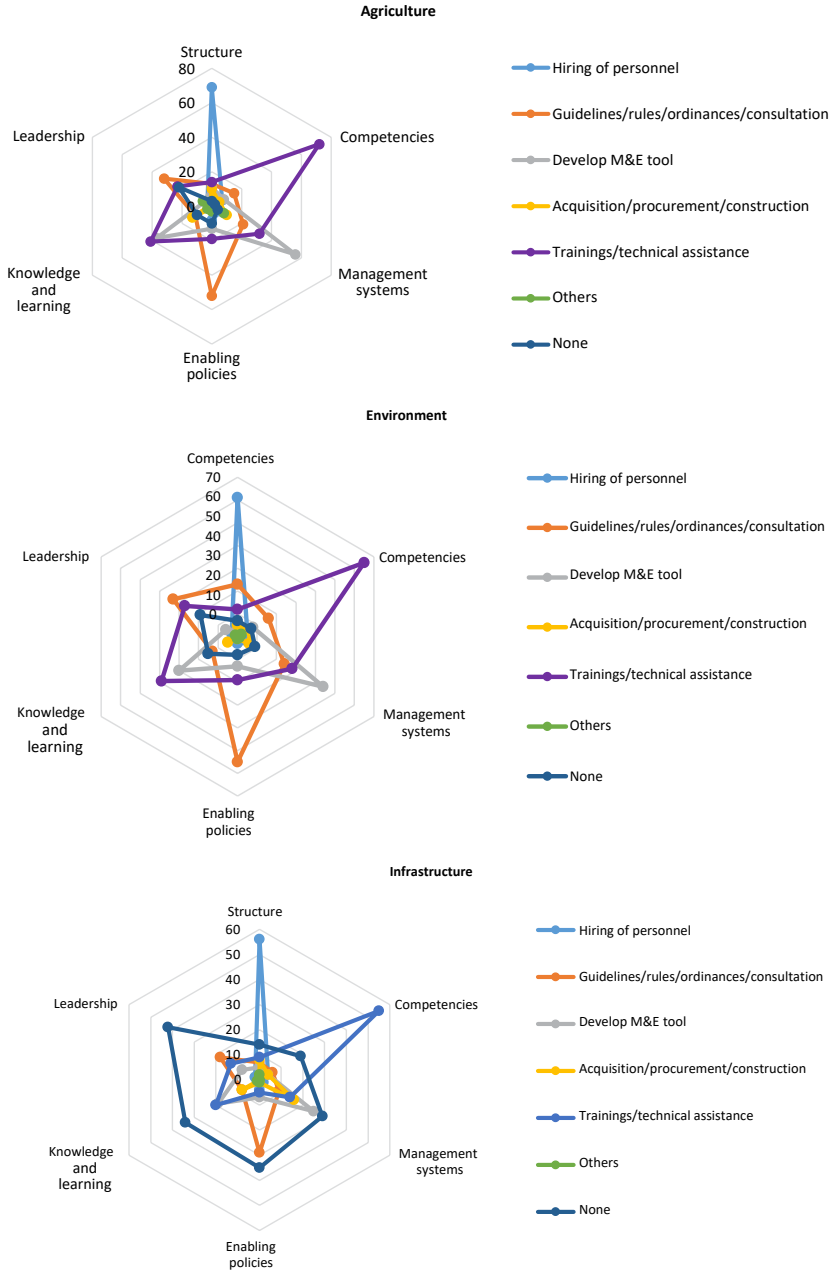


Figure 19 *(continued)*



DRRM = disaster risk reduction and mitigation; M&E = monitoring and evaluation
Source: Authors' illustration using raw data from the DTPs

Assessment of city DTPs

State and trends of devolved functions to city LGUs

The DTPs report an aggregate of around 28,000 total number of PPAs for devolution to city LGUs. The social welfare sector received the highest number of identified PPAs for devolution, followed by the health sector and agriculture sector (Tables 11 and 12). Similar to what was observed with the provincial DTPs, PPAs on disaster risk reduction received the least number of identified PPAs.

Table 11. PPA count and share per sector: Cities

Sector	Existing (Partially and Fully Assumed)	PPA Count Not Existing	Total Identified PPAs	Existing (Partially and Fully Assumed)	Percent Not Existing	Total
Social welfare	7,287	1,870	9,157	80	20	100
Health	6,321	1,251	7,572	83	17	100
Agriculture	3,106	2,000	5,106	61	39	100
Environment	1,912	839	2,751	70	30	100
Infrastructure	1,336	525	1,861	72	28	100
DRRM	1,207	87	1,294	93	7	100
Total	21,169	6,572	27,741	76	24	100

PPAs = programs, projects, and activities; DRRM = disaster risk reduction and mitigation
Source: Authors' computation using raw data from the DTPs

Table 12. Summary of partially and fully assumed PPAs: Cities

Sector	PPA Count	Percent Share
Social welfare	7,287	34
Health	6,321	30
Agriculture	3,106	15
Environment	1,912	9
DRRM	1,207	6
Infrastructure	1,336	6
Total	21,169	100

PPAs = programs, projects, and activities; DRRM = disaster risk reduction and mitigation
Source: Authors' computation using raw data from the DTPs

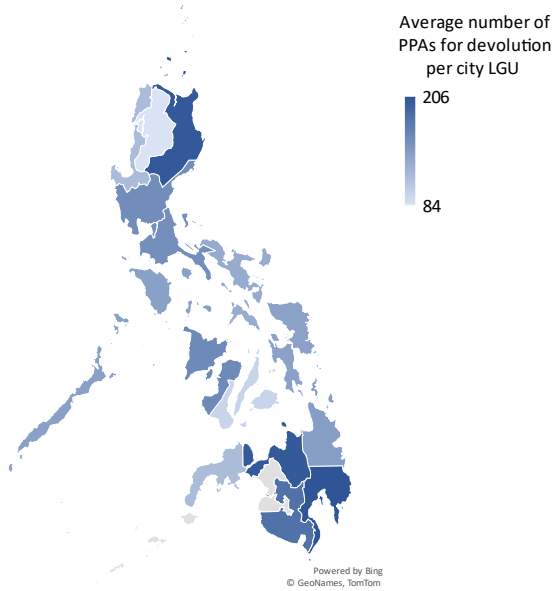
Across the 6 sectors, the city LGUs have indicated that the DRRM sector is relatively more devolved, with 93 percent of the identified PPAs already either partially or fully assumed by the LGUs (Table 11). The agriculture sector is the least devolved of the sectors, with 39 percent of identified PPAs not yet existing. The environment, infrastructure, social welfare, and health sectors follow suit, with around 17 to 30 percent of the identified PPAs for devolution not currently existing. The authors reiterate the observation that there are DTPs where the LGU only listed existing PPAs. Hence, the number of nonexisting PPAs may be understated.

For the city DTPs, there is an observable high variation in the number of existing and nonexisting PPAs across cities (Figures 20 and 21), a trend that is different from the pattern observed in the province DTPs analysis presented earlier. This is expected as there are relevant differences in the legislated mandates and devolved functions between province and city LGUs. As per Section 17 of the LGC, unlike provinces, cities also cover the services and facilities for (a) adequate communication and transportation and (b) support for education, police, and fire services and facilities.

Figures 22 and 23 present a comparison between the city IRA and the number of identified existing PPAs. Except for an outlier, Davao City, a very low correlation of 0.0617 is noted between the number of PPAs and the 2021 IRAs of cities. When using the average IRA from 2019 to 2021, the correlation is even lower at 0.0570 (Figure 23). City IRA does not appear to be a determinant of the number of PPAs the cities identify in their DTPs. This contrasts with the relationship between provincial PPAs and provincial IRAs presented in the earlier section, which showed a slightly higher correlation. The difference may be attributed to the roles and functions assigned to the provinces vis-à-vis cities. Nevertheless, the low correlations show that the number of PPAs adopted by the LGUs is less likely to be driven by the IRA. Similarly, there is a very low correlation (0.0311) between the city PPAs and the total COE in 2020 (Figure 24).[8]

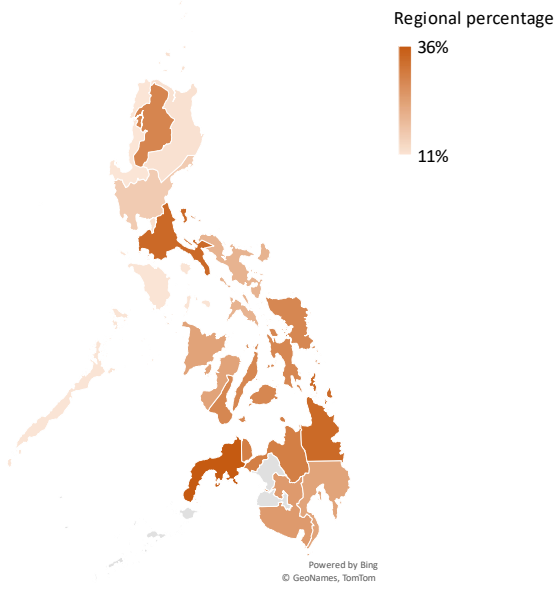
[8] To establish a narrative behind the observed trends generated from the DTP data, the study explored relationships between the devolved PPAs and related social and/or economic outcomes. The study does not intend to establish causality.

Figure 20. A comparison of the number of existing PPAs across regions: Cities



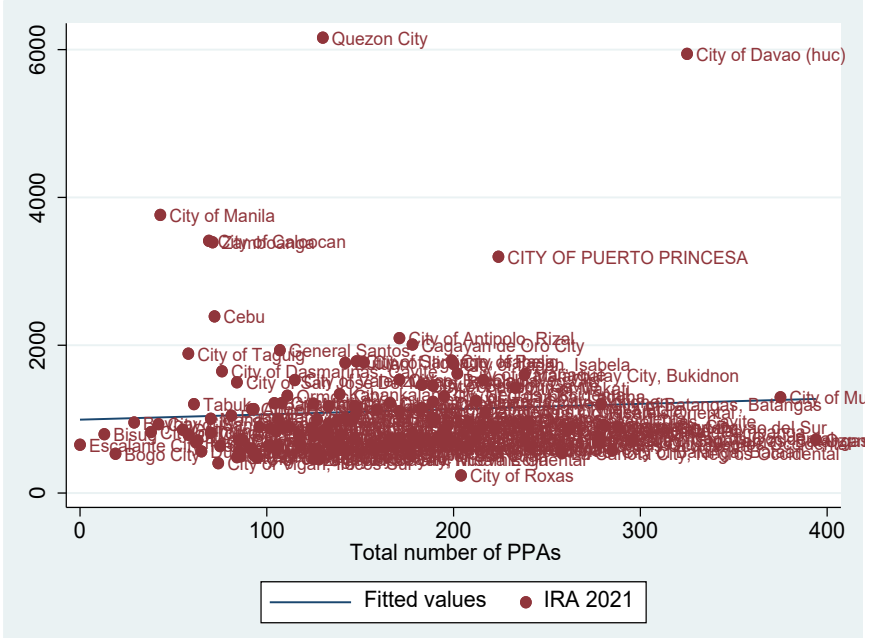
PPAs = programs, projects, and activities
Note: The graph represents partially and fully assumed PPAs.
Source: Authors' illustration using raw data from the DTPs

Figure 21. Comparison of the share of nonexisting PPAs for devolution across regions: Cities



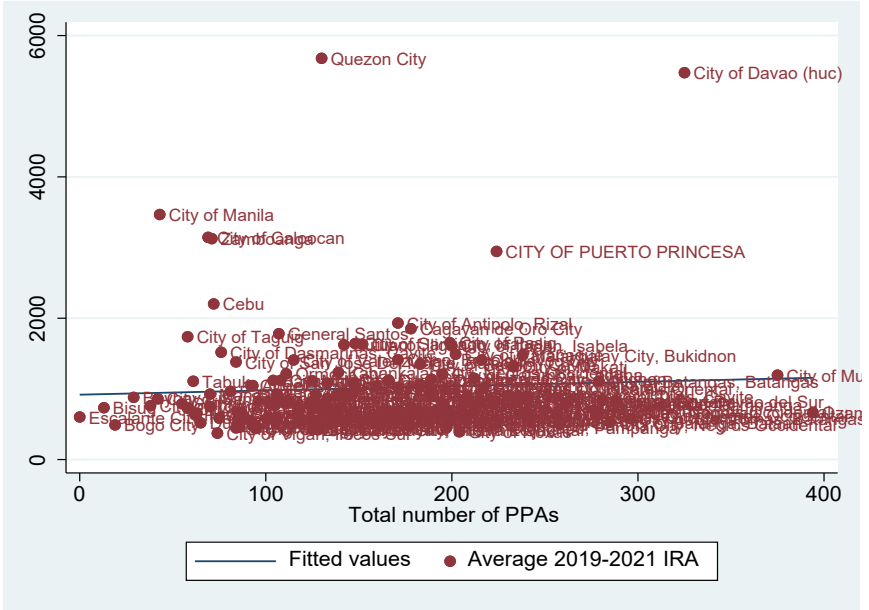
PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Figure 22. Distribution of total city PPAs with 2021 IRA



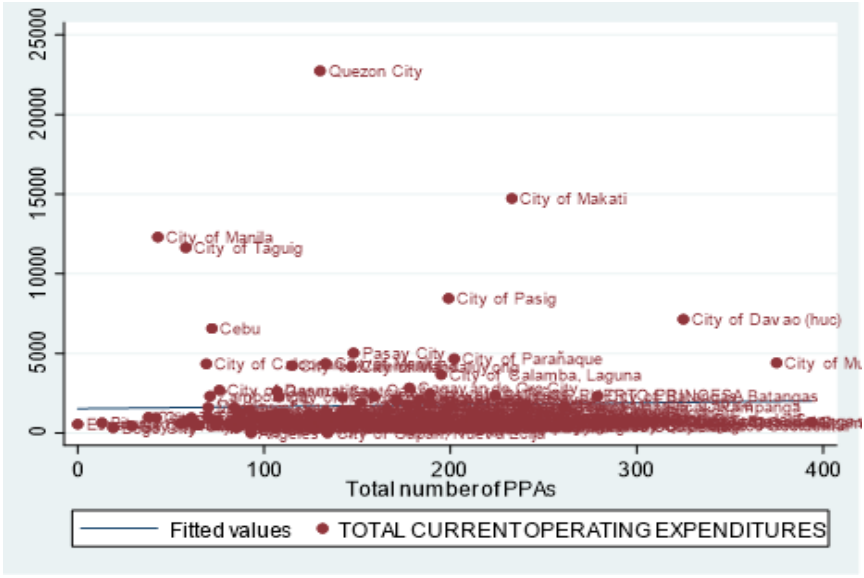
PPAs = programs, projects, and activities; IRA = Internal Revenue Allotment
Source: Authors' illustration using raw data from the DTPs; BLGF (various years)

Figure 23. Distribution of total city PPAs with 2019–2021 IRA



PPAs = programs, projects, and activities; IRA = Internal Revenue Allotment
Source: Authors' illustration using raw data from the DTPs; BLGF (various years)

Figure 24. Distribution of total city PPAs with 2020 total COE



PPAs = programs, projects, and activities; COE = current operating expenditures
Source: Authors' illustration using raw data from the DTPs; BLGF (various years)

High-capacity, high-performance cities, which comprise a little more than half of the total number of LGUs, account for 58 percent of identified existing PPAs (Tables 13 and 14). On average, low-capacity, low-performance cities reflect lower numbers of partially and fully assumed PPAs, especially for social welfare and health (Figure 25). Agriculture and environment sector functions are expected to vary according to the economic and geographical profiles of cities. Meanwhile, a lower number of existing PPAs is identified for disaster risk reduction and infrastructure across all quadrants. These trends signal the city LGUs' different prioritization of the various sectors. This implies that devolution is not a one-size-fits-all, that the implementation or rollout can be expected to differ across the cities, and that devolution plans are more effective when these accommodate nuances across LGU capacities and prioritization.

Table 13. Breakdown of partially and fully assumed PPAs based on LGU segmentation: Cities

Segment	Number of Cities	Number of PPAs	Average
Quadrant 1 (High capacity and high performance)	78	12,199	156
Quadrant 2 (Low capacity and high performance)	16	2,324	145
Quadrant 3 (Low capacity and low performance)	31	4,049	131
Quadrant 4 (High capacity and low performance)	17	2,597	153
	142	21,169	149

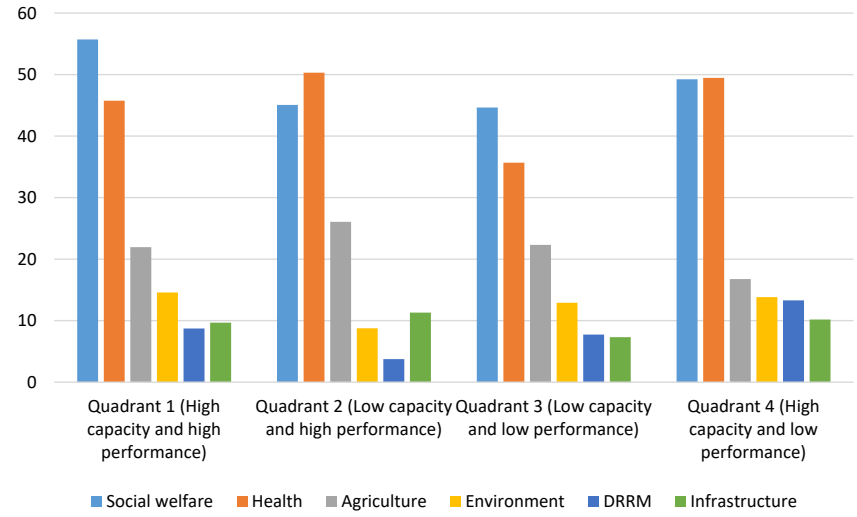
PPAs = programs, projects, and activities; LGU = local government unit
Source: Authors' computation using raw data from the DTPs

Table 14. Breakdown of partially and fully assumed PPAs per sector based on LGU segmentation (count): Cities

Segment	Social Welfare	Health	Agriculture	Environment	DRRM	Infrastructure	Total
Quadrant 1 (High capacity and high performance)	4,345	3,569	1,712	1,137	681	755	12,199
Quadrant 2 (Low capacity and high performance)	721	805	417	140	60	181	2,324
Quadrant 3 (Low capacity and low performance)	1,384	1,106	692	400	240	227	4,049
Quadrant 4 (High capacity and low performance)	837	841	285	235	226	173	2,597
	7,287	6,321	3,106	1,912	1,207	1,336	21,169

PPAs = programs, projects, and activities; LGU = local government unit
Source: Authors' computation using raw data from the DTPs

Figure 25. Average number of existing PPAs identified per sector per city LGU segment



PPAs = programs, projects, and activities; LGU = local government unit; DRRM = disaster risk reduction and mitigation
Source: Authors' illustration using raw data from the DTPs

Table 15 presents the breakdown of PPAs per sectoral function. A high share of identified functions signals the prioritization of certain functions over others. For social welfare, the priority functions are services for women, the elderly, and persons with disabilities (PWDs), as well as child and youth programs. For health, these are disease control, nutrition and family planning. For agriculture, the focus is on the dispersal of livestock and poultry, fingerlings, and breeding stations. For the environment, it is the solid waste disposal system. For DRRM, all three functions of preparedness, rehabilitation and recovery, and prevention and mitigation are equally identified. Finally, for infrastructure, the priorities are education-related infrastructure, as well as city roads and bridges.

A quick examination allows for an evaluation of whether the identified existing PPAs align with (i) government priorities at the national level and (ii) the needs of counterpart constituents. This alignment could be facilitated by a comparison with the national agenda of the

Table 15. Breakdown of NGA functions for devolution: Cities

Function	Count	Share of Total
Social welfare		
Social welfare services including welfare programs for women, the elderly, and persons with disabilities	2,316	32%
Social welfare services including child and youth programs	1,992	27%
Social welfare services including family and community programs	1,294	18%
Livelihood and other pro-poor projects	950	13%
Community-based rehabilitation for vagrants, beggars, street children, and juvenile delinquents	735	10%
Subtotal	7,287	100%
Health		
Communicable and noncommunicable disease control services	1,595	25%
Nutrition services and family planning services	1,594	25%
Primary health care	938	15%
Maternal and child care	861	14%
Purchase of medicines, medical supplies, and equipment needed to carry out the services herein enumerated	550	9%
Access to secondary and tertiary health services	356	6%
Rehabilitation programs for victims of drug abuse	292	5%
Clinics, health centers, and other health facilities necessary to carry out health services (infrastructure)	135	2%
Subtotal	6,321	100%
Agriculture		
Dispersal of livestock and poultry, fingerlings, and other seedling operations of demonstration farms	1,911	62%
Improvement of local distribution channels	444	14%
Enforcement of fishery laws	396	13%
Interbarangay irrigation systems	262	8%
Fish ports	93	3%
Subtotal	3,106	100%

Table 15 *(continued)*

Function	Count	Share of Total
Environment		
Solid waste disposal system or environmental management system	1,243	65%
Establishment of tree parks, greenbelts, and similar forest development projects	326	17%
Implementation of community-based forestry projects, which include integrated social forestry programs and similar projects	205	11%
Management and control of communal forests with an area not exceeding 50 square kilometers	138	7%
Subtotal	1,912	100%
DRRM		
Preparedness	414	34%
Rehabilitation and recovery	399	33%
Prevention and mitigation	394	33%
Subtotal	1,207	100%
Infrastructure		
Education-related infrastructure	396	30%
Municipal/city roads and bridges	366	27%
Seawall, dikes, drainage and sewerage	149	11%
Rainwater collectors and water supply system	147	11%
Facilities related to general hygiene and sanitation	104	8%
Small water impounding and other similar projects	89	7%
Flood control	85	6%
Subtotal	1,336	100%

NGA = national government agency; DRRM = disaster risk reduction and mitigation
Note: Count refers to the number of existing PPAs identified by the LGUs for each function
Source: Authors' computation using raw data from the DTPs

NGAs and the national government, such as the *Philippine Development Plan 2023-2028*. It would also improve the devolution implementation by ensuring an alignment between the LGU and NGA DTPs. However, among the sectors included in this study, only the Department of Health (DOH) and POPCOM have approved DTPs at the time of writing this review. Finally, consultations with constituent counterparts and civil

service organizations can help improve the alignment of devolution priorities with needs on the ground.

A different trend is observed from the city DTPs compared to the province DTPs in terms of variation and sectoral priorities. The succeeding sections present a mapping of the regional average of the number of PPAs per city and sector. On average, there are large variations across regions attributable to unique regional characteristics and priorities. Recall that in the mapping of the province DTP PPAs, one constant observation is the over-identification of functions by provincial LGUs in Ilocos Region, Cagayan Valley, and Central Luzon across the different sectors. In the cities analysis, this is not an observable trend.

City social welfare sector

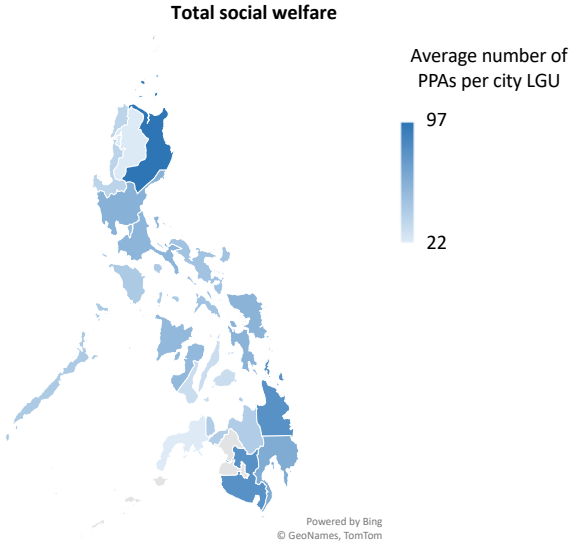
The social welfare sector has the largest number of existing PPAs based on city LGU DTPs. Identified PPAs are categorized into the following main social welfare services: (i) child and youth programs; (ii) family and community programs; (iii) welfare programs for women, elderly, and PWDs; (iv) community-based rehabilitation for vagrants, beggars, street children, and juvenile delinquents; and (v) livelihood and other pro-poor projects. City LGUs from Cagayan Valley, SOCCSKSARGEN, and Caraga have identified the most PPAs for devolution, while Zamboanga Peninsula and CAR have the least (Figure 26).

The mapping of social services PPAs per function across regions reveals different sectoral priorities based on the number of identified existing PPAs across the different regions (Figure 27). For child and youth programs, Cagayan Valley has identified the most number of PPAs on average. For family and community programs, cities from Caraga identified the most PPAs. The programs for women, the elderly, and PWDs are in Cagayan Valley and Caraga. For livelihood projects, a high number of PPAs were seen in the MIMAROPA, Cagayan Valley, and Central Luzon areas. Meanwhile, community-based rehabilitation is the least identified social welfare function, with SOCCSKSARGEN as an outlier.

City health sector

The health sector has the second-largest number of city LGU PPAs for devolution. Cities in Northern Mindanao stand out with the

Figure 26. Comparison of the number of existing PPAs for social services: Cities



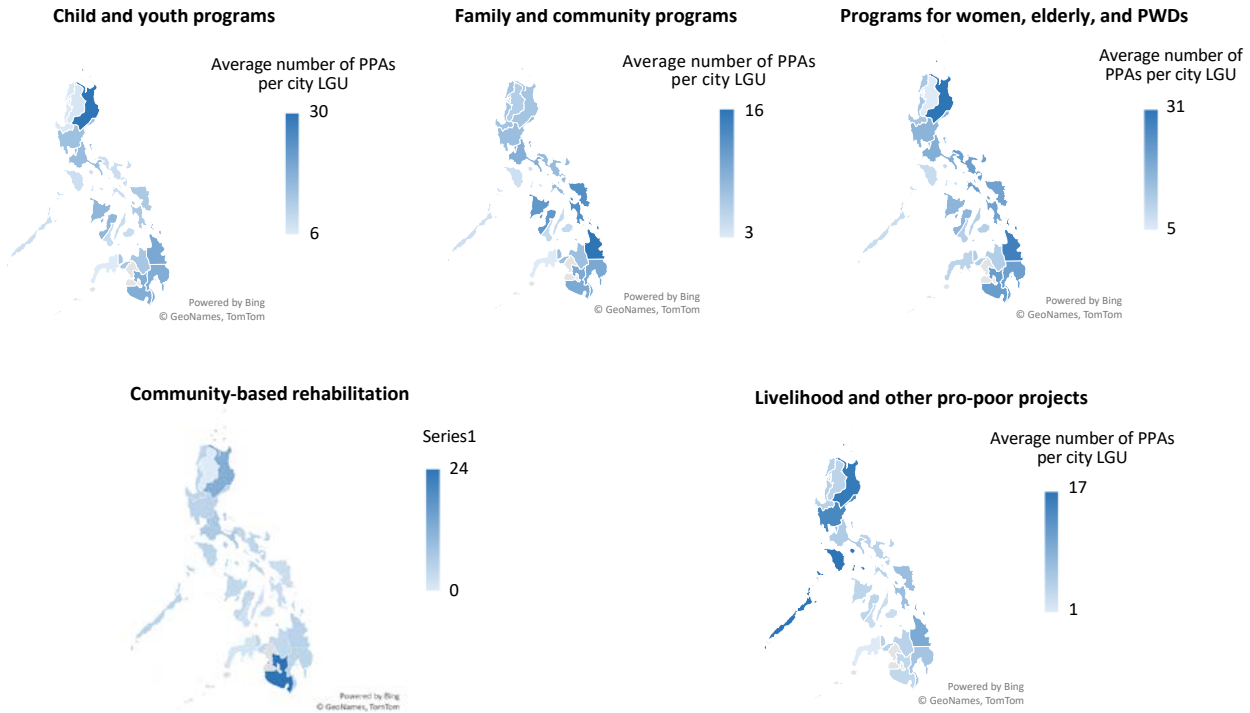
PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

highest number of identified PPAs (Figure 28), followed by cities in the Davao Region and the National Capital Region (NCR). A low negative (-0.0988) correlation is observed between the number of PPAs and the 2020 population density (Figure 29).[9]

Devolved health sector functions encompass a wider range of services for city LGUs than provincial LGUs. Specifically, these functions include (i) primary health care; (ii) maternal and child care; (iii) communicable and noncommunicable disease control services; (iv) access to secondary and tertiary health services; (v) purchase of medicines, medical supplies, and equipment needed for the enumerated services; (vi) rehabilitation programs for victims of drug abuse; (vii) nutrition and family planning services; and (viii) clinics, health centers, and other necessary health facilities.

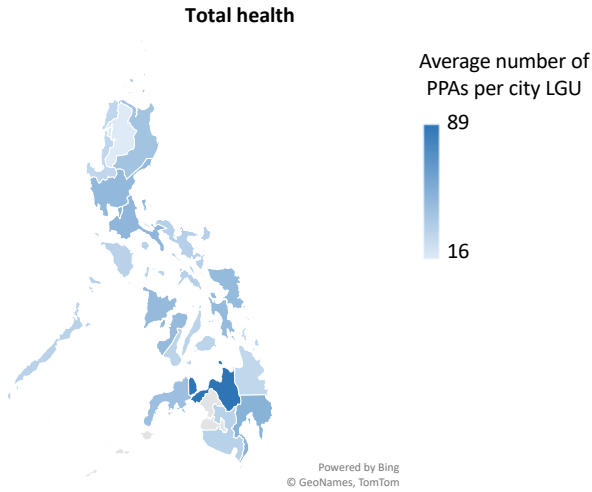
[9] To establish a narrative behind the observed trends generated from the DTP data, the study explored relationships between the devolved PPAs and related social and/or economic outcomes. The study does not intend to establish causality.

Figure 27. Comparison of the number of existing PPAs per function for social services: Cities



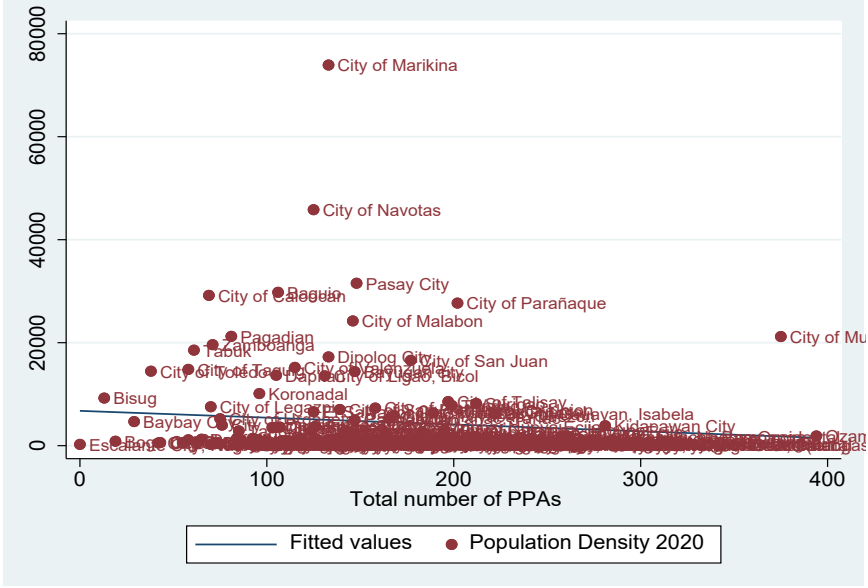
PPAs = programs, projects, and activities; LGU = local government unit; PWD = persons with disability
Source: Authors' illustration using raw data from the DTPs

Figure 28. Comparison of the number of existing PPAs for the health sector: Cities



PPAs = programs, projects, and activities; LGU = local government unit
Source: Authors' illustration using raw data from the DTPs

Figure 29. Distribution of total city PPAs with 2020 population density



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs; PSA (2021)

The data also indicate a wide variation in different health functions (Figure 30). Cities in the Mindanao regions have a high number of PPAs for primary health, maternal and child care, and secondary and tertiary health services. For disease control, regions with highly dense cities, such as Central Luzon, Northern Mindanao, Davao Region, and NCR, have identified the most PPAs. For nutrition and family planning services, CALABARZON and Northern Mindanao show high numbers of PPAs. A high number of PPAs is also observed among cities in Cagayan Valley, Northern Mindanao, and Davao Region. Finally, the devolution of clinics, health centers, and other health facilities was the least identified function, with Davao Region and CALABARZON as outliers.

City agriculture sector

Regional disparities in the presence and significance of the agriculture sector are expected to influence the prioritization of city LGUs for agriculture-related functions. By mapping the overall count of agricultural functions, the highest number of identified PPAs is observed in cities in Davao Region, Northern Mindanao, and SOCCSKSARGEN (i.e., mostly in Mindanao), followed by cities in Northern Luzon (Figure 31).

Agricultural functions for city LGUs are classified as (i) dispersal of livestock and poultry, fingerlings, and other seedling operation of demonstration farms; (ii) improvement of local distribution channels; (iii) interbarangay irrigation systems; (iv) enforcement of fishery laws; and (v) fish ports. Mapping of the different functions also reveals different priority areas for the various agricultural cities (Figure 32). Most cities have identified a high number of PPAs for the dispersal of livestock and poultry, fingerlings, and other seedling operations of demonstration farms, with the highest numbers in Davao Region, SOCCSKSARGEN, and Northern Mindanao. Meanwhile, there is less variation in PPAs for local distribution channels, indicating it is a common need across agricultural cities. There is also less variation in PPAs for irrigation systems, with the highest number seen in Cagayan Valley. This is evident in the enforcement of fisheries laws in Zamboanga Peninsula and SOCCSKSARGEN. The last function involving fish ports has the least identified PPAs for devolution, with Cagayan Valley as an outlier.

Figure 30. Comparison of the number of existing PPAs for the health sector per function: Cities

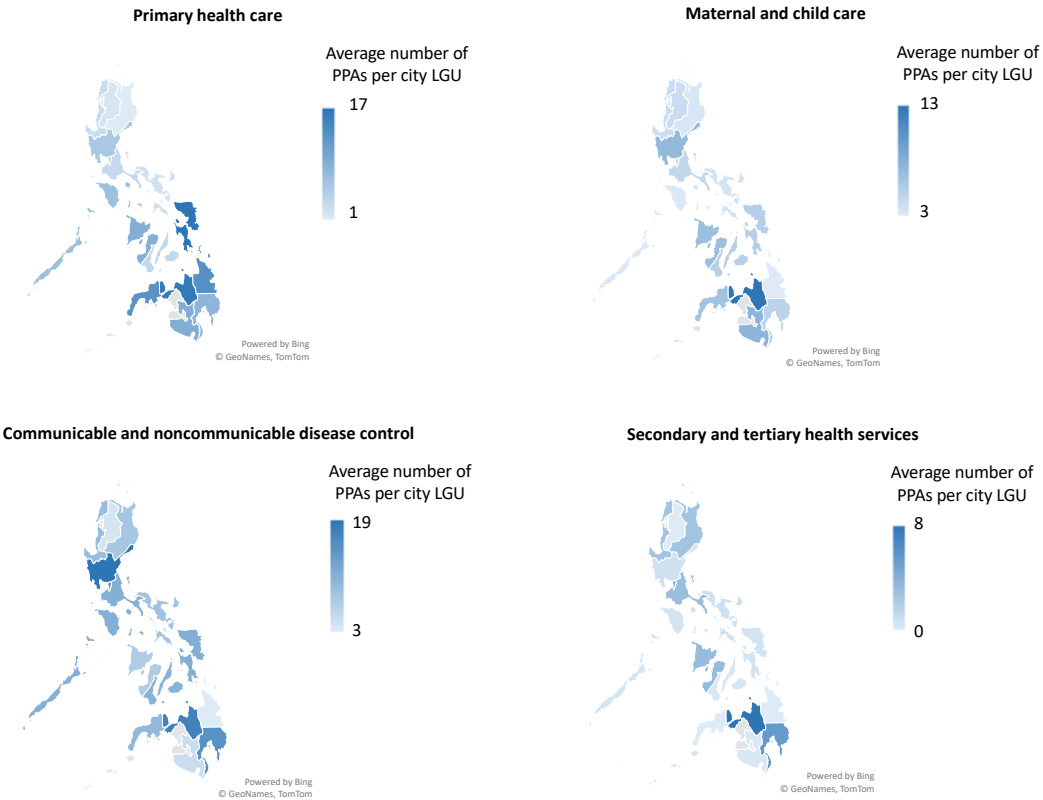
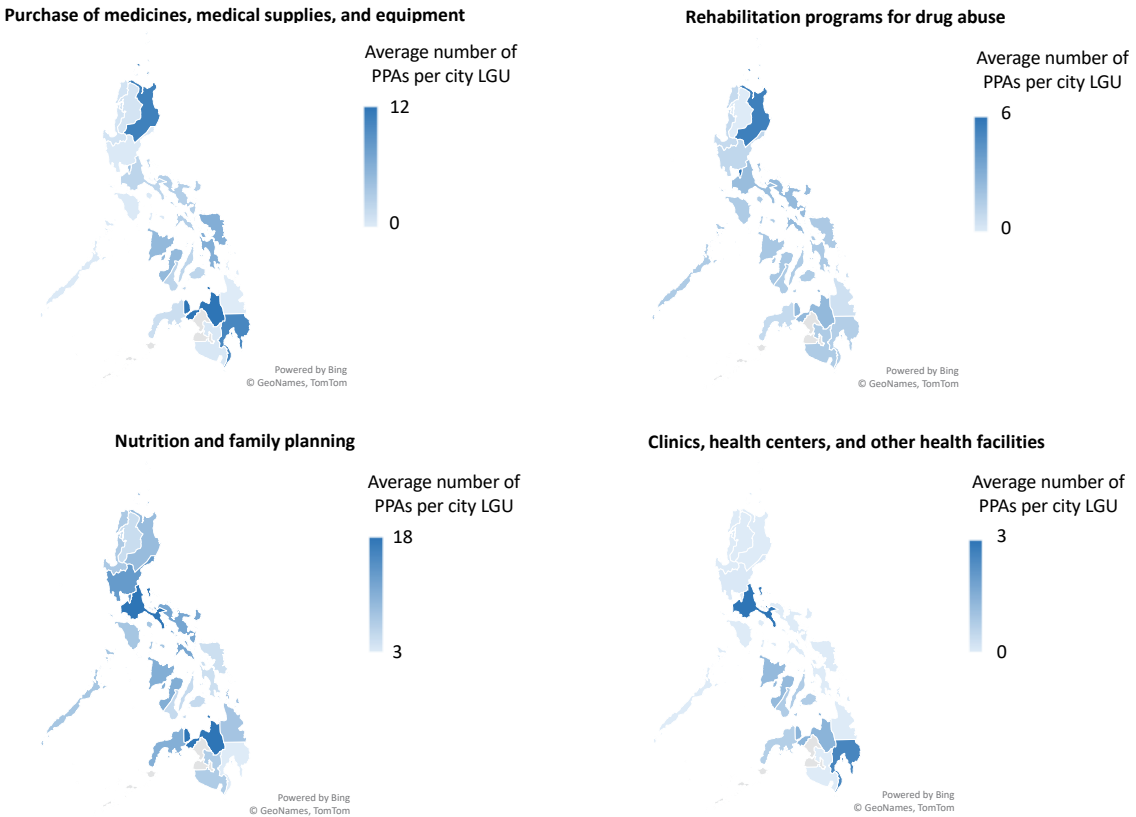
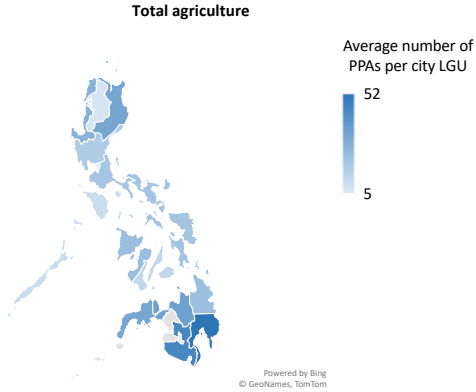


Figure 30 *(continued)*



PPAs = programs, projects, and activities; LGU = local government unit
Source: Authors' illustration using raw data from the DTPs

Figure 31. Comparison of the number of existing PPAs for the agriculture sector: Cities



PPAs = programs, projects, and activities; LGU = local government unit
Source: Authors' illustration using raw data from the DTPs

City environment sector

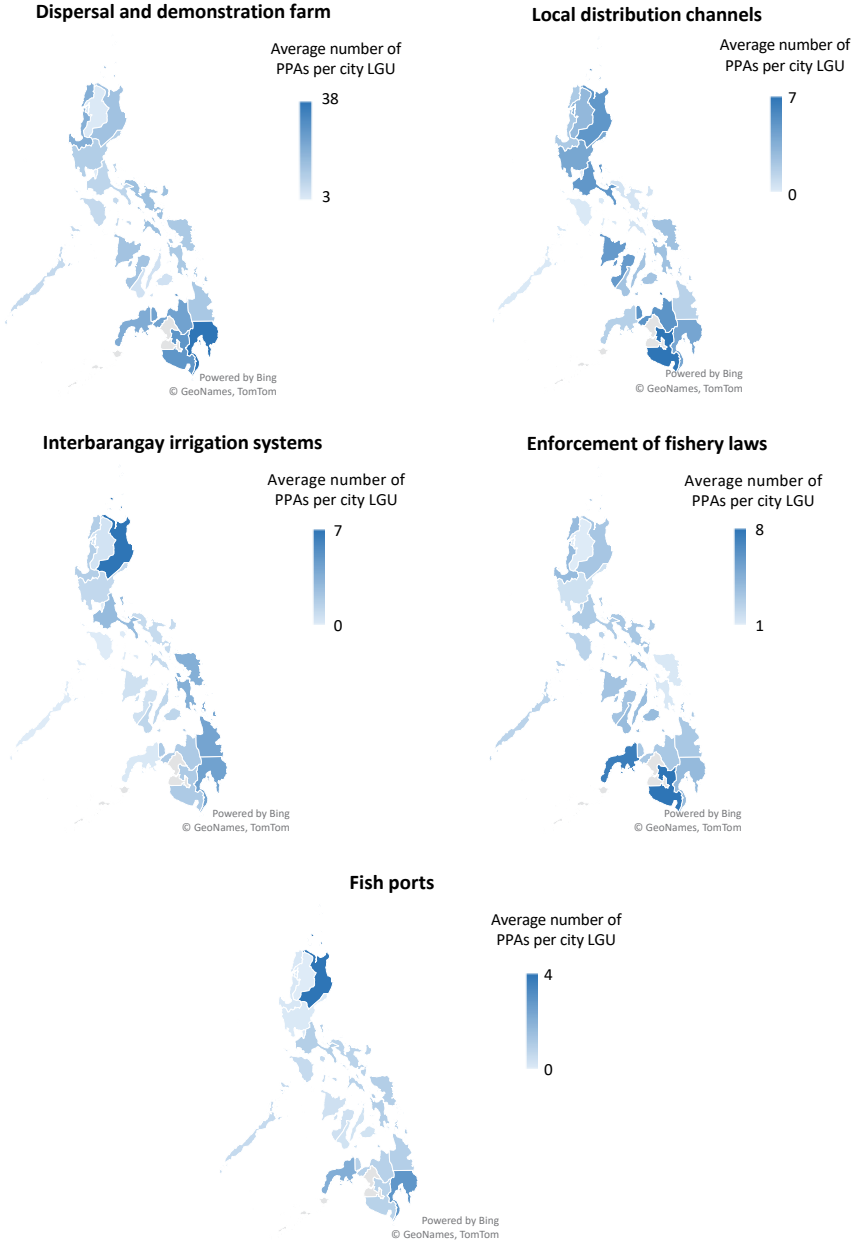
Environment sector PPAs for cities are categorized as (i) implementation of community-based forestry projects, including integrated social forestry programs and similar projects; (ii) management and control of communal forests with an area not exceeding 50 square kilometers; (iii) establishment of tree parks, greenbelts, and similar forest development projects; and (iv) solid waste disposal systems or environmental management systems.

Among the city LGUs, the highest number of PPAs is identified for solid waste disposal, with the highest coming from NCR, Central Luzon, CALABARZON, Davao Region, MIMAROPA, and Cagayan Valley. Meanwhile, forest-related PPAs have the highest numbers in cities from CAR, MIMAROPA, Zamboanga Peninsula, Davao Region, Bicol Region, and SOCCSKSARGEN (Figure 33).

City disaster risk reduction and monitoring

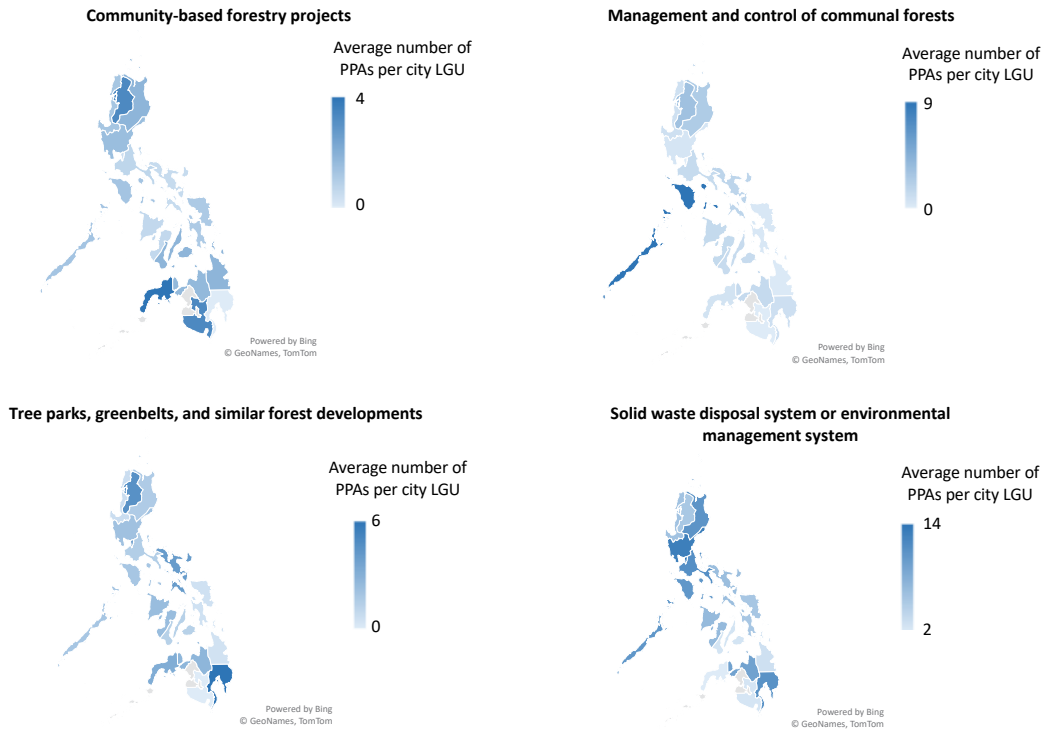
For DRRM, the functions are categorized as follows: (i) prevention and mitigation, (ii) disaster preparedness, and (iii) rehabilitation and recovery. Among the city DPs, DRRM functions have the least number of identified PPAs. The highest numbers of PPAs have been identified

Figure 32. Comparison of the number of existing PPAs for the agriculture sector per function: Cities



PPAs = programs, projects, and activities; LGU = local government unit
Source: Authors' illustration using raw data from the DTPs

Figure 33. Comparison of the number of existing PPAs for the environment sector per function: Cities



PPAs = programs, projects, and activities; LGU = local government unit
Source: Authors' illustration using raw data from the DTPs

by cities from MIMAROPA, NCR, and Western Visayas (Figure 34). In contrast, Zamboanga Peninsula, Davao Region, and Caraga have not identified any DRRM functions for devolution (Figure 34).

City infrastructure

Infrastructure PPAs for cities are categorized into (i) education-related buildings and facilities (e.g., school buildings and other facilities for public elementary schools, school buildings and other facilities for public secondary schools, information services, including the maintenance of public libraries); (ii) city roads and bridges; (iii) small water impounding and other similar projects; (iv) rainwater collectors and water supply systems; (v) seawalls, dikes, drainage, and sewerage; (vi) flood control; and (vii) facilities related to general hygiene and sanitation.

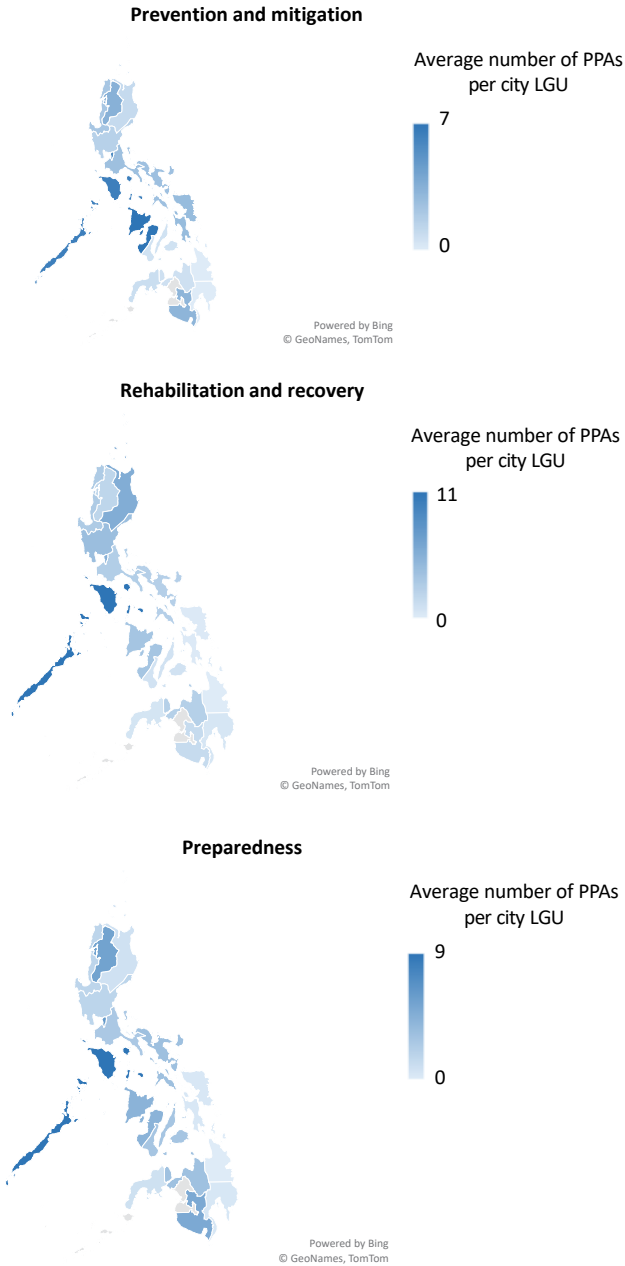
Education-related facilities and city roads and bridges have the highest number of identified PPAs for infrastructure functions. Education-related facilities are especially prevalent in the NCR, Western Visayas, and MIMAROPA city DTPs, while city roads and bridges are prioritized in the Northern Mindanao and Davao Region city DTPs (Figure 35). The remaining functions can be grouped as water-related infrastructure (water supply, drainage, sewerage, flood control, and hygiene and sanitation). Cities from Davao Region have the highest number of water collection or water system PPAs. Meanwhile, seawalls and dikes PPAs are evident in coastal cities (Figure 35). Finally, flood control and hygiene and sanitation are the least identified functions (Figure 35).

Phasing and nature of devolved city PPAs

City LGUs have indicated in their respective DTPs the projected year of completion for the full devolution of different sectoral functions. This paper evaluates whether the target of full devolution in the year 2024, as defined in EO 138, is achievable based on LGUs' self-assessment. In this section, the calculated completion rates per sectoral function equivalent to the share in the number of cities that have assumed full devolution of the functions in the years 2022–2024 and beyond, if any, are presented (Figure 36).[10]

[10] For example, a completion rate of 50 percent in 2022 for function *x* would mean that half of the city LGUs have fully devolved the PPAs for function *x* in that year.

Figure 34. Comparison of the number of existing PPAs for the DRRM per function: Cities



PPAs = programs, projects, and activities; LGU = local government unit
Source: Authors' illustration using raw data from the DTPs

Figure 35. Comparison of the number of existing PPAs for infrastructure per function: Cities

PPAs = programs, projects, and activities; LGU = local government unit
Source: Authors' illustration using raw data from the DTPs

Figure 36. Cumulative share of cities with expected fully devolved functions

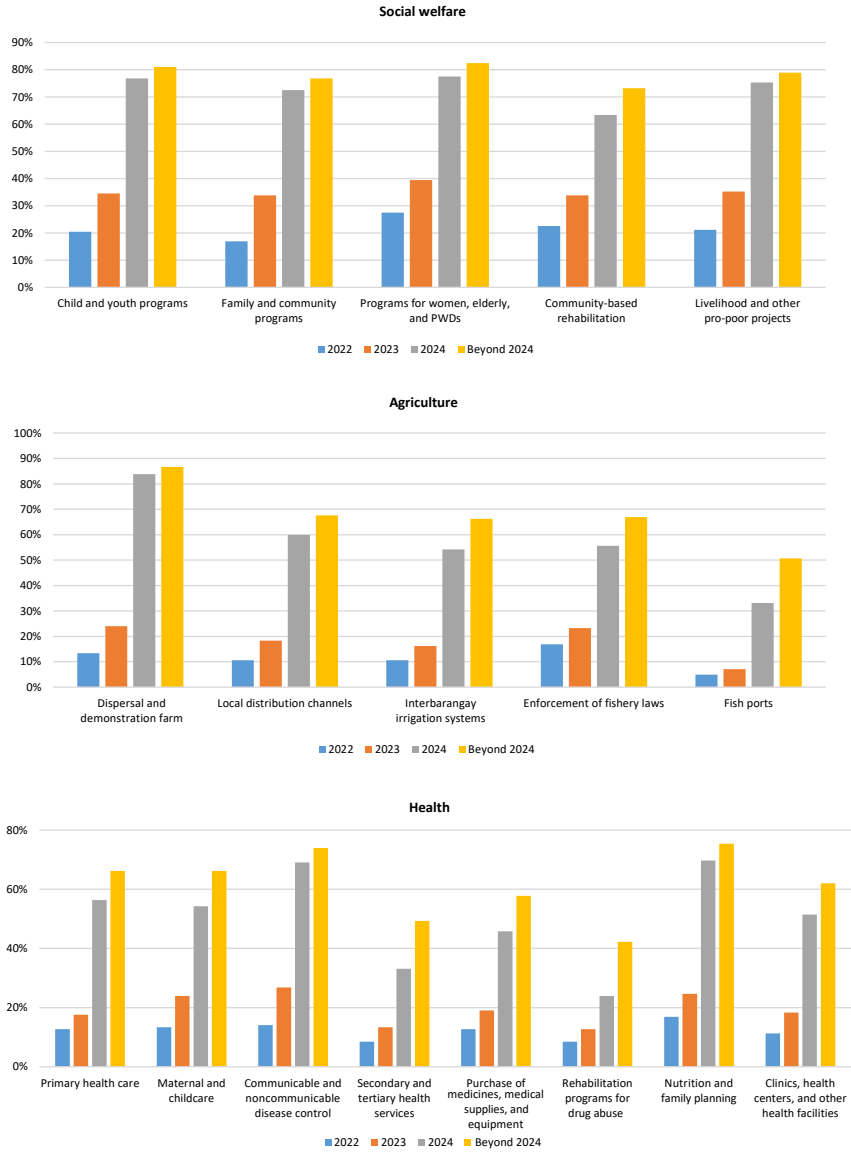
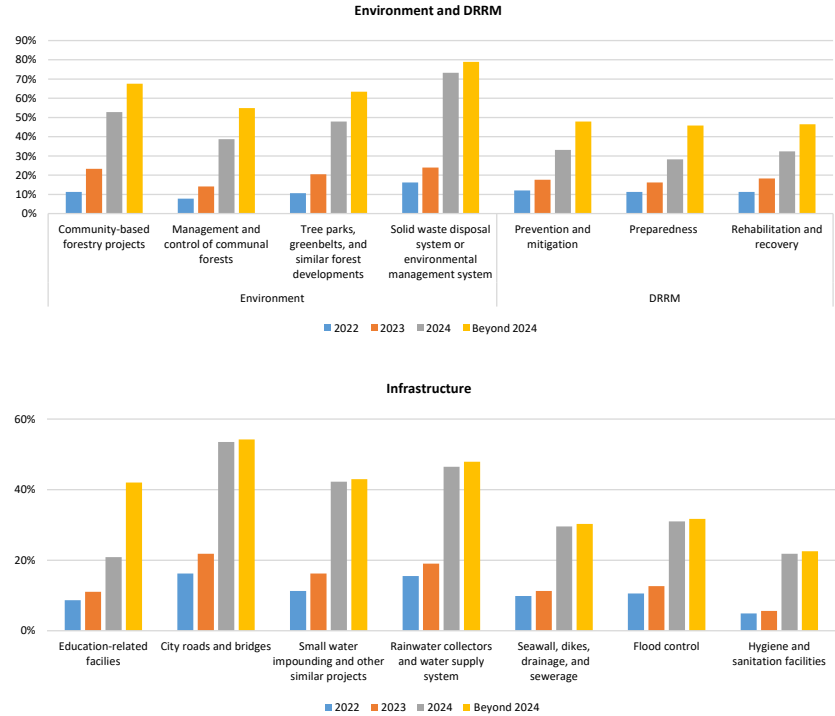


Figure 36 *(continued)*



PWD = persons with disability; DRRM = disaster risk reduction and mitigation
Source: Authors' illustration using raw data from the DTPs

The same observations in the provincial DTPs analysis are made for the projected completion rates indicated in the city LGU DTPs. First, none of the functions are projected to be 100 percent devolved to LGUs by the end of 2024 or beyond. A completion rate of less than 100 percent in the period "beyond 2024" means that for certain PPAs or functions, the LGU was not able to provide an estimated completion date. An average completion rate of only 20 percent is observed for the end of 2023. This means that by the end of 2023, only 20 percent of the city LGUs will have fully devolved functions. Similar to the findings of the province DTPs, there is a jump in the completion rate by the end of 2024, as it is the mandated target set by the national government. This once again raises the question of attainability and whether the 2024 target is realistic.

By the end of 2024, the average completion rate by sector is as follows: social welfare functions fully devolved in 73 percent of the cities; health, 45 percent; agriculture, 57 percent; environment, 44 percent; and infrastructure, 35 percent. Overall, data from the city DTPs reveal that only 51 percent of city LGUs project to have fully devolved functions by the end of 2024. Only 60 percent of LGUs are projected to fully devolve these functions beyond 2024. A dearth of information regarding forecast completion rates from the city DTPs is observed, with about 40 percent of functions having missing completion dates.

Needed interventions by city LGUs

Capacity development requirements appear to be consistent across the six sectors and cities (Figure 37). Similarities with the interventions identified in provincial DTPs are noted, including the immediate need for personnel hiring (light blue line), supported by the orientation of guidelines, resolutions, and ordinances on devolved functions (orange line), which also strengthen the enabling policies pillar. The next commonly identified requirement is the development of monitoring and evaluation tools (gray line).

Similar to the provincial DTPs, fewer cities identified the acquisition and procurement of equipment and construction of facilities as a necessary intervention for devolution (yellow line). Additionally, the city DTPs have a limited list of capacity development requirements for the devolution of DRRM and infrastructure functions. For these sectors, more than 50 percent of DTPs indicate "None" or no needed interventions. This raises questions about whether an adequate capacity assessment was conducted by city LGUs in their DTPs.

Assessment of municipal DTPs

State and trends of devolved functions to municipal LGUs

From the sample of 300 municipal DTPs, an aggregate of around 56,000 PPAs is reported for devolution to municipal LGUs. When it comes to shares, a similar pattern with the city DTPs is observed, where the social welfare and health sectors receive the highest shares, accounting for more than half of the total (Tables 16 and 17). The agriculture sector comes next, at 15 percent. The infrastructure, disaster risk reduction, and environment sectors have the fewest number of identified PPAs.

Figure 37. Capacity development interventions per sector: Cities

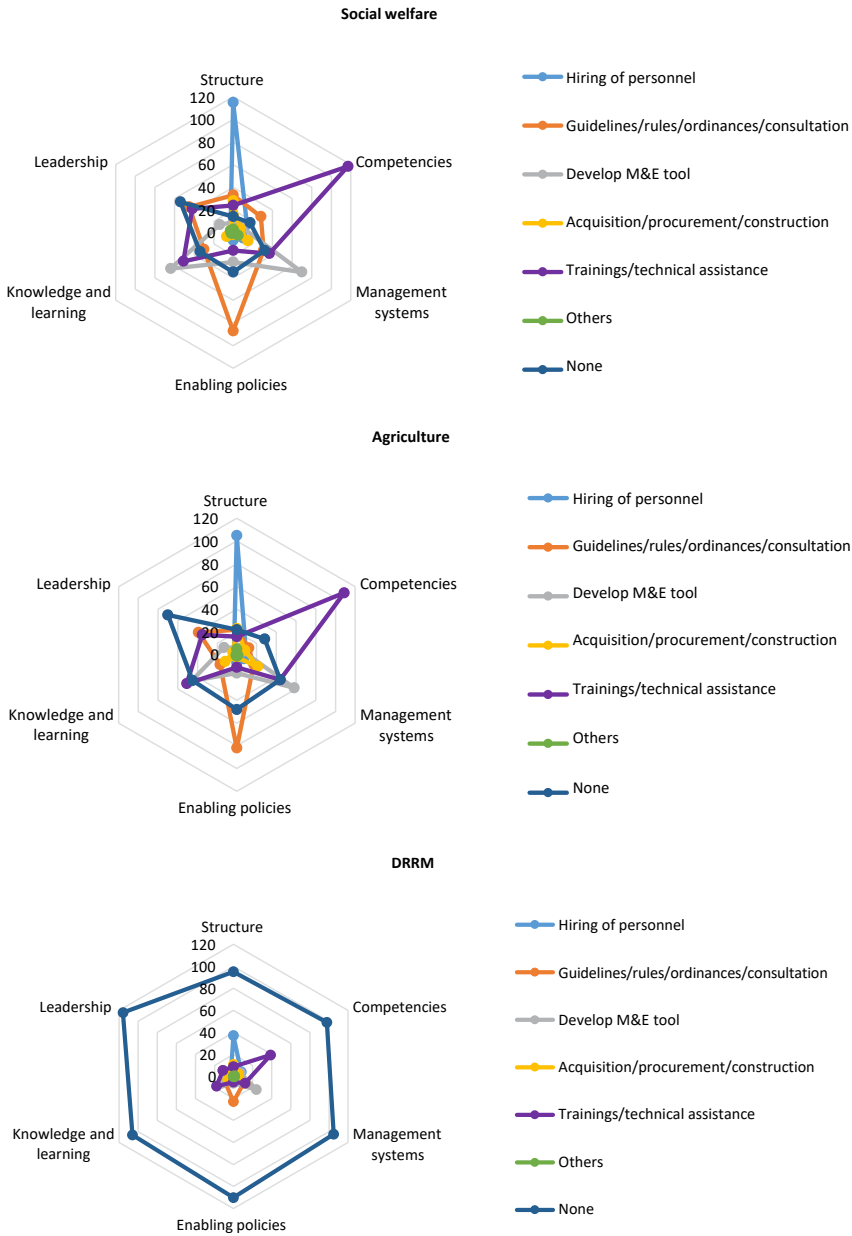
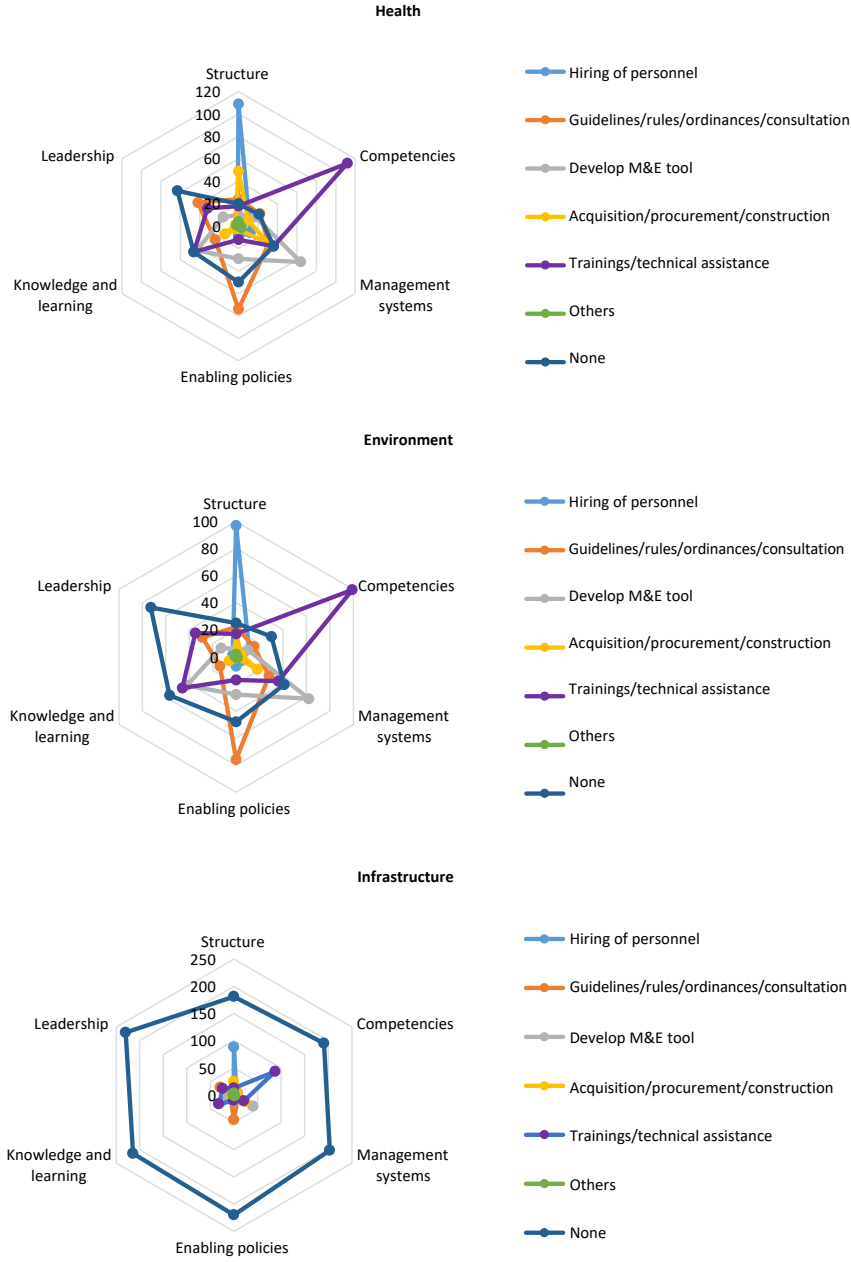


Figure 37 *(continued)*



DRRM = disaster risk reduction and mitigation; M&E = monitoring and evaluation
Source: Authors' illustration using raw data from the DTPs

Across the six sectors, agriculture and environment are the least devolved, with more than 50 percent of the identified PPAs for devolution still not existing. The infrastructure and social welfare sectors follow, with more than 30 percent nonexisting PPAs. The health and DRRM sectors are the most devolved (Table 16). It is worth noting that data on nonexisting PPAs are incomplete, so the total number of nonexisting PPAs may be underestimated.

Table 16. PPA count and share per sector per municipal LGU

Sectors	PPA Count			Percent		
	Existing (Partially and Fully Assumed)	Not Existing	Total Identified PPAs	Existing (Partially and Fully Assumed)	Not Existing	Total
Social welfare	11,442	5,284	16,726	68	32	100
Health	10,362	3,564	13,926	74	26	100
Agriculture	5,075	7,319	12,394	41	59	100
Environment	2,307	3,230	5,537	42	58	100
Infrastructure	2,157	1,927	4,084	53	47	100
DRRM	2,273	603	2,876	79	21	100
Total	33,616	21,927	55,543	61	39	100

PPAs = programs, projects, and activities; LGU = local government unit ; DRRM = disaster risk reduction and mitigation
Source: Authors' computation using raw data from the DTPs

Table 17. Partially and fully assumed PPAs: Municipalities

	PPA Count	Percent Share
Social welfare	11,442	34%
Health	10,362	31%
Agriculture	5,075	15%
Environment	2,307	7%
DRRM	2,273	7%
Infrastructure	2,157	6%
Total	33,616	100%

PPAs = programs, projects, and activities; DRRM = disaster risk reduction and mitigation
Source: Authors' computation using raw data from the DTPs

Comparing the average number of existing PPAs across municipalities and the shares of nonexisting PPAs reveals a different pattern from the provincial and city DTPs, suggesting that a modified approach can be helpful in the rollout of devolved functions across province, city, and municipal LGUs (Figures 38 and 39).

In this study, the relationship between IRA and the number of PPAs is assessed and a low correlation of 0.0575 is observed, suggesting a weak relationship between the two (Figure 40). The relationship between the 2020 total COE and the municipal PPAs (Figure 41) is also weak, with a correlation coefficient of 0.0939.[11]

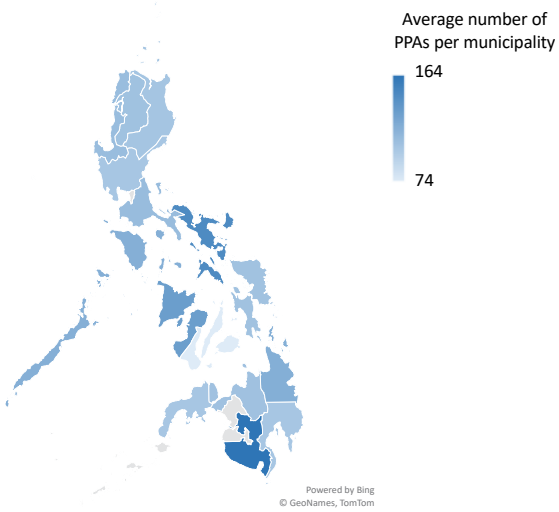
The average of the total number of PPAs across municipal LGUs segmented by capacity is likewise compared (Figure 42). On average, a little variation across the four segments is noted (Table 18). From a sectoral perspective, it is observed that municipalities in Quadrant 2 (low capacity, high performance) and Quadrant 4 (high capacity, low performance) have identified the most number of existing PPAs, unlike what is observed in both provincial and city DTPs (Table 19).

Across the different municipality segments, there is an observable emphasis on devolved functions for social welfare and health, which mirrors the trend seen in city DTPs. However, when it comes to identification, there is less emphasis on environment, DRRM, and infrastructure compared to other sectors. This highlights two implications. First, municipal LGUs are well-informed and knowledgeable about social welfare and health functions. Second, there is a need for greater sectoral coordination and guidance for environment, DRRM, and infrastructure, as they are also cross-cutting sectors.

Table 20 provides a list of specific functions that municipal LGUs have identified for devolution in their DTPs. Similar to city DTPs, the same priority functions for most sectors are observed. For instance, the priority functions under social welfare include services for women, the elderly, and PWDs, as well as child and youth programs. For health, these functions include disease control, nutrition, and family planning. Dispersal of livestock and poultry, fingerlings, and breeding stations are the functions prioritized for the agriculture sector. The solid waste

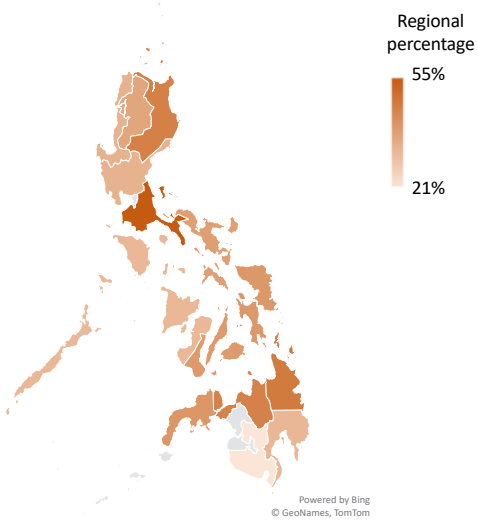
[11] To establish a narrative behind the observed trends generated from the DTP data, the study explores relationships between the devolved PPAs and related social and/or economic outcomes. However, it is important to note that this study does not attempt to establish causality.

Figure 38. Comparison of the number of existing PPAs across municipalities



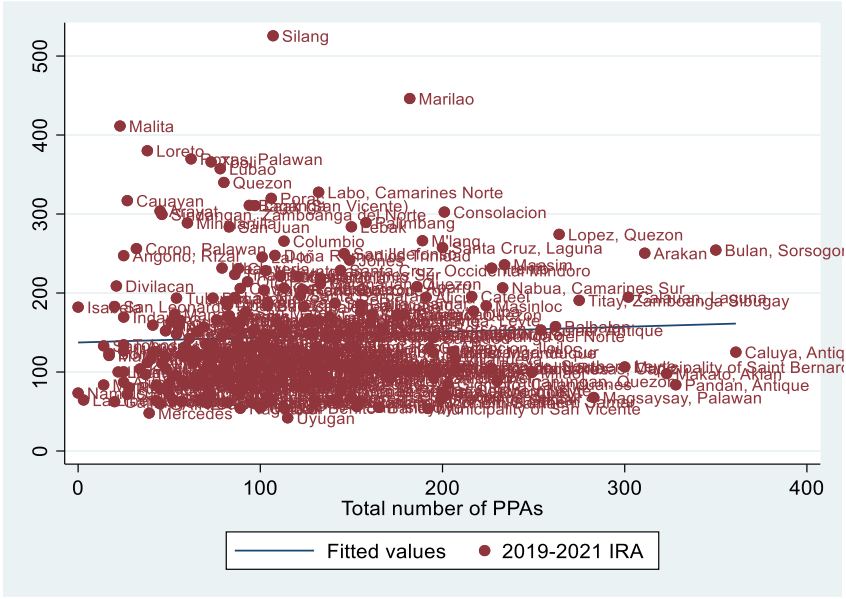
PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Figure 39. Comparison of the share of nonexisting municipal PPAs for devolution across regions



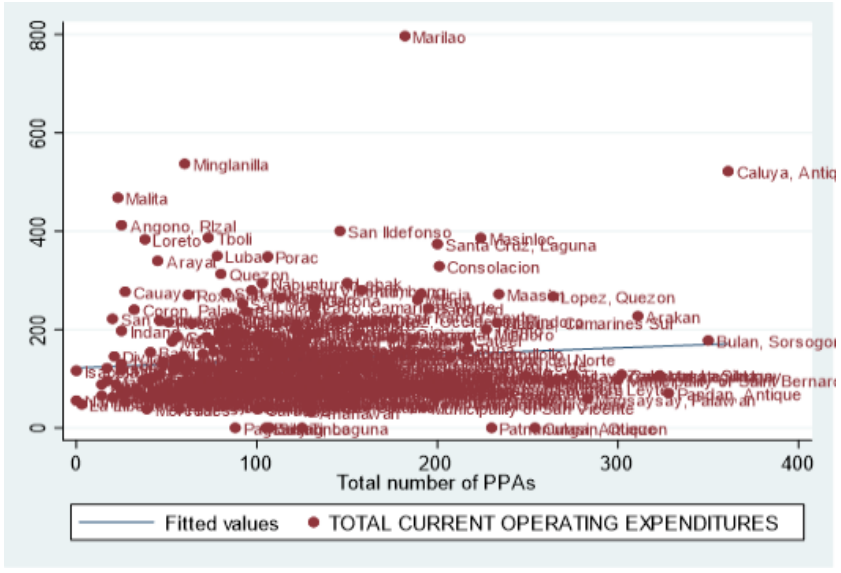
PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Figure 40. Distribution of total municipalities' PPAs with 2019–2021 IRA



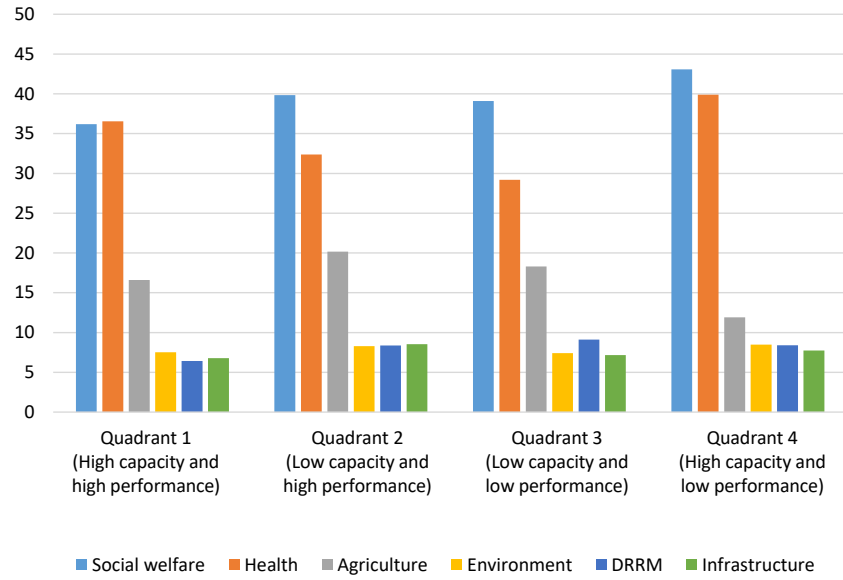
PPAs = programs, projects, and activities; IRA = Internal Revenue Allotment
Source: Authors' illustration using raw data from the DTPs; BLGF (various years)

Figure 41. Distribution of total municipalities' PPAs with the 2020 total COE



PPAs = programs, projects, and activities; COE = current operating expenditures
Source: Raw data from the DTPs; BLGF (various years)

Figure 42. Average number of partially and fully assumed PPAs per sector based on municipal LGU segmentation



PPAs = programs, projects, and activities; LGU = local government unit ; DRRM = disaster risk reduction and mitigation
Source: Authors' illustration using raw data from the DTPs

Table 18. Breakdown of partially and fully assumed PPAs based on LGU segmentation: Municipalities

Segment	Number of Municipalities	Number of PPAs	Average
Quadrant 1 (High capacity and high performance)	154	16,955	110
Quadrant 2 (Low capacity and high performance)	34	3,998	118
Quadrant 3 (Low capacity and low performance)	78	8,601	110
Quadrant 4 (High capacity and low performance)	34	4,062	119

PPAs = programs, projects, and activities; LGU = local government unit
Source: Authors' computation using raw data from the DTPs

disposal system is the priority function for the environment sector. In terms of DRRM, all three functions—preparedness, rehabilitation and recovery, and prevention and mitigation—are equally prioritized. Finally, municipal roads and bridges, along with rainwater collectors and water supply systems, are the priorities for infrastructure (unlike the cities' data, which have identified more PPAs for education-related infrastructure).

A different trend is observed when comparing municipal DTPs with those of cities and provinces in terms of variation and sectoral priorities. The subsequent sections present a mapping of the regional average of the number of PPAs per municipality and sector.

Municipal social welfare sector

The municipal social welfare sector has the largest number of PPAs for devolution based on municipal LGU DTPs. Devolved functions for municipalities are the same as those for cities. The identified PPAs are categorized into the following main social welfare

Table 19. Breakdown of partially and fully assumed PPAs per sector based on LGU segmentation

Segment	Social Welfare	Health	Agriculture	Environment	DRRM	Infrastructure	Total
Quadrant 1 (High capacity and high performance)	5,574	5,629	2,557	1,159	991	1,045	16,955
Quadrant 2 (Low capacity and high performance)	1,354	1,101	686	282	285	290	3,998
Quadrant 3 (Low capacity and low performance)	3,050	2,276	1,427	578	711	559	8,601
Quadrant 4 (High capacity and low performance)	1,464	1,356	405	288	286	263	4,062
	11,442	10,362	5,075	2,307	2,273	2,157	33,616

PPAs = programs, projects, and activities; LGU = local government unit ; DRRM = disaster risk reduction and mitigation
Source: Authors' computation using raw data from the DTPs

Table 20. Breakdown of NGA functions for devolution: Municipalities

Function	Count	Percent
Social welfare		
Social welfare services including welfare programs for women, the elderly, and persons with disabilities	4,362	38%
Social welfare services including child and youth programs	3,186	28%
Social welfare services including family and community programs	2,143	19%
Livelihood and other pro-poor projects	1,026	9%
Community-based rehabilitation for vagrants, beggars, street children, and juvenile delinquents	725	6%
Subtotal	11,442	100%
Health		
Communicable and noncommunicable disease control services	3,127	30%
Nutrition services and family planning services	2,109	20%
Maternal and child care	1,241	12%
Primary health care	1,234	12%
Purchase of medicines, medical supplies, and equipment needed to carry out the services herein enumerated	1,186	11%
Clinics, health centers, and other health facilities necessary to carry out health services (infrastructure)	703	7%
Access to secondary and tertiary health services	444	4%
Rehabilitation programs for victims of drug abuse	318	3%
Subtotal	10,362	100%
Agriculture		
Dispersal of livestock and poultry, fingerlings, and other seedling operations of demonstration farm	2,939	58%
Enforcement of fishery laws	724	14%
Improvement of local distribution channels	709	14%
Interbarangay irrigation systems	435	9%
Fish ports	268	5%
Subtotal	5,075	100%

Table 20 *(continued)*

Function	Count	Percent
Environment		
Solid water disposal system or environmental management system	1,730	75%
Implementation of community-based forestry projects, which include integrated social forestry programs and similar projects	216	9%
Establishment of tree parks, greenbelts, and similar forest development projects	190	8%
Management and control of communal forests with an area not exceeding 50 square kilometers	171	7%
Subtotal	2,307	100%
DRRM		
Rehabilitation and recovery	824	36%
Preparedness	788	35%
Prevention and mitigation	661	29%
Subtotal	2,273	100%
Infrastructure		
Municipal/city roads and bridges	666	31%
Rainwater collectors and water supply system	371	17%
Education-related infrastructure	279	13%
Small water impounding and other similar projects	260	12%
Seawall, dikes, drainage and sewerage	237	11%
Facilities related to general hygiene and sanitation	231	11%
Flood control	113	5%
Subtotal	2,157	100%

NGA = national government agency; DRRM = disaster risk reduction and mitigation
Note: Count refers to the number of PPAs per function identified in the sample of municipal DTPs.
Source: Authors' computation using raw data from the DTPs

services: (i) child and youth programs; (ii) family and community programs; (iii) welfare programs for women, the elderly, and PWDs; (iv) community-based rehabilitation for vagrants, beggars, street children, and juvenile delinquents; and (v) livelihood and other pro-poor projects. Municipal LGUs in SOCCSKSARGEN, Bicol Region,

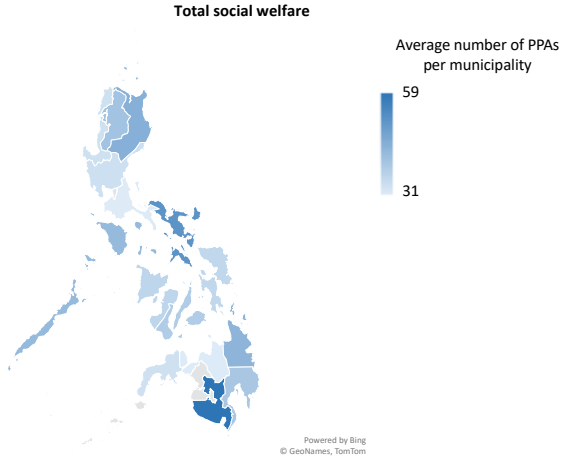
and Cagayan Valley have identified the highest number of existing PPAs, whereas CALABARZON and Northern Mindanao have identified the fewest (Figure 43). Contrasting this distribution with the poverty map (Figure 11) reveals an inconsistency: the pattern of social welfare PPAs identified by municipalities does not align with high-poverty areas.

The mapping of social services PPAs per function across regions reveals different sectoral priorities across the different regions (Figure 44). Municipalities in the SOCCSKSARGEN and Bicol Region have identified the highest number of existing PPAs for child and youth programs, family and community programs, and programs for women, the elderly, and PWDs, as well as community-based rehabilitation services. Municipalities from Cagayan Valley and CALABARZON have identified the highest number of livelihood and pro-poor PPAs.

Municipal health sector

The health sector has the second-largest number of municipal LGU PPAs for devolution. Municipalities in SOCCSKSARGEN have the highest average number of identified existing PPAs, followed by municipalities in Western and Eastern Visayas, Northern Mindanao,

Figure 43. Comparison of the number of existing PPAs for social services: Municipalities



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

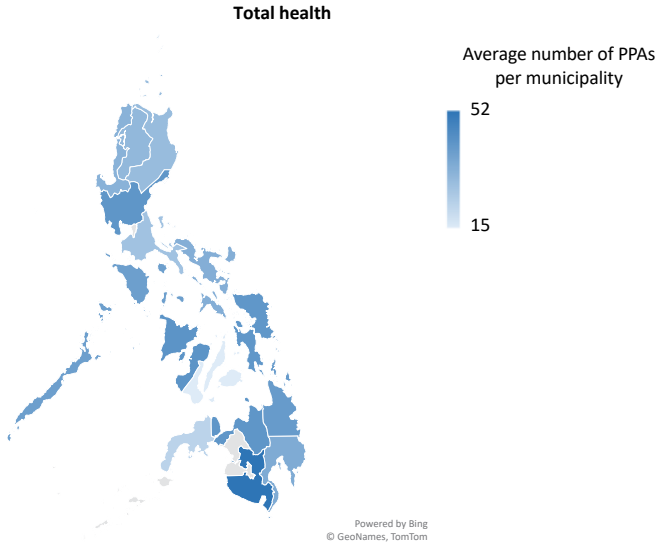
Figure 44. Comparison of the number of existing PPAs per function for social services: Municipalities

PPAs = programs, projects, and activities; PWD = persons with disability
Source: Authors' illustration using raw data from the DTPs

and Central Luzon. In contrast, Central Visayas has identified the fewest number of PPAs (Figure 45). A low correlation of 0.0031 is observed between the number of identified PPAs per municipality and their respective population densities (Figure 46).[12]

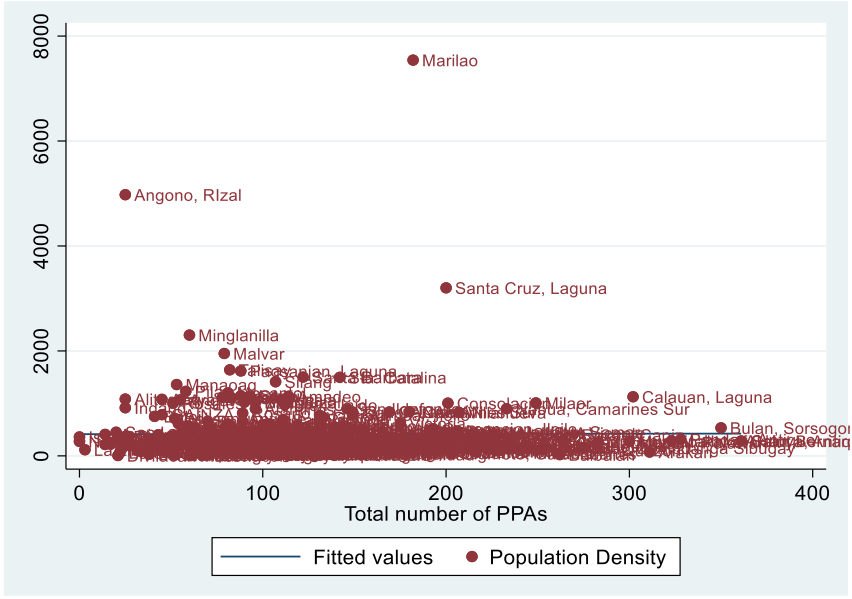
[12] To establish a narrative behind the observed trends generated from the DTP data, the study explores relationships between the devolved PPAs and related social and/or economic outcomes. However, the study does not intend to establish causality.

Figure 45. Comparison of the number of identified PPAs for the health sector: Municipalities



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Figure 46. Distribution of total municipalities' PPAs with 2020 population density



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs; PSA (2021)

The devolved health sector functions for municipalities encompass the same range of services as city LGUs. These functions include (i) primary health care; (ii) maternal and child care; (iii) communicable and noncommunicable disease control services; (iv) access to secondary and tertiary health services; (v) purchase of medicines, medical supplies, and equipment needed to carry out the services herein enumerated; (vi) rehabilitation programs for victims of drug abuse; (vii) nutrition and family planning services; and (viii) clinics, health centers, and other health facilities necessary to carry out health services (Table 21). Despite similar functions being devolved to cities and municipalities, the prioritization of these functions, as represented by the number of identified PPAs, contrasts between city and municipal LGUs. This observation applies to the health sector and other sectors as well.

The data also reveal a wide variation in the different functions of the health sector (Figure 47). Municipalities in Central Luzon and the Bicol Region have indicated a high number of PPAs for primary health care. For maternal and child care, a high number of PPAs are from SOCCSKSARGEN, Eastern Visayas, and MIMAROPA. The data show

Table 21. Devolved health sector functions by government level

LGU	Devolved Health Services	Reference
Barangay	Maintenance of barangay health centers	Section 17.b.1.ii.
Municipality	Implementation of programs and projects on primary health care, maternal and child care, and communicable and noncommunicable disease control services	Section 17.b.2.iii.
	Access to secondary and tertiary health services	
	Purchase of medicines, medical supplies, and equipment needed to carry out the said services	
Province	Hospitals and other tertiary health services	Section 17.b.3.iv.
City	All the services and facilities of the municipality and province	Section 17.b.4.

LGU = local government unit
Source: Lifted in full from Cuenca (2018, p.6)

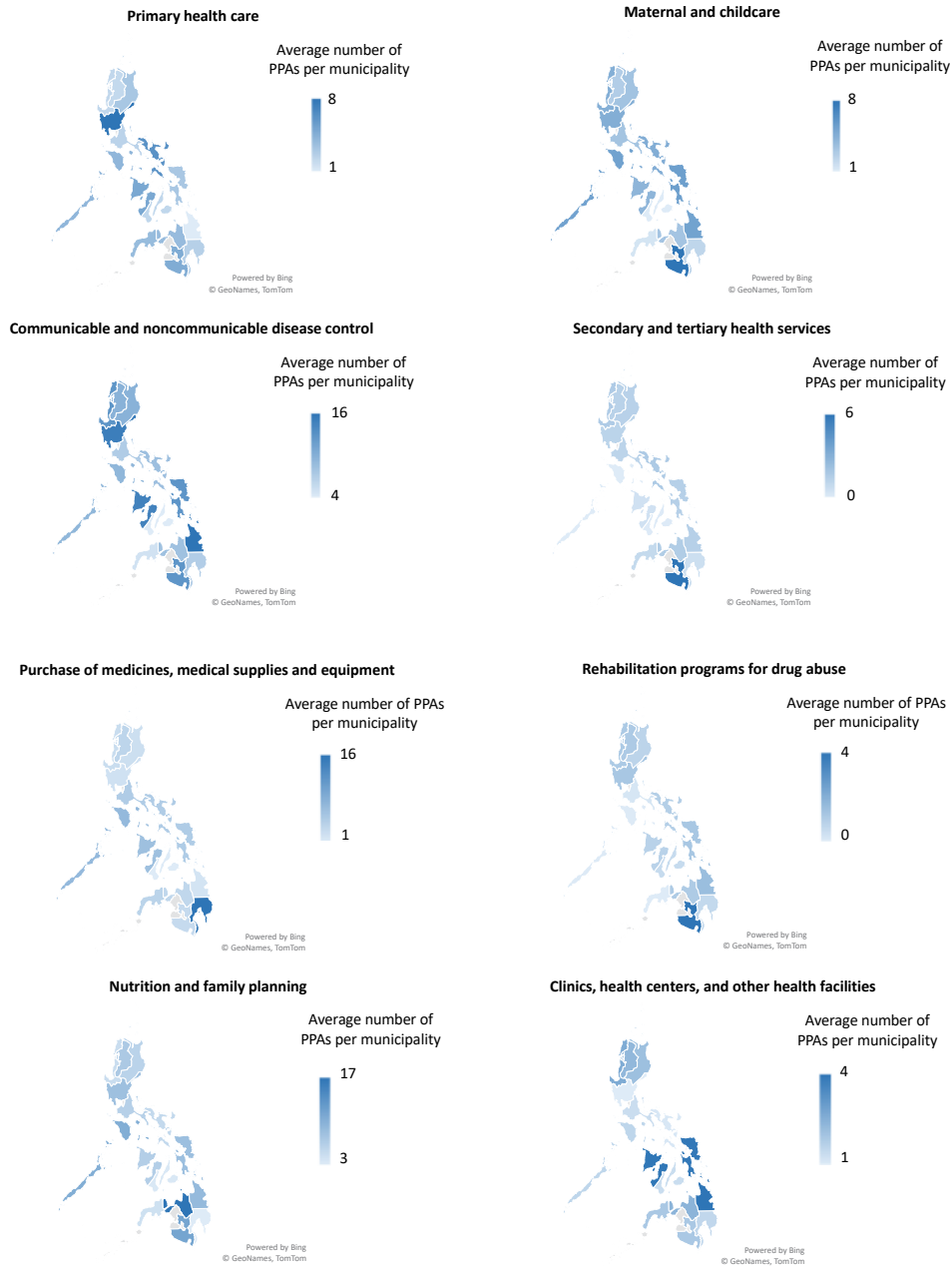
an overarching need for disease control, which is more pronounced in SOCCSKSARGEN and Central Luzon. Surprisingly, despite their dense population, municipalities in Central Visayas have reported the fewest PPAs for this function. For the following functions, municipalities in the Mindanao Island group have identified the most PPAs: secondary and tertiary health; purchase of medicine, supplies and equipment; rehabilitation programs; and nutrition and family planning. Finally, Caraga, Western and Eastern Visayas, and Ilocos Region municipalities have identified the highest number of PPAs in clinics, health centers, and other health facilities.

Municipal agriculture sector

When examining the allocation of agricultural functions to be devolved to municipal LGUs, it becomes apparent that municipalities in CALABARZON, Western Visayas, and Zamboanga Peninsula have identified the highest number of PPAs (Figure 48). Comparing these data with the heatmap for agricultural GVA (see Figure 12) reveals a consistency: PPA mapping is aligned with high agriculture GVA areas.

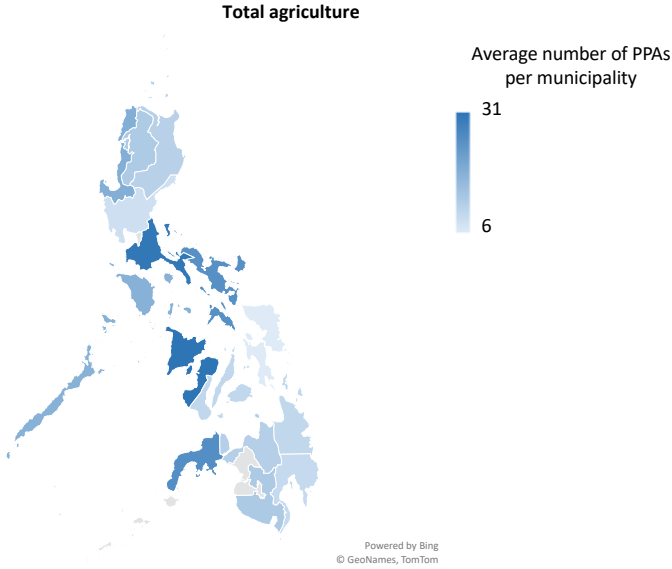
Similar to the outcomes of city DTPs, the dispersal of livestock and poultry, fingerlings, and other seedling operations of demonstration farms is the most frequently identified function in the DTPs. This is evident in CALABARZON, Western Visayas, and Zamboanga Peninsula (Figure 49). Fewer PPAs were identified for the other functions of the Department of Agriculture. Additionally, mapping the different functions reveals different priority areas for various agricultural municipalities, which notably differ from the city DTPs. In terms of improving local distribution channels, the majority of PPAs were identified by municipalities in CALABARZON and Bicol Region, with less variation across regions. For interbarangay irrigation systems, this pattern is observed in Ilocos Region and Western Visayas. Most PPAs for the enforcement of fishery laws are identified by Zamboanga Peninsula and Western Visayas. Surprisingly, fish ports were the least identified function, with only Western Visayas having the most number of existing PPAs in this category.

Figure 47. Comparison of the number of existing PPAs for the health sector per function: Municipalities



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Figure 48. Comparison of the number of existing PPAs for the agriculture sector: Municipalities



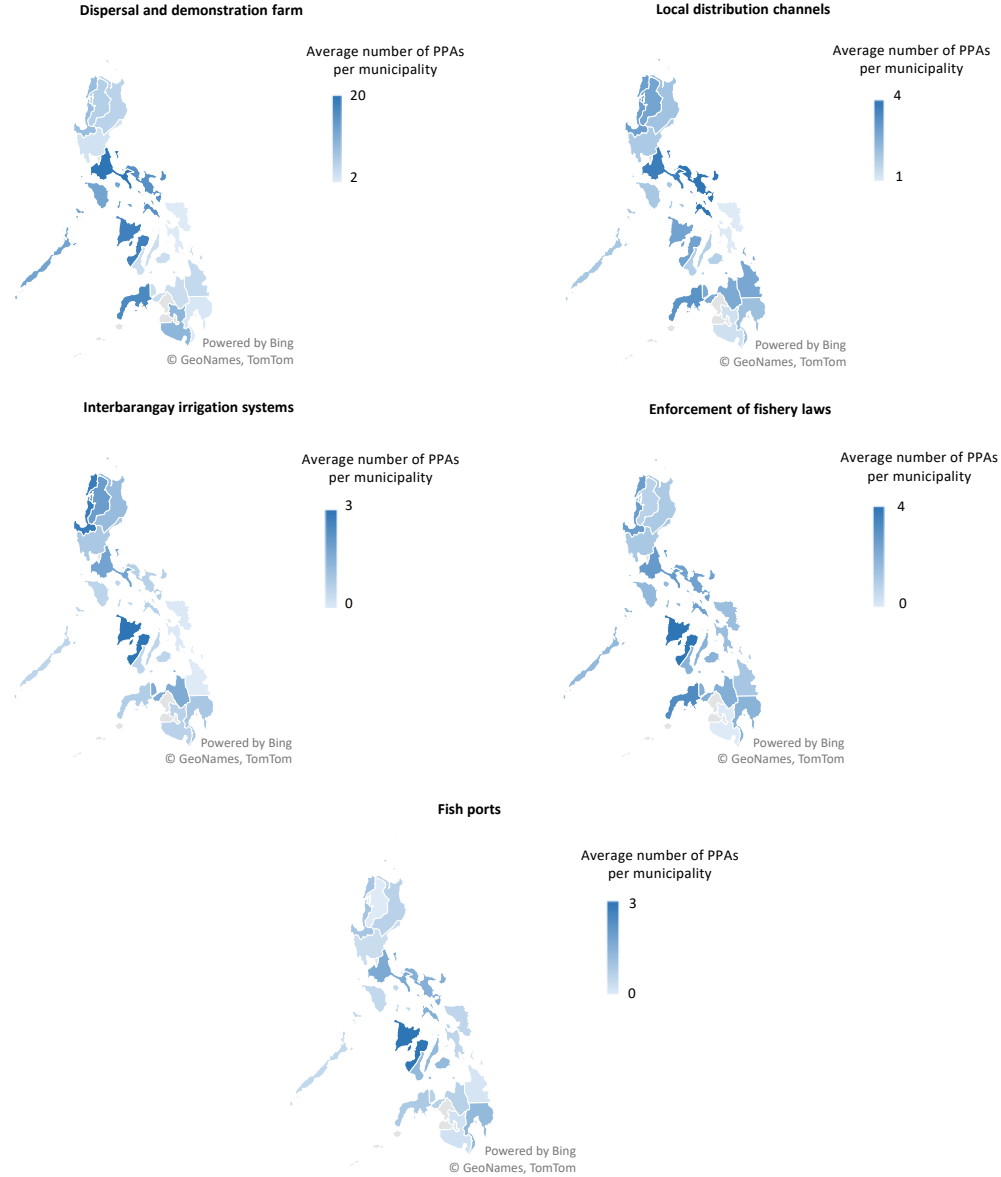
PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Municipal environment sector

Environment PPAs for municipal devolution are categorized as (i) implementation of community-based forestry projects, including integrated social forestry programs and similar projects; (ii) management and control of communal forests with an area not exceeding 50 square kilometers; (iii) establishment of tree parks, greenbelts, and similar forest development projects; and (iv) solid waste disposal system or environmental management system.

Environmental functions received a relatively low number of identified PPAs in the municipal DTPs. The function with the most identifications is solid waste and environmental management system, with municipalities in SOCCSKSARGEN and Bicol Region identifying the highest number of PPAs. For forest management and forestry projects, these are observed in SOCCSKSARGEN and Davao Region municipalities.

Figure 49. Comparison of the number of existing PPAs for the agriculture sector per function: Municipalities



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Municipal disaster risk reduction and monitoring

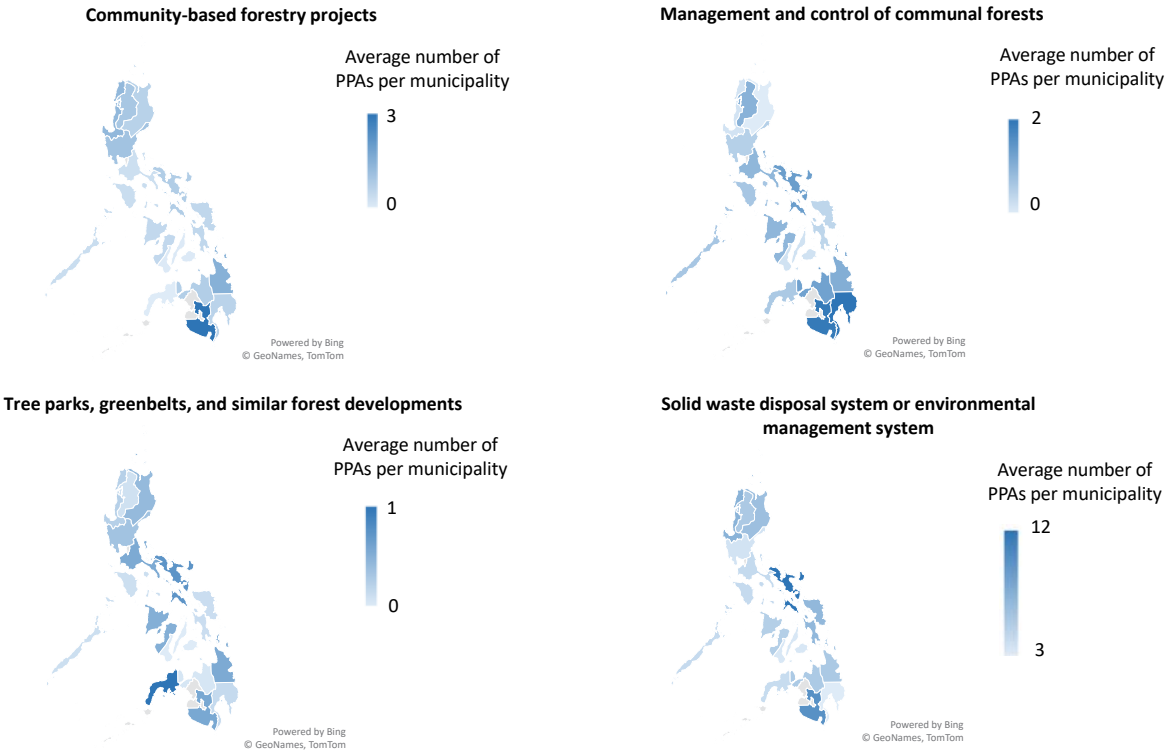
Similar to the environment sector functions, DRRM functions also received a low number of identified PPAs in the municipal DTPs. Functions for devolution are categorized into (i) prevention and mitigation, (ii) disaster preparedness, and (iii) rehabilitation and recovery. While this category has the lowest number of projects identified, SOCCSKSARGEN stands out with the highest number of identified PPA for prevention and mitigation and rehabilitation and recovery. Central Luzon had the highest number of identified PPAs for disaster preparedness (Figures 50 and 51). Municipalities in the Cagayan Valley and Western Visayas had the fewest number of identified PPAs for DRRM functions.

Municipal infrastructure

Infrastructure PPAs for municipal devolution are categorized into (i) education-related buildings and facilities (i.e., school buildings and other facilities for public elementary schools, school buildings and other facilities for public secondary schools, and information services, including maintenance of public library); (ii) city roads and bridges; (iii) small water impounding and other similar projects; (iv) rainwater collectors and water supply systems; (v) seawalls, dikes, drainage and sewerage; (vi) flood control; and (vii) facilities related to general hygiene and sanitation.

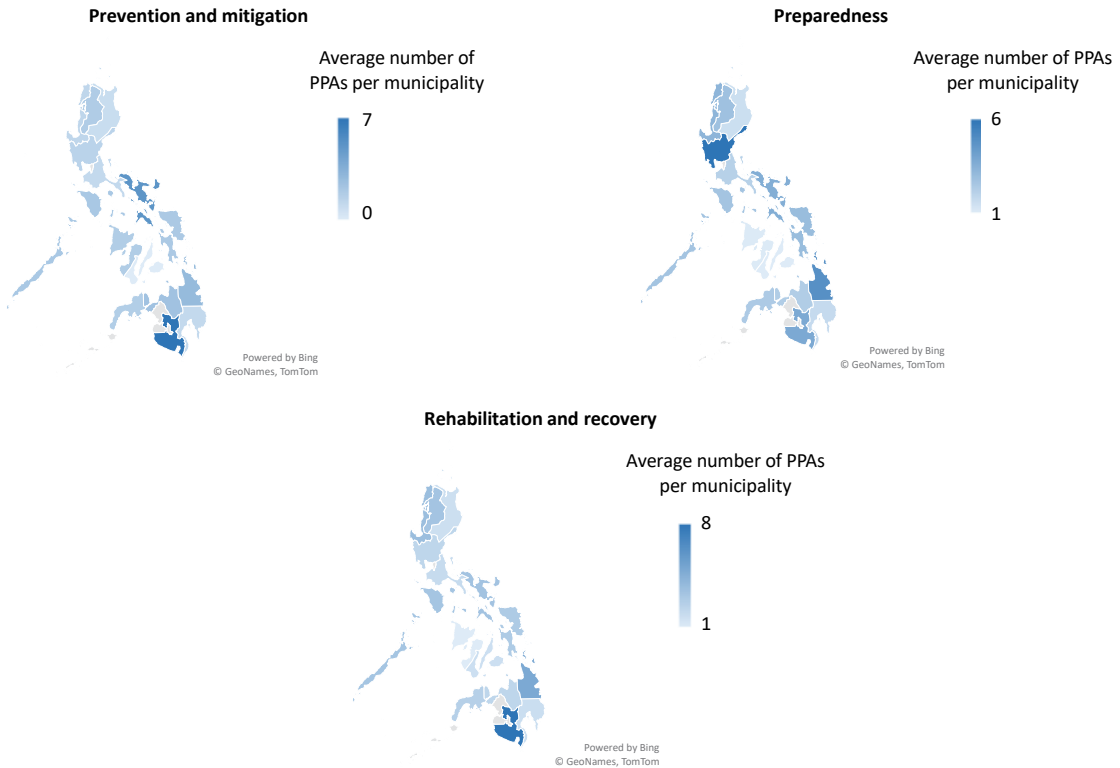
Municipal roads and bridges are the most commonly identified infrastructure functions, especially in CALABARZON. The remaining functions (e.g., water supply, drainage, sewerage, flood control, hygiene and sanitation) can be grouped as water-related infrastructure. Municipalities in Western Visayas, Bicol Region, and Davao Region have identified the highest number of water infrastructure PPAs (Figure 52). A notable difference in prioritization between cities and municipalities is observed. In cities, education-related facilities are given the highest priority, whereas municipalities prioritize roads, bridges, and water infrastructure. These are nuances that can be considered to improve the devolution rollout of national agencies.

Figure 50. Comparison of the number of existing PPAs for the environment sector per function: Municipalities



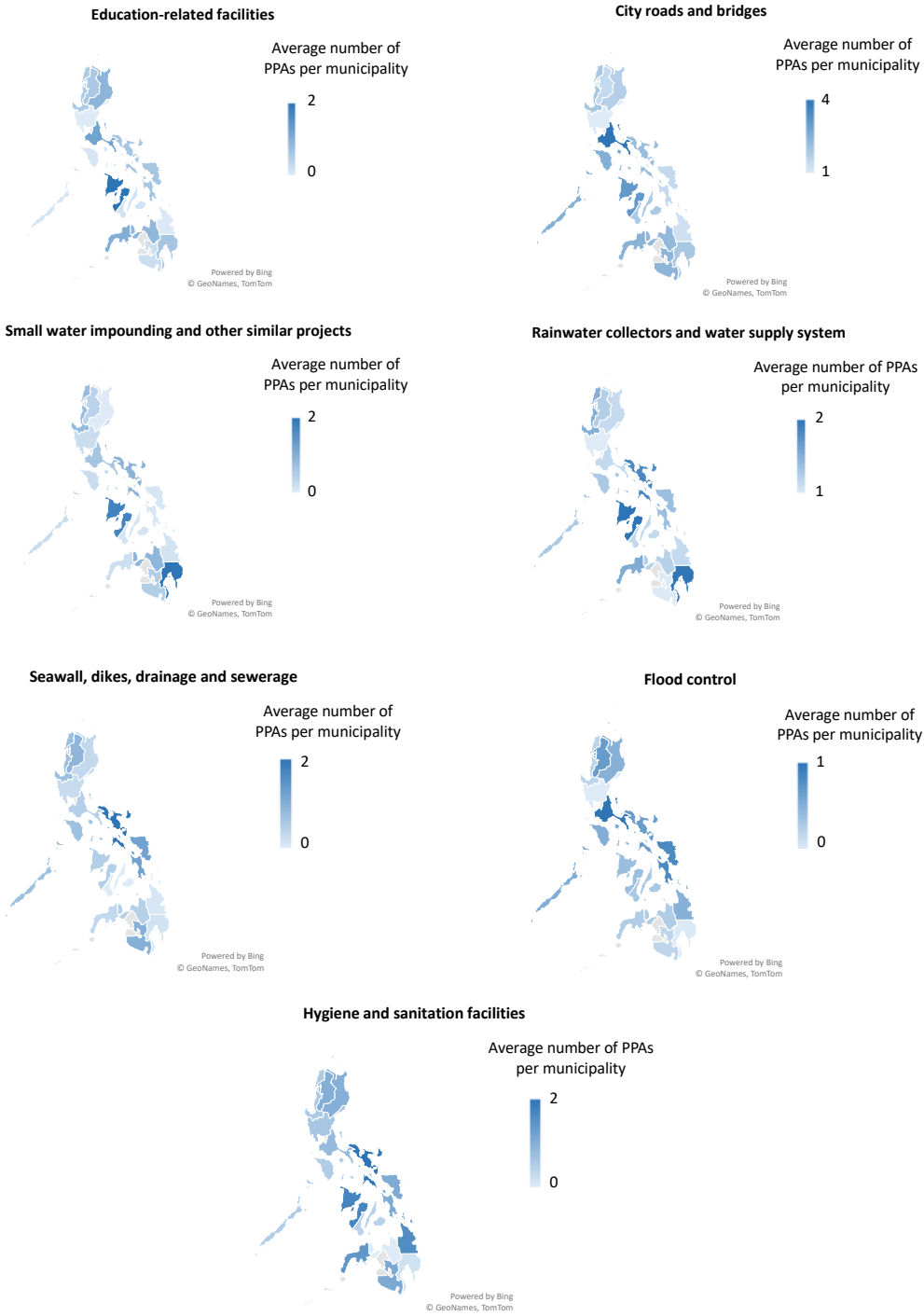
PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Figure 51. Comparison of the number of existing PPAs for the DRRM per function: Municipalities



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Figure 52. Comparison of the number of existing PPAs for infrastructure per function: Municipalities



PPAs = programs, projects, and activities
Source: Authors' illustration using raw data from the DTPs

Phasing and nature of devolved municipal PPAs

For the projected completion rates indicated in the municipal LGU DTPs, the same observation made in the city and provincial DTPs analyses applies: none of the functions are projected to be 100 percent devolved by end-2024, nor beyond it (Figure 53). An average completion rate of only 18 percent is found for end-2023. Similar to the findings for provinces and cities, a jump in completion rate by the end of 2024 is observed, as this was the mandated target by the national government.

By the end of 2024, the average completion rate by sector is as follows: social welfare functions fully devolved in 79 percent of the municipalities; health, 47 percent; agriculture, 63 percent; environment and DRRM, 46 percent; and infrastructure, 42 percent. Overall, data from the city DTPs reveal that only 56 percent of municipal LGUs project to have fully devolved functions by end-2024. Only 77 percent of LGUs have projected to fully devolve these functions beyond 2024, although these projections are slightly higher than projections provided by the cities. Similarly, but to a lesser extent, missing information with respect to forecast completion rates is observed, with 23 percent of devolved PPAs with no indicative completion dates.

Needed interventions of municipal LGUs

The capacity development requirements appear to be the same across all six sectors and municipalities (Figure 54). Similarities are observed with the needed interventions identified in the provincial and city DTPs. These interventions include the immediate need for personnel hiring (light blue line), supported by the orientation of guidelines, resolutions, and ordinances on the devolved functions (orange line), which also align with the enabling policies pillar. The development of monitoring and evaluation tools (gray line) is the next widely recognized requirement.

Similar to the province and city DTPs, fewer municipalities identified the acquisition and procurement of equipment and construction of facilities as necessary interventions for devolution (yellow line). Furthermore, the municipal DTPs also have a limited list of capacity development requirements for devolving DRRM and infrastructure functions. In these sectors, more than 50 percent of DTPs indicate "none" or no needed interventions. This raises questions of whether municipal LGUs adequately assessed their capacity related to DRRM and infrastructure in their DTPs.

Figure 53. Cumulative share of municipalities with expected fully devolved functions

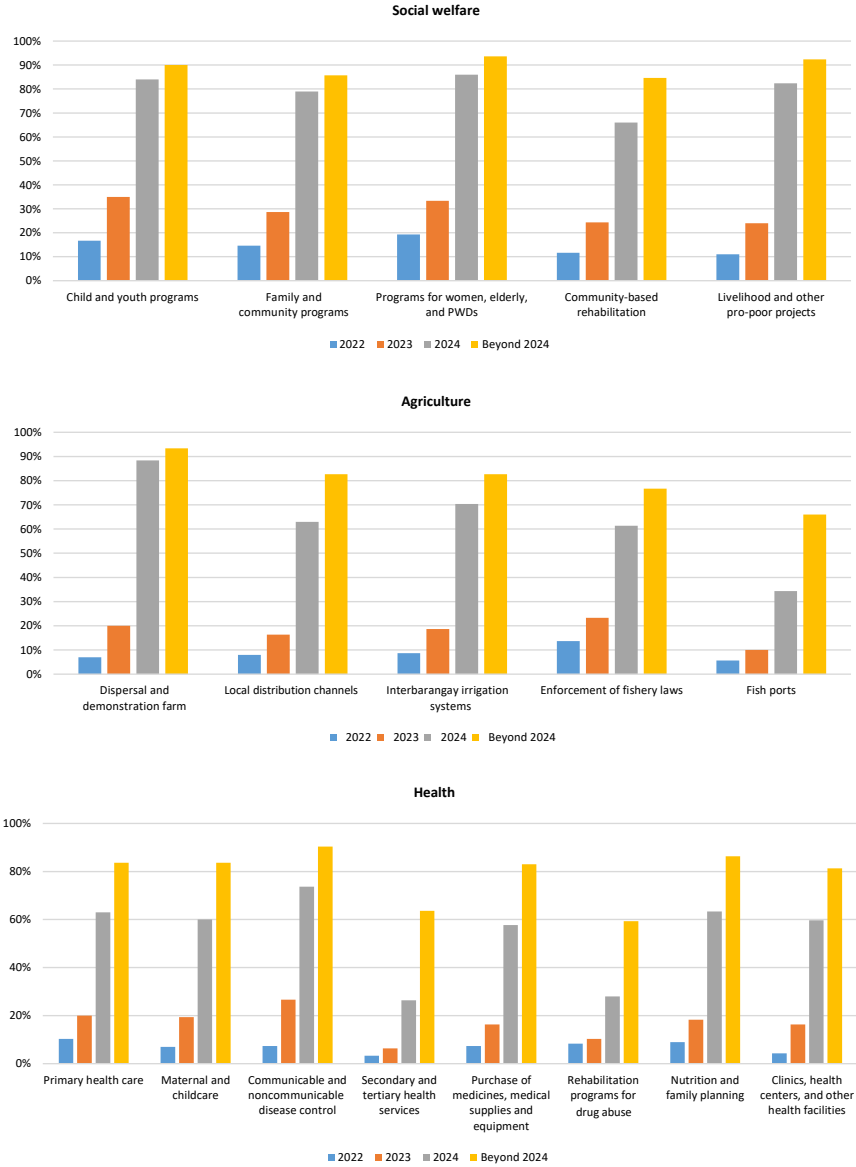
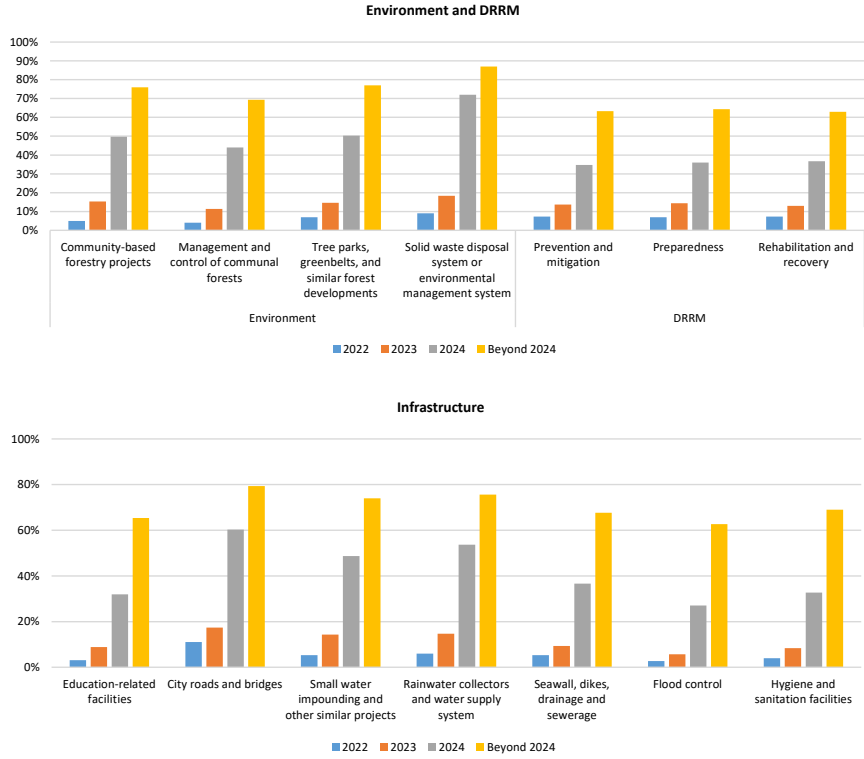


Figure 53 *(continued)*



DRRM = disaster risk reduction and mitigation
Source: Authors' illustration using raw data from the DTPs

Key Findings and Recommendations

Key takeaways

The initial assessment of the Mandanas DTPs has yielded the following key observations and takeaways.

The need for baseline indicators

To evaluate the state of devolution, it is imperative to establish the baseline of current functions, services, and capacities of government units. The initial assessment of the LGUs' DTPs reveals a dearth of comprehensive information on the state and quality of local public

Figure 54. Capacity development interventions per sector: Municipalities

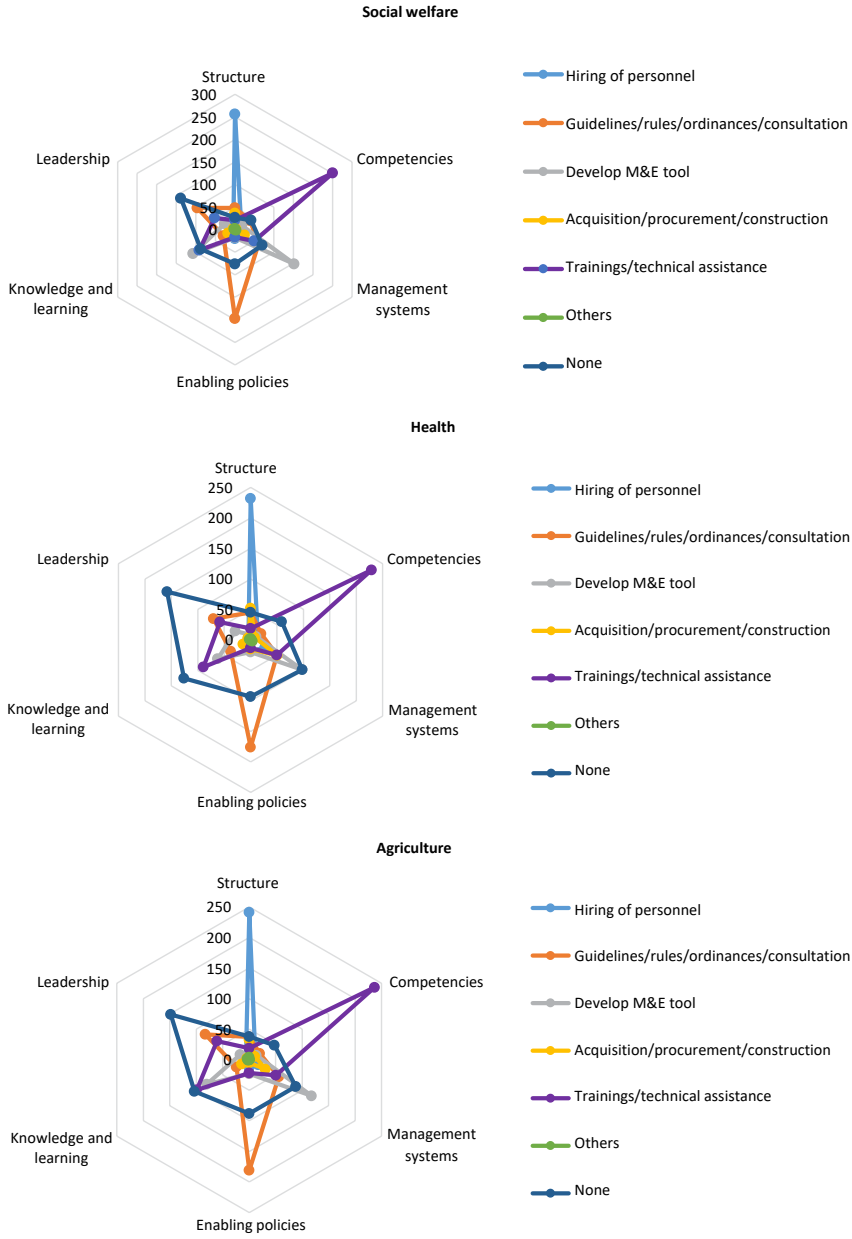
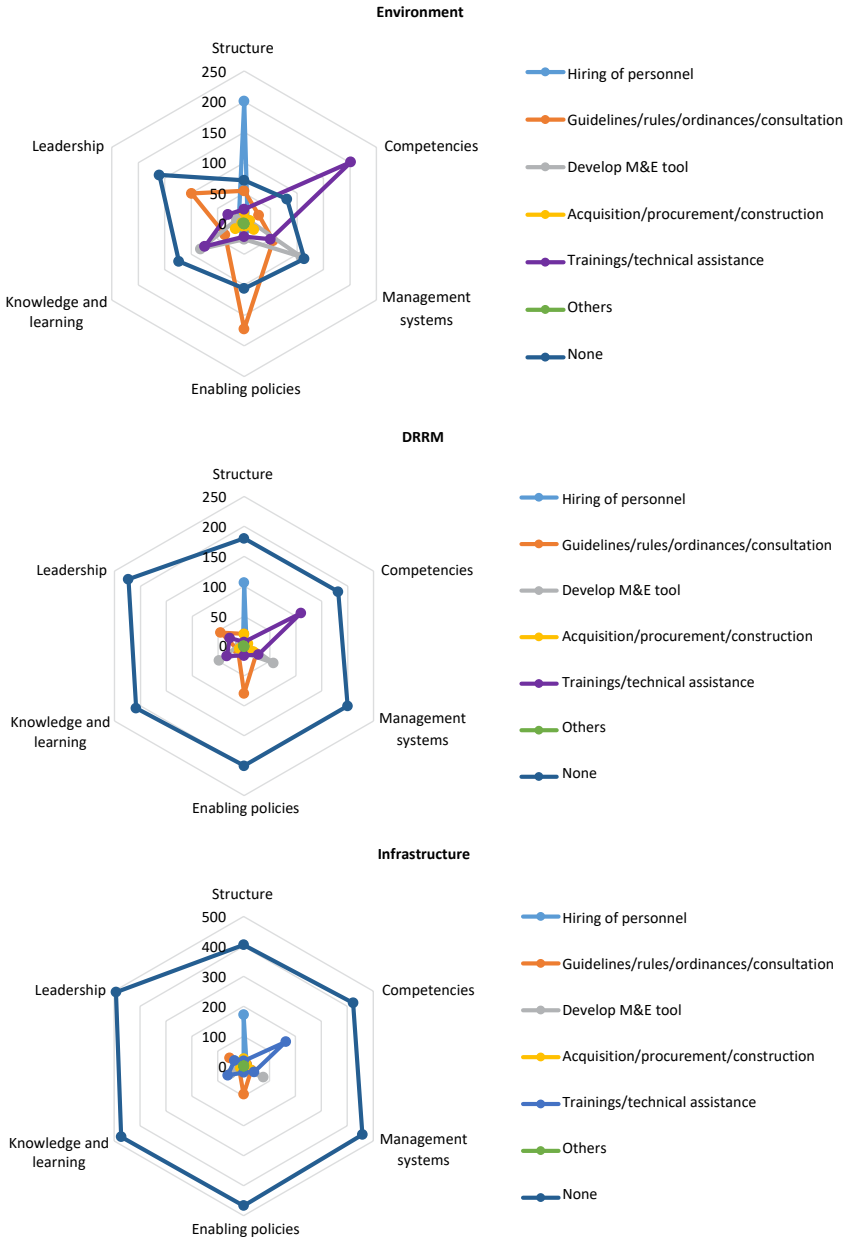


Figure 54 *(continued)*



DRRM = disaster risk reduction and mitigation
Source: Authors' illustration using raw data from the DTPs

services, particularly regarding devolved functions. The review also highlights the ambiguity of how local governments develop their devolution transition plans, identify functions, evaluate the quality of current service delivery, and identify needed capacity interventions to assume more devolved functions. Additionally, there are no measures of the current state of LGU capacity and acquisition or attainment of any supplemental interventions in identifying the needed capacity development interventions for LGUs. Hence, further examination of the current state, capacities, and needs of LGUs in relation to the Mandanas devolution transition must be supported by primary data collection of baseline indicators in the following evaluation areas: LGU administrative and fiscal capacity, current quality of existing public services, and baseline outcome indicators at the provincial, city, and municipal levels.

Guidance from national agencies

The initial assessment highlights an ambiguity in how LGUs identify priority devolved functions. The study evaluates the relationship between the identified priority sectors in LGU DTPs, as indicated in the number of PPAs each LGU is able to identify and include in its DTP, and fiscal and social indicators, such as the IRA, poverty estimates, population density, and agricultural GVA. The objective is to determine whether social and fiscal outcomes influence LGU prioritization. For example, LGUs with high IRAs may be more capable of assuming more devolved functions across all six sectors, LGUs with a significant agriculture sector may prioritize agricultural PPAs, and areas with high poverty incidence may prioritize social welfare functions. However, the study finds that the number of PPAs for different sectors has a weak correlation with fiscal and social outcomes.

Meanwhile, contrasting priorities for the different sectors are observed at the provincial, city, and municipal levels. The mapping of identified PPAs shows disparities in priorities between these levels. The absence of NGA DTPs, except for the DOH, makes it difficult to evaluate whether the functions identified by LGUs are consistent with and supportive of national agency priorities. Having an NGA DTP could help align priority sectors and functions across provincial, city, and municipal LGUs.

Guidance on DRRM

The study finds a consistent pattern of under-identification of DRRM functions in LGU DTPs across different provinces, cities, and municipalities. Despite the country's inherent heightened risk from natural disasters due to climate change, the DTPs show limited recognition and inclusion of DRRM functions. Several LGUs failed to include DRRM PPAs in their transition plans. Furthermore, there is a notable absence of data on (i) projected completion dates for DRRM devolved functions and (ii) capacity requirements needed for the effective implementation of DRRM services. Increased guidance from the National Disaster Risk Reduction and Management Council could help improve LGU's planning and devolution of DRRM functions.

Target of full devolution by 2024

The study identifies three key takeaways from the assessment of projected completion dates provided by LGUs in their DTPs. First, none of the provincial, city, and municipal LGUs reported meeting the 100 percent full devolution target by the end of 2024. Second, there is a consistent and notable jump in completion rates between 2023 and 2024. Average completion rates for 2023 are projected to be 18 percent for provinces and municipalities and 20 percent for cities. These projected completion rates then jump to 69 percent, 56 percent, and 51 percent for provinces, municipalities, and cities, respectively, in 2024, which is the target year for full devolution. Lastly, it is observed that LGUs failed to provide an expected completion year for many of the devolved functions. On average, 30 percent of LGUs did not provide any projected completion dates for the identified devolved functions, further increasing the uncertainty of achieving full devolution in 2024.

Capacity development intervention

The capacity development needs reported by LGUs in their DTPs appear consistent across sectoral functions, such as social welfare, health, agriculture, and environment-devolved PPAs. Data show an emphasis on additional workforce requirements, supported by training and technical assistance and guidelines/orientation from the national government. All LGUs also express the need to develop a monitoring and evaluation tool

for the devolved functions of the four sectors, emphasizing the need for data collection. The study further notes that fewer LGUs identified the acquisition and procurement of equipment and construction of facilities as necessary capacity interventions for devolution. This may be because LGUs do not consider physical assets as part of capacity development. Another striking finding is the lack of data on LGUs' capacity requirements for devolved functions on DRRM and infrastructure, with more than 50 percent of them not reporting any needed interventions for these two sectors.

Recommendations

On the revision of DTPs

Recommendations for Annexes E-1, F-1, and G-1 of the DTPs. The DTP is a crucial source of information for local government planning processes, organizational systems, workforce needs, progress on implementation of administrative changes and devolved services, and capacity needs and funding requirements. However, the study team encountered challenges with data quality and consistency in the current DTPs. Therefore, it is recommended to revisit the template and the DILG-DBM JMC or the guidelines on the preparation of the DTPs.

New provisions can ensure consistency in the information provided in the DTP. These may include standardized terminologies for specific PPAs under a common sectoral function, standardized formats for expected completion dates, a standard list of capacity needs, and the corresponding financial value of those needs. Better guidelines may require greater coordination with the NGAs. Standardization can also help align and evaluate possible differences between LGU and NGA DTPs more accurately. Revisions to the template itself (e.g., implementing restrictions to ensure that all requested information is filled out and no sections are left blank) can help guarantee completeness of data. Furthermore, it is recommended to explore ways to improve the consolidation of collected DTPs. By enhancing the consolidation of DTPs and storing useful data in a data management system, the

government can monitor the state of devolution in the country in a continuous and real-time manner.

On the devolution agenda

Not one size fits all. Considering the diverse characteristics of local economies, LGU capacities, local priorities, and institutional constraints, it is important to adopt appropriate approaches to service delivery based on the unique needs and limitations of the LGUs. The observed variations in assumed PPAs specified in the LGU DTPs indicate that a uniform devolution strategy may not be the most effective approach. Existing literature recommends the adoption of asymmetric decentralization (e.g., UNDP 1999; Litvack et al. 1998).

"For example, in many countries, it may be feasible to decentralize political, economic, and administrative responsibilities to the larger urban areas. Similarly, at the regional level, fiscal and administrative capacity may make it easier to decentralize responsibilities only to some provinces or states. In other cases, it may be feasible to decentralize responsibilities directly from the central government to the private sector rather than going through local governments" (Litvack et al. 1998, par.79).

For the Philippines, diversity is immediately apparent in the agriculture, environment, and social welfare sectors. Geography and level of urbanization are important determinants of constituent needs. The type of agricultural production, whether it be crop production, animal husbandry, fishery, or some intermediate level production, defines which agricultural sector functions will be devolved. In the environment, highly urbanized cities have contrasting needs and constraints compared to rural areas. For example, in a dense urban setting, privatizing public services such as water and sanitation services may achieve efficiency and equity objectives. However, this may fail to achieve the same goals in sparsely populated rural areas (Litvack et al. 1998). Private sector delivery and financing of such services may need public sector and community delivery systems for rural areas. In the social sector, high-poverty and population-dense cities require different social services compared to far-flung, conflict-laden rural areas. Geography and markets dictate

how the devolution of public services can be effectively and efficiently achieved, and these factors should be taken into account when designing an asymmetric devolution agenda.

Recognizing heterogeneity in capacity can also help LGUs better prepare and acquire needed capacity improvements prior to full devolution, ensuring better implementation. For national agencies, this implies adopting asymmetrical central policies to accommodate inherent differences across LGU needs and capacities. Asymmetry would mean, in this case, more centralization or more national government assistance for LGUs with less resources and capacity (Brosio 2014). This also implies that the deadline for full devolution will not be the same for all, and LGUs with better capacity can be expected to devolve faster. This may be politically difficult as it requires LGU chief executives with weak capacity to have less autonomy than their counterparts in terms of executing undevolved services. To address this, Litvack et al. (1998) suggest legislation or a contractual arrangement between the NGA and the LGU wherein full autonomy or the retraction of NGA assistance can be sought upon LGUs' satisfaction of certain conditions, such as technical and institutional capacities and financing. With this, the timing and extent of devolution, as well as the autonomy with respect to the devolved services, can be achieved based on the actions of the LGU rather than the discretion of the national agency.

Finally, the Organisation for Economic Co-operation and Development (OECD 2021) recommends that the capacity development response be context-driven and adjust to local capacities in the near term. It specifies that capacity development "should be tailored to local needs and characteristics of local governments, following a careful assessment of systemic needs" (OECD 2021, p.17). This assessment should focus on the following capacities: (i) administrative capacity, (ii) institutional capacity, (iii) strategic capacity, and (iv) financial management capacity. Additionally, as these capacities develop over time, it is important to have an adaptive response to changes. This requires close coordination among relevant offices and the development of an accurate and timely monitoring system or database to ensure decisions are timely and data driven.

Greater role of coordination (policy synchronization). The lack of clarity in the planning process for devolution, especially at the

LGU level, raises concerns about the preparedness of LGUs to achieve full devolution. An initial review of LGUs' DTP submissions shows significant variations in their identified PPAs for devolution. This is partly due to the absence of a standardized and complete listing of PPAs per sectoral function, as previously mentioned. Some LGUs have been able to identify only a few PPAs for devolution, indicating limited capacity to forecast, plan, and implement the devolution successfully. To establish a realistic timeframe for the full devolution target set by the Mandanas ruling, a more rigorous assessment of current LGU capacity, as well as the quality and effectiveness of current local public service delivery, is needed.

OECD (2021, p.87) recommends that asymmetric decentralization "should be supported by effective vertical and horizontal coordination mechanisms" and "should also be based on dialogue, transparency and agreements between all main stakeholders". To improve the planning and implementation of the devolution agenda, national agencies, in collaboration with the Committee on Devolution, can provide better guidance and assess the LGUs' ability to correctly identify sectoral PPAs that reflect regional and LGU-specific priority sectors and align with national goals. This requires enhanced coordination among national agencies, LGUs, and local constituents. Furthermore, inter-LGU coordination, particularly between provincial LGUs and the component cities and municipalities within their jurisdiction, can help evaluate and align priority PPAs that address the urgent needs of local constituencies.

Policy alignment addressing existing institutional constraints that hinder the full implementation of administrative decentralization must be prioritized. These constraints include policies that restrict local decisionmaking, such as limitations on expenditure allocation and management, inflexible service delivery mandates, and inflexible resource management requirements. Litvack et al. (1998) explain how policy-related issues related to financing, personnel, and organizational policies can hinder full devolution.

For instance, in the devolution of the healthcare sector in the Philippines, Grundy et al. (2003) cited in Cuenca (2018), highlight the lack of a strategic plan for introducing devolved services and the absence of initial capacity building for local officials and health personnel prior to devolution. There was also a misalignment of financial resources,

leading to fiscal constraints for LGUs when absorbing devolved health workers. Discrepancies in salaries for similar roles, based on previous employment assignments (national, provincial, or local), created morale and budgetary problems, as the devolved workers (previously from national agencies) had higher salaries than their local counterparts. High personnel costs further exacerbated the limited resources available for capital investment in the health sector, worsened by LGUs' preference for investing in the construction of roads and gymnasiums (UPNIH 1998). Existing policies did not support or align with the devolution agenda.

While the example provided above specifically addresses the health sector, it can be presumed that similar complex issues arise during the devolution of other functions in different sectors. The challenge lies in assessing the appropriate approach to decentralization accompanied by policies supporting such approaches. This requires a rigorous assessment of the devolution of the sectors, which has been limited so far, except for the health sector. Additionally, vertical and horizontal coordination mechanisms between national agencies and local governments are required.

Mechanism for the collection of baseline data for monitoring and evaluation. Initial assessments of DTPs reveal the absence of a standardized and comprehensive database for existing public services and the quality of current service delivery. There is also a lack of a standard, clear, and complete listing of PPAs for devolution, along with their status, and an accurate inventory of local government capacity, including workforce, technical resources, and facilities and equipment. Therefore, collecting a comprehensive list of baseline indicators, especially at the LGU level, will facilitate proper monitoring and evaluation of the country's devolution agenda. Institutionalizing a robust data collection and monitoring system within the LGUs will aid in evaluating the long-term impacts of decentralization.

The advantage of subnational governments, and one of the theoretical arguments supporting decentralization, is that local governments have better access to information and local preferences. This access not only enhances allocative efficiency but also allows for data collection at the local level. These data can be used for monitoring and evaluating current programs and processes. Transparency at the local level also improves accountability and competition.

Based on the framework presented earlier, an effective evaluation of decentralization entails information on current LGU authority, fiscal accountability, capacity, and information use. Baseline indicators on outcomes, especially at the LGU level, are also important. Local governments can leverage existing databases that are part of the LGU planning process (DILG 2017), such as the Ecological Profile, the Local Development Indicator System, the Rationalized Planning Indicator and Data Set, and the Community-Based Monitoring System. However, many resource-constrained LGUs face difficulties in data collection and maintenance (Reyes et al. 2020). Moreover, existing databases mainly cover outcomes and lack indicators related to political, fiscal, organizational, capacity, and performance aspects that can measure LGUs' progress toward having inputs, processes, and outputs necessary for delivering devolved services. With baseline information and proper monitoring and evaluation tools, the government can assess the progress of its decentralization program, evaluate changes in LGU structures, institutions, and resource flows, and analyze the impact on social outcomes.

Directions for future work. This study assessed the current baseline on administrative decentralization, focusing on the status of devolved services and LGUs' self-assessment as to the timing and capacity interventions needed for full devolution. As this assessment was done through a desk review of LGU DTPs, the next step should involve validating the findings through interviews with LGU planning committees and their counterparts from the NGAs.

With the availability of more data, future work can delve into the progress of decentralization in the political, financial, and administrative aspects separately and in depth. As regards political decentralization, it is important to ascertain the laws that impact its progress in the country. This includes identifying laws that limit, conflict, and support decentralization and determining whether these laws are being implemented. It is also crucial to assess whether the devolved services identified in the LGC 1991 are appropriate for decentralization. Additionally, it is important to identify the constraints faced in the implementation of decentralization and the policies that are needed but currently missing. As for fiscal decentralization, the second phase of the study aims to examine the expenditures of LGUs on the basic

services they have been providing over time. This includes assessing any changes that may have occurred because of the Mandanas ruling and the unbundling of broad service functions into different levels of government. Another aspect to consider is the additional cost to LGUs resulting from the devolved functions, which is proportional to the amount to be diverted to them from the national government because of the Mandanas ruling. In terms of administrative decentralization, a more in-depth assessment is needed. This assessment should encompass the quality of existing inputs and capacities, the quality of existing services delivered, and a review of the appropriateness and organizational issues of existing approaches. It should also analyze the quality and availability of inputs across different LGUs and sectors.

Finally, as previously mentioned, the decentralization process is complex. Different sectoral functions require different approaches depending on the geoeconomic and political attributes of LGUs and their markets. Thus, conducting a sector-specific review of the devolution process can help identify these complex issues that may only emerge through an in-depth assessment of the sectors.

Preparing a Monitoring and Evaluation Plan

To monitor and evaluate the progress of the Mandanas devolution transition for 2025 (assuming full devolution is achieved) and in the longer term in 2031 (the 10th year of the Mandas and the 40th year of the LGC implementation), it is vital to prepare, design, and implement a decentralization monitoring and evaluation plan. Bertrand et al. (1996) outline a step-by-step framework for monitoring and evaluation, which includes (1) defining the nature, timing, and objectives of decentralization; (2) identifying key indicators and data needs; (3) developing a research design for impact evaluation; (4) collecting data; (5) analyzing the data to evaluate the impact of decentralization policy; and (6) disseminating the findings.

While the national government has already determined the nature and timing of the decentralization process, the objectives may still be vague and general. These broad objectives need to be translated into clearly defined indicators that can measure changes in the different components: institutional, fiscal, and outcomes. With well-defined

indicators, it becomes possible to compare how the program is working vis-à-vis a baseline and a target and to measure the progress being made in achieving the government's decentralization goals.

Baseline survey

A crucial step in evaluating the Mandanas implementation is identifying key indicators that are directly linked to the objectives of the decentralization process. This step also involves assessing available data at the provincial, city, and municipal levels, and identifying key personnel at the LGU level who can carry out monitoring and evaluation activities such as data collection, data processing, and analyses. A data needs assessment can help determine which indicators are already being collected and which data requirements need to be obtained through stakeholder analysis, key informant surveys, household surveys, facility surveys, or other sources.

By reviewing the DTPs in this report and examining publicly available datasets from government statistics authorities and national agencies, it is possible to collect baseline data, especially at the LGU level to fulfill the data needs of a monitoring and evaluation plan for the Mandanas implementation.

Indicators

Key indicators should provide detailed information on program inputs, improvements in key processes, intermediate outputs, and, for evaluation purposes, key social outcomes.

Guided by the conceptual framework adopted by Hutchinson and LaFond (2004), an example of proposed baseline decentralization indicators is listed in Table 22.

Table 22. List of baseline indicators

Variable Name	Category	Subcategory	Sector
Total revenues of LGU	Fiscal	Resource generation and availability	General
Share of IRA to total LGU budget	Fiscal	Intergovernmental transfers	General
Existence of expenditure management programs	Fiscal	Budgeting and expenditure management	General
Average length of service of local civil servants	Organizational	Human resource and capacity	General
Proportion of civil service receiving training	Organizational		General
Percent of facilities in good/excellent condition	Organizational	Facilities, supplies, and equipment	General
Mean public sector per capita expenditure	Outcome	Equity	General
Number of doctors per hospital bed	Outcome	Technical and economic efficiency	Health
Coverage of the poor receiving social protection services	Outcome	Utilization	Social welfare
Number of irrigation and water harvesting schemes developed per district	Outcome	Technical and economic efficiency	Agriculture
Number of communities participating in training and/or environmental rehabilitation	Outcome	Community participation	Environment
Farm-to-market roads in concrete	Outcome	Quality	Infrastructure
Number of internally displaced persons associated with disasters	Outcome	Equity	DRRM
Poverty incidence	Impact	Social	Social welfare
Total factor productivity - farmers	Impact	Economic	Agriculture
Prevalence of wasting in children under 5	Impact	Social	Health

LGU = local government unit; IRA = Internal Revenue Allotment; DRRM = disaster risk reduction and mitigation
Source: Authors' compilation

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Appendices

Appendix A. List of provinces, cities, and municipalities included in the study

The assessment used data from DTPs from LGUs, covering 76 provinces, 142 cities, and 300 municipalities. The full list is provided in the tables.

Table 1. List of provinces* included in the study

Abra	Davao Oriental	Nueva Vizcaya
Agusan del Norte	Davao de Oro	Occidental Mindoro
Agusan del Sur	Davao del Norte	Oriental Mindoro
Aklan	Davao del Sur	Palawan
Albay	Dinagat Islands	Pampanga
Antique	Eastern Samar	Pangasinan
Apayao	Guimaras	Quezon
Aurora	Ifugao	Quirino
Bataan	Ilocos Norte	Rizal
Batanes	Ilocos Sur	Romblon
Batangas	Iloilo	Samar
Benguet	Isabela	Sarangani
Biliran	Kalinga	Siquijor
Bohol	La Union	Sorsogon
Bukidnon	Laguna	South Cotabato
Bulacan	Lanao del Norte	Southern Leyte
Cagayan	Leyte	Sultan Kudarat
Camarines Norte	Marinduque	Surigao del Norte
Camarines Sur	Masbate	Surigao del Sur
Camiguin	Misamis Occidental	Tarlac
Capiz	Misamis Oriental	Zambales
Catanduanes	Mountain Province	Zamboanga Sibugay
Cavite	Negros Occidental	Zamboanga del Norte
Cebu	Negros Oriental	Zamboanga del Sur
Cotabato	Northern Samar	
Davao Occidental	Nueva Ecija	

*The study analyzed a total of 76 provinces, encompassing all provinces in the Philippines except those from the Bangsamoro Autonomous Region in Muslim Mindanao
Source: Authors' compilation

Table 2. List of cities included in the study

Region I (Ilocos Region)	**Region IV-A (CALABARZON)**
City of Batac	Batangas City (Capital)
City of Laoag (Capital)	City of Lipa
City of Candon	City of Sto. Tomas
City of Vigan (Capital)	City of Tanauan
City of San Fernando (Capital)	City of Bacoor
City of Alaminos	City of Cavite
City of Dagupan	City of Dasmariñas
City of San Carlos	City of General Trias
City of Urdaneta	City of Imus
	City of Tagaytay
Region II (Cagayan Valley)	City of Trece Martires (Capital)
Tuguegarao City (Capital)	City of Biñan
City of Cauayan	City of Cabuyao*
City of Ilagan (Capital)	City of Calamba
City of Santiago	City of San Pablo
	City of San Pedro
Region III (Central Luzon)	City of Santa Rosa
City of Balanga (Capital)	City of Lucena (Capital)
City of Malolos (Capital)	City of Tayabas
City of Meycauayan	City of Antipolo (Capital)
City of San Jose Del Monte	
City of Cabanatuan	**MIMAROPA Region**
City of Gapan	City of Calapan (Capital)
Science City of Muñoz	City of Puerto Princesa (Capital)
City of Palayan (Capital)	
San Jose City	**Region V (Bicol Region)**
City of Angeles	City of Legazpi (Capital)
Mabalacat City	City of Ligao
City of San Fernando (Capital)	City of Tabaco
City of Tarlac (Capital)	City of Iriga
City of Olongapo	City of Naga
	City of Masbate (Capital)
	City of Sorsogon (Capital)

Table 2 *(continued)*

Region VI (Western Visayas)	**Region VIII (Eastern Visayas)**
City of Roxas (Capital)	City of Borongan (Capital)
City of Iloilo (Capital)	City of Baybay
City of Passi	Ormoc City
City of Bacolod (Capital)	City of Tacloban (Capital)
City of Bago	City of Calbayog
City of Cadiz	City of Catbalogan (Capital)
City of Escalante	City of Maasin (Capital)
City of Himamaylan	
City of Kabankalan	**Region IX (Zamboanga Peninsula)**
City of La Carlota	City of Dapitan
City of Sagay	City of Dipolog (Capital)
City of San Carlos	City of Pagadian (Capital)
City of Silay	City of Zamboanga
City of Sipalay	City of Isabela
City of Talisay	
City of Victorias	**Region X (Northern Mindanao)**
	City of Malaybalay (Capital)
Region VII (Central Visayas)	City of Valencia
City of Tagbilaran (Capital)	City of Iligan
City of Bogo	City of Oroquieta (Capital)
City of Carcar	City of Ozamiz
City of Cebu (Capital)	City of Tangub
Danao City	City of Cagayan De Oro (Capital)
City of Lapu-Lapu	City of El Salvador
City of Mandaue	City of Gingoog
City of Naga	
City of Talisay	**Region XI (Davao Region)**
City of Toledo	City of Panabo
City of Bais	Island Garden City of Samal
City of Bayawan	City of Tagum (Capital)
City of Canlaon	City of Davao
City of Dumaguete (Capital)	City of Digos (Capital)
City of Guihulngan	City of Mati (Capital)
City of Tanjay	

Table 2 *(continued)*

Region XII (SOCCSKSARGEN)	**National Capital Region (NCR)**
City of Kidapawan (Capital)	City of Manila
City of General Santos	City of Mandaluyong
City of Koronadal (Capital)	City of Marikina
City of Tacurong	City of Pasig
	Quezon City
Region XIII (Caraga)	City of San Juan
City of Butuan (Capital)	City of Caloocan
City of Cabadbaran	City of Malabon
City of Bayugan	City of Navotas
City of Surigao (Capital)	City of Valenzuela
City of Bislig	City of Las Piñas
City of Tandag (Capital)	City of Makati
	City of Muntinlupa
Cordillera Administrative Region (CAR)	City of Parañaque
City of Baguio	Pasay City
City of Tabuk (Capital)	City of Taguig

Source: Authors' compilation

Table 3. List of municipalities included in the study

Bangued (Capital)	Itbayat	San Felipe
Boliney	Uyugan	Baler (Capital)
Dolores	Alcala	Maria Aurora
Lagayan	Aparri	Alitagtag
Malibcong	Claveria	Laurel
Sallapadan	Lal-Lo	Mabini
Tubo	Pamplona	Malvar
Kapangan	Alicia	San Juan
Tuba	Angadanan	Talisay
Kiangan	Burgos	Amadeo
Hingyon	Divilacan	General Emilio Aguinaldo
Tinoc	Jones	Indang
Balbalan	Maconacon	Silang
Besao	Naguilian	Alaminos
Bontoc (Capital)	San Guillermo	Calauan
Pudtol	San Isidro	Paete
Bangui	San Mateo	Pagsanjan
Carasi	Bagabag	Rizal
Dingras	Kayapa	Santa Cruz (Capital)
Nueva Era	Solano	Buenavista
Pagudpud	Abucay	Catanauan
Solsona	Pilar	Lopez
Banayoyo	Angat	Macalelon
Galimuyod	Bulacan	Patnanungan
Nagbukel	Bustos	Real
Santa	Marilao	Sampaloc
Santa Catalina	San Ildefonso	San Andres
Santa Lucia	Doña Remedios Trinidad	San Francisco
Aringay	General Tinio	San Narciso
Bacnotan	Licab	Angono
Bangar	Lupao	Jala-Jala
Burgos	Nampicuan	Pililla
Rosario	San Leonardo	Torrijos
San Gabriel	Talugtug	Santa Cruz
Alcala	Arayat	Pola

Table 3 *(continued)*

Bolinao	Lubao	Puerto Galera
Bugallon	Masantol	Victoria
Burgos	Porac	Araceli
Mabini	Sasmuan	Coron
Manaoag	Gerona	Magsaysay
Rosales	Victoria	Roxas
Santa Barbara	San Jose	Culion
Laoac	Masinloc	Calatrava
San Jose	Belison	La Libertad
La Libertad	Caluya	San Jose
Manukan	Culasi	Valencia
Pres. Manuel A. Roxas	Pandan	San Juan
Sindangan	Sibalom	Siquijor (Capital)
Tampilisan	Cuartero	Arteche
Kalawit	Ma-Ayon	Guiuan
Aurora	Pilar	Hernani
Margosatubig	President Roxas	Mercedes
San Pablo	Barotac Nuevo	Sulat
Lakewood	Concepcion	Albuera
Josefina	Dumangas	Bato
Mabuhay	Guimbal	Javier
Malangas	Mina	Kananga
Talusan	Oton	Macarthur
Titay	San Dionisio	Matalom
Bacacay	San Enrique	Palompon
Manito	Sara	San Isidro
Oas	Candoni	Santa Fe
Rapu-Rapu	Cauayan	Biri
Labo	Isabela	Gamay
Santa Elena	Toboso	Las Navas
Canaman	Sibunag	Rosario
Caramoan	Anda	San Vicente
Gainza	Balilihan	Almagro
Lupi	Catigbian	Hinabangan
Milaor	Inabanga	Santa Margarita

Table 3 *(continued)*

Nabua	Mabini	Santa Rita
San Fernando	President Carlos P. Garcia	Santo Niño
Tigaon	San Isidro	Anahawan
Tinambac	Trinidad	Bontoc
Gigmoto	Ubay	Saint Bernard
Viga	Bien Unido	Tomas Oppus
Cawayan	Alcoy	Caibiran
Esperanza	Barili	Dangcagan
Mandaon	Catmon	Kibawe
Mobo	Consolacion	Libona
Bulan	Minglanilla	Quezon
Donsol	Pilar	Bacolod
Santa Magdalena	Poro	Baloi
Altavas	San Remigio	Kauswagan
Makato	Tabuelan	Munai
Anini-Y	Tuburan	Salvador
Bonifacio	Mawab	Magallanes
Concepcion	Nabunturan (Capital)	Remedios T. Romualdez
Plaridel	Malita (Capital)	Loreto
Sinacaban	Santa Maria	Santa Josefa
Balingasag	M'Lang	Trento
Claveria	Banisilan	General Luna
Lagonglong	Arakan	Gigaquit
Magsaysay	Norala	San Benito
Salay	T'Boli	San Isidro
Villanueva	Columbio	Tubod
Sulop	Lebak	Cagwait
Baganga	Palimbang	Lianga
Cateel	Maasim	Tagbina
Laak	Las Nieves	Loreto

Source: Authors' compilation

Appendix B. LGU segmentation

The segmentation referred to is the LGU Segmentation Report (as of February 2022) conducted by the DILG. The LGUs are classified into quadrants based on their performance and capacity. Specifically, Quadrant 1 represents high capacity and high performance; Quadrant 2 represents low capacity and high performance; Quadrant 3 represents low capacity and low performance; and Quadrant 4 represents high capacity and low performance. The formula for determining capacity and performance is shown in Tables 1 and 2.

Table 1. Weight assignments for capacity formula

Clusters	No.	Indicators	Weight Value
Cluster A: Planning, budgeting, reporting	1	Approved CY 2019 Annual Budget	40%
	2	Compliance with the Full Disclosure Policy	25%
	3	Availability of plans and documents that integrate DRR and CCA-related measures	
		PDPFP/CLUP	10%
		LDRRMP	5%
		LCCAP	5%
		Contingency Plan	5%
	4	Approved 10-Year Solid Waste Management Plan	10%
		Subtotal	100%
		Cluster A weighted (40%)	40%
Cluster B: Strategic bodies	5	Functionality of local development councils (LDC)	
		PDPFP/CDP	25%
		LDC composition	30%
	6	Convened LDRRMC	15%
	7	Convened Local Solid Waste Management Board	15%
	8	Organized Anti-Drug Abuse Council	15%
		Subtotal	100%
		Cluster B weighted (40%)	40%

Table 1 *(continued)*

Cluster C: Plantilla officers	9	LDRRMO	40%
	10	LSWDO	20%
	11	PDAO	20%
	12	Local tourism officer	20%
		Subtotal	100%
		Cluster C weighted (20%)	20%
		Final: Weighted average of the clusters	100%

No. = number; CY = calendar year; DRR = disaster risk reduction; CCA = climate change adaptation; PDPFP = Provincial Development and Physical Framework Plan; CLUP = Comprehensive Land Use Plan; LDRRMP = Local Disaster Risk Reduction and Management Plan; LCCAP = Local Climate Change Action Plan; CDP = Comprehensive Development Plan; LDRRMC = Local Disaster Risk Reduction and Management Council; LDRRMO = Local Disaster Risk Reduction and Management Office; LSWDO = Local Social Welfare Development Officer; PDAO = Persons with Disability Affairs Office
Source: LGA (2022)

Table 2. Weight assignments for performance formula

Cluster	No.	Indicators	Weight Value
Cluster A: Financial Administration (40%)	1	Audit Opinion + 30% of recommendations fully complied with	20%
	2	Utilization rate of the 20% Local Development Fund	20%
Cluster B: DRRM (35%)	3	Utilization rate of LDRRMF's 70% allocation for disaster prevention and mitigation, preparedness, response, etc.	15%
	4	DRRM Service Delivery Outputs (multiple items)	
		Early warning system	5%
		Evacuation center	5%
		Prepositioned goods and resources	5%
		Equipped and trained SAR units	5%
Cluster C: Other Funds (25%)	5	POPS Plan implementation	12%
	6	Completion rate of, or fund utilization for, 2018 LSB Plan	12%
	7	DSWD-accredited LGU-managed residential care facility	1%
Weighted average of the indicators			100%

DRRM = disaster risk reduction and management; LDRRMF = Local Disaster Risk Reduction and Management Fund; SAR = Search and Rescue; POPS = Peace and Order, and Public Safety; LSB = local school board; DSWD = Department of Social Welfare and Development; LGU = local government unit
Source: LGA (2022)

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Two recent key events have advanced the country's decentralization agenda. In 2019, the Mandanas-Garcia Supreme Court (Mandanas) ruling expanded the tax base for intergovernmental fiscal transfers to support the autonomy and revenue-raising capacity of local governments. In 2021, Executive Order (EO) 138 established the guidelines for effectively transferring functions and responsibilities from the national to the local governments. One of the directives in EO 138 is the development and review of devolution transition plans (DTPs).

Given the current state of devolution in the country, there is uncertainty about how local government units (LGUs) will fully assume all devolved functions and whether the prescribed devolution transition period is sufficient. This study aims to establish the baseline of current (pre-Mandanas) devolved functions and capacities by evaluating LGU-crafted DTPs. The results will serve as a pivotal starting point for evaluating performance and progress in the phased adoption of devolved functions. The study reveals (i) high variation in LGU prioritization of devolved functions and LGU capacity, (ii) complete full devolution by 2024 is not achievable according to LGUs' self-assessment, and (iii) capacity development interventions to aid in the devolution agenda primarily focused on workforce and training requirements. Additionally, the study recognizes the need for (i) a mechanism to collect accurate and comprehensive baseline data on the devolved functions of LGUs, (ii) an asymmetric decentralization strategy from the national government, and (iii) greater coordination and guidance from national agencies, particularly on disaster risk reduction and management.

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