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## Working Paper

# Baseline study on policy and governance gaps for the local government support fund assistance to municipalities (LGSF-AM) program: Integrated report

PIDS Discussion Paper Series, No. 2020-03

## Provided in Cooperation with:

Philippine Institute for Development Studies (PIDS), Philippines

*Suggested Citation:* Diokno-Sicat, Charlotte Justine; Adaro, Catharine E.; Maddawin, Ricxie B.; Castillo, Angel Faye G.; Mariano, Maria Alma P. (2020) : Baseline study on policy and governance gaps for the local government support fund assistance to municipalities (LGSF-AM) program: Integrated report, PIDS Discussion Paper Series, No. 2020-03, Philippine Institute for Development Studies (PIDS), Quezon City

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# Baseline Study on Policy and Governance Gaps for the Local Government Support Fund Assistance to Municipalities (LGSF-AM) Program

*Charlotte Justine Diokno-Sicat, Catharine E. Adaro,  
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Baseline Study on Policy and Governance Gaps for the Local  
Government Support Fund Assistance to Municipalities  
(LGSF-AM) Program

Integrated Report

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PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES

March 2020

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## List of Acronyms Used

AIP	Annual Investment Program
ARMM	Autonomous Region in Muslim Mindanao
BHS	Barangay Health Stations
BLGD	Bureau of Local Government Development
BLGF	Bureau of Local Government Finance
BLGS	Bureau of Local Government Supervision
BUB	Bottom-up Budgeting
BUR	Budget Utilization Rates
CapDev	Capacity Development
CBMS	Community-Based Monitoring System
CDP	Comprehensive Development Plan
CIDDDRA	Climate and Disaster Risk Assessment
CLUP	Comprehensive Land Use Plan
CMCI	Cities and Municipalities Competitiveness Index
CO	Capital Outlays
COA	Commission on Audit
CODIX	Central Office Disaster Information Coordinating Center
COE	Current Operation Expenses
CSO	Civil Service Organization
DBM	Department of Budget and Management
DILG	Department of the Interior and Local Government
DOF	Department of Finance
DRRM	Disaster Risk Reduction Management
DRRMO	Disaster Risk Reduction and Management Office
DSWD	Department of Social Welfare and Development
ELA	Executive and Legislative Agenda
EP	Ecological Profile
FDP	Full Disclosure Policy
FDPP	Full Disclosure Policy Portal
FGD	Focused Group Discussion
FSS	Fiscal Sustainability Scorecard
GAA	General Appropriations Act
GAM	Goal Achievement Matrix
GIDA	Geographically Isolated and Disadvantaged Areas
HFEP	Health Facility Enhancement Program
HLURB	Housing and Land Use Regulatory Board
IRA	Internal Revenue Allotment
KALAHYAN-CIDSS	Kapit-Bisig Laban sa Kahirapan Comprehensive and Integrated Delivery of Social Services
KII	Key Informant Interview
KMITS	Knowledge Management Information and Technology Service
LCE	Local Chief Executive
LDC	Local Development Council
LDF	Local Development Fund

LDIP	Local Development Investment Program
LDIS	Local Development Indicator System
LDRRMO	Local Disaster Risk Reduction and Management Office
LFC	Local Finance Committee
LGC	Local Government Code
LGPMS	Local Governance Performance Management System
LGSF-AM	Local Government Support Fund - Assistance to Municipalities
LGU	Local Government Unit
LRMP	Local Resource Mobilization Program
MC	Memo Circular
MDG	Millennium Development Goals
MEO	Municipal Engineer Office
MLGOO	Municipal Local Government Officer
MOOE	Maintenance and Other Operating Expenses
MPDC	Municipal Planning and Development Coordinator
MPDO	Municipal Planning and Development Office
MPT	Municipal Planning Team
M&E	Monitoring and Evaluation
NAPC	National Anti-Poverty Commission
PCF	Performance Challenge Fund
PDC	Provincial Development Council
PDIP	Provincial Development Investment Program
PDP	Philippine Development Plan
PFM	Public Financial Management
PHFDP	Philippine Health Facilities Development Plan
PIDS	Philippine Institute for Development Studies
PMO	Project Management Office
PO	People's Organization
PPA	Programs, Projects and Activities
PPDO	Provincial Planning and Development Office
PPP	Public-Private Partnerships
PS	Personal Services
PWD	Persons with Disabilities
RaPIDS	Rationalized Planning Indicator and Data Set
RCBMS	Rapid Community Based Monitoring System
RDC	Regional Development Council
RHU	Rural Health Unit
RO	Regional Office
SALINTUBIG	Sagana at Ligtas na Tubig Para sa Lahat
SB	Sangguniang Bayan
SCALOG	System on Competency Assessment for Local Governments
SDG	Sustainable Development Goals
SGFH	Seal of good Financing Housekeeping
SGH	Seal of Good Housekeeping
SGLG	Seal of Good Local Governance
SLGP	Support to Local Government Program



SUC  
UNDP  
WSS

State Universities and Colleges  
United Nations Development Programme  
Water Supply and Sanitation

## Abstract

Despite almost three decades of Philippine decentralization, local governments continue experience varied levels of development and face challenges in delivering devolved basic services. At the same time, the national government has been continuously providing various forms of support for local governments to carry out devolved functions to build their capacity towards genuine fiscal autonomy. One major challenge faced in assessing the impact of the various interventions is the lack of baseline data. This current study aimed to identify policy and governance gaps in infrastructure and planning to provide baseline data on key areas and current planning practices of local governments to provide the necessary information for taking the next steps in decentralization.

This report covers 1,373 municipalities and establishes baseline information on fiscal gaps in local roads, evacuation centers and rural health units. This study also documents governance gaps in development planning through a survey of planning practices vis-à-vis the DILG-prescribed process of these municipalities. These are all done within the context of current local development instruments and performance monitoring systems reviewed during the initial stages of the drafting of this report.

The desk review highlighted low revenue effort as well as inadequate utilization of mandated funds for development across municipalities. These facts contribute to delayed local development and have been attributed to poor planning such as lack of detail on development projects, lack of coordination and poor monitoring.

The fiscal gaps estimated in this study were based on the submissions of 91% (or 1,248 of 1,373) of municipalities on infrastructure in the key areas existing in 2017. Computations were made on the objectives (1) to pave all municipal roads existing in 2017; (2) build one primary evacuation center for all geographically and isolated (GIDA) areas; and (3) construct one rural health unit for every 20,000 Filipinos.

Some of the identified governance gaps in development planning included: (1) the need to enforce compliance with the mandate requiring LGUs to update their multi-sectoral development plans regularly since it was found that only 40% surveyed municipalities have recent comprehensive development plans (CDP); (2) revisiting the basis for establishing the current situation of a locality since the results showed that 57% of municipalities use the Community Based Monitoring System (CBMS) for ecological profiling but did not do so regularly and exhaustively; (3) the need for improved project readiness both in terms of establishing the feasibility of projects as well as the priority since the results showed that about half of the municipalities always prepared project briefs and did the prescribed second round of prioritization; and, (4) strengthen the capacity development programs of which 82% of municipalities claim to have for the implementation of the CDP and particularly for monitoring and evaluation strategies where only 38.4% of the respondents answered in the affirmative.

**Keywords:** Governance gaps, comprehensive development plans, monitoring and evaluation, Philippine municipalities survey, programs projects and activities

# Baseline study on policy and governance gaps for the Local Government Support Fund Assistance to Municipalities (LGSF-AM) Program (Integrated Report)

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## 1. Introduction

Despite more than two decades of Philippine decentralization, Philippine local governments (LGUs) continue to face challenges in delivering devolved basic services. Because of this, national government provides transfers and financial support to LGUs to carry out devolved functions to build their capacity towards genuine fiscal autonomy. In 2018, the National Government scaled up efforts to ensure meaningful devolution by providing the Local Government Support Fund – Assistance to Municipalities (LGSF-AM) Program under R.A. No. 10964, otherwise known as the FY2018 General Appropriations Act (GAA) (DILG 2018).

This program, which covers 1,373 municipalities, is a source of funding of projects from their respective Local Development Investment Programs (LDIPs)<sup>1</sup> Eligible LDIP programs include: (i) local access roads; (ii) local bridges; (iii) potable water system projects; (iv) evacuation center and disaster risk reduction-related equipment; (v) small water impounding projects; (vi) rain water catchment facilities; (vii) sanitation and health facilities; and, (viii) municipal drug rehabilitation facility.<sup>2</sup> The fund is allocated based on equal share, fiscal capacity, per capita share, and share for good performance.<sup>3</sup>

The release of funds to the municipality is subject to compliance with the following: (i) the requirements of the DILG Seal of Good Financial Housekeeping<sup>4</sup>; (ii) the requirements of the DILG Local Development Council functionality assessment<sup>5</sup>; and, (iii) assessment of Public Financial Management (PFM) systems<sup>6</sup> and adoption of the corresponding PFM improvement measures.

To be able to monitor and assess the progress in addressing the infrastructure gaps of municipalities covered by the LGSF-AM Program, the DILG and the Philippine Institute for Development Studies (PIDS) conducted a baseline study to identify policy and governance gaps of municipalities. This study scoped, reviewed and systematically analyzed existing LGU

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<sup>1</sup> The LDIP is a document linking the local development plan, known as the Comprehensive Development Plan (CDP), to the annual local budget.

<sup>2</sup> (Republic of the Philippines 2017, Vol. II-B, Special Provision No. 2, p. 585)

<sup>3</sup> [DILG-DBM Joint Memorandum Circular (MC) No. 2017-03 dated May 23, 2017]

<sup>4</sup> The Seal of Good Financial Housekeeping is a measure of LGU accountability and transparency. It is granted by the DILG to LGUs that obtained an unqualified or qualified Commission on Audit (COA) Opinion for 2015 and complied with the Full Disclosure Policy of Local Budget and Finances, Bids and Public Offerings (DILG MC 2011-08A). The SGFH is a component of the Seal of Good Local Governance (DILG MC 2017-53).

<sup>5</sup> Please refer to Section 3.1 for a more detailed discussion.

<sup>6</sup> Refers to all aspects of resource mobilization and expenditure management in government (DILG Memorandum Circular No. 2018-61).

performance indicator systems with focus on the following key infrastructure areas<sup>7</sup>: (i) local roads, (ii) potable water systems, (iii) evacuation centers, and (iv) rural health units (RHUs)<sup>8</sup>. Component 1 reviewed current LGU performance measures and systems used in the implementation of the LGSF-AM, particularly: (1) local development council (LDC) functionality<sup>9</sup>; and, (2) vertical and horizontal linkages of LDIPs to national and sectoral plans and commitments such as the Sustainable Development Goals (SDG) and the Sendai Framework on climate change.

While Component 1, established the groundwork by reviewing current LGU performance based on existing measures and systems, Component 2 examined in more detail existing local government data and monitoring systems to assess the current state of local service delivery systems and resource mobilization.

Component 3 was originally designed to have two parts:

- (1) Sub-component 3.1: the application of verifiable metrics to evaluate selected LGUs based on Component 1 results.
- (2) Sub-component 3.2: the identification of policy and governance gaps in development planning and local service delivery for selected key areas of infrastructure through focus group discussion (FGDs) and key informant interviews (KIIs).

However, challenges in data availability and in estimating infrastructure gaps caused a revision in the coverage and methodology of Component 3. Infrastructure gaps and data on asset management which were supposed to be included in Component 2 were deferred to Component 3 which was subsequently divided into: (1) Subcomponent 3.1 that contains the infrastructure and policy gaps and submitted to the DILG in January 2019; and, (2) Subcomponent 3.2 which is this current report, that focuses on governance gaps in development planning.

The combined findings of Components 1 and 2 reports warrant further examination of the planning process and how it manifests in local government expenditures. An important question that emerged from the component reports of the baseline study is, why, despite the overall good score for LDC functionality and excellent score for the presence of plans, was poor planning identified by the Commission on Audit (2016, 2017) reports as reasons for low utilization rates of the Local Development Fund?

With this, the logical next step was to validate these findings by conducting a survey to identify governance gaps in the local planning process. The survey covered all LGSF-AM municipalities with focus on the LGU planning process, specifically the drafting of the Comprehensive Development Plan as prescribed by the DILG (DILG 2008). The respondents included the members of the local planning team as well as those from accredited Civil Service Organizations (CSOs) involved in the local planning process to assess the level of participation of these groups in the identification and prioritization of projects, asset management and resource mobilization.

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<sup>7</sup>The key infrastructure areas included in this study were identified based on the specified national government priorities in DBM Circular Letter No. 2018-05 as well as in coordination with the DILG SLGP-PMO (DBM 2018).

<sup>8</sup>The initial intention was to include Barangay Health Stations but it was decided to focus on RHUs.

<sup>9</sup> An LGU performance measure constructed by the DILG Bureau of Local Government Supervision (BLGS) in 2017.

This report is an integration of the three component reports separately submitted to the DILG for the completion of the PIDS DILG LGSF AM Baseline Study Project. This report summarizes the discussions and findings from the three components in order to come up with policy recommendations for the LGSF-AM Program.

## **2. Scope, Methodology and Discussion Flow**

In order to successfully achieve the objectives of the baseline study, mixed research methods were used.

### *2.1 Scope and Methodology*

#### 2.1.1. Component 1

A desk review and key informant interviews (KII) were conducted to assess current tools used to gauge LGU performance in general, and to evaluate the following specifically:

- a. The state of functionality of all levels of the LDCs based on the 2017 Local Development Council Functionality assessment of the DILG – Bureau of Local Government Supervision (BLGS);
- b. The quality of existing Local Development Investment Programs (LDIPs) of the LGSF-AM municipalities; and
- c. The presence of horizontal and vertical linkages of the LDIPs of the LGSF-AM municipalities to national plans such as the Philippine Development Plan 2017-22 (vertical) and sectoral plans (horizontal).

For Component 1(b), the initial intention was to evaluate the quality of the LDIP using a two-fold operational definition that was dependent largely on data availability. The first step was supposed to be an assessment of whether or not the LDIP contains investment programs that are sufficient to address the infrastructure gap for the key infrastructure areas covered by the study. The plan was to collect data from national government or public sector master plans for infrastructure, water resources, and disaster risk reduction and management-related infrastructure, and examining if the LDIPs completely address the corresponding gaps. The second assessment was to look at the success of including the relevant LDIP projects in the Annual Investment Plan (AIP) and the LGU's Appropriation Ordinance for 2017. However, data and information limitations caused the redesign of the Component 1 report from evaluating the quality of the LDIPs to estimating infrastructure and fiscal gaps based on data gathered from the local governments, with the latter being cost of these gaps, in the key areas of roads, potable water, evacuation centers and RHUs for municipalities.

For Component 1(c), the vertical and horizontal linkages of projects indicated in the municipal LDIPs were assessed. Vertical linkages refer to whether or not projects covered by the key infrastructure areas in the municipal LDIPs are aligned with the Philippine Development Plan (PDP) for 2017 to 2022. This relied heavily on the assessment conducted by the DILG- Bureau of Local Government Development (BLGD) based on DILG Memorandum Circular (MC) No. 2017-84 "Guidelines for Strengthening Linkage of National/Regional/Provincial Development Strategies, Programs, Projects and Activities (PPAs) with the Comprehensive Development Plan (CDP)". Sec. 6.3.2.4 of the same directed local bodies to conduct an assessment of the alignment of the LDIP (for either City or Municipality) to Provincial Development Investment

Programs (PDIP), for which the latter was already determined to be aligned with vertical linkages (i.e., PDP 2017-2022, *AmBisyon Natin* 2040) and horizontal linkages (i.e., sectoral linkages for international commitments such as the Sustainable Development Goals (SDGs) and the Sendai Framework for Disaster Risk Reduction 2015-2030).

### 2.1.2. Component 2

Component 2 of the study was also a desk review and analysis of existing administrative data and monitoring reports submitted by the LGUs to the DILG. Data gathered for this report was to assess and develop baseline information for the following:

- a. The current state of local service delivery systems for the key areas under study (as indicated by budget utilization rates, BUR) and documented bottlenecks in current reports and literature;
- b. The current state of resource mobilization and asset management; and
- c. Infrastructure needs of the LGUs in the key areas of infrastructure

Component 2(a) focused on the budget utilization rates (BUR) of the local (municipal) development fund which is mandated to be 20% of the annual Internal Revenue Allotment (IRA) of the LGU. Component 2(b) focused on the financing capacity of the municipality and looked at two aspects, resource mobilization and asset management. Resource mobilization highlights the ability of LGUs to raise revenues to finance expenditures and focused on two definitions of locally-sourced revenues: (1) local tax effort defined as locally-sourced tax revenues as a share of total income; and, (2) locally-sourced revenues computed as revenue from local sources, which includes both tax and non-tax revenues as a share of total income. Data for resource mobilization was readily available at the Bureau of Local Government Finance (BLGF).

As for asset management in Component 2(b), the primary concern was identifying (1) how much revenues are raised from LGU-owned assets; and (2) how much is spent for its maintenance in each municipality. Data on the value of total assets is available at the BLGF, but the detail needed for this report was gathered directly from the LGUs with the assistance of the DILG.

Similarly, the data for the estimation of the infrastructure gap for key areas in Sec. 2(c)<sup>10</sup> was gathered directly from the LGUs with the assistance of the DILG. Because of technical issues, the completion of infrastructure gap estimates was deferred to Component 3.

### 2.1.3. Component 3.1: Fiscal gaps

Estimating the infrastructure gap by identifying the ideal and existing levels for each key infrastructure area proved to be a major challenge for the PIDS Study team. This was particularly true for two infrastructure areas, local roads and potable water systems. For local roads, no administrative data on the length of local roads or any network master plan from any national government agency was available. Similarly, no integrated database of information on the infrastructure gap for water system at the municipal level was available, despite the

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<sup>10</sup> The Component 1 report contains a discussion of how infrastructure gaps will be defined for the key areas of: (1) local roads; (2) potable water systems; (3) evacuation centers; and, (4) rural health units (RHUs) and Barangay health units (BHUs).

presence of major government programs to satisfy water supply requirements of the LGUs such as the Sagana at Ligtas na Tubig sa Lahat (SALINTUBIG) program of the National Anti-Poverty Commission (NAPC) and funding for water systems through the DILG-WSS-PMO. On the other hand, the estimation of infrastructure gaps for the two remaining identified infrastructure areas, the evacuation centers and the RHUs and BHS were relatively easier to formulate since available data for the estimation criteria were available.

In response to the data challenges and to determine procedures in the estimation of infrastructure and fiscal gaps, the study team, with the assistance of the DILG SLGP PMO, conducted data collection activities to gather municipal level data on the four key infrastructure areas. To facilitate the data collection, an advisory to DILG ROs was sent by the then DILG Undersecretary for Local Government Austere Panadero requesting LGUs to provide data to PIDS on their current inventory (as of 2017) of the four key infrastructure areas was farmed out to all DILG regional offices (*See Annex C. Advisory: Data on Infrastructure Needs of the Municipal LGUs in Key Areas of Infrastructure*).

The LGU infrastructure inventory data templates developed by PIDS included the following forms:

Form 1. Population Distribution

Form 2. Inventory of Existing Municipal and Barangay Roads (as of 2017)

Form 3. Inventory on Major Sources of Water by Water System Level (as of 2017)

Form 4. Inventory of Evacuation Centers (as of 2017)

Form 5. Inventory of Health Facilities (as of 2017)

Form 6. Asset Management (as of 2017)

The respective Municipal Local Government Officer (MLGOO) of each LGU was designated to ensure information dissemination, provide administrative guidance, and coordinate with concerned LGU personnel relative to the accomplishment of all the forms provided by PIDS.

#### 2.1.4. Component 3.2: Governance Gaps

The identification of governance gaps in local government planning was facilitated through a nationwide primary data collection exercise using five semi-structured questionnaires that were administered to LGUs and CSO representatives. The information obtained from the interviews were used to assess LGU compliance to the DILG-recommended process of the drafting/updating of the CDP, and consequently in the preparation of the LDIP and the AIP, as well as to identify other mechanism/s that is/are utilized for the planning process.

Primary data collection covered all the 1,373 LGSF-AM beneficiary-municipalities identified in the FY 2018 GAA, R.A. No. 10964 as specified in the DILG Department Order No. 2018-61 (DILG 2018).

Primary data was collected from the municipal planning team members from two different perspectives. The first perspective was of the Municipal Planning Team aimed to assess the LGU's conformity to the DILG-recommended guidelines in the development/updating of the CDP. The second perspective drew out the perceptions of the same set of respondents (i.e., members of the Municipal Planning Team (MPT)) with the regard to the various aspects of local development planning of the LGU and CSO participation in local development planning.

The participants of the survey were LGU personnel involved in the design and drafting of the following development plans: (1) the Comprehensive Development Plan (CDP); (2) the Local Development Investment Program (LDIP); and, (3) the Annual Investment Program (AIP). These respondents included the Municipal Planning and Development Coordinator, the Municipal Budget Officers or /Accountant, and the Municipal Engineer. A CSO representative who was a member of the MPT was also interviewed in order to get their perceptions on various aspects of local development planning of the LGU.

The survey team successfully interviewed 100% of the 1,373 municipalities. From these, a total of 4,101 LGU representatives/personnel consisting of 1,371 MPDCs; 1,363 Municipal Engineers; and 1,367 Municipal Budget Officers/Accountants, and 1,356 CSO representatives served as respondents (Table 1).

**Table 1. Types and number of survey respondents for the LGSF-AM primary data collection**

Survey Component	No. of Target Interviews Per LGU	No. of Target Interviews for All LGUs	Actual	Response Rate
A. LGU Survey				
LGU Planning Team	1	1,373	1,373	100.0%
3 LGU representatives				
• Municipal Planning & Development Coordinator	1	1,373	1,371	99.8%
• Municipal Engineer	1	1,373	1,363	99.6%
• Municipal Budget Officer/Accountant	1	1,373	1,367	99.3%
B. CSO Survey				
Representative/s of selected CSO	1	1,373	1,356	98.8%

## 2.2 Discussion Flow

This report presents the integrated results of the Baseline Study and weaves the component report results into a narrative that shows how planning impacts the ability to implement projects that should contribute to development. To develop this narrative, the results of the component reports are not discussed chronologically as above, but more intuitively aligning current government performance measures with the resultant fiscal and governance gaps.

Section 3 looks at local development instruments and fiscal gaps. It focuses on the functionality of all the levels of the LDC, the quality of existing LDIPs and the presence of horizontal and vertical linkages studied in Component 1. This section also presents Component 3.1 estimated infrastructure and fiscal gaps for the LGSF-AM municipalities based on 2017 data submitted to the PIDS Study team.

Because of data and information limitations, part of the Component 1 approach was redesigned from evaluating the quality of the LDIPs to estimating infrastructure and fiscal gaps based on submissions of municipal governments for the key areas of roads, potable water, evacuation centers and RHUs for municipalities. The resultant infrastructure gaps and costs of these gaps could possibly be used as a point of comparison with existing LDIPs as a minimum amount or possible criteria to assess the reported investment programs. Similar priorities and/or costing



of investment programs contained in the LDIPs and the infrastructure gaps identified in Component 3.1 could possibly suggest that the LDIPs crafted by the LGUs are somewhat responsive to their needs. On the other hand, if LDIP investment programs for the specific areas differ from the identified infrastructure gaps, the municipalities could consider revisiting these.

Section 4 focuses on local government performance and governance gaps. The discussion of findings for Components 2 and 3.2 follows accordingly and allows focus on governance gaps. While Component 2 focused on the assessment of the current state of local service delivery systems, Component 3.2 assessed the compliance of the LGUs to the DILG-recommended process of drafting/updating of the CDP, and eventually in the preparation of the LDIP and the AIP. By identifying areas for improvement in the planning process practiced by the LGUs as reflected in the primary data collection results, recommendations for improvement of local service delivery systems can be drawn.

### **3. Local Development Instruments and Fiscal gaps**

#### ***3.1 The Local Development Council, Local Development Investment Program and Horizontal and Vertical Alignments***

The Local Development Council (LDC) is a local body mandated to produce multi-sectoral development plans such as the comprehensive land-use plan (CLUP) and development plan (CDP). In drafting the CDP, a resultant output is the local development investment program (LDIP) that identifies infrastructure investments aimed to bridge the gaps between the vision of local governments and their current realities. Component 1 looked at elements of local planning that contribute to the drafting of the LDIP and, consequently, the delivery of devolved basic infrastructure services. These include the participation of the mandated Local Development Council (LDC) in steering the drafting of multi-sectoral plans such as the Comprehensive Development Plan (CDP) and the LDIP which are both crucial/paramount to being able to effectively provide the necessary infrastructure investments.

Though Philippine local governments are given the authority to identify priorities, raise revenues and are entitled to the intergovernmental fiscal grant called the internal revenue allotment (IRA) they can also explore other sources of financing for their investment programs. One such option that local governments look at are grants given by national government agencies. These national government programs that offer grants to LGUs are typically subject to conditions of local governments meeting certain criteria (i.e. satisfying existing local government performance measures) and spending on national government priority areas such as roads and other infrastructure. As a result, another element of local government planning examined in this study are current efforts of the national government to ensure the vertical and horizontal alignment of local governance tools with nationwide priorities (DILG 2017).

##### **3.1.1. The Local Development Council**

The Local Development Council is a local body comprised of elected officials and sectoral representatives tasked to initiate a comprehensive multi-sectoral development plan for its respective local government unit, assist the corresponding local legislative body in setting the direction of economic and social development and coordinating development efforts within its territorial jurisdiction. Every LGU at the provincial, city, municipal, and barangay level shall have a corresponding LDC. Sections 106 to 114 of Republic Act (R.A.) 7160 or the Local

Government Code of 1991 provide for the functions, composition,<sup>11</sup> and minimum standards for assessing the functionality of LDCs.<sup>12</sup>

In 2017, the DILG-BLGS produced the Profile of Local Development Council Functionality in the Philippines (DILG-BLGS 2017) as part of the 2017 Seal of Good Local Governance Assessment.<sup>13</sup> The evaluation covered 1,715 LGUs, and the metrics used to assess LDC functionality were based on a modified scaling system developed by the BLGS beyond the minimum standards of the Local Government Code (LGC).

Though LDC functionality is evaluated based on several criteria, the baseline study focused on the scores for ‘Overall LDC Functionality’ and ‘Plans Formulated’ (i.e., whether an LGU had a CDP, LDIP or AIP). The results of the 2017 DILG-BLGS profile<sup>14</sup> showed that the regional average score for overall LDC functionality was 83 percent, with Region 7 (Central Visayas) and Autonomous Region in Muslim Mindanao (ARMM) lagging with scores of 71.8 and 35 percent, respectively.

In terms of LGUs’ scores for plans, there were eight regions with at least one LGU that had a failing score, i.e., the LGU did not have a CDP, LDIP or AIP. However, more than 97 percent of LGUs received a passing score for plans in nearly all regions, with the exception of ARMM, in which only about 60 percent of municipalities received a passing score for the criterion (Table 2).

**Table 2. Share of LGUs with passing scores for LDC functionality and plans, by region (in percent)**

Region	In terms of LDC Functionality	In terms of Plans
Region 1	93.8	100.0
Region 2	86.7	98.0
Region 3	84.7	100.0
Region 4-A	82.3	100.0
Region 4-B	83.3	98.7
Region 5	82.5	96.7
Region 6	85.8	99.1
Region 7	71.8	99.1
Region 8	85.2	99.3
Region 9	84.0	100.0
Region 10	86.7	96.9
Region 11	94.4	100.0
Region 12	83.3	100.0
Region 13	88.5	98.7
National Capital Region (NCR)	82.4	100.0
Cordillera Administrative Region (CAR)	92.8	98.8
Autonomous Region in Muslim Mindanao (ARMM)	35.0	59.3
Negros Island Region*	91.5	100.0

Source: Department of Interior and Local Government

<sup>11</sup> (Republic Act No. 7160 1991, Sec. 106)

<sup>12</sup> (Republic Act No. 7160 1991, Secs. 107 to 113)

<sup>13</sup> (DILG 2017)

<sup>14</sup> Annex A provides a regional summary of LGUs’ scores in terms of overall LDC functionality and plans.

### 3.1.2. The Local Development Investment Program

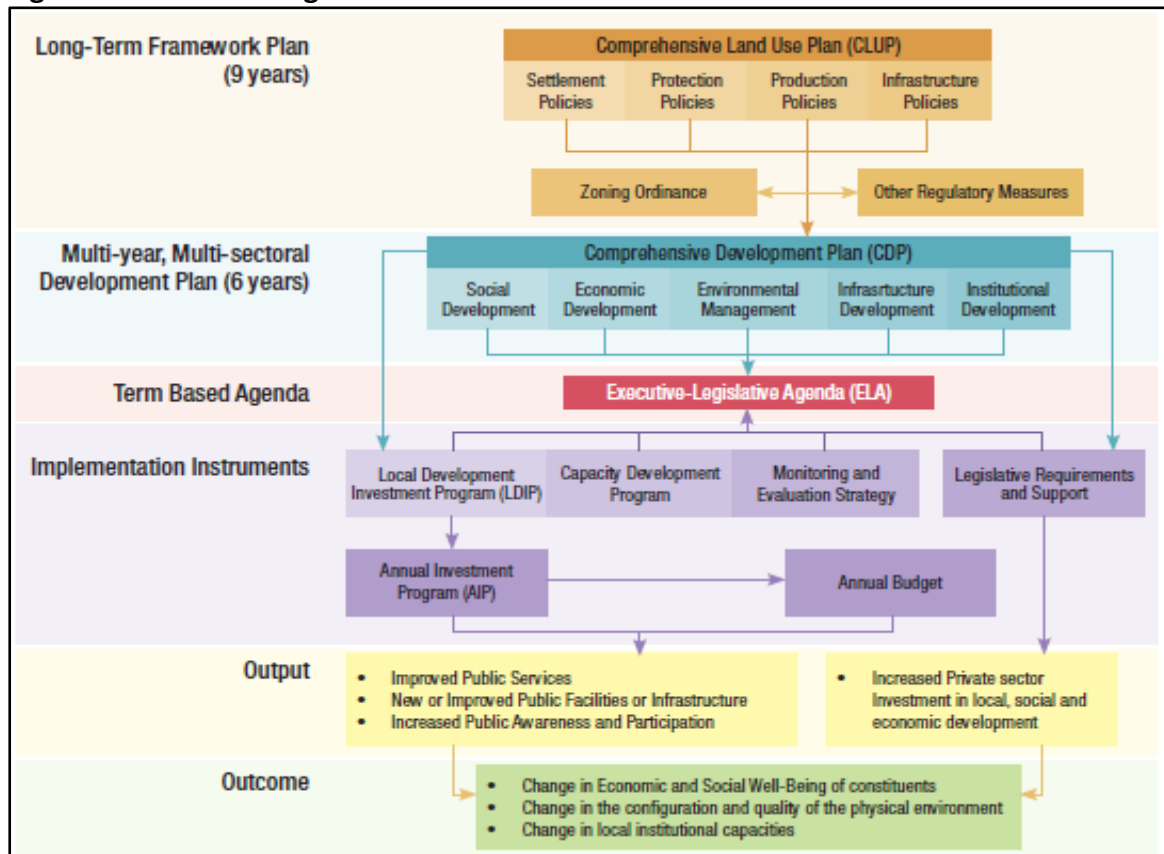
The Local Development Investment Program (LDIP) is a document that links the Comprehensive Development Plan (CDP) to the annual local budget. It contains a prioritized list of programs, projects and activities (PPA) aligned with the CDP and matched with financing resources over a period of three (3) years (DILG 2016). The annual components of the LDIP are referred to as the Annual Investment Program (AIP) which should serve as a basis for the annual local budget document (DILG 2016).

Meanwhile, the CDP is a multi-sectoral plan formulated at the city or municipal level which contains the vision, sectoral goals, objectives, development strategies, and policies within the term of LGU officials in the medium term, i.e. six (6) years. The CDP contains the following: (i) Ecological Profile; (ii) Development Plan; and (iii) Implementing Tools (Local Development Investment Program, Legislative Requirements, and Capacity Development Programs). Recognizing that the six (6) year period of the CDP is longer than the three (3) year electoral term of local chief executives, the planning process prescribes the development an Executive and Legislative Agenda (ELA) that is based on the CDP but reflective of the current administration's platform of government (DILG 2016, DILG 2019).

Aside from the CDP, LDIP, and AIP, the Comprehensive Land Use Plan (CLUP) is another tool used to guide LGUs in planning the delivery of basic services. The CLUP is the “skeletal-circulatory framework of the territory's physical development, it identifies where development can and cannot be located and directs public and private investments accordingly for a time frame of nine (9) years (DILG 2016, 1).” Figure 1 shows the relationship between the different local planning tools and the local budget.

The CLUP, CDP, and LDIPs undergo their respective vetting processes. The CLUP of component cities and municipalities are reviewed by the Provincial Land Use Committee. Meanwhile, the Provincial Development Council (PDC) is responsible for the review process of the CDP of component LGUs, with the Provincial Planning and Development Office (PPDO) acting as technical secretariat. The review process follows three-steps, namely: (1) form review, which ensures that the CDP and LDIP are complete; (2) process review, to determine whether the CDP and LDIP submission reflects the organizational/institutional processes (including information sharing and consensus building) and content generation linkages/leadership involvement and consultation and participation; and, (3) content review, to assess the substance and logic of the CDP and LDIP submission (DILG 2016).

**Figure 1. Local Planning Illustrative Guide**



Source: DILG Local Planning Illustrative Guide: Preparing and Updating the Comprehensive Development Plan

The LDIPs are considered as one output document in the CDP planning cycle. The lead offices responsible for drafting the same are the municipal planning team and the local finance committee. The planning team is responsible for: (1) prioritizing activities; (2) ensuring that the process includes proper sectoral representation; and, (3) drafting the document diligently and judiciously (DILG 2016). The local finance committee, with particular focus on the local treasurer and budget officer, is responsible for the Local Resource Mobilization Program (LRMP), Financing Plan, and the Medium-Term Forecasts of Current Operating Expenses, respectively.

The LDIP, being a component of the CDP, is reviewed by the PDC. The PDC review of the LDIP focuses on two general aspects: (1) the quality of policies, such as alignment of PPAs with CDP-identified priorities as well as the inclusion of revenue, financing, and cost recovery policies; and, (2) the quality of the LDIP financing plan and investment schedule. The review of the latter includes analyses of both historical and expected trends in revenue and expenditures as well as investment financing and debt servicing (DILG 2016).

For this Baseline Study, the intention was to evaluate the quality of the LDIP using a different perspective from the financing plan perspective of the PDC review. Rather, the quality of the LDIP was to be defined in terms of its ability to capture the infrastructure gaps and financial needs of LGUs (which are, in turn, necessary to finance the infrastructure gaps) to satisfy a minimum requirement for each key infrastructure area. The rationale behind this perspective is driven by the nature of the LGSF-AM as a lump-sum fund given by the national government on top of the mandated shares of internal revenue and national wealth. As such, it may be said

that the intent to aid LGUs under the program would be prudent to the extent that their infrastructure needs are met based on a predetermined ideal (i.e., to provide a minimum number of evacuation centers per area/population, or a certain standard quality for roads or water systems).

However, through the conduct of the study, it was found that the necessary data requirements to be able to ascertain the minimum needs for infrastructure proved to be a challenge. Section 3.1.4 discusses the adopted methodology in this study.

### 3.1.3. Vertical and horizontal alignment of the LDIPs: Are the LDIPs linked to both national and cross-sector priorities?

Though it is recognized that LGUs have the authority to identify local priorities, there have been efforts in recent years to align the LDIPs with national priorities such as the Philippine Development Plan (PDP) 2017 – 2022. One of the reasons for the need for alignment is that local governments are envisioned as partners of the national government in development (Republic of the Philippines 1991, Sec. 2). Another possible reason for strengthening linkages of national/regional/provincial development plans with CDPs is to align national government assistance to LGUs.<sup>15</sup> For example, it is important to ensure that the national government's push on infrastructure spending be supplemented and complemented by local infrastructure.

At present, the LDIP is used as the basis for requesting funding for priority projects from three (3) sources: (1) the LGU's AIP and the local annual budget; (2) the national budget through national government agencies (DBM 2018); and, (3) through the LGSF-AM program (Republic of the Philippines 2017, 585).

There have also been efforts to ensure cross-sectoral alignment of LGUs in the form of guidance on updating and preparing plans aligned with recent statutes such as: (i) disaster risk reduction and management and climate change adaptation and mitigation; (ii) the United Nations Development Programme's (UNDP) Sustainable Development Goals (SDGs); and (iii) other sectoral concerns such as the presence of armed conflict and marginalized sectors in land use and development planning both at the national and local levels (DILG 2016).

To illustrate, a sample analysis of the LDIP alignment was done for the province of Ilocos Sur, which has 32 municipalities and consequently, 32 LDIPs. Municipalities reported the alignment of each proposed project with the PDP, SDGs, and/or Sendai framework. This entailed determining whether each project is aligned with any of the three frameworks for each municipality, then counting the number of aligned projects per framework. Table 3 shows that majority (21 out 32 municipalities or 65.6%) of municipalities in Ilocos Sur have 76 percent to 100 percent of LDIP projects aligned with the PDP, 68.7 percent are aligned with the SDGs, and only 18.7 percent are aligned with the Sendai Framework in this quartile.

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<sup>15</sup> DILG MC No. 2017-84

**Table 3. Number of municipalities whose LDIPs are aligned with at least one framework (PDP, SDG, or Sendai Disaster Framework), grouped by quartiles of projects aligned per municipality**

Framework	[76% - 100%]	[51% - 75%]	[26% - 50%]	[0 - 25%]
PDP	21	6	3	2
SDG	22	5	4	1
SENDAI	6	3	10	13
Total	49	14	17	16

Source of basic data: Department of Interior and Local Government

### 3.1.4. Evaluating the quality of existing Local Development Investment Plan (LDIPs)

One of the biggest challenges in proceeding with the LGSF-AM baseline study was in setting the definitions and/or criteria by which to evaluate the quality of local plans, specifically in estimating the infrastructure gap by identifying the ideal and existing levels for each key infrastructure area. The key infrastructure areas were identified based on the Department of Budget and Management’s (DBM) Circular Letter No. 2018-5, which prescribes that the DILG shall:

“...endorse to the RDC concerned the local government units’ (LGUs’) list of priority projects, as identified in the Local Development Investment Programs that cannot be funded from their resources..., for possible funding and implementation under the following programs:

- 1.1.1 Health Facilities Enhancement Program of the Department of Health;
- 1.1.2 Farm-to-Market Roads of the Department of Agriculture;
- 1.1.3 Sagana at Ligtas na Tubig sa Lahat (SALINTUBIG) Program of the DILG;
- 1.1.4 Communal Irrigation System of the National Irrigation Administration;
- 1.1.5 Level III Water Supply System of the Local Water Utilities Administration;
- 1.1.6 Local Roads and Bridges program of the Department of Public Works and Highways.”

As an alternative, what was estimated instead were the infrastructure gaps in the key areas, comparing a defined ideal quantity/number or standard of quality of local infrastructure within a municipality to the existing number or quality. Even this presented the challenge of defining the ‘ideal’ and looking for readily available consolidated data on existing key infrastructure areas. Except for the health facilities where data for both ideal and existing health infrastructure was accessed through the Health Facilities Enhancement Program (HFEP) and the Department of Health’s (DOH) Knowledge Management Information and Technology Service (KMITS), estimating the infrastructure gap for the other key infrastructure areas presented a challenge. Because of the devolution of the provision of local roads and water systems under the Local Government Code, countrywide efforts to develop a road map/master plan would require a collaboration of efforts at both the national and local government level. Although there have been previous efforts in this area, the development of a local road network database and updated water supply and sanitation road map were still in progress during the conduct of this study.

For each of the infrastructure areas identified below, the discussion will focus on the following: (1) why it is a focus area; (2) challenges in identifying the infrastructure/fiscal gap; and, (3) solutions to estimating the gaps.

3.1.4.1. *Local access roads.* To highlight municipal prioritization of local roads projects, a sample analysis of the municipalities in three provinces (Marinduque, Biliran, and Capiz) showed that 38 percent of total proposed projects were for local roads (See Table 4). Of the proposed LDIP projects in Marinduque, 25 percent are local roads, while only 4 percent are water projects. In terms of the value of proposed projects, 63 percent of the total value of proposed LDIP projects in Capiz are for local roads.

**Table 4. Number and value (in PHP) of projects classified as local roads, DRRM, health, and water, as a share of the total number and value of proposed LDIP projects for FY 2019**

Key infrastructure areas	Marinduque		Biliran		Capiz	
	Share to total number of proposed projects	Percentage of total value of proposed projects	Share to total number of proposed projects	Percentage of total value of proposed projects	Share to total number of proposed projects	Percentage of total value of proposed projects
Local roads	25.2	21.6	13.5	28.8	23.2	63.3
DRRM	10.3	13.4	9.8	16.0	15.9	13.2
Health	7.3	2.0	9.0	3.1	7.5	1.9
Water	4.3	0.3	3.3	1.9	2.4	1.9

Source for basic data: Department of Interior and Local Government

However, in the case of local roads, and perhaps because of its being a devolved function, there is neither a comprehensive or national government-identified Master Plan or Road map identifying the ideal location and length of local roads per municipality, nor an updated inventory of existing local roads.

Combined with the lack of readily available administrative data on the length of local roads, as well as the absence of a road network master plan within national government agencies, another alternative sought by the PIDS team was to define the infrastructure gap in terms of the surface type of roads as a proxy indicator for road quality. In this case, the ideal was to ensure that all municipal roads which are currently unpaved (i.e., gravel or dirt) become paved (i.e., concrete or asphalt). Given this perspective, the team estimated the infrastructure and corresponding fiscal gaps based on a target of 100% paved roads. This objective is consistent with the effort of the Department of Public Works and Highways (DPWH) to have paved most of the national roads (DPWH 2016).

Initially, the team considered using the CLUP as a data source to estimate the infrastructure gap for local road surface type at the municipal level. However, only a number of LGUs have made their CLUPs publicly available on official websites, and these documents had outdated information on local roads. In the case of administrative data from the DPWH, information on the surface type of local roads are only available from 2000 to 2002<sup>16</sup> (World Bank 2011). As a recourse, the DILG SLGP-PMO assisted the PIDS team in collecting primary data on the surface type of local roads from municipalities covered by the LGSF-AM.

<sup>16</sup> The data showed that in FY 2002, 85.72% of local roads nationwide were unpaved. On average, only 12% of local roads in regions except for NCR were paved.

3.1.4.2. *Water systems.* The UNDP Sustainable Development Goals No. 6 is a commitment to “Ensure availability and sustainable management of water and sanitation for all.” Though the national government is primarily responsible for attaining this goal, this requires combined efforts at all levels of government. At the local level, there are two separate efforts to satisfy the water supply requirements of LGUs, namely: (i) the SALINTUBIG program through NAPC, and (ii) funding for water systems through the DILG-OPDS - Water Supply and Sanitation Project Monitoring Office (WSS PMO) with funding support from the LGSF (Banluta 2018).

Despite these efforts, however, there is no integrated database of information on the infrastructure gap for water systems at the municipal level, perhaps also because the provision of safe water supply is a function devolved to LGUs. Likewise, as mentioned from Section 2.1.4 of this report, the PIDS Study Team, together with the DILG requested the LGUs to submit data on existing infrastructure, including the inventory of major sources of water by level of water system. However, this strategy presented challenges as well. These challenges include: (1) incomplete submissions from the LGUs; (2) inaccurate/erroneous entries as to the number of households/proportion of the population served by each level of water service; and (3) the non-exclusivity of the levels of access available in municipalities (i.e. one municipality may have all three levels of water as sources of water). Hence, estimating the infrastructure gap in this sector has proved to be a difficult.<sup>17</sup>

The same sentiment was also highlighted in a 2016 PIDS study which primarily aimed to evaluate the effectiveness and efficiency of the same water programs (Porciuncula, Erfe and Navarro May 2016). For the SALINTUBIG program, the report stated that information on project outcomes remain slim since data gathered from progress and process monitoring reports were usually more on project profiles, physical and financial status and compliance to requirements. Meanwhile, for the WSS program, the study highlighted that although there is available WSS access data, including that of the PIDS database on WSS access (1985-2009), they were disaggregated at regional level only and is not a good basis for targeting and designing WSS intervention.

As a recourse, the estimation for the infrastructure and fiscal gap for water systems in this report was downgraded to the determination of the number of municipalities with barangays that still access water exclusively from Level 1 services based on the submitted data from the LGUs. Although the fiscal and infrastructure gaps per se may not be estimated using this methodology, at least the number and location of barangays that still access to exclusively Level 1 water system are identified and counted.

3.1.4.3. *Evacuation centers.* In the absence of a national standard for the ideal number of evacuation centers per LGU, barangays/municipalities classified as Geographically Isolated and Disadvantaged Areas (GIDA) due to physical factors was used as proxy to identify disaster-prone areas. Meanwhile, municipal-level data from the DILG-Central Office Disaster Information Coordinating Center (CODIX) was used to determine the existing number of evacuation centers. The infrastructure gap was then be estimated by tagging LGUs in disaster-prone areas (i.e., GIDAs) and matching the same with the list of existing evacuation centers.

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<sup>17</sup> Though there are present efforts to update the Philippine Water Supply Sector Road Map 2<sup>nd</sup> Edition (2010), the preliminary report will be released in the latter part of 2018.



3.1.4.4. *Rural Health Units (RHUs) and Barangay Health Stations (BHS)*. Though there have been improvements in health outcomes in the Philippines, “(T)he country had not met Millennium Development Goal targets 4 and 5, related to maternal and child health in 2015 (World Bank 2018).” In addition, “one in three children under age five is stunted” (World Bank 2018). These facts underscore the importance of access to health care services to address these issues.

The Philippine Health Facilities Development Plan (PHFDP) 2017-2022 of the DOH serves as a roadmap for planning and programming government investments in health facilities. The PHFDP aims to promote rational allocation of government investments and ensure equitable access to health facilities. In line with these objectives, the Plan identifies national targets for the ideal number of health facilities as follows: i) one BHS per barangay, and ii) one RHU per 20,000 population.

Further, the DOH maintains the National Health Facility Registry (NHFR), a database of all health facilities in the country by type of facility (i.e., BHS, RHUs, hospitals) and by municipality and/or barangay (in the case of BHS). In the case of both BHS and RHUs, the infrastructure gap was identified by counting the number of barangays/regions that do not have existing BHS/RHUs using administrative data from the NHFR.

## 3.2 *Fiscal Gaps*

### 3.2.1. Submission Rates

As mentioned above, LGU level data for the four key infrastructure areas for municipalities under study were gathered from LGU submissions of the PIDS-developed data template. From August 2018 to June 2019, LGUs submitted data to PIDS by uploading accomplished templates in the designated Google drive provided by the PIDS study team. The data would: (1) be stored as an inventory and used as baseline data for the key infrastructure areas of LGSF-AM municipalities; and, (2) serve as the major basis of the estimation of infrastructure and fiscal gaps.

The ability to generate accurate estimates of infrastructure and fiscal gaps depends primarily on the data available and the ideal case would be a correct and complete submission of all LGSF-AM municipalities. Incomplete data will produce either over- or underestimated infrastructure and fiscal gaps that would not represent the true needs of these LGUs. In the case of local roads, the monetary requirements to pave all existing roads would be underestimated for the total of municipalities with incomplete data.

In consultation with the DILG SLGP PMO, the PIDS study team considered LGU submissions until June 2019 only in order to come up with the final estimations discussed in this report.<sup>18</sup> Table 5 below displays the overall submission rates aggregated by region.<sup>19</sup> The overall submission rates in most regions are relatively high except for Region V, with only 49.5% submission rate. As regards to submission rates by forms, Table 6 shows that Form 6 (Asset Management) has the lowest submission rate (with entries) with only 92.6%, followed by Form 4 (Inventory of Primary Evacuation Centers) with 92.9% submission rate.

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<sup>18</sup> LGU submissions beyond June 30, 2019 were not included in this Component 3.1 report

<sup>19</sup> LGUs that accomplished at least one of the six forms is counted as 'with submission'

**Table 5. LGU submission rates for PIDS LGSF-AM infrastructure data inventory (as of June 2019), by region**

Region	Number of LGUs			Submission rate
	Total	With submission	Without submission	
NCR	1	1	0	100.0%
CAR	75	68	7	90.7%
Region 1	116	116	0	100.0%
Region 2	89	86	3	96.6%
Region 3	116	90	26	77.6%
Region 4-A	123	119	4	96.7%
Region 4-B	71	55	16	77.5%
Region 5	107	53	54	49.5%
Region 6	117	114	3	97.4%
Region 7	116	114	2	98.3%
Region 8	136	135	1	99.3%
Region 9	67	60	7	89.6%
Region 10	84	84	0	100.0%
Region 11	43	43	0	100.0%
Region 12	45	45	0	100.0%
Region 13	67	65	2	97.0%
Total	1373	1,248	125	90.9%

Source of basic data: LGU submissions to the PIDS LGSF-AM Team

**Table 6. Municipal submission rates for the infrastructure data inventory**

Forms	Number of LGUs			Submission rate (with entries) N=1,248	Submission Rate (Overall) N=1,373
	Total	With entries	Without entries		
Form 1 – Population Distribution	1,248	1,237	11	99.1%	90%
Form 2 – Inventory of Existing Municipal Roads	1,248	1,190	58	95.4%	87%
Form 3 – Inventory of Major Source of Water (by Type)	1,248	1,166	82	93.4%	85%
Form 4 – Inventory of Primary Evacuation Centers	1,248	1,159	89	92.9%	84%
Form 5 – Inventory of Health Facilities (RHU)	1,248	1,206	42	96.6%	88%
Form 6 – Asset Management	1,248	1,156	92	92.6%	84%

Source of basic data: LGU submissions to the PIDS LGSF-AM Team

### 3.2.2. Estimation of Infrastructure and Fiscal Gaps

This section presents the estimates of infrastructure and fiscal gaps for the key areas of infrastructure. Each of the following sub-sections focus on one area of infrastructure, discusses the procedure used by the PIDS study team to derive estimates and presents the results. It should be noted that the estimates are conservative ones, depend on the incomplete submissions of municipalities (which implies that it does not represent exactly the infrastructure needs of all municipalities) and are dependent on the correctness of the reporting of the municipalities (which would have implications as well in asset management practices of municipalities).

3.2.2.1. *Local roads.* An alternative formulation for the identification of infrastructure gap for the local roads was in terms of the surface -type of roads as proxy indicator for road quality. In this case, the ideal would be to ensure that all municipal roads which are currently unpaved (i.e. gravel or earth fill) be paved (i.e. concrete or asphalt). Given this perspective, the team estimated the infrastructure and corresponding fiscal gaps based on a target of 100% paving of municipal roads existent in 2017<sup>20</sup>, an objective consistent with the effort of the DPWH to have most of the national roads paved (Department of Public Works and Highways 2016).

The infrastructure gap was estimated by computing the total length of unpaved roads (i.e., gravel and earth fill) reported while the fiscal gap was computed by multiplying the length of unpaved roads per municipality to the cost of concreting local roads. According to the DILG Office of the Project Development Services (OPDS), a rough estimate of the cost of concreting a kilometer of local roads (6.1m x 0.20m carriageway width) is PhP 16.5 million (DILG-OPDS-PMO 2018). Table 7 shows the computed estimates of the amount needed (i.e. fiscal gap) for the concreting of local roads aggregated by region<sup>21</sup>. The results can be interpreted as the fiscal gap to pave 100% of existing local roads for 86.7% or 1190 municipalities is PhP 133.3 trillion. There are, of course, many caveats to this estimation such as assuming the veracity and completeness of the data reported and the accuracy in processing as well as the methodology. But despite these, this exercise gives an approximation of the fiscal needs for just the existing roads and not for all municipalities.

**Table 7. Estimated length and costing of unpaved municipal roads, 2017, by region (in PhP Million)**

Region	Paved		Unpaved		Total Length of Road	% of Unpaved Roads	Estimated Cost (PhP16M/km of road) (In Million PhP)
	Concrete	Asphalt	Gravel	Earth			
NCR	5.80	2.18	-	-	7.98	-	-
CAR	360.16	12.38	276.04	564.48	1,213.05	69.29	13,448,256,272.00
Region I	1015.94	46.21	195.42	87.81	1,345.38	21.05	4,531,743,508.80
Region II	799.17	27.31	680.44	362.35	1,869.28	55.79	16,684,668,031.26
Region III	854.61	91.79	260.31	84.79	1,291.51	26.72	5,521,660,320.00
Region IVA	833.27	104.43	139.60	178.96	1,256.27	25.36	5,096,925,360.00
Region IVB	245.31	3.56	373.06	437.34	1,059.27	76.51	12,966,353,325.72
Region V	453.96	24.63	66.69	137.25	682.52	29.88	3,262,964,377.12
Region VI	504.74	28.43	57.47	19.17	609.81	12.57	1,226,244,826.39
Region VII	637.45	47.76	311.50	96.53	1,093.25	37.32	6,528,545,584.00
Region VIII	1,187.50	22.00	257.91	309.26	1,776.66	31.92	9,074,651,955.95
Region IX	331.20	28.31	412.88	140.20	912.60	60.61	8,849,389,680.00
Region X	554.80	3.46	252.58	210.67	1,021.52	45.35	7,412,136,712.00
Region XI	301.07	17.48	765.44	212.14	1,296.12	75.42	15,641,190,496.00
Region XII	376.64	36.09	566.14	353.60	1,332.46	69.03	14,715,753,097.60
CARAGA	277.45	3.55	382.90	138.48	802.38	64.98	8,342,040,048.00
Total	8,739.07	499.56	4,998.37	3,333.03	17,570.04	47.42	133,302,523,594.84

Source of basic data: LGU submissions to the PIDS LGSF-AM Team

<sup>20</sup> One of the caveats for this target of 100% paved municipal roads is that there are factors to consider such as not all roads should be paved (lead to overestimation of figures), there are paved roads but with poor road quality which may necessitate repaving (lead to underestimation); and, continuous opening of new roads (underestimation). All of these caveats must be taken into consideration when coming up with the exact fiscal gaps but this does not mean that such estimates are invalid, these could be considered as conservative ones.

<sup>21</sup> A detailed estimation of the fiscal gap per province can be requested from the PIDS Team.

3.2.2.2. *Water supply.* The Sustainable Development Goal No. 6 is a commitment to “Ensure availability and sustainable management of water and sanitation for all.” This was promoted to a full-fledged goal from the Millennium Development Goals (MDG). Though the national government is primarily responsible for attaining this goal, this requires combined efforts at all levels of government. The Philippine Water Sector Supply Roadmap (2010) highlighted the following issues in water and sanitation: (1) institutional fragmentation because of fragmented institutional framework and policies; (2) uncoordinated sector planning and monitoring because of lack of government agency programs to develop capabilities and provide technical support for LGUs to perform devolved functions (e.g. water utilities); and, (3) lack of reliable, updated and periodically reviewed sector data and information.<sup>22</sup>

One of the major efforts of the Philippine government in ensuring safe and sustainable water supply is the *Sagana at Ligtas na Tubig Para sa Lahat (SALINTUBIG)* program which started in 2010. The program is being implemented by the DILG through the OPDS in partnership with the DILG Regional Offices (ROs) and the target Provinces and Municipalities as implementing partners (DILG 2018). Under the SALINTUBIG program, waterless municipalities are defined as those in which less than 50% of households have access to water based on the 2010 National Household and Targeting System (NHTS). In 2010, 455 municipalities were identified as waterless. In 2015, the number went down to 288 from the original number of waterless municipalities identified in 2010, however, there were 44 municipalities added to the list (National Anti-Poverty Commission n.d.). However, a 2016 PIDS study on the evaluation of effectiveness and efficiency of the program implementation of the SALINTUBIG Program revealed that as of June 2015, only a total of 62 out of the 455 municipalities have reportedly graduated from being waterless (Porciuncula, Erfe and Navarro May 2016).

The SALINTUBIG Program is implemented and managed by DILG-OPDS WSS-PMO. The funding support is through the Local Government Support Fund (LGSF). (LGUs who are compliant to the requirements of the Seal of Good Financial Housekeeping (SGFH), PFM, and LDC functionality are eligible to access the funds under the SALINTUBIG Program and LGSF-AM for their water supply projects. According to the DILG-OPDS WSS-PMO, Level 2 and expanding or upgrading Level 3 water systems are prioritized (Banluta 2018). To improve the quality of the proposals, the DILG OPDS WSS PMO provides capacity building programs to LGUs for the preparatory, implementation and monitoring and evaluation phases of the construction of water systems under their purview (Banluta 2018).

Despite these efforts, however, there is a need to establish an integrated database of access to all levels of water systems in the country. The levels of water system in the Philippines are defined in the following table:

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<sup>22</sup> Though there are present efforts to update the Philippine Water Supply Sector Road Map 2<sup>nd</sup> Edition (2010), the preliminary report was scheduled to be released in the latter part of 2018.

**Table 8. Level of water systems in the Philippines**

Level	Description
Level 1 (Point Source)	A protected well or a developed spring with an outlet but without a distribution system as it is generally adaptable for rural areas where the houses are thinly scattered serving an average of 15 households with people having to fetch water from up to 250 meters distance
Level 2 (Communal Faucet System or Standpost)	A piped system with communal or public faucets usually serving 4-6 households within 25 meters distance
Level 3 (Waterworks System)	A fully reticulated system with individual house connections based on a daily water demand of more than 100 liters per person.

Source: NEDA Board Resolution No. 12, Series of 1995 (as cited in National Economic Development Authority 2010).

Due to these issues mentioned above, estimating the infrastructure gap in this sector has proved to be a challenge. As stated in Section 3.1.4.2 of this report, the estimation for the infrastructure and fiscal gap for water systems was translated to the determination of the number of municipalities with barangays that still access to water exclusively from Level 1 services based on the submitted data from the LGUs. Table 9 below displays the number of barangays that were identified to still have exclusive access to only Level 1 water system.

**Table 9. Number of barangays that still have access exclusively to Level 1 water system only by municipality, province and region: 2017**

Region/Province/ Municipality	Number of Barangays
CAR	23
Abra	7
Apayao	4
Ifugao	12
Region I	104
Ilocos Sur	80
Pangasinan	24
Region II	116
Cagayan	48
Isabela	51
Nueva Vizcaya	17
Region III	12
Pampanga	12
Region IVA	44
Quezon	44
Region IVB	12
Romblon	12
Region V	23
Albay	23
Region VI	34
Aklan	12
Iloilo	22
Region VII	25
Bohol	4
Cebu	21
Region VIII	83

Region/Province/ Municipality	Number of Barangays
Biliran	17
Eastern Samar	17
Samar	49
Region IX	28
Zamboanga del Norte	28
Region XI	12
Davao Occidental	12
<b>Total</b>	<b>516</b>

Source of basic data: LGU submissions to the PIDS LGSF-AM Team

Overall, there are 516 barangays found in 34 municipalities in 21 provinces that are reported to still access to water exclusively from Level 1 water system sources. Among the regions, Region II (Cagayan Valley) has the highest number of barangays with Level 1 access to water, at 104 barangays. The province of Isabela was found to have the most number of barangays with Level 1 access to water with 51 barangays. On the other hand, Region III and Region IVB had the fewest barangays with exclusive level 1 access to water, with both having 12 barangays.

3.2.2.3. *Evacuation centers.* In the absence of a national standard for the ideal number of evacuation centers per LGU, barangay/municipalities classified as GIDA due to physical factors will be used as proxy to identify priority disaster-prone areas. The municipal-level data from the DILG-CODIX was used to determine the existing number of evacuation centers. The infrastructure gap was then estimated by tagging LGUs in disaster-prone areas (i.e. GIDAs) and matching the same with the list of evacuation centers submitted by the LGUs through the PIDS DILG data inventory request (*See Annex D - Form 4 Inventory of Evacuation Centers (as of 2017)*). The infrastructure gap is estimated as the number of evacuation centers needed to be constructed in all the DOH defined GIDAs.<sup>23</sup>

Meanwhile for the estimation of the fiscal gap, the PIDS study team considered the costing of three design recommendations for the construction of evacuation centers suggested by the DILG-OPDS. These design recommendations are used in the construction or repair/rehabilitation/upgrading of evacuation centers under the LGSF-AM program and are selected on a case-to-case basis depending on the need of the LGU.

The following are the minimum design requirements for the construction of evacuation centers under the LGSF-AM program:

- Estimated cost per square meter for the building is PhP 20,000-25,000
- Toilet and bathing areas (1:20 persons)
- Separate toilet and bath for male and female
- Minimum of one toilet per site for persons with disability (PWD)
- Average accommodation of 1.33 sq.m. per person
- Maximize utilization for natural ventilation system
- Provision of Rainwater Collector
- Can withstand three hundred (300) kph wind speed and moderate seismic activity of at least 8.0 magnitude on Richter scale

<sup>23</sup> The team explored different possible definitions of GIDA areas such as with the DSWD but it apparently uses the same list as DOH (DSWD 2014).

- Include facilities for the special needs of women, children the elderly, PWD and such other physical provisions guaranteeing a humane condition for evacuees.

Table 10 enumerates the three design recommendations from the DILG-OPDS as well as its corresponding estimated costs and other budget considerations:

**Table 10. Costing and budget considerations of design recommendations for the construction or repair/rehabilitation/upgrading of evacuation centers**

Budget Considerations	Design 1	Design 2	Design 3
Estimated Cost	PhP 4M	PhP 7.6M	PhP 25M
Total Floor Area	225.09 sq.m	423.2 sq.m	1,397 sq.m.
Lot Requirements	299 sq.m	672.7sq.m.	1,2459 sq.m.
Total Capacity	15 families @ 5 persons/family	37 families @ 5 persons/family	146 families @ 5 persons/family
Basic Facilities	<ul style="list-style-type: none"> <li>• Disaster Risk Reduction Management Office (DRRMO)</li> <li>• Breastfeeding Room</li> <li>• Storage Area</li> <li>• Rainwater Collector</li> <li>• Solar Panel</li> <li>• Female Comfort Rooms (3 water closets; 3 lavatories)</li> <li>• Male Comfort Rooms (3 water closets; 3 lavatories)</li> <li>• PWD Comfort Rooms (1 water closet; 1 lavatory)</li> </ul>	<ul style="list-style-type: none"> <li>• DRRMO</li> <li>• Breastfeeding Room</li> <li>• Storage Area</li> <li>• Clinic Room</li> <li>• Kitchen/Mess Hall</li> <li>• Rainwater Collector</li> <li>• Solar Panel</li> <li>• Female Comfort Rooms (4 water closets; 3 lavatories; 3 shower heads)</li> <li>• Male Comfort Room (3 water closets; 2 urinals; 2 lavatories; 3 shower heads)</li> <li>• PWD Comfort Room (1 water closet; 1 lavatory)</li> </ul>	<ul style="list-style-type: none"> <li>• DRRMO (1 water closet; 1 lavatory)</li> <li>• Breastfeeding Room</li> <li>• Storage Area</li> <li>• Infirmary (1 water closet; 1 lavatory)</li> <li>• Child Friendly Room</li> <li>• 2 Communal Kitchens/Wash Areas</li> <li>• Rainwater Collector</li> <li>• Solar Panel</li> <li>• Female Comfort Room (6 water closets; 6 lavatories; 3 shower heads)</li> <li>• Male Comfort Room (6 water closets; 4 lavatories; 4 urinals; 3 shower heads)</li> <li>• PWD Comfort Room (1 water closet; 1 lavatory)</li> </ul>

Source: DILG-OPDS, November 2018

Table 11 displays the computed cost estimates per region, for all the three design recommendations, of the amount needed (i.e. fiscal gap) for constructing evacuation centers in all GIDAs identified by the DOH.<sup>24</sup> As in the case of local roads and water systems above, the estimation of the fiscal gaps in evacuation centers also has many caveats. First, only 84% of the total number of municipalities accomplished this form. Second, the primary evacuation center is defined as the ideal since it is constructed primarily for evacuation and not a multi-purpose structure such as a school-building or municipal hall. Finally, as a result of incomplete

<sup>24</sup> A complete estimation of the fiscal gap per municipality is available upon request from the PIDS study team.

data and strict ideal of a primary evacuation center for GIDA areas, the total fiscal gap may be overestimated.

**Table 11. Inventory and costing of evacuation centers by region, 2017**

Region	Number of DOH GIDA Identified LGUs with Primary Evacuation Center	Number of DOH GIDA Identified LGUs	Proportion of GIDA Identified LGUs with Primary Evacuation Center	Gap	Two-Storey Building (Capacity:15 Families@5 pax per family	One -Storey Building (Capacity:37@5 pax per family	Two-Storey Building (Capacity:146 Families@5 pax per family
					Estimated Cost: PhP4M	Estimated Cost: PhP7.6M	Estimated Cost: PhP25M
NCR			-				
CAR	15	75	20.0%	60	240.00	450.00	1,500.00
Region I	18	54	33.3%	36	144.00	270.00	900.00
Region II	22	62	35.5%	40	160.00	300.00	1,000.00
Region III	13	46	28.3%	33	132.00	247.50	825.00
Region IVA	7	20	35.0%	13	52.00	97.50	325.00
Region IVB	10	30	33.3%	20	80.00	150.00	500.00
Region V	14	58	24.1%	44	176.00	330.00	1,100.00
Region VI	25	89	28.1%	64	256.00	480.00	1,600.00
Region VII	19	49	38.8%	30	120.00	225.00	750.00
Region VIII	17	36	47.2%	19	76.00	142.50	475.00
Region IX	0	7	0.0%	7	28.00	52.50	175.00
Region X	15	57	26.3%	42	168.00	315.00	1,050.00
Region XI	13	32	40.6%	19	76.00	142.50	475.00
Region XII	7	29	24.1%	22	88.00	165.00	550.00
CARAGA	22	61	36.1%	39	156.00	292.50	975.00
Total	217	705	30.8%	488	1,952.00	3,660.00	12,200.00

Source of basic data: LGU submissions to the PIDS LGSF-AM Team

**3.2.2.4. Health facilities.** In estimating the infrastructure and fiscal gaps for RHUs, several sources of data were used, namely: (1) DOH’s NFHR which reports data on health facilities in the country; (2) Philippine Statistics Authority (PSA) PopCen population figures; and, (3) LGU submissions from the PIDS LGSF AM Form 5 – Inventory of Health Facilities (*See Annex D*).

The PHFDP defines the ideal number of RHUs per municipality to be determined by its population size (i.e., one RHU per 20,000 population). The ideal number of RHUs per municipality were computed based on two sources of population data, the PSA’s 2015 PopCen and the PIDS LGSF-AM LGU data submissions. With only an 88% submission rate of the latter, the resultant figures for needed RHUs came out to be underestimated not just because of the limited number of submissions but also because of underestimated population figures submitted by the municipalities compared to the PSA figures. As a result, the ideal number of RHUs were computed using the 2015 PSA population figures.

Table 12 displays the RHU infrastructure gap and the corresponding cost depending on whether the area is non-GIDA or GIDA. Using the 2015 Census data, the ideal number of RHUs should be 2,824 for every 20,000 Filipinos. With a total of 1,186 RHUs reported, the gap based on the 2015 Census data is 1,638 with corresponding cost ranging from PhP 17.9 billion to 21.4 billion. It is important to note that underestimated figures for RHUs based on LGU submissions results in the overestimation of the difference.



**Table 12. Estimation of RHU infrastructure gap using 2015 CPH data and LGSF-AM data submissions, 2017**

Region	2015 PSA Population	Number of RHUs (1 RHU: 20,000 Popn)	Number of LGUs with RHU report (LGSF-AM Data)	RHU Gap ( b-c)	Cost (Million PhP)	
					Non-GIDA	GIDA
	a	b	c	d	10.9	13.07
All Regions (Except ARMM)	56,485,825	2,824	1,186	1,638	<b>17,857.37</b>	<b>21,412.47</b>
CAR	1,265,998	63	63	0	-	-
Region I	4,040,998	202	113	89	970.64	1,163.88
Region II	2,887,987	144	82	62	680.15	815.56
Region III	7,867,449	393	84	309	3,372.16	4,043.50
Region IVA	8,087,416	404	113	291	3,175.94	3,808.22
Region IVB	2,574,351	129	52	77	836.22	1,002.70
Region V	4,783,824	239	49	190	2,073.08	2,485.80
Region VI	4,839,922	242	110	132	1,438.76	1,725.19
Region VII	4,193,907	210	107	103	1,119.38	1,342.23
Region VIII	3,431,011	172	131	41	442.00	530.00
Region IX	2,242,959	112	57	55	601.11	720.78
Region X	2,852,668	143	83	60	650.00	779.41
Region XI	2,401,627	120	43	77	840.19	1,007.45
Region XII	3,237,939	162	37	125	1,361.38	1,632.40
CARAGA	1,777,769	89	62	27	293.08	351.43

Source of basic data: LGU submissions to the PIDS LGSF-AM Team

Apart from estimating the ideal number of RHUs based on population, the gap (difference between the ideal number of RHUs as per 2015 CPH and the DOH NHFR RHUs) reported in column (d) of Table 12 estimates that for all regions, 1,638 RHUs still need to be constructed. Again, this manner of estimation should be approached with caution since there might be other criteria used to determine the need for RHUs. Take the example of CAR, the 2015 CPH suggests the region should have 63 RHUs based on 2015 population estimates but the NHFR reports it has 78 RHUs, furthermore, the 90.7% of CAR municipalities that submitted data to the PIDS reported 63 RHUs (Table 12). These results could indicate many things such as the higher need for RHUs in CAR because of the landscape; being more prone to calamities and the high presence of GIDA areas. However, more data is needed to come up with an accurate estimate of such needs.

Given the incomplete LGU data submissions as well as the DOH's NHFR, it would be useful to validate the submissions by examining the difference between national government registered RHUs and those reported by LGUs. Table 13 shows that the reported RHUs are only 70% of RHUs in all regions as reported in the NHFR with a difference of 469 RHUs. This difference shows that the underreported LGU submissions figures are still within the national government health facilities registry figures and relying on incomplete data would result in the overestimation of the fiscal gap.

**Table 13. Difference between DOH NFHR data and LGSF AM data submissions, 2017**

REGION	Number of Municipalities under LGSF-AM (a)	Number of DOH NHFR RHUs for LGSF-AM Municipalities (b)	Number of Municipalities under LGSF-AM with Data Submissions (c)	Number of RHUs in LGSF-AM Municipalities with Data Submissions (d)	(d)/(b) (e)	Difference (b)-(d) (f)
<b>All Regions (except ARMM)</b>	<b>1373</b>	<b>1569</b>	<b>940</b>	<b>1100</b>	<b>70.1%</b>	<b>469</b>
NCR	1					
CAR	75	78	42	43	55.1%	35
Region I	116	129	98	113	87.6%	16
Region II	89	91	46	49	53.8%	42
Region III	116	204	82	136	66.7%	68
Region IVA	123	160	99	120	75.0%	40
Region IVB	71	78	36	39	50.0%	39
Region V	107	124	35	40	32.3%	84
Region VI	117	120	90	96	80.0%	24
Region VII	116	132	89	114	86.4%	18
Region VIII	136	142	88	98	69.0%	44
Region IX	67	70	40	44	62.9%	26
Region X	84	86	79	83	96.5%	3
Region XI	43	43	37	39	90.7%	4
Region XII	45	45	31	32	71.1%	13
CARAGA	67	67	48	54	80.6%	13

Source of basic data: LGU submissions to the PIDS LGSF-AM Team, as of February 2019

3.2.2.5. *Asset management.* Aside from estimating the infrastructure and fiscal gaps of the four key areas of infrastructure (local roads, potable water supply, evacuation centers and health facilities), the study also tried to examine how municipalities manage their assets. To do so, information about the three aspects of asset management were solicited including their Income Generating Enterprises (IGEs), Real Property Assets, as well loans they availed as of 2017 (*See Annex D - Form 6 Asset Management (as of 2017).*)

This form had the lowest accomplishment rate at 92.6% (only 1248 municipalities submitted). Because of the varied manner of reporting of LGUs' Income Generating Enterprises (IGEs), submissions were reclassified using on DBM classifications (DBM 2016). Other classifications were added since other entries cannot be grouped in the original classification (*refer to Annex F to view items under each classification*).

Because not all municipalities classified LGU income from enterprises by kinds of enterprise, Table 14 shows that the bulk of LGU income from enterprise (41.9% or a total amount of PhP 3.5 billion) cannot be attributed to specific income generating enterprises. The second largest share of LGU income from enterprises is public markets (23%) followed by water utilities (10.4%), multiple economic enterprise (4.5%) and cultural/sports/recreational center (3.6%).

**Table 14. Asset management: Income generating enterprise, 2017**

Income Generating Enterprise	Income	
	Amount	% Share
Income generating enterprise - Not specified	3,540,000,000.00	41.9%
Public market	1,940,000,000.00	23.0%
Water utilities	877,000,000.00	10.4%
Multiple economic enterprise	383,000,000.00	4.5%
Cultural/sports/recreational center	305,000,000.00	3.6%
Slaughterhouse	254,000,000.00	3.0%
Hospitals	234,000,000.00	2.8%
School buildings	197,000,000.00	2.3%
Public transport terminal	152,000,000.00	1.8%
Public cemeteries	130,000,000.00	1.5%
Commercial retail and office space	113,000,000.00	1.3%
Hotels	82,100,000.00	1.0%
Transport equipment	76,100,000.00	0.9%
Fish landing/ports	74,400,000.00	0.9%
Health services	52,600,000.00	0.6%
Power utilities	13,000,000.00	0.2%
Cold storage facilities	8,499,573.00	0.1%
Parking lots	6,982,639.00	0.1%
Post harvest facilities	3,509,211.00	0.0%
Solid waste disposal system	2,841,121.00	0.0%
Telecommunications	2,740,021.00	0.0%
Sanitation	1,851,787.00	0.0%
Livestock trading	6,125.00	0.0%
Total	8,450,000,000.00	100.0%

Source of basic data: LGU submissions to the PIDS LGSF-AM Team

LGUs were also asked to report the value of their Real Property Assets of which Land (54.4%), Buildings (12.4%), and Others (11.1%) were the top three reported Real Property Assets (Table 15).<sup>25</sup>

**Table 15. Asset management: Real property assets, 2017**

Real Property Assets (Idle/Non-Income Generating) (Top 10)	Estimated Assessed Value (PhP)	Percent of Total Asset Values
Land	13,418,284,001	54.4
Buildings	3,043,200,000	12.4
Others	2,733,000,000	11.1
Other property, plant and equipment	833,928,149	3.4
Markets	722,895,000	2.9
Road networks	684,436,909	2.8
Construction and heavy equipment	500,374,350	2.0
Machineries and equipment	382,226,342	1.6
Water supply systems	245,811,271	1.0
Other structures	244,703,392	1.0

Source of basic data: LGU submissions to the PIDS LGSF-AM Team

<sup>25</sup> The basis for this classification is the Revised Chart of Accounts for LGUs (Commission on Audit (COA) Circular No. 2015-009).

Lastly, it was found that 80% of municipalities had existing loans in 2017. Some of the reasons that municipalities borrowed were for: (1) conducting various construction works (30%); the acquisition/purchase of heavy equipment (19.4%); and, (3) the construction/improvement of public market (14.6%) (Table 16).

**Table 16. Asset management: Purpose of loans availed, 2017**

Loan Purposes	Freq.	Percent
Various construction works	486	30.2
Acquisition/purchase of heavy equipment	313	19.4
Construction/improvement of public market	235	14.6
Construction/improvement of water supply	163	10.1
Construction/rehabilitation of FMR	77	4.8
Others	54	3.4
Lot acquisition	49	3.0
Acquisition of various equipment	46	2.9
Construction of health centers/RHUs/BHS	34	2.1
LGU counterpart fund	31	1.9
Disposal facility	28	1.7
Construction of school building	23	1.4
Purchase of motor vehicles	23	1.4
Flood control repair	21	1.3
Loan refinancing	15	1.0
Computerization project	9	1.0
Disaster management	4	0.2
Total	1,611	100

Source of basic data: LGU submissions to the PIDS LGSF-AM Team

#### **4. Local Government Performance Monitoring and Governance Gaps**

The first part of this integrated report focused on estimating the fiscal gaps in the key areas in infrastructure. This next part of the report looks at the components of the Baseline Study that contributed to the identify governance gaps. Component 2 examined existing local government data and monitoring systems used to assess LGU service delivery and resource mobilization while Component 3.2 presented the results of the nationwide survey on development planning practices of municipalities.

##### *4.1 Local Government Performance Monitoring*

###### *4.1.1. Review of sources of administrative data and monitoring reports*

Part of Component 2 was devoted to the review of existing administrative data and LGU monitoring reports and systems to establish current measures/assessments on local governance. Included among these are the: (1) Full Disclosure Policy (FDP); (2) the Seal of Good Local Governance; (3) Performance Challenge Fund (PCF); (4) Fiscal Sustainability Scorecard (FSS); and, (5) the Cities and Municipalities Competitiveness Index (CMCI).

Overall, the existing performance and monitoring systems include the same revenue and expenditure indicators consistently sourced from the BLGF. For LGU income, local tax and revenue effort are included as performance indicators for the SGLG, the FSS and the CMCI.

For LGU expenditures, the FDP the SGLG and the FSS monitor the utilization of funds for development purposes.

4.1.1.1. *Full Disclosure Policy.* The FDP requires local officials of provinces, cities, and municipalities, particularly provincial governors, city mayors, and municipal mayors, to fully disclose information on the local budget, finances, bids and public offerings, and other financial transactions to keep constituents informed of how the LGU budget is managed, disbursed and used (DILG 2011; DILG 2012; Local Government Code of 1991). The FDP aims to promote transparency in the management and use of public funds. To complement such an objective, the Full Disclosure Policy Portal (FDPP), a web-based portal, was introduced where LGU officials are required to post prescribed FDP reports, and through which the public can download, view, and print the same. DILG MC No. 2011-08A and DILG MC No. 2012-141 provide the guidelines for prescribed FDP reports, the frequency of posting, and the LGU department or office responsible for submission, both through the FDPP and in general under the FDP.

Of the FDP reports, the one relevant to the LGSF-AM baseline study is the report on the ‘20% Component of the IRA utilization.’ This provides information on whether the mandated amount intended for development purposes is being spent which, in turn, will have implications on the LGUs’ growth and development.

4.1.1.2. *Seal of Good Local Governance.* The Seal of Good Local Governance (SGLG) symbolizes integrity and good performance through continuing governance reform and sustained local development (DILG 2017, DILG 2018). It originated from the Seal of Good Housekeeping (SGH) which started a pilot run in 2010 with the objective of promoting transparency and accountability in local government operations (DILG 2014). The Department of the Interior Local Government (DILG) introduced the SGLG in 2014 as a scaled-up version of the SGH with major objective of posing a further challenge for LGUs to continue good governance reforms and, at the same time, provide better services. In 2017, to be awarded the SGLG, an LGU needed to pass four core areas, and at least one essential area or the so-called “4+1” principle enumerated in Table 17 below (DILG 2017):

**Table 17. The SGLG 2017 core and essential areas**

Core Areas	Essential Areas
1. Financial Administration	1. Business-friendliness and Competitiveness
2. Disaster Preparedness	2. Environmental Protection
3. Social Protection	3. Tourism, Culture and the Arts
4. Peace and Order	

From the 2017 assessment criteria of “4+1”, the DILG proposed an “ALL-IN” criteria for the 2018 SGLG assessment (DILG 2018). With this, LGUs must satisfy all areas of (1) Financial Administration; (2) Disaster preparedness; (3) Social Protection; (4) Peace and Order; (5) Business – Friendliness and Competitiveness; (6) Environmental Management; and (7) Tourism, Culture and the Arts defined in Table 8 below:

**Table 18. Criteria definition of the SGLG 2018**

Criteria	Definition
Financial Administration ( <i>Foster transparency and Accountability</i> )	The practice of LGU accountability and transparency by adherence to accounting and auditing standards and compliance with the Full Disclosure Policy (Good Financial Housekeeping); sound management of resources (Financial Performance); and optimal utilization of available mechanisms and resources to support local development (Financing Development).
Disaster Preparedness ( <i>Prepare for challenges posed by disasters</i> )	Proactive LGU actions to prepare for disasters through mobilization of local DRRM structures and systems; development and/or implementation of appropriate programs and plans and the use of funds provided; building competencies of concerned personnel; and ensuring operational readiness with the availability of equipage, supplies and other resources intended for early warning and/or response.
Social Protection ( <i>Broaden access to social services especially the marginalized and most vulnerable in the community</i> )	LGU actions to respond to the needs of disadvantaged sectors like women, children, senior citizens, indigenous peoples and persons with disability (PWDs), urban poor, among others, by managing facilities or services that cater to their needs such as residential care facilities; providing support to basic education and accessibility features in local government buildings; enhancing means of social welfare services; providing housing; and ensuring participation of the sector(s) in local special bodies and in the local Sanggunian.
Peace and Order ( <i>Protect the community from threats to life and security</i> )	LGU efforts in maintaining peace and order with the implementation of activities and providing support mechanisms to protect constituents from threats to life and security; and ensuring drug-free communities.
Business – Friendliness and Competitiveness ( <i>Attract more business for investments and employment</i> )	LGU actions to bring about business and employment opportunities through systems, structures and/or legislation to support local economic development.
Environmental Management ( <i>Uphold the integrity of the environment</i> )	LGU efforts in safeguarding the integrity of the environment with an initial focus on the compliance with the Ecological Solid Waste Management Act of 2000.
Tourism, Culture and the Arts ( <i>Optimize tourism potential, and enrich cultural heritage and community</i> )	LGU efforts to promote and develop the local tourism industry, preserve and enrich cultural heritage, and advance creativity through local support.

Source: DILG MC 2018-49

For purposes of this baseline study, the area of financial administration is the main item of interest because it includes information both on budget utilization of the Local Development Fund (LDF)<sup>26</sup> and local revenue effort<sup>27</sup>. These data are sourced from the Department of Finance (DOF) BLGF by the DILG for the SGLG assessment. Passers of the SGLG receive eligibility for the Performance Challenge Fund (PCF) and other opportunities (DILG 2018).

4.1.1.3. *Performance Challenge Fund.* The PCF, established in 2010 by the DILG, is a performance-based reform program that seeks to rationalize intergovernmental transfers of the national government to LGUs. (DILG 2017). The PCF is an incentive, grant or cash award given to eligible LGUs under the Local Governance Performance Management Program of the DILG (DILG 2017). It may be used by eligible LGUs that receive the SGLG to support high-impact local development projects that are included in their AIP and are consistent with national goals and priorities. Examples of eligible local development projects are those that support the attainment of the United Nations’ SDGs, stimulate local economic development, promote ease of doing business, facilitate disaster risk reduction and climate change adaptation, promote environmental protection, and further transparency and accountability (Table 19).

**Table 19. Eligible projects under the Performance Challenge Fund**

Area of development	Eligible projects
Attainment of MDGs/Sustainable Development Goals	School buildings, rural health units/health centers, birthing or lying-in facilities, water and sanitation, housing and settlements, rehabilitation center, patrol cars, etc.
Stimulation Local Economic Development	Core local roads and bridges, access roads, irrigation systems, post-harvest facilities, cold storage facilities, ports and wharves and other economic structures and growth enhancement projects like market, slaughterhouse, etc.
Preparing for Disaster and Adapting to Climate Change	Flood control, reforestation, storm drainage, dikes, seawall and related flood protection measures and slope protection, evacuation centers, rainwater collection facility, early warning system/devices and rescue equipment
Promoting Environmental Protection	Sanitary landfill, material recovery facilities, sewerage system
Furthering Transparency and Accountability	Website development

Source: Department of the Interior and the Local Government MC 2017-160 (2017)

Note: \*Promoting environmental protection is added in 2011; \*\*Furthering Transparency and Accountability is added in 2012

4.1.1.4. *Fiscal Sustainability Scorecard.* The FSS of the BLGF, or the Iskor ng ‘yong Bayan, is a performance review system that aims to institutionalize the regular publication of fiscal indicators of LGUs to promote accountability and good local financial housekeeping. Under the system, LGUs are evaluated in terms of the following key results areas: (1) revenue generation capacity, (2) local collection growth, (3) expenditure management, and (4)

<sup>26</sup> This is estimated as the proportion of actual LDF expenditures to 20 percent of the LGU’s IRA.

<sup>27</sup> This is computed as the proportion of the total local revenue to the total current income.

reportorial compliance based on reports submitted by local treasurers and assessors to the DOF and the BLGF from 2009 to 2012.

For the “Iskor ng ‘yong Bayan”, the key result areas of ‘Revenue Generation Capacity’, with the exception of local revenue growth, have a rating scheme that is based on performance according to income classification in relation to average performance of LGUs (municipalities) within the same income classification. Regular and locally sourced income are assessed according to income class with the following scale as shown in Table 20. Moreover, IRA dependence is assessed across LGU type by scaling as shown in Table 21.

**Table 20. Scale definition in assessing regular and locally sourced income**

Scale	Definition
Very Good	50% higher than the average value
Good	25% higher than the average value
Fair	Average
Needs Improvement (NI)	25% lower than the average value
Poor	50% lower than the average value

Source: Department of Finance – Bureau of Local Government Finance

**Table 21. Scale definition for IRA dependence**

Scale	Definition
Very Low	Less than 70%
Low	Greater than 70% but less than 80%
Fair	Average dependence for municipalities: 80% - 85%
High	Greater than 85% but less than 90%
Very High	Greater than 90%

Source: Department of Finance – Bureau of Local Government Finance

Examining the key results are ‘Expenditure Management,’ Table 22 shows the rating system for the assessment of total expenditure per capita across LGU type. Another indicator for this area is the ‘use of IRA for local development projects’ that has a ‘pass’ or ‘fail’ rating system. An LGU will garner a rate of ‘passed’ if the ratio is greater than or equal to 20%, otherwise, ‘failed.’ Similarly, the rating system for limitation on personal services also has a ‘pass’ or ‘fail’ mechanism. An LGU is given a rating of ‘passed’ if the expenditures for personal services is less than or equal to 45% for 1<sup>st</sup> – 3<sup>rd</sup> class LGUs and less than or equal to 55% for the 4<sup>th</sup> to lower income class LGUs. Lastly, for the debt service ratio, an LGU is rated as ‘passed’ if the expenditures for debt servicing is less than or equal to 20% of regular income otherwise, the LGU gets the rating ‘failed’.



**Table 22. Rating system for total expenditure per capita across LGU type**

Scale	Definition
Very High	50% higher than the average value
High	25% higher than the average value
Fair	Average
Low	25% lower than the average value
Very Low	50% lower than the average value

Source: Department of Finance – Bureau of Local Government Finance

FSS indicators relevant to the LGSF-AM baseline study are the ‘dependence on locally sourced income’ and ‘use of IRA for local development projects. It is good to note that other monitoring systems, such as the SGLG and the PCF, use data provided by the BLGF on both efficiency and consistency terms.

4.1.1.5. *Cities and Municipalities Competitiveness Index*. The CMCI is an annual ranking of Philippine cities and municipalities developed by the National Competitiveness Council (NCC). According to the *Facts and Figures* of Congressional Policy and Budget Research Department House of Representatives dated August 2017, the coverage of CMCI expanded from the initial 17 percent of LGUs in 2013 to 91 percent in 2017. The CMCI is an index composed of 38 indicators with sub-indicators, measuring four pillars, namely: (1) Economic Dynamism, (2) Government Efficiency, (3) Infrastructure, and (4) Resiliency across five ranking categories, namely: (1) provinces, (2) highly-urbanized cities, (3) component cities, (4) municipalities, (5) 1<sup>st</sup> to 2<sup>nd</sup> class municipalities, and (6) 3<sup>rd</sup> to 6<sup>th</sup> class municipalities.

The rankings of cities and municipalities are based on the sum of their scores in the four pillars. Meanwhile, the provincial rankings are based on the population and weighted income average of the overall scores of cities and municipalities within a province. The CMCI is the sum of the weighted scores received by an LGU per pillar, with a maximum score of 25 per pillar and an overall CMCI score of 100.

#### 4.1.2. Current state of local service delivery systems: Budget Utilization Rate of the Local Development Fund (LDF)

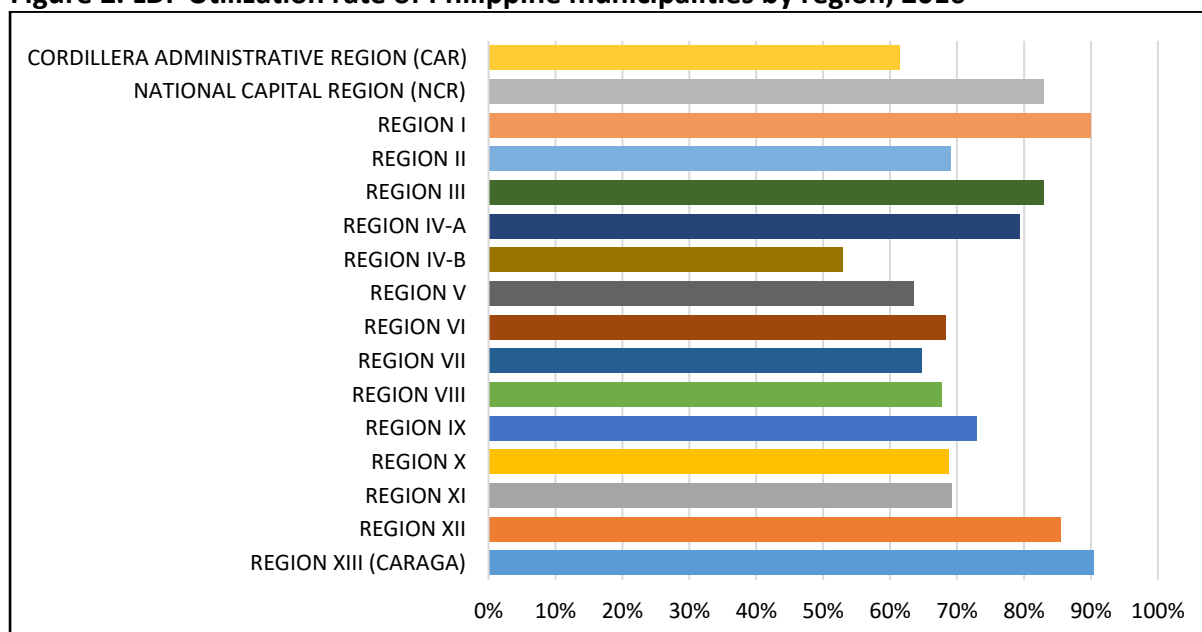
The budget utilization rate (BUR) is a public financial management indicator of the efficiency of spending of government agencies. By examining the proportion of appropriated expenditures that are obligated or disbursed it can be seen if public funds that are appropriated are used in a timely manner. This is important because of the implications on the implementation of programs, projects and activities (PPAs) and, consequently, on keeping track with development plans and target outcomes. In the Philippines, DBM defines the obligations BUR as “obligations against all allotments still effective for the year (FY 2017), both continuing and current year from all appropriation sources, including those released under the “GAA (General Appropriations Act) as the allotment order” policy for maintenance and

other operating expenses (MOOE) and capital outlays (CO) in the current year (FY 2017) (DBM 2017).”<sup>28</sup> This has implications on the receipt of performance-based bonus of national government agencies as well as future budget levels (DBM 2017) (DBM 2018).

For Philippine local government units, what is monitored by the BLGF is the BUR of the mandated LDF, which, for every calendar year, should be at least twenty percent (20%) of the LGU’s IRA (Republic of the Philippines 1991, Sec. 287). However, the BLGF defines the LDF utilization rate differently as the proportion of the actual LGU utilization or expenditures of the LDF to 20% of the IRA for that fiscal year. This ratio indicates if an LGU spends the mandated amount on local development projects. So, if the ratio is less (more) than 1 that means the LGU actually utilized or spent less (more) than 20% of their IRA on development projects.<sup>29</sup> These rates are used in the SGLG assessment of LGUs.

Overall, Philippine municipalities utilized 73 percent (of 20% of their IRA) in 2016,<sup>30</sup> which seems to suggest that they did not spend the minimum mandated amount on development projects. The regions with the highest utilization rates are Regions I and XIII, which utilized 90% of twenty percent of their IRA for development projects (Figure 2). On the other hand, Region IV-B utilized slightly more than 50% of the mandated amount for the LDF.

**Figure 2. LDF Utilization rate of Philippine municipalities by region, 2016**



Source of basic data: BLGF

Another interesting way to examine the LDF utilization rate of municipalities is by grouping them by LGU income class.<sup>31</sup> The richest LGUs in the 1<sup>st</sup> and 2<sup>nd</sup> income classes utilize a larger

<sup>28</sup> The DBM also defines a “(D)isbursement BUR measured by the ratio of total disbursements (cash and non-cash, excluding Personnel services) to total obligations for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) in current year [CY 2017]. (DBM 2017)”

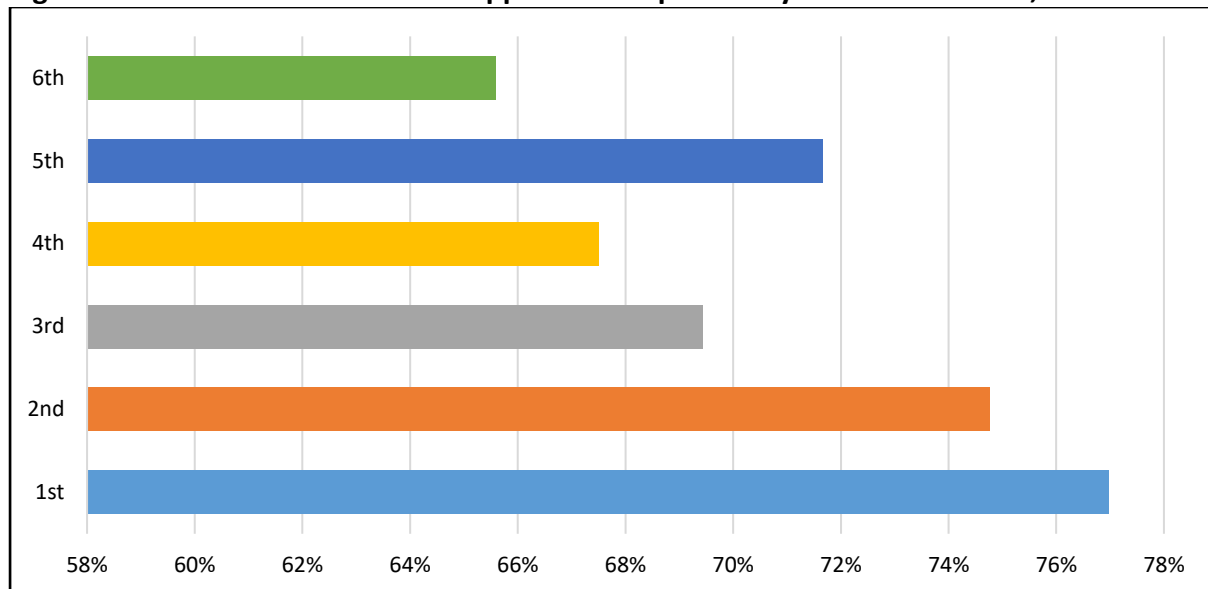
<sup>29</sup> One caveat is that actual utilization figures do not include continuing appropriations which might result in an underestimation of the LDF utilization rate. However, at present, this is the best indicator available for utilization rates.

<sup>30</sup> There are 31 municipalities with incomplete data on either the LDF utilization or IRA (Annex A)

<sup>31</sup> The Local Government Code of 1991 provided for the income classification of LGUs as a basis for the allocation of national or other financial grants, in drafting LGU appropriations and estimating expenditures, particularly for personal services. The Department of Finance (DOF) is responsible for assessing the income. There are six (6) LGU income classes, i.e. 1 being the highest and 6 the lowest, defined for specified income brackets for each of the three (3) levels of LGUs: provinces, cities and municipalities. The prescribed LGU income class brackets were revised in 2008 and are computed based on the average annual

proportion of their IRA for the LDF while the poorest 6<sup>th</sup> income class municipalities utilize the least. What is peculiar is that the poorer 5<sup>th</sup> class municipalities utilize more of their IRA for the PDF than the richer Third-class municipalities. This could be perhaps because 5<sup>th</sup> class municipalities feel a stronger need to catch-up in terms of development (demand-driven). However, without more detailed examination it would be difficult to ascertain.

**Figure 3. LDF Utilization rate of Philippine municipalities by LGU income class, 2016**



An important thing to note is that, for FY 2016, there is evidence that some LGUs utilized LDF funds for purposes other than those defined for local development and that of the appropriated amounts, some LGUs were unable to implement or had only partially implemented proposed development programs and projects (Commission on Audit 2017). Though the COA report covers all LGUs compared to the limited coverage of this LGSF-AM baseline study, there are insights to be gained especially considering that municipalities are 86% of all LGUs (provinces, cities and municipalities).

There were 92 LGUs that utilized funds totaling PhP 402.873 million (or 0.6 percent of the required 20% of IRA for the LDF)<sup>32</sup> for programs and projects that were neither among the priority development projects nor could be classified as investment or capital expenditures. In addition, there were 141 LGUs that utilized funds amounting to PhP 1,166.813 million (or 1.7 percent of the required 20% of IRA for the LDF) for expenditures not related to or connected with the implementation of development programs and projects such as salaries, travel expenses and other operating and administrative expenses. Furthermore, the COA report attributes the unimplemented or partially implemented appropriations totaling PhP 5,919.479 million (or 8.6 percent of the required 20% of IRA for the LDF) for 392 LGUs to poor planning, monitoring and non-prioritization in the implementation of the development projects. Finally, another 152 LGUs revealed an accumulated unspent balance of PhP 3,528.382 million (or 5

income of the LGU realized during the last four (4) calendar years immediately preceding the year of classification (Sec. 3, DOF Dept. Order No. 23-08). Average annual income is the sum of the annual income, i.e. revenues and receipts realized by LGUs from the regular sources of the Local General Fund, inclusive of the Internal Revenue Allotment (IRA) and other shares provided in the LGC of 1991, exclusive of non-recurring receipts such as national aids, grants, financial assistance, loan proceed, sales of assets and others, divided by the required number of consecutive calendar years (Sec. 1, DOF Dept. Order No. 23-08) classification of all LGUs

<sup>32</sup> For calendar year (CY) 2016, the COA report estimated the required amount to be appropriated for the 20% Development Fund to be PhP 68.838 billion.

percent of the required 20% of IRA for the LDF) from the development fund (Commission on Audit 2017, 616).

What these seem to suggest is that, in 2016, LGUs did not utilize the mandated amount for development projects and, based on the COA report, it could be that a proportion of the utilized LDF was spent for purposes other than development projects. Also, underutilization of the appropriated LDF was possibly because of poor planning, monitoring and prioritization. Thus, it was no surprise that COA recommended improved: (1) planning, prioritization of development projects and securing the support of the local *Sanggunian* (local legislative body) in the AIP; and, (2) monitoring and evaluation the implementation of development projects (Commission on Audit 2017, 617).

#### 4.1.3. Current state of resource mobilization: Local revenue effort and asset management

In the Philippines, LGUs are classified by their income, which includes both internal or locally sourced revenues, and external sources such as intergovernmental fiscal grants, shares from national wealth and other governmental transfers.<sup>33</sup> Since increased revenue raising powers were given to LGUs by the Local Government Code of 1991 (Republic of the Philippines 1991, Sec. 2), and data shows that LGUs are heavily dependent on the IRA, policy reform has consistently focused on how to improve local revenue effort of LGUs (Diokno 2012, Llanto 2009, Manasan 2005).

There are two general sources of local revenues for LGUs, tax and non-tax. Tax revenues are relatively stable sources of revenues while non-tax are more variable. The main source of tax revenues of Philippine LGUs is real property and business taxes while non-tax revenues are from economic enterprises and user fees. LGU assets can contribute to non-tax collections if properly managed. This is why this section looks at the current state of local resource mobilization and LGU asset management.

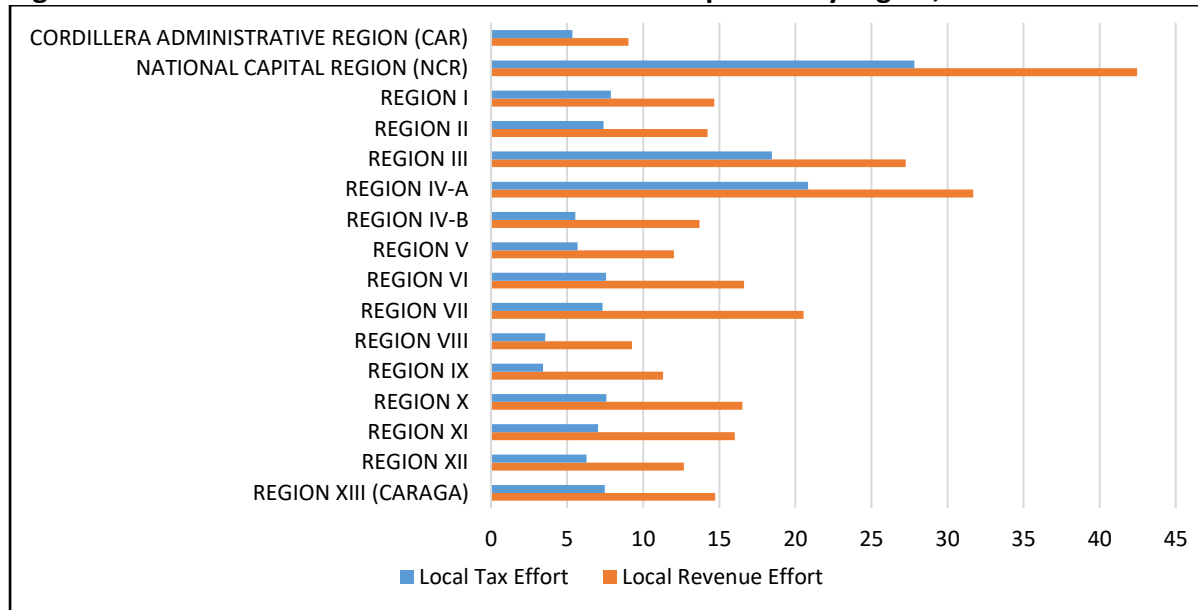
4.1.3.1. *Local Revenue Effort.*<sup>34</sup> Local revenue effort is defined in this study as the proportion of local revenues to total income while local tax effort is defined as the proportion of local taxes raised to total LGU income. For 2016, overall revenue effort of Philippine municipalities was 17.9%. Figure 4 shows that NCR, Regions III and IV-A municipalities had the highest local tax effort averaging 22percent. Similarly, local revenue effort was highest for the same regions. CAR, Regions VIII and IX had the lowest tax as well as revenue effort.

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<sup>33</sup> See Footnote 7 above for the definition of Philippine LGU Income Class.

<sup>34</sup> Please note that though the traditional definition of tax and revenue effort would be the proportion of actual taxes and revenues as a proportion of tax capacity, these are defined unconventionally in this study for lack of a better term and purposes of brevity.

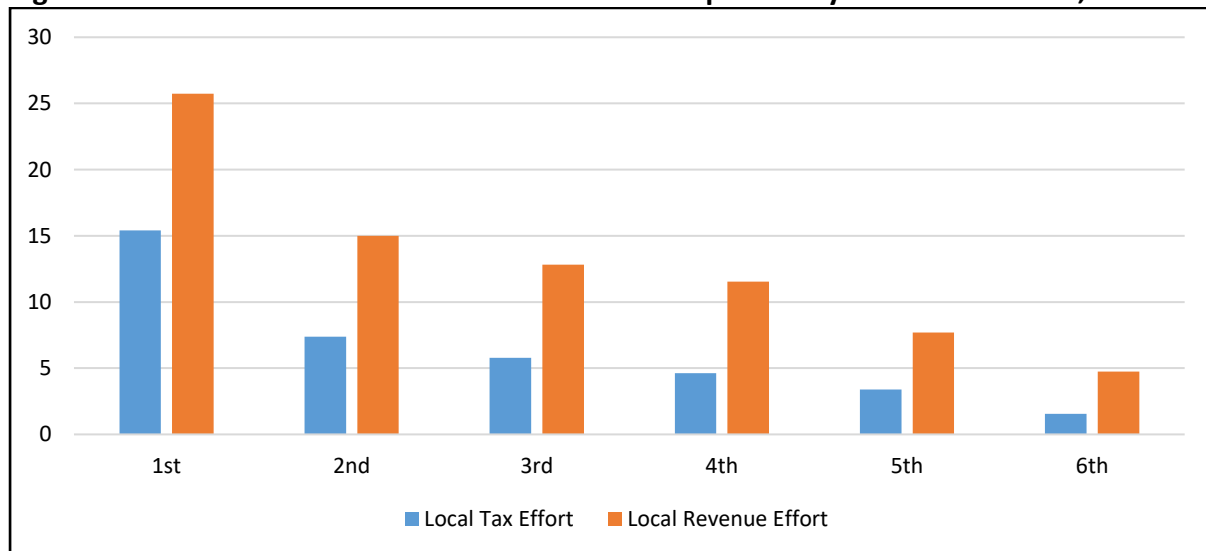
**Figure 4. Local revenue and local tax effort of municipalities by region, 2016**



Source of basic data: Bureau of Local Government Finance

As expected, richer municipalities have higher revenue effort with local tax effort for the richest 1<sup>st</sup> class municipalities being almost 50% more than the rest. Despite this being the case, local revenue effort is just above 25% meaning that the even the richest municipalities, in 2016, were still heavily dependent on external sources of income.

**Figure 5. Local revenue and local tax effort of municipalities by LGU income class, 2016**



Source of basic data: Bureau of Local Government Finance

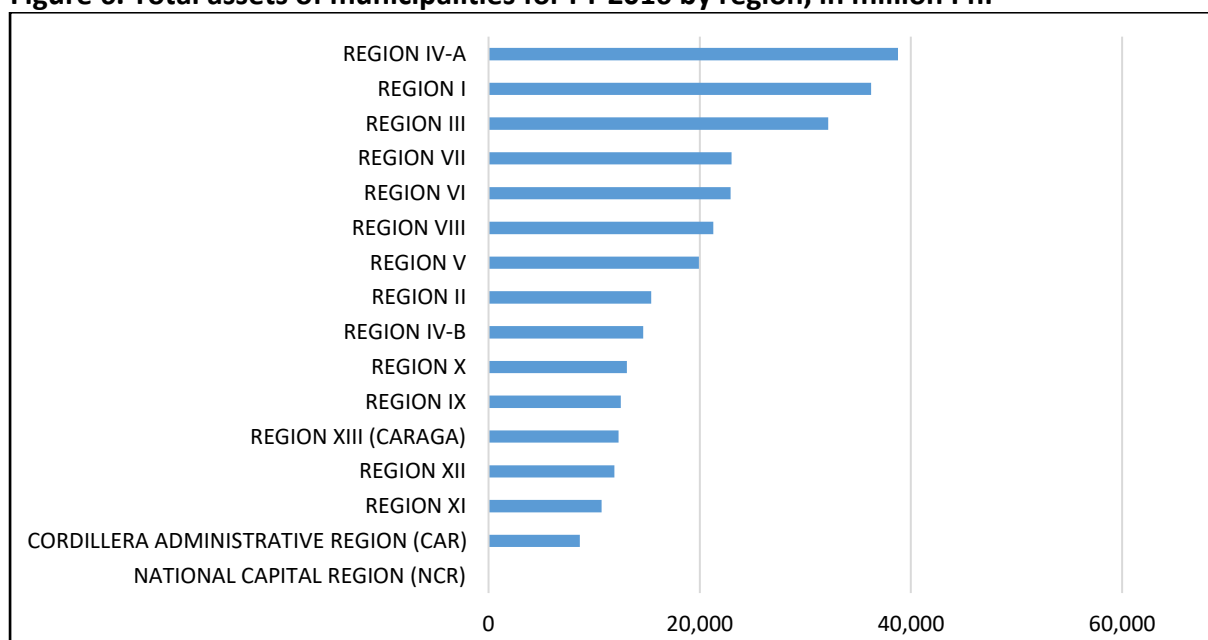
**4.1.3.2. Asset management.** Asset management is a systematic approach to increase the effective use of real property, owned or operated by a local government (Mikelsons 2017). LGUs in the Philippines have been empowered with asset management functions by virtue of the LGC with accounting and auditing guidelines issued by the Commission on Audit but have considered this to simply be an accounting, bookkeeping and recording of assets rather than the use of assets as an investment tool that can be leveraged against private sector financing (Tan 2017).

One of the initial intentions of the LGSF-AM baseline study was to evaluate asset management in the Philippines particularly by looking at how much local revenues are earned and how much the LGU spends on the maintenance of their assets. Improved asset management would increase the ability of LGUs to finance development projects whether from additional revenues collected from assets or its use in alternative financing schemes such as borrowing. In addition, the value of assets depends also on the amount invested in its maintenance, which would both enhance the financial position of the LGU as well as reduce the pressure on national government to give assistance for maintenance purposes of local assets.

In field work conducted by the DILG-PIDS LGSF-AM team in the municipalities of Liliw and Kalayaan in the Province of Laguna last June 18-19, 2018, it was learned that these figures are available in their financial statements. Thus, the PIDS Study Team decided that the data on asset management be gathered directly from the municipalities and coursed through the DILG Regional and Provincial Offices.

With respect to assets however, the BLGF does monitor the current value of assets of LGUs (Figure 6). The regions were ranked from highest to lowest with respect to the sum of the value of total assets of municipalities. For 2016, NCR has the lowest total value of assets because there is only one municipality in the region, which is Pateros. Regions IV-A, III and I are the top three regions with the highest value of total assets.

**Figure 6. Total assets of municipalities for FY 2016 by region, in million PhP**



Source of basic data: Bureau of Local Government Finance

#### 4.2. Governance Gaps: Results of the Baseline Study nationwide survey of municipalities on LGU Development Planning

The following sections are the highlights of the primary data collection results consisting of summaries of information provided by the respondents, following the order of items in the survey instruments.

#### 4.2.1. Availability of the CLUP, CDP and LDIP

As mandated, the CLUP, which has a validity of nine years, can be regarded as the plan for the long-term management of the LGU. The CLUP identifies areas where development can and cannot be located and directs public and private investments accordingly. As provided by Sections 447, 458 and 468 of the 1991 Local Government Code, the CLUP is the responsibility of the *Sangguniang Bayan* (SB), considering that most, if not all of the instruments for implementing the CLUP involve regulating the use of lands that are mainly privately held and this requires the exercise of the political powers of the LGU through legislative action by the Sanggunian.

On the other hand, the CDP is the action plan utilized by every local administration to develop and implement priority sectoral and cross-sectoral programs and projects in the proper locations. The CDP is the responsibility of the LDC as provided under Sections 106 and 109 of the Code. The LDIP is the principal instrument for implementing the CDP by translating it into programs and projects. The list of programs, projects and activities (PPAs) in the LDIP are selected and picked-up by the LGU for funding in the annual general fund budget or through special fund generation schemes. The LDIP has a time frame of three years.

From the survey, 91.3% of the total number of municipalities indicated the availability of their LGU's CLUP (Table 23). However, in terms of the correct coverage, which is nine years, only 64 (5.10%) of the LGUs were found to be within this range. Most of these LGUs have CLUPs covering the years 2018 – 2026 (31.3%). Some other LGUs have CLUPs covering the years 2017-2025 (25.0%) and 2015-2023 (15.6%).

The CDP, which covers a range of six years, was available for 1,339 of the municipalities surveyed. However, similar to the results for the CLUP, in terms of the correct coverage, only 490 out of the 1,373 LGUs were found to have the correct range. Half of the LGUs with CDPs with the correct range have CDPs covering the years 2017-2022 (52.2%) while 16.5% have CDPs covering the years 2018-2023. In terms of the availability of the LDIP, 97.5% of the LGUs indicated its availability (Table 23). However, only one third of the total number of LGUs were found to have LDIPs falling within the correct ranges. Out of these LGUs, 77.5% have LDIPs covering the years 2017 – 2019, while 14.3% cover the years 2018-2020.

**Table 23. Number of LGUs with correct/valid CLUP, CDP and LDIP (in terms of coverage or period of validity), as of 2017**

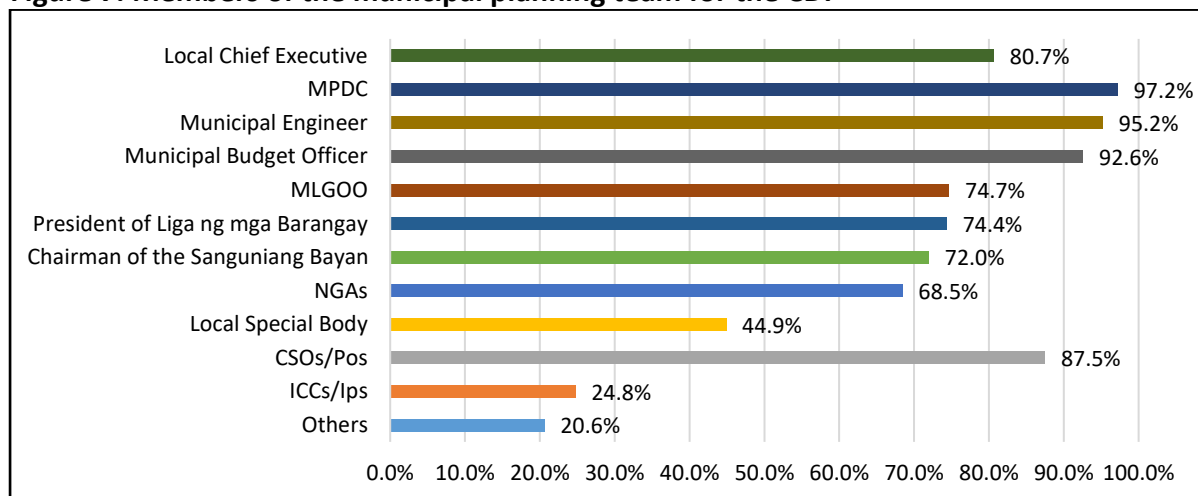
CLUP Range of Validity	Number of LGUs (N=64)	CDP Range of Validity	Number of LGUs (N=490)	LDIP Range of Validity	Number of LGUs (N=414)
2009-2017	0	2012-2017	8	2015-2017	1
2010-2018	1	2013-2018	16	2016-2018	10
2011-2019	2	2014-2019	47	2017-2019	321
2012-2020	1	2015-2020	20	2018-2020	59
2013-2021	1	2016-2021	39	2019-2021	23
2014-2022	5	2017-2022	256		
2015-2023	10	2018-2023	81		
2016-2024	6	2019-2024	23		
2017-2025	16				
2018-2026	20				
2019-2027	2				

#### 4.2.2. Organization and Mobilization of the Municipal Planning Team (MPT)

The preparation and updating of the CDP are initiated through the establishment of the MPT (DILG 2017). The primary role of the MPT is to: (1) serve as the overall committee responsible for coordinating all technical and administrative activities of the CLUP, including stakeholder consultations and meetings; and, (2) facilitate the presentation of the draft CLUP/CDP to the LDC for endorsement to the SB. The establishment of the MPT is initiated with the issuance of an Executive Order for creating and mobilizing the MPT for the preparation of the CDP. The issued must have a corresponding workplan which lays down the required tasks of each of the members. Among the 1,373 LGUs interviewed for the study, 1,267 (92.3%) reported that an Executive Order was issued for the formulation of their LGU's MPT.

The composition of the MPT must encourage the inclusiveness, comprehensiveness and ownership of the CDP. The basis of identifying members of the core planning team of the MPT is the five development sectors (i.e., economic, social, environment, infrastructure and institutional development) since the programs, projects and activities (PPAs) that should be formulated based on the need of the LGU in each of these sectors. In the DILG Guidelines for Local Planning, it is emphasized that it is not necessary for LGU Department Heads to be members of the MPT but only that these offices be represented. As shown in Figure 7, aside from the MPDC the predominant members of the MPT are the Municipal Engineers (95.2%), Municipal Budget Officers (92.6%), and the representatives of the civil society organizations (87.5%). Although the Local Chief Executives (LCEs) are not mandatory to be a member, 80.7% of the LGUs surveyed reported that their current LCEs are members of their MPT.

**Figure 7. Members of the municipal planning team for the CDP**



It should also be noted that the Municipal Local Government Operations Officer (MLGOO), the President of *Liga ng mga Barangay*, and the Chairman of the *Sanggunian Bayan*, has significant shares of membership in the MPT, with 74.7%, 74.4% and 72.0% of the total number of LGUs, respectively (Figure 7).

National government agency (NGA) membership in the planning team for CDP is quite diverse and probably reflects the varied priorities of the LGUs. As shown in Table 24, identified members of the MPT consisted mostly of representatives from the Department of Education (80.2%) with the same proportion for members of the Philippine National Police (PNP) or the Armed Forces of the Philippines (AFP). Following closely are members from the Department



of Social Welfare and Development (48.8%), Department of Agriculture (47.2%), and the Department of Health (44.9%).

**Table 24. NGAs that are members of the municipal planning team for the CDP**

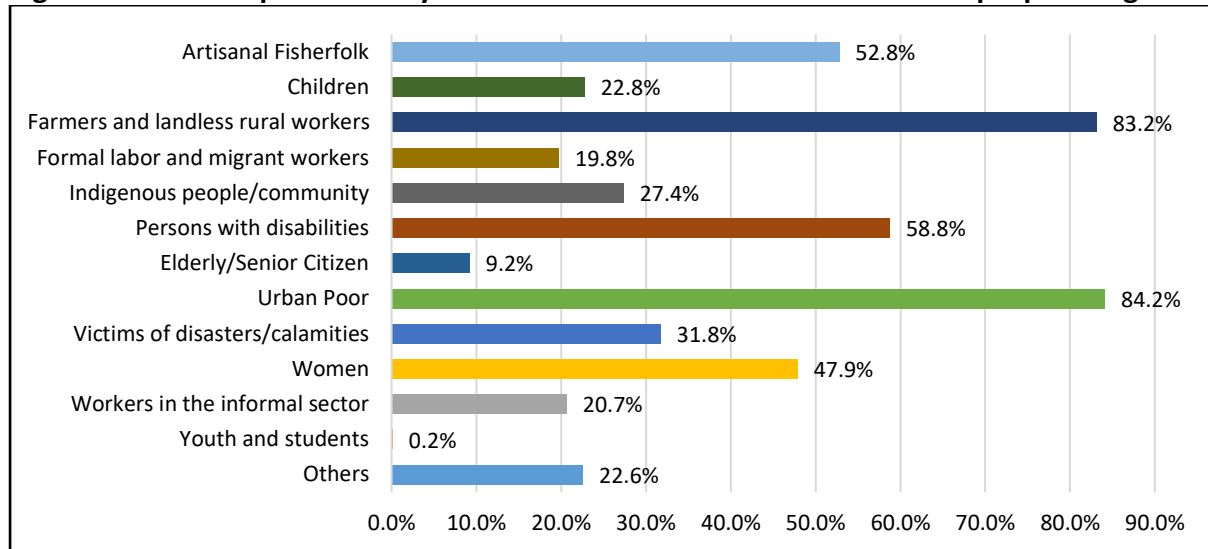
<b>National Government Agencies</b>	<b>Percentage Share</b>
Department of Education (DepEd)	80.2%
Philippine National Police (PNP)/Armed Forces of the Philippines (AFP)	80.2%
Department of Social Welfare and Development (DSWD)	48.8%
Department of Agriculture (DA)	47.2%
Department of Health (DOH)	44.9%
Department of Agrarian Reform (DAR)	39.2%
Others	27.9%
Department of Labor and Employment (DOLE)	18.4%
Housing and Land Use Regulatory Board (HLURB)	18.0%
Technical Skills and Development Authority (TESDA)	15.1%
State Universities and Colleges (SUCs)	13.8%
National Commission on Indigenous Peoples (NCIP)	10.9%
Commission on Higher Education (CHED)	8.8%
National Anti-Poverty Commission (NAPC)	7.0%
National Housing Authority (NHA)	6.6%

N = 868

The DILG recognizes the significance of developing collaborative relationships between the government and the civil society organizations in building long-term foundation of good governance (DILG 2018). As such, it has opened spaces for CSOs to participate in the planning, implementation, monitoring and evaluation of initiated programs and projects. For the LGSF-AM Program in particular, CSOs can participate in the feedback mechanisms established by the DILG and can also directly give feedback to project implementers on the project status of various nationally funded projects. The CSOs may also participate in consultations for the formulation of plans, policies, guidelines and issuances.

In the preparation and updating of the CDP, it is mandatory that the MPT include in an advocate for specific thematic concerns in the planning structure of sectoral committees to ensure their concerns are properly represented. Such advocates are represented by the participation of CSOs in local development planning. Data from the PIDS survey reflect that across all regions, CSOs representing the urban poor and the farmers and landless workers get the largest proportion of representation in the MPT, with shares of 84.2% and 83.2%, respectively (Figure 8). Further, organizations representing persons with disabilities, artisanal fisherfolks, and women also showed large proportions of participation in the MPT with shares of 58.8%, 52.8%, and 47.9%, respectively.

**Figure 8. Sectors represented by the CSOs that are members of the municipal planning team**



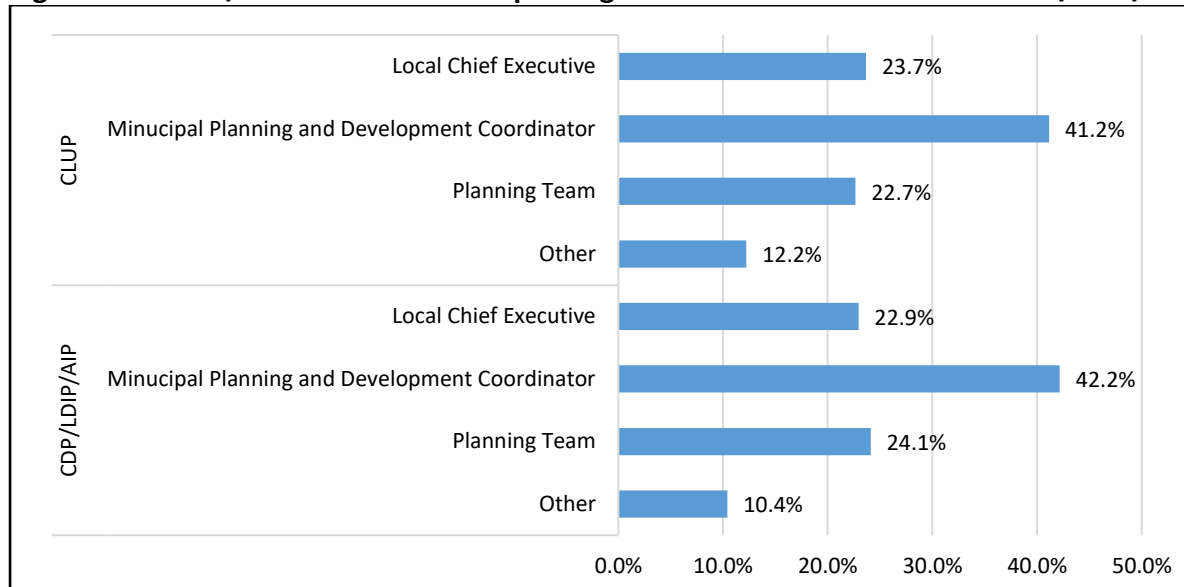
#### 4.2.3. LGU Respondent Information

For this survey, most of the respondents were Municipal Planning and Development Coordinators (MPDC). The next most common position of the respondents is municipal engineer, followed by municipal budget officer. Among the Other positions of the respondents, the most common is Staff (MEO), followed by Staff (MPDO), and OIC (MEO).

#### 4.2.4. Review of Existing Plans and LGU Vision

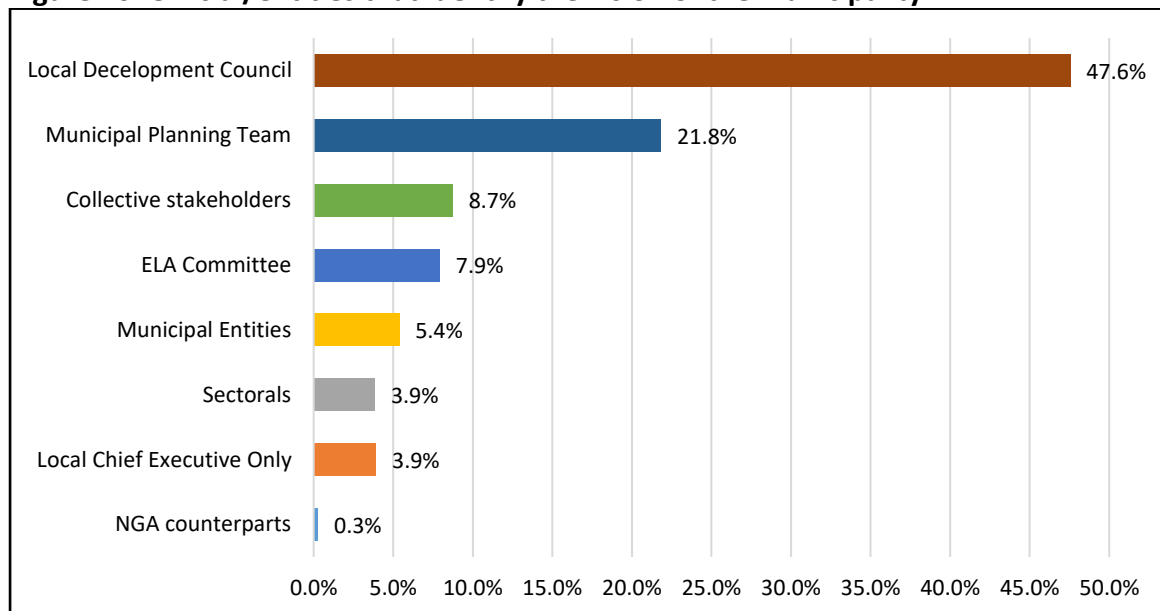
The second step in the preparation of the CDP is the revisiting of existing plans and vision of the LGU in order to assess its responsiveness to recent mandates and prevailing LGU situations. Revisiting the LGU's existing plans and vision will aid the MPT in limiting or expanding the scope of the Ecological Profile (EP). In particular, the existing sectoral and thematic plans that are still responsive to the prevailing situation can be incorporated in the CDP while those that are obsolete need to be updated. As indicated in the DILG CDP Preparation Guide (2008), the MPDC has the major role of checking the responsiveness of the Vision of the LGU to current mandates and prevailing situations.

**Figure 9. Official/s who initiated the updating of the LGU's latest CLUP and CDP/LDIP/AIP**



Referring to Figure 9, most of the LGU respondents indicated that their MPDC initiated the updating both their LGU’s latest CLUP and CDP/LDIP/AIP, with shares of 41.2% and 42.2%, respectively. These were followed by Local Chief Executive and by the LGUs Planning Team. Almost half (47.6%) of the total number of LGUs indicated that the Vision of the LGU is identified by the LDC (Figure 10). This was followed by the MPT (21.8%), the collective stakeholders (8.7%) and the Executive Legislative Agenda (ELA) Committee (7.9%).

**Figure 10. Official/entities that identify the vision of the municipality**



#### 4.2.5. Preparation of the Ecological Profile and Structured List of PPAs

The Ecological Profiling is the step in the preparation and updating of the CDP that determines the current realities facing the LGU (DILG 2017). The EP is a more comprehensive alternative for the usual socio-ecological profile which gives equal coverage to the physical, biological,

socio-economic, cultural and built environments. Ecological profiling is deemed important in an LGU's planning purposes it aids in the determination of: 1) the current level of services to its constituents; 2) available resources; and 3) environment factors which will affect policy and to which policy is expected to bring changes. As the LGU's Ecological Profile identifies the issues, concerns and probable interventions for these issues, more than half of the workplan for the preparation of the CDP is dedicated primarily to Ecological Profiling. Accurately determining the current reality faced by the LGU require gathering of scrupulous data and information. The gathered data must then be validated through consultations and comparisons with the data from higher or lower-level LGUs.

The Local Development Indicator System (LDIS) is the set of data or list of indicators utilized for identifying issues based on an LGU's vision. The existing LDIS is perceived as a long and rigid list of 156 indicators that the LGUs must able to gather as part of their CDP. However, the inability of the LGUs to complete the data requirements necessary to complete the LDIS oftentimes become the reason for the delays, or in worst cases, discontinue the process of the LGU's CDP formulation. Misinterpretation of results resulting to waste of government resources and gathering data just for compliance were also found to put the LDIS at a disadvantage. This difficulty in complying with the LDIS data requirements gave way to the development of the Rationalized Planning Indicator and Data Set (RaPIDS)<sup>35</sup>. RaPIDS is a tool that aims to guide local planners in identifying development indicators that specifically applies to their LGU's needs and characteristics. RaPIDS prescribes a minimum data set applicable to all LGU types and prescribes additional data set unique to specific LGUs. If an LGU does not have the capacity or resources to complete the data requirements in the LDIS list, they may opt to use the RaPIDS as their starter data set instead. However, since the RaPIDS does not provide an analysis as comprehensive as the LDIS if LGUs will not opt to add additional indicators to the basic minimum data set.

Meanwhile, the Community-Based Monitoring System (CBMS) "is a local government level data collection designed to methodically organize and process data collected for local planning, program implementation and impact monitoring" (DILG 2017). Among the other dataset development tool/s utilized by their LGU as the primary source for the preparation/updating of their LGU's Ecological Profile, the most commonly identified by the respondents is PSA Data, followed by Sectoral Data.

From the results, majority of respondents (57.0%) indicated that their municipalities utilized CBMS as the primary dataset development tool in gathering data for the preparation/updating of their LGU's Ecological Profile. The LDIS and RaPIDS are still used by some municipalities, while others formulate their own tools in gathering LGU data for the preparation of the CDP. For instance, there were municipalities that claimed utilizing a mix of RaPIDS and CBMS, which was coined as the RaPIDS-CBMS. This type of tool accounted for 4.7% of the total number of municipalities. It should also be noted that some LGUs that do not use any tool in gathering data in formulating their EP for their CDP preparation (7.8%). Others, on the other hand, refer to data from the PSA or available sectoral data.

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<sup>35</sup> The Rationalized Planning Indicator and Data Set (RaPIDS) is a tool developed by the DILG with the assistance of the European Union thru the LGU PFM 2 Project. The RaPIDS still follow the principles of LDIS which is based on the LGU's Vision and success indicators. RaPIDS updated the LDIS indicators to make them consistent with those required and accepted by NGAs and international institutions.

**Table 25. Dataset development tool/s utilized by LGUs as the primary source for the preparation/updating of your ecological profile**

Dataset Development Tools	Percentage Share
Community-Based Monitoring System (CBMS)	57.0%
Local Development Indicator System (LDIS)	7.1%
Rationalized Planning Indicator and Data Set (RaPIDS)	5.8%
Rapid Community-Based Monitoring System (RCBMS)	4.7%
None	7.8%
Others	17.6%

N= 1,373

Even before local governments were mandated to prepare the CDP, as early as 1985, some municipalities already utilized data collection tools in aid of planning. In terms of the frequency of data collection, more than one third of the total number of municipalities stated that they collect data every three years, while others, every year (24.6%) or every five years (9.2%). About a third (27.3%) of the total respondents, on the other hand, indicated that they have not yet established any regular frequency of collection of data.

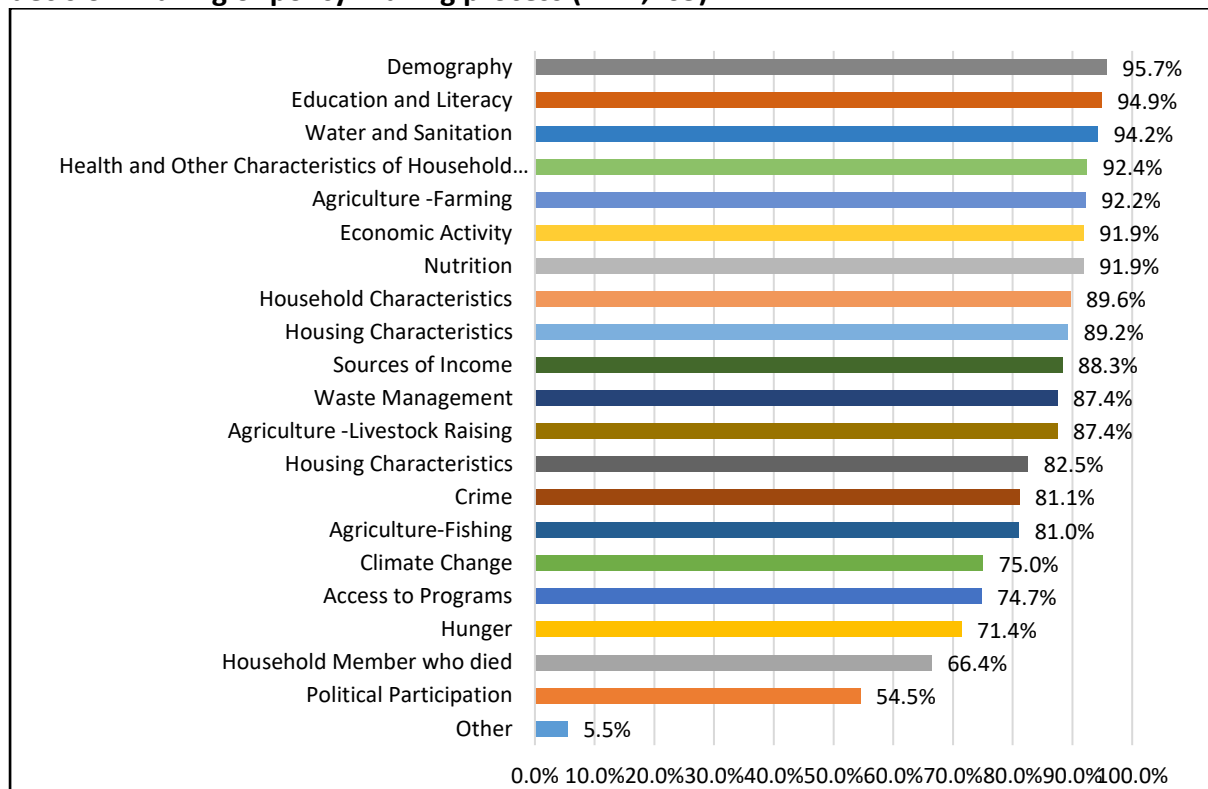
Most of the respondents (81.2%) also claimed that their municipality allocated a budget for the conduct of data collection for the formulation of their ecological profile. However, survey results indicate the declining share of municipalities allocating budget for data collection. In particular, 92.8% of the LGU respondents allocated budget for data collection once, 45.3% twice, 24.3% thrice and 11.9% four times.

In terms of sources of budget for data collection, IRA was identified as the top source of funds, irrespective of the number of years of its inclusion in the LGU budget. This was followed by funding from locally generated revenues, LDRRM funds, and 20% LDF. It should be noted that the number of years that the LGUs allocate budget and conduct data collection are not necessarily in consecutive years.

A portion of that allocated budget is spent on hired enumerators that collect the data. From the survey, 80.9% of the total number of respondents indicated hiring paid enumerators to gather data, while others utilize the services of their staff (43.2.1%) and barangays officials or staff (28.5%). The MPDC was identified by majority of the respondents (82.2%) as the focal person responsible for the conduct of data gathering in the LGU. Meanwhile, the staff of the Municipal Planning and Development Office (MPDO) was identified by majority of the respondents to do the processing (62.8%) and analysis (61.2%) of the collected data. This was followed by head of Municipal Planning and Development Office (MPDO) with shares of 34.7% and 44.1% for processing and analysis, respectively. It is worth noting that one-third of the total number of respondents claimed that they neither process (16.5%) nor analyze (17.0%) the data that is collected from their municipalities.

In terms of data requirements for the preparation of the Ecological Profile, various data needs are important in order to come up with sound assessment of the situation of their LGUs. Such are data on demography (95.7%), education (94.9%), and literacy and water and sanitation (94.2%), among others (Figure 11). Some LGUs also related that other data items important to them include data on religion, skills inventory, tourism, and environment.

**Figure 11. Data items utilized by LGUs in preparing/updating their ecological profile and in decision-making or policy-making process (N= 1,265)**



Majority (88.7%) of the respondents also claimed that utilizing the data collected enabled them to identify priority sectors in their LGUs. Such sectors include: persons with disabilities (78.5%); urban poor (78.5%); farmers and landless rural workers (76.7%); children (61.4%) and women (60.6%).

In preparing a “readily usable” Ecological Profile, the data collected must be processed, analyzed and interpreted to derive the value of the identified rationalized planning indicators. As prescribed by the DILG Guide (2017) the data is proposed to be categorized as: 1) Basic Minimum Data Set – introduces the demographics of the locality and the institutional capacity of the LGU; 2) Ecosystem Data Set – provide planners and decision makers with the appropriate assessment of environmental context; 3) Area Characteristics Data Set – data on other physical characteristics ; and 4) Development Priorities Data Set – data related to development concerns or thematic priorities that a local government wants to address or pursue in the future. A “readily usable” EP must aid the MPT in determining policy options, setting goals and objective and structuring solutions for the issues and challenges faced by the LGU. The solutions identified to these issues and challenges must come be in the form of the Structured List of PPAs. From the survey, almost all respondents (92.3%) indicated that they were able to develop the Structured List of PPAs after the preparation of the “readily usable” EP. Only a minority indicated otherwise. Further, almost all respondents indicated that all the PPAs in the structured list of PPAs were included in the LDIP. Only a minority of the respondents indicated otherwise.

#### 4.2.6. Investment Programming

Investment programming is the stage in the preparation/updating of the CDP where the PPAs are given their corresponding resource requirements such as funding, time and manpower. The principal instrument for this stage is the Local Development Investment Program (LDIP), which translates the CDP into programs and projects that are selected by the LGU for funding in the annual general fund budget or through special generation schemes. (DILG 2008). The LDIP is a two 3-year investment program (6 years in total) that provides for a long term, more impactful and sustainable list of PPAs.

It must be noted that projects intended for inclusion in the LDIP should be prepared in the format of a project brief. These project briefs are collected, screened, prioritized and cost. The survey results show, however, that the preparation of project briefs for each of the PPAs at this stage is not always being followed. In fact, only half (54.2%) of the municipalities claimed that they always prepare project briefs for each PPAs while 35.83% claimed to do them sometimes. The remaining share of respondents reported that they never prepare project briefs for any of the PPAs that they include in their LDIP. Most of the municipalities identified their MPDC as the person responsible for the preparation of the project briefs. They accounted for 43.4% of all the respondent LGUs. A fifth (19.3%) of the total number of respondents, on the other hand, specified the Municipal Planning Team as the entity responsible for the preparation of the project briefs for the PPAs. There was also a small proportion of LGUs which reported that their LCEs are responsible in the preparation of the project briefs of the PPAs.

The Structured List of PPAs will be subject to screening to come up with the shortlisted or 'Ranked List of PPAs'. Several screening tools are prescribed to select the 'Ranked List of PPAs' to be included for investment prioritization. These are, the Urgency Test Matrix, the Resource Impact Matrix, and the Conflict-Compatibility-Complementary Matrix (DILG 2008). The survey results indicated that these tools are utilized by some municipalities. To be specific, 48.5% used the Urgency Test Matrix while 26.4% utilized Resource Impact Matrix. The survey findings also revealed that aside from these tools, municipalities utilize other mechanisms that are available in the process of prioritization of PPAs (Table 26). Workshops and consultations are popularly practiced by more than half of the LGUs (68.0%). Also, project selection mechanisms of earlier NGA programs such as the Bottom-up Budgeting (BUB) and the *Kapit-Bisig Laban sa Kahirapan* Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS) were also identified by some municipalities with shares of 37.7% and 29.2%, respectively. Other municipalities, on the other hand, utilize mechanisms from other plans such as the Climate and Disaster Risk Assessment (CIDRA) and the water sector plans (42.0%).

**Table 26. Tools/mechanisms utilized by municipalities in screening PPAs for prioritization**

Tool/Process	Percentage Share
<i>DILG Prescribed Tools</i>	
Tool 1: Urgency Test Matrix	48.5%
Tool 2: Resource Impact Matrix	26.4%
Tool 3: Conflict-Compatibility-Complementarity Matrix	12.0%
<i>Other Tools/mechanisms</i>	
Workshop/Consultations	68.0%
Climate and Disaster Risk Assessment (CIDRA)	42.0%
Adopted BUB Process	37.7%
Adopted KALAHY-CIDSS Process	29.2%
Water sector plans	16.4%
Other	5.7%

N= 1,370

Ideally, after the initial screening of the PPAs, another round of prioritization should be performed. The screening tool prescribed by the DILG for this second round of prioritization is the Goal Achievement Matrix (GAM) and the list of PPAs that are kept after this screening is called the Ranked List of PPAs for Investment Programming. These PPAs shall then be cross-matched with available resources including investible funds<sup>36</sup>, manpower and period of implementation. Survey results indicated that out of the 1,371 municipalities, 933 (68.1%) perform another shortlisting/ranking to come up with the Ranked List of PPAs for Investment Programming. Among these municipalities, 57.0% claimed that they use the GAM for the screening process.

In financing the Ranked List of PPAs for Investment Programming, three approaches are generally considered, namely, the Development Approach, the Conservative Approach and the Pragmatic Approach. If the Development or Pragmatic Approach is utilized, LGUs find other sources of funds such as public-private partnerships (PPPs), loans, bond floatation, etc. to finance all the PPAs that are included for investment programming. On the other hand, if the LGU decides to take the Conservative Approach, the list of PPAs shall be cut down to work within the New Investment Financing Potential only.<sup>37</sup> The survey results indicate that almost half (45.2%) of the municipalities take on the Pragmatic Approach in order to fund their PPAs. About 39% used the Developmental Approach while 15.7% utilize the conservative approach in funding their PPAs.

The study also explored the top project types that were included in the past investment programming of the municipalities (Table 27). Based on the responses, the top five project types prominent on their list of PPAs for investment programming include: (1) roads development and maintenance (76.9%); (2) agriculture (62.3%); (3) health (51.1%); (4) disaster risk reduction management (49.1%); and, (5) water (38.2%).

<sup>36</sup> The investible fund is identified by the Local Finance Committee (LFC) through the evaluation of the Revenue Forecasts with Medium Term Forecasts of Current Operating Expenses

<sup>37</sup> The New Investment Financing Potential is the difference between the Net Amount of Revenue Forecast and the Forward Estimates of Expenditures.



**Table 27. Project types included in the ranked list of PPAs of LGUs**

Sectors of Project Types	Percentage Share
Roads development and maintenance	76.9%
Agriculture	62.3%
Health	51.1%
DRRM	49.1%
Water	38.2%
Environment	37.4%
Solid waste	30.0%
Education	21.2%
Market, Slaughterhouse, Cemeteries and other similar establishment	19.1%
Tourism	16.9%
Livelihood and Skills Development	14.4%
Peace and public safety	13.2%
Social Protection	10.2%
General Administrative	8.5%
Irrigation	7.6%
Other	7.2%
Fishery	5.5%
Sanitation	5.4%
Power	3.7%
Parks and open space development	3.3%
Shelter	2.8%
Transportation	2.6%
Credit and Cooperative Development	1.7%
Trade and business development	1.7%
Sports development	1.6%
Information and Communications Technology	1.3%

N = 1,370

The DILG SLGP PMO is considering new indicators to be used by LGUs in the ranking LDIP projects. These indicators are: 1) urgency of the project; 2) project readiness – local counterpart funding; 3) project readiness – program of work; 4) project readiness – site identification; 5) project readiness – environmental; 6) community benefits; and 7) community equity/participation. In order to assess the perception of the LGU regarding these indicators, the respondents were asked to rank the indicators according to priority consideration when choosing which projects to include in the LGU’s AIP.

**Table 28. Ranking of proposed indicators for PPA prioritization for inclusion in the AIP**

Indicators	% (times the indicator ranked as Rank 1)	% (times the indicator ranked as Rank 7)
Urgency of the project	54.5%	1.7%
Community Benefits	26.7%	10.1%
Community Equity/Participation	10.0%	20.6%
Project Readiness - Site identification	5.5%	2.3%
Project Readiness - Local Counterpart Funding	2.6%	26.4%
Project Readiness - Environment	0.8%	7.0%
Project Readiness - Program of work	0.7%	31.0%

N= 1,373

As shown in Table 28, the urgency of the project was chosen as the top criteria in deciding which PPAs to prioritize for inclusion in the AIP by 54.5% of the total number of LGUs. This was followed by the community benefits with a share of 26.7%. On the other hand, 31.0% of all the LGUs indicated that the least priority criteria for inclusion of PPAs in the LGU’s AIP is having a program of work, followed by local counterpart funding.

#### 4.2.7. Local Development Planning Assessment – Annual Investment Program

The Annual Investment Plan, or the slice of the LDIP prepared for annual budgeting serves as the basis for formulating the annual Executive Budget of LGUs. Once prepared and endorsed by the Local Development Council for approval to the *Sanggunian*, the *Sanggunian*-approved AIP serves as the signal for the budget officer to proceed with the budget preparation which is expected to be ready by the 7<sup>th</sup> of June of every year (DILG 2017). LGUs can take on several approaches in financing the AIPs.

In 2017, only 44.6% of the 1,373 LGUs claimed they were able to finance all PPAs indicated in their 2017 AIP using their LGU budget only. A large portion of the remaining 55.4% who were not able to fund all the PPAs in their AIPs reported that they sought for other sources of funding (Table 29) such as grant-type funding from NGAs, which was requested directly by the LGUs (71.6%) and grant-type funding from the National Government (NG) which was endorsed by the Regional Development Council (14.97%). Further, majority of these LGUs received additional funds from NGAs/NG (excluding IRA) to finance priority PPAs in their latest LDIPs. Majority of these LGUs (72.3%) indicated that their LGUs gave priority to the NGAs and NG funded projects with respect to implementation ahead of funding from the 20% LDF.

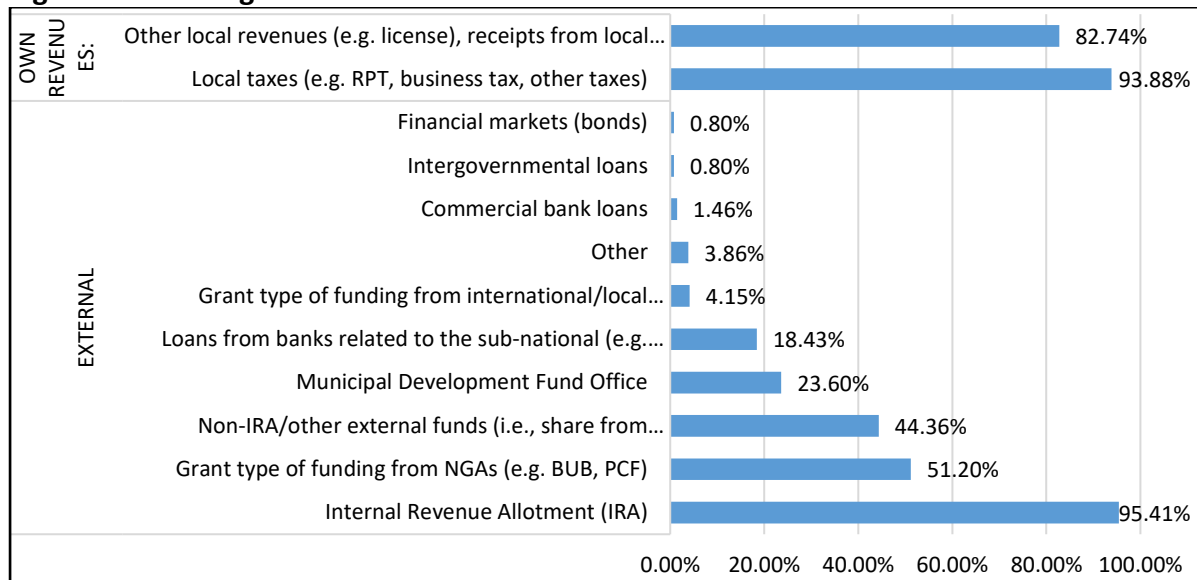
**Table 29. Source of financing sought by LGUs**

Source	% Share
Grant-type Funding from NGAs, requested directly by the LGUs	75.5
Grant-type Funding from NG, endorsed by the Regional Development Council	15.9
Development Partners	3.8
Other LCEs	1.1
Others	4.2

N= 709

The respondents were asked to identify funding sources which they utilized in order to finance the PPAs AIPs in 2017. From the results of the survey (Table 29), almost all of the respondents related that the PPAs lined up in their 2017 AIPs were financed using their own revenues which include those collected from local taxes collections (Figure 12). Similarly, the IRA from the national government was also utilized by all the LGUs in funding their PPAs. Other LGUs also identified other external funds such as shares from national tax collections such as Economic Zones, Expanded Value Added Tax (EVAT), National Wealth, Philippine Amusement and Gaming Corporation (PAGCOR)/Philippine Charity Sweepstakes Office (PCSO), tobacco excise tax, interlocal transfers, grants, donations and aids. A quarter of the total number of LGUs (23.6%) stated that they accessed the Municipal Development Fund for additional funding. Nearly a fifth (18.4%) of the LGUs also availed loans from government financial institutions such as Landbank, Development Bank of the Philippines, Philippine Veterans Bank etc. On the other hand, very few LGUs availed additional funds from commercial bank loans, intergovernmental loans and grant-type funding from international/local organizations.

**Figure 12. Funding sources of LGUs for their 2017 AIP PPAs**



In addition to the primary sources of financing the municipalities’ AIP, the respondents were also asked if their LGUs have used financing schemes. Only a few LGUs (16.39%) explored and took advantage of securing funds through public-private partnerships. However, half (51.31%) of the LGUs indicated that they have established local public enterprises as a source of additional funds to finance their PPAs at least in the last five years, 2012 to 2017.

In terms of allocating funds for insurance, a clear majority of the respondents indicated that their local government allocated funds for the insurance of the LGUs’ assets. They accounted for 81.86% of the total number of municipalities. The remaining share of the total respondents reported that they did not allocate funds for insurance for various reasons.

#### 4.2.8. Local Development Planning Assessment – Preparation of Needed Implementation Instruments for the CDP

The fifth and the last step in the CDP Preparation, as stated in the DILG CDP Guidelines, is the preparation of several instruments and authority levers that will aid in the implementation of the priority PPAs in the LDIP. This step also provides the linkage from planning to budgeting and completes the cyclical nature of planning thru monitoring and evaluation strategies. The CDP, to be implemented effectively, requires a set of competencies and institutional arrangements that should be present in the LGU. Such are the capacity development program, legislative requirements and the monitoring and evaluation strategies.

The capacity development program: (1) is a guidepost to “rationalize and strategically focus the capability building efforts of LGUs; (2) outlines the capability building interventions or programs that need to be undertaken to address an identified capability deficiency; and (3) draw the capacity development strategies, programs and initiatives that need to be undertaken to address identified organizational competency gaps, indicating the target groups, specific approaches that are recommended, resources required and the timeline” (DILG 2008).

Among the surveyed municipalities, majority (82.04%) indicated they have a capacity development (CapDev) program that is exclusive for the preparation and updating of the CDP.

Of those who reported to have such a CapDev program, over 92.43% indicated that their programs follow DILG's formulation steps and/or they use the Local Governance Performance Management System (LGPMS) or System on Competency Assessment for Local Government (SCALOG). As to who is responsible for the CapDev program, only a fifth (20.8%) indicated the local chief executive (LCE). Almost 80% identified other officials including Human Resource Management Officers (HRMOs) (23%), 16% by the MPTs, 27% by MPDCs/MPDO. In terms of implementation, 46.1% of the total number of respondents identified the LCE as the responsible official. Other personnel identified to be in-charge of the CapDev program implementation included the HRMO (33.88%), Department Heads (30.41%), and the MPDC/MPDO (13.72%).

In terms of the monitoring and evaluation strategies, only a little more than one third (38.4%) of the total number of LGUs claimed that they have this mechanism. These implementation instruments, as reported, were majorly drafted by the LGU's MPDC/MPDO (33.6%). Other officials mentioned to be responsible for drafting Monitoring and Evaluation (M&E) strategies were the LCE (23.3%), the MPT (15%), and the Project team/committees (3%). However, for the implementation of the M&E strategies, 35.2 percent believe that it is the LCE's responsibility. Other officials/entities mentioned included the MPDC (21.7%), the MPT (10.6%), and the Project monitoring team (6.3%). In sum, the drafting of M&E is mainly tasked to the MPDC, while the implementation is the responsibility of the LCE. However, in theory, the drafting and implementation of M&E is the responsibility of the whole Local Development Council (DILG 2008).

#### *4.3. Perceptions on the LGU Planning process: The Municipal Planning and Development Coordinators (MPDC)*

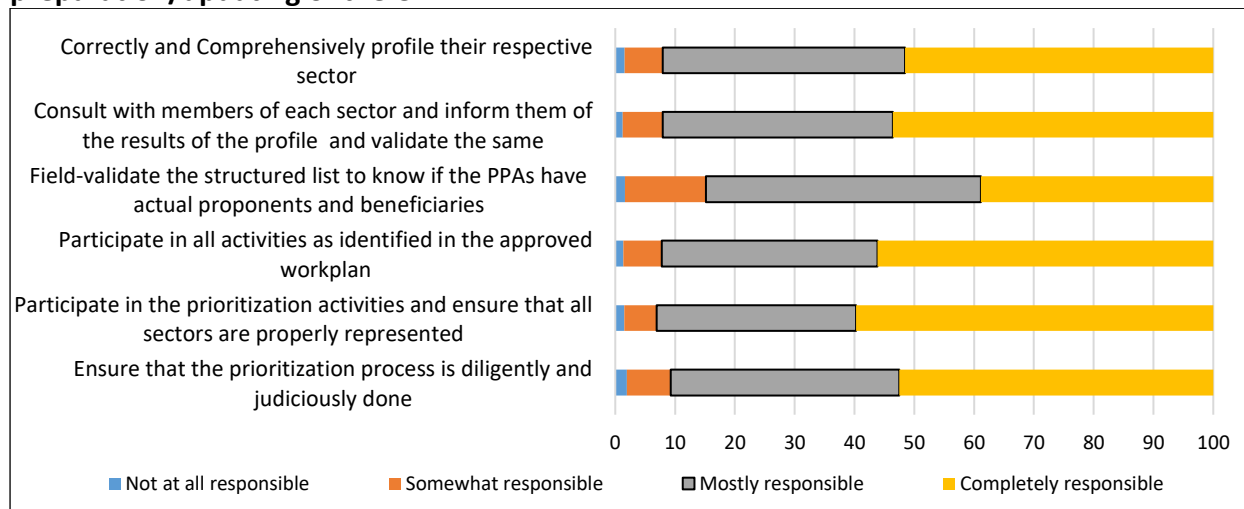
##### *4.3.1. Respondent General Information*

On the average, most of the respondents have been in government service for about 20.97 years while 13.2 years in their current position and essentially dominated by civil engineers.

##### *4.3.2. Municipality Planning Process – Specific Roles/Assignments in the Preparation/Updating of the CDP*

For the specific role as the MPDC and as a member of the Municipal Planning Team in the preparation/updating LGU's CDP, almost all respondents believe that they are responsible for correctly and comprehensively profiling their respective sectors (Figure 13). More than half of the respondents indicated that they should be completely responsible for correctly and comprehensively profiling their respective sectors. More than 98% of the respondents believed that they are responsible for consulting with members of each sector and inform them of the results of the profile and validate the same. About 98% of the respondents believed that they are responsible for field-validating the structured list to know if the PPAs have actual proponents and beneficiaries, participating in all activities as identified in the approved workplan, and also for ensuring that the prioritization process is diligently and judiciously done. Lastly, 98.5% believed that they are responsible for participating in the prioritization activities and ensure that all sectors are properly represented.

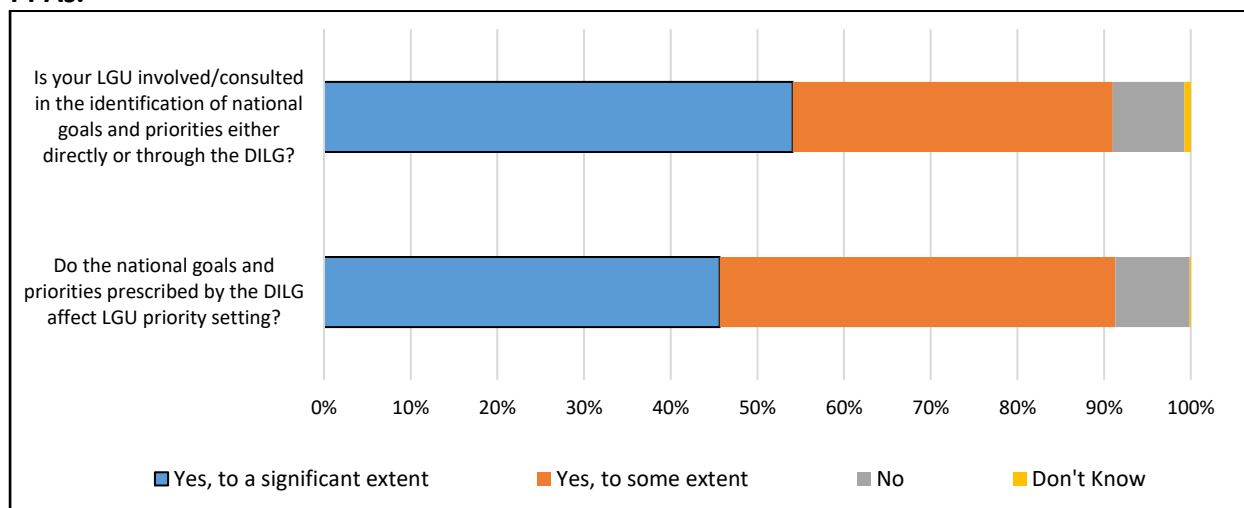
**Figure 13. Specific roles/assignments of the MPDC as a member of MPT in the preparation/updating of the CDP.**



#### 4.3.3. Municipality Planning Process – Vertical Coordination (Between LGU and the National Government/DILG)

More than 50% of the respondents consider the national goals and priorities prescribed by the DILG to significantly affect LGU priority setting, and about 90% of the respondents agree that the municipality is either involved or consulted in the identification of national goals and priorities either directly or through the DILG (Figure 14).

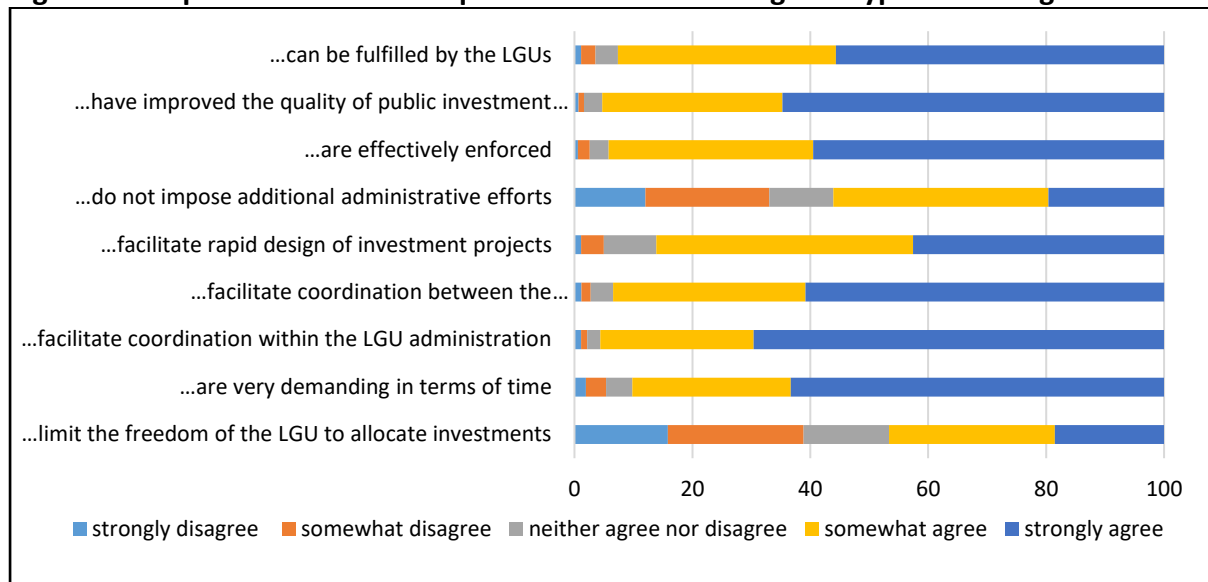
**Figure 14. Perspective of the MPDC to the extent of coordination between LGU and DILG in PPAs.**



The respondents were asked on their perception on the implications of the DILG requirements attached to grant type of funding (Figure 15). On the average, around 93% of the respondents agreed on the items that ask about the good implications of these requirements. Moreover, there are items that asked about the consequences of these requirements such as demanding in terms of time, impose administrative efforts, and limit the freedom of the LGU to allocate investments. On the average around 64% of the respondents agreed to these statements. The MPDCs were also regarding their perception on the top area of concern faced by their

municipalities (Table 30). CARAGA and Regions I, II, V, and XI all indicated that in the last three years, the top area of concern faced by their LGU is Agriculture. Region III was the only region that indicated environment as their top area concern. CAR and Regions IV-B, IX, VI, VIII, X, and XII indicated that their LGUs were primarily concerned with roads development and maintenance. Region IV-A indicated solid waste as the top area of concern faced by their LGU. Region IV-B also indicated water as a concern with equal weight to roads development. Region IV-B and VII both indicated water as top priority.

**Figure 15. Implications of DILG requirements attached to grant-type of funding**



Among all the respondents, roads development and maintenance were considered the top most concern, followed by agriculture, water, environment, and sports development.

**Table 30. Top five areas of concern faced by the LGUs as viewed by the MPDC**

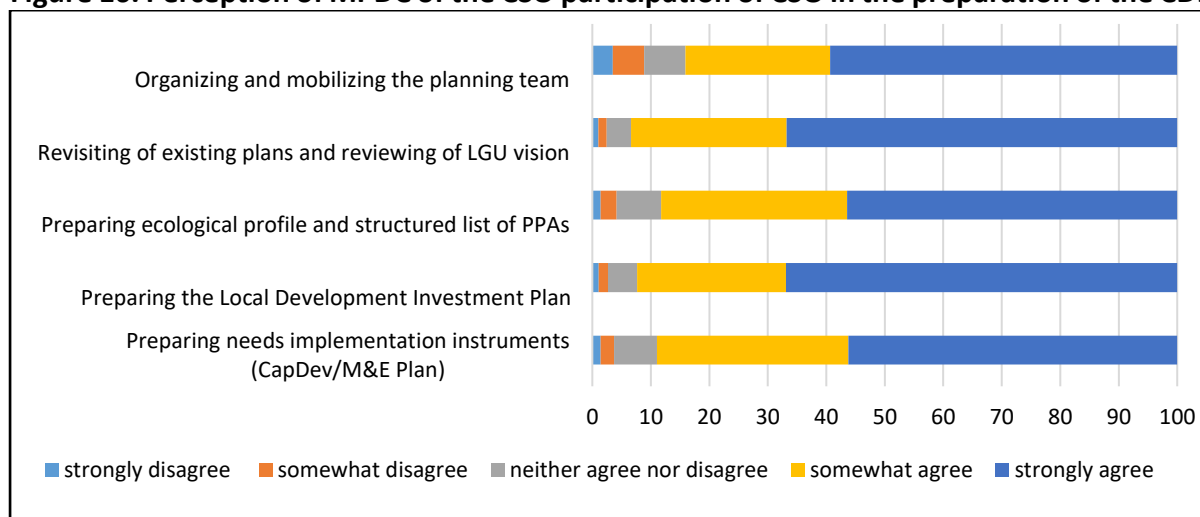
Areas	Percentage Share
Roads development and Maintenance	20.95
Agriculture	14.41
Water	12.04
Environment	11.81
Sports development	9.44

N= 1,346

#### 4.3.4. Municipality Planning Process – CSO Participation in LGU Development Planning

As presented on Figure 16, most of the respondents (around 80 to 90%) agreed that the CSOs should participate and contribute to the five steps of CDP preparation.

**Figure 16. Perception of MPDC of the CSO participation of CSO in the preparation of the CDP**



Most of the respondents believed that CSOs can best engage in the development and updating of LGU development plans through face to face consultation of the LGU (Table 31). Among the overall specifications for the perceived means for CSOs to best engage in the development and updating of LGU development plans, most indicated active participation and attendance in meetings, followed by allocation of budget or allowance/honorarium.

**Table 31. Perception of MPDC on how CSOs can best engage in the LGU development plans**

Areas	Number	Percentage
Face to face consultation of LGU	502	37.30
Membership of CSOs in multi-stakeholder committees	248	18.42
Submission of inputs by individual CSOs	181	13.45
Not necessary for CSOs to engage	3	0.22
Don't know	1	0.07
Others <sup>38</sup>	411	30.53

N= 1,345

#### 4.4. Perceptions on the LGU Planning process: The Municipal Budget Officer/Accountant

##### 4.4.1. Respondent General Information

On average, the respondents have rendered about 22.5 years of government service of which 12.7 years as local budget officers/accountants. This speaks of their dedication and passion in serving the Filipino people. As regards their educational background, more than three-fourths (75.4%) of the respondents are college degree holders, 11% have master's degree units, 10.7% are master's degree holders, and the rest are doctorate graduates, doctorate undergraduates and have vocational education. About forty% (39.3%) of them studied accountancy, 11.1% business administration, 2.9% public administration, 2.2% civil engineering, 1.1% agriculture, 1% elementary Education, and all other courses have less than 1%.

<sup>38</sup> Top 3 answers: Active participation and attendance in meetings (46%), allocation for budget or allowance/honorarium (12%), training and capacity building (10%).

#### 4.4.2. Municipality Planning Process – Specific Roles/Assignments in the Preparation/Updating of the CDP

The respondents were asked about their level of responsibility as a member of the Municipal Planning Team in the process of preparation and updating of the LGU's CDP. These questions aim to solicit whether they are completely responsible, mostly responsible, somewhat responsible, and not at all responsible in the following processes. On the first three questions, 80-90% of the respondents argued that they were responsible for those particular assignments. These questions include whether they correctly and comprehensively profile their respective sectors (86% agreed); consult with the members of each sector and inform them of the results of the profile and validate the same (83% agreed); field-validate the structures list to know if the PPAs have actual proponents and beneficiaries (82.4% agreed).

On the other hand, in the last three questions that were asked, which were similar to the first three questions in nature, a higher percentage of respondents agreed that they were indeed responsible in these roles/assignments as a member of the MPT. These questions were about whether they participate in all activities as identified in the approved work plan (94.6%); participate in the prioritization activities and ensure that all sectors are properly represented (92.6%); and ensure that the prioritization process is diligently and judiciously done (93.4%).

Aside from their role as a member of the MPT, the respondents were also asked about their level of responsibility in the roles/assignments for the preparation and updating of the CDP as a budget officer/accountant. Overall, almost all of the respondents agreed that they are primarily responsible for these roles or assignments. These questions include the respondent's role in the preparation of the Medium-Term Forecasts of Current Operating Expenses for Personal Services (PS), Maintenance and Other Operating Expenses (MOOE), and Capital (minor) Outlay (CO), collectively the Current Operation Expenses (COE);<sup>39</sup> preparation of the budget document based on the approved AIP and LDIP;<sup>40</sup> and providing assistance to the MPDC in updating the LDIP should there be changes in the AIP.<sup>41</sup>

#### 4.4.3. Municipality Planning Process – Vertical Coordination (Between LGU and the National Government/DILG)

As to the vertical coordination between the LGU and the national government (DILG), the respondents were asked whether their LGU is involved/consulted in the identification of the national goals and priorities either directly or through the DILG. A huge proportion of the respondents (91%) shared that they were consulted and 53% of them argued that it was to a significant extent. These figures were important since 89% of the respondents also indicated that the national goals and priorities prescribed by the DILG affect their LGU priority setting.

Aside from the effect of the national goals and priorities prescribed by the DILG, the respondents were also asked about their perception on the implications of the DILG requirements attached to grant-type of funding. Generally, on the items that ask about the good implications of these requirements, more than 85% of the respondents agreed on the given statements. These statements focused about whether the DILG requirements attached to grant-type of funding from NGAs: can be fulfilled by the LGUs (94.5%); have improved the quality

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<sup>39</sup> 1.6% not at all responsible, 6.9% somewhat responsible, 21.3% mostly responsible, 70.3% completely responsible

<sup>40</sup> 2.9% not at all responsible, 7.9% somewhat responsible, 15.5% mostly responsible, 73.7% completely responsible

<sup>41</sup> 4.5% not at all responsible, 17.6% somewhat responsible, 35.5% mostly responsible, 42.4% completely responsible



of public investment projects (93.4%); are effectively enforced (94.4%); facilitate rapid design of investment projects (86.5%); facilitate coordination between the national/regional/provincial and the LGU administration (94.1%); and facilitate coordination within the LGU administration (96.4%).

However, there were items that asked about the unintended consequences of these requirements. These statements also focused on whether the DILG requirements attached to grant-type of funding from NGAs: impose additional administrative efforts (50.3% agreed); very demanding in terms of time (84.5% agreed); and limit the freedom of the LGU to allocate investments (42% agreed).

Aside from these, the respondents were also asked about their perception on what the top area of concern faced by their LGU in the last three years. For all regions, top answers include roads development and maintenance at 17.3%, agriculture at 15.1%, water at 12.7%, solid waste at 9.3%, environment at 8.2%, disaster risk reduction and management at 6.5% and the other concerns constitute less than 5%.

Meanwhile, the responses across the regions indicate varying top concerns. Six regions indicated roads development and maintenance as their top concern: CAR, Regions VI, VIII, IX, X, and XI. On the other hand, six regions identified agriculture as their top concern: Regions I, II, III, V, XII, and Caraga. Regions III and IV-A identified solid waste as their key concern while Region IV-B indicated water as its priority concern. Region III indicated both solid waste and agriculture as top priorities. For most regions, particularly Regions I, II, V, VI, VIII, X, XI, XII, and Caraga, there is only a small difference between their first and second priorities.

#### 4.4.4. Municipality Planning Process – CSO Participation in LGU Development Planning

As to CSO's participation in LGU development planning, the respondents were asked about their perception as to which steps of the CDP preparation should the CSOs participate and contribute.

Generally, majority of the respondents agreed that CSOs should participate and contribute to all the steps of the CDP preparation such as: organizing and mobilizing the planning team (89.6%);<sup>42</sup> revisiting of existing plans and reviewing of LGU vision (93.2%);<sup>43</sup> preparing ecological profile and structured list of PPAs (90.6%);<sup>44</sup> preparing the LDIP (92.4%);<sup>45</sup> and preparing Needs Implementation Instruments (CapDev Program/M&E Plan) (89.5%).<sup>46</sup>

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<sup>42</sup> 1.9% Strongly disagree, 4.7% somewhat disagree, 4.9% neither agree nor disagree, 25% somewhat agree, 62.6% strongly agree

<sup>43</sup> 0.9% Strongly disagree, 2.4% somewhat disagree, 3.6% neither agree nor disagree, 29.5% somewhat agree, 63.7% strongly agree

<sup>44</sup> 1% Strongly disagree, 3.1% somewhat disagree, 5.2% neither agree nor disagree, 33.3% somewhat agree, 57.3% strongly agree

<sup>45</sup> 1% Strongly disagree, 2.3% somewhat disagree, 4.3% neither agree nor disagree, 27.8% somewhat agree, 64.6% strongly agree

<sup>46</sup> 1.2% Strongly disagree, 3.8% somewhat disagree, 5.5% neither agree nor disagree, 33% somewhat agree, 56.5% strongly agree

**Table 32. Perception of Municipal Budget Officer/Accountant on how CSOs can best engage in the LGU development plans**

Type of Engagement	Percentage Share
Face to face consultation of LGU	43.2
Membership of CSOs in multi-stakeholder committees	13.3
Submission of inputs by individual CSOs	13.8
Not necessary for CSOs to engage	0.2
Don't know	0.2
Others <sup>47</sup>	29.3

N= 1,343

To further delve into CSO participation in LGU development planning, the respondents were also asked about their perception on how CSOs can best engage in the development/updating of LGU development plans. As shown in Table 32, 43.2% of the respondents suggested that the LGU should have a face to face consultation with the CSO, 13.3% ascribed to membership of CSOs in multi-stakeholder committees, and 13.8% preferred submission of inputs by individual CSOs. A small proportion (2%) of the respondents argued that CSOs' participation was not necessary, and 29% gave other responses. Of the 393 (29.3%) respondents who gave other answers, 47.9% referred to the CSOs' active participation and attendance in meetings; 12.5% to LGUs' allocation of budget/allowance/honorarium to the CSOs; and 10.2% to providing training and capacity building activities for CSOs.

#### 4.5. Perceptions on the LGU planning process: The municipal engineer

##### 4.5.1. Respondent General Information

On average, the respondents have rendered about over 15 years of government service of which less than 15 years as municipal engineers. As regards their educational background, around 87% of the respondents are college degree holders, 6.4% have master's degree units, and five percent (5%) are master's degree holders. More than 89% of the respondents studied civil engineering.

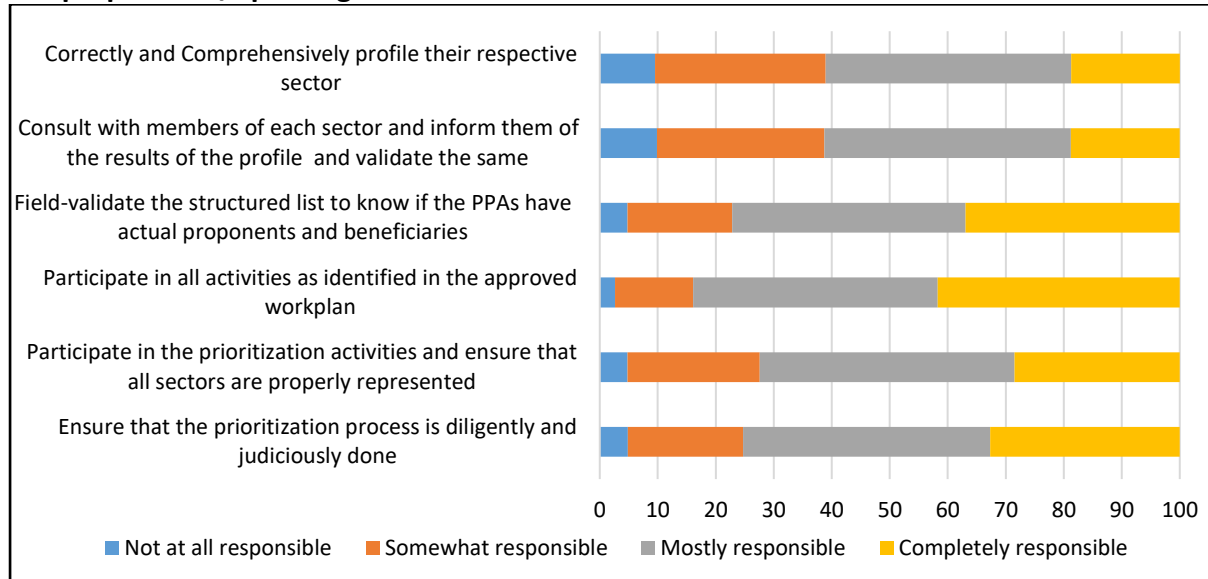
##### 4.5.2. Municipality Planning Process – Specific Roles/Assignments in the Preparation/Updating of the CDP

The respondents were asked about their level of responsibility as a member of the Municipal Planning Team in the process of preparation and updating of the LGU's CDP. These questions aim to solicit whether they are completely responsible, mostly responsible, somewhat responsible, and not at all responsible in the following processes (Figure 17). About 61.1% of the interviewed LGU representatives considered themselves responsible in correctly and comprehensively profiling their respective sectors for the Preparation and updating of the Comprehensive Plan (CDP). More than 60% of the respondents affirmed that their roles/assignment for the Preparation and Updating of the CDP is through consulting with members of each sector and informing them of the results of the profile and validating the same. More than three quarters of the respondents (77.2%) indicated responsibility in field-validation of the structures list to know if the PPAs have actual proponents and beneficiaries. For the role of participating in all activities as identified in the approved workplan for the

<sup>47</sup> Top 3 answers: Active participation and attendance in meetings (47%), allocation for budget or allowance/honorarium (12.47%), Training and capacity building (10.18%).

preparation/updating the CDP, about 41.7% affirmed that they are completely responsible. Around 72% to 75% of the respondents agreed that they were indeed responsible as a member of the municipal planning team in participating in the prioritization activities and ensure that all sectors are properly represented (72.41%) and ensure that the prioritization process is diligently and judiciously done (75.31%).

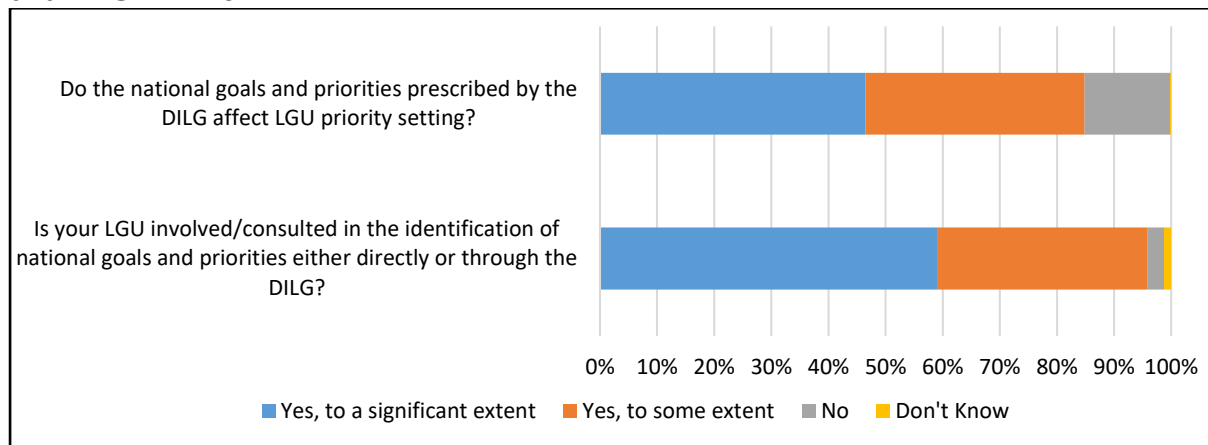
**Figure 17. Specific roles/assignment of the Municipal Engineer as a member of the MPT in the preparation/updating of CDP**



#### 4.5.3. Municipality Planning Process – Vertical Coordination (Between LGU and the National Government/DILG)

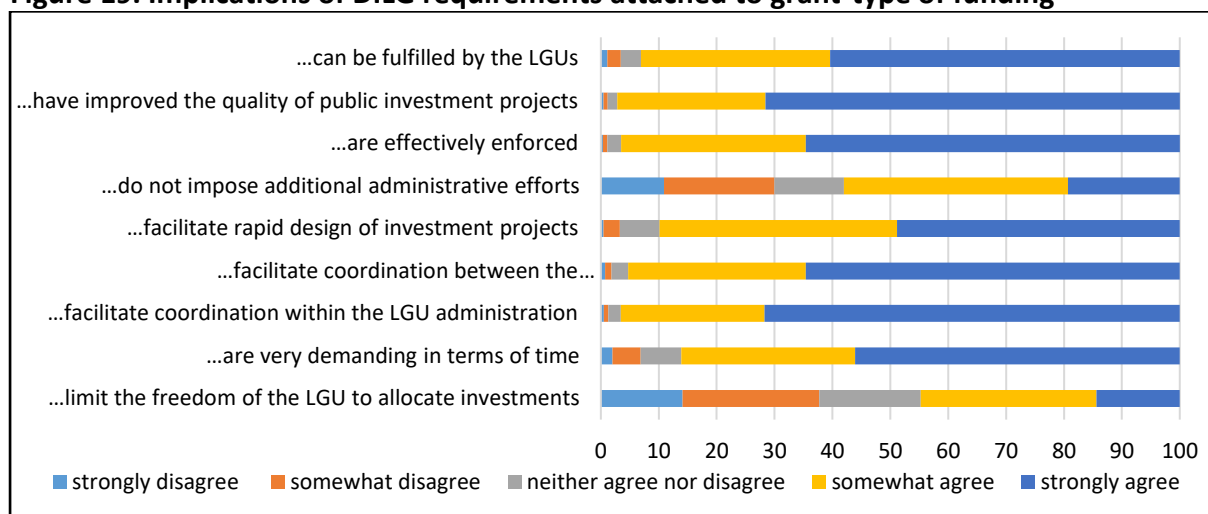
As to the vertical coordination between the LGU and the national government (DILG), Figure 18 shows that around 85% of the respondents indicated that the prescribed priorities and national goals of the DILG affect their LGU priority setting. Also, around 96% of the respondents said that their LGU is involved/consulted in the identification of national goals and priorities either directly or through the DILG.

**Figure 18. Perspective of the Municipal Engineer to the extent of coordination between LGU and DILG in PPAs**



The respondents were asked about their perception on the implications of the DILG requirements attached to grant type of funding. On the average, around 95% of the respondents agreed on the items that ask about the good implications of these requirements. Moreover, there are items that asked about the consequences of these requirements such as demanding in terms of time, impose administrative efforts, and limit the freedom of the LGU to allocate investments. On the average around 63% of the respondents agreed to these statements (Figure 19).

**Figure 19. Implications of DILG requirements attached to grant-type of funding**



Among all the respondents, roads development and maintenance was considered the topmost concern faced by their LGU in the last three years, followed by water, agriculture, solid waste, and disaster risk reduction and management (Table 33). About one-third of the respondents interviewed indicated that the top area of concern they faced in the last three year were the roads development and maintenance. The 31% coming from the following regions: CAR, I, II, III, IV-A, IV-B, V, VI, VIII, IX, X, XI, XII and CARAGA, while about two percent (2%) are from Region VII. Meanwhile, only 2.4% of the LGUs interviewed are from Region VII, considered water as the top area of concern. Ten percent (10%) of the representatives interviewed identified and considered water as the second priority of area concern. They were mostly from in Regions IV-A, IV-B, V, VI, VIII, IX, X, XI, and CARAGA.

**Table 33. Top five areas of concern faced by the LGUs as viewed by the Municipal Engineer**

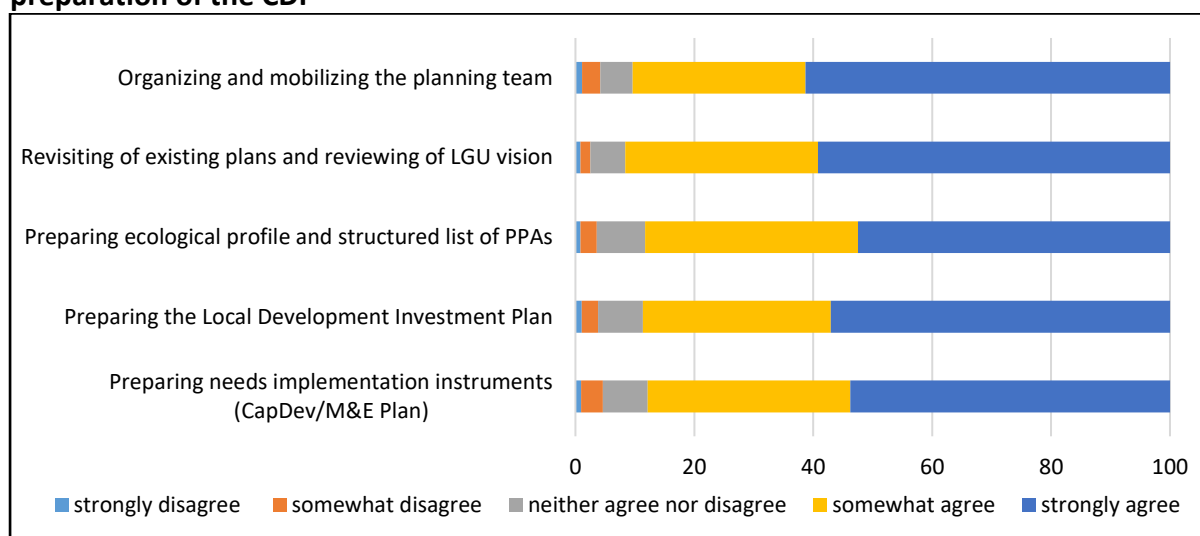
Areas	Percentage Share
Roads development and Maintenance	33.3%
Water	15.1%
Agriculture	11.0%
Solid waste	6.7%
Disaster Risk Reduction and Management (DRRM)	6.1%

N= 1,341

#### 4.5.4. Municipality Planning Process – CSO Participation in LGU Development Planning

As presented on Figure 20, most of the respondents (around 88 to 92%) agreed that the CSOs should participate and contribute to the five steps of CDP preparation.

**Figure 20. Perception of Municipal Engineer of the CSO participation of CSO in the preparation of the CDP**



Most of the respondents believed that CSOs can best engage in the development and updating of LGU development plans through face to face consultation of the LGU (Table 34). Among the overall specifications for the perceived means for CSOs to best engage in the development and updating of LGU development plans, most indicated active participation and attendance in meetings, followed by empower and encourage CSOs.

**Table 34. Perception of Municipal Engineer on how CSOs can best engage in the LGU development plans**

Mechanisms	Percentage Share
Face to face consultation of LGU	43.3%
Membership of CSOs in multi-stakeholder committees	13.6%
Submission of inputs by individual CSOs	14.9%
Not necessary for CSOs to engage	0.45%
Don't know	0.67%
Others <sup>48</sup>	27.1%

N= 1,341

<sup>48</sup> Top 3 answers: Active participation and attendance in meetings (46%), empower and encourage CSOs (9.64%), and allocation for budget or allowance/honorarium (9.37%)

#### 4.6. Perceptions on the LGU Planning process: Civil Society Organizations

##### 4.6.1. Respondent General Information

In all regions, the respondents were mostly presidents or heads of the CSOs. Of the 1,323 CSO respondents, 74% are presidents/CSO heads/chairpersons and 3.6% are vice-presidents/vice-chairpersons. The rest are made up of 4.2% secretaries and treasurers and 18% are occupying in various capacities. Of the 18%, 34 are members, 24 are managers, 18 are focal persons, 14 are members of the Board of Directors, 13 are general managers. Also included as respondents are various officers of the organizations, religious pastors/chaplains, and a stand-in for a deceased spouse.

##### 4.6.2. Organizational Profile

Seventy-six percent (76%) of the CSO respondents refer to the organization heads as Presidents, 15 % are chairpersons, and the rest by other designations, including eight Executive Directors, seven Office of Senior Citizen Affairs (OSCA) Heads, six managers, five chairpersons of the Board and several pastors.

Following the PSA typology of organizations, majority of the CSO respondents would fall under people's organization (PO) followed by non-governmental organizations (NGOs). Of the 1,244 organizations, 49% identify themselves as PO, 24.6% as NGOs, 12% as cooperatives, 9.4% as civic organizations and 2% as business groups.

**Table 35. Sectors of CSO members of the MPT**

Type of Sectors	Number	Percentage
Farmers and landless rural workers	286	22%
Women	230	17%
Elderly/Senior Citizen	161	12%
Multi-sectoral	135	10%
Fisherfolks	121	9%
Religious sector	74	6%
Persons with Disabilities (PWDs)	61	5%
Workers in the informal sector	46	3%
Formal labor and migrant workers	44	3%
Indigenous people	30	2%
Urban poor	28	2%
Youth and students	25	2%
Children	22	2%
Others (govt. employees, livelihood, workers in transportation sector, professionals, victims of disaster)	60	5%

Meanwhile, twenty-two percent (22%) CSO respondents classify themselves as organizations of farmers and landless workers, 17% as women, 12% as elderly/senior citizens, 10 % as multi sectoral, 9% as fisher folk, 6% as religious sector, 5% as persons with disabilities, and the rest as workers in informal sectors, formal labor and migrant workers, as indigenous communities, as urban poor, as youth and students and as children and others.

Majority of the CSO respondents' organizations, i.e., 1,237 or 93% are registered with one of the authorized government agencies. Only 86 respondents or seven percent (7%) are not registered at all. Of the 1,237 registered CSOs, 36% of which have obtained their registration/license from the Securities and Exchange Commission (SEC), 23% from their respective Local *Sanggunian*, 22% from the DOLE, 12% from the Cooperative Development Authority (CDA), % from the DSWD and % from other NGAs (DA, DepED, HLURB, etc.).

#### 4.6.3. CSO Participation in the Preparation/Updating of Local Development Plans

Most of the CSOs interviewed indicate awareness of the selection criteria in CSO participation. However, around 168 CSO representatives or 13% of CSO respondents were not aware of any criteria for CSOs' membership in MPT.

**Table 36. Awareness of CSO in selection criteria for MPT CSO membership**

Principal criteria	Percentage Share
Active participation in meetings	29%
Other forms of accreditation	20%
Accreditation by the LGUs	17%
Clueless or do not know	13%
Biggest representation/no. of members	11%
Good track record	9%
Others (beneficiaries of government programs, required by law)	1%

N= 1,324

When CSO respondents were asked relative to the principal criteria on their participation in the MPT, almost one-third or 29% responded active participation in meetings, 20% other forms of accreditation, 17% accreditation by their LGUs, 14% do not know, 11% biggest representation/number of members and 9% good track record (Table 36).

Close to 350 CSOs indicated that they have attended an average of four meetings. Majority of the CSOs attended from two to six meetings and some even cited attending as high as 10 and 12 meetings.

On average, to complete the MPT, 22.3% of the total number of CSOs attended four meetings, 17% three meetings, 14.1% two meetings, and 9.6% five meetings. Thirty-six (36) organizations representing 2.7% did not attend any meeting, and on the other extreme one attended 53 meetings.

#### 4.6.4. Steps of CDP Preparation

For this sub-section's discussion, Figure 21 presents the level of CSO participation in the five steps of CDP preparation/updating. Fifty-seven percent (57%) or 695 CSO respondents strongly agreed to their substantial participation in organizing and mobilizing the planning team, 21% or 256 CSO respondents somewhat agreed, while five percent or 58 CSO respondents somewhat disagreed and 16% or 193 CSO respondents strongly disagreed.

On the other hand, 52% of the total CSO respondents strongly agreed to their participation in revisiting of existing plans and reviewing LGU vision, while 25% or 311 CSO respondents

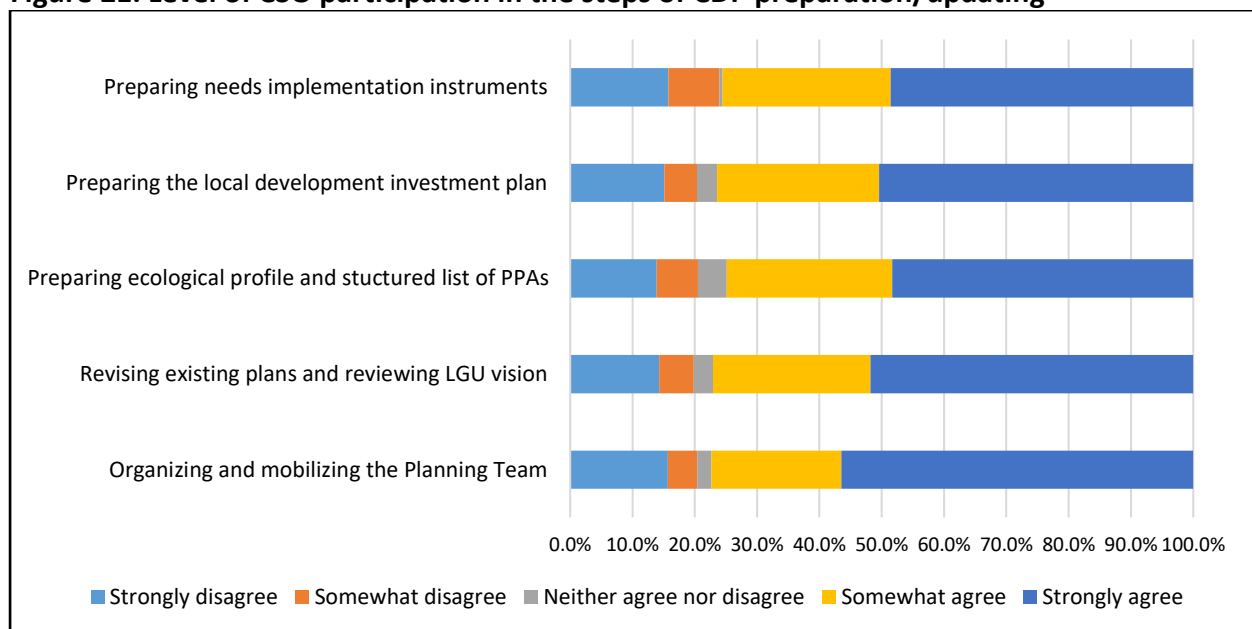
somewhat agreed whereas 5.5% or 68 CSO respondents somewhat disagreed and 14% or around 176 CSO respondents strongly disagreed.

With respect to participation on preparation of ecological profile and structures list of PPAs, 48% CSO respondent strongly agreed, 27% CSO respondents somewhat agreed, yet 26.6% CSO respondents somewhat agree and 14% CSO respondents strongly did not agree.

When it comes to CSO participation in preparing the LDIP, about 50% CSO respondents strongly agreed, 26% somewhat agreed, despite 5.2% CSO respondents somewhat disagreed as well as 15% CSO respondents strongly disagreed.

As regards to CSO participation, around 49% CSO respondents strongly agreed in their role in preparing needs implementation instrument (CapDev Program/M&E Plan), 27% CSO respondents somewhat agreed. Likewise, 8% CSO respondents somewhat disagreed and 16% CSO respondents did not agree.

**Figure 21. Level of CSO participation in the steps of CDP preparation/updating**



#### 4.6.5. CSO's level of influence on the outcomes of the following activities in the preparation/updating of the LGU's CDP

A total 1,230 CSO respondents assessed their level of influence on the outcomes of activities in the preparation/updating of the LGU's CDP (Figure 22).

With respect to the correct and comprehensive profiling of sectors, there are 336 CSO respondents or 27% who expressed that they were extremely influential; 532 or 43% expressed that they were very influential; while 288 or 23% said they were somewhat influential and some 52 or 4.2% said they were slightly influential.

In terms of consultation and validation of the results of the profiles with the members of their respective sectors; 344 or 28% said they were extremely influential, 545 or 44% said they were



very influential, 236 or 19% said they were somewhat influential, and only 78 or 6% as slightly influential.

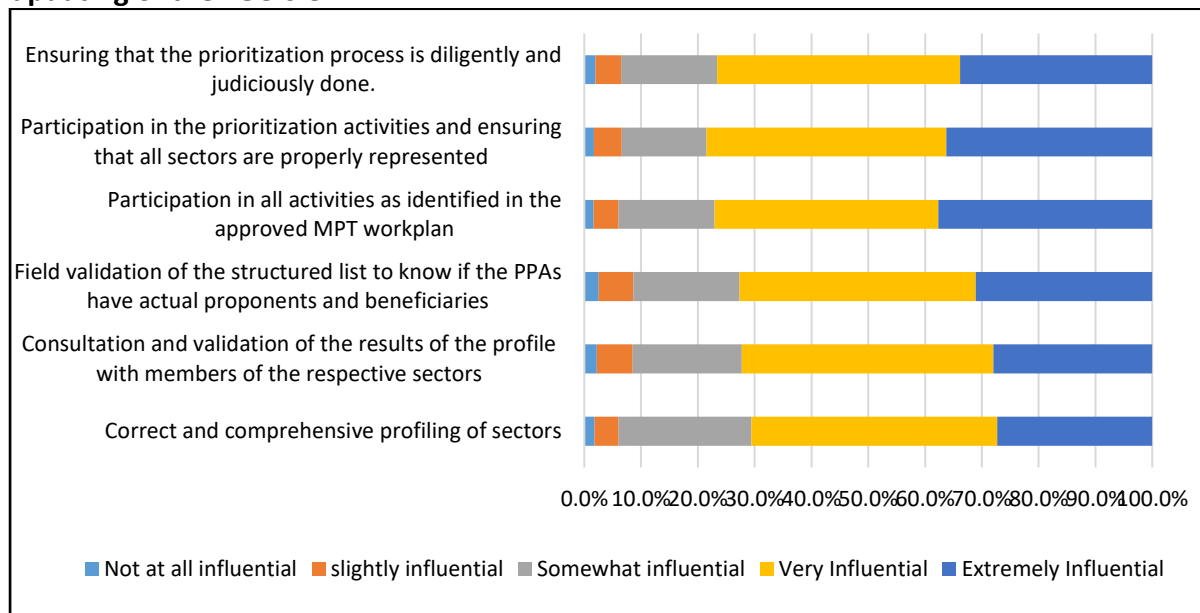
Moreover, around 382 CSO respondents or 31% stated their extremely influential with respect to field validation of the structured list to know if the PPAs have actual proponents and beneficiaries; 42% stated that they were very influential, 19% as somewhat influential, and only 6.1% as slightly influential.

With respect to participation in all activities as identified in the approved MPT workplan, 463 CSO respondents or 38% affirmed that they are extremely influential; 485 CSO respondents or 39% as very influential; 208 CSO respondents or 17% as somewhat influential and a mere 54 CSO respondents or 4.4% as slightly influential.

When it comes to participation in prioritization activities and ensuring that all sectors are properly represented, 446 CSO respondents or 36% maintain that they are extremely influential; 519 CSO respondents or 42% as very influential; 184 or 15% as somewhat influential and around 60 CSO respondents or 5% as slightly influential.

Regarding ensuring that the prioritization process is diligently and judiciously done, 416 CSO respondents or 34% declare that they are extremely influential; 526 CSO respondents or 43% as very influential; 208 or 17% as somewhat influential and around 56 CSO respondents or 5% as slightly influential. Some 153 CSO respondents have not answered this portion of the survey.

**Figure 22. Assessing the CSO's level of influence on the outcomes in the preparation/ updating of the LGU's CDP**



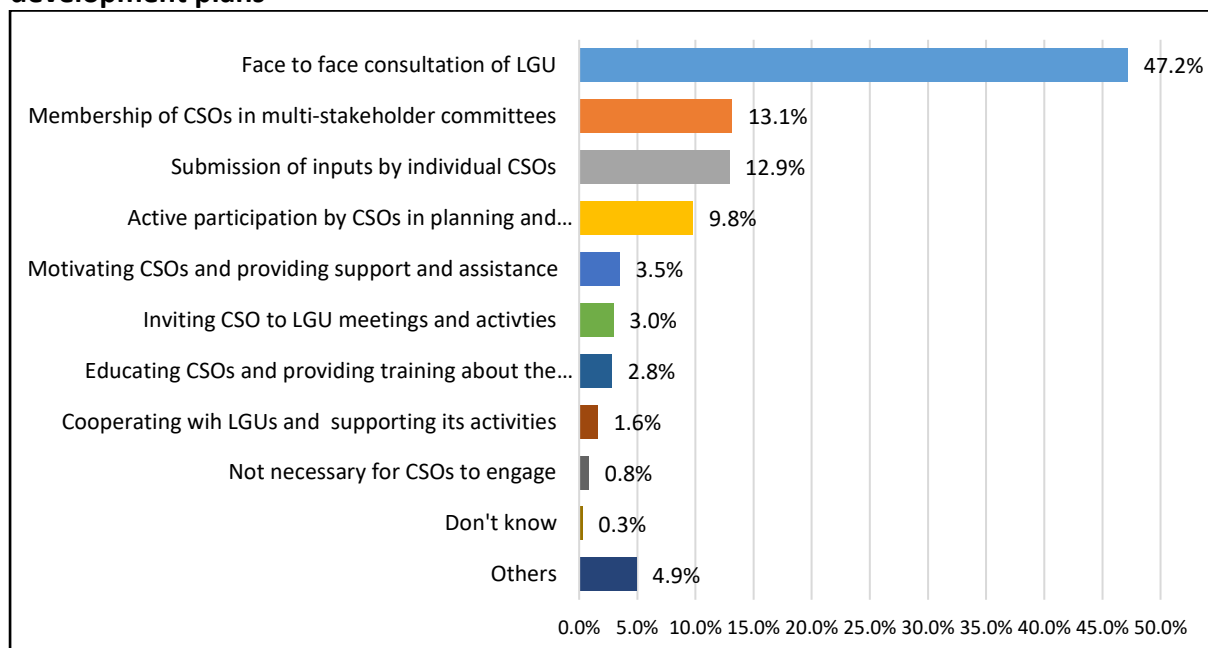
#### 4.6.6. General Perceptions on Local Development Plans

When asked whether their relationship with the local government officials improved as a result of their participation in the preparation/ updating of the CDP/LDIP/AIP, 94.4% answered in the affirmative, 5.1% claimed no changes, and only 0.5% claimed that it worsened.

On the other hand, when asked whether their relationship improved with other CSOs as a result of their participation in the preparation/updating of the CDP/LDIP/AIP, 91% reported improvement, % said no improvement, and only % reported worsening of the relationship.

In response to the question as to how can the CSOs best engage in the preparation/updating of LGU development plans, as presented in Figure 23, almost half (47.2%) of the total CSO respondents indicated that face to face consultation is effective. Other mechanisms include: membership of CSOs in multi-stakeholder committees (13.1%); submission of inputs by individual CSOs (12.9%), and; active participation by CSOs in planning and implementation (9.8%) on by CSOs in planning and implementation; 13.6% by Motivating CSOs and providing support and assistance (projects, accreditation, medical, benefits, office space at LGU, technical inputs, budget; 11.6% by inviting CSO to meetings, and planning and other activities and enjoining CSOs to be more active; 11% by educating CSOs and providing training about the planning process. The remaining 19.4% suggested by cooperating with LGUs and supporting its activities; complying with the requirements; by strengthening the CSO though planning, regular meetings, and secure accreditation; by providing inputs, opinions and suggestions, by engaging CSOs in project monitoring, by giving equal chance to all CSOs to become MPT members; expanding CSO representation and areas of participation; listening to CSOs suggestions and by working together and improving relationship with other CSOs.

**Figure 23. Mechanisms on how can CSOs best engage in the preparation/updating of LGU development plans**



Respondents were asked on proposed indicators used to rank LDIP projects according to its weight on which projects should be prioritized – 1 being the highest and 7 being the lowest.

For this question, the categories used are: 1) Urgency of the project; 2) Project Readiness - Local Counterpart Funding; 3) Project Readiness - Program of Work; 4) Project Readiness - Site Identification; 5) Project Readiness – Environmental; 6) Community Benefits; 7) Community Equity/Participation. So, each of the indicators above can be ranked by a respondent as first (1) or last (7). Nationwide results are tabulated in the table below:

**Table 37. Ranking of DILG proposed project readiness indicators**

Indicators	Percentage (times the indicator ranked as Rank 1)	Percentage (times the indicator ranked as Rank 7)
Urgency of the project	32.0%	11.0%
Community benefits	23.3%	19.7%
Community equity/participation	13.4%	16.9%
Project Readiness- site identification	9.8%	6.0%
Project readiness – local counterpart	7.1%	16.4%
Project readiness – program of work	5.4%	15.1%
Project Readiness- environmental	4.1%	9.9%

Identified at the first priority spot, i.e., which was ranked as “1” is ‘urgency of the project’; followed by ‘community benefits’ as second; third on the list is ‘community equity/participation’; fourth is ‘project readiness – site identification’, ‘project readiness- local counterpart’ as fifth; ‘project readiness-POW’ as sixth; and on the last spot ‘project readiness-environmental’.

Alternatively, the bottom ranked indicators, or those that were ranked as “7” by the CSO respondents is ‘community benefits’. Next is ‘community equity/participation’, on the third spot is ‘project readiness for local counterpart’, followed by ‘project readiness – POW’ as fourth, ‘urgency of the project’ as fifth, sixth is ‘project readiness-environmental’ and the last is ‘project readiness – site identification.’

## 5. Summary and General Findings

### 5.1. Summary of Components 1, 2, and 3.1

The first two components of this Baseline Study provided important background information by reviewing current local governance measures used by policymakers to monitor local government performance. Their combined results showed that there is still room for improvement in terms of development planning (both within LGUs and aligning with national government priorities) and delivering mandates (budget utilization report (BUR) for the Local Development Fund (LDF) and local resource mobilization).

Component 1 laid the groundwork to identify gaps in policy by examining and exploring existing tools in local planning such as the LDC functionality and the LDIP. It was found that in 2017, the Bureau of Local Government Supervision (BLGS) of the DILG reported that the regional average score for LDC functionality was estimated at 83%. That is, in terms of the criteria used to evaluate LDC functionality (secretariat support, presence of an executive committee, proper composition, regular meetings, formulated plans) an average of 83% of LGUs, by region, had functional LDCs (Philippine Institute for Development Studies LGSF-AM Team 2018, DILG-BLGS 2017). As for the criteria the presence of at least one formulated plan (e.g. CDP/LDIP/AIP), more than 97% of LGUs received a passing score.

For Component 2, the results showed that LGUs had fair utilization rates spending 73% of the mandated minimum 20% of their IRA (also known as the Local Development Fund), for development projects<sup>49</sup>. That is, though local governments are mandated to spend at least 20%

<sup>49</sup> There are 31 municipalities with incomplete data on either the LDF utilization or IRA (Annex B)

of their IRA, on development purposes, in 2016, LGUs utilized only 73% of the IRA for development purposes. This insufficient utilization rate was attributed to either poor planning, monitoring, non-prioritization of development projects or spending on unintended purposes (Commission on Audit 2017). Consequently, the Commission on Audit (COA) recommended improved: (1) planning, prioritization of development projects and securing the support of the local *Sanggunian* (local legislative body) in the drafting of the AIP; and, (2) monitoring and evaluation in the implementation of development projects (Commission on Audit 2017, 617). Furthermore, the Component 2 report showed that LGUs had low local source revenue effort, averaging only 17.9% of total LGU income in 2016.

Because of data and information limitations met in drafting the Component 1 report, a recourse to the initial intention to evaluate the quality of LDIPs was to estimate infrastructure and fiscal gaps in the keys areas of infrastructure and deferred to the Component 3.1 report. Data on roads, water systems, evacuation centers and RHUs for municipalities as of 2017 was gathered directly from the municipalities. Though the figures might be under- or over-estimated because not all LGSF-AM municipalities submitted data, the Component 3.1 report was able to draw out some minimum requirements or a range of estimates. In the case of roads, almost 87% of municipalities need at least PhP 133 billion to pave municipal roads existing in 2017. To ensure that there is at least one primary evacuation center in GIDA areas, based on 84% submission of municipalities, the (overestimated) fiscal gap to build 488 more primary evacuation centers (depending on the type needed in the area) ranges from PhP 2 billion to PhP 12.2 billion.

As for Rural Health Units, the DOH prescribed rule-of-thumb of having one RHU per 20,000 population was applied to the 88% of municipal submissions. One challenge was the difference in population estimates submitted by the local government versus the 2015 Population Census figures of the Philippines Statistics Authority wherein the former was lower which could result in an underestimated number of required RHUs if based on municipal submissions. Despite these caveats, estimates of the fiscal gap for 88% of municipalities based on the 2015 PSA population figures and RHUs existing in 2017 range from PhP 17.9 billion to PhP 21.4 billion dependent on whether in a non-GIDA or GIDA area.

For access to potable water, the determination of the proportion of households with access by level of water systems posed a major challenge. This was because of incomplete submissions, inaccurate/erroneous entries of the number of population served by each level of access, and the non-exclusivity of the levels of access available in municipalities (i.e. one municipality may have all three levels of water as sources of water). What could be estimated though, instead of the share of waterless households, was the number of municipalities with barangays that still access water exclusively from Level 1 sources as reported.

Overall, there were 516 barangays found in 34 municipalities in 21 provinces that reported to access water exclusively from Level 1 sources only in 2017. Among the regions, Region II (Cagayan Valley) has the highest number of barangays with Level 1 access to water, with 104 barangays. For this region, it was the province of Isabela found to have the greatest number of barangays, at 51, with exclusive Level 1 access to water. On the other hand, Region III and Region IVB had the fewest barangays with exclusive Level 1 access to water, with both at 12 barangays.

## 5.2. Component 3.2 results

Because of the richness of the survey results on the comprehensive development planning process of municipalities, these are presented in the sub-section below by each interview conducted: (1) the municipal planning team with focus on the DILG prescribed CDP process; (2) the perceptions regarding the planning process of local government officials that are core members of the planning team (MPDO, MEO, MBO/Accountant); and, (3) the perceptions regarding the planning process of civil society organization representatives in the planning team.

### 5.2.1. Local Planning Team

#### *Existing LGU Plans and Vision*

Overall, 91.3% of the municipalities surveyed had land use plans, but, only a very small share (64 out of 1,254) had CLUPs with the correct range of 9-year coverage. A third of the total number of these municipalities had CLUPs covering the years 2018-2016, while some have coverages of 2017-2025 (25.0%) and 2015-2023 (15.6%).

As for the CDPs of the surveyed municipalities, these were found to be more current than the CLUPs. Furthermore, a larger proportion of these CDPs (490 out of 1,190) were within the mandated coverage of six years, with 52.2% and 16.53% of these CDPs ranging from 2017-2022 and 2018-2023, respectively. In terms of the LDIP, almost all (97.5%) LGUs claimed to have LDIPs but only one third of the total were found to be within the correct coverage of three years. The LDIPs covered mostly the years 2017-2019.

Most respondents, at 41.2%, identified the MPDC as the one who initiated the CLUP. About 23.7% said it was the LCE and 22.7% the MPT. As for the updating of the CDP/LDIP/AIP, almost the same distribution at 42.2% said the MPDC as the initiator, 22.9% said it was the LCE and 24.1%, the MPT.

Almost half (47.6%) of the respondents said that it is the LDC which identifies the vision of the municipality and 45.0% referred the MPT. On the other hand, only 3.9% of the responses pointed to LCEs. Most respondents, at 38%, identified the MPT as the one ensuring that the vision of the municipality is responsive to the updated CDP, while a significant 29.4% said it was the LCE.

Most respondents, at 76.6%, affirmed that CLUP plans are reflected in CDP. A marginal 14% answered “sometimes.” An even smaller number said “never” of which 35% said they had no CDP and 30% said they had no CLUP.

Over half (56.89%) of the respondents said they met between two and five times to prepare the latest CDP. Of this total, 18.9% said it took just four MPT meetings, 14.6% said three meetings and 12.1% said five meetings.

#### *Preparation of Ecological Profile and Structured List of PPAs*

Over half (57.0%) of respondents used CBMS as primary dataset source for the preparation and updating of the ecological profile. However, 7.8% did not use any data set. Most, at 32.2%,

collect data every 3 years, 24.6% said they collect every year and a significant 27.3% do not have regular data collection. Significantly, 81.20% said their LGUs allocate budget for the conduct of development tools.

MPDCs were identified by 82.2% of the total number of respondents as the focal persons for LGU's development tools. Most respondents, at 80.9%, said hired enumerators collected the data, 43.2% said LGU staff and 28.5% said Barangay staff. Over 60% of the respondents said MPDO staff/s processed and analyzed the data. However, 35% said it was the MPDO Head who processed the data and 44% said he was also the one who analyzed it.

The data items used by LGUs in preparing/updating the CDP and in policy making, in the order of the number of times they are mentioned are demography, education and literacy, water and sanitation, health, nutrition, farming, economic activity, household characteristics, housing characteristics, sources of income, waste management, livestock, housing, crime, fishing, and climate change. Also mentioned are access to programs, hunger, death of a household member and political participation. Others mentioned are poverty, Overseas Filipino Workers (OFWs) concerns, environment, DRR and tourism.

Most respondents, at 88.7%, said the data were used to identify priority sectors. Respondents identified these sectors in the order of their priority: Persons with Disabilities, Urban Poor, Farmers and Landless Workers, Children, Women, Artisanal Fisherfolk, Victims of Disasters, Elderly/Senior Citizens, Formal Labor and Migrant Workers, Indigenous People/Community, Workers in the Informal Sector and Youth and Students.

Almost all respondents affirmed that the "readily usable" ecological profile was utilized in the identification of a structured list of PPAs, and almost all confirmed that all the PPAs in the structured list were included in the LDIP.

### *Local Development Investment Programming*

When asked if project briefs are prepared for each Program/Project/Activity in the LDIP, majority of the municipalities (54.19% of 744) said "always," 35.8% answered "sometimes," while 10% admitted never having never done it. Of the 1236 LGUs that prepared briefs, 43.35% indicated that their MPDCs do it, 19.29% their Municipal Planning Teams (MPTs) while 28.12% indicated "other persons."

As for the basis of ranking or shortlisting PPAs to produce the Ranked List of PPAs for the LDIP, workshops/consultations were used primarily by 68.0% of the respondents, followed by the Urgency Test Matrix at 48.5%, and Climate and Disaster Risk Assessment (CIDRA) at 42.0%.

As to the financing approach, 45.23% of the 1,373 LGUs took the pragmatic approach in crossmatching the ranked list of PPAs for investment programming with the available resources of the LGU while 38.82% took the developmental approach. Only 15.66% of the respondents shared that they chose the conservative approach.

### *Local Development Investment Programming – The Annual Investment Program and the 2017 LGU Budget in 2017*

As to whether the municipalities were able to finance all the 2017 AIP PPAs using LGU budget only, 44.57% said “yes.” For the 55.43% of the municipalities that said “no,” 93.17% of these looked for other sources of financing. The most common source of complementary funding was grant-type of funding from NGAs requested directly by the municipalities at 75.5%.

In 2017, 90.13% of the municipalities received additional funds from NGAs/NG (not IRA) to finance priority PPAs in their latest LDIP. Over 70% of the respondent LGUs indicated that the NGAs/NG funded projects were given priority in implementation ahead of funding from 20% LDF. Close to 80% of the municipalities reported that NGA/NG funded projects are not included in the computation of the 20% LDF.

As to funding sources of the AIP PPAs included in the 2017 LGU budget, on average, 93.5% of the total number of municipalities utilized their IRAs and own revenues such as local taxes (95.4%) and other local revenues such as license fees, receipts from local economic enterprises and other receipts (82.7%). The grant-type of funding from NGAs such as PCF and BUB, accounted for an average of 51.2%.

In the last five years of implementing the LGU AIP (2012-2017), only 16.39% of the 1,373 respondents answered “yes” to using public-private partnerships (PPP) while 51.31% indicated creating local public enterprises. As to the reasons for non-use, over a couple of hundred different reasons were given without any dominant reason.

On the LGUs allocating funds for insurance, 81.86% of the 1373 respondents said “yes.” The overall average payment was Php 4.5M. For the 18.0% which did not allocate for insurance, the most common reason appears to be lack of funds or simply no budget.

#### *Preparation of Needed Implementation Instruments for the CDP*

On average, 82.0% of the municipalities claim to have some CapDev programs for implementing the LDIP while less than a fifth shared that they have none. Of those who reported to have such, over 92.43% indicated that their programs follow DILG’s formulation steps and/or they use the LGPMS or SCALOG. As for who is responsible for the CapDev Program, only a fifth (20.8%) indicated the LCE. Almost 80% identified other officials which include HRMOs (23%), 16% by the MPTs, and 27% by MPDCs/MPDOs

However, for implementation, the LCE was identified by 46.1% of the respondents. Among the respondents who answered “others,” 33.88% indicated HRMOs; 15.1%, “all department heads;” 30.41%, MPDCs/MPDOs; 13.72% by whoever is “concerned;” and 5.79%, MPT.

In terms of having an exclusive CDP M&E strategy, only 38.4% of the LGUs respondents answered in the affirmative. As for who is responsible for drafting the M&E strategy, 23.19% indicated LCEs. Of the “other” answers, 50.0% of respondents identified MPDCs and 20.79%, MPTs. For M&E strategy implementation, 35.17% of group respondents indicated that the LCEs are responsible while the rest reported 39.9% MPDCs, 8.21% MEs, and 9.68% Monitoring Teams.

## 5.2.2. Perception of Municipal Planning and Development Coordinators

### *Level of responsibility in preparation and updating of CDP as a member of MPT*

Of the six identified roles in the preparation and updating of CDP, more than a majority of the MPDCs as members of MPT, acknowledge complete responsibility for five, i.e., (1) correctly and comprehensively profiling their respective sectors (2) consulting with members of each sector, informing them of the results of the profile, and validating them (3) participating in all activities of the approved workplan (4) participating in the prioritization activities and ensuring that proper representation of all sectors and (5) ensuring diligent and judicious prioritization process. Over a third of respondents admit substantial responsibility (mostly responsible) in all the roles. Less than 8% consider themselves only somewhat responsible in these five roles.

However, as to their role of field-validating of structured list if the PPAs have actual proponents and beneficiaries, close to half of the respondents indicated they are mostly responsible, while only over a third admit to complete responsibility. Also, more respondents (13.5%) consider themselves somewhat responsible.

In sum, the MPDCs, as members of MPT, acknowledge fairly high degree of responsibility in the preparation and updating of CDP.

### *Level of responsibility in preparation and updating of CDP as a MPDC*

Of their 10 roles in the preparation and updating of the CDP, MPDC, a great majority acknowledges complete responsibility in insuring that the approved AIP is derived from the LDIP. Less than a third indicate mostly responsible only. About half own responsibility in (1) orienting the members of the planning team of their responsibilities (2) taking inventory of existing plans and leading in identifying plans which are relevant and which need to be updated based on LGU Vision (3) coordinating with department heads and sectoral committees in checking for the consistency of plans with LGU Vision and responsiveness to prevailing situation (4) coordinating with the *Sanggunian* in the identification of legislative requirements and (5) preparing the annual Accomplishment Report. A slightly lower number reported being mostly responsible in these five roles.

Less than half of respondents report mostly responsible in (1) identification of members of the core planning team based on the five development sectors (2) checking if the Vision of the LGU is still responsive of current mandates and prevailing situation and (3) preparation of the M&E Strategies. Only about a third recognize complete responsibility in these three roles. However, as to the responsibility of preparing the Executive Order and Workplan for the approval of the LCE, only 37% indicate complete responsibility, 35% report being mostly responsible and a significant 20% consider themselves only somewhat responsible.

Generally, most MPDCs assume complete responsibility in the preparation and updating of the CDP, although they constitute just a little over a majority.



### *Vertical Coordination Between LGU and National Government/DILG*

As to vertical coordination, LGU involvement in the identification of national goals is strongly acknowledged but only about a half believe that the national goals significantly affect LGU priority setting.

Majority of the respondents strongly agreed that the national government (DILG) requirements attached to grant-type of funding from NGAs facilitate coordination within the LGU administration and between the national/regional/provincial and the LGU administration. They also say that these requirements are effectively enforced, can be fulfilled by the LGUs and have improved the quality of public investment projects, but very demanding in terms of time. Only about a third somewhat agreed to these statements.

A greater majority agree, in varying degrees, that the NGA requirements facilitate rapid design of investment projects.

Most, although less than half, of the respondents agree that these national government requirements do not impose additional administrative efforts, but limit the freedom of the LGU to allocate investments. A slightly lower number of them disagreed.

In sum, respondents agree that these requirements are helpful and doable although they are time demanding and limit LGU's prerogatives.

### *Top area of concerns in the last three years*

On the top current concerns of the LGUs, the MPDCs indicate basic road infrastructure, agriculture and water, which may relate to accessibility (e.g., to markets and public facilities) and food production. Strong secondary concerns are on the environment, solid waste and disaster risk reduction reflecting relatively high awareness on the importance of taking care of the environment. Livelihood and business matters take the back seat.

### *CSO Participation in LGU Development Planning*

About two thirds of the respondents strongly agree on CSOs' participation and contribution in all the steps of the CDP preparation. Only less than a third indicated somewhat agree. Thus, the MPDCs largely expect the CSOs participation and contribution in CDP preparation.

### *How CSOs can best engage in the development/updating of LGU development plans*

The preferred modes largely differ across regions. Respondents from most of the Luzon regions essentially prefer face to face consultation of LGUs. Visayas regions appear to prefer means other than face to face or membership in committees or submission of inputs by CSOs. Mindanao regions prefer both membership in committees and face to face consultation. Among the other means of best engaging CSOs are active participation and attendance in meetings (46% of other answers), allocation of budget/allowance/honorarium, 12%, and training and capacity building (10%).

### 5.2.3. Perceptions of Municipal Budget Officers/Accountants

#### *Level of responsibility in preparation and updating of CDP as a member of MPT*

For these first three roles, (1) correctly and comprehensively profiling sectors, (2) consulting with members of each sector and informing them of the results of the profile and validate the same, and (3) field-validate the structures list to know if the PPAs have actual proponents and beneficiaries, the MBOs/Accountants were divided between somewhat and mostly responsible at 32 to 35%. Only 16-18% of the respondents indicated completely responsible. At the other extreme, 14-18% indicated not at all responsible. The next three roles on (4) participating in all activities as identified in the approved workplan, (5) participating in the prioritization activities and ensure that all sectors are properly represented, and (6) ensuring that the prioritization process is diligently and judiciously done, with the larger majority indicating mostly to completely responsible. The somewhat responsible however appear to be higher at 21-23%.

In sum, the municipal budget officers/accountants report moderate degrees of responsibility in the tasks as members of MPT involved in the preparation and updating of CDP.

#### *Level of responsibility in preparation and updating of CDP as a Budget Officer/Accountant*

In terms of the two roles on (1) preparation of the medium-term forecasts of current operating expenses for PS, MOOE, and CO, collectively the COE, and (2) preparation of the budget document based on the approved AIP and LDIP, 89-92% of the MBOs/Accountants clearly know what are expected of them as evidenced by their responses of mostly and completely responsible.

#### *Vertical coordination between LGU and National Government/DILG*

There is a clear consensus among the respondents on the effects of the national goals and priorities prescribed by the DILG on their respective LGUs. The following effects where the respondents mostly agree with are: that the effect on their priority setting is significant, and that their LGUs were involved or consulted in the identification of these national goals and priorities both directly or through the DILG. More than half considered these effects, and the participation of the LGUs to be significant.

Regarding the national government requirements attached to grant type funding from NGAs, almost all respondents agreed that they can be fulfilled by the LGUs and they are effectively enforced. They also agreed that the requirements imposed have improved the quality of public investment projects; facilitated the rapid design of investment projects; facilitated coordination both between the national, regional, provincial and the LGU administration as well as within the LGU administration. More than half indicated that they strongly agreed.

However, only about half of the respondents agreed that these requirements do not impose additional administrative efforts on the LGU, while a large number agreed that the requirements are very demanding in terms of time. Additionally, less than half, but more than the respondents that agreed, of the LGU representatives disagreed that the requirements limited the freedom of the LGU to allocate investments.

Overall, most respondents agreed that their respective LGUs benefitted from the national government requirements attached to grant type funding from NGAs, despite some division on the additional administrative efforts required, additional time demanded, and limited freedom in allocating investments.

### *Top area of concerns in the last three years*

The top areas of concern faced by LGU's in the last three years are roads development and maintenance at 17.3%, agriculture at 15.1%, water at 12.7%, solid waste at 9.3%, the environment at 8.2%, disaster risk reduction and management at 6.5%.

The responses across the regions indicate the varying top concerns. Six regions indicated roads development and maintenance as a top concern. Also, six regions identified agriculture as their top concern. Regions and identified solid waste as their key concern while Region 4b indicated water as its priority concern. Region indicated both solid waste and agriculture as top priorities.

### *CSO Participation in LGU Development Planning*

An overwhelming majority of the respondents agree, in varying degrees (25% somewhat agree, 62.6% strongly agree), that CSOs should participate and contribute in the CDP preparation by organizing and mobilizing the Planning Team. Only 6.6% disagree.

Almost all agreed that the participation of CSOs should include: (1) the revisiting of existing plans and in reviewing the vision of their respective LGUs, (2) preparing the ecological profile and structured list of PPAs, (3) preparing the LDIP, and (4) preparing the needs implementation instruments (program, or the M&E Plan).

### *How CSOs can best engage in the development/updating of LGU development plans*

In terms of how best to engage the CSO, the face-to-face consultation of LGU was the most (43%) cited by the municipal budget officers/accountants. Membership of CSOs in multi-stakeholder committees only got 13%. Among the other options, active participation and attendance in meetings was identified by 47% of the respondents (who indicated "other options").

#### 5.2.4. Perceptions of Municipal Engineers

### *Level of responsibility in preparation and updating of CDP as a member of the MPT*

In all regions, majority of the respondents indicated that, as members of the MPT and as the municipal engineer in the preparation/updating of the LGU's CDP, they were responsible (1) for correctly and comprehensively profiling their respective sectors for the reparation and updating of the Comprehensive Plan (CDP), (2) for consulting with members of each sector and informing them of the results of the profile and validating the same, (3) for field-validation of the structured list to know if the PPAs have actual proponents and beneficiaries, (4) for participating in the prioritization activities and ensure that all sectors are properly represented, and (5) for ensuring the prioritization process is diligently and judiciously done.

Less than a tenth of the respondents indicated they are not at all responsible for any of the above activities.

Overall, a good part of the municipal engineers acknowledged all these activities as part of their responsibilities in the preparation/updating of the LGU's CDP.

### *Vertical coordination between LGU and National Government/DILG*

On the effect of the national goals and priorities prescribed by the DILG, most (46%) of the respondents indicated that their LGUs' priority setting was affected to a significant extent while 15% indicated no effect at all. On the other hand, majority (59%) reported that their LGUs were involved or consulted to a significant extent either directly or through the DILG in the identification of these goals and priorities and only 2.8% indicated no effect.

As to the effect of the requirements attached to the grant type funding from NGAs implemented by the national government through the DILG, majority of respondents reported that: (1) their LGUs were capable of fulfilling them; (2) these requirements improved the quality of public investment projects; (3) they are effectively enforced; (4) they facilitated rapid design of investment projects; (5) they facilitated coordination between the national, regional, provincial and the LGU administration and within the LGU administration itself; (6) but they were very demanding in terms of time; and (7) they did not impose additional administrative efforts on the LGUs. Apart from the imposed additional administrative efforts, in all other aspects of the requirements, more than half strongly agreed to their effects.

However, the respondents were split on whether the requirements attached limited the freedom of the LGUs to allocate investments, with slightly more agreeing (44.8%) than disagreeing (38%).

Overall, most of the municipal engineers agreed that almost all of the effects of the requirements attached to the grant type funding from NGAs were positive.

### *Top area of concerns in the last three years*

About one third of the respondents interviewed indicated that the top area of concern they faced in the last three years was the roads development and maintenance. Only 2.4% of the municipal engineers interviewed considered water as the top area of concern but 10% identified and considered water as the second priority of area concern.

Among municipal engineers, agriculture was identified as the top three concern. Solid waste, disaster risk reduction, other issues, and environment were fourth to seventh. Among the other issues, economic development account for close to half of the other answers provided.

### *CSO participation in LGU Development Planning*

On the participation and contribution of CSOs in the LGU development planning, most of the municipal engineers agreed that they should participate in: (1) the organization and mobilization of the planning team, (2) the revisiting of existing plans and reviewing of the LGU's vision, (3) the preparation of the Ecological Profile and structured list of PPAs, (4) preparation of the LDIP, and (5) preparation of the needs implementation instruments

(program/M&E Plan). More than half strongly agreed to the participation of the CSOs in these five activities.

### *How CSOs can best engage in the development/updating of LGU development plans*

For 43% of the respondents, the best engagement of the CSOs in development/updating of LGU development plans is through face to face consultation of LGU. For 15% and 14% of the respondents, the best means of engagement were the submission of inputs by individual CSOs and membership of CSOs in multi-stakeholder committees, respectively. Over 27% indicated other forms of engagement for the development/updating of LGU development plans.

Among the other ways to best engage in the development/updating of LGU development plans, active participation and attendance in meetings has been cited by many respondents. Far second and third are empowering and encouraging CSOs and allocation of budget/allowance/honorarium. Next to these options are for CSOs to provide data and inputs to plan preparation, training and capacity building, and engaging CSOs in project monitoring.

#### 5.2.5. Perceptions of Civil Society Organizations

### *CSO participation as member of the MPT in the preparation/updating of the LGUs LDPs*

About one in ten CSO member of the MPT is aware that the LGU sets the criteria in selecting which CSO shall participate in and become a member of the MPT. The top two criteria they identified are LGU accreditation and active participation of the organization. Almost all CSOs have focal persons in the MPT and participated in the preparation and updating of CDP/LDIP/AIP but a lesser number participated in CLUP preparation and updating. The average numbers of meetings attended by them is four.

### *CSO substantial participation in every step of preparation/updating of CDP*

Half of respondents strongly agreed that their CSO participation in every step of preparation/updating of CDP is substantial; about a fourth somewhat agreed, but about 15% strongly disagreed.

### *Level of CSO influence on the outcomes of activities in preparation and updating of LGU CDP based on experience*

Less than half considered themselves very influential in deciding the outcome in the preparation/updating of the LGU's CDP and only a third say they were extremely influential.

### *Perceptions on local development plans*

Almost all said their participation resulted in improved relationship with the LGU and other CSOs. In sum, CSOs take active participation in the preparation of CDPs. They believe that their participation is substantial and they bear very strong influence in its outcome. It also improved their relations with the LGU and other CSOs.

On best engaging of CSOs in the development/updating of LGU development plans, the face to face consultation is cited by over half of the respondents in nine regions. For all regions, nearly half believe that face-to-face consultation is the best way to engage.

When asked for criteria or indicators for LGU AIP project prioritization, more than a third of the respondents ranked the “urgency of the project” first. “Community benefits” was also ranked first and second by 24% and 23% of the respondents, respectively. Project readiness in terms of availability of program of works and meeting environmental requirement were both ranked 5th by 18.5 -21% of the respondents. “Community participation” and project readiness-local counterpart funding were ranked 6th by 18-19% of the CSO respondents.

The combined results of the Component reports of this Baseline Study highlight the impact that planning and budgeting have on the delivery of public goods and services and how governance plays a critical role in the exercise of all of these local government functions. The next section attempts to organize these findings under common areas/themes that could serve as a guide for policymakers.

## **6. Conclusion and Recommendations**

By evaluating the process and analyzing these in the context of the combined results of all the component reports of the Baseline Study, several important elements needed for the strategic and efficient use of public funds to address policy gaps arise. The elements include: (1) defining the objective of the program and the data available to plan, as well as monitor and evaluate progress in the implementation of the program; and, (2) anchoring of fragmented efforts to address these gaps on development plans.

### **1. The objective of a program must be clearly identified at the onset because this paves the way for successful estimation of the financial requirements and monitoring and evaluation strategies for the program.**

The LGSF-AM was designed as an equalization grant to help LGUs catch up in capital investment in specific areas of infrastructure. In the conduct of Component 1 of this baseline study, however, there was a challenge in the identification of the ideal targets as well as gathering data on existing infrastructure to be able to estimate the infrastructure gap. For health facilities and, to a certain extent, evacuation centers, the target was easier to identify. For example, the HFEP aims to provide one BHS per barangay and one RHU per 10,000 population. In the case of the DOH, their success in being able to estimate and capture the infrastructure gap resulted in their ability to secure budgetary funding such as in the case of the HFEP.

For roads and potable water systems, defining the target was not as clear cut. Should national policymakers be concerned with the number of kilometer of roads or the quality of roads or the connectivity of roads of local governments? As for water, should policymakers be concerned with only making sure that there are no waterless municipalities or should they be concerned with the level of water systems? Not having a clearly defined target or a moving one takes its’ toll on limited public resources and would hinder services from evolving or leveling up.

## **2. Data availability and consistency must be considered in the design of a program.**

The ability to plan, implement and monitor programs depends on the quality and availability of data. Incomplete or unavailable quality would lead to incorrect estimations of needs, poor planning and waste of money and efforts.

There are notable efforts in providing data and information such as in the case of revenue mobilization and LDF utilization rates of the Department of Finance – Bureau of Local Government Finance (DOF-BLGF). There is also standard costing of the key infrastructure areas at the DOH and DILG-OPDS. Furthermore, continuous efforts to improve data and information such as the BLGF’s efforts in asset management and the DILG’s BLGS effort to enhance the Local Development Council Functionality measure should be encouraged.

Component 1 results, however, highlighted the challenge in evaluating the quality of LDIPs primarily because of the lack of readily available consolidated data on the four key infrastructure areas. In the process of looking for data to estimate infrastructure gaps, it was found that data was incomplete, inconsistently reported or not organized. Take the example of local roads, the lack of consistently reported and updated data on local roads has been documented and highlighted in the literature since 2005. Poor data and incomplete information gives policymakers a weak handle to design program interventions to improve services.

For water and health facilities, estimation of the gaps was more challenging. For water, it was being able to identify household access to water given the different levels of water systems that overlap in coverage that was problematic. For RHUs, the challenge was the incomplete and inconsistent data.

One of the root causes of the data issues is that the key infrastructure areas are devolved functions. This echoes the results of decade-old reports on infrastructure and the water sector on the lack of data especially in the case of LGUs. These results highlighted the need for readily available, complete, updated and consistently reported data to plan and improve service delivery, especially in the case of these devolved functions. Hopefully, current efforts of the national government, such as the establishment of Local Road Network Database as well as the Water Sector and Sanitation Sector Plan will help address data gaps in these sectors.

## **3. Fragmented efforts in local public investment and should continue to be made coherent with an anchor in local development plans.**

Current efforts of both the national and local governments to strengthen local development planning should be continued and enhanced to ensure the strategic and efficient use of limited public resources. For local governments, the DILG conducted several exercises in recent years to update local development plans (DILG 2016); institutionalize the assessment of the local development council (LDC), which is responsible for the drafting of local plans, in the SGLG (DILG 2017); and, ensure its alignment with national and cross-sectoral plans (DILG 2017). At the project level, the DILG Water Supply and Sanitation Office, focused efforts on LGU

personnel capacity development in the pre-implementation<sup>50</sup> and implementation phases<sup>51</sup>. Having said this, being anchored in local development plans assumes not just the presence of plans but also its usefulness in ensuring the implementation of prioritized projects that are implementable and impactful on local development.

At the national level, and in preparation of the FY2019 national budget, the DBM, the NEDA Regional Development Councils (RDCs) and the DILG conducted an exercise to ensure the alignment of national and local plans (DBM 2018). The survey results showed that with regard to vertical integration and consultation with and by the national government, the core MPT members all felt vertically integrated and consulted by national government agencies. These also saw both the benefits of the requirements for grants given by national government agencies such as improved quality of projects but at the same time the additional administrative burden of such. Furthermore, about half of each of the core members of the MPT felt that municipal priority setting is affected by national government integration.

Because the key areas of infrastructure in this baseline study are devolved functions, delivery of these services are the responsibility of local governments by design. LGUs, however, may lack the financial capacity to deliver these basic services, particularly for capital outlays such as infrastructure, so they also ask for support from the national government through different programs and agencies. These fragmented efforts can be made coherent if these are based on local development plans.

In terms of the presence of plans, more than 97% of LGUs in 2017, except for those in the Autonomous Region for Muslim Mindanao (ARMM), received a passing score indicating the presence of at least one of any three local government plans (Comprehensive Development Plan (CDP), Local Development Investment or Annual Investment Program (AIP)). Only about 60% of ARMM municipalities received a passing score for the criterion. However, a passing score just means that a municipality has at least one of the plans though the existence of the AIP or the LDIP is systematically dependent on the CDP.

The survey results in Component 3.2 examined the availability of plans. It appears that recent efforts of the DILG to require LGUs to update local plans seem to have manifested in a larger proportion of municipal CDPs and LDIPs with correct years of coverage starting in 2017 (DILG 2016). However, there is still much room for improvement since the proportion of municipalities with CDPs and LDIPs that have the correct time coverage are 41% (490 of 1,190) and 31% (414 of 1,339), respectively. The numbers are even lower for the Comprehensive Land Use Plan at just about 5% (64 of 1,254). Interestingly though, considering that the CDP should be anchored on the CLUP, about 77% of the respondents claim that their CLUPs are reflected in their CDP. Furthermore, though a marginal 14% say that the CDPs are sometimes anchored on the CLUP there is still about 9% (approximately 124 municipalities) of which 58.9% (73 municipalities) said they had no CDP and 48.4% (60 municipalities) said they had no CLUP.

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<sup>50</sup> As was learned in an interview with the DILG WSS-PMO, the pre-implementation phase includes: (1) program orientation and feasibility study (FS) preparation; (2) municipal water supply, sewerage and sanitation sector plan (MW4SP) preparation; and, (3) detailed engineering design (DED) preparation and procurement.

<sup>51</sup> The DILG WSS-PMO capacity development on the implementation phase includes the following training activities: (1) construction supervision and fund management; (2) human rights-based local WATSAN governance; and, (3) community organizing and skills enhancement using rights-based approach.



With these results, there is clearly a need to further efforts in not just enforcing Sec. 190 of the 1991 Local Government Code of the Philippines that mandates local governments, through their local development councils, to formulate socioeconomic development plans and public investment programs, but also to ensure compliance with prescribed systematic and institutional frameworks.

Admittedly, these results do not say anything about the quality of the plans, nor can the survey address this. However, these numbers go beyond just the presence or absence of the plans with the value-added time element.

#### **4. Improved public resource management with clearly defined programs, baseline information and estimable results to ensure proper utilization of funds and allow monitoring and evaluation of the programs**

The preceding observations of clear objectives, available data and priorities aligned and anchored in development plans would give policymakers a better handle in justifying the merits of a program, estimating the extent of assistance and monitoring and evaluating progress and success.

Furthermore, such would allow better utilization of allocated resources. With respect to the utilization rate of the LDF, more can be done to improve its execution starting with the planning, implementation and monitoring and evaluation and ensuring its use for the intended purpose of development. Such gaps/shortcomings represent a large opportunity cost and may be the cause of delayed development and economic growth.

For monitoring and evaluation (M&E), the results seem to suggest that M&E receives the least priority in terms of the DILG prescribed procedural steps covered by the survey in this Baseline Study. It was reported that only 38.4% of the respondents claimed that their municipality had an M&E program. Of these, the responsibility of drafting such was attributed primarily to the MPDC/MPDO and the LCE. As for the M&E strategy implementation, almost 23.19% of the group respondents said it was the responsibility of the LCE.

#### **5. Continue efforts in enhancing local development planning**

Overall, for the first step of the DILG-prescribed Comprehensive Development Planning process, namely, the forming of a municipal planning team via an Executive Order the survey results showed that municipalities generally complied. Furthermore, members of the Municipal Planning Team (MPT) mostly knew their responsibilities and recognized their importance as a member of the MPT.

- **CDP Steps 1 and 2: Organization and Mobilization of the MPT and the Review of Existing Plans and LGU Vision:** *There is a need to enforce strict compliance with the Local Government Code mandate requiring local government units to draft/update their multi-sectoral development and land use plans. The DILG Memorandum Circular 2019-172 is a move in the right direction that will hopefully pave the way for the continuity of compliance.* As mandated, the survey results display the crucial role of the Municipal Planning and Development Coordinator (MPDC) in the entire development planning process. More than 41% (and 42.2%) of the respondents indicated that the MPDC initiated the updating of their latest CLUPs (and

CDPs). At the same time more than 50% of the MPDCs interviewed for their perceptions on the planning process, felt “completely responsible” for the updating of the CDP.

The drafting or updating the CDP, however, requires the support of the local chief executive through the issuance of an Executive Order of which the respondents claim that 92.3% (1,267 of 1,373) of the municipalities interviewed reported that an Executive Order was issued to form the Municipal Planning Team (MPT) for the most recent plans. The most frequent members of the MPT are (i.e. those that were identified as member by more than 60% of the municipalities): (1) the MPDC (97.2%); (2) Municipal Engineer (95.2%); (3) Municipal Budget Officer (92.6%); (4) CSOs/POs (87.5%); (5) LCE (80.7%); (6) MLGOO (74.7%); (7) President of the *Liga ng mga Barangay* (74.4%); (8) Chairman of the *Sanggunian Bayan* (72.0%); and, (9) representatives from national government agencies (NGAs, 68.5%). Of the NGAs, about half of the respondents identified representatives of the Philippine National Police (PNP), the Armed Forces of the Philippines (AFP) and the Department of Education (DepEd) as members of their respective MPTs. It is interesting to note that most MPT’s include those responsible for peace and order and, at the same time, a representative for a centrally provided services, education.

Updating or drafting of development plans requires a common vision which almost half of the respondents indicated was identified by their Local Development Council (LDC). However, the one’s responsible for ensuring that the vision and the CDP are aligned was the MPT followed by the LCE for almost 38% and 30% of the respondents, respectively

Individual interviews of the core members of the MPT (MPDC, Municipal Engineer and Budget Officer/Accountant) as well as a Civil Society Organization (CSO) representative in the MPT were conducted. Generally, the core members of the MPT knew their responsibilities in the planning process and, for the last planning exercise of their respective municipalities, they identified priority areas such as roads and agriculture consistent with each other.

With respect to the CSO role in development planning, the core MPT member respondents and the CSO MPT representative recognized the importance of the presence of CSOs in the planning process and that the best manner of CSO participation would be through face-to-face consultations.

There were, however, areas in the succeeding steps of the CDP process that surfaced as candidates for improvements.

- **CDP Step 3 Preparation of the Ecological Profile and Structured List of PPAs:** *There is a need to revisit the dataset tools currently used , e.g. RaPIDS and the CBMS, and reorienting local governments on its application to ecological profiling profiling.* For the development of the Ecological Profile, it was good to learn that municipalities allocated resources in their most recent effort to develop an Ecological Profile that would help identify the list of PPAs. However, the manner by which data is collected varies across municipalities despite the presence of the prescribed RaPIDS.

The MPDC is also identified as the focal person for LGU development tools that provide important information and data necessary to create a correct ecological profile (EP) on which to base needs-responsive investment programs. Eighty-one percent (81%) of LGUs claim to have allocated a budget for the conduct of development tools. Interestingly enough, the DILG prescribed dataset to determine current reality is the Rationalized Planning Indicator and Data Set (RaPIDS) which is reported to be used by only about 6% of municipalities. Even the RaPIDS predecessor/mother dataset called the Local Development Indicator System (LDIS) and hybrid RaPIDS-Community-Based Monitoring System (CBMS) is used by only 7.1% and 4.7% of the municipalities, respectively. The CBMS is the most commonly used dataset development tool at 57% perhaps because of the DILG's provision of capacity building support to municipalities in terms of series of trainings and seminar-workshops in recent years (DILG 2017).

In terms of frequency of data collection, the largest number of municipalities (32%) report they do so every 3 years. Of the almost 81.2% of municipalities that allocate a budget about 80.9% hired enumerators while the rest used municipal or barangay staff to gather data. The processing and analysis of data collected was still identified by the majority of the respondents to be the responsibility of the MPDO/MPDC.

Finally, almost all respondents affirmed that the "readily usable" ecological profile was utilized in the identification of a Structured List of PPAs, and almost all confirmed that all the PPAs in the Structured List were included in the LDIP.

- **CDP Step 4 Investment Programming for the Local Development Investment Plan /Annual Investment Plan:** *As for the development of the LDIP/AIP, two areas for improvement would be in: (1) the preparation of project briefs; and, (2) reminding local governments to have two rounds of and use the prescribed criteria for shortlisting.*

For majority of the cases it is the planning officer that is tasked to draft the project briefs, perhaps the task can be distributed to the different sector representatives within the municipal planning team.

The next step to the ecological profile-identified structured list of PPAs is to prioritize these PPAs for investment financing in what the DILG calls the Ranked List of PPAs. Crucial to the success of implementation is the preparedness of a project to be implemented which necessitates the need for project briefs. More than half of the 1,373 municipalities that responded indicated that they always prepare projects briefs for PPAs and that the MPDC is the one that does it 43.4% of the time.

The prescribed tools by which to come up with a 'Ranked List of PPAs' from the Structured List of PPAs are, for the first round of shortlisting, the Urgency Test Matrix, Resource Impact Matrix, Conflict-Compatibility Matrix and, for the second round of shortlisting to get the 'Ranked List of PPAs for Investment Programming', the Goal Achievement Matrix (GAM). The survey results show that for the first round of prioritizing the Ranked List of PPAs consultations/workshops is the primary (almost 68%) method of prioritizing PPAs. This is followed by the Urgency Test (48.5%) and the Climate and Disaster Risk Assessment (CIDRA) (42.0%). Other project selection

mechanisms of earlier NGA programs such as the Bottom-up Budgeting (BUB) and the *Kapit-Bisig Laban sa Kahirapan* Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS) were also identified by some municipalities with shares of 37.7% and 29.2%, respectively. Other municipalities, on the other hand, utilize mechanisms from other plans such as the water sector plans (16.4%).

For the second round of screening to get the Ranked List of PPAs for Investment Programming, the survey results indicated that out of the 1,373 municipalities, 933 (68.05%) performed another shortlisting/ranking. Among these municipalities, 57% claimed that they use the GAM for the screening process.

These results imply that only about half of the respondent municipalities always prepare project briefs for the identified PPAs. Further, there are about 438 municipalities that identified priority projects primarily through workshops/consultations and did not do another round of prioritizing projects that were. What these results show is that the resultant planning process for some number of municipalities do not exactly follow the DILG-prescribed procedural guidelines.

As for investment programming, majority of municipalities reported to seek sources of financing outside of their regular sources of income. The most common sources are grant-type funding from the national government which would come with specific requirements that municipalities believe add to the quality of their projects but also add to their administrative work. This recognition of the value of the requirements, and the ability of the municipalities to comply, might be a way to improve the quality of by adding such requirements to their regular LDIP/AIP process.

The next step is to examine financing options for the Ranked List of PPAs in their Local Development Investment Program (LDIP) and the Annual Investment Program (AIP). The results show that almost 84.1% of respondent municipalities adopt either the Development or Pragmatic Approach by looking for sources of financing outside of regular LGU income. Very few opt for Public-Private Partnerships (16.39%) financing schemes while more than half of the municipalities establish local public enterprises for additional sources of financing.

In 2017, about 51.6% of respondent municipalities sought other sources of financing for their AIPs. Of these, they received grants from national government agencies either by directly approaching these (almost 76%) or through the Regional Development Council (15.9%). These NG grants typically come with requirements and about 93% of the MPDC respondents agreed that these requirements improved the quality of public investment programs but at the same time an average of 64% of these felt the requirements were administratively taxing and limited the freedom of LGUs to allocate investments. Finally, 90% of the respondents that received complementary funding for their AIPs from national government agencies said these are typically implemented ahead of projects under the 20% LDF (which could possibly be part of the explanation of the fair level of utilization of the LDF).

These results seem to show the dependency of municipalities on the national government for funds to implement their investment programs above and beyond the IRA given to them. This seems to suggest insufficient funds to provide some devolved

functions which must be balanced with the relatively inconsistent/nonobservance of prescribed guidelines approaches to planning and prioritizing PPAs.

- **CDP Step 5 Implementation Instruments:** *Strengthen the CapDev programs of municipalities, particularly in the monitoring and evaluation of projects.* For the final step, i.e. the implementing tools for the CDP were present for about 82% of the municipalities but low, at 38.4% for M&E. As highlighted above, improving M&E would allow flexibility in the redesign of a program to ensure its benefits are felt immediately by the intended beneficiaries also allowing for timely utilization of the budget.

According to the Local Planning Illustrative Guide (2017), “(A) a very good plan remains to be just another document if it is not implemented (DILG 2016, 30).” The survey results show that 82% of municipalities claim to have CapDev programs for the implementation of the CDP, of which varied local government officials, primarily the LCE, are identified as responsible. The same applies to the responsibility of the implementation of these programs.

For monitoring and evaluation strategies, however, only 38.4% of the respondents answered in the affirmative. Of these, the responsibility of drafting such was attributed primarily to the MPDC/MPDO and the LCE. As for the M&E strategy implementation, almost 23.19% of the group respondents said it was the responsibility of the LCE.

These results seem to suggest that M&E receives the least priority in terms of the DILG prescribed procedural steps covered by this study and should be an area for improvement.

## **6. Local assets as a potential source of revenues**

Improved asset management is important as both a potential source of revenue as well as a means of financing expenditures for development projects. Aside from estimating for the infrastructure and fiscal gaps of the four key areas of infrastructure (local roads, potable water supply, evacuation centers and health facilities), the study also aimed to identify how municipalities manage their assets. In order to assess this, information about the three aspects of asset management were solicited including their Income Generating Enterprises (IGEs), Real Property Assets, as well loans they availed as of 2017 (*See Annex D - Form 6 Asset Management (as of 2017)*).

Of the 1248 municipalities that submitted data on asset management for 2017, only 92.6% had entries. For almost 42% of these municipalities, the largest amount of income from IGEs totaled to almost PhP 3.5 billion but did not specify the type of IGE. The following top sources of IGE income are public markets (23%) which amounted to PhP 1.9 billion, water utilities (10.4%), multiple economic enterprise (4.5%) and cultural/sports/recreational center (3.6%).

Aside from IGEs, municipalities were also asked to report their Real Property Assets of which the top three were Land (54.4%), Buildings (12.4%), and Others (11.1%).

Finally, loans availed by the municipalities in the year 2017 were also reported. Only 1002 (or 80% of the 1248 municipalities) of the municipalities had loans. Reasons why municipalities

availed of loans were for: (1) conducting various construction works (30%); (2) the acquisition/purchase of heavy equipment (19.4%); and, (3) for the construction/improvement of public market (14.6%).

With regard to the maintenance of assets, municipalities were asked to report if and how much they allocated for insurance in 2017. About 82% of the 1,373 respondents indicated they spent but the rest did not commonly because of lack of funds/no budget.

What these results show is that there are grounds to focus attention in improving asset management. From the initial step of creating and properly recording these assets, to using and/or investing in the maintenance of real property assets, to tapping income generating assets for alternative sources of income.

## **7. Capitalize on the awareness and responsibility of the MPT members**

The Municipal Planning Team members in their individual perception interviews commonly recognized their role in the team and the importance of the role of others in the team. At the same time, the members, when asked on their perceived top priority project areas, they identified the same, namely roads, bridges, agriculture and water. This shows that efforts of the DILG has created this awareness of the members and that this should be capitalized in pushing forward reforms.

Though there is still much more that can be studied, as was intended by this baseline study, these results provide crucial information that can provide policymakers information needed to direct policy and reforms. At the same time, the information gathered by this study would serve as measures for monitoring progress or regress of these local governments.

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## 8. Annexes

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**Annex A.**

**Annex Table 1. Summary of LGU scores for LDC Functionality (overall) and Plans, by region (in number of LGUs)**

Region	Total number of LGUs per region	Score for LDC Functionality			Score for Plans		
		High	Medium	Low	High	Medium	Low
Region 1	129	80	41	8	112	17	0
Region 2	98	33	52	13	42	54	2
Region 3	137	35	81	21	67	70	0
Region 4-A	147	22	99	26	56	91	0
Region 4-B	78	27	38	13	42	35	1
Region 5	120	41	58	21	70	46	4
Region 6	106	40	51	15	56	49	1
Region 7	110	18	61	31	40	69	1
Region 8	149	67	60	22	114	34	1
Region 9	75	0	63	12	32	43	0
Region 10	98	43	42	13	75	20	3
Region 11	54	25	26	3	37	17	0
Region 12	54	18	27	9	39	15	0
Region 13	78	37	32	9	51	26	1
NCR	17	5	9	3	13	4	0
CAR	83	19	58	6	39	43	1
ARMM	123	7	36	80	56	17	50
NIR*	59	20	34	5	32	27	0

**Annex B.****Annex Table 2. Summary of LGUs/Municipalities with missing data on LDF and IRA**

<b>Municipality</b>	<b>Missing Data</b>
BARLIG	20% LDF
BURGOS	20% LDF
ITBAYAT	IRA
CAMALIGAN	20% IDF
SAN FERNANDO	20% LDF
TINGLAYAN	20% LDF
PAMPLONA	20% LDF
SAMAL	20% LDF
MATAASNAKAHOY	20% LDF
SAN LUIS	20% LDF
SANTA MARIA	20% LDF
BURDEOS	20% LDF
MALILIPOT	20% LDF
BABATNGON	20% LDF
CAPOOCAN	20% LDF
BACO	20% LDF
VINZONS	20% LDF
MINALABAC	20% LDF
PONTEVEDRA	20% LDF
PULUPANDAN	20% LDF
DAGAMI	20% LDF
SAN NICOLAS	20% LDF
AMULUNG	20% LDF
BANSUD	20% LDF
BACACAY	20% LDF
BAUNGON	20% LDF
BOLINAO	20% LDF
SAN RAFAEL	20% LDF
PAGBILAO	20% LDF
CAMALIG	20% LDF
CAUAYAN	20% LDF

**Annex C. Advisory: Data on Infrastructure Needs of the Municipal LGUs in Key Areas of Infrastructure**



Republic of the Philippines

FS 8-01-3816

**DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT**

DILG- NAPOLCOM Center, EDSA cor. Quezon Ave., West Triangle, Q.C.  
Telephone Numbers 925.03.57  
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**ADVISORY**

FOR : ALL REGIONAL DIRECTORS

SUBJECT : DATA ON INFRASTRUCTURE NEEDS OF THE MUNICIPAL LGUS IN KEY AREAS OF INFRASTRUCTURE.

DATE : 30 JULY 2018

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01. Pursuant to the Memorandum of Agreement between the Department and the Philippine Institute of Development Studies (PIDS), a baseline study will be conducted relative to the policy and governance gaps relative to the Local Government Support Fund Assistance to Municipalities. This was earlier communicated to all regional offices thru an unnumbered memorandum from the undersigned on June 8, 2018.

02. Relative to the above, we are also forwarding herewith the following:

- 02.1 Copy of USLG Memorandum dated June 8, 2018.
- 02.2 Field Guide delineating roles in ensuring that local government units are able to make an online submission to the PIDS Google Drive which serves as the repository of LGU data submissions.
- 02.3 Technical Guide to assist respondent LGUs in filling-up the data templates/forms and in submitting the same.
- 02.4 Data templates.

03. Timeline:

Activity	Deadline of Submission
Online Submission of LGU data to the PIDS Google Drive	August 24, 2018

**Annex D. PIDS LGSF-AM Data Inventory Forms**

**Annex Table 3. Form for the population distribution**

**Form 1. Population Distribution**

Name of Barangay (1)	Total Number of Households (2)	Population		
		Total Number of (3)	Total Number of (4)	Total (5)
<b>TOTAL</b>				



**Annex Table 5. Inventory form of existing barangay roads**

**Form 2. Inventory of Existing Municipal and Barangay Roads (as of 2017)**

**B. Inventory of Existing Barangay Roads (as of 2017)**

Name of Barangay Road	Location/Site		Surface type and length per type (in m)*						Average road condition				TOTAL LENGTH
			Paved			Unpaved			Bad	Poor	Fair	Good	
	From	To	Concrete	Asphalt	Gravel	Earthfill	(8)	(9)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)		
<b>TOTAL LENGTH</b>													



Annex Table 6. Inventory form of major sources of water by water system level

Form 3. Inventory of Major Sources of Water by Water System Level (as of 2017)

A. Level 1: Water supply by type and number of household population served

Name of Barangay	Shallow well		Deep well		Improved spring				
	Number	Household population	Number	Household population	Number	Household population			
		No.		%		No.	%	No.	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>TOTAL</b>									

**Annex Table 7. Inventory form for water supply system**

**B. Level 2: Water supply system by type and number of household population served**

Location of water source	Type of Source a. Ground b. Spring	Elevation from the service area (in meters)	Number of pumps	Number of communal faucets	Number of Barangays served	Number of household population served
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>TOTAL</b>						

**Annex Table 8. Inventory form for local waterworks system**

**C. Level 3: Local waterworks system by type and number of consumers**

Name of Local Water System	Number of Barangays Serviced	Total Number of Barangays in the LGU	Number of Connection by Type of Consumer				Total Number of Connections
			Domestic	Commercial	Industrial	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

**Annex Table 9. Inventory form for evacuation centers at municipal level**

**Form 4. Inventory of Evacuation Centers (as of 2017)**

**A. Inventory of Evacuation Centers at Municipal Level (as of 2017)**

Region	Province	Municipality	Geo ID	Name of infrastructure	Infrastructure usage type: a. Primary b. Secondary	GIDA classification* (if applicable)	Does the evacuation center have a designated private space for women and children? (Yes or No)	Space Capacity	
								Land Area	Floor Area
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

*Note: \* If your municipality is not classified as GIDA, please leave blank. Please use the official GIDA classification of the Department of Health for your municipality. GIDA classification can be one of the following: Upland, Lowland, Landlocked, Island, or affected by Armed Conflict.*

*Note: ' Primary – constructed as evacuation center ; Secondary – constructed as other infra but used as evacuation when in need*

**Annex Table 10. Inventory form for evacuation centers at barangay level**

**Form 4. Inventory of Evacuation Centers (as of 2017)**

**B. Inventory of Evacuation Centers at Barangay Level (as of 2017)**

Region	Province	Municipality	Geo ID	Name of infrastructure	Infrastructure usage type: a. Primary b. Secondary	GIDA classification* (if applicable)	Does the evacuation center have a designated private space for women and children? (Yes or No)	Space Capacity	
								Land Area	Floor Area
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

*Note: \* If your municipality is not classified as GIDA, please leave blank. Please use the official GIDA classification of the Department of Health for your municipality. GIDA classification can be one of the following: Upland, Lowland, Landlocked, Island, or affected by Armed Conflict.*

*Note: ' Primary – constructed as evacuation center ; Secondary – constructed as other infra but used as evacuation when in need*

**Annex Table 11. Inventory form for health facilities (Rural Health Units)**

**Form 5. Inventory of Health Facilities**

A. Inventory of rural health units/RHUs (as of 2017)															
Total Number of RHUs		Target Number of RHUs		Existing facilities (as of 2017)				Existing number of personnel (as of 2017)							
				Region	Province	Name of municipality	Name of RHU	Capacity (number of beds)	Doctors	Nurses	Midwives	Sanitary inspectors	Others	Total	
(1)	(2)	(3)	(4)	(5)	(6)	Actual	Target	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

**Annex Table 12. Inventory form for health facilities (Barangay Health Stations)**

**B. Inventory of barangay health stations/BHS (as of 2017)**

Total Number of RHUs	Target Number of RHUs	Existing facilities (as of 2017)				Existing number of personnel (as of 2017)							
		Region	Province	Name of municipality	Name of RHU	Doctors	Nurses	Midwives	Sanitary inspectors	Others	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

**Annex Table 13. Inventory form for projected requirements for health facilities**

**C. Projected Requirements for Health Facilities (as of 2017)**

Facility	Number of projected facilities for 2018-2022				
	2018	2019	2020	2021	2022
(1)	(2)	(3)	(4)	(5)	(6)
RHU					
BHS					



**Annex Table 14. Asset management form for income generating enterprises**

**Form 6. Asset Management**

Indicators	Annual Income from Enterprise/Asset in 2017	Annual Expenditures on Enterprise/Asset in 2017	Total
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<b>A. Income Generating Enterprises</b>			
<b>Total</b>			

**Annex Table 15. Asset management form for real property assets**

Indicators	Assessed Value of Asset in 2017	Annual Expenditures on Enterprise/Asset in 2017	Total
(1)	(2)	(3)	(4)
<b>B. Real Property Assets (Idle/ Non-Income Generating)</b>			
<b>Total</b>			

**Annex Table 16. Asset Management form for existing loans**

**C. Does the LGU have existing loan/s? \_\_\_ YES, \_\_\_ NO (If YES, Fill out the table below)**

Existing Loans	Institutioned borrowed from	Date of Loan	Amount of Loan	Purpose of Loan	Terms of Loan*
(1)	(2)	(3)	(4)	(5)	(6)

\*How many years and interest rate

**Annex Table 17. Gender and development form**

**Form 7. Selected Indicators on Gender and Development (as of 2017)**

Number of private day care centers*	Number of public day care centers*	Does your municipality have a Violence Against Women and Children (VAWC) help desk? (Yes/No)
(1)	(2)	(3)

Note:

\* Please indicate 0 if none.

**Annex E.**

**Baseline Study on Policy and Governance Gaps for the Local Government Support  
Fund Assistance to Municipalities Program**

**Template Manual**

**July 2018**

## Form 1. Population Distribution

### Definition of Terms

- (1) Name of Barangay
- (2) Total Number of Households – number of households located at the Barangay indicated in the Municipality.
  - *Household* – consists of one or more people who live together in the same dwelling or house.
- (3) Total number of Male – number of male residents in the said Barangay
- (4) Total Number of Female – number of female residents in the indicated Barangay

Form 1. Population Distribution				
Name of Barangay (1)	Total Number of Households (2)	Population		
		Total Number of Male (3)	Total Number of Female (4)	Total (5)
Barangay Mapayapa	520	1002	765	1767
Barangay Bayabas	815	1112	731	1843
Barangay Marangal	911	881	364	1245
Barangay Kapehan	460	263	569	832
Barangay Bulak	500	921	658	1579
Barangay Malasmalas	1002	1564	945	2509
<b>TOTAL</b>	4208	5743	4032	9775

## Form 2. Inventory of Existing Municipal and Barangay Roads (as of 2017)

### Definition of Terms

- (1) Municipal Road
  - Roads within the Poblacion; Roads that connect to Provincial and National Roads; Roads that provide Inter-Barangay connections to Major Municipal Infrastructure without traversing Provincial Roads
- Location - The names of the barangay/sitio/purok where the existing roads traverse e.g. From Barangay A to Barangay B
  - (2) From – the name of barangay/sitio/purok of the starting point of the corresponding road
  - (3) To – the name of barangay/sitio/purok of the ending point of the corresponding road
- Surface type – Surface type is classified into two major types, paved and unpaved
- Length per type (in m) – the length in meters of the corresponding road
  - Paved - Surface type of the existing roads it can be (4) Concrete or (5) Asphalt
  - Unpaved - Surface type of the existing roads it can be (6) Gravel or (7) Earthfill

- (8) Average road condition – the condition of the existing road whether if it is in good, fair, poor, or bad condition.
- (9) Total Length – Aggregate length of the corresponding road. Sum of columns 4,5,6 and 7
- (10) Total Length – Aggregate length of the corresponding surface type

Name of Municipal Road (1)	Location/Site		Surface type and length per type (in m)*				Average road condition (a) Good, (b) Fair, (c) Poor, (d) Bad (8)	TOTAL LENGTH (9)
	From (2)	To (3)	Paved		Unpaved			
			Concrete (4)	Asphalt (5)	Gravel (6)	Earthfill (7)		
(10) TOTAL LENGTH								

- (1) Barangay Road<sup>52</sup>
  - Other Public Roads (officially turned over) within the Barangay and not covered in the definition of Municipal Roads.
- (2) Location - The names of the barangay/sitio/purok where the existing roads traverse  
e.g. From Barangay A to Barangay A
- Surface type – Surface type is classified into two major types, paved and unpaved
- Length per type (in m) – the length in meters of the corresponding road
  - Paved - Surface type of the existing roads it can be (4) Concrete or (5) Asphalt
  - Unpaved - Surface type of the existing roads it can be (6) Gravel or (7) Earthfill
- (8) Average road condition – the condition of the existing road whether if it is in good, fair, poor, or bad condition.
- (9) Total Length – Aggregate length of the corresponding road. Sum of columns 4,5, 6, and 7
- (10) Total Length – Aggregate length of the corresponding surface type

Name of Barangay Road (1)	Location/Site		Surface type and length per type (in m)*				Average road condition (a) Good, (b) Fair, (c) Poor, (d) Bad (8)	TOTAL LENGTH (9)
	From (2)	To (3)	Paved		Unpaved			
			Concrete (4)	Asphalt (5)	Gravel (6)	Earthfill (7)		
(10) TOTAL LENGTH								

**Illustration:**

**Municipal Roads**

Four municipal roads are identified in Municipal A, namely, Juan Pedro Highway, Maria Espina Road, Bulak Road and Balete Road. Juan Pedro Highway traverses from Barangay A to Barangay B, with a total of 10,000 meters of concrete road. Maria Espina Road traverses

<sup>52</sup> <https://psa.gov.ph/content/road-classification>

from Barangay B to Barangay D with a total distance of 5,000 meters of asphalt road. Moreover, if the entire road is made of concrete, indicate the length of the entire road in the column marked 'concrete' and leave the other columns for surface type blank.

Name of Municipal Road (1)	Location/Site		Surface type and length per type (in m)*				Average road condition (a) Good, (b) Fair, (c) Poor, (d) Bad (8)	TOTAL LENGTH (9)
	From (2)	To (3)	Paved		Unpaved			
			Concrete (4)	Asphalt (5)	Gravel (6)	Earthfill (7)		
JUAN PEDRO HIGHWAY	BARANGAY A	BARANGAY B	10,000				a	10,000
MARIA ESPINA ROAD	BARANGAY YB	BARANGAY YD		5,000			a	5,000
BULAK ROAD	BARANGAY D	BARANGAY E			5,000		c	5,000
BALETE ROAD	BARANGAY AB	BARANGAY AB				8,000	d	8,000
(10) TOTAL LENGTH			10,000	5,000	5,000	8,000		28,000

### Barangay Roads

Two barangay roads are identified in Municipal A, namely, Bulak Road and Balete Road. Balete Road traverses only within the Barangay AB with a total of 8,000 meters of earthfill road. Also, the Bulak road traverses only within the Barangay Mapayapa with a total of 2,000 meters of concrete, 500 meters of asphalt, and 500 meters of earthfill for a total length of 3,000 meters. As above, if the entire road is made of concrete, indicate the length of the entire road in the column marked 'concrete' and leave the other columns for surface type blank.

Name of Barangay Road (1)	Location/Site		Surface type and length per type (in m)*				Average road condition (a) Good, (b) Fair, (c) Poor, (d) Bad (8)	TOTAL LENGTH (9)
	From (2)	To (3)	Paved		Unpaved			
			Concrete (4)	Asphalt (5)	Gravel (6)	Earthfill (7)		
BARANGAY BALETE	BARANGAY AB	BARANGAY AB				8,000	a	8,000
BULAK ROAD	BARANGAY MAPAYAPA	BARANGAY MAPAYAPA	2,000	500		500	b	3,000
(10) TOTAL LENGTH			2,000	500		8,500		11,000

### Form 3. Inventory of Major Sources of Water by Water System Level (as of 2017)

#### Definition of Terms

- Level I water supply
  - A protected well or a developed spring with an outlet but without a distribution system, generally adaptable for rural areas where the houses are thinly scattered
  - Point source
- Level II water supply
  - Composed of a source, a reservoir, a piped distribution network with adequate treatment facility, and communal faucets



- Communal water system or standposts
  - Level III water supply
- A water supply facility with a source, a reservoir, a piped distribution network with adequate treatment facility and household taps

For Form3.A (Level 1 water system)

- (1) Name of Barangay –
- (2) Number – Number of shallow wells located in the corresponding barangay
- (3) Household population serviced (No.) – Number of household population serviced by the shallow well/s in the corresponding barangay
- (4) Household population serviced (%) – percent share of the number of household serviced by the corresponding shallow well to the total number of household population serviced by shallow wells
- (5) Number – Number of deep well/s located in the corresponding barangay
- (6) Household population serviced (No.) – Number of household population serviced by the deep well/s in the corresponding barangay
- (7) Household population served (%) – percent share of the number of household served by the deep well/s to the total number of household population in the corresponding barangay
- (8) Number – Number of improved spring/s located in the corresponding barangay
- (9) Household population served (No.) – Number of household population serviced by the improved spring/s in the corresponding barangay
- (10) Household population served (%) – percent share of the number of household serviced by the corresponding improved spring to the total number of household population serviced by improve springs

A. Level 1: Water supply by type and number of household population served									
(1) Name of Barangay	Shallow well			Deep well			Improved spring		
	(2) Number	Household population served		(5) Number	Household population served		(8) Number	Household population served	
		(3) No.	(4) %		(6) No.	(7) %		(9) No.	(10) %
		n	n/N						
<b>TOTAL</b>		<b>N</b>							

Percent of household population served %= n/N

For Form 3.B (Level 2 water system)

- (1) Location of water source – Area within the barangay where the water system is located
- (2) Type of Source – the type of water source, it can be from ground or spring
- (4) Number of pumps - Number of pumps located in the corresponding area identified in (1)
- (5) Number of communal faucets – Number of communal faucets located in the corresponding area identified in (1)
- (6) Barangays Served – Names of barangays serviced by the corresponding area identified in (1)
- (7) Number of household population served – number of household population serviced by the corresponding water source

Location of water source	Type of Source a. Ground b. Spring	Elevation from the service area (in meters)	Number of pumps	Number of communal faucets	Number of Barangays served	Number of household population served
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>TOTAL</b>						

<b>B. Level 2: Water supply system by type and number of household population served</b>						
Location of water source	Type of Source a. Ground b. Spring	Elevation from the service area (in meters)	Number of pumps	Number of communal faucets	Number of Barangays served	Number of household population served
(1)	(2)	(3)	(4)	(5)	(6)	(7)
PUROK 1	a	100	8	1	1	8
POBLACION	b	85	0	26	2	73
<b>TOTAL</b>			8	27	3	81

For Form 3.C (Level 3 water system)

Type of Consumer - the type of consumer for local waterworks system are classified into four categories namely, Domestic, Commercial, Industrial, and Others

- (1) Name of Local Water System – area within the municipality where the local water system is located

- (2) Number of Barangays serviced – Number of barang ays serviced by the corresponding local water system
- (3) Total Number of Barangays in the LGUs – the total number of Barangays consisting the LGU

Number of Connections – the type of connection serviced by the corresponding local water system

- (4) Domestic – Number of domestic connections serviced by the corresponding local water system
- (5) Commercial – Number of commercial connections serviced by the corresponding local water system
- (6) Industrial – Number of industrial connections serviced by the corresponding local water system
- (7) Others – Number of connections serviced by the corresponding local water system other than domestic, commercial and industrial
- (8) Total Number of Connections – Aggregate number of connections serviced by the corresponding local water system

**Illustration:**

C. Level 3: Local waterworks system by type and number of consumers							
Name of Local Water System (1)	Number of Barangays (2)	Total Number of (3)	Number of Connection by Type of Consumer				Total Number of Connections (8)
			Domestic (4)	Commercial (5)	Industrial (6)	Others (7)	
Los Baños Water System	14	14	512	200	5		717

**Form 4. Inventory of Evacuation Centers (as of 2017)**

**Definition of Terms**

- (3) Municipality/Barangay – Name of municipality/barangay where the corresponding evacuation center is located
- (4) Geo ID – the GPS coordinates of the corresponding evacuation center
- (5) Name of evacuation center - Name of evacuation center (Usually the name of Barangay/Municipality where it is located)
- (6) Infrastructure usage type – it can be
  - a. **primary** - it is constructed as evacuation center or
  - b. **secondary** - it is constructed as other infrastructure but used as evacuation when in need.
- (7) GIDA classification – the classification of the evacuation center determined using the GIDA Classification. The GIDA (Geographically Isolated and Disadvantaged Areas) .... GIDA classification from the Department of Health can be one of the following: Upland, Lowland, Landlocked, Island, or affected by Armed Conflict.

*Note: For Forms 4.A and 4.B, if the municipality is not classified as GIDA, leave the column of GIDA blank.*

**Illustration:**

Province <i>(1)</i>	Municipality <i>(2)</i>	Barangay <i>(3)</i>	Geo ID <i>(4)</i>	Name of infrastructure <i>(5)</i>	Infrastructure usage type: a. Primary b. Secondary <i>(6)</i>	GIDA classification* (if applicable) <i>(7)</i>	Does the evacuation center have a designated private space for women and children? (Yes or No) <i>(8)</i>	Space Capacity (in sq. meters)	
								Land Area <i>(9)</i>	Floor Area <i>(10)</i>
Laguna	Kalayaan	San Juan	14°19'40.73" N 121°28'48.22" E	Brgy. San Juan Evacuation Center (2nd Floor)	a	Lowland	Yes		

**Form 5. Inventory of Health Facilities (as of 2017)**

Definition of Terms

- BHS
  - Barangay Health Center
  - The Philippine Health Facilities Development Plan (PHFDP) identifies the national target of one BHS per barangay
- RHU
  - Rural Health Unit
  - The Philippine Health Facilities Development Plan (PHFDP) identifies the national target of one RHU per 20,000 population

Form 5A

- (1) Total Number of RHUs – The total number of RHUs existing in the LGU as of December 2017
- (2) Target Number of RHUs – The ideal/target number of RHUs proposed by the LGU as of December 2017

Existing facilities (as of December 2017)

- (5) Name of Municipality – name of municipality served by the corresponding RHU
- (6) Name of RHU – area within the municipality where the corresponding RHU is located
- (7) Capacity (number of beds) Actual – The actual number of beds existing in the corresponding RHU as of December 2017
- (8) Capacity (number of beds) Target – the target number of beds in the corresponding RHU as proposed by the LGU as of December 2017

Existing number of personnel (as of December 2017)

- (9) Doctors – number of doctors serving in the corresponding RHU as of December 2017
- (10) Nurses – number of nurses serving in the corresponding RHU as of December 2017

- (11) Midwives – number of midwives serving in the corresponding RHU as of December 2017
- (12) Sanitary inspectors – number of sanitary inspectors serving in the corresponding RHU as of December 2017
- (13) Others – Number of personnel not elsewhere classified serving in the corresponding RHU as of December 2017
- (14) Total – Aggregate number of existing number of personnel serving in the corresponding RHU as of December 2017

## Illustration

Form 5.A is the form for the inventory of Rural Health Units (RHUs). For this form, indicate the total number of RHUs in the Municipality and the target number of RHUs. In this form, indicate also the capacity of the facility such as the actual and target number of beds. Below is an example of form 5.A

A. Inventory of rural health units/RHUs (as of 2017)													
Total Number of RHUs	Target Number of RHUs	Existing facilities (as of 2017)				Existing number of personnel (as of 2017)							
		Region	Province	Name of municipality	Name of RHU	Capacity		Doctors	Nurses	Midwives	Sanitary inspectors	Others	Total
						Actual	Target						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	2	REGION A	PROVINCE B	MUNICIPALITY OF C	RHU C	8	10	1	2	0	0	9	12

Form 5.B is the form for the inventory of Barangay Health Stations (BHS). For this form, indicate the total number of BHS in the Municipality and the target number of BHS. In this form, indicate also the capacity of the facility such as the actual and target number of beds. Below is an example of form 5.B

B. Inventory of barangay health stations/BHS													
Total Number of BHS	Target Number of BHS	Existing facilities (as of 2017)				Existing number of personnel (as of 2017)							
		Region	Province	Name of municipality	Name of BHS	Capacity		Doctors	Nurses	Midwives	Sanitary inspectors	Others	Total
						Actual	Target						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
5	10	REGION A	PROVINCE B	MUNICIPALITY OF C	BHS ABC	2	5	0	1	1	0	5	7
					BHS Y	2	5	0	1	0	0	5	6
					MALAYA BHS	1	4	1	0	0	0	5	6
					MAPAYAPA BHS	2	5	1	1	0	0	4	6

## Form 6. Asset Management (as of 2017)

### Definition of Terms

- Annual Expenditure on Income Generating Enterprises
  - The total spending of the Municipality on Income Generating Enterprises (e.g. expenditures on LGU waterworks, toll roads) in a year
- Annual Income of Income Generating Enterprises
  - The total earnings of the Municipality from Income Generating Enterprises (e.g. income from LGU waterworks, toll roads) in a year
- Income Generating Enterprises
  - represents impositions for the operations of economic exercise of its propriety functions (BLGF 2012).
- Real Property Assets
  - Includes land, building, machinery and other improvements affixed or attached to the real property owned by the Municipality (BLGF 2012).
  - Assessed value of real property assets is the market value of the property multiplied by the assessment level. It is synonymous to taxable value. Other definition: LGC Section 199 – h (BLGF 2012).

Indicators <i>(1)</i>	Annual Income from Enterprise/Asset in 2017 <i>(2)</i>	Annual Expenditures on Enterprise/Asset in 2017 <i>(3)</i>	Total <i>(4)</i>
<b>A. Income Generating Enterprises</b>			
<b>Total</b>			

Indicators <i>(1)</i>	Assessed Value of Asset in 2017 <i>(2)</i>	Annual Expenditures on Enterprise/Asset in 2017 <i>(3)</i>	Total <i>(4)</i>
<b>B. Real Property Assets (Idle/ Non-Income Generating)</b>			
<b>Total</b>			

C.

Does the LGU have existing loan/s? YES, NO (If YES, Fill out the table below)

Existing Loans (1)	Institutioned borrowed from (2)	Date of Loan (3)	Amount of Loan (4)	Purpose of Loan (5)	Terms of Loan* (6)

The table for Form 6.C can be filled up if and only if the municipality has an existing loan/s. in this table, indicate the name of the existing loans as well as the date and the source. Indicate also the purpose of the loan and terms of the loan wherein how many years and the interest rate.

**Form 7. Selected Indicators on Gender and Development (as of 2017)**

**Definition of Terms**

- (1) Number of Private Day Care Center – Number of private facilities in the LGU that provides care for infants/toddlers/preschoolers as of December 2017
- (2) Number of public day care centers – Number of public facilities in the LGU that provides care for infants/toddlers/preschoolers as of December 2017

*Note: If there is no existing private/public day care centers indicate 0.*

Form 7. Selected Indicators on Gender and Development (as of 2017)		
Number of private day care centers* (1)	Number of public day care centers* (2)	Does your municipality have a Violence Against Women and Children (VAWC) help desk? (Yes/No) (3)

## Annex F. Data Dictionary for Asset Management (Forms 6A, 6B and 6C)

### Annex Table 18. Classification of Income Generating Enterprises

<b>Form 6A</b>	
<b>Classification</b>	<b>LGU entries</b>
Cold Storage Facilities	Ice plant operation
Commercial retail and office space	Lease/rental of facilities; pasalubong center, stalls
Cultural/sports/recreational center	Tourism, parks, auditorium, chairs and tables, participation fees, entrance fees
Fish Landing/Ports	Wharf, fishport operation, ferry boat, fish pond
Health Services	RHUs/ BHS, Health Centers, lying ins, pharmacy, birthing facility, dental laboratory, infirmary, clinic
Hospitals	Hospitals
Hotels	Room accommodation, resorts, hotel
Livestock Trading	Sale of compost
Multiple Econ Enterprise	Entries of 2 or more economic enterprise
Not specified - Income Generating Enterprise	Entries containing 'A. Income Generating Enterprise'
Parking lots	Parking fees, parking lots, open parking area
Post-Harvest Facilities	Corn dryer, ricemill, dryer, farm tractor, vermi cast, processing plants, eco processing center
Power Utilities	Local Electric facility
Public Cemeteries	Public cemeteries
Public Market	Public markets, bagsakan centers, shopping center
Public Transport Terminal	Parking and terminal fees, bus terminals
Sanitation	Pay toilet, restroom service fees
School Buildings	School buildings, college buildings
Slaughterhouse	Slaughterhouse
Solid Waste Disposal System	Sanitary landfill, garbage fees
Telecommunications	Cable, telephone, CATV, communication facilities
Transport Equipment	Heavy equipment, motor vehicles
Water Utilities	Waterworks systems

### Annex Table 19. Classification of Real Property Assets

<b>Form 6B</b>	
<b>Classification</b>	<b>LGU entries</b>
Agricultural and Forestry Equipment	Agricultural and forestry equipment
Agricultural Machineries	Includes demo farm, dairy processing, cacao processing center, vermi shed, organic goat house, rice mill, nursery plant, breeding center



Aquacultural Structures	Community fish lending center, fishpond, mangrove, swamps
Books	Books
Buildings	Municipal buildings, barangay halls, centers, SK Building, post office, COMELEC, Commercial buildings, training centers, evacuation center
CIP - Building and Other Structures	CIP - Buildings and Other Structures
CIP - Infrastructure Assets	CIP - Infrastructure Assets
Communication Networks	Communication Networks
Communications Equipment	Telecommunications, communication equipment
Computer Software	Computer Software
Construction and Heavy Equipment	Heavy equipment for road construction (grader, garbage compactor, tractor, bulldozer, dump truck, garbage truck, loader, payloader, hydraulic excavator, backhoe, farm tractor, jack hammer)
Disaster Response and Rescue Equipment	Ambulance, rescue vehicle
Disposal Facility	Dumpsite, disposal facility, material recovery facility, sanitary landfill, solid waste disposal site
Flood Control Systems	Flood Control Systems
Furniture and Fixtures	Furniture and Fixtures
Hospitals and Health Centers	Dental clinics, RHUs, Hospitals, Health Centers, birthing centers, MHOs, Lying ins, TB DOTs,
Hostels and Dormitories	Accommodation, canteen, beach resort
Information and Communication Technology Equipment	ICT equipment
Land	Lot, sites, agricultural land, residential land, resettlement project, road lot, foreshoreland, municipal or barangay name
Land Improvements	Real Property assets
Lease Asset Improvements, Land	Lease Asset Improvements, Land
Machineries and Equipment	Machineries
Markets	Public Markets, pasalubong centers, trading post, market stalls, fruit stands, souvenir shops
Medical Equipment	Medical equipment, laboratory, x ray, etc.
Military, Police and Security Equipment	Military, Police and Security Equipment
Motor Vehicles	Motor vehicles, county bus, multicab, patrol cars, motorized banca, motorpool
Office Equipment	Office equipment, furniture and fixture, cabinets, four bans, concrete chairs
Other Infrastructure Assets	Auditorium, combination of buildings, parking building, agricultural industrial center, theater, evacuation center, sports

	complex, gymnasium, tennis court, motor shops, cemeteries
Other Land Improvements	Other Land Improvements
Other Machinery and Equipment	Other Machinery and Equipment
Other Property, Plant and Equipment	Other Property, Plant and Equipment
Other Structures	Cemetery, cemetery fence, grandstand, kiosk, shed, DSWD classroom, restroom, watch tower, coast guard quarters, PNP checkpoints, warehouse, motor shop, packaging house, steel grill, safety locker
Other Transportation Equipment	Other Transportation Equipment
Others	Unclassified, blanks, no clue, religious
Parks, Plazas and Monuments	Public plazas, Parks and monuments, shrines,
Power Supply Systems	Power supply system, electrification, generator set
Printing Equipment	Printing Equipment
Road Networks	Road network, Road lot, junction, street, barangay road
School Buildings	School building, day care center
Seaport System	Municipal wharf, water crafts
Service Concession Assets	COOP bank, local water district, Econ business enterprise
Sewer Systems	Binusuan creek, swamp, sewer system
Slaughterhouses	Slaughterhouse, abattoir
Sports Equipment	Sports Equipment
Technical and Scientific Equipment	Technical and Scientific Equipment
Transport Terminals	Bus, jeep terminal, airports
Water Supply Systems	Water supply system, artesian wells, water reservoir, water shed
Work /Zoo Animals	Work /Zoo Animals

**Annex Table 20. Classification of Loans Availed by the LGUs**

<b>Form 6C</b>	
<b>Classification</b>	<b>LGU entries</b>
Acquisition of various equipment	Purchase of various equipment (includes LED lights, CCTV camera, traffic lights, street signs, equipment for hemodialysis, hospital equipment, dental chair, autoclave, amusement facility, surveying equipment, installation of GIS, slaughterhouse equipment, sounds and lighting, portable basketball goal and scoreboard, sports equipment, farming equipment, rice mill equipment)

Acquisition/purchase of heavy equipment	Purchase of heavy equipment for road construction (grader, tractor, bulldozer, dump truck, garbage truck, loader, payload, hydraulic excavator, backhoe, farm tractor)
Computerization Project	Upgrading of Office Systems/Computerization/Information System/Tax Information
Construction of Health Centers/RHUs/BHS	Construction of hospital/RHU/BHS/birthing center/lying in/health center/infirmery
Construction of School Building	Construction of classrooms and school buildings
Construction/Improvement of Public Markets	Construction/improvement/rehabilitation of public markets
Construction/Improvement of Water Supply System	Construction/Development/Rehabilitation/Expansion of water Systems
Construction/Rehabilitation of FMR	Construction of farm to market roads
Disaster Management	Disaster management, disaster preparedness
Disposal Facility	Construction of sanitary landfill, material recovery facility, solid waste management with landfill
Flood Control Repair	River protection, drainage project, wave breaker, erosion control, shoreline protection, grouted riprap flood control
LGU Counterpart fund	LGU counterpart fund for other loans such as for LOGOFIND, ARP, ARCP, SFF, PRDP
Loan Refinancing	Refinancing / restructuring of loans
Lot Acquisition	Purchase of lot for sports complex, market, cemetery, socialized housing, transport terminal, grain facility center, evacuation center, schools
Others	Seed capital, lending for small scale enterprises, consulting services, housing assistance, tourism development, livelihood development, reforestation, procurement of seedlings
Purchase of Motor Vehicles	Purchase of passenger vessel, motorbikes, service vehicles, firetrucks, bus, school bus, meat van, multicab
Various construction works	Multi-purpose buildings, commercial buildings, infrastructure projects, river protection, slaughterhouse, cemetery, barangay roads, covered courts, boundary arcs, gymnasium, sports complex, transport terminals, evacuation center

**Annex G.**

**COMMENTS ON THE PRELIMINARY REPORT FOR COMPONENT 3 OF THE  
CONDUCT OF BASELINE STUDY ON POLICY GOVERNANCE GAPS FOR THE  
LOCAL GOVERNMENT SUPPORT FUND ASSISTANCE TO MUNICIPALITIES  
(LGSF-AM)**

LINE ITEM	COMMENTS
<b>Title of Study</b>	
CONDUCT OF BASELINE STUDY ON POLICY GOVERNANCE GAPS FOR THE LOCAL GOVERNMENT SUPPORT FUND ASSISTANCE TO MUNICIPALITIES (LGSF-AM)	The word “Program” should be added to THE LOCAL GOVERNMENT SUPPORT FUND ASSISTANCE TO MUNICIPALITIES (LGSF-AM). LGSF-AM is a Program, there being three (3) sectoral sub-projects being implemented under the Program. (Ref. : DILG MC No. 2018-61)
Page 6 (Section 1. Introduction)	
Page 6 (Paragraph 1 )	
(1) Despite more than two decades of Philippine decentralization, Philippine Local Government (LGUs)...	We suggest to use the word " Local Government Units (LGUs)"
(2) The LGSF-AM, implemented by the Department of Interior and Local Government (DILG )...	"Department of the Interior and Local Government" is the more accurate word.
Page 6 (Paragraph 2)	
4 (3) ... To do so, this study will scope, review and systematically analyze existing LGU performance indicator systems with focus on the following key infrastructure areas: (i) Local Roads, (ii) Potable Water systems, (iii) Evacuation Centers , and (iv) Rural Health Units (RHUs)/ Barangay Health Stations (BHS)	The LGSF-AM Program menu covers eight (8) project types. There is a need to indicate the <u>rationality</u> for focusing only with the four (4) infrastructure facilities in the assessment. The menu of projects under the program are as follows: 1. Local Access Roads 2. Local Bridges 3. Provision of Potable Water Supply 4. Sanitary Toilets and Health Facilities 5. Small water Impounding Project/s (SW1Ps) 6. Evacuation Centers 7. DRR Rescue Equipment 8. Rainwater Catchment Facility 9. Municipal Drug Rehabilitation Centers

Page 6 (Paragraph 3)	
(4) ....commitment such as the United Nations' SDG ...	The Sustainable Development Goals (SDGs) is a global <u>commitment by all UN Members nations</u> to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Thus, we suggest to eliminate the word "United Nation's" and simply replace it with "Sustainable Development Goals".
(5) ... Consequently, the PIDS team, with the help of the DILG LGSF-AM Project Management Office (PMO) also called the gathered data directly from the LGUs.	<p>We would like to correct the fallacy that the DILG LGSF-AM PMO is the SLGP PMO.</p> <p>The LGSF-AM PMO and the SLGP PMO are two (2) distinct entities and Offices, established to perform different functions and tasks.</p> <p>The LGSF-PMO is lodged under the Office of Project Development Services (OPDS) and is responsible for the administration of project implementation of all projects funder under the AM Program. On the other hand the SLGP PMO is tasked with ensuring the functionality of the local development councils (LDCs). It is not Involved in the management and supervision of sub-project implementation by the LGUs.</p>
Page 6 (Paragraph 4)	
(6) ... Component 1 laid the groundwork to identify gaps in policy by examining current public financial management (PFM) instruments...	Were the DBM Public Financial Management (PFM) Assessment Tool (PFMAT) and Public Financial Management Improvement Plan (PFMIP) among those considered in the study.
(7) ...tools such as the LDC functionality and <u>LGU utilization rates</u> .	We believe the appropriate term is "LGU fund utilization rate".
Page 7 (Paragraph 2)	
(8) ....Municipalities had fair utilization rates, spending only 73% of the mandated minimum of 20% of their Internal Revenue Allotment (IRA) for development projects or the Local Development Fund in 2016.	There is need to indicate and specify the basis in getting the 73% figure, and statistical details and explanation in arriving with the figure.
Page 7 (Last Paragraph)	
(9) ...However, challenges in data availability and in estimating infrastructure gaps caused a revision in the coverage...	There is need to specify the data is crucial to estimating the infrastructure gaps. The scope and level of the data collection should also be indicated.
Page 8 (Paragraph 2)	

<p>(10) The logical next step would be to validate these findings by conducting a survey...</p>	<p>There is need for further clarification on the data that the study considered and how they were obtained and the analogy used that resulted with the findings therein stated. We believe that there are data available at the local and national government offices. Similarly, there are published studies or documentaries that contain data and can also be used as references.</p>
<p>Page 8 (Section 2. Estimation of Policy (Infrastructure Gaps))</p>	
<p>Page 8 (2.1 Definition of Infrastructure Gaps)</p>	
<p>(11) To estimate the infrastructure gaps in these key areas, the initial intention was to identify the ideal number or standard of quality of local infrastructure within a municipality and compare the same with the existing ...</p>	<p>There are national and international standards that researchers utilized in coming up with specific findings under the different fields/sectors of study. We opine that master plans and road maps are not the appropriate documents for securing data on local infrastructure standard as stated in the study. We suggest that further research be done as various government offices and international organizations do have standards that they used in establishing performances of specific indicators.</p>
<p>Page 8 (Paragraph 1 under Local Roads)</p>	
<p>(12) The LRNDP will be used for the Conditional Matching Grant to Provinces (CNGP) under the LGSF, which aims to address underinvestment in local roads and improve national-local roads connectivity by building the capacity of provincial LGUs...</p>	<p>OPDS thru CMGP PMO is currently building up the database of all local roads under the Road and Bridges Information System (RBIS). City roads inventory are in the process of validation by the LGUs unlike municipal and barangay roads are being inventoried and mapped by PLGUs as part of the CNGP Reform Target in 2019.</p>
<p>Page 9 (last paragraph under Local Roads)</p>	
<p>(13) Combined with the lack of readily available administrative data on the length of local roads, as well as the absence of a road network master plan within national government agencies, another alternative is to define the infrastructure...</p>	<p>We would like to clarify on the statement of the lack of available data on local roads.</p> <p>The LRNDP data is available, and the OPDS has an inventory of provincial, city and municipal roads in the country. OPDS's Road and Bridges Inventory System (RBIS) contains comprehensive and up-to-date road and bridge information data. Likewise there is a road network map. As a matter of fact, at the provincial level, Local Road Network Development Plans have been prepared by PLGUs in 2018 using their Provincial Road Inventory and maps.</p>

<p>(14)</p>	<p>In the second semester of 2019, the LRNDP will be updated with the resiliency lens and incorporation of all local roads within the province. A 100% paved local roads requires huge investment, hence, the LRNDP uses a prioritization process that identifies CORE roads as priority in the investment program of the LGU.</p> <p>There is also the need to further clarify on the term "ideal" (100% paved municipal roads) as basis for estimating infrastructure gaps under this sector. May we point out that new roads are continuously being opened every year. Thus, the ideal mark of "100% paved road" as an indicator is not realistic or appropriate basis. We suggest to consider the attribute "road condition" in Its place. Be clarified that not all unpaved roads should be paved. The objective should be to pave all municipal and barangay roads that are identified to be strategic in terms of providing access to communities without access (increase accessibility / road network connectivity) and are identified to be economic drivers of the LGU (increase mobility), to boost economic activities in the locality, which may help in addressing the low local source effort of LGUs as mentioned in page 7, second paragraph. Further, paved roads that are in poor to bad condition also need fiscal space for their rehabilitation, same case for unpaved roads with poor to bad condition. Earmarking maintenance budget for good to fair roads, whether paved or unpaved should also be considered.</p> <p>We suggest conduct of a more comprehensive research and to consider all possible data sources, to ensure realistic results and findings.</p>
<p>Page 9 (1st Paragraph)</p>	
<p>(15) Potable Water Systems</p>	<p>Change the title from Potable Water Systems to Potable Water Supply, which is the official eligible project.</p>

Page 9 (Paragraph 1 under Potable Water Systems)	
<p>(16) The UNDP SDG No. 6 is a commitment to " Ensure availability and sustainable..."</p>	<p>To remove the word UNDP hence SDG No. 6 is a global commitment</p>
<p>(17) The Philippine Water Sector Supply Roadmap (2010) highlighted the following issues in water and sanitation...</p>	<p>The issues In the water supply contained In the Philippine Water and sanitation sector are both Supply Roadmap (2010) and the Philippine Sanitation Roadmap, which is currently now being integrated as one Roadmap, the Philippine Water Supply and Sanitation Master Plan (2018) spearheaded by NEDA.</p>
Page 9 (Paragraph 2 under Potable Water Systems)	
<p>(18) ... the SALINTUBIG program through the National Anti- Poverty Commission (NAPC), and (ii) funding for potable water systems...</p>	<p>The SAGANA AT MGTAS NA TUBIG (SALINTUBIG) Program is implemented and managed by the Department of the Interior and Local Government through the OPDS. The funding support Is through the Local Government Support Fund (LGSF).</p>
<p>(19) The SALINTUBIG program is a convergence program between NAPC and the DSWD.</p>	<p>The statement should be restated as "SALINTUBIG is a convergence program with the following agencies: NAPC, DOH, LWUA and DILG where the DILG is the Lead Executing Agency of the Program."</p>
<p>(20) The DILG WSS PMO also provides funding for eligible municipalities that satisfy the criteria of the Seal of Good Financial Housekeeping (SGFH), PFM, and LDC...</p>	<p>We suggest the following revision to the statement: "LGUs who are compliant to the requirements of the Seal of Good Financial Housekeeping (SGFH), PFM, and LDC... are eligible to access the funds under the SALINTUBIG Program and LGSF-AM for their water supply projects."</p>



<p>(21) ....there is no integrated database of information on the infrastructure gap of potable water systems at municipal level...</p> <p>(22) ... The gold standards would be to have 100% of households with access to safe water supply with the primary focus on the NAPC-defined waterless municipalities. However, recognizing that municipalities are different levels of access to water and to be able to cater to all municipalities, the aim of this baseline study would be to estimate the infrastructure...</p>	<p>We suggest the following revision to the statement: "There is a need to establish an integrated database of all potable water systems in the country." This information gap is not limited to the municipal level only.</p> <p>It mentioned on the infrastructure gaps in the water supply. The SALINTUBIG was designed to address those waterless municipalities that has below 50% water access. This was in line with the targets in the MDG where, "halving the population without access to water supply". Since there is now a new target under the Sustainable Development Goal No. 6 where by end of 2030, 100% should have access to water supply.</p> <p>What is the basis of the consultant to come up with the 50% and/or 75% infrastructure requirement in attaining three level of access?</p> <p>Point of clarification, there are 3 PMO managing the LGSF- AM Program, WSSPMO for Water Supply &amp; Sanitation, DROII for Evacuation and Other DRR related projects and LAR-PMO for Local Roads and Bridges. Which DILG-PMO is the Study referring to?</p> <p>General Comment: The Study mainly focuses on the SALINTUBIG Program addressing access to water in the waterless communities when in fact in the study mentioned of the 4 core projects under the LGSF-AM Program. Need to be clarified on this.</p>
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<p>(23) Municipal-level data from the DILG-Central Office Disaster Information Coordinating Center (CODIX) will be used to determine the existing number of evacuation centers. The infrastructure gap will then be estimated by tagging LGUs in disaster-prone areas...</p>	<p>Source of data of the existing evacuation center should also consider the list under DSWD and the LGU 201 of the DILG.</p>
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Page 10 (Paragraph 1 under Rural Health Units)	
<p>(24) The Philippine Health Facilities Development Plan (PHFDP) 2017-2022 of the Department of Health (DOH) serves as a roadmap for planning and programming government investments in health facilities. The PHFDP aims to promote rational allocation of government investments and ensure equitable access to health facilities.</p>	<p>RHUs and BHS are not included in the LGSF-AM Menu which the DILG is currently implementing and managing the said Program.</p>
2.2 Methodology for Estimation of Infrastructure and Fiscal Gaps (Page 11)	
Page 11 (Paragraph 1 under Challenges in the estimation methodology)	
<p>(25) ...Similarly, no integrated database of information on the infrastructure gap for potable water system at the municipal level was available...</p>	<p>We would like to clarify that the SALINTUBIG is being administered/managed by DILG not NAPC.</p> <p>There are on-going initiatives being undertaken by the different sector agencies like the Listahang Tubig currently being managed by NWRB, as basis for determining water access. Similarly, DILG, as part of the Capacity Development interventions under the LGSF-AM Water, is currently providing Technical Assistance to LGUs in the preparation of their Municipal Water Supply, Sewerage and Sanitation Sector Plans (MW4SPs) to help LGUs in deterring current access to water supply and sanitation as well as determining investment gaps in the sector.</p>
Page 11 (Paragraph 1 under Infrastructure Inventory from the LGUs)	
<p>(26) An advisory to DILG regional offices was sent by the then DILG Undersecretary for Local Government Austere Panadero requesting LGUs to provide data to PIDS on their current inventory...</p>	<p>Clarification on non-availability of administrative data on local roads and no plan to integrate the data. There is an existing data for local roads, specifically municipal and barangay roads, lodged at the DILG-OPDS AM-PMO. Such data (excel spreadsheet-based) was mentioned to exist during PIDS interview with the said office. It was also mentioned that these data is currently being updated, incorporating GIS-based technology.</p>

Page 13	
<p>(27) Table 1. LGU Submission Rates for LGSF-AM Infrastructure Data Inventory, as of November 26, 2018, by Region; Form 2</p>	<p>The 62.8% submission rate for local roads is lesser than the submission rate of the road inventory in excel spreadsheet lodged at the DILG-OPDS AM-PMO which registered 73.12% (1,004 NLGUs out of 1,373) for municipal roads and 19.30% (3,833 Barangays out of 36,458) for barangay roads. PIDs could have capitalized on the existing excel spreadsheet-based data and let the LGUs update them during field data gathering conducted by the PIDS, and focused their efforts on the MLGUs without submission at all.</p>
Infrastructure and Fiscal Gaps (Page 13)	
Page 13 (Paragraph 1 under 3.1 Local Roads)	
<p>(28) The infrastructure gap was estimated by computing the total length of unpaved roads (i.e., gravel and earth fill) reported while the fiscal gap was computed by multiplying the length of unpaved roads per municipality to the cost of concerning local roads.</p> <p>According to the DILG Office of the Project Development Services (OPDS), a rough estimate of cost...</p>	<p>Correction: Office of Project Development Services</p> <p>The consultant should indicate what type of road (i.e. core roads, farms to market roads, tourism roads, etc.) must be paved road because not all unpaved roads are advised to change the state. The need to pave roads depend on the functionality and conditions of existing road network. There is need to consider additional factors in determining the rationality that all roads need to be paved.</p> <p>LGSF-AM funds rehabilitation/repair of existing roads and construction of new roads.</p>
Page 14 (Paragraph 1 under 3.2 Potable Water Systems)	
<p>(29) 3.2 Potable Water Systems</p> <p>(30)</p>	<p>We suggest to change "Potable Water Systems" to "Potable Water Supply", which is the eligible project under the LGSF-AM Program menu.</p> <p>The discussion under this paragraph should focus on the AM Water which is the focus area of this study. SALINTUBIG Program basically addresses the lack of access in the 455 waterless municipalities, 1,353 waterless barangays and resettlement sites based on the targets of the program. LGSF-AM water supply projects was based on the result of the LDC deliberation and reflected in their LDIPs based on LGUs priority.</p>

	Targets in the water supply is now geared towards the achievement of the PDP, 95% by end of 2022 and 100% by end of 2020 (SDG).
Page 15	
(30) Table 3. Definition of Water Systems	Under the heading, Table 3. Definition of Water Systems, it is suggested to change it into Level of Service.
(31) For Level 1, of the 65% of the 1,373 municipalities that submitted, 20.9% (16.3% using the PSA CPH data) of households are served (Table 4). (Last paragraph, first sentence)	The basis in getting the 65% of the 1,373 municipalities must be discussed further in this part.
Page 16-17	
(32) (Table 4, 5 and 6. Inventory of Major Sources of Water Systems)	Table 4, Table 5 and 6, Inventory of Major Sources by Water Systems, it should be changed into: Inventory by Level of Service (Level 1, Level 2 and Level 3).
Page 16	
(33) Table 4. Inventory of Major Sources of Water System: Level 1 by Region	There is need to improve the information/data presented in the table. It is also suggested that an explanation be provided indicating the methodologies used in the collection and conduct of the survey and analytics employed to come up with the results.
Page 17 (Table 6. Inventory of Major Sources of Water Systems: Level 3 by Region)	
(34) Level 3 Type	Under Table 6, Level 3, Commercial and Industrial use should not be included to avoid double counting. The count for water access should limit to Domestic use only.
Page 18 (Paragraph 1 under 3.3 Evacuation Centers)	
(35) In the absence of a national standard for the ideal number of evacuation centers per LGU, barangay/municipalities classified as GIDA due to physical factors will be used as proxy to identify priority disaster. The municipal-level data from the OILG-CODIX was used to determine...	The study should not only focus on the GIDA, but also highly vulnerable areas (e.g. eastern seaboard, major river basin)  In the estimation of infrastructure gap for evacuation centers, the population that are highly vulnerable to disasters should be used as data for estimation of the ideal requirement as compared to the capacity of the existing evacuation center.

Page 20 (Table 8. Inventory and Costing of Evacuation Centers by Region)	
(36)	The study assumed that 1 evacuation center is required for every municipality, which may not be true to actual need.
Page 20-21 (3.4 Health Facilities)	
(37)	RHUs are not among the eligible projects in the LGSF-AM Menu.
Page 22 (Paragraph 3.5 Summary of the Results (page 22))	
(38)	The PIDS Consultants may want to coordinate with NEDA Infrastructure Staff to get a copy of the Sanitation Master Plan, which may be useful in establishing the gaps in the water sector.

**Annex H.**

**PIDS STUDY TEAM RESPONSE TO THE DILG COMMENTS ON THE PRELIMINARY REPORT FOR COMPONENT 3 OF THE CONDUCT OF BASELINE STUDY ON POLICY GOVERNANCE GAPS FOR THE LOCAL GOVERNMENT SUPPORT FUND ASSISTANCE TO MUNICIPALITIES (LGSF-AM)**

<b>DILG COMMENTS (COMMENT NUMBER)</b>	<b>PIDS STUDY TEAM RESPONSE</b>
Revisions on the use of words and grammar	
For comments # 1, 2, 4, 5, 7, 15, 16, 18, 19, 20, 21, 25, 29, 31, 33	The following suggestions regarding the revisions of the wordings used in the write-up and some other recommendations were considered and were well noted. Necessary revisions were undertaken in accordance to the comments if deemed necessary.
LGSF-AM general write-up	
Comments # 3, 24 and 38	The DILG referred to the DBM Circular no. 2018-05 to decide infrastructure areas to be included in the study.
Comment # 6	Not included because the indicators in current study are similar to and have the same source as those used in the PFMAT/PFMIP.
Comments # 8, 9, and 32	The discussions concerning these comments are included in previous reports and also discussed in other parts of this current report.
Comment # 10	<p>The data and methodology are discussed in detail in the Components 1 and 2 reports and will be so in the highlights which is perhaps why there is query regarding these things. All of the data and cited results are from government sources and questioning the methodologies would be more appropriately addressed to the sources of the information such as the COA, BLGF and DILG-BLGS. This study just combined and consolidated these results.</p> <p>This study did a review of literature and comprehensive interviews for the NGAs/GOCCs that might have the needed data (for the key infrastructure areas) though none such as extensive for the baseline study was available in the first half of 2018 when the study was being conducted. Delaying or waiting for the promise of data that might be available in the latter part of 2018/first quarter of 2019 would have caused considerable delay in the project.</p>

	<p>At the same time, the best source of data is the local government unit themselves. This would not only provide information on estimating the fiscal gaps but would also provide insights on the asset management practices of these municipalities.</p>
Comment # 11	<p>The comment on master plans and road maps not being the appropriate document for securing data and standards is moot since we were not able to find such to use as source of data.</p> <p>The objective of this part of the baseline study is to, based on the LGU submissions, compute the fiscal gap for these key infrastructure areas under certain caveats that are identified in specific discussions. With regard to the comment on government office and international standards, and as in the case of data, we made it a point to use the costing standards developed by the DILG-OPDS in the case of roads and evacuation centers as well as the DOH HFEP costing estimates.</p>
Comment # 12	<p>We acknowledged this effort but could not afford an almost 2-year delay in the project. At the same time, there were a couple of email exchanges with the OPDS in 2018 that indicated that the database was not yet ready for sharing.</p> <p>From a policy-making perspective, the good thing about going directly to the municipal government for data is that it reveals asset management practices of municipalities. This has huge implications on the ability of local governments to plan and direct investments in needed infrastructure. In addition, this could provide a comparison for the vetted database to be finalized in 2019.</p>
Roads	
Comment # 13	<p>We already acknowledged LRNDP efforts under the CMGP program but have repeatedly said that in 2018, when this 1st part of this Baseline Study was being conducted, a MUNICIPAL ROAD database was not available. As commented by the DILG, local roads within the province will be available only in the second semester of 2019.</p>
Comments # 14 and 28	<p>Noted, this will be added as a caveat. Furthermore, we just considered municipal roads as recorded by</p>

	the LGU. In all of these we take the information given to us by the LGU as correct.
Comments # 26 and 27	The PIDS study team asked for this data in the first half of 2018.
Water Supply	
Comment # 17	Updating efforts by NEDA in 2018 was already included in footnote 4. But again, such information was not yet available at the time of data gathering for this report.
Comment # 22	We interviewed WSSPMO as the one in charge of water at the DILG.
Comment # 30	Please refer to page 16, paragraph 3 of Component 3.1 report
Comment # 34	The table has been replaced, and the methodology of our estimations has been discussed in the text
Comment # 35	No longer applicable because the table has been removed.
Comment # 39	We already did in the first half of 2018.
Evacuation Centers	
Comment # 23	Since we got data directly from the municipal government so this was perhaps where the data came from.
Comment # 36	The team used GIDA as a clear-cut government defined basis for the estimation. It has been repeatedly said that the estimates here are conservative.
Comment # 37	Which is why many caveats have been repeatedly stated that the estimates are conservative and based on incomplete submissions as well as the possible implications for asset management/reporting of the LGUs.