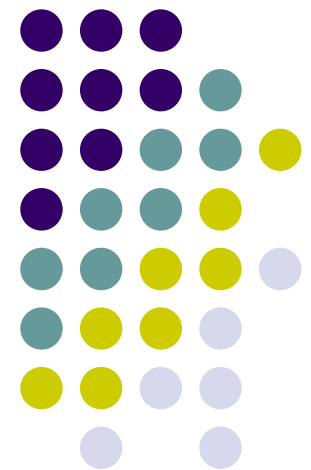


# Developing Indicators of Local Governance in the Philippines

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Discussion Notes prepared in response to  
presentation of Segundo Romero, PhD  
2008 Energy Summit  
Mall of Asia  
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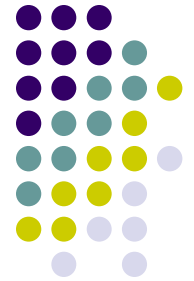


**Governance** - *“the exercise of economic, political and administrative authority to manage the nation’s affairs at all levels. It comprises all the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations and mediate their differences. Governance is not the sole domain of government but transcends government to encompass the business sector and civil society.”*



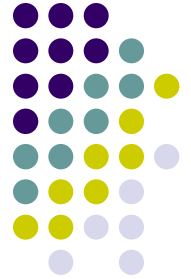
- The notion of governance has been operationalized in three levels:
  - Administrative governance
  - Economic governance
  - Political governance

# Capacity for Good Governance



Capacity	Good Governance Indicators
1. Institutional Capacity	<ul style="list-style-type: none"><li>✓ Accountability</li><li>✓ Transparency</li><li>✓ Adaptability</li><li>✓ Judicial Independence</li></ul>
2. Technical Capacity	<ul style="list-style-type: none"><li>✓ Perspective planning and projecting future investment needs</li><li>✓ Management of services and infrastructure</li><li>✓ Financial management and accounting practice</li></ul>
3. Administrative Capacity	<ul style="list-style-type: none"><li>✓ Grievance re-dressal system</li><li>✓ Personnel policy</li><li>✓ Flexible and decentralized decision-making</li><li>✓ Performance evaluation</li></ul>

# Capacity for Good Governance



<p>4. Political Capacity</p>	<ul style="list-style-type: none"><li>✓ Articulation of local needs in the context of organizational capacity</li><li>✓ Transparency</li><li>✓ Mechanism for participation of stakeholders</li><li>✓ State-local relations in policy formulation and fiscal transfers</li></ul>
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# Major indicators and elements of good governance that may be considered in developing governance performance criteria:



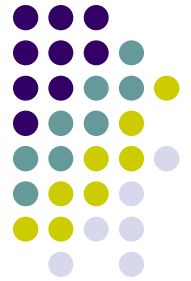
Author and Title of Publication	Indicator / Elements of Good Governance
Root, Hilton. <i>Managing Development through Institutional Building</i> . ADB Occasional Papers No. 12, October 1995.	<ul style="list-style-type: none"><li>● Accountability</li><li>● Transparency</li><li>● Predictability</li></ul>
World Bank. <i>Governance and Development</i> . The World Bank: Washington DC, 1992.	<ul style="list-style-type: none"><li>● Capacity and efficiency of the public sector</li><li>● Accountability</li><li>● Legal Framework for development</li><li>● Transparency and information</li></ul>

## Major indicators and elements of good governance that may be considered in developing governance performance criteria:



<p>Lander-Mills, Pieere and Ismail Serageldin. "Governance and the External Factor" in <i>Proceedings of the World Bank Annual Conference on Development Economics, 1991</i>, Washington DC: World Bank, 1992.</p>	<ul style="list-style-type: none"><li>● Political and bureaucratic accountability</li><li>● Freedom of association</li><li>● Objective and efficient judiciary</li><li>● Freedom of information and expression</li><li>● Efficient public institutions</li></ul>
<p>Huther, Jeff and Anwar Shah. "Applying a Simple Measure of Good Governance to the Debate on Fiscal Decentralization," <i>Policy Research Working Paper 1984</i>, Washington DC: World Bank, 1998.</p>	<ul style="list-style-type: none"><li>● Citizen exit and voice</li><li>● Government orientation (judicial efficiency, bureaucratic efficiency and lack of corruption)</li><li>● Social development (human development in the tradition of UNDP plus equity)</li><li>● Economic management</li></ul>

## Major indicators and elements of good governance that may be considered in developing governance performance criteria:



- Manasan, Gonzales and Gaffud developed their own criteria for good governance. According to them, the criteria that may be considered are the following:
  - Accountability and participation
  - Transparency and information
  - Predictability, presence of legal framework
  - Efficiency of public sector
  - Social development
  - Sound economic management
  - Catalytic and community-owned government
  - Competitive, enterprising, anticipatory, results-oriented government
  - Decentralized decision-making and fiscal responsibility

# Major indicators and elements of good governance that may be considered in developing governance performance criteria:



- Choong Tet Sieu notes that the following constitute good governance:
  - *Rule of law.* Legal frameworks are both fair and fairly enforced
  - *Transparency.* A free flow of information so that members of the public can understand and monitor the institutions and processes affecting their lives
  - *Responsiveness.* Serving the interest of all stakeholders
  - *Consensus.* Mediating different aspiration to reach broad agreement in the best interest of the community
  - *Equity.* Opportunity for all men and women to improve their well-being
  - *Effectiveness and efficiency.* Meeting needs through the best use of resources
  - *Accountability.* Decision-makers (in government, private sector and citizen groups) must answer to the public as well as to their own organizations
  - *Strategic vision.* A long term perspective on what is needed for society to grow.



- The Galing Pook Awards Program was jointly launched by the Local Government Academy of the DILG and the Asian Institute of Management. The Program had two major objectives, i.e.,
  - (1) to give public recognition to local government initiatives that successfully deal with urgent social and economic needs and
  - (2) to inspire other communities into undertaking similar activities.
- Among the criteria used to choose the local government awardees were the following:
  - Effectiveness of service delivery, i.e., the extent to which the program made good on its promise
  - Positive socio-economic and or environmental impact, i.e., the improvement the program made on the life of the community, and the effort of the community to improve the environment;



- Promotion of people empowerment, i.e., how the community was encouraged to participate in activities meant for the common good; and
- Transferability, i.e., the likelihood of the program's inspiring other communities to adapt or replicate the program

# A Simple Set of Governance Indicators

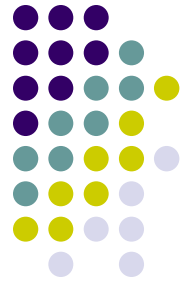


- The CREAM test by Shiavo-Campo and Tommasi (1999) - good performance indicators must be:
  - **C**lear – precise and unambiguous (not necessarily quantitative)
  - **R**elevant – appropriate to the objective at hand
  - **E**conomic – the data required should be available at a reasonable cost
  - **A**dequate – by itself or in combination with others, the measure must provide a sufficient basis for the assessment of performance
  - **M**onitorable – in addition to clarity and availability of information, the indicator must be amenable to independent scrutiny



- The following may be considered among the major indicators of effective governance at the local level:
  - Transparency
  - Participatory
  - Accountability
  - Leadership
  - General organization and management
  - Intergovernmental relations
  - Rule of law
  - Continuity in the implementation of programs, predictability and sustainability
  - Preference for the poor
  - Effective, responsive provision of basic services

## Each of these indicators can be further broken down into specific activities that may serve as a checklist



Governance Performance Criterion	Indicative Checklist
<p>1. Transparency - availability of reliable information (the provision of appropriate, necessary &amp; relevant information to stakeholders when needed and upon demand).</p>	<ul style="list-style-type: none"> <li>❑ Presence of a management information system</li> <li>❑ Accomplishment reports are clearly posted and measured against state targets</li> <li>❑ Reports of cashflows published</li> <li>❑ Use of computer technology in preparation of socio-economic profile</li> <li>❑ Creation of a municipal information office</li> <li>❑ Openness to participation of media</li> <li>❑ Presence of community data board and spot map (e.g. MBN survey) and updated regularly</li> <li>❑ Publication of a municipal news magazine / newsletter</li> <li>❑ Accessibility of officials to media through regular press conferences</li> <li>❑ Conduct of regular citizens assemblies, especially at the barangay level</li> </ul>



<p>2. Participatory - partnerships with civil society. Provision of a voice for all stakeholders in the formal and informal decision making process</p>	<ul style="list-style-type: none"><li>❑ Public consultations conducted</li><li>❑ Functioning local development council</li><li>❑ Performance monitoring and evaluation committee institutionalized with technical NGO members</li><li>❑ Presence of programs and activities with clear private sector / NGO / civil society participation</li><li>❑ Beneficiaries are always involved and consulted in programs, processes</li><li>❑ Openness to participation of media</li><li>❑ Presence of community data board and spot map (e.g. MBN survey) and updated regularly</li></ul>
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3. Accountability -  
decision makers are  
answerable  
for their actions and  
violators are  
penalized accordingly

- ❑ Presence of performance measurement and appraisal system
- ❑ Public accountability operationalized through Ethics and Accountability Law and Anti-Graft and Corrupt Practices Act
- ❑ Presence of local ombudsman, grievance and other committees
- ❑ Use of Performance Audit
- ❑ Audit report of the COA posted in conspicuous places
- ❑ Assets and liabilities well accounted for
- ❑ Complete and available financial reports

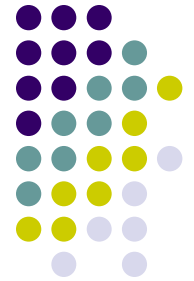


#### 4. Leadership

- ❑ Presence of Clear and Consistent Vision clearly articulated by the LCE
- ❑ Participation in activities of the Leagues of LGUs
- ❑ Ability to network with NGAs and LGUs and donor institutions
- ❑ Attainment of planned targets inspite of constraints
- ❑ Ability of LCE to harness civil society and business sector for support.



<p>5. General Organization and Management – existence of clear organization management institutions &amp; processes characterized by absence or minimum of red tape.</p>	<ul style="list-style-type: none"><li>❑ Presence of a clear organizational structure</li><li>❑ Performance evaluation periodically conducted</li><li>❑ Staff meetings / department meetings conducted regularly</li><li>❑ Presence of Local Government Profile</li><li>❑ Presence of a Master Development Plan <u>with quantifiable and measurable targets</u></li><li>❑ Devolved employees absorbed properly</li><li>❑ Delegated tasks clearly stated</li><li>❑ Clear delineation of responsibilities between executive and legislative</li><li>❑ Visibility of SB members and other heads of offices in municipal and barangay activities</li><li>❑ Organization of committees to address intercultural conflicts</li></ul>
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## 6. Intergovernmental Relations

- ❑ Functioning coordinative mechanisms such as local development councils, local special bodies
- ❑ Presence of inter-LGU programs and projects
- ❑ Memoranda of Agreement with other LGUs
- ❑ Local NGA functionaries tapped by the LGU for technical assistance
- ❑ Presence of inter-LGU undertakings for economic and commonly beneficial purposes with responsibilities of each level clearly defined
- ❑ Networking among officers and among personnel officers
- ❑ Adoption of convergence approach



<p>7. Rule of Law - legal systems in place. Stable and legal framework fairly and impartially enforced.</p>	<ul style="list-style-type: none"><li>❑ Ordinances periodically reviewed and updated</li><li>❑ Existence of legislative tracking mechanism</li><li>❑ Establishment of work flow prominently posted for guidance of all</li><li>❑ Legal and cultural laws effectively implemented</li><li>❑ Customary and ancestral law, e.g. Shariah Law, respected</li><li>❑ Functioning People's Law Enforcement Board (PLEB)</li><li>❑ Availability of information and statistics re: crime arrests and convictions, number of cases filed in court for traffic violation, etc.</li></ul>
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8. Continuity in the implementation of programs, predictability and sustainability - Appropriate programs & projects initiated by previous administration are continued after proper evaluation.

- ❑ Continuing efforts to augment resources through short term and long term grants and loans
- ❑ Continuous consultation with local constituents
- ❑ Programs and projects subject to regular evaluation and continuous enrichment
- ❑ Development plan updated on a regular basis



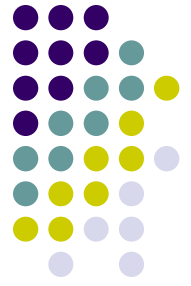
9. Preference for the poor

- ❑ Use of Poverty Mapping conducted and updated regularly
- ❑ Use of MBN Surveys in designing local programs and projects
- ❑ Provision of livelihood programs
- ❑ Presence of poverty alleviation programs such as health insurance of indigents, senior citizens, etc.



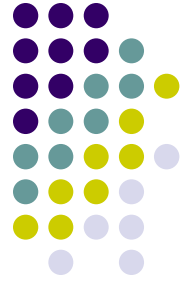
<p>10. Service Delivery - effective, responsive provision of basic services</p>	<ul style="list-style-type: none"><li>❑ Services identified for devolution under the Code actually devolved</li><li>❑ Devolved services adequately funded</li><li>❑ Equitable and rational distribution of basic services among beneficiaries as evidenced in the budget</li></ul>
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# Issues, Concerns and Next Steps



- Who would determine whether or not an LGU meets the criteria for “good governance”? Various modalities could be considered.
- Administratively, there might be a need for agencies concerned to converge their efforts to developing performance indicators.
- The concern to develop “quantifiable” measure of good governance must be addressed considering that good governance is difficult to quantify in relation to traditional quantitative indicators.
- There is also the need to generate acceptance of, and sustaining the use of governance indicators.

# Issues, Concerns and Next Steps



- The issue of developing governance indicators that would cut across various levels of government may be further examined and developed. The Civil Service Commission in partnership with the Department of Budget and Management may be the national government agencies that will take the lead in this direction.