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People Power for Water

**Naga's i-Governance Program: Empowering Citizens
towards Effective Water Resources Management**

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The views expressed in this paper are those of the author and do not necessarily reflect the views and policies of the Asian Development Bank.

INTRODUCTION

My task today is to discuss Naga City's experience on e-Governance as a finance, management and governance tool, especially in the context of the developing world.

This presentation covers two phases of our effort to use information and communication technologies (ICT) in managing the local bureaucracy and engaging with our constituents, which have now converged with other local government initiatives in what is now known as i-Governance Program.

e-Governance, as defined by the World Bank, "implies the use of ICT channels to change the way citizens and business interact with government to enable citizen's involvement in decision making, increased access to information, more transparency, and civil society strengthening."

THE SETTING

Let me start by providing a context to my presentation by way of describing my city. The following are taken from Wikipedia's entry on Naga, available at http://en.wikipedia.org/wiki/Naga_City:

"Naga City is a first class city in the province of Camarines Sur, Philippines. It is an important commercial and cultural center in the region. The city is also a center of education in Bicol due to numerous schools, including three universities: Ateneo de Naga University, University of Nueva Caceres, and Universidad de Santa Isabel.

"Naga City is centrally located in the Bicol region, a peninsula found on the southeastern tip of the Philippine island of Luzon. It is 377 kilometers south of Manila, the nation's capital, and about 380 kilometers north of Cebu. (See Fig. 1.)

"The city is at the core of Metro Naga, a fast-growing area formally comprised of 14 municipalities and Naga belonging to the Metro Naga Development Council (MNDC). All in all, the MNDC covers the entire 2nd district of the province of Camarines Sur and part of the 1st and 4th districts.



Fig. 1. Location map of Naga City, Philippines

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"According to the 2000 census, it has a population of 137,810 people in 26,317 households. Residents of Naga City are called Nagueños." With an annual growth rate of around 1.8%, our night-time population today is projected to have already exceeded 150,000. By daytime, it easily swells to more than 250,000.

TWO PHASES OF ICT USE

Fueled by the emergence of affordable PCs and locally available quality IT people during the '90s, ICT use in the Naga city government initially addressed internal corporate demands. By the turn of the millennium, it was refocused to address emerging societal challenges of good governance: specifically providing support to more meaningful engagement with local citizens.

Phase 1: Productivity and Service Quality Improvement

The first phase of ICT use at the Naga City Hall (1990-98) was driven by the need to improve its operations as a strategy to promote productivity and service quality. Here, three initiatives came into play:

1. The *Naga City Government Information and Communications Technology Development Program (ICT-DEV)*, launched in 1991, resulted in the computerization of all important activities of the city government, the establishment of locally developed databases and information systems, and the creation of technical assistance services to line departments with all their hardware and software needs. In concrete terms, it yielded a total of 18 computer applications all developed in-house, covering such areas as real property tax assessment, business permit and licensing, building and other related permits, payroll and personnel information, and civil registry.

2. The *Productivity Improvement Program (PIP)* in the mid-90s is an initiative which sought to improve both processes and procedures (systems change) and values and culture (people change) at City Hall. In concrete terms, PIP was operationalized when each of the 25 departments and offices of the city government came up with their respective "Performance Pledge," which defines the basic services of each office, response times and the individual staff responsible for each service. Under PIP, various schemes were adopted to reward individual innovation (annual Very Innovative Person Award for cost reduction measures) and institutionalize a productivity mindset (Productivity Improvement Circles).

3. In 1998, a grant from a USAID-funded technical assistance project enabled the city government to focus more on quality service delivery under the *Public Service Excellence Program (PSEP)*. It is anchored on an iterative process that linked service values and orientation with existing procedures, and continually proposing improvements whenever possible. PSEP's most concrete outcome was documentation of the City Government's frontline services, which laid the foundation for the Naga City Citizen's Charter. Here, the service listings in the Performance Pledges were expanded to describe the step-by-step procedure of availing the service, as well as the person/s responsible and response time for each step.

Phase 2: Citizen Empowerment and Information Openness

When I left the city government for a fellowship at the Kennedy School of Government in Harvard University, it has pushed the envelope in promoting popular participation in local governance through an innovative program called the People Empowerment Program (PEP). Concerned with engaging civil society more meaningfully, this is an entirely separate track that did not make use of ICT but would later converge with the Phase 1 initiatives under the i-Governance Program.

1. *PEP as a precursor program.* The PEP is built around the operationalization of local special bodies mandated under the 1991 Local Government Code. It is also buttressed by multi-level consultation mechanisms that were created, including the first and only city-wide referendum in the Philippines on August 6, 1993.

But the establishment of the Naga City People's Council (NCPC) in 1997 represents the pinnacle in its evolution as an initiative that empowers the non-government sector. Pursuant to a landmark legislation known as the Empowerment Ordinance, the people's role in governance was expanded through the NCPC, a city-level federation of close to a hundred NGOs and POs (including business organizations) operating in Naga. As a result, NCPC representatives sit in all local special bodies and committees of the City Council.

Among others, the NCPC

- observes, votes and participates in the deliberation, conceptualization, implementation and evaluation of programs, projects and activities of the city government;
- proposes legislation, participates and votes at the committee level of the City Council; and
- acts as the people's representative in the exercise of their constitutional rights to information.

By operationalizing the NCPC, the Empowerment Ordinance created and secured the avenue for participation of organized groups in governing the city, not only in policy-making but also in project implementation, monitoring and evaluation. This is the first and, probably, the only system of its kind in the Philippines. In 1998, this scheme was recognized under the Dubai International Awards as one of the Top 10 Best Practices worldwide.

2. *Initializing a paradigm shift.* Over the years, my IT-savvy city hall staff has become very comfortable with the internet and other emerging ICT technologies. Nonetheless, my Harvard sabbatical enabled me to take a closer look, appreciate them for myself, and sort of catch up.

Unlike my first three terms as mayor where we had specialists doing what they do best, I was practically on my own as a graduate student. The upside is that I had to learn using the PC myself, with my eldest daughter as personal consultant. Among other things, I began to use email a lot to communicate, not only with our professors and fellow students, but friends and constituents back home. As a private citizen, I also found time to see what other local authorities outside the

Philippines are doing with their own websites. And the experience enabled me to see the tremendous potentials of using ICT, not only in improving the finances and operations of the city government, but as a tool in engaging with individual constituents.

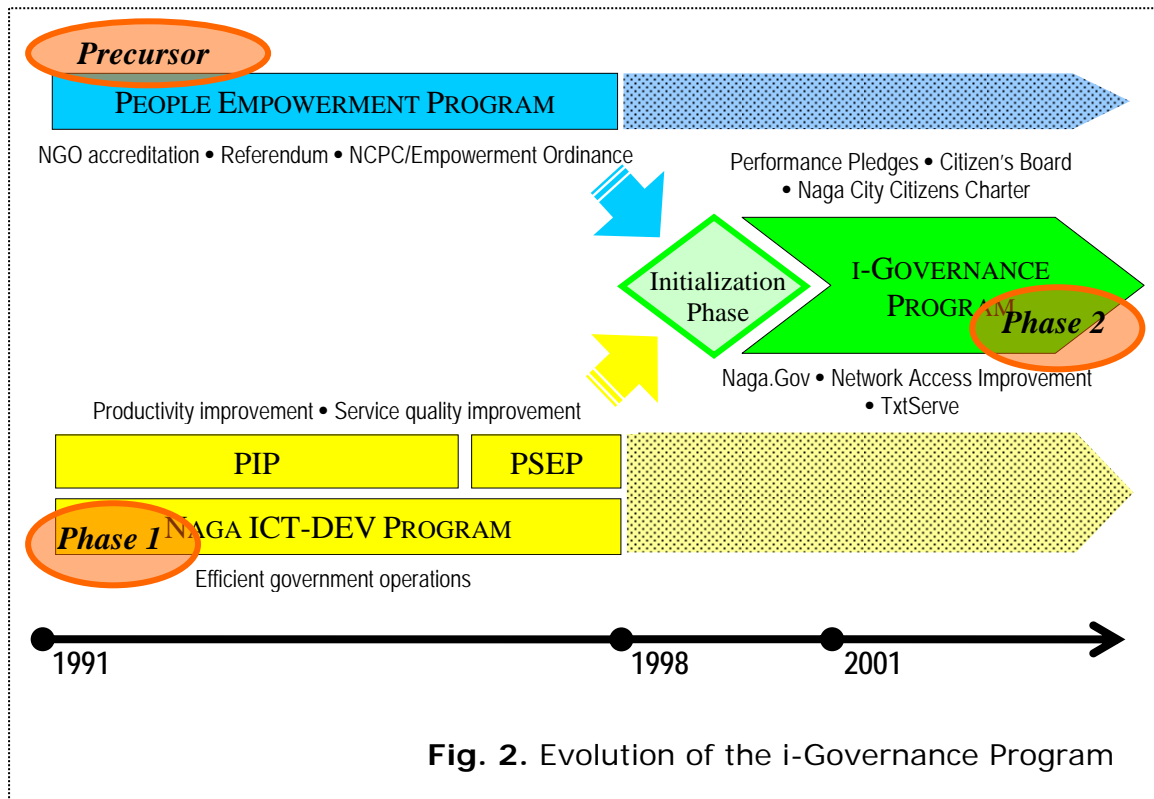


Fig. 2. Evolution of the i-Governance Program

3. *Information openness.* I returned to City Hall in 2001, armed with new ideas derived from my schooling. Immediately after reassuming office, an informal strategic planning exercise involving city hall “thinking” staff grappled with the challenge of finding and identifying key action areas where we can do better. This exercise yielded the answer: by focusing on empowering and engaging with individual households and residents of the city. The i-Governance program was thus born.

Under the program, the City Government further embraced and operationalized information openness as a key principle underpinning good governance. Guided by this principle, we therefore sought to identify and deploy various tools to encourage participation by individual citizens in government decision-making and concretize transparency and accountability.

In essence, the i-Governance program represents a convergence of the various initiatives we had been implementing in Naga City. On the one hand, we are bringing people empowerment to the next level; on the other hand, in Phase 2 of ICT use in the city government, we are deploying ICT technologies, among others, to create new mechanisms for engagement with individual citizens, thereby promoting citizen empowerment. (See Fig. 2.)

In this respect, the program is not a conventional e-Governance effort. Recognizing the existing formidable digital divide, particularly in the developing world, we have not only maximized available ICT options but made sure these are complemented by traditional and more expensive analog and paper-based tools, thereby ensuring inclusiveness in program coverage.

THE I-GOVERNANCE PROGRAM: PUTTING POWER IN THE HANDS OF THE NAGUEÑO

1. Operating principles

Information openness on part of government and dynamic exchange through continuing dialog are the key operating principles to promote engagement with ordinary citizens. These principles are reflected by what the “i” in the program name stands for:

- *inclusive governance*, which seeks to embrace, rather than exclude, individuals, peoples and sectors in running government
- *information openness*, which demonstrates that information is power, and truly empowering when placed at the hand of the citizens
- *interactive engagement*, which puts premium on information exchange through continuing dialog between authority and constituency, and
- *innovative management*, which is committed to a culture of excellence sustained by creativity and innovations.

2. Conceptual framework

Conceptually, the program is a reiteration of the Naga Governance Model. (See Fig. 3.) By expanding and creating participatory mechanisms that empower individual citizens, it strengthens participation—the third element in the Naga model.

Greater participation of individual citizens is the defining feature of i-Governance. While functional partnerships have powered most, if not all, of Naga’s outstanding innovations in the ‘90s, they are inherently biased towards organized groups for practical and operational reasons. To complete the equation and address this limitation, i-Governance sought to overcome this by opening wider avenues for participation of individual

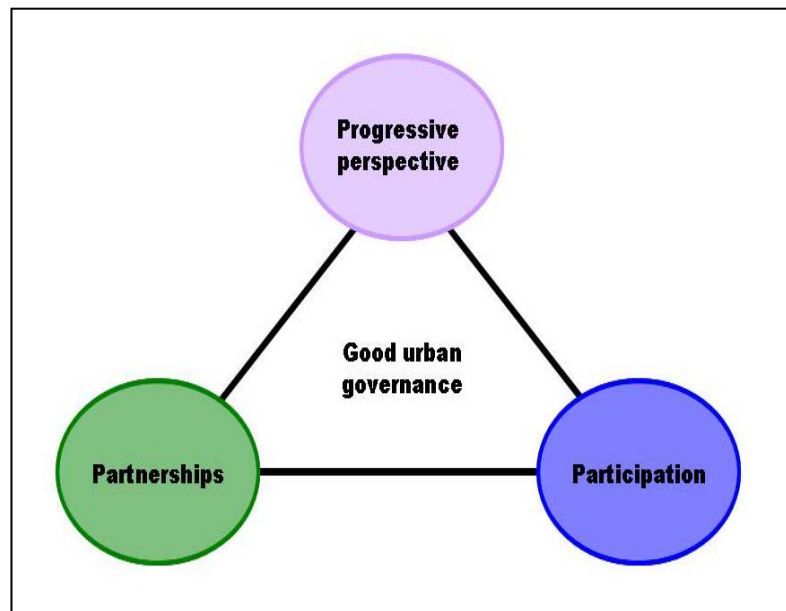


Fig.3. The Naga Governance Framework

citizens and households in governing the city.

3. Components

These are made possible under the following components:

- a. *Analog or paper-based tools.* This takes the form of the Citizens Charter, Performance Pledges and the Citizens Board – analog tools that recognize the reality of a digital divide and are intended to address the need of around 67% of the population who do not have internet access. The Citizens Charter (now on its 2nd edition) documents around 130 key city government services, including procedure, response time, personnel responsible for each service, requirements checklist to facilitate service delivery, schedule of fees (if applicable), and location maps sketching offices handling the service. The Performance Pledge found in each city department details their respective service commitments. The Citizens Board at the city hall building contains copies of the annual city budget, financial statements, ordinances and executive orders, and other important documents for easy reference.
- b. *The naga.gov initiative.* This component maximizes the potentials of web technology that is within the reach of resources and capability of a local government in a developing country. Named after the city government website at www.naga.gov.ph, it offers web-enabled individuals, including local residents and those living abroad, with the opportunity to access information on Naga, including services of the city government, and to communicate requests and complaints in a cost-effective and efficient manner. The website contains a digital version of the Charter (called NetServe) and the Citizens Board.* It was recently enhanced by webcasting seven primetime programs of a local radio station, enabling the city to responds to the need of individuals and communities living abroad to communicate and touch base with their native city. A complementary message board on the webcast is now the fastest growing component of the naga.gov community forum. For the past two years, it was recognized as the best city government website in the Philippines.
- c. *TxtServe Naga.* The mobile governance component of the program, TxtServe allows citizens to convey complaints and other concerns to the city government through text or SMS messaging, in partnership with Smart Telecommunications, the country's leading wireless provider. It takes advantage of higher penetration rate of cellular phones (at 67%) over dial-up and broadband internet (around 33%), and holds the biggest potential for program expansion.
- d. *Network access improvement.* This represents the city government's effort to address the digital divide through strategic investments in expanding internet access. The Computer Literacy and Instructional Center for Kids (CLICK) project of the city school board provided PC units to all public schools in Naga. The

*As such, it makes available online the city government's financial reports, like proposed and approved annual operating budget, quarterly financial statement of operation, bid tenders and outcomes of every bidding process completed.

program piggybacked on this school-based initiative to create local cyberschools, effectively providing internet access in all areas of the city. Together with internet stations in key village halls (called cyberbarangays), this component represents a continuing effort to fully address the needs of the 67% without internet access.

Over the last three years, these components were further enhanced by the following: (a) the provision of downloadable forms for practically all transactions from the city website; (b) implementation of new website features such as E-Biz Online which allows firms to check on the status of business license payments and the results of inspections, and Building Permit Tracking Online which allows applicants for building permits to check on the status of their applications; and (c) installation of wireless connections in four remote upland areas of the city with no telephone lines, thereby enhancing access to the city website.

4. Outcomes

What are the concrete outcomes of the i-Governance Program? I will mention four:

One, information openness has engendered critical engagement and built up the Nagueños' trust and confidence in their government. A remark from a user is the best testament to this. Writing in the site's guestbook after looking at the city's budget and finances, he said that by putting up the numbers for everyone to see, the city is "requiring from us more than greetings. They are asking us, for the sake of the city, to look at the numbers, study them, question them."

Two, the widespread availability of information enables transparency in government operations, thereby facilitating citizen engagement with local state agencies. For example, the Citizens Charter, both in its analog and digital format, is a performance metrics tool that enables greater transparency in service delivery. By documenting frontline services, breaking it down to step-by-step procedures, assigning the expected response time and identifying the City Hall staff responsible for delivering each step, our customers have all the information required to exact accountability in service delivery.

Three, by opening for public scrutiny not only notices, but even results of bids which are posted in the city website, the program made the procurement system work for government through reduced costs. A sampling of the items purchased and civil works projects bid out shows the following:

- Against a government standard of P6-7 million, a kilometer or road in Naga costs only P4.35 million to construct (up to a 38% difference); construction of a public school classroom is 36% cheaper; and at P372.00/sq. m., the cost of asphalt overlays is 47% lower than those of other government agencies.
- Medicine procured by the city is 19% to 70% lower than the usual price quoted for other local government units. City-purchased generic medicine is, on the average, 62% lower than branded products imported by the national government (under a Department of Trade and Industry-Philippine International Trade Center program) for sale to local government units

- Supplies bought by the General Services Division can be up to 33% lower than the local government standard.

The City Accountant's Office estimates that through a transparent procurement system, the city government generates significant savings of at least P10 million a year. As a result, the World Bank considers Naga as the country's model city for good practices and innovations in procurement.

Finally, *information openness on the part of government stimulates greater stakeholder participation and facilitates the flow of information*, both of which further drive down our operating cost. By opening for public scrutiny not only notices, but even outcomes of bids, we were able to encourage

- Greater participation of service providers in the bidding process. For instance, 19 firms on the average would bid for the supply of the city government's medicine and medical supply requirements; the national government requirement is the presence of only 3 bidders.
- Inputs and comments from concerned organizations and individuals as to where the city government can source other suppliers offering the same product or service at lower cost
- Even lower bid prices than previous ones since the website provides information on quotations of previous winning bidders that prospective suppliers can scrutinize.

I-GOVERNANCE AND WATER RESOURCES MANAGEMENT

As pointed out above, we believe that given the higher penetration rate of mobile phones vis-à-vis dialup and broadband internet in Naga City, SMS messaging under the TxtServe component holds the biggest potential as an ICT-based engagement tool. This year, we have made significant headways in this front.

Previously, TxtServe used to depend on the Smart Telecommunications infrastructure via its 2960 service. Under this scheme, each message sent to City Hall will have to be queued through the network as there have been a growing number of Philippine local authorities who have also subscribed to the service. This resulted to significant delays in message transmission and consequently our response time, thereby compromising reliability and timeliness; sometimes, a message sent in the morning will only reach us in the afternoon. As a result, our slow SMS response itself becomes the subject of complaints.

Propelled by local demand to use SMS messaging to help generate and route information on cases of student truancy, the Naga City School Board invested on a locally managed and controlled SMS messaging system early this year. The setup consists of a PC, a GSM/GPRS modem, the TXTNAGA hotline with Globe Telecoms (0917-TXTNAGA or 0917-8986242), and SMS applications developed by a local programmer.

We spent around P50,000.00 (roughly US\$1,000.00) to get the system (built around three initial working SMS applications) up and running, but it is very much worth it because of the following advantages:

- It is locally managed, and therefore more flexible, instead of being network dependent
- It is more accessible to ordinary citizens as every SMS message sent costs only P1.00 (the regular SMS rate) instead of P2.50 under the 2960 service; and
- And with the required hardware already in place, it will be more cost-effective in the long-run as the city only needs to pay for the maintenance and development cost of additional SMS applications (which can be outsourced or developed in-house).

In partnership with the Metro Naga Water District (the local water utility serving Naga and several neighboring towns), we intend to use the TXTNAGA hotline as a channel through which city residents and MNWD customers alike can participate more actively in managing and protecting our precious water resources.

This particularly SMS application is currently under development, but like the anti-truancy application, it can generate and route information more effectively and efficiently, thereby improving government response and the quality of service delivery.

- For instance, by texting the keyword WATER (space) ACCOUNT NUMBER (space) COMPLAINT to 0917-TXTNAGA, an MNWD customer can forward complaints to City Hall's TxtServe server, which will automatically route the message to MNWD's designated GSM hotline.
- On the other hand, an ordinary citizen can immediately report cases of leaking water connections even if he is not an MNWD customer. By texting the keyword WATER (space) BARANGAY (space) MESSAGE to the same TXTNAGA hotline, he or she can report the specific location of the problematic line, which will be automatically routed by the TxtServe server to both the MNWD hotline and the mobile phone of the barangay captain or village chief of the community.

When the service becomes fully operational by around midyear, we expect it to help cut down MNWD's system loss from 29.5% by half over the next three years, considering that its non-revenue water reached 57% six years ago.

CONCLUSION

From the foregoing, we saw that e-Governance, buttressed by a strong local commitment to transparency, accountability and participation (which are the hallmarks of good governance) can transform the use of ICT technologies from being conventional management tools to effective instruments for engaging ordinary citizens.

By leveraging local resources, especially human IT capabilities, our experience also demonstrates the benefits of continuous innovation. This is evident in the huge potentials of SMS messaging in many aspects of urban and environmental management, including the protection and conservation of scarce water resources.

Finally, there is a need to contend with the digital divide, particularly in the developing world. This is the logic behind i-Governance's design: our decision to develop and deploy both analog and digital engagement tools precisely seeks to address and overcome this divide and enable us to reach the whole populace.