

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SEGF

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<b>TA No. and Name</b> 3959-PHI: Support for the Local Governance Performance Measurement System			<b>Amount Approved:</b> \$200,000	
			<b>Revised Amount:</b> \$200,000	
<b>Executing Agency</b> Department of Interior and Local Government (DILG)		<b>Source of Funding:</b> ADB's TA Funding Program	<b>TA Amount Undisbursed</b> \$38,571	<b>TA Amount Utilized</b> \$179,154
<b>Approval</b>  30 Oct 2002	<b>Date</b> <b>Signing</b> <b>Fielding of Consultants</b>  16 Dec 2002                      June 2003		<b>Completion Date</b> <b>Original</b> <b>Actual</b> 31 May 2003                      31 Aug 2005	
			<b>Closing Date</b> <b>Original</b> <b>Actual</b> 31 May 2003                      Financial closing is ongoing pending liquidation of advance by the EA	
<b>Description</b> The 1991 Local Government Code devolves significant responsibilities to the Local Government Units (LGU) for delivery of services in areas that include agriculture, environment, local infrastructure, health and urban services. The full benefits of decentralization, in terms of improved service delivery particularly to the poor, have yet to be realized as LGUs face a number of resource constraints accentuated by underdeveloped capacity for planning and resource management, and weak information systems. Enhancing LGU capacity to deliver quality services hinges on long-term capacity building aimed at: (i) developing own source revenues; (ii) strengthening public financial management; and (iii) strengthening local accountability and transparency mechanisms. To gauge improvements in these areas, it is important to ensure collection and use of quality data in a coherent performance management framework.				
<b>Objective and Scope</b> The Department of Interior and Local Government (DILG) has been working for several years with LGUs to develop performance measurement and assessment tools and to help improve governance and service delivery. In addition to the Local Productivity and Performance Measurement System (LPPMS), DILG has been using Local Development Watch and Citizens Satisfaction Index for this purpose. However, most of the data for these indicators is not analyzed and made available to LGUs in a form that feeds into improving these services. DILG is aiming to strengthen the existing performance measurement framework by integrating the three into the Local Governance Performance Measurement System (LGPMS), so as to enhance local government development, improve access to and use of data by stakeholders, and provide inputs to the national policy making. Hence the government requested the ADB assistance to support the development of an enhanced local governance performance measurement system. The TA's goal was consistent with ADB's overall Country Strategy and Programs for the Philippines. The TA forms part of the LGPMS that involves upgrading the capacity of DILG offices to enable LGUs to collect, collate, analyze and disseminate information and to upgrade the technical capabilities of the information system. The objective was to assist the Government to strengthen the performance management framework for LGUs, by providing tools and systems for assessing capacity and performance. The TA was expected to achieve this by undertaking activities linked to the implementation of the LGPMS by supporting its first two components i.e. design and development of the system. The key activities include: (i) the design and development of an integrated database with enhanced capacity for analysis, management, and sharing of data; (ii) upgrading of hardware in the national and provincial offices of DILG to improve efficiency and effectiveness of the information system; and (iii) the development of user guides and manuals.				
<b>Evaluation of Inputs</b> The TA was led by the LGPMS team of the DILG, housed in a PMU within the Bureau of Local Government Supervision (BLGS). The LGPMS team was initially headed by a full-time project manager funded by the CIDA-Local Government Support Program, and later by the head of the BLGS. The TA initially provided for 4 and 5 person-months of international and domestic consultants respectively, with expertise in database management, systems development and programming. On the basis of the inception report, one month was added for international and three months for domestic consultant to cover tasks relating to design, user acceptance testing, error fixing and implementation of the system. The consultants were to undertake the technical systems design and testing of LGPMS, in accordance with the requirements of the DILG and ADB. They were also to provide relevant training to selected staff of the BLGF. The TORs corresponded to the TA's objectives and scope, and the profile of the consultants was well suited to the expected outputs. The TA provided 15 units of personal computers (PCs) that BLGS distributed to its pilot LGUs to enhance data management and dissemination. These PCs were dedicated to inputting gathered data and report generation by the LGUs. The initial web-hosting and internet connection in DILG were also funded by the TA.				

Two types of training were provided under the TA: (i) capacity building for the DILG staff LGPMS administration, through workshops and development of user manuals; and (ii) training of champion LGUs staff in national roll-out/implementation. The LGPMS roll-out implementation training introduced the champion LGUs to the LGPMS so as to enable them to gradually place the LGPMS results as inputs to their development planning, budgeting and decision-making strategies. Through the mechanism of naming champion LGUs, the DILG aimed to create partners in advocating for the use of LGPMS by other LGUs.

Overall, the consulting team's performance was satisfactory in terms of developing the LGPMS and in providing ADB with timely feedback on the status of LGPMS development through periodic reports. The EA expressed a high degree of satisfaction on the LGPMS that was developed. The EA's performance was satisfactory, appropriate counterpart fund support was progressively given to the consulting team and for arranging the workshops. ADB's supervision of the TA was also satisfactory as there were regular consultations with the EA on relevant issues. The completion of this TA was protracted, as it had to be extended for a cumulative period of 27 months. There was an initial delay in the fielding of consultants due to a revision in the work plans and TORs, followed by a delay in the procurement of PCs that impacted the subsequent procurement of IT related equipment. Finally the revised training schedule also contributed to the delays. The EA's decision to change the hardware supplier and DILG training provider added to the delays. The TA will be financially closed after liquidation of advance by the EA.

### **Evaluation of Outputs**

The outputs centered on the development of LGPMS software and related capacity building in the DILG and champion LGUs. LGPMS is a web-based system that stores LGU data and generates reports to help local and national leaders to work together and prioritize their strategies. The availability of timely and accurate information is supposed to help the stakeholders in making choices that result in enhanced local governance and improved service delivery. The main output of the TA is the development of the LGPMS software (complete with user manual and technical guide). The capacity building for DILG imparted training on LGPMS database administration and management focusing on LGPMS results and maximizing information. The feedback received from the champion LGUs during the LGPMS roll-out training, helped in refining the software, as the inputs were used by the DILG in reviewing and reconfiguring the system. By using the related upgraded hardware provided by the TA, champion LGUs are able to input local level data required for the system. The BLGS has indicated that the system is now working and has led to the production of a report on the state of local governance. The training was reported to be highly relevant by the EA and participating LGUs.

### **Overall Assessment and Rating**

The TA is rated as successful in meeting its objective of providing tools and systems for assessing local government capacity and performance. The TA design was relevant, internally consistent, and complemented the LGPMS. The LGPMS is now being used by DILG and has produced, to date, a state of local governance report. The TA was effective as it made a concrete contribution to the integration of existing performance management assessment tools in use by the government. The TA outputs, including the software, written reports, training materials, and the workshops familiarized the central government and the LGUs in the wider implementation of the LGPMS. The TA was less efficient due to significant delays during implementation for a variety of reasons (given above). As in any technology-related tool, the LGPMS is open to further enhancements in the future for it to be sustainable.

### **Major Lessons Learned**

The successful development of the software was due to the close coordination among ADB, EA and the consultants. In addition, feedback from the stakeholders (such as the LGUs during the national roll-out) helped in reconfiguring and finalizing the final product. Prior to actual implementation of the TA, the required computer specifications should have been submitted by the EA to ADB to initiate procurement of the hardware for software development. Due to the lack of hardware in DILG, the consultants did most of the software development in ADB. This hampered the amount of system testing that could have been done in the DILG.

### **Recommendations and Follow-Up Actions**

The system developed for the initial phase funded by ADB was tested for only 10 champion LGUs (that included 10 provinces and 90 component cities and municipalities). Further enhancements to the system will be required for the implementation of LGPMS when it is scaled up to include all LGUs (total of 79 provinces, 117 cities and 1,501 municipalities). In addition to system enhancements, continuous training of users will have to be planned in greater detail since this will involve a much larger number of LGUs. Phase II is being supported by other donors. However, ADB should ensure that DILG capacity in terms of human resource is continuously strengthened for future system enhancements, especially in database management, software development, and technical systems support. A sustained level of support may be provided to achieve the anticipated higher demand for training and capacity building.