

LED KNOWLEDGE SHARING FORUM

Workshop Proceedings

I. Executive Summary

The Department of the Interior and Local Government through the Bureau of Local Government Development initiated the holding of a Local Economic Development (LED) Knowledge Sharing Forum, the first of a series of LED and Governance Learning Events, on March 14, 2008 at the Sulo Hotel, Quezon City. A total of thirty-eight (38) participants from DTI, DOLE, DA, DOST, TRC, BSMED, NCFRW, LCP, LPP, BOI, NEDA, CIDA, PCCO, LGSP-A, DILG Central Operating Units (BLGS, NBOO, PS, OPDS, BLGD) and DILG Regional Offices from Regions III, IV-A and IV-B attended the activity.

The initiative sought to create greater awareness and understanding among LED practitioners from national agencies on who is doing what on LED, particularly their framework and principles and priority action plans. The activity allowed DILG to identify areas for collaboration and harmonization that will also serve as inputs in the development of a framework on the Local Governance Support Programme for Local Economic Development (LGSP-LED), a joint project with Canadian International Development Agency (CIDA).

The program opened with the national anthem and a short prayer followed by an introduction of participants and welcome remarks from DILG. During the welcome remarks, DILG stressed the role of Local Government Units (LGUs) in advancing the country's economic growth and cited some obstacles facing LGUs that need to be addressed by the national government if they are to be effective in stimulating local economic growth. To address these obstacles, DILG has partnered with CIDA to implement the LGSP-LED. A Memorandum of Understanding (MOU) was signed for this purpose between CIDA and DILG on March 30, 2007. DILG plans to develop a framework for LGSP-LED by tapping the knowledge and experience of other national agencies. This learning event - one of three activities towards the development of an LGSP-LED framework – shall enable DILG to gather information on related LED initiatives and strategies of national agencies, thereby laying the groundwork for future inter-agency collaboration in LED implementation.

Following the opening remarks was a brief presentation by CIDA and DILG on the status and general design of the LGSP-LED. This was followed by a presentation from the ten government agencies on their experiences on LED. The presenters were:

- Department of Science and Technology (DOST) discussed the organizational structure and the roles of Technology Application and Promotion Institute (TAPI), one of DOST's service agencies, in promoting the commercialization of technologies and marketing the services of other operating units of the Department.
- League of Cities of the Philippines (LCP) presented the overall strategic framework of LCP's approach to LED, stressing the four guiding principles of a sustainable city, namely: livability, good governance, bankability and competitiveness.
- National Commission on the Role of Filipino Women (NCRFW) discussed the GREAT Women Project, its objectives and how it will benefit the women and the LGUs.
- Technology Resource Center (TRC) discussed the role of TRC as the leading resource institution for technology-based products and services.

- Department of Trade and Industry (DTI) explained the objectives of the Bureau of Small and Medium Enterprise Development (BSMED) and its role as the secretariat of the SMED Council.
- Department of Labor and Employment (DOLE) presented the Department's vision, mission and its strategic framework on LED, which is built on a workforce that is gainfully employed, locally competitive, secure, safe and healthy.
- Department of Agriculture (DA) presented the vision of the Bureau of Agricultural Statistics (BAS), as well as its mission, mandate, overall strategic framework and how it collaborates with LGUs in promoting LED.
- Board of Investments (BOI) discussed the Philippine Business Registry project and how it hopes to encourage new investors by facilitating the process of business registration and reducing corruption.
- Department of Tourism (DOT) presented its mandate, how it has helped in increasing tourist arrivals and how it helps LGUs formulate and implement tourism plans.
- League of Provinces of the Philippines (LPP) discussed its vision, which is to empower provincial governments to achieve sustainable countryside development, and its role of providing an enabling environment for businesses in its respective jurisdictions.

After the agency presentations, a resource person from LGSP-ARMM shared her experiences on LGSP and its approach to economic development. Following are some key insights:

- There is no one approach for LGUs to facilitate LED. Each locality is unique and LGUs are themselves entrepreneurial and innovative.
- Local government generally influences local economic development through ALL of its activities.
- LED is not fully possible without a linkage between local government and the community that is participatory, equitable, responsive, accountable and transparent.
- Many LGUs acknowledge the need for LED but LGUs prefer external direct investments (preferably foreign) and assume that if they build it (a plan, a facility), the investments will come.
- LGUs need technical assistance in determining comparative advantage and in formulating strategies.

In the afternoon, the participants were divided into three groups for a Focused Group Discussion (FGD). Each of the three workshop groups discussed five guide questions and presented the results to the plenary for comments and clarifications. The five guide questions are:

1. What are your three most important learnings in encouraging LGUs to adopt LED policies, programs and services?
2. What are your three most important learnings in building partnerships between LGUs, private sector, civil society and the academe to promote and sustain LED?
3. What are your three most important learnings in terms of gathering, storing and using information to promote and sustain LED initiatives?
4. From your experience, please cite three notable examples of LGUs overcoming (human, physical and financial) resource constraints in promoting and implementing LED initiatives.
5. LED efforts are influenced by national and global factors (e.g., markets, national policies, international events, etc.). In your experience, what are the three most significant national and global challenges that have affected LED implementation? How has your agency addressed these challenges?

The summary of results of the FGD was captured in the last session of the forum on key issues and recommendations, which are as follows:

1. There are conflicting policies, lack of common framework and lack of collaboration among LED agencies resulting to fragmented and incomplete services. For example, some NGAs may provide skills training and financial assistance for a project, but not marketing assistance.

To address the above issue, the group suggested organizing multi-sectoral local empowerment teams. They also believe that NGAs and LGUs should set common agenda and develop unified plans such as in the experience of CALABARZON (Calamba, Laguna, Batangas, Rizal, Quezon).

2. There is lack of coordination between the local chief executive (LCE) and the Sanguniang Bayan. The LCE is also seen as lacking in political will.

To ensure support for the project, NGA programs should be covered by Memorandum of Agreement (MOA) with both executive and legislative officials of the LGU as signatories.

3. The group felt that the LGUs have no appreciation of the information needed for strategic planning and, more generally, lack of knowledge management capacity.

To address the above, the capacity of LGUs to gather required information must be strengthened and incentives should be provided to performing LGUs.

4. Most LGUs lack the entrepreneurial mindset.

The group suggested developing champions within the locality to push for LED. These champions need not be the LCEs. Also, NGAs must be persistent in campaigning among LGUs. For example, DOT conducts tourism awareness campaigns every four years to ensure continued support for this project. The group also feels that assistance should not be limited to capacity building but focus on broader capacity development.

5. The Internal Revenue Allocation (IRA) is not equitable in relation to LGU responsibilities.

The IRA allocation has to be reviewed and reformulated. The group was informed that the DILG is already studying this matter.

6. There is a prevailing mentality among the citizens that government projects are free or dole-out.

The group suggested that government agencies should begin to collect user-payments for services and products.

7. There is rampant corruption and collection of commissions.

The group advocated the practice of transparency in government dealings, establishing an e-procurement system and finding other ways to streamline procedures (when there are various interpretations to procedures, these usually lead to corrupt practices). The group also believes that citizens should demand accountability from their local governments.

DILG ended the forum by expressing DILG's gratitude to the participants for their cooperation.

The forum enabled the participants to share their knowledge and current activities on LED as well as how each of the agencies can help LGUs in promoting LED. The resource person also offered fresh perspectives on promoting LED and the difficulties and successes of working with LGUs and other major stakeholders.

During the FGD, the participants were able to reflect on the lessons from their experiences and the challenges of promoting and implementing LED. The FGD results guided the participants in determining the key issues to be considered by DILG in developing the framework for LGSP-LED and offered recommendations on how these issues can be addressed.

Results of the participants' evaluation of the forum showed an overall high rating of 4.2 out of a possible 5. The highest rated questions are those pertaining to the effectiveness of the forum in meeting its objectives (4.4) and logistics/secretariat support (4.3, 4.5). The lowest rated question is the one that pertains to the level of engagement of participants (3.7). Generally, participants found the forum as an effective knowledge sharing activity and expressed willingness to participate in similar sessions in the future. Considerations for the next session include better facilitation, more sharing of experiences, best practices and successes.

II. Introduction

1. Rationale

LGUs have a big role in advancing the country's economic growth. At the local level, they have the responsibility to formulate policies and plans and develop goals and targets that are responsive to the country's MDG targets in reducing poverty. They have been tasked to create local investment incentives to promote the inflow and direction of private investment capital.

The LGUs are expected to work with its stakeholders such as the NGOs, private sector, local communities as well as with other government agencies in the delivery of basic services, capability-building and livelihood projects. They also need to develop local enterprises designed to improve productivity and income, diversify agriculture, spur rural industrialization, promote ecological balance and enhance the economic and social well-being of the people.

For LGUs to effectively carry out their tasks on creating an environment to spur economic growth in their localities, the national government needs to address some obstacles to local economic development. These barriers include the following: (a) weak local capacity in terms of knowledge and skills on LED. (b) lack of disaggregated local information and public awareness about LED approaches and strategies, (c) lack of participatory culture in the locality, (d) weak capacity to undertake integrated and participatory agenda setting (horizontal coordination), (e) limited skills in introducing performance budgeting for effective implementation, and (f) limited capacity for creating a framework, success indicators and monitoring mechanisms for LED.

To address the above barriers and in view of DILG's role of providing national policies, rules and standards on local government as well as providing strategic capacity building assistance to LGUs, the Department has partnered with the CIDA to implement the LGSP-LED. The Project complements the targets set in the MTPDP 2004-2010 focused on strategic measures and activities that will drive local economic growth and job creation which strengthens LGU institutional capacity to pursue the full implementation of devolved functions (LGC 1991).

DILG will develop a framework for the programme by tapping the knowledge and experience of other national agencies. This workshop - one of three activities towards the development of an LGSP-LED framework – shall enable DILG to gather information on related LED initiatives and strategies of national agencies, thereby laying the groundwork for future collaboration with other agencies, civil society groups and other stakeholders in LED implementation.

As a strong advocate for local governments, DILG enjoins other national government agencies (NGAs), organizations and institutions with initiatives towards promoting LED to harmonize efforts in building the capability of LGUs to govern, recognize the existing local mechanisms, systems, structures and learn to integrate their methodologies and techniques into local processes facilitating economic development in area.

2. Objectives

This Forum has three major objectives:

- a) Sharing of information on resources. The Forum will facilitate the sharing of ideas, initiatives, strategies and approaches to local economic development by the different national government agencies.
- b) Deepening of understanding on LED. A resource person will share her experiences and insights on implementing and promoting LED and a focused group discussion will guide the participants through a reflection process on their own challenges and lessons learned in implementing LED. At the end of the workshop, the participants will identify the key issues and bottlenecks on project implementation and generate recommendations to address these concerns.
- c) Laying the basis for networking efforts in the future. The initiative will be an opportunity to generate comments and feedback from participating government agencies as regards entry points and convergence of LED initiatives and enhance opportunities for interface and linkages among NGAs.

Moreover, the activity is intended to be an off-shoot to two more learning events: the Partners' Knowledge Café and the Writeshop on the development of a framework on LGSP-LED.

Results of the forum will serve as inputs to the development of a framework on LGSP-LED.

3. Methodology

The event employed a combination of plenary inputs and presentations, focused group discussions and open fora.

4. Participants

Participants of the event represented the following government agencies: DOST, LCP, NCRFW, TRC, DTI, DOLE, DA, BOI, DOT, LPP, NEDA and DILG Regions III, IV-A, IV-B, LGA, DILG Central Operating Units BLGS, OPDS, OPA, PS and BLGD. There were also representatives from CIDA and PCCO-CIDA.

5. Date and Venue

The forum was held on 14 March 2008 at the Quezon Ballroom B of the Sulo Hotel in Quezon City.

III. Highlights of the Activity

The forum started at 9:20 AM with a short invocation from Ms. Matilde Go, LGSP-LED Team Leader of the Department of Interior and Local Government (DILG). The invocation was followed by the singing of the Philippine National Anthem.

Mr. Raul Gonzalez introduced himself as the group's facilitator for the day. He then asked the participants to introduce themselves.

Afterwards, Ms. Go introduced DILG Assistant Secretary for Information Communication Technology and Regional Operations Eubert F. Gutierrez, the keynote speaker of the event.

ASEC Gutierrez explained that he is standing in place of Undersecretary for Local Government Austere Panadero. Noting the high-caliber of the participants, especially those from the other government agencies and the representative from the Canadian International Development Agency (CIDA), he expressed optimism that the outputs of the forum would meet expectations.

ASEC Gutierrez stressed the role of LGUs in advancing the country's economic growth. However, he cited the following obstacles facing LGUs that need to be addressed by the national government if LGUs are to be effective in stimulating local economic growth:

- Weak local capacity in terms of knowledge and skills on Local Economic Development (LED);
- Lack of disaggregated local information and public awareness about LED approaches and strategies;
- Lack of participatory culture in the locality;
- Weak capacity to undertake integrated and participatory agenda setting;
- Limited skills in introducing performance budgeting for effective implementation; and
- Limited capacity for creating a framework, success indicators and monitoring mechanisms for LED.

To address the above obstacles, DILG has partnered with CIDA to implement the Local Governance Support Programme for Local Economic Development (LGSP-LED). A Memorandum of Understanding (MOU) was signed for this purpose between CIDA and DILG on March 30, 2007. DILG plans to develop a framework for LGSP-LED by tapping the knowledge and experience of other national agencies. This learning event - one of three activities towards the development of an LGSP-LED framework – shall enable DILG to gather information on related LED initiatives and strategies of national agencies, thereby laying the groundwork for future inter-agency collaboration in LED implementation.

In closing, ASEC Gutierrez said that, in view of his engineering background, the acronym LED also connotes “light emitting diode”, a semi-conductor that produces light when electrical current is applied. LED is synonymous with brilliance, colors, and illumination. He believes that – with the application of the right strategies - LGUs will contribute effectively to the country's progress

and help provide a brighter future for the Filipino people. (*Please see Attachment 1 for the full text of the Welcome Remarks of ASEC Gutierrez.*)

As further background, Ms. Frances Tanner, First Secretary for Development of the Embassy of Canada and Ms. Matilde Go made a brief presentation of the LGSP LED Project.

Ms. Tanner clarified that, at the moment, project plans are still very general and flexible and that the workshop is expected to help CIDA and DILG in developing more specific plans. LGSP-LED is fundamentally a governance project that aims to improve local government capacity to support economic development.

Ms. Go discussed the project's goal, outcomes, components and cross-cutting issues and how the project contributes to the Millennium Development Goals (MDG) and the country's Medium Term Philippine Development Plan (MTPDP). Please see *Attachment 2* for the Project Outline and *Attachment 3* for the Project Brief.

Afterwards, representatives of the ten national government agencies represented in the event gave a five-minute presentation of the agency's LED initiatives. (Please see succeeding section for the presentation summaries.)

The agency presentations were followed by an input from Ms. Mags Maglana, a longtime development worker who is now working with the LGSPA (LGSP-ARMM). Mags shared her valuable experiences and insights on LGSP and its approach to economic development. Following are some of those insights:

- There is no one approach for LGUs to facilitate LED. In fact one of the lessons from LED initiatives has been that duplication of initiatives is rarely successful. Each locality is unique and LGUs are themselves entrepreneurial and innovative.
- There is no consensus on LGU's role in LED. Attitudes range from "sole involvement of government" to "no government involvement". LGUs are seen to be very political.
- Local government generally influences local economic development through ALL of its activities, whether it is generation of revenues or through expenditures. That is why it is necessary to undertake a strategic planning process prior to identifying the best alternatives to LGU-facilitated LED.
- LED is not fully possible without a linkage between local government and the community that is participatory, equitable, responsive, accountable and transparent."
- Many LGUs acknowledge the need for LED but LGUs prefer external direct investments (preferably foreign) and assume that if they build it (a plan, a facility), the investments will come.
- LGUs need technical assistance in determining comparative advantage and in formulating strategies. They need tools, information and entrepreneurial mindset. But there is no omnibus agency that can provide this; the most workable solution is to create an inter-agency mechanism that will provide assistance from a "value chain" point of view – production, processing and marketing.
- Though LED Plan is comprehensive, LGUs often end up pursuing a priority industry/sector.
- There has to be a mechanism to ensure that other aspects of LED Plan are implemented such as an advisory mechanism (multistakeholder) and executive unit for implementing.
- The LGU-Facilitated LED Framework needs:
 - A mindset that is inclusive and which emphasizes local comparative advantage

- A process that can harmonize local priorities with agency programs and that can align local economic development and enterprise development
- A product/service that regional agencies can provide to LGU and other local clients

(Please see Attachment 20 for Ms. Maglana's presentation.)

After her presentation, Ms Maglana responded to three questions from the participants. The first two questions asked how LGSPA is doing monitoring and evaluation (M and E). Mags explained that M&E are embedded in the whole implementation process. Local economic officials set the economic indicators (using industry standards) and establish local mechanisms to do their own monitoring. Mags clarified, however, that as a governance program, LGSPA's measures are not economic but rather, revolve around capacity-building program.

The third question focused on LGSPA's efforts to address the absence of an entrepreneurial mindset among most LGUs. Ms. Maglana replied that LGSPA has ensured that economic agencies (e.g., DTIR) and the private sector (e.g., business associations) are brought in at the planning stage. These resource groups provide questions and inputs that help LGUs to analyze information and make decisions from an entrepreneurial point of view. LGUs are also involved in developing the LED plan together with other key stakeholders.

Most of the afternoon session was devoted to the Focused Group Discussion. The participants were divided into three groups to discuss the following five guide questions:

- a. What are your three most important learnings in encouraging LGUs to adopt LED policies, programs and services?
- b. What are your three most important learnings in building partnerships between LGUs, private sector, civil society and the academe to promote and sustain LED?
- c. What are your three most important learnings in terms of gathering, storing and using information to promote and sustain LED initiatives?
- d. From your experience, please cite three notable examples of LGUs overcoming (human, physical and financial) resource constraints in promoting and implementing LED initiatives.
- e. LED efforts are influenced by national and global factors (e.g., markets, national policies, international events, etc.). In your experience, what are the three most significant national and global challenges that have affected LED implementation? How has your agency addressed these challenges?

Reporting of the FGD results was done through meta-cards. FGD responses to each of the five questions were grouped together (on one piece of Manila paper) with similar ideas being placed under the same column. *(Please see succeeding section for the results of the FGD.)*

The FGD presentations were followed by a brief synthesis by Mr Gonzalez on the key issues and recommendations arising from the discussions. *(Please refer to Section V.)*

The closing remarks were given by Director Manuel Gotis of the Bureau of Local Government Development of DILG. He expressed his gratitude and appreciation to all the participants for "giving their best shot," for showing passion and demonstrating critical thinking. He explained that this event is just the first of three activities in preparation for the LGSP-LED project. DILG has been selected as the lead agency for this eight-year project because of its governance nature. Through the project, DILG hopes to transform the way local governance works in the country, help generate money for LGUs and reduce the dependency ratio of local governments on the IRA.

Director Gotis encouraged all agencies to be engaged and to be part of the solution. With everyone's assistance and cooperation, LGUs – who are in the front line of providing basic services - can better serve their communities.

In closing, Director Gotis extended Secretary Puno's appreciation to the participants. He gave a plaque of appreciation to the Philippine Canadian Cooperation Office (PCCO) and congratulated the facilitator for drawing out the ideas of the participants.

The forum ended at 4:30 PM on the note that a second round has been scheduled with another set of LED partners, donor institutions, and stakeholders as participants in April, 2008.

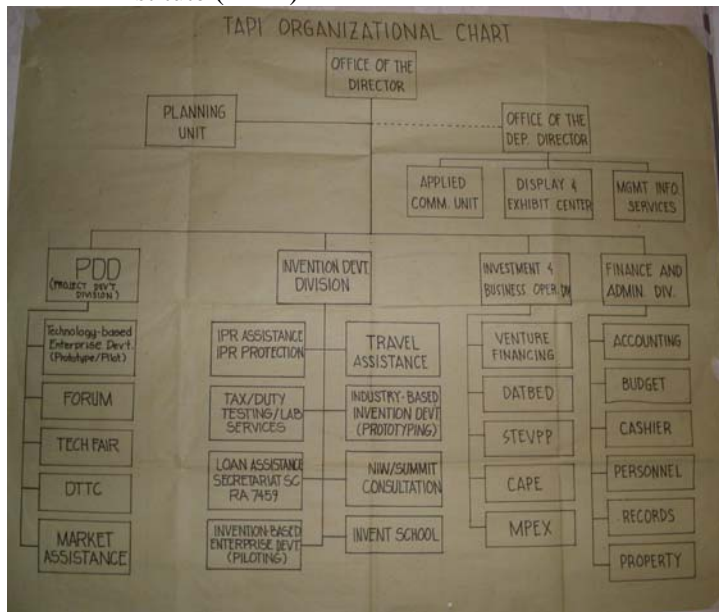
IV. Findings and Comments

1. Agency Presentations

Ten agencies made presentations on their LED-related activities, using previously-prepared posters as visual guides (*note: some agencies did not use posters in their presentation*). Please see *Attachments 5 to 19* for more detailed descriptions of the agencies and their programs.

Following are the highlights of the presentations.

1.1 Department of Science and Technology (DOST) – Technology Application and Promotion Institute (TAPI)



Mr. Edgar Garcia presented the organizational structure of TAPI, one of DOST's service agencies. TAPI aims to promote the commercialization of technologies and market the services of other operating units of the Department. TAPI and accredits and recognizes inventors' associations and helps inventors, technology generators and researchers through the various stages of invention-related activities. It also provides assistance to small and medium enterprises (SMEs).

In response to a question from a Board of Investments (BOI) representative, Mr. Garcia said that it will be good to

integrate TAPI's efforts with BOI with the latter providing investment advice to SMEs utilizing new, high-risk technologies (the TAPI mandate). BOI advice will also complement the interest-free financing provided by TAPI.

1.2 League of Cities of the Philippines (LCP)

Ms. Veronica Hetosis described the overall strategic framework of LCP's approach to LED. She highlighted the following guiding principles of a sustainable city:

- Livability - What can be done to ensure a healthy and dignified standard of living for the city's residents?
- Good Governance – How can a city's management be improved? How can accountability, integrity and transparency be made an integral part of a city's management?
- Bankability – How can cities be more financially sustainable? How can public-private sector partnerships be promoted and/or enhanced?
- Competitiveness – How can the cities be more competitive in the global economy?

LCP has applied the above principles to three projects:

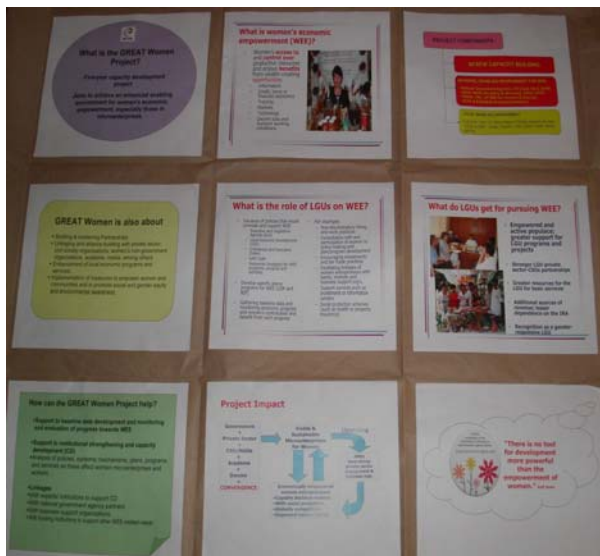
- City Development Strategy (CDS) – Activities include poverty profiling and analysis, urban planning and design, LED, project development, service improvement, resource mobilization and investment promotion, participatory project management, monitoring and evaluation. Sixty-one cities have participated in the program since 1999.
- Transparent Accountable Governance (TAG) – The goal of this program is to deter corruption and improve efficiency. Seven cities from Mindanao participated in the first phase. Sixteen cities from Mindanao participated in the second phase. And 16 cities (9 cities from Mindanao, 4 from Luzon and 2 from the Visayas) participated in the third phase.
- Municipal Partnerships Program (MPP) – This 13-year old program involves Filipino and Canadian local government officials and staff learning from each other. Activities include



LED, solid waste management, creation of tourism strategy, establishment of career resource center for women and youth, etc.

1.3 National Commission on the Role of Filipino Women (NCRFW) - GREAT Women Project

Ms. Luvy Villanueva presented the project's objective, which is "to achieve an enabling environment for women's economic empowerment, especially those in micro-enterprises." She explained that the project seeks to build partnerships to help sustain the micro enterprises of women. It seeks to place women's concerns in the development



plans of LGUs, thereby hoping to ensure that gender and development are considered in LGU programs and projects. LGUs will benefit from the project as women are empowered and become active members of the community.

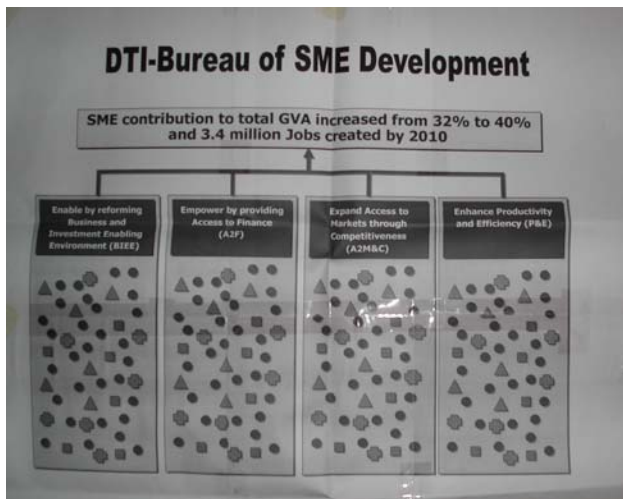
1.4 Technology Resource Center (TRC)

Ms. Rosalinda Lacsamana discussed the role of TRC as the leading resource institution for technology-based products and services. The Center offers training programs and creates livelihood opportunities for Filipinos. While TRC is a government-owned and -controlled corporation, it receives no funding from the national government. This explains why the Center must sell its products. It maintains one central office in San Juan and has no regional offices. It sets up technology and livelihood centers at LGU offices for a fee upon the request of the LGU (its fees for LGUs are socialized). TRC has established 46 technology and livelihood development centers that have proven to be valuable in assisting local governments stimulate local business activities.



1.5 Department of Trade and Industry (DTI) – Bureau of Small and Medium Enterprise Development (BSMED)

Director Jerry Clavesillas explained that the Bureau serves as the secretariat for the Small and Medium Enterprise Development (SMED) Council. Its overall target is to have the SME contribution to total Philippine Gross Value Added (GVA) increase from 32% to 40% and for SMEs to create 3.4 million jobs by 2010. To achieve this, the Bureau must deliver four key outputs:



- Enable SMEs by reforming Business and Investment Enabling Environment;
- Empower SMEs by providing access to finance;
- Expand access to markets through competitiveness; and
- Enhance productivity and efficiency.

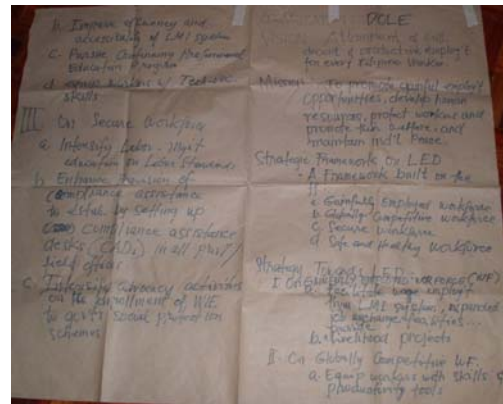
These outputs will be achieved through the various interventions implemented by collaborating government agencies.

Contributions to these outputs are reported by the SMED Council. There is a pending proposal to invite DILG to become a member of the SMED Council at the national level.

1.6 Department of Labor and Employment (DOLE)

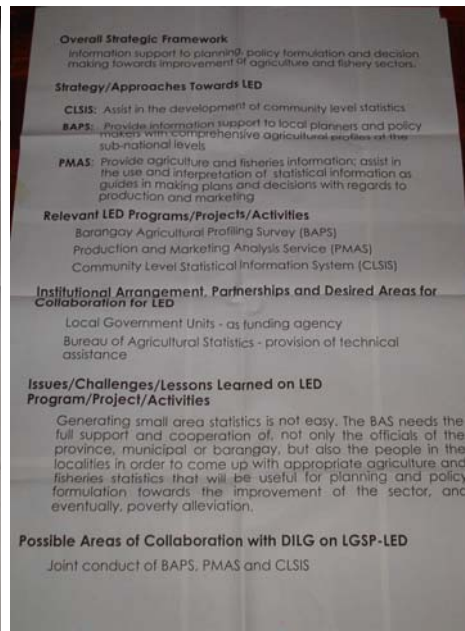
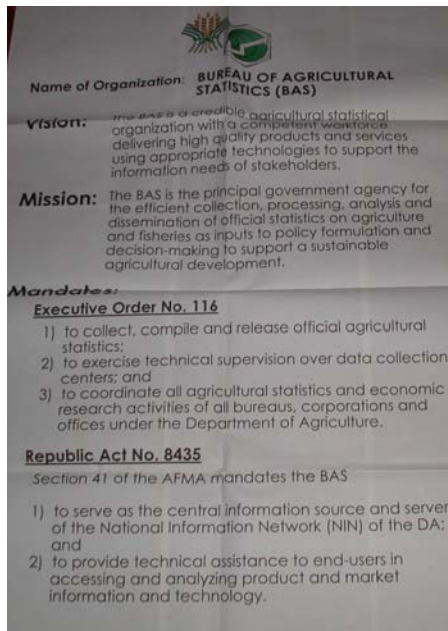
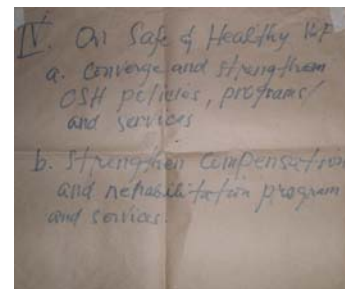
Mr. Andres Espinosa presented the DOLE vision and mission and its strategic framework on LED which is built on a workforce whose key characteristics are: (a) gainfully employed; (b) locally competitive; (c) secure; and (d) safe and healthy.

To achieve the above objectives, the Department implements an integrated strategy that involves providing livelihood projects, equipping workers with skills and productivity tools, intensifying labor-management education on labor standards, strengthening compensation and rehabilitation programs and services, etc.



1.7 Department of Agriculture (DA) - Bureau of Agricultural Statistics (BAS)

Ms. Tasia Valdellon presented the Bureau's vision, mission, mandate and overall strategic framework, explaining that BAS provides information support to DA and other stakeholders at the national and local level to help them to develop plans, formulate policies and make important decisions to promote the growth of agriculture and fishery sectors. She said that LGUs and BAS



collaboration on LED would involve LGUs providing funds and the BAS providing technical assistance to generate statistical data. She stressed that, to fulfill its mandate of gathering information, the Bureau needs the full support and cooperation, not only of the local

officials, but of the people in the localities.

1.8 Board of Investments (BOI)

Dir. Ma. Teresita S. Santiago showed statistics demonstrating that the Philippines ranks lower than other Asian countries in terms of doing business and corruption perception. Since the country's already-low ranking deteriorated even further in 2008, the need to promote the

Philippines and make it more competitive has become even more urgent. This serves as the rationale for BOI's support for the online Philippine Business Registry project. The Philippine Business Registry is spearheaded by DTI but it is an interagency effort. Once fully operational, the Registry will enable an investor to simply apply on-line, instead of having to go to each office, an. This reduces the processing time significantly, making it more convenient for the investor and reducing (if not eliminating) corruption. She cited the mandate of LGUs in business licensing, which makes the latter a key player in ensuring the effectiveness and success of the Registry.

1.9 Department of Tourism (DOT)

Ms. Grace Marsan presented the mandate of DOT, which is to promote the Philippines and its tourist attractions as well as to invite investors. The Department has been successful in increasing tourist arrivals: in 2007, the country had three million tourists. Despite the increase, however, this figure is still far behind that of other Asian countries. DOT also networks with other agencies to develop projects. At the local level, DOT helps LGUs to prepare awareness programs that will enable them to develop standards for licensing tourism enterprises. The Department helps LGUs to establish tourism councils and offices and trains local officials, employees and tourism officers to formulate tourism plans and plan and establish development projects for the area. Finally, DOT helps LGUs to create their own products, establish create job opportunities, make products ready for customers, conduct marketing and promotion, etc.

1.10 League of Provinces of the Philippines (LPP)

Mr. Robert Limbago discussed the vision of the League of Provinces, which is to empower provincial governments to achieve sustainable countryside development. The League conducts capacity building for local executives and functionaries, such as agriculturists. It conducts advocacy programs to attain meaningful local autonomy on decentralization. Vigilance is required to attain and safeguard local autonomy. To pursue this end, LPP Secretariat keeps updated on initiatives that have cross-cutting impacts on all provinces. To give impetus to LED, the LPP will build partnerships to foster good cooperation with other countries, with national government agencies and private organizations. While it is not into business, the League sees its mandate as providing an enabling environment for businesses in its respective jurisdictions.

2. Results of FGD

Following are the consolidated responses of the three workshop groups to the five FGD questions.

2.1 Most important learnings in encouraging LGUs to adopt LED:

- The benefits to the LGUs must be clear, e.g., revenue generation, political leverage (e.g., will this be translated into votes?), and how the needs of the locality will be addressed.
- Use social marketing, holistic approach.
- There has to be a clear buy-in by LGUs. They should be involved during the preparatory stage as well as in project development and policy formulation.
- National and local priorities must be harmonized.

- 2.2 Most important learnings in building partnerships:
- Creating a functioning LGU mechanism (such as local empowerment teams) is a doable agenda.
 - Find common or complementary objectives and plans.
 - The local chief executive (LCE) should be the orchestrator. Find local champions. There has to be an anchor because the Philippine society is “personalistic”.
 - Establish alliances among LGUs.
 - Token representation of private/ business sector in special bodies. Sometimes, business representatives do not actually represent the business groups.
 - Acknowledge interests of different groups. At the same time, be aware that each has something unique (=specialization) to offer.
 - Each group must have clear or tangible resource contribution.
- 2.3 Most important learnings regarding information:
- There is a lack of Knowledge Management (KM) capacity. Information must be maximized through the use of internet and websites. Also, some local chief executives lack appreciation for data or information. They don’t use the data for planning and decision making.
 - The credibility of data gatherers is important in ensuring the accuracy of information collected.
 - Use of available data must be optimized.
 - It is important to first identify the information needed before gathering data. Sometimes, there is a mismatch between data gathered and usage.
 - There is a need to harmonize related tools for data or information gathering. For example, come up with one questionnaire.
- 2.4 Notable examples of LGUs overcoming resource constraints¹:
- Exploring non-traditional financing options, e.g., tax mapping.
 - Streamlining of business transactions leading to increased revenue.
 - Collaboration between LGUs, national government agencies (NGAs) and the private sector.
 - Calbayog: the development strategy of the LGU was replicated by nearby municipalities, thereby resulting in a greater spread of economic development.
 - Palma alliance: five municipalities pooled their resources to build farm-to-market roads within their common jurisdiction.
 - Sorsogon: living conditions of local residents were uplifted through cooperation of poor districts in LED activities.
- 2.5 Global and national challenges to LED and agency responses:
- *Unfriendly or conflicting policies.* Some LGUs do not honor the incentives granted to some agencies (e.g., tax exemption for regional headquarters). To resolve this, enterprise villages can be used whereby communities discuss issues and agree on appropriate solutions.
 - *Red tape.* The Philippine Business Registry project attempts to address this but it is sometimes difficult to get commitments from LGUs to join the project. The different leagues (league of cities, league of provinces) could help secure LGU commitments.
 - *Unsustainable national policies.* Lack of M&E systems.

¹ One group did not respond to this question because of the lack of experience of its members in this matter.

- *Globalization results in the flooding of cheap imported goods into the local market; this kills local businesses.* There should be safety nets for agricultural products, such as tariffs.
- *Displacement of Overseas Filipino Workers (OFWs).* Through the national reintegration program, DOLE offers livelihood, training, employment opportunities and “retooling” to get OFWs employed in other local jobs.
- *Corruption deters LED.* To address this, the private sector should advocate the following: (a) practice transparency in government dealings; (b) establish an e-procurement system; (c) streamline procedures (otherwise these are subjected to different interpretations); and (d) demand accountability.
- *Highly-politicized project implementation.* When leadership changes, some good projects are put on the backburner. To address this, there should be continuing orientation of the successor LCEs on these good projects.

DILG assigned a staff member to each of the three FGD groups to act as its documenter. Please refer to *Attachment 21* for the detailed documentation of the discussions in each FGD group.

V. Key Issues and Recommendations

FGD reporting was followed by a plenary session that sought to pinpoint the major issues or bottlenecks in LED implementation and identify measures to address these bottlenecks. Following are the highlights of the plenary session.

Key Issues	Recommendations
Conflicting policies, lack of common framework and lack of collaboration among LED agencies. As a result, services to LGUs tend to be fragmented and incomplete (e.g., funding and skills training are provided but not marketing assistance).	<ul style="list-style-type: none"> • Organize multi-sectoral local empowerment teams. • NGAs and LGUs should set common agenda and develop unified plans (e.g., CALABARZON experience)
Lack of coordination between LCE and Sanguniang Bayan. Lack of political will of LCE.	<ul style="list-style-type: none"> • To ensure support, NGA programs should be covered by Memorandum of Agreement (MOA) with both executive and legislative officials of the LGU as signatories.
No appreciation of information needed for strategic planning. Lack of knowledge management capacity.	<ul style="list-style-type: none"> • Strengthen capacity to gather information needed. • Provide incentives to performing LGUs.
Lack of entrepreneurial mindset of LGUs.	<ul style="list-style-type: none"> • Develop non-LCE champions within the locality that will push for LED. • NGAs must be persistent in campaigning among LGUs (e.g., DOT conducts tourism awareness campaign every four years). • The solution should not be limited to capacity <u>building</u> but focused on capacity <u>development</u>.
Internal Revenue Allocation (IRA) not equitable in relation to LGU responsibilities.	<ul style="list-style-type: none"> • Allocation has to be reviewed and reformulated. DILG is already studying this matter.

Key Issues	Recommendations
Citizen mentality that government projects are free (dole-out).	<ul style="list-style-type: none"> Government agencies should develop user-fee arrangements that would collect payments for services and products.
Corruption/commissions	<ul style="list-style-type: none"> Practice transparency in government dealings. Establish e- procurement system. Streamline procedures so they don't get subjected to various interpretations. Demand for accountability.

VI. Evaluation Results²

At the end of the forum, the participants were requested to fill out an evaluation sheet. The summary of participants' evaluation is as follows:

- The average rating across all elements of the program was 4.2 out of a possible 5.
- The highest rated questions are those pertaining to the effectiveness of the forum in meeting its objectives (#s 4, 5) and logistics/secretariat support (#s 9 and 10). More than 85% gave these questions a rating of 4 or 5.
- Generally, participants found the forum as an effective knowledge sharing/collaboration activity, and are likely to participate in similar sessions in the future.
- The lowest rated question is #7 pertaining to the level of engagement of participants.
- Of all the questions, only questions # 1, 5 and 7 received an unfavorable rating (1 or 2) but only from 2 respondents. No recommendations were given related to these questions.
- Considerations for the next session include better facilitation, more sharing of experiences/best practices/successes.

The table below shows the summary of questions and responses:

Question	Mode	Mean	Rating of 4 and 5	%	Rating of 1 and 2	%
1. Did you find the activity enlightening – are you taking away new learnings, knowledge, ideas?	5	4.0	15	71%	1	5%
2. Will those learnings, knowledge, and ideas be useful to your work and your institution?	4	4.0	16	76%	0	0%
3. Did the activity enhance/enrich your appreciation of “local economic development”?	5	4.1	16	76%	0	0%

² The summaries of evaluation results were prepared by Mr. Joric Maglangue, KM Adviser of Philippine Canadian Cooperating Office.

Question	Mode	Mean	Rating of 4 and 5	%	Rating of 1 and 2	%
4. Do you think continuing similar knowledge sharing and collaborative activities will produce benefits for DILG, your institution, and other LED partners and stakeholders?	5	4.4	19	90%	0	0%
5. Based on this experience, would you participate in future knowledge sharing and collaboration activities on LED?	5	4.4	19	90%	1	5%
6. Did you find the session design/methodology effective in promoting knowledge sharing, learning, and a rich discussion of the topic?	4	4.0	16	76%	0	0%
7. Did you feel engaged and involved in the activity at all times?	4	3.7	14	67%	1	5%
8. Did you find the FGD Guide Questions effective in contributing to a constructive and rich discussion of LED issues, practices, and experiences?	4	4.1	17	81%	0	0%
9. Did you find the venue and arrangements suitable and comfortable?	4	4.3	18	86%	0	0%
10. Did you find the secretariat/logistical support responsive to your needs?	5	4.5	18	86%	0	0%

VII. Attachments

- 1 Welcome Remarks of ASEC Gutierrez
- 2 LGSP-LED Project Outline
- 3 LGSP-LED Project Brief
- 4 Program of Activities.
- 5 DOST Agency Brief
- 6 DTI Agency Brief and BSMED LED Projects
- 7 DBM Agency Brief
- 8 DA Agency Brief
- 9 TRC Agency Brief
- 10 DOLE Agency Brief
- 11 DOT Agency Brief
- 12 DOF Agency Brief
- 13 LBP Agency Brief
- 14 DAR Agency Brief
- 15 LCP Briefing Paper on LED
- 16 LPP Organizational Brief and General Action Plan

17	DILG Agency Brief
18	BOI Presentation
19	NCRFW Presentation
20	Experiences and Insights on LGU Facilitated Economic Development
21	Documentation of Individual Focused Group Discussions
22	LGUs Implementing LED
23	List of Participants
24	Pictures