



**PRESS RELEASE**

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## **DILG-CIDA'S LGSP-LED SUPPORTS LGUS' ECONOMIC DEVELOPMENT**

Decentralization and devolution, as brought about by the passage of the Local Government Code of 1991, may have been a welcome move for local governments that for so long a time have wanted to take a hand in managing their respective resources.

But more than a decade after the law came into being, local government units (LGUs) in the Philippines continues to struggle on how to make governance effective and how to improve the delivery of essential services, hampering their ability to stimulate local economic development (LED) to help address poverty.

Most LGUs have not been generating revenues and returns on investments, exacerbating their fiscal problems. Moreover, there had been an absence of an enabling environment that could encourage the growth of business and investments, where LGUs consider the private sector more as a revenue source rather than a potential partner in local economic development. Public-private partnerships to craft innovative solutions to LED are not widely practiced at the local level.

To remedy this gap, the Department of the Interior and Local Government (DILG) is launching on June 22 the Canadian-funded Local Governance Support Program for Local Economic Development (LGSP-LED), an eight-year and two-pronged program that will improve local conditions for sustainable LED and strengthen national enabling environment for good local governance, with a focus on how this supports LED.

Two major impediments to LED have been identified at the local level. The first relates to the institutional capacity of LGUs. The second impediment is the quality of local leadership. The absence of leadership that can be trusted hampers the ability of LGUs to provide basic services and promote local economic development.

Initially, LGSP-LED will work with four selected LGU alliances by helping them strengthen their LED programming and partnership arrangements. These are the LGUs that have begun the LED process and would need assistance for further LED support and implementation.

The four LGU alliances, selected from 50 applicants, are the Guimaras Agri-Tourism Development Alliance, the Dapitan-Dipolog-Polanco-Katipunan-Roxas-Manukan (DDPKaRoMa) Growth Corridor in



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Zamboanga del Norte, the One Pangasinan Alliance of LGUs (OPAL), and the Bohol Integrated Area Development (BIAD) Cluster V.

These LGU alliances will receive assistance covering the first 15 months of the program, where the lessons learned and experience gained during this period will serve to guide the succeeding phases of LGSP-LED implementation.

It will also serve as basis for the DILG and the program funder, the Canadian International Development Agency (CIDA), to decide whether the LGUs should continue into the longer term phase and/or attract more LGUs into the project.

LGSP-LED will be implemented by the Canadian Executing Agency, a consortium composed of the Canadian Urban Institute (CUI), a non-government organization that has been working in the Philippines for the past 15 years, and the Association of Canadian Community College (ACCC).

LGSP-LED's intervention in Guimaras will help strengthen the knowledge and skills of the key staff of the Guimaras Provincial Economic Development Office (PEDO) and key provincial departments and their partners manage community-based rural tourism (CBRT) projects.

It will also strengthen the capacity of the DILG regional office and other key national government agencies and private sector partners in providing effective policies, knowledge and support services to the alliance in managing CBRT projects.

In Pangasinan, the intervention seeks to strengthen private-public partnership for sustainable agriculture, the adoption of a multi-stakeholder and integrated area management approach in sustainable agriculture, and replicate the experiences of Alaminos City on sustainable agriculture among the other members of the alliance.

OPAL is an economic alliance of seven LGUs in western Pangasinan composed of Alaminos City and the municipalities of Agno, Anda, Bani, Burgos, Mabini and Sual. It is chaired by Mayor Hernani Braganza of Alaminos City, the lead convenor of the alliance.

The intervention in Zamboanga del Norte will focus on transforming the DDPKaRoMa Growth Corridor into a globally competitive agro-industrial, and eco-tourism and a cultural heritage destination by promoting environment-friendly and sustainable economic and investment opportunities.



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Specifically, it seeks to establish a one-stop investment promotion center and review and revise existing investors' incentives as stipulated in the Provincial Investment Incentive Code, provide capacity development on corporate government for local chief executives and other key LGU personnel, and strengthen the Provincial Agri-Industrial Center Board.

In Bohol, the intervention seeks to revisit the BIAD's agriculture value chain master plans and the Bohol development programs to adopt a corporate management of the LED activities of the Bohol IAD Cluster 5 which is composed of the municipalities of Batuan, Bilar, Carmen, Dagohoy, Danao, Pilar, Sagbayan and Sierra Bullones.

It will focus on Business Development Services to raise business development capability of local people within the BIAD Cluster, and direct assistance in investment programming and in the development of actual project packages and feasibility studies ready for funding.

Across these projects, LGSP-LED interventions are summed up in four approaches – partnership building, capacity development, LED strategic planning and knowledge management – all of which have been identified as formulas to help LGUs help themselves.

FOR MORE INFORMATION  
ABOUT LGSP-LED, PLEASE VISIT

<http://www.lgsp-led.ph>



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