



Empowering LGUs through decentralized Dev Planning

Guidelines to improve planning and expenditure management for provinces were recently released by the National Economic and Development Authority (NEDA) to help empower local governments.

Thanks to the passage of the Local Government Code (LGC) in 1991, local executives now play a more assertive role in their respective units. In fact, UP-National College of Public Administration and Governance dean Alex Brillantes described the Code as “the most radical and far-reaching policy that addressed the decades-old problem of an overcentralized politico-administrative system.”

The LGC gave more leeway for local executives in conceptualizing and implementing development programs. Unlike before when significant decisions emanated mostly from “imperial Manila,” local governments are now given more flexibility in decision-making.

At the same time, the burden on the shoulders of local governments also got heavier as their responsibilities multiplied. Among these is the mandate for all local government units (LGUs) to prepare, finance, and implement a local development plan.

The roles of institutions under LGUs are clearly specified in the Code: the Local Development Council shall prepare the plan, which will then be approved by the Sanggunian; the Local Finance Committee shall allocate funds for the plan; and the local chief executive along with executive departments will implement the plan.

To help LGUs fulfill this mandate, NEDA and Asian Development Bank (ADB) collaborated on a technical assistance project on strengthening provincial and local planning and expenditure management. It aims to enlarge provincial capacities to improve service delivery and pro-poor economic development by developing a set of guidelines for improved planning, budgeting, investment programming and financing outputs. The project also hopes to train LGUs on the use of the abovementioned guidelines, as well as improve linkages among national and local government agencies in planning and expenditure management.

The guidelines were launched on June 28, 2007 at EDSA Shangri-La Hotel in Ortigas, with former NEDA director-general Romulo Neri, ADB country director Thomas Crouch, as well as national and local officials in attendance.

Key features

The guidelines are comprehensive and integrated. Its main objective – strengthen horizontal linkages among planning, investment programming and revenue generation, project evaluation and development, and budgeting, is embodied in the separate volumes of the provincial guidelines.

A preparatory study showed that such linkages are virtually nonexistent, which could result in misallocation of resources. The guidelines advocate proper planning and fiscal discipline to ensure that important projects are prioritized.

The guidelines also promote vertical linkages among

the network of plans and investment programs at various levels. Provincial plans and programs serve as inputs for both regional and national-level plans and programs; hence, promoting strong vertical linkages are imperative.

These likewise introduce the Provincial Development and Physical Framework Plan, which is essentially a merger of the Provincial Development Plan and Provincial Physical Framework Plan. Merging the two documents addresses their spatial-sectoral and medium-term and long-term disconnect and eliminates overlaps in the separate outputs.

A separate volume on the integrated framework is also included. This contains the main aspects of all the four volumes and the relationships among them.

Ensuring quality

The project went through rigorous measures to ensure that the guidelines are technically and procedurally correct. Among them is a joint memorandum circular between NEDA, the Departments of Budget and Management (DBM), Interior and Local Government (DILG) and Finance (DOF) that harmonizes their efforts in the technical assistance to LGUs in local development planning.

It likewise clarifies their responsibilities, identifies areas of complementation and reconciles policies in local planning, investment programming and revenue generation, budgeting, and revenue administration.

A steering committee chaired by the NEDA Director-General was also formed, with ADB, DILG, DBM, DOF, representatives from the Leagues of Provinces, Leagues of Cities and selected governors as members.

In addition, NEDA and ADB commissioned a preparatory study that looked into the issues facing LGUs on local planning to help conceptualize the project.

Uses of the guidelines

The guidelines can serve as ready reference for Provincial Planning and Development Coordinators and their staff in undertaking relevant tasks such as formulating development plans, preparing maps and cartographic materials, prioritizing projects, determining the revenue and expenditure implications of such projects and preparing investment programs, among others.

The guidelines can also help personnel involved in budgeting and expenditure management in forecasting revenues and expenditures, identifying and mobilizing appropriate revenue sources, setting expenditure ceilings, undertaking cash flow analysis and budget preparation, and developing a cash disbursement control system.

Trainers can benefit from the guidelines by being a reference for preparing and conducting training programs. The guidelines use illustrative case studies that can help shed light on their practical applications.

The authors, however, caution that the guidelines should not be substituted for clear and logical analysis. While the guidelines are meant to improve procedures, formats and outputs, they are not intended to reduce planning and expenditure management to mechanical processes. They are merely an aid designed to guide and facilitate.

Provinces as focus

Aside from being given much broader powers under the LGC, provinces also exert vertical influence in ensuring that local development objectives are linked with regional and national priorities.

Provinces are likewise capable of generating multiplier effects in the form of stronger capacities of constituent municipalities and narrower gaps in their delivery of basic services. These, among others, are some of the primary reasons why the project focuses on provincial units.

Development planning involves facilitating inter-municipal networks and cooperation, and provinces are in the best position to ensure that such joint action is undertaken.

Still more work to be done

While the guidelines have been released for about four months now, many provinces have yet to prepare their plans and investment programs. A second phase of the technical assistance is expected to address this issue, and NEDA, ADB, and its partners need the full support of more local as well as national officials to make sure that it becomes a success.

Sources:

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