

Striving for Good Local Governance

A REPLICATION GUIDE

"What is government itself but the greatest of all reflections upon human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external or internal controls on government would be necessary." *James Madison (1751-1836)*

This section deals with the "inner renewal" of the LGU organization that give way to the external transformation in people, the economy and the physical environment. The Good Local Governance Section focuses mainly on the internal systems, processes, and the President of the United States and procedures that underpin an LGU's day today operations. These are the hidden, unnoticed, and routine side of local governance on whose effectiveness and efficiency the frontline service units and people depend for the performance of their tasks.

WHAT IS ACCOUNTABILITY?

In the old paradigm of governance, accountability was defined in internal, intra-bureaucratic terms. Accountability was vertical and horizontal accountability.

Vertical accountability or upward accountability, as it is sometimes called, stemmed from a hierarchical view of organization. Governance is pictured to flow downwards like a river flowing. The top management or "upstream"

makes policy. Middle management or the "midstream" drafts the implementing rules and regulations. "Downstream" are the field personnel or the local actors that implement the policies according to the rules. In a hierarchical organization, the middle and the bottom are expected to follow orders from the top.

Horizontal accountability went hand in hand with this vertical view. Due to the potential of the top, middle, and bottom to abuse their authority, it was necessary to divide the different branches of government and to make them compete with each other, each controlling and limiting what the other is doing. This system of checks and balances created an array of agencies, each with their own top, middle, and bottom, with the sole purpose of watching the others and of ensuring compliance with the rules and procedures.

Horizontal accountability is check and balances.

Horizontal accountability eventually led to inefficiency and expense. The need to prevent abuses of authority, to curb corruption, and to ensure fairness caused delays in the passage of legislation and in the procurement of goods and services. In the past, delay was tolerated as it allowed oversight agencies to monitor and

detect abuses. However, in a fast changing world, horizontal accountability is leaving government behind.

The new idea of accountability sees governance flowing outward rather than upward or sideways. Government is ultimately accountable to the citizens who elect its leaders and finance its operations with their taxes. More than lapses in procedures or compliance, the greater abuse in this new paradigm is government's unresponsiveness to the needs and aspirations of its citizens.

BETTER ACCOUNTABILITY THROUGH REORGANIZATION AND STREAMLINING

Reorganization and stream lining are the first two strategies to renew the LGU.

Reorganization is an overhaul of the LGU. It involves the abolition and merger of offices, the transfer and retrenchment of personnel, and the establishment of a new organizational structure. It is a high-intensity and high risk strategy and must be done carefully.

Streamlining is a less intense and less risky strategy. Its effect is less far reaching than a reorganization. It involves the simplification of processes and procedures resulting in savings in time and money. Personnel may or may not be laid off as a result.

In recent years, reorganization and streamlining have been accomplished through computerization. From the experience of LGUs that have taken this route, there are several steps to consider.

STEPS IN MANAGING REORGANIZATION AND STREAMLINING

Do a thorough situational analysis. The first step is always the most critical. A mistake can endanger the success of the whole undertaking. Hence, it is important to do a thorough situation analysis of the *LGU's systems, processes, and procedures first before* embarking on a reorganization and/or computerization. The situational analysis can identify:

- § Existing sources of the knowledge, skills, and attitudes that the new organizational structure and systems would require, e.g. skilled computer people.
- § Allies within the bureaucracy sources of and reasons for resistance.

Identify critical systems and processes that can be simplified or streamlined easily.

The situation analysis would show what systems and processes in the LGU would most benefit from simplification or computerization, what is urgently in need of simplification, and what would be the easiest to change. Systems that conform to these criteria would not necessarily belong to the same set. In these cases, the

LGU has to decide whetherto move on the basis of benefit, of urgency, and of ease. Each LGU would have to decide which criterion would assume greater importance taking into consideration the time, the complexity or difficulty of the task, and the financial resources and human resources available to it.

Accept and Anticipate Resistance. Not all employees would take easily to streamlined processes and computerized systems. Resistance is to be expected and should be anticipated. The most common cause of resistance is fear of losing the job and of being unable to keep up with the changes. If these fears are understood and accepted, the local government unit can devise the appropriate strategies to soften the resistance. When then Governor Roberto Pagdanganan of Bulacan started to computerize the operations of the Bulacan Provincial Government in 1996, the department heads initially resisted the effort for losing their jobs. These department heads withheld information from the IT (Information Technology) specialist who was studying and designing systems for the provincial government.

LGUs should consider benefit urgency and ease.

Bulacan's Provincial Information System Plan initially targeted the Real Property Tax Information System. However, computerizing this system would take sometime and entailed work on other systems. The Provincial Government settled on the computerization of the Personnel Management System first. This resulted in the payroll being processed on time and freed the employees from the burden of giving small rewards to those that processed their pay. Having directly and immediately felt the benefits, they were less inclined to resist computerization.

Constant Communication is Important.

Communication is important to good local governance. When Bulacan was streamlining the provincial bureaucracy, Governor Josefina dela Cruz held regular dialogues with the employees. Communication need not all be verbal. It can be expressed in the physical set-up of the city hall or provincial capitol.

To drive home the message that his administration would be transparent, Mayor Jesse Robredo had the walls surrounding his office in the Naga City Hall changed from concrete to glass.

Set the example. There is no medium more powerful in communicating change than the example of the leader. Employees are bound to take verbal pronouncements for granted unless the leader herself embodies and mirrors the desired changes. To ease the transition from manual to computerized systems, Governor de la Cruz set the example. All of the Governor's presentations for local and international conferences were done in Powerpoint, and the department heads were encouraged to do the same.

Pilot test. Introducing change is often impossible to do in a single sweep. Computerization, for example, can begin with a few *barangays* or a few

municipalities rather than with the whole city or the whole province. It can begin with a few offices. These barangays and municipalities can serve as pilot sites, demonstration areas, and experimental laboratories where failures can be allowed to happen, lessons are learned, the weaknesses in the systems are identified and remedied, and successes demonstrated.

Involve Key Stakeholders. Streamlining and reorganization are usually delicate strategies because of the lay-offs resulting from the abolition of overlapping and redundant positions. It is therefore important to have a good knowledge of the legal aspects of government employment and reorganization. It is critical to involve the Civil Service Commission (CSC) and the local government employees' association or union at the earliest possible phase of the reorganization to avoid legal entanglements and reduce resistance. Key stakeholders are those most affected by the reorganization and those who can affect the reorganization.

Box 1.2

Laws on Reorganization

Republic 7160 or the Local Government Code, specifically:

Section 3(b): instituting an accountable, efficient, and dynamic organizational structure and operating mechanism.

Section 18: power of LGUs to establish a responsive, efficient, and effective organization. Section 76: power of the LGU to design, implement its own organizational structure and staffing pattern subject to the minimum standards and guidelines prescribed by the Civil Service Commission.

Commission.

Sections 325-329: providing for budgetary ceilings in the total appropriations for personnel services of a local government unit.

Section 447, q58, 1168: giving the Sanggunian the power to determine the positions and the salaries, wages and allowances of officials and employees. The said provisions also specify that any reorganization and the resulting structure and staffing pattern of the LGU must be covered by an enabling ordinance from Sanggunian Personnel.

Republic Act 6656 or An Act to Protect the Security of Tenure of Civil Service Officers and Employees in the Implementation of Government Reorganization

Implementing Rules on Government Reorganization issued by the Civil Service

Commission (CSC) pursuant to Section 1.2 or RA 6656.

Executive Order (E.O.) No. 503 dated January 22, 1992 affirming the security of tenure of all devolved permanent personnel while at the same time affirming that any reorganization that will be implemented by the LGUs after the devolution of functions shall be governed by provisions of RA 6656.

Introduce Safety Nets for the Losers. Change would not evoke such resistance if in the end, everybody won. In any streamlining and reorganization, it is inevitable that a number would be laid off. In these instances, the LGU can soften the impact by making the change less threatening and disconcerting for the expected casualties.

Prepare the People for the New Tasks Ahead. Change is confusing, and if the LGU's top and middle management do not guide the employees in the beginning, fear and anxiety can lead to apathy, or worse, resistance. There are many ways of preparing the people for the planned change. A common strategy is training. Training is especially appropriate if the change requires a new set of knowledge and skills necessary in the performance of a job. Other strategies are dialogues, field visits, and demonstrations. The LGU also needs to prepare the public for the changes it has introduced. This can be achieved through the usual information and education campaigns, establishment of performance contracts between citizens and the LGU (known as Citizen Charters in England), and the introduction of a feedback system.

Box 1.3

**Cabanatuan City's
Life After City Hall Program**

In 1998, the Cabanatuan City Government embarked on a thorough reorganization that saw the reduction of plantilla positions from 1624 to 782 and the number of employees from 1470 to 735.

To soften the impact, the city government established the "Life After City Hall Program" involved the setting up of a human resources pooling service to be managed by the Human Resources and Management Office (HRMO). This pooling service assisted those displaced to find new employment in the private sector, or failing that, facilitated access to loans so that they could start their own business. The city government provided tricycle operating licenses to those who went into business.

Box 1.4

Making the System Less Threatening to Taxpayers

With the computerization of Real Property Tax Administration (RPTA), Bulacan succeeded in eliminating the long and slow process of preparing documents for the assessment of properties. While before it took 30 minutes to process a Real Property Tax Unit (RPTU), it only took two minutes after computerization.

Another benefit was the improved accuracy of the assessment. With the help of the Geographic Information System (GIS), the Provincial Government was able to map out the various properties in the province and reclassify them according to use. At one glance, discrepancies in the assessment and the tax declaration of a piece of property could be spotted immediately.

This of course was a mixed blessing to taxpayers. On the one hand, they did not have to endure long lines to pay their taxes. On the other hand, accurate information revealed how many evaded paying the right amount of taxes and how much they still owed the government. To make the new system less intimidating to taxpayers, the Bulacan provincial government declared a tax amnesty. The provincial government made known its plans to computerize and encouraged delinquent taxpayers to pay up and avoid serious penalties later.

Take Advantage of.

Opportunities Opened by the Changes. Computerization opens up other opportunities like providing consulting services to other LGUs planning the same.

Expect and Anticipate Second Generation Challenges. Successful change removes and minimizes old problems only to create new challenges. One of the challenges involved in computerization is the need to upgrade the systems, hardware, software, and the operator's skills to keep pace with rapid change. This can require periodic and expensive investments that many LGUs may not be able to afford. Computerization raises the problem of protecting the integrity and privacy of citizens whose personal information are stored in the computer. Finally,

Box 1.5

Sharing Expertise Gained in Computerization: The Muntinlupa Experience

In 1998, the City of Muntinlupa in Metro Manila computerized its Real Property Tax System. The RPTA or Real Property Tax Administration (RPTA), was developed in-house, with the assistance of a few

personnel from the Metro Manila Development Authority (MMDA).

Part of the City Government's plan was to share their system to other LGUs.

The process of technology transfer begins with the submission of a proposal by the interested LGU for funding to the Department of Finance (DOF). Once approved, the applicant is referred to Muntinlupa. The city government will host an on-site visit so that the requesting LGU can see how the system works.

If the LGU signs a Memorandum of Agreement (MOA) with the City of Muntinlupa, Muntinlupa commits itself to providing the people who shall do a needs analysis of the LGU, train the employees who will use and maintain the system, and oversee the installation, pre-implementation, parallel run, and initial implementation of the system. The Muntinlupa City Government commits itself to spending for the travel expenses and the board of lodging of its employees assigned to file project

LGUs who have computerized and have networked their systems internally and externally are prey to hacking and viruses that destroy data and shut down systems as what happened with the "I Love You" and "Chernobyl" viruses. The LGUs thus need to invest in back-up systems and to continue keeping and maintaining their manual storage and operating systems.

Box 1.6

Second Generation Challenges in Bulacan

As a first step to computerizing the operations of the Bulacan Provincial Government, the Governor Pagdanganan with the help of ARD consultants identified 10 computer literate employees from the different departments, pulled them out of their jobs, and placed them at the newly-created MIS division. The first task of this group was to computerize the provincial capitol's payroll system using an over-the-counter Lotus Program. In a year's time, however, technological improvements had rendered the Lotus Program obsolete.

One of the great advantages of computerization is accessibility to information. With a few clicks of the mouse and in a few seconds, the user gains access to a wealth of information that has been previously inaccessible or too costly and time-consuming to get. Delivery of information and communication is also fast and economical.

Greater accessibility, though, poses its own problems, not the least of which is the secrecy of information and privacy of individuals both inside and outside government. Governor Josefiina de la Cruz had initial misgivings about the computerization of real property valuation and taxation. She recognized the danger that computer operators could tamper with critical data. So she ordered that safeguards in data encoding be put in place, among which is an integrity check of the people encoding and running the system.

ACCOUNTABILITY THROUGH DEBUREAUCRATIZATION AND CUSTOMER- ORIENTATION

Making the bureaucracy leaner makes no sense if services are delivered in the same slipshod manner. Less does not mean better. Efficiency must eventually lead to effectiveness. The risks that the city government bore with reorganization and computerization would be useless unless the savings these had generated are channeled to those programs identified to have a maximum positive impact on the citizenry's quality of life. "By their fruits you shall know them." Interior transformation must translate into outward fruitfulness or productivity in service delivery.

Debureaucratization is defined as "the transfer of some public functions and responsibilities, which the government may perform to private entities or non-governmental organizations."

Customer-orientation is the adoption of private sector philosophy into the public realm. Customer orientation means listening to the needs of the citizen; adding value to the services rendered to them; delighting rather than merely satisfying them in delivering services; and treating taxpayers' money not as a matter of right but as payment for services rendered, as one would in a business setting. Customer-oriented service means that delays are reduced to the minimum and citizens are treated with respect.

SOME STEPS IN DEBUREAUCRATIZATION

Evaluate if the services could not be provided better and cheaper by the private or social sectors. Government does not have to provide all the services

Box 1.7

Devolving Emergency Service to Volunteer Organizations: Cebu City's; Rescue 161

In the late eighties, Cebu City established its Emergency Medical Service (EMS) Program, a component of which is an emergency service called Rescue 161 patterned after the famous American Rescue 911. The program devolved the pre-hospital emergency care and ambulance service to a non-government organization, the Emergency Rescue Unit Foundation, Phils. Inc. (ERUF). ERUF's mandate was to respond to alarms and emergency calls; provide emergency ambulance service; perform back-up assistance during special events; conduct safety promotion; disaster preparation, mitigation and prevention activities; and organize barangay disaster brigades, and training of paramedics. In return, the government subsidized a substantial part of its operations. The rest of ERUF's budget came from donations, foreign assistance, membership dues, and honoraria from lectures and service fees from private hospitals.

In 1994, ERUF had 140 full-time paramedics, assisted by 150 paramedic volunteers, 10 operations personnel, 26 communications personnel, 55 medical doctors with different specialization and 6 lawyers. The full-time paramedics and more than a hundred volunteers were available 24 hours a day and 365 days a year. ERUF averaged a response time of three minutes. ERUF's service covered the cities of Cebu, Mandaue, and Lapu-lapu. The government also tapped ERUF to assist during Ormoc flash floods and Pinatubo Eruption.

The government reinvention movement has discovered that so-called public goods, basic services, and critical economic infrastructure that had hitherto been deemed untouchable because of their scale, scope, and strategic importance could now be provided and managed just as easily-and even more efficiently and effectively-by the private sector and civil society organizations.

Monitor and Evaluate. Debureaucratization involves a change in the roles of LGU. From a direct service provider, the LGU would now be called upon to serve as

regulator, monitor, and evaluator. The LGU must ensure that the private or social contractor is providing the necessary service at the best quality possible and at an affordable cost. At the end of the contract period, the LGU can decide whether to renew the contract or not. This entails strengthening the LGU's regulatory, monitoring, and evaluation capabilities.

Make your employees accountable directly to the citizens they are in contact with. For services that cannot be devolved, the LGU can institute measures to make public employees accountable primarily, to the citizens that they serve, and secondarily, to their superiors in the LGU. Naga City shows how this can be done. (Box 1.8) For employees that have no direct contact with citizens, they should be made accountable to other units and/or employees within the LGU that they directly serve.

Box 1.8

Naga City's Commitment Sheet

In 1994, the Naga City government under Mayor Jess Robredo launched the Productivity Improvement Program or PIP. One of the components of that program was "Oplan Serbidor nin Banwaan" (Operation Public Service). The program aimed to transform city government employees into authentic public servants with a deep sense of pride in their work.

As part of Oplan Serbidor, frontline employees were made to sign a Commitment Sheet that identified and described the service to be rendered, the employee responsible for it, and the minimum time for its completion. These Commitment Sheets were displayed in every office to guide the public.

Enter into Performance Agreements with Citizen Customers. The LGUs can define the performance of each employee, as Naga City has done, or it can opt to enter into performance agreements with civil society groups, consumer organizations, public interest groups, etc. Performance agreements are necessary for services whose delivery depends a lot on the discretion, the skills and the personality of the service provider e.g. day care services, counseling services. Excellent performance in these type of services is not easily determined and measured by government alone. In the United Kingdom, government service agencies and utilities that have direct contact with citizens enter into agreement with their customers on standards of service. Called Citizens' Charter, these agreements are published and posted in prominent places for all the customers to see, creating expectations and providing a yardstick for the evaluation of

employees and the whole agency. These agreements give citizen a voice in the design and delivery of services. Agencies that have garnered a high level of customer satisfaction and have performed excellently are given a Charter Mark.

Citizens' charter help determine standards of performance in highly "subjective services"

Aim to Delight not just to Satisfy the Citizens. Entrepreneurial local governments do more than just satisfy their customers. They delight them. They add value to the services that they are efficiently and effectively delivering. Value can be added even to the most routine of functions, even those that citizens find painful such as paying taxes. Actually the payment of taxes is the only time when many citizens come into contact with their LGUs for the entire year. Queuing is an inevitable reality. Customer-oriented LGUs seek as much as possible to lessen waiting time, but besides reducing discomfort, they also make queuing as pleasant as possible. In Las Pinas, citizens waiting to pay real estate taxes are served candies and offered tea or coffee. Before the expansion of its old city hall, Marikina provided taxpayers a tent to shield them from the sun.. In the new city hall, taxpayers are provided monobloc chairs to sit on while pop music is played in the background to entertain them.

Adopt Positive Silence and Integrity Pacts. Positive Silence is a procedure to protect citizens from delays, legitimate or otherwise, in the processing of important government papers like car registration.

Positive Silence shifts the burden of inefficiency from the citizens to the agency concerned. It lessens the costs that citizens incur following up papers in the bureaucracy.

Moreover, it lessens corruption, as the citizens no longer have to pay "facilitation fees" to petty bureaucrats to see their papers through the pipeline.

Bolivia is one of the countries implementing positive silence. The country considers application for occupational licenses, car registrations, or government certificates automatically approved if no action is taken within 15 days.

Procurement processes are especially sensitive to corruption. One way of minimizing corruption is to conduct biddings in full view of the public whether actually present or watching/listening to the proceedings through radio, television, or the Internet.

Another way is to establish Integrity Pacts. Integrity Pacts are voluntary but binding agreements entered into by citizens' groups, governments, and the private sector in order to minimize corruption in bidding processes.

Institutionalize a Citizen Monitoring and

Feedback Mechanism. The LGU can institutionalize a Citizen's Monitoring and Feedback Mechanism (CMFM) in its facilities such as hospitals and rural health units. CMFM encourages citizen's participation in local governance. With the help of ARD-GOLD, the Cotabato Provincial tested an

institution-based CM FM. They eventually adopted the system afterfining it simple,viable, and cost effective. The steps they took to design such a feedback system is outlined in Box 1.10

Encourage Friendly Competition.

The local chief executive can encourage competition between and among agencies to improve performance. A reward system consisting of both monetary and non-monetary incentives, e.g. public recognition programs can encourage employees to perform better. Mayor Robredo of Naga City "psychically" rewards high-performing employees with more and challenging work, thereby communicating the message that they enjoy his trust and confidence.

The Bulacan Provincial Government has instituted an annual contest called the Gawad Galing Barangay. Patterned after the National Galing Pook Awards, the contest aims to recognize five barangay program; that are "effective, efficient, and creative."

Box 1.9 Seoul's Integrity Pact

Taking its cue from Transparency International, .an international organization dedicated to combating corruption, the Seoul Metropolitan Government (SMG) has institutionalized the Integrity Pact in cooperation with the People's Solidarity for Participatory Democracy (PSPD), Korea's largest civil society organization.

Bidders in Seoul's government projects are required to submit "The Bidder's oath to Fulfill the Integrity Pact" along with their bid documents. For its part the SMG submits the "Principal's Oath." The Integrity Pact is considered an integral part of the contract, and compliance to it is overseen by a team of five Integrity Pact Ombudsmen, appointed by the SMG upon the recommendation of civil society organizations. The Integrity Pact contains:

- § A promise from bidders to refrain from offering bribes, gifts, or entertainment to SMG officials;*
- § A pledge on the part of SMG officials not to take bribes;*
- § A warning that contracts will be terminated and bidders disqualified if the Pact is violated;*

§ *A guarantee that no punitive action will be taken against anyone who reports corruption from within their organization.*

Box 1.10
Steps in Installing CMFM

1. *Get Officials and Personnel to Agree on Installing an Active Feedback Mechanism.*
2. *Design and Record the Active Feedback System.*
 - a) *Show the stages the client undergoes in order to meet his/her service need.*
 - b) *Know what questions to ask your clients to ensure that they are served well and to know what corrective measures you need to take in case they aren't.*
 - c) *Take a look at client concerns and experiences.*
 - d) *Be able to record feedback.*
3. *Generate and Respond to Feedback.*

OVERVIEW OF THE CASE STUDIES

The Good Local Governance Section focuses mainly on the internal systems, processes, and procedures that underpin an LGU's day to day operations and its delivery of basic services. They are the hidden, unnoticed, and routine side of local governance, the "backroom" of an LGU's operations, on whose effectiveness and efficiency the frontline service units and people depend for their good performance.

The first group consisting of two cases look at Restructuring as a strategy for bringing about change in the local bureaucracy.

We begin in Cabanatuan where a first-term Mayor reorganized the local bureaucracy by reducing the plantilla and staffing by half and abolishing or merging offices with overlapping functions. The case is a good description of the process of downsizing and its accompanying risks and difficulties. The reorganization succeeded in reducing the LGU's expenditure on personnel services and freed up more financial resources for critical programs. However, it warns us that downsizing should not be equated with effectiveness and efficiency and that less input does not translate to more and better outputs.

The case of Malalag is a good illustration of the management dictum: "Structure must follow strategy." The municipality's vision of becoming the Provincial Agri-industrial Center and Enterprise Development Strategy required that it reorganized itself into a business enterprise. The reorganization proceeded

to group agencies according to functional lines and freed the local chief executive of his administrative duties to become truly a Chief Executive Officer. Fees were charged for traditionally free services like health, agriculture, and information.

The second group of cases focuses on yet another strategy for bringing about change, the Computerized Management of Information Systems.

Bulacan reorganized and improved the effectiveness and efficiency of its local bureaucracy by the conscious and systematic installation of a computerized management information system. The case outlines the steps and the processes involved in implementing the strategy, identifies the potential causes of resistance, and describes some strategies for softening resistance and guiding the local bureaucracy and the public through the change.

Villasis, Pangasinan is an oddball, not only because it is the only municipality in the group but also because of the manner whereby computerization proceeded. Villasis did not command the same human, financial resources, and technical assistance compared to the case of Bulacan. It would be inaccurate to call its effort "a computerization program" because it was largely unplanned, not programmed, and proceeded unsystematically. It is change by imitation and joining the bandwagon compared to the planned and programmed change of the other three LGUs.

The third group is about a case that focuses on Human Resource Interventions to improve a process and to develop a particular kind of public employee.

Training was used to streamline the procurement process in Bacolod City. The case shows the limitation of training and of changing only a single process while not touching the other parts of the system and the policies governing it.

The test of successful change management, be it structural (reorganization), systemic (computerization), process-wise (streamlining) and cultural (human resource) is in improvements in management and service delivery. By their fruits, you shall know them. The last three groups of cases harvests the fruits of good local governance.

Internal change should bring better management of public enterprises. The fourth group of cases focuses on the public management of enterprises. LGUs manage different types of public enterprises: public markets, cemeteries, dormitories, convention or training centers, slaughterhouses, and electric and water utilities. Often, the operations of these enterprises are subsidized by public funds.

San Carlos City demonstrates that there need not be a dichotomy between doing good and doing well. Public enterprises like cemeteries can be operated as revenue centers, or at the very least, at the level of cost recovery. Besides the effective and efficient delivery of the standard services, good public enterprise management can help promote environmental awareness and environmental preservation. San Carlos City again demonstrates why it is a Galing Pook Hall of Famer with its innovative *Punongkahoy para sa Bawat Pumanaw Program*.

Puerto Galera shows how management of a water system must be decentralized as its service area expands and its operations become more complex.

The fifth group of cases talks about decentralization to the barangays and puroks (zones).

Pinili, Ilocos Norte concentrates on the purok or zone as the venue for conflict resolution, peacekeeping, and the delivery of vital information.

The sixth and last group of cases showcases innovative ways of delivering services.

First on the list is the municipality of Banay-Banay in Davao Oriental. Civil registration is often a taken-for-granted function of local governments but it is vital for local planning. The very first government office that citizens have dealings with immediately after birth is the civil registration office. It is also the last office to go to, when their earthly life ends.

The next and last three cases are all about the delivery of health services.

Cebu City improves efficiency and responsiveness and saves money by devolving its emergency rescue and medical services to an NGO.

Nueva Vizcaya experienced the headaches that many LGUs had when hospitals and their personnel were devolved from the DOH to them. The case spells out in great detail how employees can be made to treat the citizen not as beneficiaries but as customers.

Sorsogon's Provincial Floating Clinics brings preventive, curative, and other social services right to the shores of its coastal towns. The Sorsogon case is a welcome departure from the centralized model of service delivery that concentrates these in the provincial or municipal center. It may yet become the model for the effective delivery of services in a country consisting of 7,100 islands.

CHANGE THROUGH RESTRUCTURING:

Cabanatuan City, Nueva Ecija

THE PROBLEM

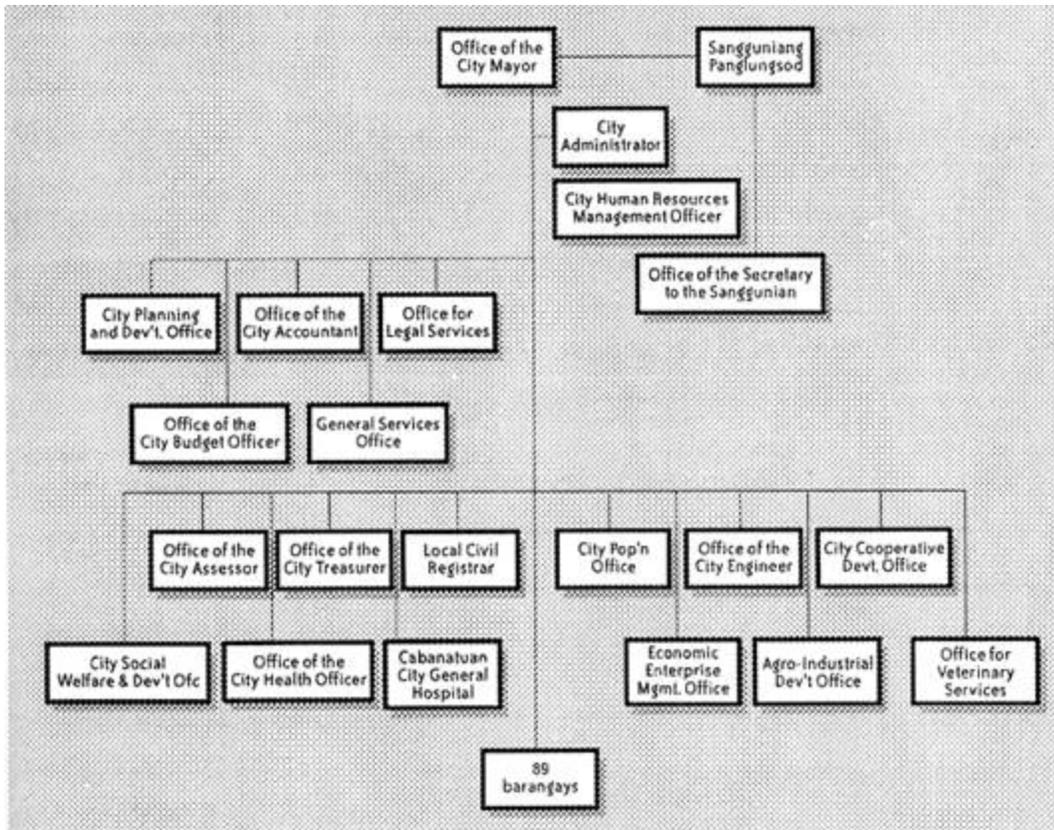
Leafing through his sheaf of papers that Tuesday morning, the last day of the month of June and his first day in office, the newly-elected mayor of Cabanatuan City, Julius Vergara, spotted a copy of Resolution No. 384-98, passed by the Sangguniang Panlungsod (City Council) the day before strongly recommending that he reorganize the bureaucracy of the city government.

Mayor Vergara had won the elections the previous May by obtaining fifty-two percent (52%) of the vote, defeating three other candidates in the process. He ran on the strength of his promises to advance the progress and development of Cabanatuan City through industrialization, to provide free medical services, to improve the city's infrastructure and construct more school buildings, and to resolve the traffic problem.

However, he was assuming office at a difficult time. The country was beginning to feel the effects of the Asian financial crisis. And the heat and the drought brought by the El Niño have yet to dissipate. Mayor Vergara knew that the city's economy depended largely on the rice harvest of the surrounding towns. Even worse, he inherited a city government with a large medium-term debt and with very little to spend for public services.

A reorganization would save the city some badly needed money. Then again, it could become the first major debacle of his incumbency if not done properly.

Organizational Situation Before Reorganization. The Organizational Structure of the Cabanatuan City government. When Mayor Vergara assumed office in June 1998, the city government had the following organizational structure.



**CABANATUAN CITY GOVERNMENT'S ORGANIZATIONAL STRUCTURE
(Before Reorganization)**

Disproportionately Large Budgetary Allocation for Personnel Services. In 1997, the year before the restructuring took place, the city government spent PhP131,009,280.21 for personnel services. This represented forty nine percent (+9%) of the city's annual budget of PhP266,718,134.08. Personnel services included items like: salaries and wages, PERA, Life and Retirement, Pag-Ibig, Medicare, and SIP. Excluded were: PLEB, OT, RATA, Inquest Allowance, Consultant's Fees, Bonuses and Incentives, Other Benefits, Magna Carta and Terminal Leave.

In 1998, it was projected that the annual income of Cabanatuan City would be PhP279,000,000, with seventy-three percent (73%) of these coming from the Internal Revenue Allotment (IRA) and only twenty-seven percent (27%) from local taxes and other operating revenues. Of the PhP279M, expenditures for personnel services were projected to consume sixty-one percent (61%). The government also had to spend for maintenance and operating expenses (MODE), to allocate some money for the development fund, and to set aside a mandatory reserve of five percent (5%) for the calamity fund. Apart from these, the government also had medium term loans worth PhP17 M. Debt service would eat up PhP35M

toPhP'+5Mperannum. Adding all these up meant that there would belittle left for public services.

The projected sixty-one percent (61%) expenditure for personnel was above the standard set by the Local Government Code, limiting the allocations for personnel service of first tothird class provinces, cities, and municipalities to forty-five percent (45%) of the total annual income (Sec. 325).

At that time, the city government had a total of 1,624 plantilla positions, of which approximately ninety percent (90%) or 1,470 were filled up.

The plantilla positions and the employees were distributed amongthe different offices. The distribution is shown on the next page.

**Table 1.0 PLANTILLA POSITIONS AND FILLED POSITIONS
BEFORE REORGANIZATION**

<i>Departments</i>	<i>Plantilla Positions</i>	<i>Filled Positions</i>
Office of the City Mayor	188	142
Sangguniang Panlungsod	57	47
Office of the City Accountant	39	35
City Treasurer's Office	72	68
City Budget Office	19	17
City Planning and Development Office	42	37
City Assessor's Office	44	40
General Services Office	337	326
City Civil Registrar	24	24
City Health Office	78	73
MVG Cabanatuan Gen. Hospital	182	159
City Social Welfare and Development Office	30	28
City Agro-industrial Development Office	77	73
City Engineer's Office	123	118
Economic Enterprise Office	200	192
Office for Legal Service	21	14
Office of the City Veterinarian	39	33
City Population and Development Office	17	16
City Cooperative Development Office	15	10
Support Staff	20	18
Human Resource Management Office	0	0
Total	1624	1470

Projected Reduction of the IRA. President Estrada had announced that ten percent (10%) of the IRA of all local government units would be withheld. This meant that the PhP203,670,000 that the Cabanatuan City government was expecting to receive in 1998 would be reduced by PhP20,367,000 to only PhP183,303,000.

THE CONTEXT

Cabanatuan City is a first-class city in the province of Nueva Ecija. The city is located in the heart of the Philippines' rice basket, a three to four-hour bus ride from the Philippine capital of Manila.

THE IMPLEMENTATION

After receiving the resolution, Mayor Vergara issued Executive Order No. 3 in early July forming a Reorganization Committee. The principal task of this committee was to conduct a Management Study. The study sought to identify:

- 1 Certain gaps and deficiencies in the city's bureaucracy
- 2 Identify possible alternations (sic) of the existing organizational structure
- 3 Realignment of some functions (duplication of functions), and
- 4 Modification of the staffing pattern of the city government.

The Committee had six (6) members: the City Administration and the Heads of the Departments of Treasury, Budget, Legal Office, and the Human Resources and Management Office, and the Sangguniang Panlungsod Secretary.

The committee did the study by conducting desktop reviews of available records, by interviewing key informants within the local bureaucracy, and by asking each of the nineteen (19) departments to submit a daily volume of work, a flowchart tracing the movement of papers, and a description of the functions and responsibilities of each Department.

The Management Study. The study concluded that the city government's bureaucracy was overstaffed and bloated as evidenced by:

- 1 the presence of an administrative division in each department, with each division having three to five employees each, including utility workers;
- 2 the presence of utility workers in each administrative division in each worker;
- 3 overlap of functions such as utility workers doing clerical work;
- 4 existence of too many assistants both at the division and at the departmental levels;
- 5 many positions created for political reasons;
- 6 duplication of functions by certain departments; and
- 7 numerous floating employees.

The Reorganization Committee recommended the following:

- 1 the merger of all the administrative divisions into one central administrative office called the Human Resources Management Office (HRMO) to handle such as activities as payroll, computation of leaves; administrative functions such as preparing memos, answering telephones, etc. will be given to a clerk.
- 2 the reduction in the number of utility workers;
- 3 the abolition of all unnecessary positions and of idle positions.
- 4 merger of departments with duplicating functions; and
- 5 the abolition of the many assistant positions and the limitation of one assistant per department and division level only

Some of the more specific and salient recommendations of the study were:

1 The Merger of the City Population Development Office with the City Health Office (CHO) since the former was duplicating the functions of the CHO in giving medicines and the functions of the City Social Welfare and Development Office (CSWD) in providing counseling assistance to women for family planning;

2 The abolition of the City Cooperative Development Office and its merger with the City Agri-Industrial Development Office (CAIDO) because the former's functions are aligned with the latter's mandate and its mandate of assisting in the formation of farmers' cooperative was too limited to merit a stand-alone department;

3 the merger of the Motorpool division of the General Services Office (GSO) with that of the Office City Engineer; and

4 The abolition of the maintenance crew assigned at the MVG Cabanatuan City General Hospital. For repairs, the Reorganization Committee recommended the Hospital to seek the services of the Engineering Office's Motorpool.

The Reorganization Committee recommended that the local chief executive implement a downsizing of the bureaucracy and that this downsizing be done in two phases:

The first phase was a reorganization and restructuring of City Hall, involving the streamlining and removal of duplication of functions/positions and a reduction of personnel by around fifty percent (50%), from 1,170 to 735.

Separated employees would be given monetary compensation in the form of terminal benefits, gratuity, and separation pay in accordance with existing laws.

The second phase was the offering of incentives for early retirement. This involved a "Life After City Hall" Plan" that would involve the setting up of a human resources pooling service to be provided by the Human Resources and Management Office (HRMO). The responsibility of this pooling service was to assist those displaced under the reorganization to find employment. It should also assist those persons approaching city officials in search of job opportunities.

The Committee also came up with a new staffing pattern and organizational structure for the city government. These were submitted to the Sanggunian, which approved the new staffing pattern and organizational structure, in Ordinance Number 98-033 on September 4, 1998.

The Mayor's Memorandum on Reorganization. On September 11, 1998, Mayor Julius Vergara issued a memorandum to all employees of the municipality informing them of the reorganization and the posting of the new organizational structure and staffing pattern three days later.

This memorandum stated that all positions would be declared vacant beginning October 16, 1998. To this effect, all employees shall receive a one month notice of their termination on September 15, 1998.

Along with this termination notice, each employee received a pro-forma application letter stating their intention to re-apply for their former position (if it had not been abolished) or a new position in the new organizational setup. The memorandum stated that those wishing to re-apply should submit the letter no later than 5:00 P.M. on September 22, 1998. No late application letters would be entertained. Non-submission of this letter was tantamount to expressing disinterest in working for the city government.

The termination notice was also accompanied with a Computation of Terminal Leave Benefits and Separation Pay, informing those who did not want to reapply the benefits they were entitled under the law.

To sweeten the package, the city government computed the compensation package for displaced employees at one and a half month's salary rather than the one month's salary mandated by Republic Act (R.A.) 6656.

The mayor's memorandum also informed the employees of the creation of a Placement Committee that is tasked with "assisting the appointing authority in the judicious selection and placement of personnel in order that the best qualified and most deserving persons shall be appointed in the reorganization ... (and to) evaluate/ assess the qualifications and competence of the applications based on the factors assessment R.A. 6656 ordered the creation of this Committee to protect the security of government employees in the event of a government reorganization.

This Placement Committee would meet every day beginning 23 September 1998 when all applications were in. The Committee, according to the memorandum, shall recommend who would be qualified to occupy the new positions. The list of the names would be posted in prominent places in the City Hall.

Finally, the memorandum informed the employees of a "Life After City Hall Plan" that would consist of a human resources pooling service and a welfare fund that those who would not be reappointed could make use of for securing a job in the private sector or obtaining a loan to start a business.

The Process of Reorganization. The new staffing pattern was indeed posted at six conspicuous places in the City Hall on September 15, 1998.

Of the 1470 employees, around two hundred fifty (250) voluntarily resigned by not submitting letters of reapplication.

A Placement Committee did meet to discuss the applications. The Committee consisted of six members, three of the members belonged to the City government's appointing authority, and three from the employees. They were: Dr. Roy Ortiz (City Administrator), Jo Mario Garcia (Secretary to the Mayor), and Joselito Roque (City Councilor), Grade de Guzman (First Level Career Service Representative and Population Officer II), Emelulo Manuel (Second Level Career Service Representative and Administrative Officer IV), and Fiel Acuna, (president of KABANATUAN, a government employees' union). The last three representatives were chosen by the employees.

The Placement Committee formulated a set of criteria, in accordance with the Civil Service guidelines, to evaluate all those who had reapplied. Called the Personal Evaluation System (PES), it employed a 100 points system divided into performance, education, training, experience, outstanding accomplishments, physical characteristics/personal traits, potential, and an Intelligence Quotient (IQ) Examination. The detailed distribution of the points is found on table on the next page.

Table 1.1 CRITERIA FOR EMPLOYEE SELECTION

Criteria	Corresponding Points
1 Performance 30pts. <ul style="list-style-type: none"> · outstanding · very satisfactory · satisfactory 	30pts. 25pts. 20pts.
2 Education 20pts. <ul style="list-style-type: none"> · Doctoral degree · Masteral degree · College degree (for second level position) · College degree (for first level position) · in excess of college degree: <ul style="list-style-type: none"> a. 1-9 masteral units (mu) b. 10-18 mu c. 19-27 mu d. 28-36 mu 	20pts. 15pts. 10pts. 5pts. +1pt. +2pts. +3pts. +4pts.
3 Training 20pts. <ul style="list-style-type: none"> · 25-32 hrs. · 17-24 hrs. · 9-16 hrs. · 4-8 hrs. 	20pts. 15pts. 10pts. 5pts.
4 Experience 7.5pts. <ul style="list-style-type: none"> · 15 and above years · 13-14 ½ years · 10-12 ½ years · 7-9 ½ years · 4-6 ½ years · 1-3 ½ years 	7.5 pts 6.25pts. 5 pts. 3.75pts. 2.5 pts. 1.25pts.
5 Outstanding Accomplishment 7.5pts. <ul style="list-style-type: none"> · any award (regardless of #) 	7.5pts.
6 Physical Characteristics and Personal Traits 5pts.	To be rated by Supervisor/Department head
7 Potential 5pts.	To be rated by Supervisor/Department Head
8 Exams 5pts. <ul style="list-style-type: none"> · 90% and above · 85%-89% · 80%-84% · 75%-79% · 70%-74% 	5pts. 4pts. 3pts. 2pts. 1pt.
TOTAL POINTS 100pts.	

All who reapplied had Personal Evaluation Sheets (PES) that the Placement Committee examined to determine the applicant's competence for the positions they were eyeing. After its evaluation, the Placement Committee determined who would be retained or displaced.

The list of all those accepted in the staffing pattern were posted in conspicuous places in the City Hall on October 16. Only 470 were accepted.

By law, those terminated were given an opportunity to file an appeal with the appointing authority, in this case, the Mayor. The Mayor was compelled by Section 7 of RA 6656 to issue a decision within thirty days (30) from the filing of the appeal. If the aggrieved employees were denied in the appeals board, they could appeal to the Civil Service Commission that had jurisdiction over all government employees and was checking on the selection process being done by the Placement Committee.

In addition, the Civil Service Commission (CSC) took pains to explain the process of reorganization and the rights of the employees through a series of general assemblies and meetings.

On November 11, 1998, Atty. Anicia Marasigan de Lima of the Civil Service Commission, Region III Office called a General Assembly of all Cabanatuan City government employees to discuss issues related to the reorganization.

The forum led to a correction of procedural lapses in the reorganization. Attorney de Lima in a letter dated November 19, 1998 advised Mayor Vergara to send Notices of Lay-Off, as the Notice of Termination dated 15 September 1998 did not have a basis in R.A. 6656. She also advised him to pay the salaries of all employees who had received Notices of Termination from October 16 onwards, except for those that opted to avail of the special separation package.

Following the advice, Mayor Vergara sent Notices of LayOffs beginning December 14, 1998 to all those excluded in the list drawn up by the Placement Committee.

The city government gave tricycle operation licenses to those displaced.

Privatization Of Certain Services. In combination with the reorganization services, the Cabanatuan City government also partially privatized services such as garbage hauling and security services. The privatization of street sweepers or Metro Aides and utility workers was also being considered.

The Legal Framework of the Reorganization. The reorganization occurred within a predetermined framework consisting of laws of the Republic and Rules and Regulations Concerning Government Reorganization. The more important ones were:

- § *Republic Act. 7160* or better known as "The Local Government Code". This law gives Local Government Units (LGUs) the power to create a structure and to modify plantilla relevant to its needs and the needs of its constituents, with the proviso that the restructuring or reorganization should be done in accordance with the guidelines issued by the Civil Service Commission. The law also empowers the local chief executive to create a personnel selection board that will assist him in the selection of personnel for employment.

- § *Republic Act 6656* or "An Act to Protect the Security of Tenure of Civil Service Officers and Employees in the Implementation of Government Reorganization. "This law specifies the procedures and requirements that government agencies, including local government units, must abide in implementing reorganization. It also spells out the rights of displaced employees, the priority given to employees holding permanent appointments in the appointment to new positions, the prohibition until all permanent officers and employees, have been appointed, including temporary and casual employees who possess the necessary qualification requirements.

- § The Implementing Rules on Government Reorganization issued by the Civil Service Commission pursuant to Section 12

- *Executive Order (E.O.) No. 503* dated January 22, 1992 clarifying the status of personnel devolved from national agencies to the LGUs. The E.O. affirmed the security of tenure of all devolved permanent personnel while at the same time affirming that any reorganization that will be implemented by the LGUs after the devolution of functions shall be governed by the provisions of RA 6656.

Problems. A number of displaced employees appealed their being retrenched up to the Civil Service Commission. Issues revolved around the status of devolved employees holding permanent employment and the flaws in the process that caused confusion among some employees.

RESULTS

Reduction of Plantilla and Personnel. The reorganization led to a reduction in the plantilla positions from 1624 to 782 and in the number of employees from 1,470 to 735.

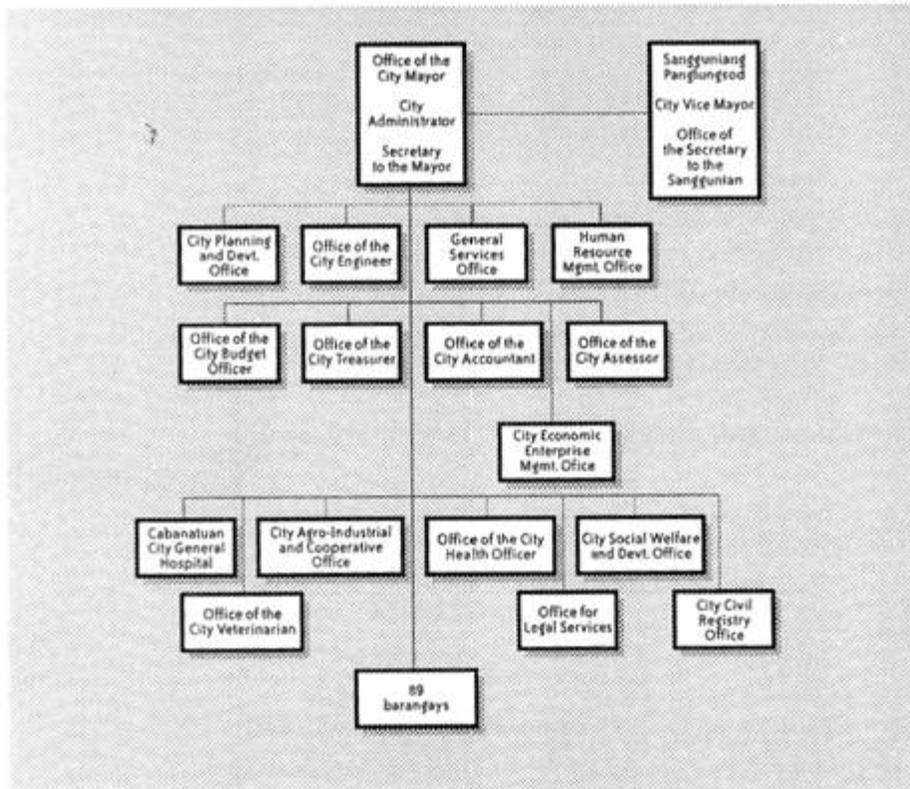
New Organizational Structure. The city also had a new organizational structure. The new structure merged the City Cooperative Development Office with the City Agro-Industrial Development Office. It also created the Human Resources Management Office that took the place of the separate administrative divisions in many of the departments. Unlike in the old set-up, the HRMO was an office separate from the Office of the City Mayor.

On the following two pages area comparison of the old plantilla vis-a-vis the new one and the new organizational structure.

**Table 1.2 COMPARATIVE PLANTILLA POSITIONS
PRE-REORGANIZATION vs. POST-REORGANIZATION**

Departments	Plantilla Positions Pre-Reorg	Plantilla Positions Post-Reorg
1 Office of the City Mayor	188	87
2 Sangguniang Panglungsod	57	57
3 Office of the City Accountant	39	27
4 City Treasurer's Office	72	61
5 City Budget Office	19	11
6 City Planning and Development Office	42	9
7 City Assessor's Office	44	14
8 General Services Office	337	70
9 City Civil Registrar	24	18
10 City Health Office	78	59
11 MVG. Cabanatuan Gen. Hospital	182	155
12 City Social Welfare and Devt. Office	30	26
13 City Agro-Industrial Devt. Office	77	30
14 City Engineer's Office	123	49
15 Economic Enterprise Office	200	55
16. Office for Legal Service	21	10
17. Office of the City Veterinarian	39	12
18. City Population and Devt. Office	17	0
19. City Cooperative Devt. Office	15	0
20. Support Staff	20	18
21. Human Resource Mgt. Office	0	14
TOTAL	1624	782

**Table 1.3 CABANATUAN CITY GOVERNMENT'S ORGANIZATIONAL STRUCTURE
(After Reorganization)**



Savings of the City Government. In 1997, the year before the restructuring took place, the city government spent PhP131,009,280.21 for personnel services. This represented forty-nine percent (+9%) of the city's annual budget of PhP266,718,134.08

In 1998, the year when the reorganization was undertaken, the personnel services expense still rose to PhP159,017,879.92, representing fifty-one percent (51%) of the annual budget of PhP309,956,648.62. This figure was still above the figure set by the Local Government Code, limiting the allocations for personnel service of first to third class provinces, cities, and municipalities to forty-five percent (45%) of the total annual income for personnel services.

In 1999, one year after the reorganization, it was estimated that personnel services budget would go down to PhP97,797,118 or only twenty-six (26%) of the estimated budget for that year of PhP369,334,786. This PhP97M personnel budget represented a thirty-eight percent (38%) reduction from the 1999 figure.

	Personnel Services	Annual Budget	% PS to Budget
FY 1997 (actual)	P 131,009,280.21	P 266,718,134.08	49%
FY 1998 (actual)	P 159,017,879.92	P 309,956,648.62	51%
FY 1999 (estimated)	P 97,797,118.00	P 369,334,786	26%

(Source: Management Study: Review of the Operations of the City Government-Post Reorganization)

Improvement in Services. With the savings from the Personnel budget, the city government was able to purchase communication and transportation for the local police force. All entry and exit points into the city had a police car, and the city government was planning to buy an ambulance and fire truck for each of these points.

The city government added 200 more beds in the hospital. All citizens of Cabanatuan could avail of free hospitalization at the Cabanatuan City General Hospital.

For the public schools, the city government purchased educational tapes for the elementary public schools. All public school teachers were given a monetary incentive. The government could now provide free secondary education in its school

For infrastructure, the city government purchased several heavy equipment for construction and modern surveying instruments and a state-of-the-art Civil Design Software for the City Engineer's Office.

TURNING DREAMS INTO REALITY:

Malalag, Davao del Sur

THE PROBLEM

Mayor Andres Montejo of Malalag had a dream. He dreamed of the town becoming an agricultural powerhouse in Davao del Sur and Region XI. However, he faced several obstacles. For one, the town was not strategically located. Its poblacion or center was inaccessible to the remote barangays; thus, the producers brought their products directly to General Santos City and the surrounding municipalities of Padada, Sulop, and Malungon. Moreover, the production of major crops like banana and coconut had been on the downtrend because of stiff competition in the international market.

Also, the town did not have the necessary technical skills. An assessment of the municipal employees' competencies showed significant gaps in local development planning, fiscal management, human resource development, economic enterprise management, legislation, and service delivery system.

Lastly, the town did not have the financial resources to turn the dream into reality. In 1994, the town had an income of only PhP10.67 million. For the last five years, locally generated income accounted to only 27% of the total income with the remaining 73% coming from external sources, primarily the Internal Revenue Allotment.

THE CONTEXT

Malalag is one of the municipalities belonging to the Province of Davao del Sur in Region XI. It is located 80 kilometers south of Davao City, the region's economic and political center. It is accessible by land. The town is found along the scenic Malalag Bay in the southern part of Mindanao. It is surrounded by the municipality of Sulop in the north; Sta. Maria in the east; Kiblawan in the west; and Malungon of Sarrangani Province in the south. In 1997, the *municipality had a population of 32,018 people*.

The municipality has a total land area of approximately 20,660 hectares divided between flatlands (45% of the total land area) and mountain ranges (55%). Malalag has a coastal zone measuring 120 sq. kilometers and a shoreline of 8.2 kilometers.

The municipal economy is dominated by agriculture and fishery. Fifty-two percent (52%) of its land area is devoted to agriculture. More than forty percent (40%) of the population are farmers who cultivate banana, sugarcane, fruit trees, and cacao. Twenty percent (20%) of the population are engaged in fishing.

Malalag's economy has been threatened by the depletion of the town's rich natural resources. Heavy logging activities from the 1940s to 1960s have significantly reduced the municipality's timber resources. The influx of

migrants into the uplands after the loggers had done their work also contributed to the degradation of the environment.

THE PROJECT

These obstacles, however, did not deter Mayor Montejo. To realize his dream, he initiated the **Strategic Development Interventions in Transforming Malalag into a Provincial Agri-Industrial Center.**

THE IMPLEMENTATION

Setting Up Implementation Mechanisms. The first thing that Mayor Montejo did was to create a Project Management Team to supervise project implementation. The Project Management Team had six groups, each headed by a project officer. Each group was responsible for an area where a gap in capability had been identified. The six groups were:

Local Development Planning (LDP); Local Legislation (LL)

The Mayor also formed an Operations Management Staff to that would support the five groups.

Obtaining External Support. The mayor sought the assistance of the Canadian International Development Agency's Local Government Support Program (CIDA-LGSP). CIDA-LGSP provided financial and technical support to the activities of the Project Management Team.

Building Capability. The Project Management Team's initial activity focused on building the capability of government personnel. The subject of the training had been identified through a competency assessment and training needs analysis of the LGU's employees.

Producing Outputs. The six groups worked independently from each other but each one was tasked to produce an output that would enable Malalag to become a Provincial Agri-Industrial Center (PAIC).

Municipal Development Plan and New Revenue Code. The LDP formulated a Municipal Development Plan (MDP), an integral part of which was the Area Industry Plan (AIP). This Area Industry Plan called for the improvement of communications within the municipality and the Malalag Bay Area. When the President of the Philippine Long Distance Telephone Company (PLDT) visited the area in August 1994, the plan was presented to him. Then and there, the PLDT president allocated an initial 200 lines to Malalag. The telephone system was inaugurated on October 1994, a mere two months after the visit.

The LDP group also revised the towns' Land-use Plan (LUP) and established a criteria for revising zoning ordinances.

The LFM group prepared a new Revenue Code. This group also developed and installed efficient revenue collection systems, such as the computerization of assessment and collection of real property taxes, water billing and collection system, and the establishment of a One-Stop Shop for the Issuance of Business Permits.

Change of Organizational Structure. The HRD group changed the municipality's organizational structure and prepared a 10-year HRD program that targeted not only municipal officials and employees but also barangay officials and members of non-government and peoples' organizations in Malalag. The HRD trained 165 barangay officials in barangay administration. Another 105 barangay officials along with representatives of NGOs and POs were trained in Barangay Fiscal Administration.

The new organizational structure freed the Local Chief Executive of domestic and administrative functions so that he or she could focus on networking,

accessing, and promotion for the execution of development plans. In short, the mayor in the new set-up was envisioned to be a leader, manager, strategist, and not an administrator. Administrative functions were given to the town's administrator.

The new structure also organized the local government unit into five clusters: the Local Fiscal Management (LFM), Service Delivery System (SDS), Human Resource Development (HRD), Local Economic Enterprise Management (LEEM), and Local Development Planning (LDP).

The LFM cluster encompassed all offices involved in Finance such as the Municipal Budget Office, the Municipal Accounting Office, the Municipal Assessor's Office and the Treasurer's Office. The Municipal Treasurer served as team leader.

Under the SDS cluster were all offices involved in delivering services to the public such as Engineering, Social Welfare, Civil Registry, Health, and Agriculture.

Managing *Public Enterprises as Revenue-Centers.* The Local Economic Enterprise Management Group (LEEM) developed strategies to effectively manage four public enterprises such as the Public Market, the Water System, the Public Cemetery and the Slaughterhouse. LGSP assisted the conduct of a management study on these public enterprises.

Through the study, the municipal government realized that public enterprises must be seen and managed as economic enterprises that could serve as additional sources of local revenues. The municipality has since been charging fees from traditionally free services such as health, agricultural, and other social services. Fees were rated according to the ability of the clients to pay.

The LEEM also caused the upgrading of the waterworks system so that it could accommodate 240 new subscribers. A water meter was installed for each service connection.

The Local Legislation group formulated a new legislative agenda in support of the Area Industry Plan, the Municipal Development Plan, and the Land Use Plan. It also caused the codification of ordinances.

THE RESULTS

Reduced Transaction Time. The One-Stop-Shop reduced the time for the processing and issuance of business permits to 5 minutes.

Increase in Revenues. The adoption of a new revenue code and the installation of revenue mobilization systems led to a 94% increase in tax collection. Internally generated funds increased by 98% after the first year of implementation of the project. This elevated the status of the municipality from fifth class in 1993 to third class municipality in 1999. Municipal employees also brought in a million pesos as revenue from the training they had conducted on the use and installation of four software programs in 11 other municipalities in Region XI.

Installation of a Telephone System. The installation of a PHP5 million telephone system in the town with an initial allocation of 200 lines.

Clustered Development. Malalag's Municipal Development Plan (MDP) and Area Industry Plan (AIP) has since expanded into a Malalag Bay Area Plan (MBAP). Through the initiative of the Malalag Municipal Government, an inter-LGU alliance called the Economic Union for Cooperation of Local Authorities (EUCLA) was established. The alliance counted among its members the municipalities located along the shores of Malalag Bay: Padada, Hagonoy, Sulop, Kiblawan, Sta. Maria, and Malalag.

**Streamlining the Bureaucracy
through a Management Information System:**

Province of Bulacan

THE PROBLEM

In a liberalizing and globalizing economic and political environment, information has become the 'cutting edge' advantage formerly assigned to natural resources and later financial capital. Information has become the engine driving economic growth, and businesses are building up their information systems to remain competitive. The public sector, however, has not been as quick in utilizing this resource.

In 1996, the Provincial Government of Bulacan (PGB) was like many other LGUs, formulating policies, planning and implementing programs almost blindly with little information to back up or to evaluate decisions. Faced with many opportunities and problems arising from rapid urbanization, increasing population, and economic growth, the Provincial Government of Bulacan (PGB) proceeded to revamp the manner by which it operates by undertaking an ambitious management information system program.

THE PROJECT DESCRIPTION

The Bulacan Provincial Government Information System started in 1996 under the administration of Governor Roberto Pagdanganan. The Project was funded by a grant from the Governance for Local Democracy Project (GOLD) of the United States Agency for International Development (USAID). The Associates for Rural Development-GOLD (ARD-GOLD) provided technical assistance.

The objectives of the project were: to improve the delivery of basic services; to provide transparency and accountability in government transactions; and to increase government capability for planning, policy formulation, and program implementation.

The project involved the establishment of a management information system for the Province of Bulacan and selected component municipalities: Pulilan and Malolos.

THE IMPLEMENTATION

Planning. Establishment of a management information system began with a preliminary situation analysis that identified existing government personnel who have had training on computer operations and their level of knowledge and skills. The employees (the study identified a good number) were then organized into the core staff of the MIS office and trained in preparation for technology transfer.

The next step was the conduct of the Provincial Government's System Study. Through workshops, surveys, and key informant interviews, the ARD consultants and the MIS staff solicited the expectations and apprehensions of government employees and officials about the project. A common fear expressed was the possibility of displacement and dismissal due to the increased efficiency resulting from the system and the inability to cope because of the lack of knowledge and skills in computer operation.

The system study documented existing manual and computerized systems and resources (software, hardware, and human resources) in the provincial government; identified the information requirements at different levels; and the level of interface required among the application systems. It also recommended the technology platform appropriate for the needs of the provincial government, including the system architecture, the software strategy, the hardware strategy, and the organization of an institutional strategy of the computerized system. Finally, the study gave a timetable for implementation, implementation imperatives, and cost estimates.

The study became the basis for the Provincial Information System Plan.

Implementation. The MIS started with the choice of three critical information systems chosen by the provincial leadership for computerization. The initial target was the Real Property Tax Information System (RPTIS); however, computerizing this system would take some time and entailed work on other systems. The provincial government settled on the computerization of the Personnel Management first. This resulted in the payroll being processed on time and freed the employees from the burden of giving small rewards to those that processed their pay.

The next step was the definition of Technical Specifications of Overall System Priorities, involving determining the output, input, and processes of each system, and the software, hardware, and human resource specifications.

This was followed by the evaluation of existing software packages. In cases where off-the-shelf software packages were unavailable or failed to conform to specifications, GOLD provided both financial and technical assistance for the design and development of software packages.

The acquired and developed software packages were then installed and tested. ARD-GOLD consultants provided hands-on training to designated staff in the different offices.

The final step in the implementation was the finalization of the operating manuals for the system.

To ease the transition from manual to computerized systems, Governor de la Cruz herself set the example. All of the governor's presentations for local and international conferences were done in Powerpoint, and department heads were encouraged to do the same. She held dialogues to allay the fears of the employees. Employees who were affected by the reorganization were assisted in securing other jobs. The Governor also issued an executive order making computer literacy mandatory for everyone.

A comparison of the situation in the PGB before and after the installation of the MIS is presented below:

	Before	After
Extent of Computerization	10 computer units	63 computer units were used by different offices
Software Used	DOS-based application systems (Wordstar, Lotus 123, etc.)	Windows-based application systems (MS Word, Excel, PowerPoint, etc). Software designed for provincial government operations
Computer Literacy	Only the employees in the payroll preparation	All employees of the PGB are required to have undergone computer literacy course

Scope of the Management Information System

The PGB's MIS had several sub-systems, some of which were:

- The Personnel Management Information System (PM IS).
- The Provincial Government of Bulacan Web Site containing vital information about the province.
- The Real Property Tax Information System (RPTIS) used by the Assessor's Office for property assessment and in the Land Tax
- Division of the Treasurer's Office for the system of billing and collection of tax.
- Geographical Information System (GIS) that sought to establish a complete inventory and identify ownership of every piece of real property in the province for the purpose of improving tax collection. The GIS is linked to the RPTIS.
- The Property Management System (PMS) keeps track of the properties and supplies of the provincial government.
- The PGB Intranet that allowed different departments to have simultaneous communication with the other systems and facilitated employee access to their leave credits and service records.

	Without Project	With Project
Payroll Preparation	Done by 26 admin staff of all Departments/ Divisions	Done by 4 Personnel, with an estimated annual savings in salaries of P2.5 million
Processing Time in Preparing Pay Slips	Done in 5 days	Done in 4 hours.
Processing Time in Preparing BIR Form 2316	Done in 25 days	Done in 3 days

Municipalities in the province followed suit. Meycauayan, Pulilan and Guiguinto installed their own RPTIS. Malolos and Pulilan had linked up their own website with the provincial website with Sta. Maria, Calumpit, Hagonoy, Balagtas, and Guiguinto to follow.

Benefits Derived from Computerization

The benefits derived from computerization ranged from tangible to the intangible. The tangible benefits were mainly the savings in personnel services cost and the reduced transaction time.

Moreover, the MIS allowed the PGB to upgrade plantilla positions by 22 percent (383) and reduced the number of plantilla positions by 7 percent (126). From 1993 to 1999, the PGB was able to reduce its workforce by 16 percent (325).

The intangible benefits were:

- Better policy decisions
- Better knowledge of and image for the province nationally and internationally because of the website and better presentations made to visitors and missions
- Enhanced reputation of the PGB and its employees due to assistance given to other LGUs and visits by people interested in replication.

BANDWAGON COMPUTERIZATION:

Villasis, Pangasinan

THE PROBLEM

The devolution of many services and functions to Local Government Units have pressured many to improve systems, processes, and procedures. A number of LGUs have looked to computerization to accomplish these improvements. Many of the LGUs that computerized are provinces, cities, or first and second class municipalities. This case is about a fourth class municipality that computerized its operations, showing that lack of financial and technical resources is no barrier to the improvement of its systems and procedures.

THE PROGRAM DESCRIPTION

The computerization program of Villasis, Pangasinan was a five-year program designed to computerize operations of all offices by the year 1998.

THE IMPLEMENTATION

Setting the Example. For lack of financial and technical resources, the computerization program of Villasis started with no comprehensive study of the municipality's operations and no consultants swarming all over the place. It started with the Office of the Municipal Planning and Development Coordinator (MPDC) buying the municipality's first ever computer in 1991, a 286 machine that was still being used as of writing as a word processor in the Mayor's Office. The MPDC trained himself in its own use at his own time and expense.

Chain Reaction. The Office of the Municipal Engineer bought a unit the following year and started studying the AutoCAD program, spreadsheet and other software. Different units were soon trooping to the Municipal Engineer's and MPDC offices for printing and encoding; personnel soon learned basic computer skills by doing it.

The next year it was the turn of the Budget and the Accountant's Office to buy the next two units, having found that it was easier to prepare the budget and the accounting reports with computers.

Training the Other Units. The MPDC Office became the training center for computer literacy. One by one the different departments of the LGU approached the MPDC Office to be trained, and those that learned the quickest were the first to be allotted a unit in the municipal budget.

Using Off-the-Shelf, Standard Programs and Development of Its Own Software. By the end of 1995, all units of the LGU had a computer unit, some with two. Using standard, off-the-shelf software programs, the LGU computerized its payroll system, its land-use, and its crop zoning maps. It developed its own multi-media presentation for visitors about the municipality of Villasis.

The use of off-the-shelf programs arose out of the negative experience that the municipality had with customized software. Sometime in 1991+, the Bureau of Local Government Development under Director Teresita Mistal chose Villasis as a pilot LGU for its newly developed Clipperbased MIS software for its Payroll and Personnel Information System. The program operated smoothly with a few entries but slowed down when more were added.

In 1995, a Manila-based private software company offered the LGU a Real Property Tax Information System along with ten others designed for LGU operations. The municipality bought the Real Property Tax Information System for PhP50,000 for trial purposes. Again, it ran well for the first 8,000 entries then hogged down. The software company was not able to fix the problem, and the municipality's investment could not be recovered.

Burned by the experience, the municipality developed its own Information Database and Payroll System at no cost for the municipality.

A Real Property Tax System software was developed and implemented in 1999.

Acquisition of Licensed Software. In 1996, Villasis acquired licensed software for Windows 95 operating system, Office 97, and CorelDraw7.

Continuous Upgrading of Equipment. Since the program started in 1993, the municipality has been continuously upgrading its hardware, acquiring among others, color printers, scanners, CD rooms, and multi-media monitor.

Future Plans. Future plans of the municipality included local area networking and linking with the Internet.

Problems in Implementation. The computerization program did not encounter strong resistance, though technological shock and fear of the new responsibilities were there. However, those who still submitted typewritten reports finally came around to using computers in producing their outputs when most of the other personnel did.

Cost. Estimated cost of acquiring the 12 units of computers including accessories was PhP650,000. Acquisition of the licensed software cost PhP25,000.

THE RESULTS

The computerization program registered the following firsts:

- The first municipality in Pangasinan to acquire from the National Statistics Office (NSO), a Civil Registry System
- approved by the Sanggunian Panlalawigan (Provincial Legislative Council)

§ Accomplished the Comprehensive Land-use and Town Plan for 199+-2000 i in a record time of six months. It was the only approved and workable Land-use and Town Plan for Region I.

Without Project	With Project
Use of Typing	Elimination of Typing except for Filling Out Forms
Two or three persons needed to prepare the payroll system in five or more days	Payroll system prepared by one person in one day
Draftsmen needed	No need for draftsmen because of the AutoCAD.
People lined up at the Civil Registry Office and often told to come back the next day for the documents	Civil Certificate issued in one minute; no lines; no one was told to return the next day.
None of the personnel were computer literate	Seventy-five percent (75%) of the LGU personnel were computer literate.
Trips to Manila to verify and trace registry trips	Reduction in the number of trips as lost local records were obtained from the NSO Central Office and stored in the Local Civil Registry System.

The program led to the following improvements:

The computerization had wider benefits in the community, besides reduced transaction time.

Because of its Land-use and Town Plan, the municipality was able to expedite the conversion of land for the facilities of Purina Feeds. Purina Feeds chose Villasis over other towns in Pangasinan because of the Land-use Plan. Purina invested PhP175 million in the plant. For the town, this meant PhP3.5 million in real property and sales taxes every year. With Purina's entry, the town registered the largest increase in real property income in the whole of Region I in 1996 and 1997.

INCREASING THE EFFICIENCY OF THE PROCUREMENT PROCESS: BACOLOD CITY, NEGROS OCCIDENTAL

THE PROBLEM

Procurement is a routine internal function that any Local Government Unit performs. It is a largely invisible process, hidden from view from citizens and hardly noticed by even government employees except for the usual requisition forms to be filled, the periodic shortages, and the scams publicized in the media. Its invisibility and labyrinthine process make it fertile ground for shenanigans.

Ordinary to the point of being humdrum, it is not the usual target of the social reformers' zeal or the well-meaning interventions of development aid agencies. Yet procurement is an important government process, because this is one of the critical points where the private and public sector meet and do business.

In 1995, the procurement process was governed by COA Circular 92-386. The process went as follows:

1. The office filled up a request form
2. Requests were checked with the annual budget of the office or unit
3. If within the budget, the Property Division would then schedule a bidding, invite potential suppliers
4. Pre-qualified suppliers were asked to submit price quotations
5. The procurement wrote an abstract of the bid and chose the lowest price
6. The abstract was circulated among the different signatories.

In Bacolod City, each step in the process caused problems and complaints. The process led to delays that had become intolerable.

THE CONTEXT

Bacolod City is the capital of Negros Occidental. It is a booming and bustling city with a land area of 16,171.007 hectares covering 61 barangays and 640 puroks (zone). In 1994, it had a population of 415,165 persons and 66,424 households.

The city's budget in 1995 was PhP372,800.

THE PROJECTOR INTERVENTION

Together with the Canadian International Development Agency (CIDA)-Local Government Support Program (LGSP), the Bacolod City Government implemented a Human Resource Development (HRD) Program for its employees and officials. One of the modules in the HRD Program was on Supply and Property Management.

THE IMPLEMENTATION

Designing the Module. The Bacolod City government established a Project Monitoring Committee consisting of Atty. Crispin Pinaga from the Commission of Audit (COA) and Mr. Ernesto del Castillo of the City Planning and Development Office. The committee formulated the design in consultation with key people in both government and non-government agencies.

Conduct of the Training. The training targeted 60 participants but 92 people attended including the city government's rank and file, the division heads, and the procurement people from the Property Office.

Training Subjects. The training covered the following topics:

- § General Policies on Procurement
- Procurement through Public Biddings

- Procurement through Personal Canvass Emergency Purchases
- Negotiated Purchases
- § Direct Purchase from Duly Licensed Management
- § Procurement from Exclusive Philippine Agent or
- § Distribution
- Procurement from Government Entities
- Other Modes of Procurement

Guest speakers from COA and officials from the city government responsible for inventory and supply procurement handled the subjects.

Venue for Discussion. The training served as a refresher course for old employees and orientation for new ones. It also served as avenue of discussion between the supply and procurement people on the one hand and the heads and employees of the other divisions. The discussion resulted in the identification of bottlenecks in the procurement process and in recommendations to improve the process.

Recommendations. Among the more important recommendations that the training yielded were:

- § The putting up of a separate procurement office to relieve the property office of some of its responsibilities;
- § The reduction in the number of signatories from 16 to 8;
- § New ways of making purchases that will allow the government to purchase from more competitive bidders.

THE RESULTS

Some of the above recommendations were implemented yielding the following results:

- The number of signatories was reduced from 16 to 8. These were the General Service Officer, the head of the Accounting Dept., a representative of the mayor's office, a Sanggunian member, a member of a non-government organization, the City Treasurer, and a representative from the Commission on Audit.
- The Sanggunian passed a resolution creating a General Services Office tasked with requests for property and supplies and with materials acquisition and procurement management. In addition, the training led to:
- The establishment of systems that reduced processing period from one month to only one to two weeks, and

- The drafting of a monitor form where the designated signatories affirmed that they had received the forms, when it was received, and when it was sent to the next signatory.

The program resulted in:

- § Reduced time in processing the request for and the delivery of supplies like a typewriter ribbon from one (1) to two (2) months to two (2) to four (4) weeks.

PERSISTENT PROBLEMS

Notwithstanding the improvements, problems remained which had an effect on the procurement process. The problems had to do with:

The Bidding Process. The bidding process remains uncompetitive due to *palakasan* or favoritism.

Delayed Payments and Bond Deductions. Delayed payments plus stiff bond deductions if the deliveries were delayed discouraged new players from joining the bidding process.

Procurement Does not Lead to Quality Goods. Even an efficient procurement process would not guarantee that government would obtain the best goods and services. available if the criteria for selection remained the lowest price and the bidding process remained uncompetitive.

Lack of Storage Space. The city government did not have a warehouse or stockroom to store advance deliveries. Thus, the city government could not build an adequate inventory, which made bidding under tight time constraints a norm rather than an exception.

Lack of Streamlining and Planning of Requests. Departments did not program their requirements, leading to hasty requests and circumvention of procedures like buying supplies in advance and requesting reimbursements later.

No Room in the Procurement Process for Repair and Spare Parts. The procurement process set-up by COA Circular 92-386 was not flexible enough to allow for unforeseen needs like repair and spare parts.

Inadequate Budgetary Allotments. The quarterly budgetary allotments were simply not enough to cover the needs of the departments. Hence if a department used up its quarterly allotment ahead of time, it had to wait for another quarter to request. In the meantime, work suffered from the lack of supplies.

These challenges need to be addressed. The system is further reviewed for refinement.

ENERGIZING THE BUREAUCRACY: Naga City, Camarines Sur

THE PROBLEM

In 1998, when Jesse M. Robredo assumed the Office of City Mayor, Naga City was in bad shape. Once a first-class city and pride of Bicolandia, the capital of Camarines Sur had slid to third-class status. The city coffers were empty, the city's reputation was in tatters due to poor service delivery and a dispirited and unresponsive bureaucracy.

THE CONTEXT

Naga City is the only chartered city of the province of Camarines Sur in Region V. It is a first-class city. In 1995, the city had a population of 126,972. It enjoys a high literacy rate of 98.64%.

THE PROGRAM DESCRIPTION

Byway of a beginning, the mayor chose to concentrate on the low morale of city government employees. Efforts started on February 15, 1988. The program had no name at the start. Later on the term, Productivity Improvement Program was coined. The Productivity Improvement Program (PIP) was formally launched on January 21, 1994. An ant, popularly known as Pip, served as the program's mascot. Pip symbolized hard work, self-discipline, teamwork, and initiative. Since then, the PIP is celebrated every January of the year.

The PIP intended to transform city government employees into legitimate public servants driven not by rules and regulations but by a common vision and a mission. The program aimed to do the following:

- § Set response time in the delivery of services to the barest minimum

- § Pursue specific projects and activities aimed at inducing and sustaining peak productivity levels on all departments and offices
- § Encourage employees to come up with viable ideas and suggestions to further improve productivity
- § Constantly upgrade the skills and competence of employees through the regular conduct of seminars, workshops, training and similar activities
- § Institutionalize a cost-reduction system, and
- § Set up a feedback mechanism for the public.

The program focused on the four inter-linked areas that determined local government productivity:

- § Provision of adequate services to meet the requirements of the population
- § Getting the optimum outputs with minimum expenditures
- § Capability to produce quality results as desired and planned, and
- § Accessible and responsive services based on the principle of "the greatest good for the greatest number."

THE IMPLEMENTATION

The First Term: Introduction, Motivation, and Professionalization

Examination. The first indication of change was the examination given to all the city employees to determine their capabilities and match their skills with the appropriate positions,

Improving Compensation. To motivate and maintain the existing employees and attract good ones, Mayor Robredo ordered a 10% across-the-board increase in salaries in 1988. The following year, after successful raising city revenues, he instituted a 200% raise in the cost of living allowance and the full standardization of salaries.

Communicating with People. In March 1988, he convened a Departmental Planning Workshop organized to assess the condition of the different workshops and to communicate his vision and mission. The result of the Workshop was the creation of a Management Committee composed of the city mayor, the vice-mayor, and all the department heads.

Reconstituting the Personnel Selection Board. To inject professionalism in the ranks of the LGU and to eradicate the old system of patronage, Robredo issued Executive Order No. 88-08 that reconstituted the membership of the Personnel Selection Board on April 5, 1988.

Introduction of Performance Systems. In succeeding years, the Naga City government introduced a new performance evaluation system and an employee suggestions and reward and incentive systems. The system had the following features.

- § Focus on outputs rather than on inputs, activities, and processes
- § Agreement between the person rated and the person rating on the standards of evaluation
- § Recognition of employees for performance and contribution
- § Two-way and not just one way feedback. The department heads rated the staff but the staff also rated the department heads.

- § Coaching and Feedback Sessions. Mayor Robredo himself informed the department heads of the results of the evaluation in one-on-one sessions and coached them on areas of improvement.
- § Employee Suggestions and Rewards. Employees were encouraged to suggest and improve office work procedures, working conditions, relations, and service delivery systems. Suggestions must be do-able, sensible, innovative, cost-effective, and morally sound. A committee screened the suggestions, and the qualified entries were subjected to a dry run for a period of one month. Employees were awarded and recognized for good suggestions.

The Second Term: Institutionalization

Mayor Robredo's second term focused on the institutionalization of the program. During the second term, the program was formally named PIP. The activities undertaken during this period were:

- § ***Value Reorientation Workshops.*** The employees underwent personal awareness, visioning and goal setting workshops to determine their own personal vision and goals and to align them with that of the organization.
- § ***Productivity Seminars.*** Employees attended seminars on productivity enhancing method such as 5S, Quality Service Improvement Program, Office Management, Action Planning, and Time Management.
- § ***Leadership Skills Workshops.*** *Task Force Lider* facilitated the regular conduct of leadership skills improvement workshops for the heads of offices and equipped for the realization of themselves as individuals and as public servants.
- ***Commitment Sheet or Performance Pledges.*** Each department and work unit were required to post on conspicuous places Performance Pledges that spelled out the specific frontline service to be rendered, the employees responsible for doing the service and at minimum time allotted for its completion.
- ***Reward Systems.*** The LGU sponsored annual search for outstanding departments, officials, and employees. It also instituted the VIP (Very Innovative Person) Reward System. This rewarded employees who generated suggestions on how to improve systems and procedures and reduced operating costs and waste.

- **360 Internal Feedback System.** Every semester, the LGU conducted a survey among randomly chosen city hall employees to determine their concerns and issues in the implementation of the PIP and its effect on their daily work.
- **Computerization.** Computerization of major service transactions enhanced the productivity of the employees and their computer literacy.
- **Productivity Improvement Circle (PIC).** The LGU encouraged the establishment of Productivity Improvement Circle (PIC) which is a group of employees engaged in evaluating current work practices and in problem-solving activities.
- **"Urulay-ulay sa Kauswagan" (Conference for Progress)** The LGU held weekly masterminding and solving issues with the Management Committee as the venue.
- **Monthly Employee's Day.** The LGU specified a day every year when the rank-and-file employees commingled freely with the officials in sports and recreation activities.
- **External Feedback System.** "*Tingog nin Banwaan, Tingog nin Kauswagan*", as the program was called solicited feedback regarding the performance of the local government unit, A "*Pulco nin Siyudad*", a civic index established with the USAID-funded Governance and Local Democracy Project (GOLD) measure on how the community perceived itself on a number of indicators.
- **Recruitment and Cultivation of Talent.** Mayor Robredo attracted talented young, high performing people. These young men and women that he himself handpicked headed many of the city government's Award Winning Programs. Mayor Robredo's source of young recruits was the city hall's Summer Youth Program in which youth volunteers experienced hands-on work in city hall and assumed the duties of Local Chief Executive and employees of the city hall for a month. Mayor Robredo had a unique way of spotting and assessing talent. He designated the person "officer-in-charge" of a small project. If the person succeeded, the person was psychologically rewarded with more responsibilities.

In implementing the PIP, a personnel enhancement program, a five-member PIP committee was organized composed of the Chairman-Secretary to the Mayor; Member personnel Officer, Human Resource Development Consultant, Secretary to the Sangguniang Panglungsod and the Association president.

It was the task of the Human Resource and Management Officer (HRMO) to provide the committee with data on employees' needs, behavior and performance. It also explained and clarified existing Civil Service Commission

rules and regulations covering all government employees that affected the proposed activity.

ANNUAL REVENUES OF NAGA CITY (1987-1994)		
Year	Revenues	Percentage Increase
1987	9 million	31.58
1988	25 million	33.20
1989	33.3 million	35.14
1990	45 million	33.33
1991	60 million	26.67
1992	76 million	65.79
1993	126 million	26.98
1994	160 million	

THE RESULTS

The visible result of the PIP program was the increase in the city's revenues. From 1987-1994, the city's revenues increased consistently. In that seven-year period, the cities revenues increased almost two hundred fold.

With other programs of the LGU, the city government registered 96% increase in the number of business establishments; a 159% increase in market stalls; a 195% increase in the entry of new financial institutions.

**MAKING DEATH A VIABLE
AND ENVIRONMENT-FRIENDLY ENTERPRISE:
San Carlos City, Negros Occidental**

THE PROBLEM

Mayor Rogelio Debulgado of San Carlos City surveyed the city's public cemetery. The sight did not please him. Tombs were piled up one over the other, and the people visiting the cemetery had to wound their way through a sea of niches that had neither rhyme nor reason in their arrangement. He tried refreshing his eyes by looking far into the horizon, on Mt. Kanlaon but it gave him no comfort. Smoke billowed from the mountain's slopes, as kai ngeros cleared a patch of forest for agriculture. The mountain had ugly brownish and reddish patches breaking the greenery. Those patches seemed to be getting wider and wider as the years passed.

The denuded mountains and the congested cemetery set his thinking into motion. A new idea came into his head, a project that would address the two problems, simultaneously not separately.

THE CONTEXT

San Carlos City is found in the northeastern part of Negros Island. It is one of the six cities of the province of Negros Occidental. It is bounded on the north by the municipality of Calatrava; on the west by the municipality of Don Salvador Benedicto and Bago City; on the south by the municipality of Vallehermoso and the city of Can-laon, Province of Negros Oriental; and on the east by the Tanon Strait.

THE PROJECT

The concrete fruit of Mayor Debulgado's musing was the *Punongkahoy sa Bawat Pumanaw* Program (A Tree for Every Deceased Person). The program was decreed by the new Cemetery Code passed by the City Council in June 1998. In brief, the program required the relatives of the dead to plant a tree in a marked plot in the city's memorial tree park after burial in the new public cemetery. After five years, the remains of the dead would be exhumed and transferred to this marked plot.

THE IMPLEMENTATION

Development of the New Cemetery and the Memorial Tree Park. The first step in implementing the project was identification and establishment of a new cemetery site. A 5,000 sq. meter land was found along Endrina Street and developed into a new cemetery. The new cemetery had 2,574 well-arranged niches: 2,358 for adults and 216 for children. To make the cemetery less depressing, the area was fenced, and facilities such as an altar, multi-purpose sheds, spacious pathways, comfort rooms, and common prayer area were built. The old cemetery was closed on the same day the new cemetery was inaugurated. The new cemetery was inaugurated on October 1, 1998 and completed on August 31, 1999.

The memorial Tree Park was located in Barangay Rizal, Katiklan, around 12.3 kilometers from the new cemetery. It had a total area of 5.183 hectares.

The LGU spent PhP6.7 million in building the new public cemetery and PhP280,000 to develop the tree park.

Drafting Procedures for Qualification. For any relative of the dead to be buried in the new public cemetery, they must first present the death certificate to the city health officer. A rental fee of P1000 for the niches, covering a period of five years was charged to non-indigents. An indigent on the other hand was assessed a lower rate of P100. The City Social Welfare and Development Officer together with the *Punong Barangays* (Village Heads) defined the meaning of indigent. An indigent was someone who belonged to a family of six whose total family income fell below P8,000 a month.

Tree Planting. After the death certificate had been accepted, relatives were required to plant a tree, with the name of the deceased at a marked plot at the memorial tree park. The city agriculturist provided the seedling to be planted. After five years, the remains were exhumed and transferred to this plot.

THE RESULTS

Since its inception, 2,000 acacia and *narra* seedlings had been planted on the memorial tree park. Three hundred ninety-three (393) families had buried their dead in the new public cemetery.

The San Carlos City government has also turned the operations of the cemetery into a revenue-generating enterprise. From a net deficit of nearly PhP100,000 in 1997, a year before the program started, the cemetery posted a net surplus of PhP65,000 in 1999.

**INCOME AND EXPENDITURE OF THE PROGRAM
1997 & 1999**

	1997	1999
Income		
Entombment	P12,980	
Ground	4,020	
Adults		233,444
Children		21,639
Total Income	P17,000	P255, 083
Operating Expenses		
Salaries and Wages	P101,328	156,492
Incentives and Benefits	10,724	18,701
Light		8,113.95
Water		2,315
Seedling		4,728
Total Operating Expenses	P112,052	P190,349.95
Net Surplus (Deficit)	(P95,052)	P64,733.05

WATER FLOWING INTO HOMES: Puerto Galera, Mindoro Oriental

THE PROBLEM

The town of Puerto Galera in Oriental Mindoro depends on tourism for its income. Every year, thousands of local and foreign tourists flock to the town to enjoy its pristine white sand beaches. However, the long-term viability of this industry was threatened by the poor performance of the waterworks system.

Supply of potable water was inadequate in both the coastal and mountainous communities of Puerto Galera. Water flowing from the waterworks system was a source of water-borne diseases.

THE PROJECT

The threat to Puerto Galera's tourism industry spurred different sectors of the municipality to establish the Puerto Galera Waterworks System.

THE IMPLEMENTATION

Expansion. The municipality's waterworks system dated back to the late 1970s when the national government financed a spring development project in the municipality. An intake tank was constructed in the mountains. Water was obtained from the springs of Mt. Malasimbo, in the ancestral domain of the Iraya Mangyans. The water system covered the *poblacion* (town center) and its three neighboring barangays. Management of the water system was under the mayor's office.

As demand for water increased, the system's service area was expanded to include four additional barangays in 1987.

In 1993, the LGU and the Department of Public Works and Highways (DPWH) undertook another spring development project to expand the service area to three more barangays. The LGU sought the support of the NGOs and donor institutions to establish an intake tank in the Dimayuga watershed. The LGU borrowed funds from the Government Service Insurance System (GSIS) for this purpose.

Separating and Decentralizing the Management of the Waterworks System. As the service area expanded, the need to establish a separate office to manage the waterworks was felt. The LGU thus established the Puerto Galera Waterworks System (PGWS) to manage the system. The institutionalization of the PGWS was completed in 1995. Alongside the institutionalization of the PGWS, the LGU decentralized monitoring and

administration of the water system to the barangays. The PGWS supervised the whole system but the maintenance and management of the different components were the responsibility of the barangays.

Introduction of a Metering System. To make the delivery of water more effective, efficient, and cost-recovering, the PGWS adopted a metering system in 1998.

Conducting Support Activities. The LGU sought to protect the and enhance the condition of the source of waterthe watersheds. The LGU along with private and nongovernment organizations conducted reforestation activities in the watershed area.

Hiring Indigenous Experts. The LGU hired the services of indigenous experts, the Iraya Mangyans who lived in the mountains where the water was obtained. The LGU tapped the Iraya Mangyans as guardians of the watersheds. In return for their services, the Puerto Galera municipal government allotted five percent (5%) of the municipality's income to development programs for the Mangyans.

THE RESULTS

The expansion of the service area caused more households to enjoy potable water. In turn, this caused the reduction of water borne diseases, as indicated in the reports of the Municipal Health Office.

With an improved waterworks system, Puerto Galera was able to increase its revenues. The waterworks system generated revenues of PhP2.1 million in 1998.

ESTABLISHING DAP-AYANS:

Pinili, Ilocos Norte

THE PROBLEM

When he assumed office in 1992, Mayor Samuel S. Pagdilao, Sr. of Pinili, Ilocos Norte was confronted with depleted municipal coffers, inter-family disputes, a population apathetic to local governance, and a deteriorating peace and order situation. Mayor Pagdilao envied the nongovernment organizations for their ability to mobilize the people to become self-sufficient and responsible in managing socio-economic programs. He wondered if the same approach could be adopted in the local government context.

THE PROJECT

To revive the *Tagnawa* (Mutual Help) spirit in solving pressing problems in the community, Mayor Pagdilao designed, established, and institutionalized the *Dap-ayan Program* (meaning purok or cluster in Ilocano). The program sought to organize contiguous families in the barangays into clusters. In each *dap-ayan*, a mushroom-shaped structure or kiosk was built that would serve as physical center. Here in this kiosk, the people settled conflicts and disputes, and acquired learning and information by reading books, magazines, and other printed materials.

THE IMPLEMENTATION

Mobilizing Support. Mayor Pagdilao started the program by first studying the situation and consulting the Sanggunian Bayan (Municipal Council). The council supported his idea to institutionalize the *dap-ayans* and a municipal resolution was passed to that effect.

Introduction of the Program to the Barangays. Next were the barangays. The program was introduced in meeting with the different barangay councils. The councils approved of the program. The councils held local consultations with their constituents.

Division of the Barangays. Each barangay was divided into seven *dap-ayans* following the number of barangay kagawads (councilors). Each *dap-ayan* consisted of 10 to 15 families and was supervised by a kagawad. Each *dap-ayan* elected its own set of officers.

Construction of the Kiosks. Each *dap-ayan* constructed its own kiosk using local labor and construction materials. The municipal government did not spend any money as the *dap-ayans* shouldered the cost of construction.

The kiosks became "halls of justice" where inter-family conflicts and other disputes were discussed and settled. The Local Government Code mandated the creation of peacekeeping committees at the barangay level called *Lupong Tagapamayapa*. Each *dap-ayan* established a counterpart at their level and called it *Lupong Tagpagkasundo* (Mediator).

The *dap-ayan* saved the barangay money. Instead of hiring barangay *tanods* (village guards), members of the *dapayan* themselves acted as *tanods*.

THE RESULTS

The impact of the *dap-ayans* could not be quantified unlike other programs. However, the *dap-ayans* have facilitated the flow of information, established a system of peaceful conflict resolution without resorting to formal legal processes, and provided the opportunity for illiterate community members to begin learning how to read and write.

The *dap-ayans'* cleanliness and tree planting activities caused the municipality to win in the Clean and Green Program.

**IMPROVING A ROUTINE
GOVERNMENT FUNCTION:
Banay-Banay, Davao Oriental**

THE PROBLEM

The Local Government Code required new mandatory officials for cities and municipalities, among them the Civil Registrar. The Code transferred to the Office of the Municipal or City Registrar certain functions that formerly belonged to the Municipal Planning and Development Coordinator. By so doing, the law gave importance to the need for reliable and timely civil information and envisioned an improvement in the country's civil registry system.

Like many local government units, the Municipality of Banay-Banay suffered from the insufficiency and inaccuracy of data on its own constituents as shown by the low rate of civil registration, erroneous entries in the civil register, and lack of appreciation for the importance of this routine-almost humdrum function of local government units. Many of the citizens of Banay-Banay did not bother to register births and deaths, compounding the LGU's lack of timely and reliable data.

THE CONTEXT

Banay-Banay, Davao Oriental, a municipality of the Province of Davao Oriental, is bounded on the north by the Municipality of Pantukan, Compostela Valley and by the Municipality of Lupon on the south. It was once part of Lupon but was separated in 1971 by virtue of Republic Act 5747. It has a land area of 41,479 hectares and a population of 38,500. It is known as the Rice Granary and Bangus Bowl of Davao Oriental.

THE PROGRAM DESCRIPTION

To address the problem, the municipality started the program, "Quest for Civil Registration Excellence" in response to the lack of accurate information regarding the locality. Spearheading the program was Municipal Civil Registrar Ramon T. Urbanozo who targeted 100% registration of vital events of persons and envisioned the establishment of a system that promoted easy access to said information.

THE IMPLEMENTATION

The program used several strategies, among others: the organization, implementation and institutionalization of Barangay Civil Registration, mobile civil registration, information drives through tri-media (radio, print, television), free civil registration, *purok* (cluster of houses) census, and inter-agency coordination are just some of these.

The implementers had to brave bad weather, absence or the lack of service vehicles, constitutional dilemmas, and difficult individuals. The office received assistance from the National Statistics Office (NSO) of Davao City. Nongovernment organizations, particularly the League of the Civil Registry Personnel of Davao Oriental, chipped in, providing supplies and shouldering some of the office's expenses.

The Municipal Civil Registrar estimated the cost of the program to be PhP70,000.

THE RESULTS

The program updated the Civil Registrar's database. Documents are also easier to access through the creation of Civil Registration Information System (CRIS). Measures to guard the confidentiality of the information have also been put in place.

Other local government units have shown interest in replicating the program. The Municipal Civil Registrar has been invited as resource person in various training courses for a better civil registration system.

RESCUING IN THREE MINUTES:

Cebu City, Cebu Province

THE PROBLEM

The City of Cebu is the Queen City of the South. It serves as the center of commerce, trade, education, transportation and communication in the Visayas because of its strategic location right in the middle of the Philippine archipelago. This plus the entrepreneurial spirit of its people caused the economic boom and industrialization of Cebu City and of the nearby cities of Mandaue and Lapu-Lapu. Rapid economic and population growth, however, brought with it attendant problems of traffic congestion, greater demand for quality social services, and quick response to health needs.

THE PROGRAM

Even before the passage of the Local Government Code, Cebu City was ahead of the country in its attempts at devolving the delivery of its health services, primarily its prehospital care and ambulance service, to civil society. Called Rescue 161, the program involved the formation of a search and rescue team that would help in the formulation and implementation of policies on disaster preparedness, mitigation and prevention. The program was patterned after the American Rescue 911 and was under the Emergency Medical Service (EMS) Program.

THE IMPLEMENTATION

Beginnings. In 1975, then Mayor Demetrio Cortes of Mandaue City started the Mandaue Emergency Rescue Unit as a civic project attached to the Mandaue City Fire Department. The disbandment of the Rescue Unit in 1986 led to the formation of the Emergency Rescue Unit Foundation (Phils.) Inc. (ERUF). The foundation's personnel were members, volunteers and paramedics of the earlier emergency unit.

Partnership with Cebu City. The ERUF proved its worth, catching the attention of other LGUs in Cebu Province. Mayor Tomas Osmena of Cebu City forged a between the city government and ERUF.

The city government gave ERUF the primary responsibility in answering medical calls, providing emergency medical services, and handling disaster preparedness and safety promotion activities. In return the government subsidized its operations. ERUF was directly accountable to the Office of the City Mayor.

Seventy-six percent (76%) of the unit's budget came from the city government. This was spent mainly on personal services, maintenance and operation and, capital outlays. The rest of the budget came from donations, foreign assistance, membership dues, honoraria from lectures, and service fees from private hospitals.

The ERUF had 40 full-time paramedics assisted by 150 paramedic volunteers, 10 operations personnel, 26 communications personnel, 55 medical doctors with different specializations, and six (6) lawyers. The full-time paramedics and more than a hundred volunteers work twenty-four hours a day and 365 days a year.

ERUF responded to alarms and emergency calls, provided emergency ambulance service, gave medical back-up assistance during special events, undertook safety promotion, disaster preparation, mitigation and prevention; organized barangay disaster brigades; and trained paramedic volunteers.

The trainees were taught first aid, basic life support, safety promotion and disaster preparation and control, firefighting, search and rescue, extrication/entrapment/electrocution, towing and water rescue.

ERUF could respond within three minutes from the time of the call. Its service area covered the cities of Cebu, Mandaue, and Lapu-Lapu. However, the government also tapped the unit for disasters outside its jurisdiction like the Ormoc flashfloods and Pinatubo eruption.

Problems Encountered. The main problem encountered by the program was the high rate of turnover of paramedic'.

and volunteers who, after some time, left for more attractive jobs abroad. This was traced to the lack of security of tenure and minimal incentives and benefits paid to the workers.

Ensuring Sustainability. The dependence of the EMS on the city government for its budget was a perennial source of insecurity. The program was always in danger of folding up in case the political leadership changed its mind or changed hands. ERUF was lessening its dependence on government good will and funds by collecting service fees from private hospitals. It was also establishing a trust fund to ensure continuity.

THE RESULTS

Based on records, ERUF had saved lives of twenty percent (20%) of the 10% critically ill patients, a very satisfactory performance in the field of emergency medicine. The direct beneficiaries themselves felt the impact of ERUF. It reduced medical expenses of patients through its ambulance service and pre-hospital care. It shortened the confinement period for many of the patients. Most of all, it had reduced the mortality rate among critically ill patients and accident victims. The city also saved money.

TREATING CITIZENS AS CUSTOMERS: Province of Nueva Vizcaya

THE PROBLEM

The devolution of health services from the national to the local government led to a demoralization of health services and the decline in the quality of health services, as LGUs struggled to find enough funds to keep them running. In Nueva Vizcaya, devolution transferred five hospitals from the management of the Department of Health to the provincial government. These were:

I The 50-bed Nueva Vizcaya Provincial Hospital I the 25-bed Dupax District Hospital I the 25-bed Tidang Memorial Hospital I the 10-bed Kasibu Municipal Hospital, and I the Veterans Regional Hospital.

The management of the Veterans Regional Hospital was eventually returned to the Department of Health (DOH). The four local hospitals that remained under the provincial government used up almost P50 million of province's annual budget.

THE CONTEXT

The province of Nueva Vizcaya is one of the provinces in Northern Luzon. It has a land area of 437,880 hectares and a population of 334,965 people as of September 1995. The province's terrain is predominantly rugged and mountainous. Majority of the people in the province are engaged in agriculture. It is a second-class province with an annual income of more than PhP207 million, of which more than 14% were generated locally. It has 15 municipalities and 275 barangays.

THE PROGRAM

In May 1998, the provincial government of Nueva Vizcaya formally initiated the Quality Service Improvement Program (QSIP). It challenged agencies and health workers alike to be more considerate and responsive to the needs of their clients. The program started with the health sector. It had several goals:

I Change the behavior of hospital staff by getting them to treat the public as customers, stakeholders, and partners in the attainment of good health;

I implement service improvements that would lead to customer satisfaction;

I ensure that procedures were customer-friendly;

I promote and institute a customer feedback mechanism; and

I provide a venue involving health agencies and communities where conflicts and concerns can be discussed and resolved.

The main goal of the program was to attain customer satisfaction through systems and behavioral change mechanisms which would lead to a reduction, if not elimination of complaints.

PROGRAMS PRIOR TO QS IP

QSIP did not emerge Athena-like out of the Governor's mind. Before it had been implemented, there were previous attempts at introducing a culture of quality among the health personnel.

Expansion of the PHB. The first step toward QSIP was taken when Rodolfo Q. Agbayani became governor in 1992.

One of his first moves as governor was the expansion of local special bodies. This gave NGOs and POs more active roles in charting the future of the province. Among those special bodies affected was the Provincial Health Board (PHB).

Aside from the five members mandated in the Code, Governor Agbayani appointed nine other members from private and public health organizations such as the Philippine Medical Association, Philippine Dental Association, Philippine Nursing Association, and Philippine National Red Cross. The increased membership resulted in a more dynamic PHB. As proof, the PHB was recognized as the "Best PHB" in 1994 and 1995.

Introducing Reforms. Inspired by the successive awards, the PHB recommended two additional innovations in the areas of procurement and personnel selection and promotion.

I Centralizing Procurement. Before devolution, hospitals purchased their own supplies and medicines. This practice provided all kinds of opportunities for graft, and after devolution it became an issue because of insufficiency of funds. In the middle of 1996, Governor Agbayani ordered the centralization of all purchases of hospital medicines and supplies in the Provincial General Services Office. The decision allowed the province to do bulk buying of medicines and other medical supplies, hence getting more value out of every peso spent.

I Reforming Personnel Selection and Promotion. The PHB believed that the standard screening process was not appropriate for the requirements of the health sector. Due to the highly technical nature of health services, the PHB recommended that health workers themselves directly handle the hiring and promoting of staff. Based on this recommendation, the governor ordered a Special Selection and Promotion System for the health sector. Local health employees no longer had to pass through the standard screening process.

Under the new system, applicants must pass through three screening bodies. The first was the Local Selection Board composed of employees from the department needing the new personnel. The second was the Provincial Selection Board composed of elected PHB members. And the third body was the Office of the Governor. These selection boards were managed and led by competent health workers.

However, despite the awards and innovations, complaints from irate hospital patients and observers continued to pour into the Office of the Governor. Thus, another approach was undertaken.

Investigating the Causes. The provincial government held focused-group discussions and assessments to further identify possible interventions. During discussions, health and hospital administrators cited inadequate budget as the cause of their poor performance as well as poor public rating. Governor Agbayani analyzed the complaints reaching his office. His assessment showed that unacceptable behavior and conduct was a better explanation. Aside from the failure of local hospitals to deliver the full services, the unbecoming behavior of the health staff intensified public frustration.

IMPLEMENTATION OF QSIP:

Changing Mindsets. The mindset of the health personnel was the cause of the unending stream of complaints.

Prior and after devolution, health services and medicines were dispensed for free to the general public. Because they were free, health personnel developed the attitude that the public should be grateful for whatever kind of services they had received no matter how poorly delivered. The public had no right to complain nor to tell health workers what to do and how to do it.

Moreover, under a centralized government set-up, the health workers developed a culture of dependency. They were used to being ordered, readily accepting decisions made for them by management. They were not allowed to innovate,

modify, improvise, or venture into activities that were not ordered by the national government. Resourcefulness, flexibility, and perseverance were neither encouraged nor required. As a result, the health workers simply waited for orders.

Program Components. To change this mindset, a series of activities were undertaken by the provincial government with the cooperation of the health sector.

I Visioning the Ideal Service Organization: The chiefs of offices and supervisors of participating agencies were asked to differentiate the existing bureaucratic culture and the culture in private companies. Afterwards, they drafted their own service vision, values and strategies for the entire sector and assigned personnel to become members of the QSIP team.

I Service Auditing: The QSIP team analyzed how their agency was currently serving the public—services offered, processes involved, procedures, time and motion studies, common problems encountered while delivering services—and thereafter, utilize survey instruments in getting feedback from employees (internal) and customers (external).

I Accepting Accountability and Planning for Change:

The QSIP team sat together to evaluate the results, identify causes of the problems/weak points, and formulate service improvement recommendations that would address identified weak points. Each different health agency formulated their own Agency Action Plan and presented it to the entire staff for discussion and tasking and then for its implementation.

I Making the Necessary Changes: While the action plans were being implemented, the employees underwent Basic Customer Service Skills Training. Thereafter, a second survey was conducted to determine if there were any improvements in the ratings of the health agencies.

Completing and Renewing the Cycle of Change: A Follow-up and Renewal Workshop was done in which a comparative analysis of the pre and post evaluation survey was presented to the governor and top management. The people responsible for implementation discussed and evaluated the effects of the action plan in terms of management change, customer relations and responsiveness.

Learning from Others: The Follow-up and Renewal Workshop had raised the level of expectations in provincial leadership, and that the QSIP team decided to ensure that service improvements were really implemented and an assessment form was developed for the purpose. Also, the QSIP team decided to make local cross-visits to gather comments, suggestions and exchange ideas.

Encouraging Friendly Competition: The QSIP team had focused their attention to the development of a common survey instrument that would allow comparative analysis of agency ratings. They developed a survey instrument for hospitals and another one for field health services.

Participating in Health Sector Management and Development: Several policy recommendations that were approved by Gov. Agbayani included the involvement of budget, accounting, treasury and general services offices in the QSIP; creation of a Service Excellence Council (SEC) to monitor program implementation and assist the PHB in ensuring quality health care; implementation of a Drug Supplementation Program (DSP) to ease the periodic shortage of medicines in hospitals and where drug stores might be set-up by hospital employee cooperatives; adopting a dress code among health workers to easily identify them from customers, especially during urgent situations; and

instituting a standard customer-friendly duty board for all hospitals in the province.

Expanding QSIP. In December 1999, the provincial government expanded QSIP to include the Provincial Budget Office, Provincial Treasurer's Office, PACTG, Provincial General Services Office, Human Resource Management Office, and Provincial Engineer's Office as support agencies to the health sector.

Financing the Program. The QSIP was allotted a budget of P10,000 in 1998 and P139,000 in 1999. The 1998 and 1999 funding came from savings generated from other programs under the 20 percent development fund. Expenditures from May 1998 to November 1999 amounts to P113,000 out of which 85 percent was spent in workshops, training, and surveys. The remaining 15 percent was spent for administrative purposes.

The program received technical assistance from the United States Agency for International Development (USAID) Governance for Local Democracy Project (GOLD).

PROGRAM RESULTS AND OUTCOMES

The implementation of the QSIP resulted to several changes and improvements in the health sector in Nueva Vizcaya.

Increased Networking and Coordination Among Health Agencies. A dynamic two-way referral system was established among hospital. Through the system, problems on unsolicited and unethical comments during referral to higher-level hospitals were resolved. A uniformed format and costing for the 1999 annual investment plan was adopted by the local hospitals. District hospitals developed and adopted common performance evaluation benchmarks, programs, projects, and activities. The level of inter-agency support system increased to fill-in deficiencies in supplies, medicines, and equipment and at the same time ensured that delivery of services, especially in the bigger hospitals, went uninterrupted.

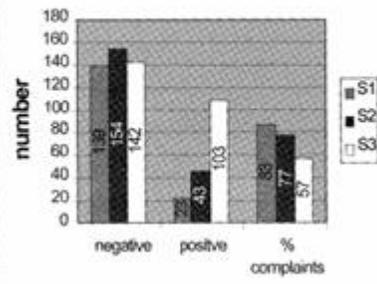
Increased Linkage with Community-Based Organizations. The active participation of hospitals in their respective local health boards was renewed. As a result, timely feedback on health issues and concerns reached the proper authorities. LTMH established direct partnership with their host barangay and jointly they were able to undertake the construction of watcher's dormitory, garage, and storeroom. As of writing, they were constructing garbage pits.

All health agencies participated in the first Health Friendship Games which culminated in a Christmas party. The second Health Friendship Games saw the participation of NGO, POs, and private hospitals. There was even a mini-fair where all participants put up their own booths. The first Nueva Vizcaya Health Fair dubbed "A Clean Celebration of Life" was being planned and would be launched in November 2000.

These activities indicated the level of unity and collaboration developed in the health sector during the program.

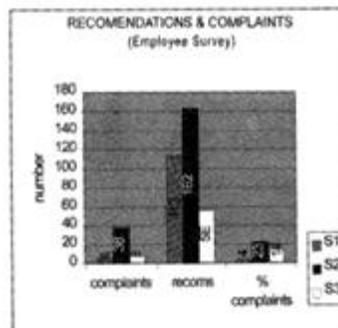
Increased Confidence in Internal and External Customer Surveys. The respondents were not afraid to say their evaluation of health personnel and their services especially in the second survey where the results were more discriminating and revealing. It came to a point where Governor Agbayani had to call the attention of several middle managers whose bad practices were reflected in the survey. The initial reaction of the middle managers was resentment. Nonetheless, the sensitive handling of the issue prevented the loss of teamwork. The second survey results showed significant improvements. A comparative analysis of Surveys land 2 showed an average passing benchmark of 3.5 for the health sector. Moreover, it showed that the problems identified by customers were being resolved.

COMMENTS (Customer Surveys)



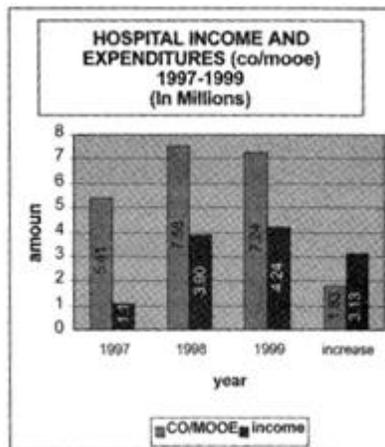
Expansion of the Provincial Health Board. The PHB now included more than 23 members from all sectors in Nueva Vizcaya who were involved in the delivery of healthcare services. Presently, the PHB has a representative from the *Barangay* Health Workers (BHWs) and the chairperson of the Provincial Awards Committee (PAC). BHWs were the foot soldiers of the health sector and they finally got recognition by being represented in the highest policy-making body of the province for the health sector. The inclusion of the PAC chairperson revealed the importance of a responsive procurement system in the delivery of health services. All members of the PHB had equal voting rights.

Improved Staff Capability. Basic Customer Service Skills was given to 80 percent of the local government's health employees which increased their awareness on proper customer service management. Health workers started taking part in policy formulation for health services. Employee morale improved as the employees found themselves empowered to implement reforms within their levels. QSIP team members were trained as facilitators tremendously increasing their level of confidence and competence in handling the Program. All participating agencies implemented their action plans beyond the 80 percent level set by the customers in the initial survey were resolved or improved. The improved staff capability resulted to an improved management of hospital waste. With their increased knowledge, the local hospitals were now implementing their own waste management plan.



Institution of a Special Selections and Promotions Process for Health Workers. Upon the recommendation of the PHB, the governor created a special selections and promotions process for health workers. The process allowed health workers to directly participate in the selection of new employees and the promotion of their peers. It resulted to a significant decline in customer complaints. Instead, praises and commendation for health workers started to be received. A nurse from the Japan International Cooperation Agency commended the VRH for its cleanliness. The improvements were achieved at a very minimal expense to the provincial government. It proved that customer satisfaction did not

need a lot of money if the leaders and the staff were united towards service excellence.



Revised Procurement System for All Hospitals. A procurement system was revised to fast-track purchases for the health sector. The revised system was more responsive to the needs of the sector compared to the old one. The inclusion of the PAC chair to the PHB allowed the immediate response and necessary actions to any problems encountered in procurement even if some problems still existed and caused occasional delay.

Increased Revenues of Local Hospitals. Hospital income increased by 131 percent from 1997 to 1999 as against 17.81 percent increase in expenditures for

the same period which includes Capital Outlay and Maintenance and Other Operating Expenses. This means an increase in the patronage of public hospitals. The centralized purchasing of hospital supplies and medicines was saving the provincial government thousands of pesos each year.

BRINGING HEALTH SERVICES RIGHT TO THE SHORES: Province of Sorsogon

THE PROBLEM

All of Sorsogon's towns, except Irosin, are located along the coasts. Of the province's 5'+1 barangays, 210 are located along the coasts and 161 are considered depressed. In this situation, the traditional method of clustering services in the provincial and municipal center and waiting for people to come would not and did not in fact work. The dispersal of the barangays and their remote location needed another approach.

THE CONTEXT

Sorsogon is located at the southernmost tip of mainland Luzon Island. It is around 750 kilometers from the Philippine capital of Manila, and is one of six provinces of Region V or the Bicol Region. In 1995, Sorsogon had a population of 591,927. The population grew at a rate of 2.35%. Average household size was 5.21 persons. In 1998, Sorsogon was considered one of the most depressed provinces in the country, with a poverty incidence of 54.5%, malnutrition rate of 52%, unemployment rate of +0.2%, and annual family income of PhP4,397 per capita.

THE PROGRAM

The Sorsogon provincial government initiated the Provincial Floating Clinic (PFC) Program to reach out to poor people living along the province's coast. The program's aims were to:

I Provide a comprehensive and integrated health and medical services to isolated coastal and interior barangays;

Establish and implement a cohesive and functional network with different humanitarian agencies;

Empower the economically depressed barangays and enable them to plan and manage their own health program and other related projects;

Foster self-reliance and self-determination on health and other related issues and concerns;

Integrate the expertise and resources of government agencies and NGOs in order to provide for the community health needs;

Setup structures that would finance, operate, and manage health development programs or render sustained technical, organizational, and material support to community-planned health projects intended to improve health security;

Set-up a radio communication network linking the barangays to the PFC radio communication center; and

Contribute to the DOH's rich experiences in managing community health programs and its commitment to the use of partnership in improving people's health.

THE IMPLEMENTATION

Staffing. The program had 19 personnel, including two (2) rural health physicians, two (2) dentists, three (3) rural health nurses, one (1) medical technologist, one (1) x-ray technician, two (2) pharmacy supervisors, 2 ambulance drivers, 1 cook, and 2 utility workers. If ever the said staff is insufficient, personnel from other hospitals devolved to the provincial government could augment the situation. The floating clinic has features for minor surgery, emergency paramedic services, health and sanitation education and community organizing.

Budget. The floating clinic had an initial budget of PhP3.5 million, of which PhP1,333,072 was allocated to Personnel Services, PhP1,796,928 to Maintenance and Operating Expenses, and PhP370,000 to Capital Outlay. The PFC Program was meant to last for three years, from 1998 to 2001.

Services. It delivered three types of services: preventive, curative, and social services.

Preventive Services: Information, education, and community sessions on disease identification and prevention were conducted in every barangay as part of the health education program.

A "walking" blood bank was established. The blood bank undertook blood typing, recording, donor documentation among local residents. Barangay Health Workers were identified, trained, deployed, and issued blood pressure apparatus, stethoscope, and other needed equipment under the Cardio-Vascular Disease Program. Cataract cases were given attention through the identification, screening, and documentation of patients.

Curative Services. Barangay council and women's organizations organized the communities for free medical and dental consultation and treatment by the PFC Team, including the provision of medicines and surgical services.

Barangays with VHF radio communication were linked with the PFC radio communication network for medical emergency rescue services by the PFC medical team.

Social Services. A *Botika sa Barangay* (Village Pharmacy) Program was instituted by identifying the area and the beneficiaries, organizing and training of a project management team, and providing medicines at discounted rates.

Similarly, a cooperative network with the National Food Authority (NFA) was created. A project management team was organized and trained. Rice was sold at discounted rates since transportation costs were shouldered by the PFC.

An ambulance was made available to the people for free on a 24-hour basis. PFC personnel assisted beneficiaries in accessing funds to be used as seed capital for their income generating projects. The PFC provided the sound system for free during fund-raising activities such as benefit dances and raffles.

THE RESULTS

Reach. Already 24,933 persons were provided with medical services; 750 with dental services; 99,276 participated in health education program; 425 people with referrals; and follow-up services to 24,933 patients. Field health investigation in 237 barangays was also conducted that benefited a total of 24,933 people.

Rice Distribution. Four thousand thirty-seven bags of NFA rice were distributed to 88 depressed barangays and benefited 880 households.

Number of Trainees. A total of 537 project officers and key leaders were trained in project implementation and financial management, including values orientation, community self-help and self-reliance, and people empowerment.

Associations Formed. Health associations were organized in 179 barangays located in 15 municipalities and involving a total of 895 officers and 716 members.

GALING POOK AWARDEES 1993 - 1994 Top Ten Outstanding Program

Bantay Puerto	Puerto Princesa City
Nutrition, Food, Environment and Medicare	Binmaley, Pangasinan
Kaunlaran sa Pagkakaisa	Bulacan Province
Build, Operate and Transfer: The Market Place	Mandaluyong City
Solid Waste Management	Olongapo City
Metro Naga Development Council	Naga City
Tax Computerization	Cebu City
Integrated Area Development	(rosin, Sorsogon
Kabalikat Rubber Development	Cotabato Province
Tulunang Peace Zone	Tulunang, Cotabato

Other Trailblazing Programs

Partnership for Community Health Development	Sultan.
Eastern Samar	
LGU-NGO Partnership	
Calumpit, Bulacan	
Cebu City Task Force on Streetchildren	
Cebu City	
Pilar Integrated Educational Support	Pilar, Sorsogon
Propagation and Distribution of Ilang-ilang/Sampaguita Seedlings	Guagua,
Pampanga	
Emergency Rescue	Naga City
Provincial Environment Protection and Management	
Zamboanga del Norte	
Naga Kaantabay sa Kauswagan	
Naga City	
Hillyland Resource Management and Development	
Cebu City	
Commission	
Family Income Augmentation	Hindang, Leyte

GALING POOK AWARDEES 1994 - 1995 Top Ten Outstanding Program

Kalibo Save the Mangroves	
Kalibo, Aklan	
Strategic Intervention in Transforming Malalag	Malalag,
Davao del Sur Into a Provincial Agro-Industrial Center	
Community Primary Hospital/Community Based	Negros
Oriental Province Resource Management	

Acquisition of a Complete Equipment Pool Munoz,
Ecija Nueva
Kapit-Bisig
Sampaloc, Quezon
Municipal Bond Flotation for Low-Cost Housing
Victorias City, Negros Occidental

Save the River
Marikina City

Productivity Improvement Program
Naga City

Guagua Integrated Approach Towards
Guagua, Pampanga

Sustainable Development Cultural Development Program
Province Bulacan

Other Trailblazing Programs

Providing Water to Remote Barangays Leyte	Baybay.
Increasing Tax Collection Rizal	Binagonan,
Building a Barangay Fishport City. Negros Occ.	San Carlos
Saving the Maasin Watershed Province	Iloilo
Providing a Low-cost Housing Princesa City	Puerto
Mobilizing Women for Primary Health Care City	Surigao
Providing Emergency Medical Service Producing Trichogramma Province	Cehu City Davao
Mobilizing Puroks for Primary Health Care Bohol	Balilihan,
Strengthening Economic Enterprises Penablanca. Cagayan	

GALING POOK AWARDEES 1995 - 1996

Top Ten Outstanding Program

Sustainable Food Security Province	Davao
Marine Conservation of San Salvador Island Zambales	Masinloc,
Municipal Infirmary and Health Assistance Miguel, Bohol	San
Government Computerization Oplan Linis Princesa City	Naga City Puerto
Agora Mobile School for Street Children de Oro City	Cagayan
Ecological Waste Management Bulacan	Sta. Maria,
Lote Para Sa Mahirap City, Negros Occ.	San Carlos
Alay Paglingap Province	Bulacan

Eco-Walk

Baguio City

Other Trailblazing Programs

Naga Early Education and Development Management of Human Settlements City	Naga City Muntinlupa
Satellite Hospitals Princese City	Puerto
Satellite Libraries Princesa City	Puerto
Alternative Scheme for Sustaining Health Services Davao del Sur	Malalag,
Upland Agricultural Development Magsaysay, Davao del Sur	
Potable Water for All Barangays Bohol	Clarin,
Sipaglakas Movement Eastern Samar Peace and Reconciliation Samar	Lipa City Eastern
Comprehensive Cooperative Development Lucena, Iloilo	New

GALING POOK AWARDEES 1996 - 1997

Top Ten Outstanding Program

Environmental Resource Management Ecological Amelioration for Sustainable Development Pabompon, Leyte	Bais City
I'olitika sa Bangketa (Red Side Walk) City	Marikina
Save the Working Child Road for Progress City, Negros Occ.	Butuan City San Carlos
A Clean Sea, A Healthy Community Cagayan	Appari,
Provincial Health Insurance Province	Guimaras
Sagay Marine Reserve Itaranyay Tanod' Partners to Progress Bulacan	Sagay City Pulilan,
Voluntary Blood Sufficiency Province	Davao

Other Trailblazing Programs

Sports Development
Madrivejos, Cebu

Fishery Development
Masbate Province

Todo Unlad ("More Progress")
Padre Garcia, Batangas

Lingap Tanaw
Naujan, Oriental Mindoro

Volunteerism - Olongapo Style
Olongapo City

Basco Water Works System
Basco, Batanes

(rosin Agrarian Reform
Irosin, Sorsogon

Talahib Handicrafts
Joones, Isabela

Community-Based Rehabilitation Services for the Disabled
Iloilo Alimodian,

Alternative Commercial Business District
Legaspi City

GALING POOK AWARDEES 1997 - 1998 Top Ten Outstanding Program

Inter-LGU Partnership for Management of Banate Bay Iloilo Province

Squater-Free Marikina
Marikina City

Barangay Talyer
Marikina City

Balik-Ilahas
Negros Occidental Province

Sebaste Community Clinic
Sebaste, Antique

Community Mobilization for Zero Waste Management
Bustos, Bulacan

Barangay Infrastructure Development
Irosin, Sorsogon

Mangyan Program
Occidental Mindoro Province

Other Trailblazing Programs

Health Card System
Paranaque City

City Livelihood Development Assistance

Pagadian City

Tagaytay Financial Engineering
Tagaytay City

Sustainable and Integrated Livelihood
Brgy. Baldibs, Sta. Ignacia, Tarlac

Environmental Resource Management
Malalag, Davao del Sur

Waterworks System Development and Expansion
Loon, Bohol

More Homes for More People
Mandaluyong City

GALING POOK AWARDEES 1998 - 1999

Top Ten Outstanding Program

Abra Overseas Filipino Workers Center

Abra Province

Accelerated Agriculture and Fisheries Productivity
Bacarra, Ilocos Sur

Watershed Co-Management Program
Nueva Vizcaya Province

Disaster Management and Community Development
Guagua, Pampanga

Waterworks System
Puerto Galera, Oriental Mindoro

Pista ng Kalikasan
Palawan Province

People's Park in the Sky
San Jose de Buenavista, Antique

Comprehensive Agricultural Development
Negros Oriental

Zamboanga,

Other Trailblazing Programs

Multi-Grade Mobile Teaching Program Province	Ifugao
Moving Onwards to Munoz Agricultural Nueva Ecija Science City Program	Munoz,
Makati Vendors Program	Makati City
Integrated Market and Bus Terminal Complex City, Bohol	Tagbilaran
Local Government Economic Enterprise Surigao City Institutionalization of Purok Center / Dap-ayans	Pinili,
Ilocos Norte	
Community Managed Health Development	Bustos,
Bulacan	
Bantay Dagat	Kawayan,
Biliran	
Hugpong BUMMBBADA	Alimodian,
Iloilo	

GALING POOK AWARDEES 1999 - 2000

Top Ten Outstanding Program

Reinventing Public Service Province	Bulacan
Punongkahoy sa Bawat Pumanaw Carlos City	San
Sustainable Livelihood Program and Environmental Resource Management of Anao YIng-ylang Anao, Tarlac	
Municipal Center for Women: An Integrated Gender Sensitivity Health Program	
Balayan, Batangas Cultural Renaissance: Towards Synergy, Heritage,	
Arts and Eco-Cultural Tourism Development Bohol Province	
Establishment of a Community Highschool Cawayan San Francisco, Quezon	Barangay
The Dumaguete Dumpsite & Ecological Park City	Dumaguete
Pagkaon 2000: Food Sufficiency Program Occidental Province	Negros
Revitalizing the Health Sector: The Quality Service Improvement Experience In Nueva Viscaya Vizcaya Province	Nueva

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