

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The programmatic approach to the Local Government Finance and Fiscal Decentralization (LGFFD) reform program takes into account assistance provided by other multinational and bilateral development partners to improve coordination and harmonization, and ensure synergies that will maximize the impact of the LGFFD reform program. Ongoing development projects related to decentralization and local government financing in the Philippines are summarized below. The projects include a mixture of loans, grants, and technical assistance (TA) covering various aspects of decentralized functions for planning, budgeting, revenue generation, and monitoring and evaluation, and may involve capacity development and institutionalization of various devolved services in a number of sectors (e.g., environment and natural resources, agriculture, and finance).

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
ADB	Support to Local Government Finance and Budget Reforms	September 2010– September 2012	0.70
ADB	Support to Local Government Revenue Generation and Land Administration Reforms	August 2011– September 2013	1.50
ADB	Strengthening Citizen Involvement in Mitigating Governance Risk in Local Governments in the Philippines	June 2013– May 2014	.20
ADB	Strengthening Local Government Revenue Generation and Land Management	2013–2016	5.40
AECID	Vigilance to Volunteerism: Program for Intensifying People’s Engagement in Local Governance	2010–2016	0.50
AECID, CIDA, GIZ, EU, USAID	Promoting Inter-Local Governance Reforms	2009–2013	2.00
AFD	Green and Sustainable Urban Planning	2010–2014	0.50
AusAID	Supporting the Assessment of Pilot Bottom-Up Processes of Planning and Budgeting	June 2012– April 2013	0.20
AusAID	Strengthening Bottom-Up Budgeting M&E Systems Component of Programmatic AAA on Strengthening Local Governance and Accountability	July 2013	TBD
CIDA	Supporting LGUs Alliances for Local Economic Development	2008–2015	18.00
CIDA	Local Government Support Program for Local Economic Development	2006–2017	18.00
EC	Support to the Local Government Units for More Effective and Accountable Public Financial Management (LGU-PFM2)	2012–2016	10.40
EU, World Bank	Deployment of e-SRE System (Version 2.1)	May 2013–	0.50

Development Partner	Project Name	Duration	Amount (\$ million)
	to LGUs	June 2014	
GIZ	Decentralization Program	2005–2013	10.00
IFC, GIZ, USAID, AECID, CIDA	Up-Scaling of Business Permit and Licensing System	2013–2016	...
USAID	Transparent Accountable Governance 4	2009–2013	...
World Bank	Land Administration and Management 2 Project	May 2005–September 2013	40.60
World Bank	Support for Strategic Local Development and Investment Project for Philippines	June 2006–February 2014	109.00
World Bank	Second Phase of the Mindanao Rural Development Project for Philippines	March 2007–December 2014	123.65
World Bank	Improving Capacity of Treasurers and Assessors in Revenue Generation and Management	2013–2016	TBD
World Bank	Sub-national Debt Policy Technical Assistance	July 2012–September 2013	...

... = data not available, AAA = Analytical Advisory Assistance, ADB = Asian Development Bank, AECID = Agencia Española de Cooperación Internacional Para el Desarrollo or Spanish International Cooperation Agency for Development, AFD = Agence Française de Développement, AusAID = Australian Agency for International Development, CIDA = Canadian International Development Agency, EC = European Commission, EU = European Union, e-SRE = electronic Statement of Receipts and Expenditures, GIZ = German International Cooperation, LGU = local government unit, IFC = International Finance Corporation, M&E = monitoring and evaluation, PFM = public financial management, TBD = to be determined, USAID = United States Agency for International Development.

Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

2. At the country level, the Philippines Development Forum (PDF) is a key government-led mechanism for coordination of strategic, operational and policy aspects among various development partners. The PDF has 10 active working groups that facilitate an ongoing policy dialogue regarding the working groups' specific themes.¹ The working group on Decentralization and Local Government, co-chaired by the Department of the Interior and Local Government (DILG) and the World Bank is in charge of facilitating policy dialogue among stakeholders and serves as a process for developing consensus and support for the implementation of elements of the government's reform agenda relating to decentralization and local government finance. The PDF meets annually to assess progress, and held its most recent meeting on 4–5 February 2013. ADB is represented in all PDF working groups, and co-chairs the working group on governance and anticorruption. Through the Decentralization and Local Government (DIALOG) trust fund, several development partners jointly assist the provision of targeted TA on local public financial management and decentralization reforms.

3. The Coordinating Committee on Decentralization (CCD), chaired by the DILG, acts as Secretariat of the Oversight Committee on Devolution and incorporates membership from all relevant government agencies and the leagues of local governments. The CCD evaluated policy reform priorities and assesses the status of evaluation of major initiatives. The committee invites

¹ Philippines Development Forum. <http://pdf.ph/about.htm>

development partners, technical staff from Congress and representatives from civil society organizations as needed. The CCD prepares proposals for the consideration of senior management for their eventual submission to the Legislative–Executive Development Advisory Council.

C. Achievements and Issues

4. The Asian Development Bank, through the implementation of the Local Government Finance and Budget Reform program, has assisted in the creation and operation of the CCD with financial and technical assistance. The Asian Development Bank is an active member of the PDF working group on Decentralization and Local Government, where regular presentations on the status of all development partners' initiatives are made. The PDF has prepared its workplan for 2013–2015, which includes the TA activities and policy actions in support of the Local Government Finance and Fiscal Decentralization reform program.

D. Summary and Recommendations

5. The government has a well-established development partner coordination system, anchored on the PDF working group and the CCD. Overall, development partners regularly coordinate among themselves and with national government agencies. The project preparatory TA associated with the LGFFD reform program will assist the review of the Local Government Code through the work of the CCD, and with regular consultations with development partners via the PDF working group.