



PROGRESS REPORT

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Background

In many municipalities in the Philippines, it takes 3-5 days – sometimes even more – for a business to secure a permit to operate. Reasons? Bureaucratic red tape and inefficiencies in manual processing of license applications. The situation is further aggravated by rent-seeking practices of corrupt public officials. All of these result to reduced government revenues critical for better public service delivery and higher cost of doing business. In fact, the World Bank, in its 2008 Doing Business Report, ranked the Philippines 144th out of 179 countries in terms of starting up a business.

Moreover, most Philippine municipalities are heavily dependent on Internal Revenue Allotments. There is a need for reform and support in terms of enabling local government



units (LGUs) in generating income from local sources such as business and real property taxes. Doing so requires LGUs to improve their financial management information systems by investing in information and communication technologies and building the technical capacities of their treasury staff.

eGovernance, according to the United Nations Development Programme, is a form of public administration making “use of technology to enhance the access to and delivery of government services to benefit citizens, business partners and employees”. It aims to “help strengthen government’s drive toward effective governance and increased transparency to better manage a country’s social and economic resources for development”.

The League of Municipalities of the Philippines (LMP) and the Mayors Development Center (MDC) have always wanted to “walk its talk” on e-governance. LMP and MDC strongly believe that by investing in system informatization, municipalities can generate more revenues and make their processes streamlined and harmonized which ultimately will



lead to more efficient public service delivery and cost savings. However, many local government units (LGUs) lack the technical know-how and financial resources on implementing an e-governance program.

The e-Governance for Municipal Development (eGov4MD) Project, which is funded by the Canadian Government through the Canadian International Development Agency, is a collaborative initiative between LMP, MDC, the Canadian Executive Service Organization (CESO), and the Commission on Information and Communication Technology of the National Computer Center (CICT-NCC). The project, which started last April 2007 and now a flagship initiative of LMP and MDC, is likewise being supported by the Department of the Interior and Local Government (DILG) and Department



of Trade and Industry (DTI) through its Regional and Provincial Offices.

The project’s goal is to improve local governance, including increasing efficiency of public service delivery and revenue generation, by promoting human resource development in the field of ICTs. Its objective is to build the capacity of selected e-ready municipalities nationwide by implementing an e-governance project using NCC’s eLGU software package consisting of open source-based Real Property Tax System, Business Permit & License System and Treasury Operations Management System. The e-Gov4MD initiative, now a flagship program of LMP and MDC, provides the municipalities with a package of users and technical trainings for its municipal personnel and advisory services rendered by CESO’s Volunteer Advisers.

Program Milestones to Date

Since then, the following milestones have been achieved:

1. An enhanced eBPLS has been set up in the participating seventy five (75) municipalities. Many of them have reported 15-150% increases in business permit revenues, overwhelming reduction in permit application processing time (from 2-3 days to 1 hour) and increased citizen

satisfaction with the aid of the eBPLS. A number of the selected LGUs have likewise updated/revised their Revenue Codes and streamlined their business permit application process.

2. From April 2007- October 2010, participating municipalities have invested about PHP 28,000,000 (approx. US\$ 636,000) in procuring needed ICT hardware. These figures exclude costs incurred for capacity-building trainings.

3. About forty (40) Canadian Volunteer Advisers have been deployed in the participating municipalities, LMP and MDC.

4. Twenty six (26) municipalities have been trained on electronic real property tax system (eRPTS).

5. In terms of existing IT personnel, forty five (45) municipalities, or 83.3%, only have designated IT staff while eight (8) municipalities have either set up ICT Units/Offices/ Committees with at least one IT personnel. Of the 45 LGUs who only have IT designates at present, thirty two (32) of these are planning to establish ICT Units/Committees and/or create IT positions in 2010 as part of their Information System Strategic Plan or IT Plan, a 3-year roadmap in integrating and using ICT for local governance. The major

difficulties faced by LGUs in hiring permanent IT staff and setting up ICT Units are lack of financial resources and political support, and PS (personnel services) ceilings have been met.

6. More than 400 municipal department heads and staff have been trained on open source technologies, use of eBPLS, basic software programming, IT planning and ICT project management



delivered by CESO Volunteer Advisers, eGov4MD member trainers and a private IT training company. Some of these trainees, with their IT skills enhanced via the eGov4MD Project, have been promoted to become IT Officers of their municipalities. With their municipality’s commendable performance in and contribution to the project, ten (10) partner representatives and selected municipal staff went on a 2-week e-governance study tour in Ontario, Canada to learn successful IT implementation by visiting nine

(9) Canadian municipalities last 8-21 June 2008. Four (4) more municipal IT staff were selected by the Japan International Cooperation Agency to participate in a 2-week study tour on “IT for Local Governance” in Japan last 13-31 October 2008.



7. An NGO, aptly called eGov4MD Inc., was organized, comprising of all municipal staff trained under the eGov4MD Project, to effect sustainability and replication beyond the CESO partnership. In this new association, small groups on technical support, system development and



9. eGov4MD, Inc. is presently engaged in lobbying the passage of House Bill 1716 or the Free/Open Source Bill, a law that further encourages local governments, the educational system and private sector to use open source technologies.

10. Advocacy and awareness-raising efforts are likewise taking place in the forms of a website, showing of the project's audio-visual presentation in LMP/MDC events, airing of the e-governance stories of the participating municipalities over NBN Channel 4's Lakbayin Magandang Pilipinas, and organizing relevant events and study tours.

enhancement, training and policy development were established to provide regionally/provincially clustered technical support to the participating LGUs and other interested municipalities who aim to venture into e-governance. The mandate of eGov4MD Inc. is reflected in LMP's Luzon Island Cluster Conference Resolution No. 006-2008 dated May 2008, which states that it shall be LMP's "affiliate institution in promoting e-governance in municipalities and providing technical support providing experts, advisers, technical support to municipalities venturing into e-governance and when appropriate, co-implementing e-governance projects."

- Mutual cooperation through sharing of technical staff and deploying personnel such with relevant skills to municipalities requiring assistance

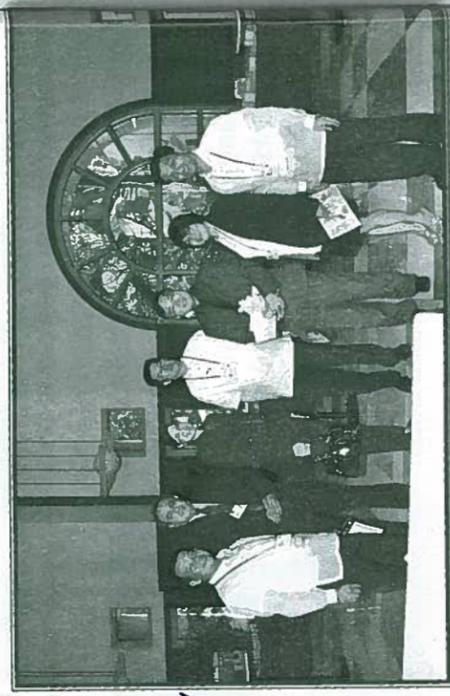
- Pooling of finances to build a community of technically-able, IT-proficient human resource that will attend to our own technical needs as well as assist other local government units

- Supporting the activities and programs of eGov4MD, Inc., a newly established not-for-profit association of municipal staff engaged in e-governance

Success Factors

Based on experience in implementing eGov4MD so far, it is clearly evident that the political leadership, including the relevant department heads, should champion the process - from adopting municipal resolutions, sending staff to trainings and allocating resources to procure needed IT equipment to having a project management plan. In detail, successful implementation rests on:

- 15% technology (in this case, computers, internet, local area networks and the eBPLS software)
- 20% re-engineering business processes (like streamlining the permit and licensing processes)
- 30% changing organizational behavior (such as the Mayor's



support to IT-enabled services, appreciation by municipal staff to move from manual-based



operations to computer-enabled operations) and, more importantly, 35% well-trained municipal staff.

Venturing into e-governance requires long-term political support, institutional maturity, capital investment both in hardware and human resource, and a well-designed, visionary roadmap.

Given the commendable results of the partnership, LMP and its project partners have decided to strengthen their 2010-2014 collaboration in terms of:

1. Transitioning to eRPTS and geographic information system (GIS) for the first two batches of municipalities who are successfully implementing eBPLS and moving forward with their ISSPs.

2. Organizing networking and knowledge/skills-sharing events for the eGov4MD user community to nurture inter-municipal cooperation.

3. Further capacitating selected LGUs to grow as regional/provincial centers of excellence on e-governance.

4. Expanding the geographical scope of the project to include 100 more municipalities.

5. Laying the foundation for the replication of the Program in selected regions in Visayas and, with assistance from eGov4MD Inc. and possible support from other donor agencies, in Mindanao.

6. Forging partnerships with cities and provincial governments for the wider implementation of the Program, particularly eRPTS.

7. Strengthening LMP, MDC and eGov4MD, Inc.'s institutional capacities to deliver e-governance-related services, including technical support and research activities, and deploy other open source systems beneficial to municipal operations. This would include

improving existing training materials, upgrading of the systems deployed, and widening the pool of local trainers, including membership of eGov4MD Inc. to relevant bodies, i.e. CIO Forum and the National Competitiveness Council (Working Group on Transaction Costs and Flows).

8. Exploring partnerships with IT companies for the Bayanihan IT Program, international organizations/donor agencies and other open source communities, i.e. International Open Source Network and UN Asia-Pacific Center on ICT.

9. Produce knowledge materials, i.e. case studies and guidebooks, for distribution to other interested local governments and stakeholders.

10. Strengthen information and educational campaign (IEC), communications and public relations efforts to further promote e-governance and the eGov4MD Program.

It is LMP, MDC, CICT and CESO's vision that - through the eGov4MD Program - more municipalities will venture into e-governance thereby making them more globally competitive and business/citizen-friendly. The eGov4MD Project is truly a multi-stakeholder partnership. Its success is founded on a commitment to change, an initiative to reform, to break away from the status quo and to innovate.



LMP and its program partners are in the search for more LGUs, especially municipalities, who share a vision of the Philippines becoming globally competitive; where accountability, transparency and good governance are the driving forces for private sector development and poverty alleviation.