

*MEASURING THE PERFORMANCE OF  
PHILIPPINE CITIES:*

**THE LOCAL PRODUCTIVITY AND  
PERFORMANCE MEASUREMENT  
SYSTEM (LPPMS)**

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# Introduction

- Measuring governance is a global phenomenon.
- The measurement of the local government unit (LGU) performance has become a concern not only of government and non-government agencies but also of the citizens themselves.

- One of the major initiatives of the government sector in measuring the performance of LGUs is the LPPMS.
- The ultimate objective of the LPPMS is to identify performance gaps among the LGUs so that appropriate interventions could be introduced.

# The LPPMS

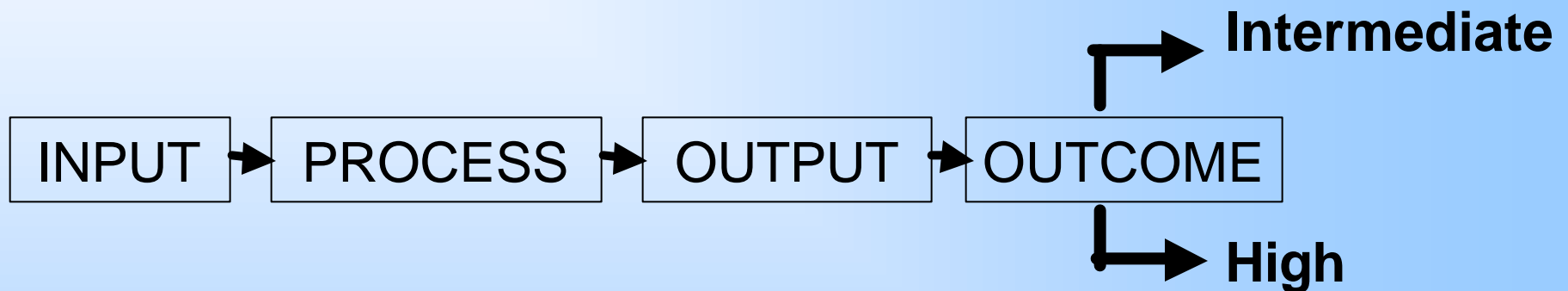
- It was initially conceptualized as a monitoring mechanism for the Department of the Interior and Local Government (DILG).
- It was enhanced to serve as a management tool for the LGUs to evaluate their own performance.

- It provides the means to determine the strengths and weaknesses in the LGUs' performance.
- It makes use of indicators mostly derived from the Local Gov't. Code
- It comes with the end view of LGUs taking corrective measures toward good governance.
- It is not, however, the ultimate performance measure of local governments. It continues to evolve.

# Approach and Methodology

*Local Productivity and Performance Measurement System*

## LOGICAL INDICATORS FRAMEWORK



**Inputs** - the resources required to produce goods and services.

**Process**- the way an LGU manages its resources to produce goods and services.

**Outputs** - the goods and services produced, the achievement of which are within the control of LGUs.

**Outcomes** – the intermediate and high level results or impacts of service delivery.

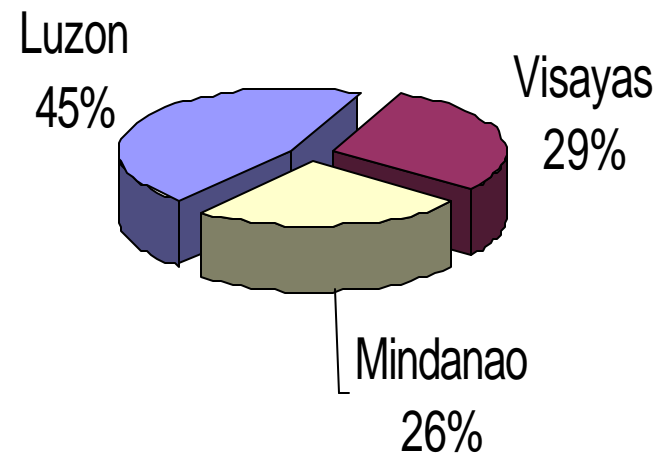
# State of Philippine Cities

(based on the LPPMS Data of 73 cities in Y2K)

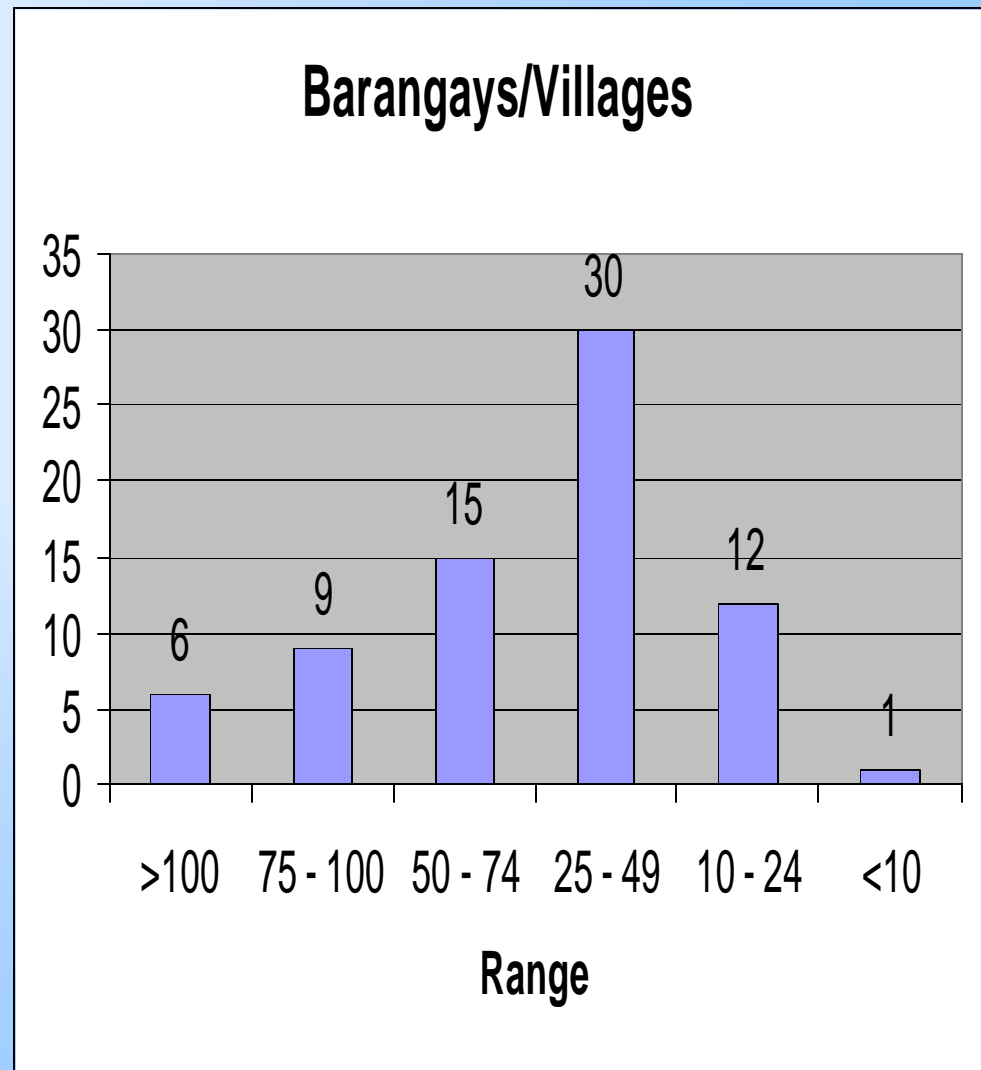
## About the Cities

- With the country's 96 cities, almost half is found in Luzon. The rest is divided in the islands of Visayas and Mindanao.

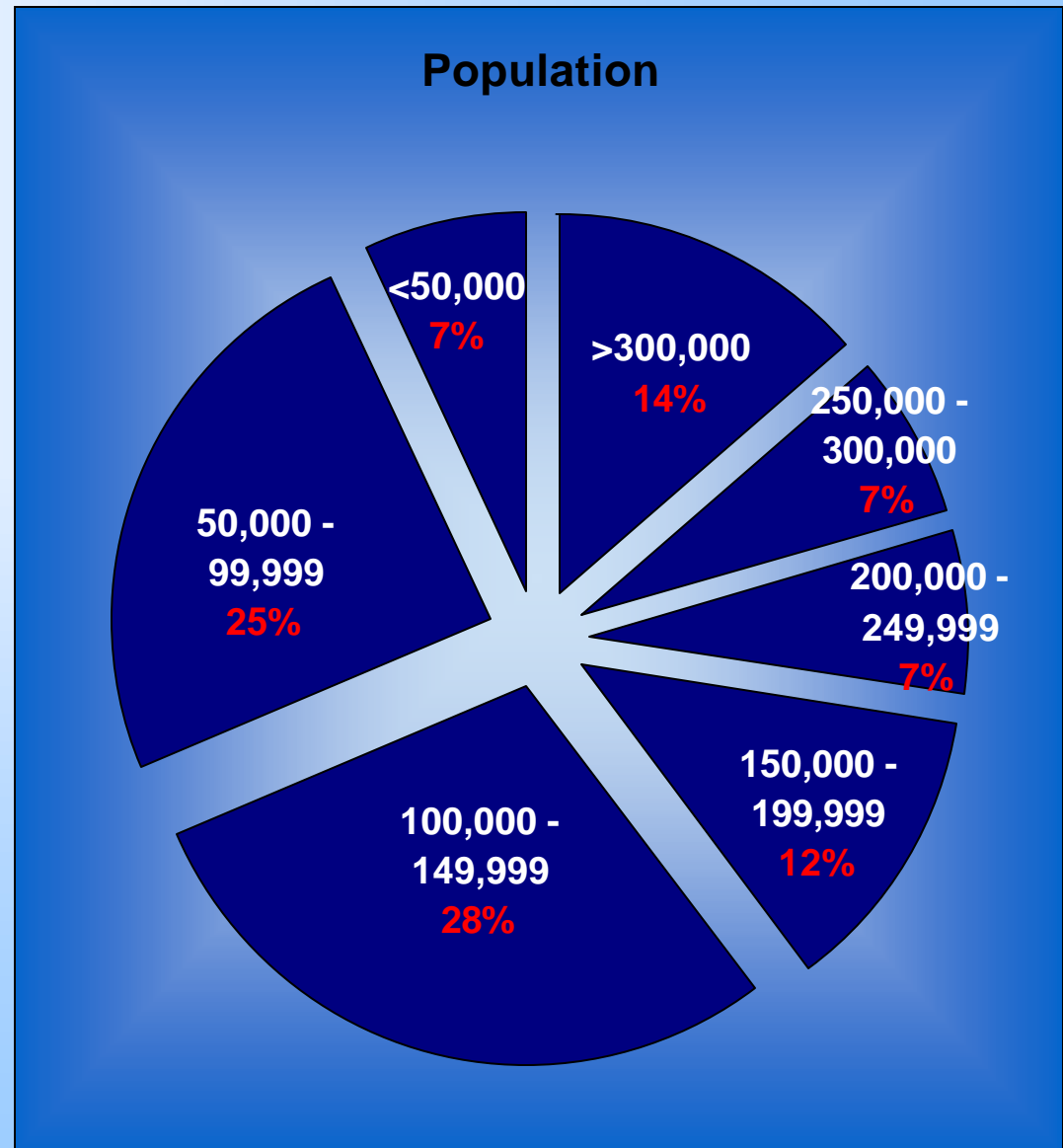
Distribution of Philippine Cities  
(Y2000)



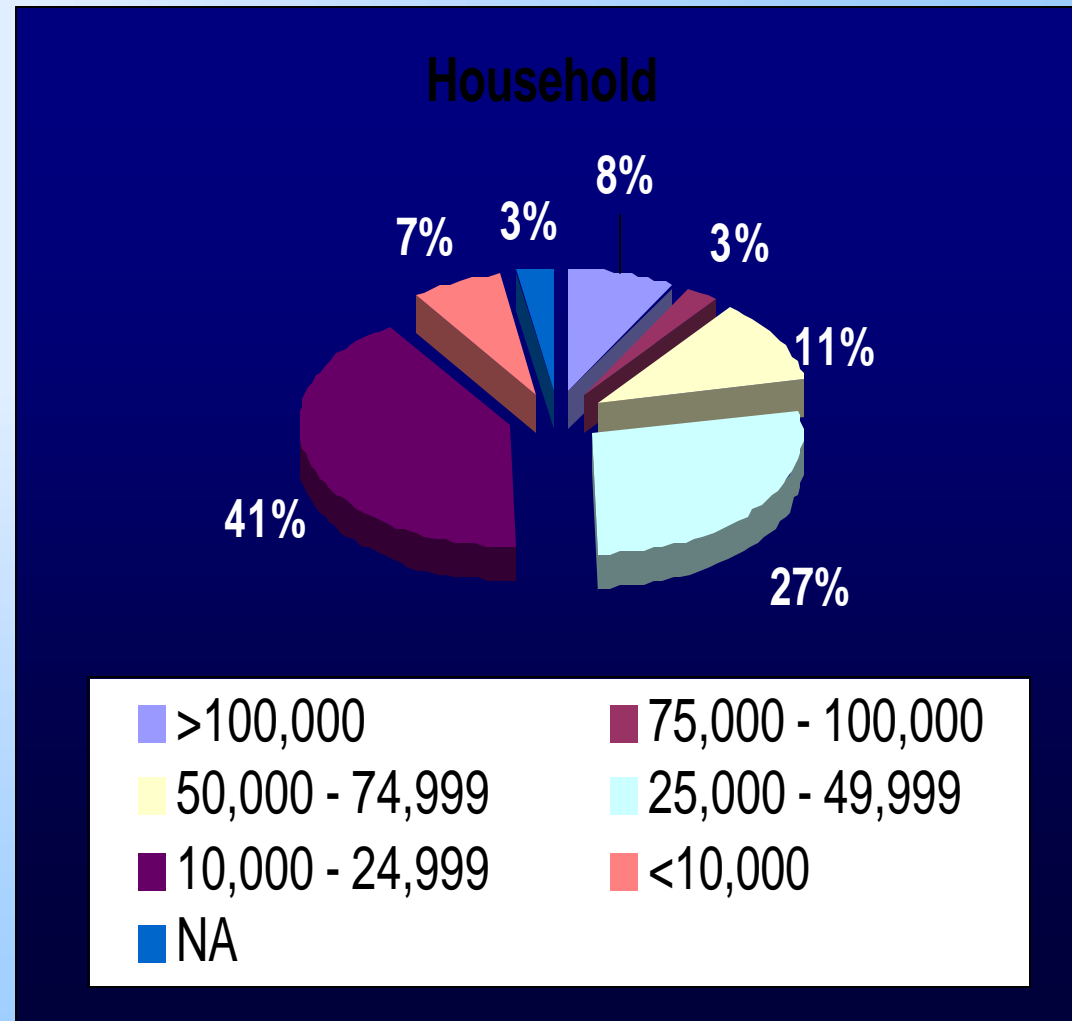
- The size of the cities varied from very small (<10 *barangays* or villages) to oversized or megacities (>100 *barangays*). Majority of the cities are of medium size (25-49 *barangays*). A little over 10% are large ones (75 to 100 *barangays*).



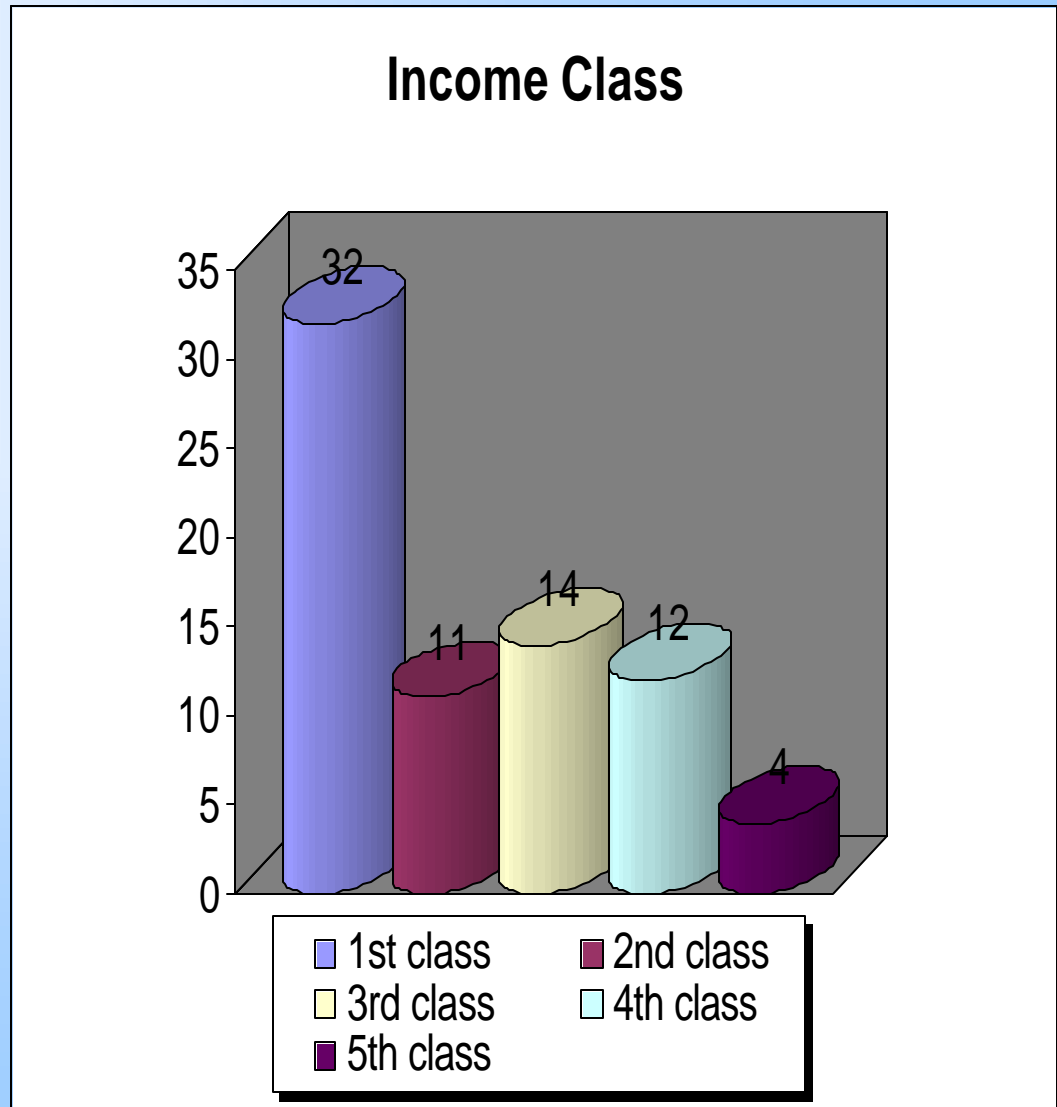
- The most populous city had a total population of 2.2M while the least had 30,582. Majority of cities had a pop. range of 100,000 to 149,999.



- Less than 10% of the cities had over 100,000 households, and another 10% had less than 10,000 households.



- 44% of the cities were classified as first class; 6% were 5<sup>th</sup> class. Only 6% earned more than P1B while 10% earned less than P100M. 38% had incomes ranging from P100M to P249,999M.



# **SUMMARY OF FINDINGS**

## **I. On Inputs**

Inputs or resource requirements for the production of goods and services were measured in terms of quantity. A set of indicators mostly taken from the Local Government Code of 1991 comprised the object of measurement.

*The indicators used were:*

- Presence of LGU-owned administration building (city hall)
- Presence of Budget Message of the local chief executive (LCE)
- Presence of Certified Statement of Actual Income and Expenditures
- Percent compliance with prescribed number of mandatory offices
- Percentage of prescribed mandatory positions filled up

- Percent compliance with the six prescribed local special bodies (LSBs)
- Percent compliance with prescribed membership of LSBs
- Frequency of conduct of *barangay*/village information, education campaign (IEC)
- Percent of *barangays* with IEC conducted

## Strengths

- The presence of Certified Income and Expenditures in all the 73 cities.
- The compliance of all 73 cities with the creation of the 6 Local Special Bodies (LSBs).

## Weaknesses

- The percentage of cities that complied with the prescribed number of mandatory offices ranged from 69%-80% while for mandatory positions, 40%-63%.
- Although all the 73 cities had organized their LSBs, only 58%-71% complied with the prescribed membership.
- Only 69%-84% of the cities were able to cover all their barangays in their IEC activities.

## **II. On Processes: Measuring City Government Performance**

### *1. Development Planning*

Indicators:

- Presence of planning policies and guidelines
- Presence of updated annual investment program (AIP)

- Presence of annual development plan
- Presence of comprehensive land use plan (CLUP)
- Presence of data bank system

## Strengths

- All 73 cities had an Annual Investment Program.
- 96% also has an Annual Development Plan.

## Weaknesses

- Only 75% of the cities had data banking systems.
- Planning Policies and Guidelines and the CLUP were also missing in 18% and 11%, respectively, of the cities.

## *2. Local Fiscal Administration*

### Indicators:

- Presence of annual budget approved within the budget calendar
- Presence of annual revenue plan
- Presence of local revenue code
- Presence of computer-based financial management system

- Percent of budget allocated for personal services
- Ratio of total expenditure to total income
- Regular loan repayment
- Percent of Fire Code collection fees remitted to the National Treasury

## Strengths

- It was only in the presence of Local Revenue Code where the cities showed strength, particularly the cities in Mindanao where 100% of them had this document.

## Weaknesses

- Few cities had a computer-based financial management system.
- A number of cities were unable to formulate annual revenue plans.
- Compliance with the prescribed personal services allocation remains wanting.

### *3. Organization and Management*

#### Indicators:

- Presence of LGU Manual of Operations
- Annual Accomplishment Report submitted on time
- Percent of Offices with Approved Annual Work and Financial Plan
- Presence of Operational HRD plan

- Presence of LGU-initiated training
- Percent of Serviceable Equipment
- Percent of Serviceable Vehicles
- Response time in the issuance of Civil Registry Certificates

## Strengths

- The cities fared strongly in having LGU-initiated training programs.
- The cities were well equipped with communication equipment like radios, cellular phones, and fax machines.
- Almost all the cities had computers, typewriters, and copying machines.

- Almost all the cities had fire trucks (96%); ambulances (96%); service vehicles (99%); motorcycles (92%); garbage trucks (96%); and patrol cars (93%).
- Most cities had one-day processing for mayor's permit and civil registry certification.

## Weaknesses

- Less than 50% of the cities had the Manual of Operations.
- Only 57% of the cities had an operational HRD plan.

## *4. Local Legislation*

### Indicators:

- Presence of internal rules of procedure
- Presence of legislative agenda
- Number of program-related resolutions passed
- Percent of ordinances enacted vs. proposed

- Ratio of public hearings conducted to number of ordinances enacted
- Compliance with the weekly standard number of sessions
- Presence of local administrative code
- Presence of environmental code
- Presence of investment incentive code

## Strengths

- At least 90% of the cities had Internal Rules of Procedure and Program-related Resolutions.
- The ratio on tax ordinance enactment to the conduct of public hearings for most of the cities was 1:1.
- All cities complied with the conduct of regular sessions for at least once a week.

## Weaknesses

- Only 25%-40% of the cities produced an environmental code.
- A significant number of cities have yet to come up with a Local Administrative Code, an Investment Code and a Legislative Agenda.

### **III. On Outputs: Goods and Services Produced**

There were four major types of goods and services delivered by the cities, namely, *social services*, *economic services*, *environmental services* and *protective services*.

# *1. Social Services*

## Strengths

- The social infrastructures, facilities and services like health centers, senior citizens affairs, women's and children's desks, parks, public comfort rooms were present in almost all cities.
- Almost all the cities had higher number of beneficiaries in its health programs in 2000 compared with 1999 figures.

- Sports facilities like basketball courts, tennis courts, swimming pools, *pelota* courts, sports complexes were all present in the cities of Mindanao and Visayas. In Luzon, 88% of the cities there had all these sports facilities.
- The *lupong tagapamayapa*, the body in charge of settling social disputes at the barangay level, was present in all the barangays of all the cities of Visayas and Mindanao. In Luzon, 96% of the cities had this in all their barangays.

## Weaknesses

- In terms of social facilities, only a few cities had vocational and technical schools, museums, rehabilitation centers, socio-cultural centers and traffic signals.
- Although mandated by law, a little over 50% of the cities had day-care center facilities for pre-school children in all their barangays.

## *2. Economic Services*

### Strengths

- Agricultural support services (i.e., dispersal of livestock and seedling nursery) were present in almost all cities in Luzon, Visayas and Mindanao.
- Regarding livelihood programs, the cities were strong in the provision of skills training, and animal dispersal.

- Majority of roads was maintained in both Visayan and Mindanao cities.
- In the collection of fees from markets and slaughterhouses, cities in the Visayas and Mindanao posted increases from the 1999 level while cities in Luzon registered decreases in market and slaughterhouse fees.

## Weakness

- Local economic enterprises such as electric, water and telephone systems were rare in a large majority of the cities.

### *3. Protective Services*

#### Strengths

- One hundred percent of the cities in Mindanao and Visayas had anti-drug abuse councils while 87% of Luzon cities had this council.
- With respect to barangay visitations, the cities had made an average of 96.3 visits for the year 2000.

## Weakness

- The presence of organized employees associations or unions was not that common in all cities.

## *4. Environmental Protection Services*

### Strengths

- Garbage collection and disposal was present in all the cities of Visayas and Mindanao and in almost all cities of Luzon.

### Weaknesses

- 47% of the cities admitted that there were garbage dumped along their streets.
- Almost 50% of the cities admitted that they did not have a functional sewerage system.

## **IV. Outcomes: Results and Impacts of Local Service Delivery**

### **A. INTERMEDIATE LEVEL OUTCOMES**

#### ***1. Inventory of Programs and Projects:***

##### **a. Social Development Programs**

Sports development and disaster preparedness were the top two programs in the cities outranking the two other services namely, socialized housing program and GAD program

## b. Economic Development Programs

Road construction and maintenance and skills training were the two most performed economic dev't programs.

## c. Environmental Protection Programs

Tree planting and clean and green were the two most common programs. Reforestation was also common in the Visayas and disaster preparedness in the case of Mindanao.

#### d. Protective Services

Crime and fire prevention and street lighting programs were all performed by 100% of the cities in Mindanao and the Visayas. In Luzon almost all the cities therein also performed these programs.

### ***2. Fund Sources for City Projects***

Grants topped as the source of project funds especially in the cities of Mindanao (94%) while joint ventures with the business sector was the least explored source of funding (29%).

### ***3. Tax Collection Efficiency Rates***

All cities were not able to collect the projected amount of taxes that they set

### ***4. Revenue from Local Sources vis-à-vis Total Revenues***

City revenues from local sources were only 32% of their total revenues. 68% of city operations were funded from external sources.

## ***5. Presence of Organizations on Crime/Fire Prevention and Disaster Preparedness***

100% of the cities in Mindanao, 96% in the Visayas and 84% in Luzon had crime prevention organizations. The presence of fire prevention organizations was high in the cities of Visayas and Mindanao.

## ***6. Bulletin Board Display of Financial Statement***

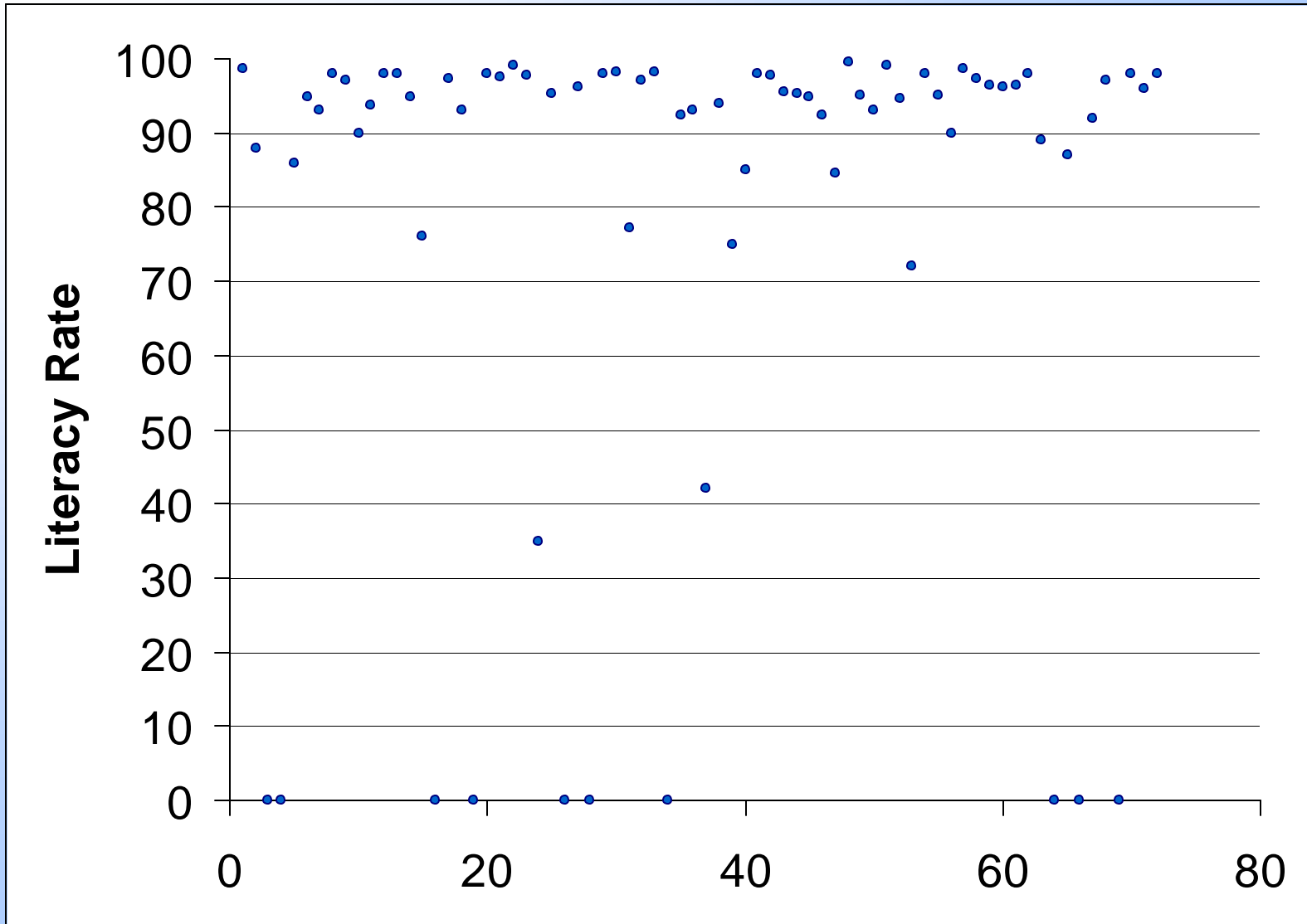
Only 59% of the cities had bulletin board displaying their financial statements.

## B. HIGH LEVEL OUTCOMES

### ***1. Social Services***

#### **a. Literacy Rates**

Only 34% of the 73 cities had literacy rates which are above and within the 97% national standard. Almost 50% fell below the standard, while the rest did not know where they stood.



## b. Classrooms with Standard Ratio

Only 19% of the cities had all their classrooms compliant with the standard of 1 classroom for every 40 students.

## c. Hospitals Complying with the Standard

All the hospitals in 60% of the cities were compliant with the standard while 25% of the cities were not.

## ***2. Economic Services***

### **a. Unemployment Rate**

The average unemployment rate in the cities was 19.27% in 2000 vis-à-vis the 10% unemployment rate of the country in the same year.

### **b. Increase in LGU Total Income**

All cities registered an increase in their incomes.

### ***3. Protective Services***

#### **a. Crime Solution Efficiency Rate**

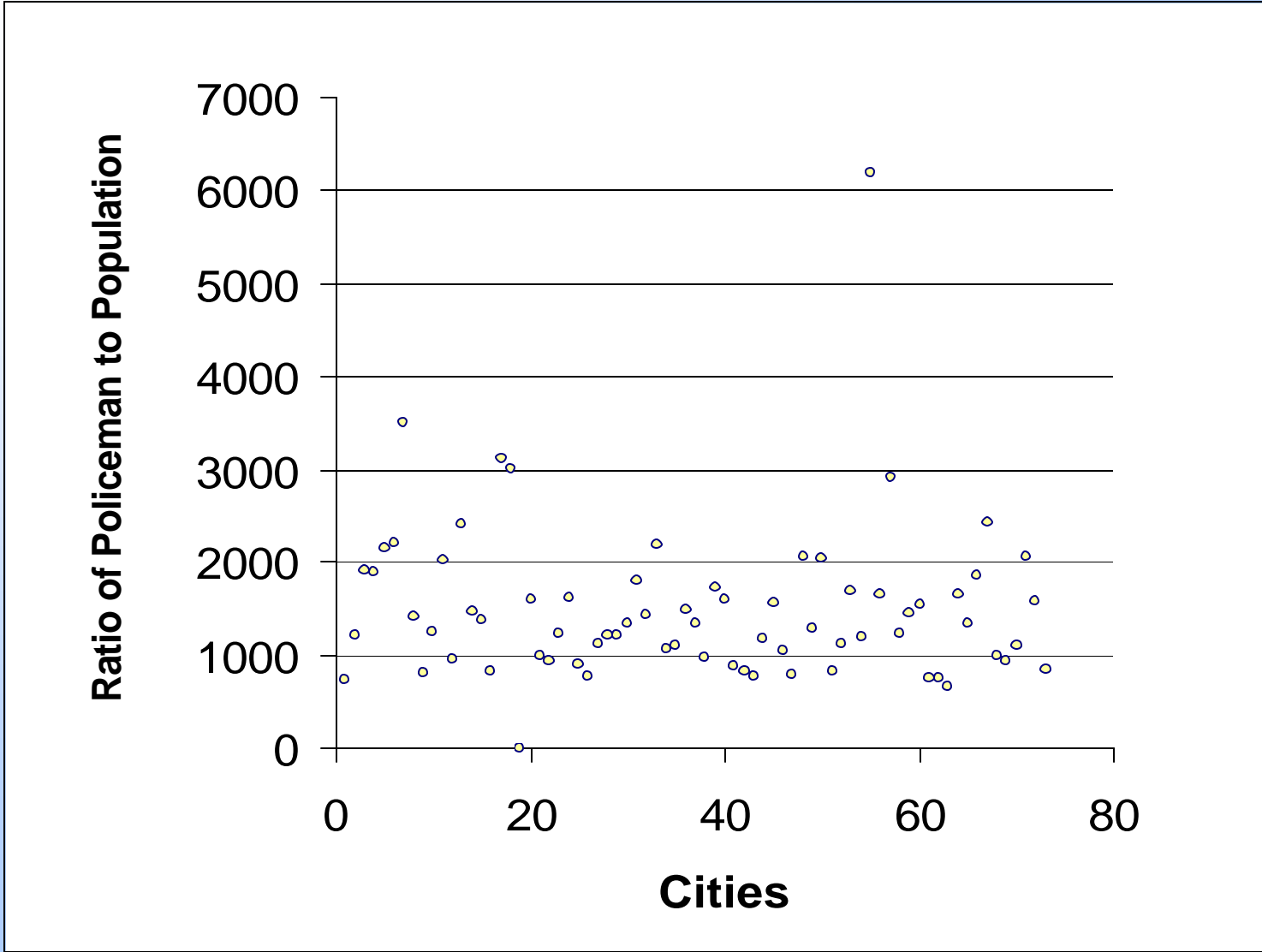
The national average in crime solution efficiency rate was 90.2% in 2000, which is slightly lower from the 91% crime solution efficiency rate in 1999.

#### **b. Jails Complying with Standards**

The national average of jails that complied with standard space requirement for inmate was below one.

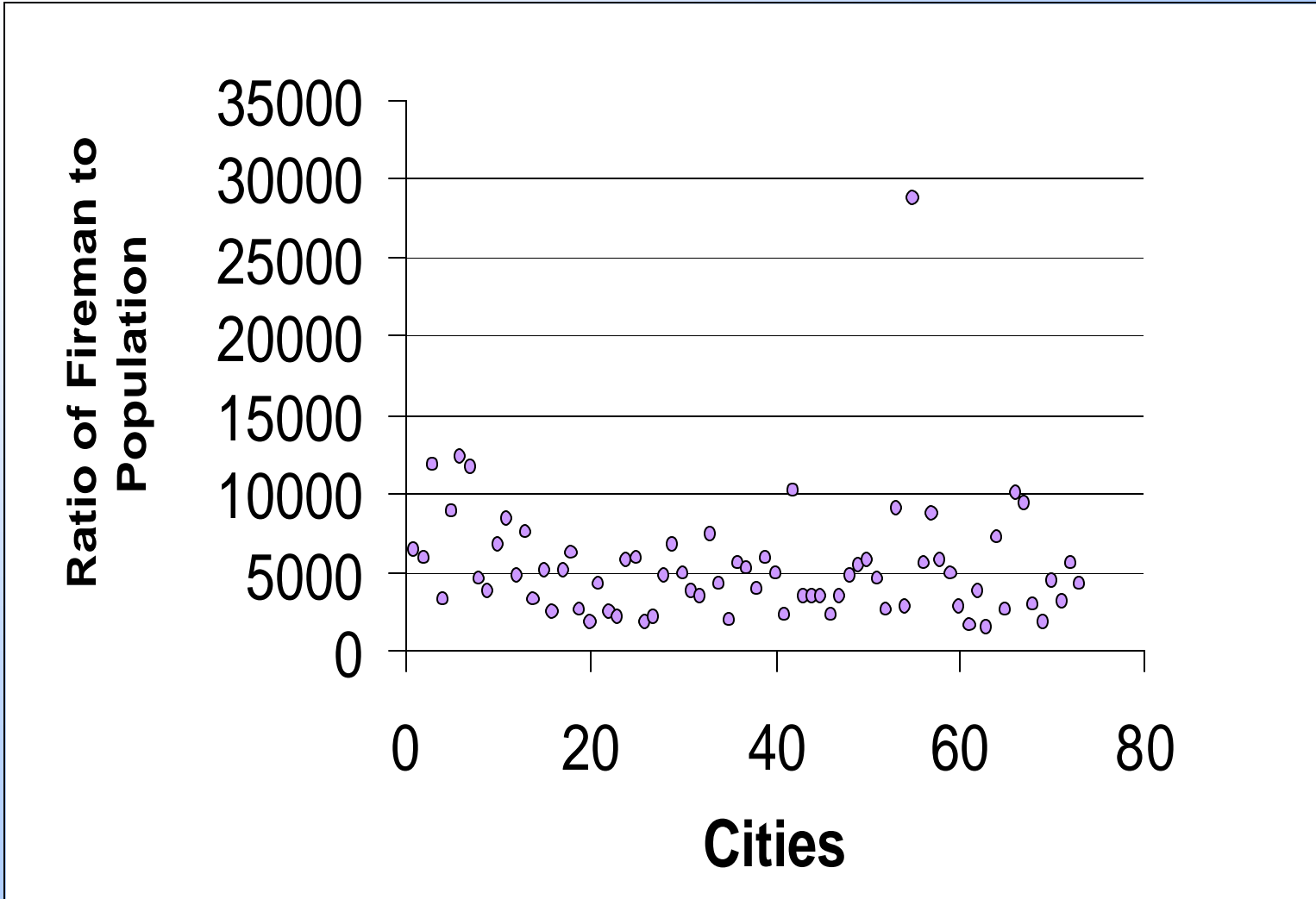
### c. Ratio of Policeman to Population

No city was not able to meet the standard ratio of 1:500. The closest to the standard was one city which had 1: 660.



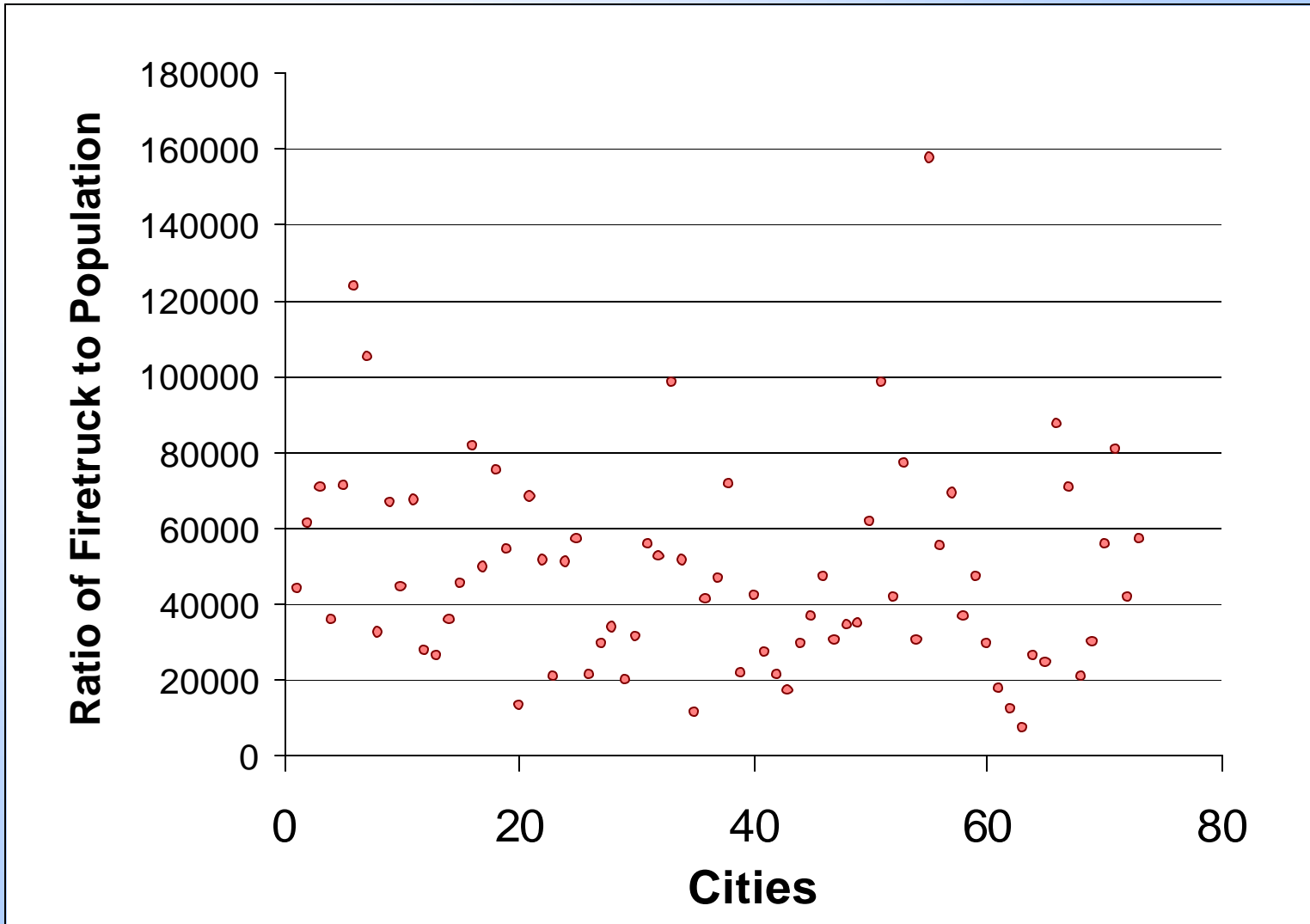
#### d. Ratio of Fireman to Population

Similarly, not a single city was able to meet the national standard of 1:1,200.



## e. Ratio of Fire Truck to Population

Majority of cities fell below the standard of 1:28,000. However, 17 cities were able to meet this.



## ***4. Environmental Protection Service***

### **a. Violations of Environmental Laws:**

Illegal logging violations decreased by 65% in Luzon cities. Cases of illegal fishing also decreased in Luzon, Visayas and Mindanao cities at varying levels.

On the other hand, cases of *kaingin* increased in Luzon cities while improper toxic waste disposal increased in the cities of the Visayas.

# LPPMS Indicators for Good Urban Governance

## Norms of Good Urban Governance Indicators

### **Sustainability**

- Presence of CLUP
- Presence of planning policies and guidelines
- Presence of annual development plan
- Presence of annual investment program
- Presence of environmental code
- Percent of garbage collected and disposed
- Presence of sewerage system
- Presence of environmental protection programs
- Reduction in the number of reported cases of violations of environmental laws

## **Equity**

- Presence of social dev't. programs particularly for women and children (e.g., Women's Desk, GAD)

## **Efficiency**

- Presence of computer-based financial mgt system
- Ratio of total expenditure to income
- Response time in the issuance of Civil Reg. Cert.
- Response time in the issuance of mayor's permit
- Increase in the amount of market fees collected
- Increase in the amt. of slaughterhouse fees collected
- Increase in tax collection efficiency rate
- Increase in revenue from local sources
- Increase in % share of local revenue to total revenue
- Presence of non-traditional fund sources (grants, credit finance, joint ventures)

## **Transparency and Accountability**

- Frequency of conduct of barangay IEC
- Presence of LCE Budget Message
- Presence of certified statement of actual income and expenditures
- Presence of annual accomplishment report
- Presence of bulletin board display of updated financial statement

## **Civic Engagement**

- Compliance with prescribed number of local special bodies (LSBs)
- Compliance with prescribed membership of LSBs
- Presence of non-traditional fund sources (i.e., grants, credit finance, joint ventures)

## **Security**

- Presence of anti-drug abuse councils
- Presence of organization for crime prevention
- Presence of organization on disaster preparedness
- Reduction in the average monthly crime rate
- Increase in crime solution efficiency rate
- Ratio of policeman to population
- Ratio of fireman to population
- Ratio of fire truck to population
- Presence of socialized housing program

# CONCLUSIONS

Since majority of the indicators were drawn from the 1991 Local Government Code, we can say that this assessment reflected largely the status of compliance by the cities with the requirements of this Code.

- The cities appear to be most wanting in the area of **development planning**.
- Most cities did not have planning policies and guidelines and a reliable data bank system.

- The capacity of cities in **O&M** showed great potentials.
- To an extent, the presence of IT and Comm. equipment contributes to the efficiency in city gov't. operations.
- Although most lacked HRD Plans, the cities had initiated training programs for their personnel.
- Most cities had one-day processing time for civil registry certificates.

- In **local fiscal administration**, findings point to a weak system in the cities.
- Most cities lacked the Annual Revenue Plan.
- Some cities were unable to pay their loan amortizations on time.
- Some did not comply with the budgetary requirements imposed on personal services.

- **Local legislation** in many cities failed to deliver vital pieces of legislations such as the Environmental Code and Investment Code.
- Most complied with the Codal requirements of at least conducting a session once a week, conduct of public hearings and presence of Internal Rules of Procedure.

- In **social services**, the cities tended to favor the maintenance of health centers, Senior Citizens' Affairs Office, city parks and sports facilities.
- On the other hand, the operation and maintenance of museums, rehabilitation centers, socio-cultural centers and traffic signals were lacking.

- Road maintenance, dispersal of livestock and seedling nursery and skills training were the biases of the cities in the provision of **economic services**.
- The operation of local economic enterprises like electric, water and telephone systems was least common.
- Markets and slaughterhouses were able to post increases in fees collected compared to the previous year.

- For the **protective services** as outputs of the cities, the cities were biased in the establishment of the Anti-Drug Abuse Councils and the conduct of barangay visitations.
- For the **environmental services**, the cities did perform their mandate to collect and dispose of garbage but some garbage still found their way in the streets. A functional sewerage system was non-existent in most cities.

- The outcome and impact of the services delivered by the cities reflects best the state of these cities.
- The findings show that the cities and their government and civil society partners, face myriad problems from environmental degradation to declining literacy rates, rising unemployment rates and to lack of low cost housing units, protective services from the police and fire departments, access to potable water and electricity and a whole lot more.

## WHAT NEEDS TO BE DONE

Local government units should:

- Rethink their development strategies,
- Prioritize the allocation of limited resources,
- Innovate resource mobilization and revenue generation tactics,
- Reengineer/capacitate local bureaucracies, and
- Install the necessary infrastructure to arm them in dealing with urban problems.

- Governance is not just limited within the confines of the formal institutions of governance but includes the participation of the civil society or the non-government sector in general.
- Challenge for the cities is to operationalize good urban governance and at the heart of this, is partnering with various stakeholders like the civil society organizations.

**THANK YOU VERY MUCH!**