G-WATCH LOCALIZATION
Framework Paper

General Context

Corruption in the government, from the central to the local level, remains to be the leading cause of economic retardation and the most dangerous threat to democratic institutions in Third World countries, such as the Philippines. The World Bank (1997) defines it as "abuse of public power for private gain" while social scientist Robert Klitgaard (1988) equates it to monopoly plus discretion less accountability (C=M+D-A). In both definitions, corruption ensues from the vulnerability and weakness of bureaucratic systems and structures.

However one defines it, the society's poor sector always suffers most heavily from the harmful effects of corruption. Because of corruption, the poor citizens become victims rather than beneficiaries of government's policies and programs.

Several studies and surveys, both local or foreign, have repeatedly attested to the extent of corruption in the Philippines. Over the last 20 years, the Philippine government estimated that it has lost $48 billion to corruption. This amount could have covered the country's $40.6 billion external debt incurred in the same period.

In the Transparency International's surveys, the Philippines consistently ranked below the borderline mark of 5.0. This indicates high incidence of corruption as perceived by business company executives, academics, and risk analysts.

A local survey of the Philippine Social Weather Station in 2001 also named corruption as one of the most common causes of the Filipino public's dissatisfaction over the last 15 years. In the same survey, 50% of Filipinos believed there is massive corruption in the government, 90% could refer to a corrupt agency outright, and 78% could name a government agency that became more corrupt today than a few years ago.

The EDSA Revolutions in 1986 and 2001, where the people protested against government abuses and ineptitude, have proven the Filipinos' intolerance of corruption. Such revolutionary actions, however, did not suffice to eradicate corrupt practices in the government. Until today, government transactions, including procurement, licensing or tax collection, are still characterized by inefficient service, low quality of work, bribery, fraud, collusion and mismanaged resources that lead to the continued erosion of public trust of government and to greater poverty.

The situation has come to a point where the problem cannot anymore be cured from within the system itself. The functionality and credibility of the government have been systemically damaged, so much so that any government effort to address the problem of corruption are not taken seriously, or worse, looked upon as another useless exercise.

In this context, the G-Watch emerges as an alternative effort[1]. It is an alternative because it is an external intervention, which brings the citizens themselves at the forefront of the fight against corruption. This time, the people's collective action is not intended to bring down a corrupt government, but to take up the duty and obligation to protect the integrity of one's government as the supreme institution that promotes the citizens' well-being. This effort maximizes the people's inherent right to participate in the sphere of governance through direct intervention in government program implementation. It is to be viewed as a temporary intervention, which shall be utilized as long as necessary or until the government returns to its normal functioning.

G-Watch concretizes this principle by advancing a preventive approach to curb corruption. *It takes prevention in the context of a simple but well-planned participatory method for systems monitoring and reform.* The simplicity of the monitoring method is premised on the ordinary people's concern: Is the government able to deliver the social services that it promised to deliver? This method, therefore, basically revolves around the comparison of inputs and outputs; plan and execution; expectation and actual results. Taking off from such simplicity, the system is rationalized and strengthened so that they can guide and constrain the administrators to appropriate actions and decisions. It likewise allows for greater access and involvement by responsible citizens. The citizens' participation in the running of the institutions is useful in making the implementation of rules and procedures transparent. When things are transparent, it is easier to measure performance and accountability[2].

G-Watch believes that citizens' vigilance sustains the institutions. Effective systems for monitoring and managing performance will significantly discourage graft, corruption and inefficiency in government. Objective performance assessments available to the public also contributes to the transformation of Philippine politics and governance—from one heavily influenced by popularity, emotions, partisanship and patronage, to one based on performance, rationality, transparency and professionalism.

Engaging the National Government

The G-Watch Idea

As explained, G-Watch started with one basic idea—that ordinary citizens can directly help prevent corruption in the government. After its formation in year 2000, G-Watch devised easy-to-use tools[3] and tested them in the monitoring of textbooks, school buildings, medicines and public works, in cooperation with the nationally mandated government agencies. After some time, G-Watch expanded its menu and also looked into the distribution of disaster relief goods and the inventory and auction of Customs-seized goods. By comparing the agencies' plan with the actual accomplishments, various problems were found

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[1] See Appendix 1 for a framework introduced by Patricia Sto. Tomas to jumpstart the operationalization of the G-Watch approach.

[2] See Appendix 2 for a framework elaborated by Hilda Gonzalez to assess the G-Watch initial work results. It emphasizes the value of access to information as a facilitator of voice and participation mechanism for citizens.

[3] See Appenndix 3 for Simon Peter Gregorio's account of the development of the G-Watch tools.

and documented, such as missing books, unfinished school buildings, high price of medicines, delayed construction of roads and bridges, among others.

Part of the G-Watch idea is to bring the government and the citizens together in a dialogue to discuss ways to address the problems that were uncovered during the monitoring. This worked because the agency officials have been receptive to the G-Watch report and recommendations. The agencies issued memorandum orders and formulated programs aimed at improving their performance following the results of the monitoring.

All these followed from the G-Watch vision of *competent and credible government institutions and meaningful civil society participation in governance* and the mission to provide a venue where both the government and the civil society can be engaged in the formulation of systems and procedures to improve governance.

Such is detailed in the following objectives:

- To develop expenditure tracking tool, wherein there is a system of ensuring appropriate and rational spending of resources.
- To complement internal agency monitoring to facilitate development of a performance-based monitoring system.
- To develop problem identification tool that will assist government to improve its performance.
- To serve as a credible "performance signpost" to both the government and the public.
- To promote citizens' participation in governance.

To attain these objectives, G-Watch employs the following methodology:

- It enters into a Memorandum of Agreement (MOA) to ensure agency cooperation.
- It uses simple tools to monitor the performance of key projects implemented by selected government agencies.
- It accesses and uses actual government documents as reference of monitoring data to be processed and analyzed.
- It communicates the findings to the concerned government agencies and important stakeholders for critique and validation.
- It uses findings to facilitate problem-solving sessions among agencies and stakeholders concerned to improve project performance.
- It transfers its tools and techniques to local citizens groups through seminars, training-workshops and manuals.

G-Watch and Textbook Count

The G-Watch influence is felt most strongly in the Department of Education's *Textbook Count* Program. This is the nationwide monitoring of textbook delivery where volunteers are mobilized to help the public schools count and check the textbooks delivered to them. From 2003-2005, 53 million textbooks would have been tracked through this program.

The G-Watch's textbook monitoring had its humble beginnings. In 2001, it monitored textbook deliveries in 32 school districts and diligently reported the results to the DepED top executives. Two years after, in an unexpected turn of events, a reformist within the agency took notice of the G-Watch mechanism for citizens' participation and posed a challenge to the civil society sector to monitor textbook deliveries in approximately 5,500 high schools and districts nationwide. Hence, the *Textbook Count* was born.

DepEd Undersecretary Juan Miguel Luz was the prime mover of the *Textbook Count*. He tapped G-Watch and several other civil society organizations (CSOs) for it. He welcomed the civil society partners to the bidding, inspection of the textbooks in the printing presses and to the on-the-spot checking of the textbooks in the delivery locations. G-Watch serves as the national coordinator for the CSOs participating in the *Textbook Count*.

In its first round in 2003, Namfrel took the lead in the mobilization of field volunteers. In 2004, G-Watch asked the Boy Scouts and Girl Scouts of the Philippines to take charge because Namfrel got busy with the elections. From eight CSOs in 2003 and 18 in 2004, it grew to 34 national and local CSOs participating in the program.

Starting in the bidding, CSOs get to see how the process goes. When the contracts are awarded and production starts, CSOs are also invited to join the DepEd's inspection team to check the textbooks' physical qualities before they are delivered to the schools.

The on-the-spot monitoring of the deliveries in the schools nationwide is the most important, but also the most difficult part of the program. DepEd organized the system of deliveries by synchronizing the deliveries according to DepEd zones (Northern Luzon, Southern Luzon, Visayas and Mindanao), divisions, and districts and high schools. There is a prescribed period of time within which the suppliers can deliver in a certain area.

For the volunteers, the task is to coordinate with various suppliers and wait for the deliveries within the prescribed schedule. The Councils of the Boy and Girl Scouts submitted the names and contacts of these volunteers to G-Watch, and these, in turn, were given to the suppliers for coordination. The volunteers were also given materials and IDs, which include one with information on actual quantity of textbooks per title allocated to the school. The volunteers who help count the books can check the actual quantity delivered against this information.

After an actual monitoring, the senior volunteer signs a document called, Inspection and Acceptance Report (IAR). With the volunteer's signature in the IAR, the DepEd central and division offices are assured that the books reached the correct recipients and the suppliers are also assured of faster processing of their payments.

The Textbook Count succeeded in various ways. The first round was able to reduce the price of textbooks by 40%, lowered delivery errors to 5% on the average, and shortened the department's procurement period, i.e. from bidding to delivery, to 12 months. These accomplishments were modestly sustained in the succeeding rounds. Some improvements were also introduced, such as extending the monitoring to the onward distribution of the textbooks from the district to the elementary schools, which was done with the help of a private softdrink company.

It is hoped that this simple model can also be adopted by other government agencies and replicated at the local level.

Learnings

The accounts on the G-Watch experience in advancing a corruption-prevention program through the monitoring of national government programs illustrate various lessons. First, that the G-Watch corruption-prevention efforts attend to a specific demand from both the citizens and the government agencies themselves. The citizens are looking for ways to channel their aspiration to help improve the government while the government agencies seek external intervention to objectively supplement their own performance monitoring and evaluation.

Secondly, that citizen-initiated monitoring efforts, no matter how simple, supply vital inputs to the formulation of policies and programs aimed at improving governance. With a clear method of action and a sincere program of engagement, a government agency can be moved to issue necessary directives to address problems uncovered in the monitoring.

And thirdly, that G-Watch has provided a model for progression from a very limited initiative to a full-blown partnership and collaboration with various public and private stakeholders. The *Textbook Count* example has shown that a national program can command and mobilize the support of the citizenry nationwide. This means that advocacy work for good governance and anti-corruption is not an isolated world. It expands as soon as the people learn and understand the ways to do it and as they realize and internalize their various rights as citizens.

Localization

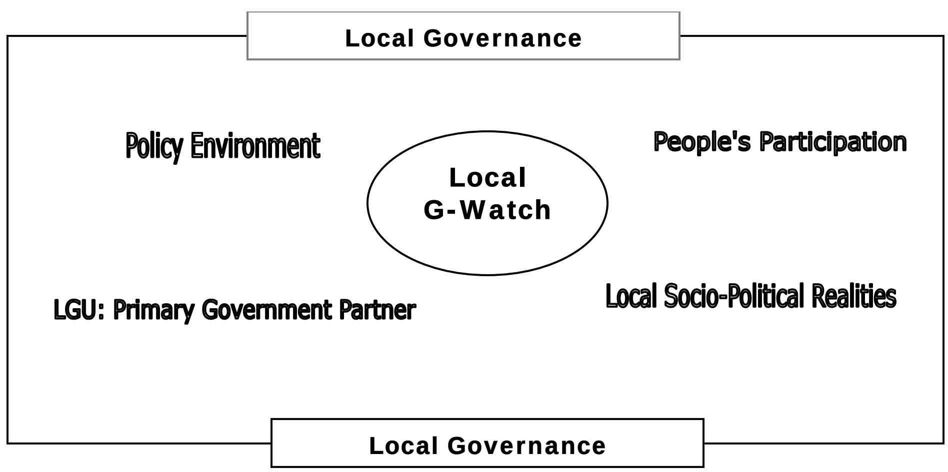
The foregoing discussions illustrate that the G-Watch monitoring tools and methods have been effective in improving service delivery at the national level. To multiply the impact of this type of initiative, a systematic transfer of its tools and methods to a greater number of interested and responsible local civil society groups has to be undertaken. This will help address inefficient service delivery and increase transparency and accountability at the local government unit (LGU) level. Moreover, it shall instill to local folks and local authorities awareness and practices that put high premium on the citizens' rights to a decent and active life.

The local governance context has peculiar features and dimensions that a localization framework for a national program or project must take into account. The G-Watch localization framework in particular incorporates four interrelated and overlapping factors or dimensions of local governance, namely the local policy environment, the local government unit, people's participation in local governance, and governance and corruption situation at the local level.

The policy environment which defines the contours and boundaries of what constitute the form and substance of local governance is the foremost and necessary consideration of the G-Watch localization framework. Part of the policy environment is the corresponding development paradigm on which local governance policies are grounded, as well as the significance or expected impact of the policy.

The local government unit, the primary government entity at the local level and thus the primary prospective partner institution of the local G-Watch, is also a crucial consideration. In particular, the LGU's functions and mandate, its organization and structures, and its processes and mechanisms are to be factored in. To be integrated as well is the kind of local government orientation that is facilitative in localizing G-Watch.

G-WATCH LOCALIZATION FRAMEWORK



Since G-Watch is a civil society corruption-prevention initiative, there is therefore the need to underscore people's participation or civil society engagement in local governance. In particular, the different avenues of people's participation, the practice or application, and the issues and concerns surrounding it must be taken into account.

Finally, the good governance and anti-corruption framework for the local G-Watch must also take into account the local socio-political realities that shape the practical realm of governance at the local level. These realities pertain to the face-to-face encounters between the governing authority and the governed or the people's general sentiment towards other people, the government and the society as a whole.

All of these inter-related and overlapping factors and dimensions will affect, influence and to some extent shape the face and character of a localized Government Watch.

The Local Policy Environment

The evident failure of an overly centralized politico-administrative system and government-dependent governance made decentralization of power and authority and institutionalization of people's participation at all levels of governance as inevitable as natural. In 1991, a landmark legislation dubbed as the Local Government Code was passed marking a drastic shift in governance that led to radical changes of how governing is done.

The Local Government Code or the LGC operationalizes the provisions of the Constitution that declares that "the State shall ensure the autonomy of local governments"[4] and fulfills its directive to pass a law that would ensure a "more responsive and accountable local government structure instituted through a system of decentralization with effective mechanisms of recall, initiative and referendum."[5]

The LGC has the following major features:

1. It devolves to the local government units the responsibility for the delivery of various aspects of basic services, including health, social services, environment, agriculture, public works, education, tourism, telecommunications services and housing projects and other services such as investment support;
2. It devolves to local governments the responsibility for the enforcement of certain regulatory powers;
3. It provides the legal and institutional infrastructure for the participation of civil society in local governance;
4. It increases the financial resources available to local government units;
5. It laid the foundation for the development and evolution of more entrepreneurial oriented local governments.[6]

Decentralization is defined as "a state or condition in a governmental system where there is dispersal of power or authority from the center."[7] The decentralization embedded in the LGC takes three forms: deconcentration, devolution and debureaucratization.

- Deconcentration is the transfer of power, authority and responsibility to lower levels within the central government itself.
- Devolution is the transfer of power and authority from the central government to the LGUs. The nature of power that is transferred is political, as well as financial, in contrast to administrative power in deconcentration.
- Debureaucratization or privatization is the sharing of public functions and responsibilities with private entities or NGOs.[8]

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[4] Sec. 25, Art. II, "Declaration of Principles and State Policies," *1987 Philippine Constitution*.

[5] Sec. 3, Art. X, "Local Governments," *1987 Philippine Constitution*.

[6] Brillantes, Alex Jr. 2003. "Decentralized Democratic Governance under the Local Government Code: A Governmental Perspective." In Bautista, Victoria et.al. (ed.). *Introduction to Public Administration in the Philippines* 2nd Edition. National College of Public Administation, University of the Philippines. Page 330-333.

[7] Brillantes, Alex Jr. 1987. "Decentralization in the Philippines: An Overview." *Philippine Journal of Public Administration*, Vol. XXXI, No. 2. Page 131.

Decentralization is considered as a promising mode and process of local governance whose ultimate goal is economic and social development, or in particular, the socioeconomic transformation of LGUs.[9] It "promises genuine and meaningful local autonomy to enable local government units to attain their fullest development as self-reliant communities and to make them more effective partners in the attainment of national goals."[10] Furthermore, through decentralization, the government is brought closer to the people, making it more likely to be responsive, effective and accessible.

Concomitant to the policy of decentralization, the participation of non-government organizations and people's organizations is recognized and institutionalized through the LGC, thus furthering the LGC's democratization potential. "Along with other provisions on local governments, such as the more equitable sharing of the national wealth and income, local autonomy or decentralization became a constitutional policy that would democratize power and authority, and thereby strengthen democracy in local communities."[11]

The local policy environment as described above is deemed conducive for the creation of local G-Watch. All the necessary policy instruments that will enable a civil society initiative and can be used as legitimizing force toward successful local G-Watch operations are already set in place.

The Local Government Unit

> **"*Local governments indeed play a central role in any democratizing polity. For one, being in the frontline, they are regarded by many citizens as THE government. If local governments fail and are not responsive to the basic needs of the people, then government to these people is failure, regardless of the grandiose plans and visions of the national government."*[12]**

There are two important elements found in any definition of local government—one, the presence of a higher authority; and two, territorial boundary. LGUs are considered subordinate entities with no inherent powers. As the United Nations defines it, a local government is a "political subdivision of a nation or state." In addition, LGUs operate in

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8 Brillantes, Alex Jr. 2003. Op. Cit. Page 324-325.

9 Padilla, Perfecto. 1998. "Decentralization to Enhance Sustainable and Equitable Socioeconomic Development." In *Philippine Journal of Public Administration*, Vol. XLII, No. 1&2. Page 83.

10 Lijauco, Deanna & Mendoza, Rufo. 2005. "A Rights-Based Governance Review of Local Governance Indicators." In Natividad, Josefina (ed.). *Rights-Based Philippine Governance Review.* United Nations Development Programme. Page 177.

11 Cristobal, Adrian. 1997. "How the Local Government in Valencia, Negros Oriental Views Democracy and Citizenship." In Diokno, Maria Serena (ed.). *Philippine Democracy Agenda: Democracy and Citizenship in Filipino Political Culture*. Third World Studies Center. Page 257.

12 Brillantes, Alex Jr. 1997. "Local Governments in a Democratizing Polity: Trends and Prospects." In Miranda, Felipe (ed.). *Democratization: Philippine Perspectives*. University of the Philippines Press. Page 97.

"restricted geographic areas, dealing with those matters which concern the people living in a particular locality."[13]

The following are the salient features of Philippine local governments' organization and functions:

1. There are several levels of local authority, namely: province, municipalities and cities (component cities and highly urbanized cities) and barangays.
2. Each local government unit has a set of elected executive and legislative officials. The elected officials at the provincial level include the Governor, the Vice-Governor and the *Sangguniang Panlalawigan*; at the municipal/ city level, the Mayor, Vice-Mayor and the members of *Sangguniang Bayan/Panlungsod*; and at the barangay, the Barangay Captain and the members of *Sangguniang Pambarangay*.
3. In addition to the elected officials, there are ex-officio members: the local presidents of the league of barangays, the presidents of the local federation of the *Sangguniang Kabataan* (Youth Council)[14], and presidents of the federation of *Sangguniang* Members.
4. Three seats at the local legislatures are allocated for sectoral representation: one for women, one from the workers and one from special sectors such as indigenous people, urban poor and disabled.
5. There are also appointive officials whose terms are co-terminus with the appointing elected officials.
6. The basic function of LGUs is to provide sanitation, operate market and other utilities. Five basic services have also been devolved to the LGUs: agriculture, health, social welfare, public works and highways and environmental protection.
7. LGUs are authorized by law to collect certain taxes to support its projects and programs. The bulk of its funds, however, come from the internal revenue allotment (IRA) which is shared to them by the national government.[15]

In the book, "The Enabling Role of Local Governments," Perla Legaspi describes a good LGU model as "enabling", i.e., prescribing "not adherence to any particular political orthodoxy, but the development of different and more flexible ways of operating which are both more suited to the many and varied demands now placed on local government and most effective in meeting the needs of local communities."

As an enabling entity, the local government model has the following characteristics:

1. It has a strategic orientation, i.e., has a good grasp of the issues and concerns affecting the community in order to develop certain strategies responsive to such issues and problems.

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[13] Tapales, Proserpina. 2003. "The Nature and State of Local Government." In In Bautista, Victoria et.al. (ed.). *Introduction to Public Administration in the Philippines*, 2nd Edition. National College of Public Administation, University of the Philippines. Page 310.

[14] Only in the Philippines, youth participation in local governance is institutionalized through the *Sangguniang Kabataan* which is elected by youth voters (age bracket of 15-17) in every barangay. It consists of a Chair, a Vice-Chair and seven Council Members.

[15] Tapales, Prosperina. 2003. "The Nature and State of Local Government." Op. Cit. Page 319-320.

2. It is able to determine the various modes of carrying out identified strategies and in selecting the best mode of action, considers its strengths and weaknesses.
3. It sets standards of performance to ensure achievement of goals and objectives and directly involve the public in setting standards and performance indicators.
4. It recognizes the complexity of local community problems, and thus works collaboratively and build enduring working relationships with public, private and voluntary organizations and institutions.
5. It works within the wider legislative framework and ensures that the framework is oriented towards local or community interests.
6. It provides access mechanisms to those individuals who are underprivileged and are at a disadvantage due to poverty, unemployment and other factors.[16]

Following this insight, a pre-requisite for a successful localized G-Watch is the partnership with LGUs that have "enabling orientation" as described above. LGUs that are open to civil society participation and recognize the significance of engagements with civil society is crucial to ensure positive results from local G-Watch's undertakings. Furthermore, LGUs should also be innovative and prepared to embark on out-of-the-box strategies, such as mobilizing the youth and women sectors to monitor infrastructure projects, among other strategies that have been utilized by G-Watch. On the other hand, by and large and probably in a more subtle way, the challenge to G-Watch is to strive to influence more LGUs to appreciate and adopt such "enabling orientation" by showcasing successful stories and best practices.

People's Participation in Local Governance

> ***"Decentralizing government enables people to participate more directly in governance processes and can help empower people previously excluded from decision-making."***[17]

The emergence of democratic space in the Philippines due to the end of Martial Law in 1986 paved the way for greater opportunities for people to participate in governance—to organize themselves politically, to freely express their dissent, and to become involved in a more open and inclusive policy-making process. "The new dispensation has opened up new avenues through which civil society can make an impact directly on how the state governs and what program of governance it will adopt."[18]

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[16] Legaspi, Perla. 2003. "The Enabling Role of Local Governments." In Bautista, Victoria et.al. (ed.). *Introduction to Public Administration in the Philippines*, 2nd Edition. National College of Public Administation, University of the Philippines. Page 369-371.

[17] United Nations Development Programme 1997 Policy Document. Quoted in Tapales, Proserpina. 2003. "Participatory Governance: The Philippine Experience." In Bautista, Victoria et.al. (ed.). *Introduction to Public Administration in the Philippines*, 2nd Edition. National College of Public Administation, University of the Philippines. Page 346.

[18] Wui, Marlon and Glenda Lopez. 1997. "State and Civil Society Relations in Policy-Making." *Philippine Democratic Agenda*. Third World Studies Center. Page 1.

With the passage of the LGC in 1991, people's participation was institutionalized; and the involvement of ordinary Filipinos in the affairs of governance has been deepened, widened and sustained, thus showing participatory democracy at work.

The LGC provides for the following avenues for people's participation:

1. Local Development Councils (LDCs). LDCs plan and prioritize local programs and projects. LDCs are mandated to include members from accredited NGOs to comprise as many as one-fourth of the membership.
2. Local Special Bodies (LSB) such as Local Health Board, Local School Board, the Bids and Awards Committee[19] and the Peace and Order Council.
3. Local legislatures (Sanggunian). Three seats are allocated for sectoral representatives from women, workers and other sectors identified by the council.
4. Initiatives and recall. The Constitution and LGC provides for this process of direct people's participation to ensure accountability in public office.
5. Referendum. A proposition is presented to the public for their ratification.
6. General Assemblies. A gathering of people they initiated or initiated by the local government for consultation and dialogue.[20]
7. Mandatory consultations of the NGOs/ POs by national government agencies prior to the implementation of development projects.[21]

The tapping of NGOs and private sectors for project implementation and service delivery, including build-operate-transfer arrangement is also provided in the LGC. Most of the documented joint activities or 'partnerships' between an LGU and an NGO or PO are on service delivery.[22]

Some of the documented NGO/PO-LGU collaborative projects that won best practice awards are presented below[23]:

Location	Project Name	Description
Puerto Princesa City	Bantay Gubat Bantay Dagat	Environment protection projects implemented jointly by the people of Puerto Princesa and the LGU
Nueva Viscaya	Watershed Management through Responsive Participatory Action	An environment protection project initiated by the LGU with co-management arrangement with families involved in kaingin
Irosin, Sorsogon	Expanded membership in Municipal	All organizations in the municipality are

[19] Prequalification has been removed from the procurement process in the new RA 9184 or the Government Procurement Reform Act.

[20] Tapales, Proserpina. 2003. "Participatory Governance: The Philippine Experience." Op. Cit. Page 348-349.

[21] Tigno, Jorge. 1997. "People Empowerment: Looking into NGOs, POs and Selected Organizations." In Miranda, Felipe (ed.). *Democratization: Philippine Perspectives*. University of the Philippines Press. Page 123.

[22] Cristobal, Adrian. 1997. Op. Cit. Page 259.

[23] Tapales, Proserpina. 2003. *Participatory Governance: The Philippine Experience*. Op. Cit. Page 350-352.

	Development Council	represented in Irosin's MDC.
Balilihan, Bohol; Sampaloc, Quezon	MBN Tracking	Puroks are utilized to track the minimum basic needs of people and self-help livelihood projects
Anao, Tarlac	Community level cooperative	A cooperative which implements an environmental, economic and people development interventions is funded by the municipal government.
Sorsogon	Floating Clinic	A community structure that manage and operate a floating clinic

The documentation of these undertakings leads to the identification of what factors contribute to the success of local projects. These factors include: one, a catalyst for social mobilization; two, a committed and active local government advocate such as the local chief executive, who provides the leadership, funding and implementation machinery; and three, the participation of the people themselves from the planning process until the end of implementation.[24]

People's participation in local governance also faces numerous issues and challenges. One of which is the hesitance on the side of both the local governments and the NGOs to trust each other and work together. There are even cases when the LGUs establish their own NGOs;[25] while NGOs, on the other hand, refuse to apply for accreditation due to suspicion towards local government officials.[26]

Another challenge is that LSBs and LDCs of many LGUs have yet to be convened due to the lack of resources. The LGC neither provides for a timetable to completely operationalize the mechanisms for people's participation nor sanctions LGUs for non-compliance.[27]

A study by the National Economic and Development Authority (NEDA) pointed out another problem. According to the study, development planning at the local level indicates that "short-term political interests and concerns were given priority over longer-term development goals,"[28] thus casting doubt on the prospects of the LGC to address local patronage and rent-seeking.

There are also issues internal to NGOs/POs: one, competition in sourcing of funds; two, that such initiatives and organizations represent small and minority cluster of movements and interests; and three: ideological rifts between NGOs/ POs due to difference in visions and philosophies of society, to name a few.[29]

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[24] Ibid. Page 350.

[25] Ibid. Page 352.

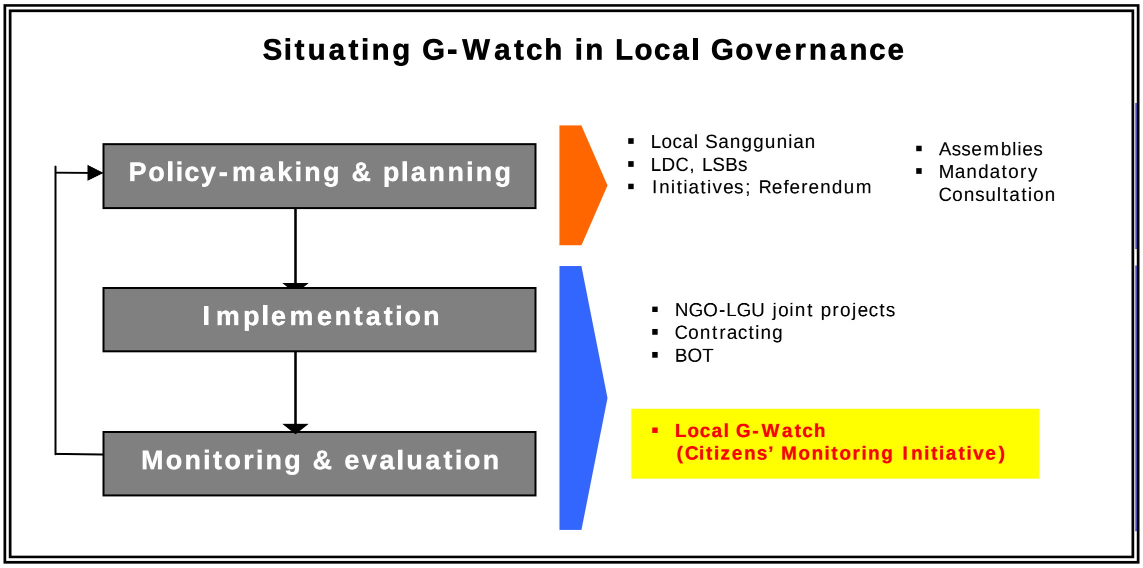
[26] Tigno, Jorge. 1997. Op. Cit. Page 125.

[27] Ibid. Page 124.

[28] National Economic Development Authority. Quoted in Tigno, Jorge. 1997. Op. Cit. Page 125.

[29] Tigno, Jorge. 1997. Op. Cit. Page 129-130.

All these issues and concerns on civil society participation in local governance must all be studied in the localization of G-Watch as this will affect the result of the initiative. The different avenues for participation must also be considered in situating the kind and nature of G-Watch initiative at the local level.



The box above illustrates where the local G-Watch would be situated in the entire gamut of people's participation in local governance. As shown above, most of the avenues for people's participation are concentrated at the policy-making/ planning level, which are generally representation and voice. Several avenues are at the actual service delivery or implementation level, involving presumably monitoring and evaluation.

Consistent with the activities undertaken at the national level, the local G-Watch focuses mainly on monitoring and evaluation of project implementation. The results of the monitoring and evaluation shall be vital inputs to the policy-making and planning of the LGU.

It is important to point out that G-Watch is a unique governance initiative on two accounts. One, it does not implement a project *per se*, but its intervention (implementation or transaction monitoring) is integrated in the implementation or is considered part of the system. Two, it gets things done not by actually doing it, but by ensuring that those who are supposed to do the tasks are doing the tasks and the tasks that are supposed to be done are done properly. It is, therefore, an accountability and transparency mechanism, in contrast to contracting, for instance, which is an implementation or service-delivery mechanism.

Local Socio-Political Realities

Though the LGC provides a favorable policy context for reforms to happen at the grassroots level where it can be felt directly by the people, its provisions on people's participation have exhibited flaws and limitations as earlier presented. But over and beyond these imperfections, the success of a local good governance initiative by the citizens, like that of a local G-Watch, will inevitably be facing the same socio-political realities that plague governance and politics at the national level. These are the factors that affect how politics and governance are done in the country and arguably contribute to how politics and governance fail in bringing about development for the people. These are the same socio-political realities, which if placed in the context of local governance could possibly be more damaging and irreversible.

A local G-Watch has to grapple with at least four socio-political realities as it institutes good governance at the local arena. These are: (1) highly personalistic character of local politics; (2) the primacy of kinship; (3) prevalence of patron-client relations; and (4) persistence of machismo culture especially in rural areas.

Highly personalistic character of local politics

Many literatures on Philippine political culture have repeatedly underscored the highly personalistic character of Philippine politics. As stated by Rocamora, "At the core of Philippine political culture is a conception of politics which sees the 'currency' of political exchanges as 'private' instead of public goods."[30]

Most Filipinos believe that the decisions and events that shape their lives are determined not by impersonal systems and institutions, but more by particular individuals whom they personally know. Consequently, it pays to maintain a personal relationship with the ones in power. With the same mindset, those in power knows very well that they will not be elected by championing issues or taking the planning process seriously, but by providing favors and gifts, thus the clamor for "pork barrel" projects and opportunities.[31]

A study conducted by the Asian Development Bank (ADB) and the World Bank (WB) entitled *Decentralization in the Philippines* validated the above observation. It pointed out that despite the presence of Local Development Councils, "local development fund" is [still] treated like 'pork barrel' fund," where spending is not based on development plans but other considerations.[32]

According to several studies, the tendency of Filipinos to be personalistic is attributable to Filipino's notion of *pakikisama (fitting in with a group)*, *hiya (feel shame)* and *utang na loob (debt of gratitude)*. *Pakikisama* is a "behavioral norm that stresses the importance of smooth interpersonal relations, or in other words, 'going along to get along'…Someone who is rude, disrespectful or openly confrontational is considered *walang hiya*."[33] This makes it difficult to be professional or impersonal, even in conducting government transactions such as procurement or licensing.

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[30] Rocamora, Joel. "The Constitutional Amendment Debate: Reforming Political Institutions, Reshaping Political Culture." In Santos, Soliman, et.al. *Shift*. Ateneo Center for Social Policy and Public Affairs. Quezon City. 1997. Page 118.

[31] Timberman, David. *A Changeless Land: Continuity and Change in Philippine Politics. Bookmark and Institute of Southeast Asian Studies*. 1991. Page 22-23.

[32] Asian Development Bank and the World Bank. *Decentralization in the Philippines: Strengthening Local Government Financing and Resource Management in the Short Term*. 2005. Page 29.

[33] Ibid. Page 19.

The primacy of kinship

The second reality is related to the first—the primacy of kinship. Family plays a central role in Philippine politics and society. Most Filipinos place their loyalties on their families above all. This is evident in how government is run in the country. Political affiliation as well as allocation of resources and services and even hiring and promotion of personnel in the government is determined by kinship. Historian Theodore Friend describes this as follows: "By blood, by rite, by ritualized affinity, the Filipinos knew his kin; they made up his 'we'; and those outside it were 'they' – enemies, neutrals and persons of no significance."[34]

Another complication stems from the Filipino's extended family tradition. In a small community, it is possible that all residents are kins or related by blood or by ritual. As documented by a study on Philippine political culture published by the Philippine Governance Forum, it is customary to give favors to *kamag-anak* (family members and relatives), *kaibigan* (friends), *kumpadre/ kumare* (godparents of one's child), *kababayan* (person from the same place of origin) or *kakilala* (acquaintance).[35]

These two realities are critical hindering factors to a successful local G-Watch. Monitoring of government service-delivery and implementation would require objectivity and impartiality from the monitors. Given the extent of kinship and personalism at the local level, ensuring an objective and impartial monitoring that will result in more efficient, transparent and accountable service delivery and project or program implementation of LGUs would definitely require a great degree of innovation and creativity.

Prevalence of patron-client relations

The third reality is the prevalence of patron-client relations. Politicians and officials of government act as and are looked upon by the people as patron; while the people behave like or are treated by politicians as client. The former provides favors in kind (money, position, endorsements, contracts, recommendations, etc.); in return, the latter gives their political support. However, this "you scratch my back; I'll scratch yours" relationship is not at all fair. "In such relationships, the ties are, by definition, asymmetrical and the obligations are often unclear or determined unilaterally by the patron."[36]

Patron-client relationship breeds a culture of dependence on the part of the client group, which makes it hard to develop their claim-making disposition towards people in government. Instead of treating services and resources provided by the government as their right as citizens and an obligation of the State, the client treats it as a favor, which they should be indebted to and be grateful for. The result: a citizenry that cannot, or worse, do

[34] Friend, Theodore. Quoted in Timberman, David. *A Changeless Land: Continuity and Change in Philippine Politics.* Bookmark and Institute of Southeast Asian Studies. 1991. Page 17.

[35] Montiel, Christima Jayme, et.al. *Philippine Political Culture: Views from Inside the Halls of Power.* Philippine Governance Forum and United Nations Development Programme. 2002. Page 34-35.

[36] Timberman, David. Op Cit. Page 19.

not want to extract accountability from their government officials. This is a big hindrance in instituting good governance at the local level.

For instance, a major challenge in decentralization as pointed out in the study of ADB and WB is the lack of transparency and accountability mechanism in the procurement and budgeting of the LGUs resulting in flawed procurement and weak internal control environment.[37] The establishment of a local G-Watch may address this. However, this will be a challenging task given the need to reorient the people's view of governance and service-delivery, specifically in terms of claim-making relative to fundamental human rights and in terms of demanding accountability from a duty-holder who may be considered a patron with only good intentions.

Persistence of machismo culture especially in rural areas.

Finally, the fourth reality is the persistence of machismo culture especially in rural communities. Participation of women in politics is still limited by the traditional notion that they are supposed to stay at home and take care of the house and the children. Males are still preferred to take positions in government—both elected and appointed.

This reality has a direct implication to a local G-Watch for this will limit the possible participants or monitors a local G-Watch can mobilize. Encouraging mothers to join would probably even require orientation on the importance of women's participation in politics and governance and why they should participate and be concerned.

Dealing with the Realities

There is no way that these socio-political realities can allow good governance and anti-corruption efforts to flourish. However, G-Watch believes that there is a way for these efforts to start presenting alternative and better realities. A paradigm-shift is necessary in order not only to solve the problem, but to dissolve it, albeit slowly.

The important goal here is to give people a choice: a bad road or a good one, effective medicines or expired ones, undelivered textbooks or complete textbooks, etc. Reducing the problem of corruption into these ordinary, familiar items shifts the concern from persons to objects. Personalities, such as relatives, friends and benefactors, are taken out of the picture because a familiar problem becomes impossible not to be seen. The object gains primacy and it becomes a question of whether or not the people can find what they want to find.

Also, an object-oriented problem invites the entire public as its constituency. Whoever is affected will naturally come forward to assert his or her claim.

G-Watch in the Local Arena: Synthesis and Conclusion

[37] Asian Development Bank and the World Bank. *Decentralization in the Philippines: Strengthening Local Government Financing and Resource Management in the Short Term.* 2005. Pages 34, 38.

G-Watch in the local arena means bringing G-Watch closer to the people, especially the disadvantaged. Admittedly, the local government is a whole new arena of engagement for the G-Watch's good governance and anti-corruption advocacy. Thus, the localization framework has aimed to address the transition from the national to the local situation by presenting both the facilitating and the limiting factors of the envisioned engagement.

Following the G-Watch learning from its engagement at the national level, the introduction of the G-Watch concept in the sphere of local government is expected to trigger the same demand for a citizen-led monitoring of local government programs among its constituencies. In principle, this appears to be realizable given the open and friendly policy environment. The LGU as the primary partner likewise stands to gain from a G-Watch type of undertaking since it offers supplemental ideas and resources that help improve the local government's capacity, performance and credibility.

Now, where exactly does G-Watch situate its mode of people's participation in local governance? It is to be found within the implementation itself, which means complete integration with the programs that the local government implements. As it does in the national agencies, its reason for being is to ensure the effective provision of social services by monitoring the process in every step of the way from planning to contracting to the actual delivery to the beneficiaries.

Getting the people onboard the G-Watch ship, however, has to contend with certain socio-political realities. These are obstacles that cannot be easily overcome, but the process of changing these realities can start only when the realization that they should be changed comes. G-Watch walks with the local citizenry in coming to that realization.

Appendix 1:
Government Watch: From Perception to Performance (Excerpts)
By Patricia Sto. Tomas

Why do a G-Watch?

It has been said that we need to move the evaluation of government from perception to performance. Beyond the scientific argument of finding the truth, performance measurement can also be constructivist (for the purpose of improving) or for ensuring consequences (recognizing the good, isolating the bad).

In addition to these, performance measurement and evaluation serve a number of ends as well:

1. It has a motivational impact, particularly or agencies or offices that perform well;
2. It helps build discipline in the budgeting and planning process as these become the basis for measurement and evaluation. Presently, these are done by the budget and planning officers mainly, isolated from the office's top management. The matter of priorities also becomes of real importance and not simply an exercise for compliance with DBM requirements;
3. If performance measurement and evaluation were done regularly and consistently, external interventions would likely be minimized as any deviation from the existing work program would have to be justified and explained.

Why Should Civil Society Do a G-Watch?

If government is not doing its own objective appraisal of its performance, why should civil society attempt to do it? Why not? The emerging concept of governance indicates that government alone does not govern. It is simply a steward for the people who elected the officers who appoint subordinate officers into public office, the civil society therefore has a right, in fact, a civic duty to check those it has asked to serve in its behalf. This means, among others monitoring its performance or, when government monitors performance on its own, validating this with the affected sectors.

In addition, under conditions of scarce resources and increasing competing interests, the civil society must be able to influence government priorities by examining how well or how badly government has performed. Again, this is a right civil society acquires by virtue of the tax money that government collects from the people to subsidize its operations.
Finally, monitoring and evaluating government performance allows civil society to make informed decisions when the time comes for choosing its leaders and stewards comes.

Benchmarking vs. Baselining

Benchmarking has gained currency as a good thing to do in so far as measuring performance of organizations is concerned. This paper began as an exercise in conceptualizing how government performance can be benchmarked. It became increasingly clear, however, that benchmarking government operations was far more complicated than originally conceived. To begin with, many government activities are virtual monopolies. Only the Department of Foreign Affairs, for instance, can issue passports. Only local government units can issue business permits. It has been suggested by a British expert that, as is practiced in Great Britain, the standards for processing insurance claims be used for the issuance of passports. Informal inquiry with local insurance companies indicated that no industry standard has as yet been set for processing insurance claims.

This concept paper therefore looks at **baselining** rather than **benchmarking**, i.e. establishing performance norms as of a particular point in time and measuring subsequent performance against this baseline. In this sense, the race that government runs is with itself. Performance measurement therefore becomes the precursor of a process of continuing improvement.

G-Watch: A Conceptual Framework

A performance appraisal system proceeds from the availability of the following components:

1. a clear mission statement covering the legal mandate and mission of the agency;
2.

Schematically, the relationships among the various framework components are illustrated in the following charts.

G-Watch: An Operational Example

Let us use as example a government agency engaged in the regulation and supervision of government personnel transactions.

Performance Appraisal

Mission: To help build a productive, competent and responsive government bureaucracy.

N.B. The mission of the organization is usually found in the legal mandate that created it and may be shortened or lengthened as necessary.

Objectives:

1. To ensure the recruitment of the best people into the public service.
2. To provide a climate for continuous improvement and development of government personnel that will optimize their potential and ensure citizen satisfaction with government.
3. To train government managers who can administer individual government agencies with efficiency and effectiveness.

N.B. Again, the long term objectives may drawn from the legal mandate or enabling legislation for the office.

Strategy:

1. To set qualification standards for entry to government;
2. To administer examinations for would-be bureaucrats as well as for those in the service who may need qualifying examinations for upward or lateral mobility;
3. To monitor and approve/disapprove personnel actions of government agencies.
4. To encourage and offer HRD interventions that will help establish continuing improvement and development of government personnel;
5. To encourage upgrading of qualification standards beyond the minimum set by the government personnel agency

N.B. The strategy of every office is reflected in the major program areas for which it seeks budgetary support every year. This is found in the General Appropriations Act.

Targets:

1. 80% of national government agencies accredited to take final Personnel action; 10% of LGUs and 30% of GOCCs;
2. Computer-assisted tests available at least two times a week in every regional office, in addition to paper and pencil examinations regulary scheduled;
3. Updating of internal data-base within one month of release of decision or policy;
4. 20% of entire bureaucracy would have been involved in an HRD intervention;
5. 20 government agencies would have upgraded hiring and promotion standards.

N.B. These targets are submitted annually to the Department of Budget and Management under the column on Work Performance measurement with every budget call. What is important is to Ensure that these targets improve annually, either in terms of cost, quality, time expended for the job, area of coverage, etc., or changed because they have been rendered irrelevant. Presently, these work performance standards remain static across extended periods of time and despite differentials in input including budget allocation and personnel.

A system of rating/weighing

Using budgetary allocation to indicate internal priorities, actual performance will be weighted by multiplying these with the percentage of total appropriation allocated for the targeted output.

In the case of the examples cited above, let us assume certain Levels of Performance and budgetary inputs to be able to complete the process.

Cost of implementing the program

Target #1:	10 million pesos
Target #2:	6 million pesos
Target #3:	5 million pesos
Target #4:	15 million pesos
Target #5:	3 million pesos
Total Cost:	**39 million pesos**

Weight per target

Target #1:	10 /39
Target #2:	6/39
Target #3:	5/39
Target #4:	15/39
Target #5:	3/39

Outputs as monitored/verified

Target #1:	60% of national government agencies accredited 10% of LGUs accredited 12.3% of GOCCs accredited or 82.3% of target X 10/39 = 21.39
Target #2:	CAT available 2X a week only in 12 out of 16 regions or 75 X 6/39 = 11.25
Target #3:	Data base updated only after 3 months or a 75% completion or 75 X 5/39 = 9.75
Target #4:	24% of the entire bureaucracy reached by an HRD intervention or 120 X 15/39 = 45.6
Target #5:	16 out of 20 offices upgraded their hiring/mobility standards or 80 X 3/39 = 6.4
	For a total agency rating of 94.38

The ratings may stand the way they are, or they may be translated to adjectival ratings, such as:

0-50	Poor
51-75	Requires improvement
76-100	Meets expectations
101 & above	Exceeds expectations

Performance Management

Assuming that agency performance standards have been set, then the next step is to establish a performance monitoring system. While this is an inherent management function, it is a function that is rarely exercised because of the lack of consequences. Further, since performance data is rarely demanded, it is produced only when requested. The progress of performance should not be difficult to monitor since performance milestones and distribution of costs during the year already are indicated in the Work and Financial Plan submitted to DBM with the annual budgetary request. This may initially be used for the purpose of monitoring performance and budget utilization.

The third component is the Performance Consequences System where rewards and incentives await people who meet or exceed valid targets. Unmet targets, including irregular scheduling and fund utilization should be the subject of planning and program correction, and where necessary sanctions. Presently, performance management systems are not available government-wide although a number of agencies have their own operating systems for determining recognition and sanctions, many of which, unfortunately are not linked to the agency's targets.

It would be an excellent opportunity to influence government policy if G-Watch could be the forerunner for allowing excellent government agencies some measure of managerial and organizational flexibility in return for improved performance.

If these performance management functions were to be exercised by a group external to government, the publication of comparative performance ratings across government departments should spur government agencies to try harder and do better. At the same time, it should afford the general public a way of making enlightened judgments about how well or how badly, specific government agencies perform.

Appendix 2:
Agencies' Actions on and Responses to the G-Watch Monitoring (Excerpts)
By Hilda Gonzalez

A. Theoretical Basis

The provision of education, health and infrastructure is being shouldered by the public sector because of market failure. But government provision is not a panacea by itself as evidenced by publicized shortages and corruption in the delivery of public services. In particular, shortages in the quantity and quality of school buildings, textbooks, drugs, roads and bridges, and the corruption attendant to the process of delivering these goods and services were validated by G-WATCH from its first run.

The G-WATCH project seeks to address these manifestations of government failure. The rationale for G-WATCH is to strengthen transparency and accountability and to promote the development of a culture of ethics and efficiency in government. Government failure refers to the inefficient and ineffective supply of public services that arise from the very nature of the public sector. Efficiency and effectiveness are two criteria of evaluation used by policy analysts that draw from the fields of economics. One operationalization of efficiency is the "ratio of service 'inputs' (e.g. spending) to 'outputs', which are the goods or services actually produced by an organization" (Boyne, et. al.), (e.g. school buildings, textbooks, instruction in schools, drugs provided to the public, roads). Effectiveness, on the other hand, is sometimes interchangeably used as responsiveness and refers to the "match between such outputs and the preferences of the public" (Boyne, et. al.), (e.g. whether the school buildings and textbooks meet the needs of pupils, whether the drugs can cure the most prevalent diseases, whether the roads built meet the needs of motorists and commuters).

Government Failure

The absence of competition and the prevalence of information asymmetry inherent in the public sector lead to government failure. Government provides basic education, public health and infrastructure hence the absence of competition to a large part of the market (those who can afford exercise choice by availing of private sector providers at a price). The absence of competition leads to inefficiency and ineffectiveness because, unlike in the private sector, "the ability to obtain income in a market cannot serve as an objective guide to the desirability of extending, maintaining or contracting the level of expenditures it undertakes" (Downs). Government failure is a problem seen as intrinsic to two features of political systems–bureaucratic supply and decentralized government (Weimer and Vining). The analysis draws largely from the studies of non-market failure of Wolf (1979) who attributed it to problems of bureaucratic supply and policy implementation.

Public agencies can continue its existence even if it fails to meet the demands and needs of the public who avail of its services. The dissatisfied public is left to "exercise 'voice' if services were unsatisfactory (by complaining to their representatives, the appointing authority or the media) or simply to express a passive 'loyalty' to the products of the local bureaucracy" (Boyne, et al.). Information asymmetry exists in many relationships inside and outside the bureaucracy. The public or the elected representatives (principals) know less about the cost of a public service than the public officials and employees (agents) (Niskanen). Public officials know less about the minimum cost of producing any given level of output than the employees who perform the task. Information asymmetry increases monitoring costs.

Public Choice Theory

Public choice theory similarly points to the monopoly in public service markets (or the absence of competition) and the lack of information on organizational performance as two characteristics that lead to a lack of efficiency and effectiveness in public agencies. The large size of many bureaucracies is the third and compounds the first two characteristics.

Public choice literature, however, adds a dimension to the information asymmetry problem in the bureaucracy by pointing out that "there are no unambiguous indicators of performance in the public sector, so it is difficult to evaluate or influence the behavior of agencies or individuals" (Boyne, et al). This compounds the difficulty of monitoring and thus leads to the lack of transparency and accountability.

Public choice theory puts forward three prescriptions to correct government failure: (1) create competition within the public service market by creating rivalry between public agencies or between public and private providers; (2) force public agencies to produce more information on their performance; and, (3) break large agencies into smaller units.

On the second prescription, the literature states that the "collation and publication of performance indicators can considerably improve the operation of market mechanisms for public services" (Boyne, et al.). Producing more performance information lessens the information asymmetry problem. The public's power is enhanced vis-à-vis the bureaucracy's because they can exercise 'voice' or 'exit'. Exercising 'voice' may take the form of pressure activities through organized groups like what many non-government organizations resort to or through the media, voting into or out of office the elected appointing authority or the elected representatives who act or ignore the information and, seeking individual redress for non-performance or unsatisfactory performance by public officials and employees—a measure taken by many ordinary citizens who communicate in writing or through the media to public officials.

Public choice theory further lays down three conditions that must be fulfilled for performance information to address government failure and lead to greater efficiency and effectiveness. In the context of a bureaucracy, (1) local organizations must comply with the requirement to collect and disseminate the performance indicators; (2) local organizations must produce accurate performance indicators; and, (3) accurate performance indicators must be used by the public to make decisions on exit or voice. (Boyne, et al.)

Institutional Mechanisms

There are also institutional mechanisms to improve service delivery that have been tried by governments in the recent past. Similar to the literature on government failure and public choice theory, these mechanisms are: (1) expanding exit options through markets and contracts with the private sector; (2) strengthening voice (similar to forcing public agencies to produce more information on performance); and, (3) improving compliance and loyalty (e.g., greater accountability in the use of inputs, meritocratic recruitment and promotion) (World Bank).

The application of the mechanisms depends on factors that affect the environment in which the service is delivered. These factors include: (1) the arena in which the mechanism will be employed– markets and the private sector, the broader public sector or the core public sector; (2) the characteristics of the service– whether the outputs can be specified and are contestable; and, (3) the capability of the state to enforce internal and external contracts.

The G-WATCH Project and the Prescriptions of Performance Information and Improvement of Compliance and Loyalty

The theoretical and empirical prescriptions put forward influence the efficiency, effectiveness and transparency of the public sector. However, the prescriptions of performance information and improvement of compliance and loyalty described earlier are the most appropriate with which to assess the agency actions and policy responses to the G-WATCH findings. This is because the services delivered by the three agencies being studied are traditionally offered by the broader or the core public sector; are not as contestable as commercial products; the service's outputs can be specified by government; and the capacity of the government to enforce complex contracts is still weak.

Focusing on the two prescriptions, especially on the first, is also consistent with the goals of the G-WATCH project. The essence of the G-WATCH project is to help public agencies provide more information on their performance by collaborating with them and with non-government organizations. By focusing on the variance in cost and quality between planned targets and actual outputs, it has provided performance indicators by which the agencies can be measured against. Since the two prescriptions are believed to influence efficiency, effectiveness and transparency leading to stronger institutions, it is worth analyzing then if the policy reform that G-WATCH represents in turn triggered policy responses of a similar nature.

Appendix 3:
Matrix/Tool for G-Watch Monitoring
By Simon Peter Gregorio

Considerations in the Construction of the Matrix

The G-Watch monitoring matrix/tool is constructed with the following presuppositions and developments in mind:

First, the matrix takes off from the instrument/matrix used by G-Watch at the national level. Second, the matrix takes into consideration developments going on within government like the Public Expenditure Management (PEM) initiative of the Department of Budget and Management (DBM) and the effort to integrate the different performance management/monitoring systems. It also recognizes long-standing performance management systems like the RPMES (Regional Project Monitoring and Evaluation System) of NEDA.

Third, the matrix constructed tries to be as simple and as generic as possible giving busy decision-makers a quick yet representative and accurate view of how a project is doing. Simplicity is also an important consideration for its replication/adoption by groups at the local level. Eventually, there would be differences depending on the agency and the project under scrutiny. However, these differences are anticipated to be differences in details rather than in framework.

Its generic character makes for its application across different kinds of agencies giving a global view and allowing comparability wherever and whenever this is possible.

*What it is Not***.** Before describing what the matrix is, it is important to know what it is not and what does not intend to accomplish.

Project Level, not Agency Level

The matrix does not seek to assess the performance of the agency or the agency head that has responsibility over the project. The matrix is not an organizational or institutional diagnosis of the agency or its project management office. The matrix confines itself to the project level. Because of this limitation, it is presupposed that the project to which the tool is being applied is relevant to the mandate/mission of the agency concerned and that it is anchored on the strategy that the agency finds to be the most appropriate, effective, and efficient in achieving that agency's mandate, or in the language of the PEM initiative, its Major Final Ouputs.[38] In other words, the matrix does not evaluate if that strategy is indeed the most appropriate, effective, and efficient.

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[38] In the PEM Framework, topmost is the ultimate outcome or societal outcome; this is followed by sectoral outcomes. Sectoral outcomes may be more than one in number, and a sectoral outcome may have sub-sectoral outcomes. Lower in hierarchy is the Major Final Outputs which the Agency is obliged to deliver and is controllable. Below major final outputs are process outputs, sub-organizational outputs.

Furthermore, it does not question whether the stated/inferred mandate of the implementing agency should indeed be its mandate in the first place. It is not an assessment tool to measure how far the agency has achieved its major final outputs or whether those outputs should be its major final outputs in the first place.

Finally, no comment is made on the connection of the Major Final Outputs to the Sectoral Outcomes and of the relation of the Sectoral Outcomes to the Ultimate or Societal Outcome.

Outputs, not Outcomes

From the foregoing discussion, it could be immediately inferred that the matrix is not concerned with outcomes but with outputs. Those outputs are not the Major Final Outputs or agency mandates. The highest that the matrix can reach are program and project/activity outputs; using the language of the strategic planning framework.[39] The focus on outputs is timely in view of RPMES' shift from Outputs to Outcomes. The shift is bound to leave a void that the matrix can hopefully help fill.

Incidentally, the RPMES shift to Outcomes is a step in the right direction, as the local/regional can now concentrate on the monitoring and evaluation of outputs while the national can now focus, as it should, on impact. After all, project implementation is done at the local level but project benefits and costs and impacts go beyond the local and are more appropriately examined at the regional and national levels.

The regularity of presentation that is envisioned for the matrix also makes it impossible to focus on outcomes, outcomes requiring a longer time frame before they appear and make themselves susceptible to measurement.

Primarily a Monitoring Tool and Not an Auditing Tool

The matrix is primarily a monitoring tool and not an audit tool. It is not an instrument designed to determine where or on whom to affix blame but to show the status of the project and to uncover reasons why it is in such condition.

It is also a monitoring tool because the concern is on how to improve ongoing projects rather than to evaluate a project that is nearing its end or has just ended. Moreover, the matrix is envisioned to be a tool and input for designing "just-in-time" intervention in projects rather than a lesson-giving resource for "later-on" improvements useful for future phases of the same project or for other projects of a similar thrust and scale.

Not a Replacement for Agencies' Internal Monitoring Tools

[39] In the strategic planning framework, the Vision is highest in the ladder. Below it are the objectives, which is the translation of the vision into measurable terms. Each objective has one or a number of strategies. Strategies are divided into Programs; Programs are composed of Projects or Activities; Activities are Broken down to Tasks.

The matrix is not intended to replace internal monitoring tools of the agencies currently in use. Agencies may collect other types of information that is useful for their own internal decision-making and improvement processes. What the matrix focuses on is the basic information that is understandable to the general public and most useful for the agency's top level management or for top government officials like the Office of the President or the Presidential Management Staff (PMS).

What It Is

Having dispensed with what it is not; let us move on to what the tool is. The starting point is the old matrix or tool.

The old matrix focused on the variance between planned and actual outputs. The right side of the matrix solicited comments from the agencies and juxtaposed these with the comments/findings of the Government Watch (G-Watch) researchers.

The bases or criteria for comparison of the planned and actual outputs are: quantity, adherence to specifications, timeliness of delivery, and cost.

G-Watch Original Matrix

Projects	**Planned Outputs**	**Actual Output**	**Variance**	**Comments**
Quantity				
Compliance with Specs				
Timeliness				
Cost				

The improved matrix retains the best features of the original but suggests an expansion of the two columns on the right side.

G-Watch Improved

Project	**Planned**	**Actual**	**Variance**		**Reasons**	**Opportunity Cost/Savings**	**Signal**
			Planned vs. Actual	Actual vs. Better Practice			
Quantity							
Cost							
Time							
Quality							

For Variance, it suggests the use of better practices primarily on the cost dimension and on the others (whenever these are available locally or internationally). The actual outputs would be compared with the better practice. It may happen that the actual output exceeded the planned output because the latter was overstated.

Admittedly finding better practices can be a difficult exercise, but it gives another perspective to project management and performance. A good example of the use of better practices is the study conducted by the Evelio B. Javier Foundation (EBJF) on the LGU-DPWH Cost Sharing Project for Road Construction and Maintenance. In that study, the EJF compared a PWH-implemented road project with an LGU-implemented road project, across several criteria, among them quantity, cost, social acceptability, timeliness, and quality.

The matrix revises the comments portion. Instead of comments by the agencies concerned and by the G-Watch, it replaces it with three (3) columns: the first for Reasons for the Good and Bad Performance; the second, for Savings and Opportunity Cost; and the third, for the Signal or Flagging System.

The column on "Reasons for Performance" goes into the human or structural factors that impinge on project performance. By introducing this, the G-Watch matrix presents causes for poor project performance that can be the object of action by the appropriate agencies. G-Watch in this column would be proactive, and not merely reporting performance, as many existing report cards already do. Many surveys report perceptions. Most scorecards present performance; the G-Watch goes further by presenting reasons for good or under performance.

Not all the rows would be filled with reasons. However, the compulsory minimum would be to find reasons for the delay.

The column on Savings and Opportunity Cost is introduced to drive home in terms the ordinary public can understand, the additional burden that the ordinary taxpayer shoulders with a delay in the project or with overspending.

One method for quantifying the cost of delays is by charging commitment fees as the World Bank and the Asian development Bank do. Delays mean that funds for subsequent activities or for more of the same activities cannot be released pending completion of prior activities. Given the period of delay, a commitment fee is imposed either on the whole loan amount, the still to be disbursed portion, or for the amount that is scheduled to be disbursed for that period. Whichever is more stringent or applicable, this concept of commitment fee can be used to quantify the consequences of the delay for all projects regardless of funding source (local or foreign) and mode (grant or loan). This represents the opportunity cost of the government for allotting this amount to this agency or project and not to another that is equally worthy or necessary.

Cost overruns could also be expressed in terms of opportunity foregone. The amount of cost overrun or excess over the better practice can be translated into concrete outputs such as how many more school buildings and how many more linear meter of roads could have been constructed had this project not been delayed or had not overshoot its original budget.

Cost overruns in one department can also be expressed in terms of the opportunity cost of a different department. Delay in a transmission grid project led to government paying this amount of commitment fee to an international lending institution, an amount that could have been used to produce this number of textbooks or to have this number of children immunized.

Delays in the schedule of project implementation can be adjusted to inflation. For example, assuming that inflation increased by 10% the next year, the original budget has diminished in real value by this amount and assuming that the costs of the project also increased by the inflation rate, the delay if not remedied immediately, would lead government to allocate additional amount for the project to maintain the same quantity and quality, not to mention the increase in overhead cost (consultant's fees, contractor's fees and project administrative cost).

The impact of delays on cost, quantity, and quality are outlined in a process chart found on the next page.

The last column is a signal or a flag system. The idea is to set up an early warning device for the use of top government officials, indicating which project is approaching critical delay and cost overrun. A similar color coding scheme can be introduced for those projects that have substantial savings (without any sacrifice in quality and quantity) and are being implemented ahead of schedule.

Based on certain measures would be number of days (or weeks) and the proportion of the cost overrun to the total of project budget. The exact number of days (or weeks) or overrun as a percentage of the total budget can be worked out later. For example, in the microfinance field, a delay for a single repayment of one day already puts the whole amount at risk; so strict are their standards for delinquency measurement and for portfolio quality.