



Republic of the Philippines

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

DILG – NAPOLCOM CENTER Building, EDSA Corner Quezon Avenue, Quezon City



November 16, 2016

MEMORANDUM CIRCULAR
NO. 2016-165

SUBJECT: ESTABLISHMENT OF A LOCAL GOVERNANCE INNOVATIVE SOLUTIONS BANK

1.0 PREFATORY STATEMENT

Success stories in local governance are abundant after decades of experience with decentralization and devolution. These are the fruits of local governments investing in new technologies and becoming more innovative and responsive to the development needs and performance. In 2008, the Department of the Interior and Local Government (DILG) embarked on a project replicating good practices¹ for local government primarily to assist LGUs in implementing a program or a methodology that potentially addresses pertinent issues and performance gaps. But prior to this, a harmonizing mechanism in the delivery of all capacity development interventions was introduced by the Local Government Academy.

The Local Governance Resource Center (LGRC) was established in the regions to harmonize the mechanisms in the delivery of all capacity development interventions for local government units. It institutionalizes the commitment of the organization to support and enhance the capability of regions to LGUs in managing their affairs and services through sharing of information, knowledge management, convergence, and innovations. The LGA assumes a strategic role creating a platform for convergence in delivering capacity development for LGUs, hence, the creation and establishment of LGRRCs (Local Governance Regional Resource Center) in all regions of the country. The LGRC operates with knowledge management as its overarching principle, hence, it ensures that practices are easily accessible and that services are available to individuals and institutions that would embark on adaptation and replication. The LGRC will be the bridge between the model LGUs and the recipient LGUs.

Innovative and best practices can be identified and documented by the LGRC to create a Governance Solutions Bank. This collection shall be constantly updated and made accessible to guarantee the dissemination, adoption, and continuous evolution of best practices. This shall develop and institutionalize a culture conducive to Local Government innovation and informed risk-taking, as the availability of reliable and quality data is complemented with knowledge, expertise, tools and connections.

2.0 PURPOSE

This Memorandum Circular aims to establish the Local Governance Innovative Solutions Bank, otherwise known as the Innovative Solutions Bank in all the Local Governance Regional Resource Centers (LGRRCs) to hasten and facilitate the collection, dissemination, and creation of practical but strategic solutions to specific governance challenges faced by local governments.

¹ DILG MC 2008-54 dated March 31, 2008 defines a Good Practice as a project or policy initiated by an LGU which produced both tangible and intangible impacts on the lives of the people, as well as improved government operations or delivery of services. It pertains to an innovative technique or methodology introduced by an LGU which has been proven to be an effective, efficient and relevant way of addressing a particular local governance issue or challenge. It can further be easily replicated by other local governments.

3.0 DEFINITION OF TERMS

For the purposes of this Memorandum Circular, the following terms shall be used:

- 3.1 **Development Issues/Performance Gaps** refer to the deficiency of a local government unit in finding solutions to challenges that greatly impact basic service delivery to constituents.
- 3.2 **Convergence** refers to the coordinated effort of the DILG regional offices, the Academe, LGUs and other program partners through the LGRRC toward a common capacity development objective.
- 3.3 **Best Practice** refers to an institutionalized system meeting a certain set of standards in implementing policies, programs, or projects in local governance that through experience and research has been proven and recognized to be effective.
- 3.4 **Service Innovations** refers to the creation and application of new, improved, and novel ideas in local governance that positively impact local government service delivery.
- 3.5 **Quality Assurance** refers to the desired level of quality in managing the data banking system of the LGRC.
- 3.6 **Exemplar LGU** refers to the LGU which has designed and successfully implemented governance and development initiatives that successfully addressed governance and development needs, and thus recognized as best practices.
- 3.7 **Replicating LGU** refers to the Local Government Unit which desires to adopt a best practice for the purpose of addressing local developmental issues or filling in performance gaps.

4.0 GENERAL GUIDELINES

4.1 STRUCTURE

A Local Governance Innovative Solutions Bank (LGISB), otherwise known as the Solutions Bank shall be established in all Local Governance Regional Resource Centers. It shall be managed by a team composed of persons to be in charge of quality assurance, marketing, information technology and legal. It will be headed by the LGISB administrator.

4.1.1 Overall Management

The LGSIB Administrator shall be designated, who, under the supervision of the LGRRC Manager, shall take the lead role in developing, populating and updating the services of the databank, responding and addressing concerns, and submitting reports to clients, partners, and higher offices.

4.1.2 Quality Assurance

A staffer shall be designated to ensure the accuracy, completeness, and timeliness of the information, monitor and assess the databank's functionality, and prepare and submit reports to the LGRRC.

4.1.3 Marketing

The LGRRC shall lead the promotion of the databank and other services to potential clients, the usage of online systems or social media as marketing tools, and coordination with the help desks to increase the effectiveness of service offerings.

4.1.4 Information Technology

A staffer shall be designated to ensure the online availability of documented certified best practices, perform maintenance and monitoring checks to ensure the integrity of the database, enhance and upgrade the system design as needed with the approval of the LGRRC Manager, and submit reports to the LGRRC Manager on the status of the system and data.

4.1.5 **Legal**

The Regional Legal Officer shall handle legal concerns such as ownership or proprietary issues of LGU programs, the confidentiality of information, other related legal issues, and prepare and submit reports to the LGRRC Manager on legal issues raised and resolved.

4.1.6 **Other Personnel**

The DILG Regional Director may designate other personnel to assist in the operation of the Solutions Bank whenever the need arises.

4.2 **FUNCTIONS**

The LGRC, through the Solutions Bank, shall make available the following products and services:

4.2.1 **Identification and Certification of Innovate Solutions**

The LGRRCs shall collect and organize information on Local Government initiatives that have successfully addressed governance or development issues, and thus may be considered best practices or innovative solutions. The LGRC Manager shall certify that these are innovative or best practices.

4.2.2 **Documentation of Innovative Solutions**

All certified best practices of Local Government Units shall be documented, and a compilation of these shall be made accessible. Certified documented practices shall be uploaded to the LGRRC website. These shall be categorized according to the Seal of Good Local Governance assessment areas (Good Financial Housekeeping, Disaster Preparedness, Social Protection, Business Friendliness, Environment Management and Peace and Order).

4.2.3 **Needs Identification and Solution Matching**

The Solutions Bank shall match identified developmental issues or performance gaps of LGUs requesting assistance with possible solutions from the databank.

Help desks on the Solutions Bank shall be created in the LGRRC and Exemplar LGUs. These shall provide technical assistance and support for customer inquiries and issues related to the data bank, its contents, operations system and the replication process. Key pointers and frequently asked questions shall be made available for easy access to information concerning the data bank and the replication process. A feedback system shall be operated to ensure that inquiries have been addressed accordingly and issues have been resolved.

4.2.4 **Program Coaching and Monitoring**

The LGRRC shall identify and assess current and future training needs for LGUs in replicating best practices in their respective localities. Training programs and other forms of capacity development activities may be recommended or customized for the specific needs of the LGUs. The LGRRC shall further monitor and evaluate the training programs' effectiveness and success based on the program designs' objectives. Opportunities for ongoing development anchored on LGUs with good practices may also be provided.

4.2.5 **Coaching and Mentoring of the Replicating LGUs**

The LGRRC shall link replicating LGUs with exemplar LGUs, with the former writing the latter through the LGRC with an intent to replicate. The replicating LGU, exemplar LGU, the LGRRC and the LGA shall enter into a Memorandum of Agreement (MOA).

The LGRRC shall facilitate the replication process. The Exemplar LGU shall conduct the coaching and mentoring activities to address the needs and expectations of the replicating LGUs.

5.0 FINANCING SCHEME

- 5.1 The Solutions Bank, and all related activities and initiatives, shall be appropriated funding from the DILG Regional Operations Plan and Budget (OPB).
- 5.2 The Replicating LGU shall be provided assistance in cash or in kind subject to a partnership agreement signed by the exemplar LGU, replicating LGU, the DILG and the LGA

6.0 DELINEATION OF ROLES

The following agencies and offices shall have following roles and responsibilities:

6.1 Local Government Academy

- 6.1.1 Develop the design and policy requirement of the program.
- 6.1.2 Provide technical and financial assistance to the LGRRCs in the establishment of the LGISB through continuous development and capacity building in the establishment, maintenance and service provisions of the Bank.
- 6.1.3 Provide a financing facility for LGUs willing to undertake the creation of innovative solutions that will later be part of the product of the Bank.
- 6.1.4 Design and develop a template for documenting best practices.
- 6.1.5 Create and establish a Monitoring and Evaluation system for all LGRRCs.
- 6.1.6 Design and develop IEC materials for the program.

6.2 DILG, through the DILG Regional Offices

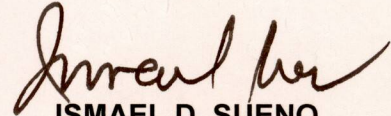
- 6.2.1 Oversee the effective implementation of the program in their respective region.
- 6.2.2 Ensure functionality of the Solutions Bank.
- 6.2.3 Develop and maintain an updated databank of development issues and performance gaps of local governments in the region.
- 6.2.4 Ensure that local governments have developed their respective Capacity Development (CapDev) Agenda.
- 6.2.5 Continuously develop the capacity of the organic personnel in the management of the Solutions Bank.
- 6.2.6 Liaise and submit reports to the LGA on issues, progress, replication reports, and any other matters concerning the management of the data banking system.
- 6.2.7 Facilitate the replication of innovative solutions in requesting local governments.
- 6.2.8 Endorse replicating LGUs for access to replicating funding facility.
- 6.2.9 Advocate and promote the Solutions Bank.

6.3 DILG through the DILG Provincial Office

- 6.3.1 Ensure that LGUs have developed their CapDev agenda.
- 6.3.2 Manage the documentation of the various Innovative Solutions found in the respective areas of responsibility.
- 6.3.3 Upload the documented innovative solutions in the LGRRC Website.
- 6.3.4 Conduct semestral monitoring of the execution of the documented innovative solutions.
- 6.3.5 Capacitate their respective MLGOOs in the assessment of best practices particularly in the utilization of the assessment instrument and the documentation process.
- 6.3.6 Evaluate and recommend replicating LGUs for access to replication funding facility.

7.0 EFFECTIVITY

This Memorandum Circular takes effect immediately. All Department Circulars, guidelines, letters of instruction, or any part thereof which may be inconsistent with this policy, are hereby repealed or modified accordingly.


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Secretary 