ICD-ISA’s Islands of Good Governance

JOURNEY REPORT
LOCAL GOVERNMENT UNITS
The Philippine Countryside on the Cusp of Change

The lines give an abstract image of a mountain as it takes on the meaning of cusp: a pointed end where two curves meet.

At the cusp, the two curves that represent local government units and ISA meet to initiate change in the landscape. Through a consistent meeting, they propel an upward movement that indicates progress.
As the Philippines hosts the Asia-Pacific Economic Cooperation (APEC) in 2015, the Institute for Solidarity in Asia (ISA) and the Institute of Corporate Directors (ICD) are spearheading the Islands of Good Governance (IGG) to recognize Philippine public sector institutions as models of transformation at par with global standards of governance.

Several national government agencies, government-owned and controlled corporations, and local government units are now working to achieve this recognition by their progress in controlling corruption and delivering better public service through governance. Taking unprecedented initiative, they have pledged to deliver breakthrough goals to be assessed by regional auditing teams and multi-stakeholder panels based on quality, sustainability, and impact on Filipino communities.

All of these efforts are in line with the long-term goal of building stronger, more transparent, and more accountable Philippine institutions. Coming together as “islands of good governance” they are determined to showcase the results of their transformation journeys, and to prove that government can truly work for the Filipino.
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We began our governance reform initiatives at ISA more than 10 years ago with the vision of a better future for the country. Hinged on the idea that good governance can be the foundation for greater political reform and economic development, we sought out ways by which we can contribute to the positive transformation of Philippine society.

We concretized our aspiration through the Performance Governance System (PGS), which we have installed in various public sector institutions – Local Government Units (LGUs), National Government Agencies (NGAs) and Government Owned and Controlled Corporations (GOCCs).

As a strategy management system founded on good governance principles, the PGS helps organizations set, track and accomplish their strategic goals. Over the past decade, these organizations have produced breakthrough results that are an indication of the change that is beginning to happen in our country.

The Islands of Good Governance (IGG) initiative recognizes these efforts. First conceptualized in 2013, the IGG is a seal that recognizes organizations who have performed exceptionally well in terms of executing the various good governance mechanisms installed under the PGS.

Operating under this rationale, LGUs, NGAs and GOCCs have worked towards further improving how they govern or manage their respective organizations.

The transformation journeys of the first batch of LGUs we have worked with under the IGG banner are documented in this publication.

And it is through the IGG that we will be able to widen the reach of our governance advocacy into other sectors of our society. Through the Institute for Family Advancement (IFA), we will be able to work with family associations to strengthen communities not only economically, but also spiritually and socially.

Through the Institute for School Governance (ISG), we will be able to use the good governance mechanisms we have developed through the PGS to strengthen educational institutions as catalysts for change in the country.

It is our hope that we will be able to sustain all of these initiatives so that we are able to truly institutionalize inclusive growth and development within the country.

As you read through this publication, we invite you to join us in our advocacy of working towards a better Philippines. May you be inspired by the stories of these LGUs who have toiled to raise the level of public service in their respective localities, and in turn raise the level of governance in the country as a whole.

Jesus P. Estanislao, PhD
Chairman Emeritus
Ten years ago, the Institute for Solidarity in Asia (ISA) set out to transform the Philippines one city at a time. Today, we extend this goal to include our first province (Bataan), now proudly counted among nine local government units (LGUs) seeking to become Islands of Good Governance (IGG). These are Balanga City in Bataan, Butuan City in Agusan del Norte, Dipolog City in Zamboanga del Norte, Legazpi City in Albay, Mandaue City in Cebu, Masbate City, City of San Fernando, La Union, and Talisay City in Negros Occidental.

As they apply for such recognition, these local governments are taking the lead in putting in place key governance mechanisms in order to create genuine impact. What IGG does is to bring these LGUs together under a common goal—that of creating a stronger and more competitive Philippine archipelago.

In this Journey Report, we feature each one’s economic niche translated into a time-bound vision and eliciting supporting initiatives. This means you will be reading about the unique plans and lessons learned of each LGU as told by insiders. We invite you to learn from the stories of local chief executives and city hall employees determined to make a difference through governance.

We note with pride that we are able to speak from experience today because of the success of our Performance Governance System (PGS). This is our core program for transformative and sustainable governance, simultaneously being run at the national level. As we describe the future plans of our partner LGUs, we have also made sure to let you in on the secret ingredients that have made their journeys successful ones thus far.

ISA’s very own president, Mr. Francisco Eizmendi, Jr., begins with an overview of how the PGS is different from other governance systems and how it addresses the gaps of governance found in many public sector institutions. The essential elements of the PGS are explained in succeeding articles by people who have worked with the LGUs under ISA’s program. This includes Ms. Marlyn Angeles who facilitated their visioning workshops; Supervising Fellow Oliver Butalid who led the LGUs in creating their strategy maps; Mr. Christian Zaens who is ISA’s Executive Director and process leader for the performance scorecard; and some of ISA’s program coordinators who have been closely working with the LGUs in installing these governance mechanisms, enabling them to share their own notes from the field. Another one of ISA’s supervising fellows, Usec. Anneli Lontoc, writes about the importance of focusing on local economic development and how this will pave the way for greater success as a nation.

We hope that our first ever Journey Report inspires those of you reading this to action. Each of the country’s 1,715 LGUs carries potential for transformation, but it is leaders and citizens working together that will leave a mark.

In the meantime, we are one with our partners at the local level in their trailblazing efforts at intensifying governance practices and reviving economic talents. During this time of putting forward a gold standard for governance that our Philippine institutions can aspire for, we ourselves continue on a rewarding journey.

It is our fervent hope that on this, its maiden voyage, our Journey Report will open up more pathways for solidarity and positive action.

Francisco T. Duque III, MD, MSc
Chairman
PART I: The Performance Governance System

Process Flow

1. LEVELEX
2. PGS 101
3. TWG
4. SWOT
5. MVV
6. OSM
7. STRATEGY MAP
8. SCORECARD
9. INITIATIVES
10. BREAKTHROUGH
11. VACS
12. MODULE A
13. MODULE AA
14. MODULE AAA
15. WORM
16. MSRM
17. MSGC
18a. INTERNAL COMMUNICATION
18b. EXTERNAL COMMUNICATION
19. EXTERNAL AUDIT
20. GOVERNANCE OUTREACH

LEGEND
- Activity
- Document
- Organization

- Initiation (Stage I)
- Compliance (Stage II)
- Proficiency (Stage III)
- Institutionalization (Stage IV)
Mayor Ferdinand Amante, Jr. is currently on his first term in office in the City of Butuan, Agusan del Norte. He admits that it was difficult to manage the local government in his first year of public service.

“[Mayors] want to make a difference. We want to create opportunities for our people, but it is difficult to do so. There are many alternatives and different opinions so arriving at a consensus is not that easy,” shared Mayor Amante.

The challenge is the same even for mayors like Eric Saratan of Talisay City, Negros Occidental who is on his last term.

“I’ve been a Mayor for [8] years now, and I can honestly say that one of most difficult challenges is finding the adequate time and resources to respond to the needs of the people.”

The Performance Governance System (PGS) of ISA was meant to respond to these needs. ISA saw gaps in organizational performance in the public sector and took steps to help institutions respond to the increasing needs of their stakeholders.

The PGS is a framework that aids in the management of the organization’s strategy. It was originally based on the Balanced Scorecard (BSC) technology pioneered by two Harvard Professors, Drs. Robert D. Kaplan and David P. Norton. The BSC has since been used by businesses to set goals and track performance. What ISA did was to adapt this scorecard for public sector institutions and incorporate into it principles of good governance: fairness, transparency and accountability.

Good governance equals heightened performance

The objective of the PGS is to transform the organization into a well-governed city that produces breakthrough results. It begins by enabling the organization to define its aspirations as articulated in its vision statement. The vision statement in the organization’s governance charter concretely defines its aspirations in a 3-5 year time frame. For the LGUs, this is anchored on a competitive niche based on the city’s strengths. It serves as a driver for inclusive growth within the locality.

The charter is the basis for creating a strategy map. It defines the different strategic objectives that will support the achievement of the vision. A corresponding performance scorecard is developed to help the leadership of the institution monitor the progress of the various strategies. The scorecard contains the strategic initiatives that will help achieve the identified objectives and corresponding performance measures.

These elements are formulated with the involvement of relevant internal and external stakeholders. Internal stakeholders include the Mayor, other elected officials, and department heads. Externally, these are the constituents of the organization coming from different sectors within the locality.

The PGS is a shared responsibility with all the members of City Hall. Members must ensure that there is alignment throughout the organization. This is possible if members recognize and understand the strategy in terms of their different functions.

This requires the process of cascading which entails involving every relevant stakeholder within the organization. In the LGUs, we adapted the technology of forming Vision Aligned Circles (VACs)—small project teams composed of employees from different city hall departments assigned to a specific project aligned to the vision. Involvement in VACs helps each individual within the organization see how they can contribute.

Externally, concrete support comes from a multi-sectoral governance council (MSGC) composed of prominent private sector individuals from the locality. The MSGC is tasked to implement their own projects and meet regularly.

The Office for Strategy Management (OSM) oversees everything on a full-time basis. It helps ensure that the cascading and the alignment of all the different internal stakeholders take place. The office assesses whether the targets are being met. It evaluates whether there is a need to revise current commitments.

Installing all of these elements within the LGU must lead to a strong organizational governance culture. The whole organization must be able to raise its level of work performance.

This is manifested through each LGU’s implementation of a 5S program. 5S is a workplace management system that was popularized by the Japanese. By undergoing a 5S program, the different LGUs are physically able to show the transformation they have undergone through the PGS.

Lastly, the LGU must be able to ensure that its citizens are able to benefit from the gains of the system. A governance outreach program must be instituted by the LGU. The program utilizes the different elements of the PGS to impact organizations.

Achieving good governance is a challenging task, but not impossible. With the collective efforts of the leaders, stakeholders, and members of the city, it is within reach.
Governance Charter: The Power of Focus

by Maria Angelina V. Angeles

Warren G. Bennis, the recently deceased well-known American scholar and author on organization and leadership studies, once said: “Leadership is the capacity to translate vision into reality.”

In any organization, regardless of size, vision is crucial. It is what entices people to rally for a cause, sustains them during challenges, and drives them to excel. Local government units are no exception to this.

The governance charter is the foundation of the Performance Governance System of any Local Government Unit (LGU). It provides the LGU with a common and focused perspective of the future. The charter is composed of three statements: its values, its primary purpose or mission, and its compelling vision for the city or province. Without this charter, decisions and initiatives of an LGU may be fragmented and even inconsistent.

Core Values: Its importance and establishment

The core values reflect the fundamental belief system and attitudes that the leaders and stakeholders uphold. It serves as the anchor on which priorities, decisions and actions are made. When faced with contentious issues or policies, the core values serve as the LGU’s compass in deciding how it should proceed.

In a workshop held for the LGUs, participants were asked to reflect on what values they deem most important. After they have identified these values, they were asked to pick out which ones they think are most relevant and essential to uphold as they collaborate and implement their mandate. In their discussions, it was not enough that the values were defined. What was prioritized is their agreement on how these values would serve as their guide when making decisions, and working together.

Mission: The reason

The mission clarifies the reason for the LGU’s existence and what value it seeks to contribute as it aims to make the world a better place. The mission statement answers three fundamental questions: What principal need or problem does the LGU seeks to address? What is it doing to address these? Who are the primary beneficiaries of the services and programs or for whom are all these? As an unchanging and overarching framework, the mission provides clarity of purpose within which the vision is formulated.

In defining the LGU’s mission, participants had to discuss and define the very purpose of the LGU’s existence. Answering the three key questions helped keep the discussions focused on what were essential.

Vision: The goal

An LGU’s vision integrates the desires of its stakeholders (government, civil society and private sector) and articulates how they want the world to perceive their city or province in the medium and long-term aspect (five to ten years). It seeks to answer the question “What will be the state of things if the LGU succeeds in all that it seeks to accomplish?”. Compared with the mission, the vision has a shorter time horizon and changes within three to five years.

Following Kaplan and Norton’s definition of a vision, the LGU vision has three elements:

a. Stretch goal: challenging, ambitious and measurable
b. Definition of niche: states what makes the goal unique or differentiated
c. Time horizon: time bound (three to five years)
The vision of the LGU should support the national government’s vision for the country. Being clear about the stretch goal and the niche given a time frame provided a clear focus for the LGU’s direction. Keeping in mind the three elements of the vision, the LGUs together with their private sector and civil society partners, crafted the vision for the city.

Talisay City’s vision statement “By 2020, Talisay City will be among the top 5 retirement destinations in the Philippines” contains the three elements:

- Stretch goal: To be Among the Top 5 Retirement Destinations in the Country
- Defined niche: Retirement destination
- Time frame: by 2020

Or consider, Butuan City’s vision statement “By 2020, Butuan City will be a model for sustainable forest-based economy in the country”. The key three elements of this vision are:

- Stretch goal: Model City in the Country
- Defined niche: for Sustainable Forest-Based Economy
- Time frame: by 2020

It is important to remember that the involvement of the stakeholders and the Mayor in the crafting of the governance charter is critical. The charter is what will spur these key people into action and having them go through the entire process of making it gives them a greater deal of ownership, as well as accountability.

Stakeholders include the key officers of City Hall with the Office of Strategic Management serving as its secretariat, members of the Sangguniang Panlalawigan or City Council, representatives from the civil society and private sector, and provincial or city heads of key national agencies.

The manner by which the mayors were involved in the process varied. Some participated in the group discussion, sharing their own, personal vision for the city. Others listened to the group presentations and shared their thoughts only after everyone has spoken. However, despite the differences in the discussion style, each mayor listened to what their stakeholders have to say. This gave them the assurance that their leaders value their input.

Charting out one’s map for the future, especially for the government, is not easy but its results can certainly change the course of a nation and its people. The world nowadays are filled with so many choices, it is easy to get sidetracked. A vision will enable an organization to keep on track no matter what comes their way. Initially, it may seem to be just administrative, obligatory work but as the LGU leaders are beginning to understand, the charter’s establishment is highly significant. Its fulfillment will be the legacy that they can proudly leave behind for future generations of leaders to follow.

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1 Jesus Estanislao, Breaking through: The road from resolutions to results, (Makati City, Philippines: Institute for Solidarity in Asia Inc., 2009), p.23
Strategy Maps: Bridging the Gaps Between Vision and Reality

by Oliver B. Butalid

An annual out-of-office strategic planning event is standard practice. Organizations from all industries allot resources for strategic formulation.

The key challenge in strategy management however is not its formulation—in fact, this is the easy part. The struggle lies in being able to implement initiatives that support the strategies after the strategic planning. Instinctively, managers revert to activities within their comfort zone when they return to office. Strategies are usually new or redefined paths to take.

In the case of local government units, the inclination to implement projects that can be completed within a 3-year term is palpable. Sadly, the Local Chief Executive’s (LCE) short gestation projects are often not linked to a well-defined long-term goal. The common complaint we hear from ordinary citizens is that development priorities change each time a new mayor steps in. A profound need for a platform to ensure continuity and long-term multi-stakeholder participation is what the Strategy Map aims to address.

Without a strategy map, citizens of a city are like passengers on a bus without a destination. They travel and enjoy the scenery but have no idea where their destination is. At the end of the driver’s shift, he steps down and another driver steps in and opts whether or not to continue or change the route.

The Strategy Map aids the city government in determining the route it needs to take to meet the Vision defined by the Local Government Unit (LGU) and external stakeholders. A route can necessitate adjustments due to new circumstances but these changes have to undergo a transparent process. The Performance Governance System (PGS) refers to this as a Strategy Refresh.

5 Strategy Perspectives to Craft the Map

Even without PGS, local government units strategize on their own at least two key perspectives: how to generate additional revenues (Resource Perspective) and how best to spend these revenues to satisfy the needs of the most number of constituents (Citizens Perspective).

We recommend to our LGU partners to also commit to 2-3 strategy objectives each under the Customer Perspective, the Learning & Growth Perspective, and the Core Process Excellence Perspective.

Customer Perspective. In the context of pursuing a 5-year goal to expand the local economy and attain inclusive growth, the customer can either be an investor, a tourist, SMEs, farmers or any other growth driver. Often, an LGU adopts a strategy geared towards attracting external investors and another objective statement that seeks to strengthen local entrepreneurship.

Core Process Perspective. An LGU is mandated to undertake so many functions—from administering their public market to issuing permits and licenses to collecting taxes and many others. Each of these functions consists of procedures and policies that could be further improved. However, under the PGS, LGU partners are asked to focus on just 2-3 processes that, when improved, can be a pivotal support mechanism to the key initiatives identified.

Learning & Growth Perspective. Some LGUs allocate adequate funds for staff training. However, without a Strategy Map that can show the alignment of the
strategic contribution of a particular department to the vision, it is difficult to determine the kind of training required at a particular point in time. After adopting their Strategy Map, some LGUs realize the need to invest more resources to upgrade the information technology skills of employees.

5 Reasons why LGUs appreciate the Strategy Map

**Strategy formulation is not disruptive.**

Department heads tell us how traumatized they were with previous strategic planning sessions. Often it would take days to navigate through a very academic framework, with some sessions lasting past midnight. The key to coming up with a robust Strategy Map is to choose who the participants will be and to determine the size of the group. The 12-15 strategy objectives that are mapped can now be formulated in just a day. Strategy planning is supposed to be creative work, not drudgery.

**The Strategy Map is relatable to everyone —down to the last employee.**

The structure of PGS to ensure alignment is based on a hierarchy of objectives that start with the Vision (5 year term). These are supported by strategy objectives that are supported by Initiatives. Further down, these are cascaded to small project teams or Vision Aligned Circles.

**The Strategy Map is an effective communication tool.**

There was a time in the past when a city, province or region had to obtain the services of consultants to define their strategic plan. The problem was that these masterplans were too technical and voluminous. Often, a well-researched output would just end up being filed with the City Planning Department’s Office. Today, a Strategy Map is by definition only 1 page. It is a diagram that can be reproduced in tarpaulins and in some cases, printed at the reverse side of city hall employees’ ID cards.

**The Strategy Map is a transparent and objective vetting mechanism.**

The LCE receives all kinds of proposals from proponents. Often, the project is evaluated based on the representations made by the proponent—it usually is a supplier-driven dynamic. Through a Strategy Map, the mayor or City Council can better appreciate the effects of a particular proposal on the vision of the city.

**The Strategy Map is the best platform to energize the city hall bureaucracy.**

Employees who last 20-30 years in City hall have this survivor’s rule: Keep your head low. Performance is seldom rewarded. In the usual work environment, no one is encouraged to surge ahead and unnecessarily attract the ire of co-workers. The strategic initiatives however provide new opportunities for employees to exhibit their capabilities outside of their ordinary setting.

The key advantage of Kaplan and Norton’s Strategy Maps is its flexibility and adaptability. The same tool that billion dollar conglomerates use can now be applied to an agriculture-based municipality government. As already proven in many different settings, people respond more positively when their participation is enlisted—especially if it involves the future of their own city.
Scorecards abound. They’re a dime a dozen. You have scorecards that set performance standards for an organization. You have those that help you account for every centavo spent on physical outputs. You have others that verify presence or absence of certain practices or mechanisms. A Performance Governance System (PGS) scorecard serves a different purpose. It tracks an organization’s journey towards an ideal future or what they call in business school as your strategic performance. Here are three of its hallmarks:

**Strategic, not operational**

The PGS pathway begins with a vision and a plan for getting there. A city aspiring to become the country’s leading retirement destination or organic beef capital figures out ways to make those aspirations happen. The city explores various options but chooses a few that have great potential to spur the local economy thus bringing it to where it wants to be, sooner. It then translates those critical actions and results into metrics that it uses to track its journey into the future. That monitoring tool is a scorecard.

You will find two kinds of metrics in a PGS scorecard. One that prescribes an action that the organization will undertake and another that specifies a result. An example of the first is a city that organizes its rural villages to engage in cattle fattening. It targets so many each year until it covers all villages. An example of the second is when it targets a certain amount of inward investments. How to achieve it – there can be many ways – is secondary to attaining the targeted amount. One kind of metric is not better or worse than the other. What is important is that you measure a result or action that creates the kind of city the strategy envisions.

No two city visions are the same, no two development strategies are the same, and therefore no two scorecards are the same. What it takes to lure retirees to spend their millions in Talisay is very different from what it takes for Masbate to produce premium beef that pass the standards of the most discriminating chef. Do not expect a PGS scorecard to have metrics applicable to any city.

**Interconnected, not disjointed**

A good strategy is a set of integrated and mutually reinforcing choices that leads to a winning aspiration. What we say of strategy applies to a scorecard that monitors how strategy gets implemented. Take the case of a city working to become friendly to retirees. As it upgrades the health and security services of its villages, it will also have to retool the frontline personnel assigned to those villages while it sources and allocates funding for this new project. Notice how its decision to address particular customer needs impact processes, personnel, and finance. You can then expect that its scorecard targets for infrastructure upgrade, competency build up, and strategic expenditure all add up every year until it lands within the “Top 5 retirement destinations in the Philippines by 2020.”

Interconnectedness or value-creation is an important concept in strategy design. People who are accustomed to ticking boxes of discrete indicators struggle with the idea initially but later discover how it can make any strategy focused and cohesive. Designed like a good story, a PGS scorecard focuses on no more than three
breakthrough metrics (e.g., within Top 5 destinations), has a dozen or so indicators that drive performance (e.g., no. of model villages, personnel retooled, amount of stratex), with annual targets that are set with reference to the breakthrough target.

**Monitor performance, not projects**

It’s not all about indicators and targets. These you cannot implement. You implement projects or what scorecard language tags as initiatives. In the PGS, an initiative is assigned to one or more project teams that we call Vision-Aligned Circle (VAC). Every VAC is accountable for a metric. Every metric is tied to the scorecard. If a VAC delivers, the metric moves, the city then comes closer to its desired destination. We use the scorecard not merely to track projects but more importantly to see how the projects lead to the vision.

Masbate is implementing seven strategic initiatives in its bid to become the country’s organic beef capital. City hall personnel consulting with private cattle raisers and officials from state agencies form VACs working on projects they have never done before such as cattle-fattening, organic certification, and branding. The city’s Strategy Management Office monitors the projects and reports quarterly how they affect 11 scorecard metrics.

What about indicators of poverty incidence, household income, or local income? These are convincing success metrics no doubt and cities need to track how their strategy makes a dent on these indicators. We believe however that a city with a gameplan anchored on an economic driver that differentiates itself from its peers has a better chance of winning and creating impact. We believe that if you do what everybody else is doing or aspire to be the best in everything, you are not doing strategy.

The Islands of Good Governance (IGG) recognizes and celebrates sustainable organizational transformation. We have long accepted the mantra that what we cannot measure, we cannot manage. And what we cannot manage, we cannot change. The cities you read about in this journey report have taken that to heart.

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**A portion of Talisay's city Performance Scorecard.**

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>MEASURE</th>
<th>BL</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Provide a clean, orderly, safe, and congenial environment for retirees</td>
<td>1</td>
<td>N/A</td>
<td>3/27</td>
<td>6/27</td>
<td>27/27</td>
</tr>
<tr>
<td></td>
<td>Number of model retiree-friendly barangays</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Model Retiree-Friendly Barangay Program (clean &amp; green, graffiti patrol, youth empowerment, retirees association) Plaza Complex Heritage Restoration &amp; Redevelopment Project</td>
</tr>
</tbody>
</table>
Luz has been an employee in City Hall since she graduated from college. Preferring to stay in her comfort zone, she has gone through the same work routine every week for the last 20 years. However, upon the installation of the Performance Governance System (PGS) in their local government unit (LGU), she has been given new responsibilities by becoming the process leader of a Vision-Aligned Circle (VAC).

Out of her element, she initially found it difficult to adjust because of the additional workload, as well as new terminologies and processes she had to learn. But because of assistance from the newly formed Office for Strategy Management (OSM) in their organization, she was able to get a better understanding of the PGS and how she can contribute to the success of the LGU’s vision through it.

Luz’s story is but one of many that illustrates the importance of the OSM within an organization. Having defined the strategic focus for the LGU, the task now for the organization is to be able to bridge the gap between strategy formulation and strategy execution.

In order to accomplish this, it is critical that the organization is able to establish an office that integrates all of the efforts in ensuring that the strategy is realized. This comes in the form of the OSM, which will be tasked to manage the execution of the strategy on a full-time basis.

“While ultimately, strategy execution is the responsibility of the department heads and city employees, experience reveals that without central guidance and coordination, strategy is either omitted from key management processes or management processes are uncoordinated across functions and departments, leading to poor strategy execution,” shares Atty. Cheryl Ledesma-Despi, OSM Head of the City Government of Talisay in Negros Occidental.

“The OSM drives the strategy management process and oversees all strategy-related activities to ensure that development and execution of the strategy is accomplished in an integrated way across the organization.”

Drs. Robert S. Kaplan and David P. Norton, creators of the Balanced Scorecard (BSC), compare the OSM to the conductor of an orchestra. While not the creator of the strategy, the OSM ensures that all employees, units and teams within the organization are able to align their efforts in achieving the vision of the LGU, in the same way that an orchestra conductor harmonizes the efforts of individual musicians to create a beautiful symphony.

Navigating the Strategy

As the office is primarily responsible for managing the strategy, the OSM serves as the maven or expert in strategy management within the organization. City Hall employees such as Luz regularly ask the OSM questions regarding the PGS as they look up to them as the go-to-guys for such matters.

Edmer Fabian, Officer-In-Charge (OIC) of the City Government of Balanga’s OSM, believes that being able to adequately address the concerns of their fellow employees in terms of the PGS helps strengthen the credibility of the system.

“You are the source of the answers of their questions. [And when you are able to answer their questions] you get to show that you are a reliable group. They get to embrace the whole process more.”

Questions range from simple issues such as clarifications on how to conduct their Weekly Operations Review Meetings (WORMs) and fill up their respective dashboards to more complex ones such as ensuring that each VAC’s predictive measures are aligned to their term goals.

The OSM also serves as a navigator, helping ensure that the organization stays on the right track in implementing its strategy. One of the primary means of doing this is the facilitation of the LGU’s Monthly
Strategy Review Meetings (MSRM). In the MSRM, the status of implementation of VACs and movements in the organization’s performance scorecard are reported by the OSM to the Mayor. Problems arising from implementation are also reported. The OSM may recommend solutions to these problems in consultation with the Mayor and relay these recommendations to the employees.

Having a direct line of communication with the Mayor is important in ensuring that the OSM is able to effectively carry out this particular role.

Aligning the Organization and Chronicling the Transformation

Drs. Kaplan and Norton explain that one of the key components of strategy execution is being able to properly communicate the organization’s strategy to its employees. This process is either facilitated or implemented by the OSM.

As a promoter of the organization’s strategy, the OSM is tasked with creating and implementing an internal communication plan that would ensure the buy-in and awareness of the employees of the strategy.

The internal communication plan of the organization is often implemented alongside its cascading program. Serving as a bridge builder within the LGU, the OSM leads the cascading process which ensures that everyone is able to meaningfully contribute to the vision through the VACs. As the strategy of the organization is brought down to the employees, it is the role of the OSM to transfer skills and knowledge about the PGS and ensure that all efforts are aligned or integrated.

Getting everyone involved is no easy task, as efforts to cascade are initially often met with criticism and resistance because of the changes being introduced into the system. Such resistance must be managed properly by the OSM.

Faced with a similar problem in their organization, the OSM of the City Government of Mandaue tried to find ways by which they could overcome the resistance to change within the LGU. Aside from the traditional methods of teaching the PGS to the employees, the OSM integrated methods of experiential learning during their cascading sessions. This helped employees have a greater appreciation of their place within the whole system and strengthened camaraderie within the organization as a whole.

Lastly, the OSM must be able to document all of these efforts properly. It is important to chronicle the activities undertaken under the implementation of the PGS not only for the sharing of best practices, but also to help ensure that there is a system of continuous improvement for the office. By documenting processes and activities and properly managing data, the OSM is able to easily look at areas for improvement or track the progression of the strategy management process within the organization.

The City Government of San Fernando, La Union’s OSM has already integrated its internal processes with the quality management system (QMS) of the LGU. With an institutionalized and robust QMS within the organization, files and data are easily accessible from the establishment of the office several years ago to the most recent ones in 2015.

Sustaining the Transformation

In spite of the difficulty of the tasks of the OSM, Fabian sees great value in the work the office does and is committed to stay for a longer period of time.

“Being part of the OSM can be described as a once in a lifetime experience. There are other jobs out there that offer higher salaries, but they don’t match the significance of the work the OSM carries. It is stressful, but it is rewarding.”

The OSM of the city government of Dipolog.

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1 This is discussed in Chapter 10 of The Execution Premium (2008) by Robert S. Kaplan and David P. Norton.
2 Each VAC must meet about their tasks weekly through the WORM. During the WORM, their attendance is recorded through a dashboard. The dashboard also tracks the progress of the VAC’s implementation of the project.
3 Predictive measures are actionable indicators that when accomplished will help lead towards identified outcomes. In VACs, these are their term goals called Pinaka Importantang Gawains (PIGs), roughly translated to English as “the most important goal.” More information on the topic can be found in the article on Cascading.
4 This is discussed in Chapter 10 of The Execution Premium (2008) by Robert S. Kaplan and David P. Norton.
Cascading: Everyone Needs to be Involved

by Diana O. San Jose

Strategy is only as good as its execution. A plan can be excellent in design, but its value lies in its successful implementation. Experience has shown that for strategy to move forward and produce results, organizations must go beyond merely disseminating information to actually securing people’s buy-in and involving them in concrete programs. This process is called cascading.

Cascading refers to communicating the vision, mission, values and strategy of the organization to all employees. It is establishing a system by which employees can participate meaningfully in the realization of an objective. It is making sure that everyone is on the same page, aware of the organization’s direction and more importantly, aware of the role they play in getting the organization there.

In the Philippines, a select number of Local Government Units (LGUs) have committed to the Performance Governance System (PGS), a good governance program anchored on the discipline of strategy management. Cascading is one of the elements installed in the PGS. Through cascading, employees become aware that they are also stakeholders and prime movers of the city’s strategy.

In the province of Bataan and the cities of Balanga, Butuan, Dipolog, Legazpi, Mandaue, Masbate and Talisay (Negros Occidental), rapid cascading is taking place. City hall employees are taking the lead in moving their respective strategies forward. This is being done through the formation of Vision Aligned Circles (VACs).

Vision Aligned Circles

Vision Aligned Circles (VACs) are small ad hoc work groups composed of employees who work part-time in implementing a particular strategic initiative. VACs are composed of 5-10 individuals who come from either the same or different departments. Together, they identify a term goal, which they call their Pinaka-Importanteng Gawain (PIG) or Pinaka-Importanteng Trabaho (PIT), and work on it within a time frame of six months.

These goals can be directly linked to a particular initiative of the LGU or related to process improvement. The projects that VACs undertake should be worthy and winnable enough to impact the strategy.

VAC members meet every week, for an hour at most, during Weekly Operational Review Meetings (WORM). During WORMs, they track progress and commit to tasks that build up to the attainment of their goal. Their performance, recorded in a dashboard, is rated as a group, which makes them even more accountable to each other.

Upon completion of their goal, they are subjected to a public revalida. During the VAC revalida, they report their progress and accomplishments before a set of panelists and a general audience. This instils in them a sense of shared responsibility. Through VACs, everyone in city hall gets an opportunity to contribute. With this kind of cascading, strategy is made everyone’s business.

Empowered Employees

The idea behind VACs is simple yet revolutionary: get everyone to commit 20% of their time for strategic work and watch how fast things get moving. VACs have given employees an opportunity to implement programs and projects outside their core function. This empowered them. They are now active agents of change in their locality.

Cascading through VACs has also introduced positive behavioural changes in city hall.
Flora Atimosa, a VAC leader from Dipolog City, shared how the VAC system made them more aware of their role in the city’s development. “Before, strategy was just the concern of chiefs of offices. I used to only care about my regular functions but I realized that the work we are doing contributes to the overall vision of our city. Through VACs, we have developed a culture of responsibility.”

Cascading though was not met without any challenges. Oliver Enriquez, a VAC leader from Balanga City, shared how they initially saw the VAC system as another task to accomplish. However, as the practice became a habit, they began to appreciate how being a VAC member has made them contributors to the city’s vision. “Being a VAC helped me find the passion to really involve myself as a public servant. As VACs, we feel we are part of a legacy. This makes us want to get more involved in attaining the vision.”

This change in mindset and attitude has resulted in a happier work environment. A sense of purpose and fulfillment is felt by members of the organization. “Being given a chance to work outside of my core functions made me realize that there really is a lot more I can do to help. It’s really different when you get involved. We’ve become committed and we want to make the vision come true.” shares Fleurdeliz Banagodos, a VAC member from Talisay City.

Maria Manaya from the Social Welfare Office of Legazpi City shares the same sentiment. “Through the VACs, we have become appreciative of each others’ contribution and skills. We are excited and enthusiastic because it’s the employees who are implementing the city’s initiatives. We have a legacy to leave that is worthy of emulation in the future.”

In the province of Bataan, VAC leader Luz Enriquez feels that their actions are more coordinated now since everything is connected to a common vision. “Before, I felt as if our efforts were scattered, that we were doing so many things at once. With the VACs, I feel we have direction. It’s fulfilling.”

The power of alignment through cascading

Of all the elements in the Performance Governance System (PGS), perhaps the hardest to install yet most pivotal of all is cascading.

Despite the hard work it entails, the results and transformation it produces is all worth it. The actions of the VACs, pieced together as a collective, produces big impact.

It’s amazing what can be achieved when you have a city hall filled with employees who have a renewed sense of confidence and passion for public service and good governance. You only have to see the work the PGS cities are doing to appreciate the emerging results brought about by alignment through cascading. When hearts and minds are moved to action, results are not far behind. ▲
Civil society involvement in governance has been viewed as instrumental for sustainable and inclusive local development. There are various ways in which citizens participate in the decision-making and planning processes in the Local Government Unit (LGU). The presence of People’s Councils in cities and the interest of Civil Society Organizations in contributing to the community show that ordinary citizens seek to be meaningfully engaged in local development.

Sustaining the Strategy through Shared Responsibility

For the Performance Governance System (PGS) to work at the local level, others outside of the Local Government Unit (LGU) must share in the responsibilities of governance. LGUs communicate their transformation agenda to key external stakeholders through the Multi-Sector Governance Council (MSGC), which provides a platform for involvement in the strategy formulation and implementation of the LGU.

The MSGC leads the campaign to ensure that private sector groups support and align with the vision in order to sustain the gains of the LGU in the PGS. Compared to other local stakeholder bodies, the focus of the MSGC is to maintain the city’s transformation agenda in spite of frequent changes in leadership. It is an independent body that goes beyond the term of the current Local Chief Executive and is an approach to strengthen the involvement of the more constant individuals in the locality.

There are two guiding principles as to how the MSGC shares in the responsibility of local governance. First, it is envisioned to be self-propelling. The council is composed of highly committed private sector citizens, chosen in an apolitical process, that meet on a regular basis. They are expected to exist and perform even without resources from the government.

Second, the MSGC implements initiatives that support the strategic goal of the city. While the Local Development Council in LGUs focus on the participation of People’s Organizations and Non-Governmental Organizations in policy development and implementation, the MSGC goes beyond that. It serves as an institutionalized venue for citizens to not only closely track the progress of the strategy but also carry out concrete and relevant projects as a group. This kind of participation encourages an objective, competitive, and more fruitful contribution from stakeholders.

Creating Multi-Sector Champions of the Strategy

It is important that the buy-in for the LGU’s transformation does not end within the organization. The MSGC is an approach to create champions of the strategy in the community. In its efforts to transform the city, the LGU can only do so much and reach certain areas. Through the council, it is able to expand its reach by creating advocates among the different sectors who will take the lead in making their peers understand and support the direction of the city.

Aside from rallying for backing and support, the MSGC stands to capture the public’s interest in the city’s strategic direction. With representatives from National Government Agencies, barangays, academe, business and religious sectors, the MSGC guarantees that there is somebody to constantly look for further opportunities for governance in different areas of society.

MSGC Projects from the LGUs

Bataan Province’s vision is to be the preferred location
for eco-industrial investments leading to the highest Human Development Index in the Philippines by 2020. In response to this, their MSGC has implemented the “Adopt a Science Room” project, furnishing Carbon Elementary school with IT equipment and other necessary tools to enhance learning and access to information. This ultimately intends to uplift the literacy level of students.

Meanwhile, Butuan City’s MSGC has implemented the Philhealth Eco-park project in an eight hectare LGU-owned land that is just two kilometres away from the main business district. This will showcase various tree species in a well-designed tree farm complete with related amenities that the public can enjoy. This is just one of their contributions to Butuan’s goal to be a model for sustainable forest-based economy in the Philippines.

In Mandaue City, the MSGC has been a realization of shared responsibility in governance. They acknowledged that the challenges in developing the city are not only problems of the government but of the community as a whole. They have come to realize that each and every citizen of Mandaue is part of the problem and the solution. The MSGC of Mandaue is considered as co-owners of the development strategy of the city. Policies and projects implemented by the LGU are becoming more responsive and inclusive given the platform to dialogue with various sectoral representatives. As their MSGC keeps track and ensures delivery of optimum performance of the city government, they also stand as a core group of well-chosen representatives from key sectors of the city who are working on encouraging people participation from their respective sectors.

While their MSGC is still on the planning stage of coming up with specific initiatives to support the vision of becoming the primary source of high quality manufactured consumer products, the group has decided to assist micro and small manufacturing enterprises in product packaging. Although it remains a challenge to entice citizens to join in the implementation of projects, their hope is to dispel doubts and clarify the LGU’s genuine desire to work with all sectors instead of just a chosen few.

These cases show that involvement of external stakeholders can provide strategic support in strengthening the sustainability of the LGU’s resolve to transform. As the private sector offers subject matter expertise and sectoral organizations aid in strategy execution, efficient use of resources is enhanced and the sense of ‘community’ is reinforced. Through the MSGC, citizens understand their role in attaining the city’s goal and realize that they have a role in upholding the transformation that the LGU has started.

This kind of participation encourages an objective, competitive, and more fruitful contribution from stakeholders.
At its core, governance must enable an institution to work as it is supposed to. Local government units aspiring to become “islands of good governance”, however, are asked to subscribe to a higher standard—one that ensures that the practice of governance is transformative and sustainable at all levels.

To achieve transformation, an institution must work toward a single vision. To sustain it, an institution must create and nurture an environment that favours progress. This environment can be referred to as a “governance culture.”

Commitment, the first element of governance culture, refers to the local chief executive’s role in propelling movement toward the vision by inspiring those under his watch to make the journey with him. Every worker in the local government unit must then take up the cudgels for transformation and make it a part of the everyday life of the institution.

In the public sector, where many careers are long-term, workers are expected to improve and innovate in the same space for many years. The difference a governance culture makes is that it considers their growth as professionals, members of the institution, and emissaries of its vision, mission, and values. This results in the sharpening of an institution’s brand of work, supported by improvements across the board.

A tangible sign of governance
Local government units that partner with the Institute for Solidarity in Asia (ISA) are taught that governance culture must manifest in the physical workspace. This is especially important in the Philippine setting, where the words “city hall” and “capitol” still bring to mind long queues and untidy offices. One remedy to this is the practice of 5S, an improvement program focused on cultivating order in the workplace.

After its successful application in many industries around the world, this program is now being used to transform the provincial capitol of Bataan, and the city halls of Balanga, Butuan, Dipolog, Mandaue, and Talisay into better places to work and do business.

5S, an innovation of Japanese manufacturers pressured to follow fixed timetables, is widely recognized as a springboard for lean improvement. It makes use of five concepts—sort, simplify, sweep, standardize, and self-discipline—to forge a high-impact workplace out of controlled resources.

“Sort” calls for the separation of necessary and unnecessary items, “simplify” then requires these items to be assigned to their proper places, and “sweep” refers to keeping work areas clean. The latter concepts “standardize” and “sustain” ensure consistency and continuous improvement. To monitor their progress, local government units implementing the program assign personnel to inspect each office. Sometimes, the inspection comes unannounced.

By practicing 5S, local government workers are able to contribute not only to the transformation of the physical workspace but also to the transformation of attitudes. In some places, the program has extended to wearing proper uniforms and identification cards to give a professional look.

Overall, 5S has contributed to the increased productivity and efficiency in the delivery of public services. It has triggered cultural change by creating a common purpose which each local government unit must fulfil as a team. It encourages the practice of integrity in doing away with unnecessary items and controlling the use of resources.

Such programs are a big help in strengthening governance culture because they reinforce the importance of holistic individual growth. They also build mutual support within teams, and create responsibility toward a broader community. The successful launch of 5S in several local government units has made it easier to imagine fresh, innovative ideas coming to life within public sector workspaces.

More and more, these local government units are certainly proving that a well-governed workspace is a sign of a well-governed community.
Governance Outreach: Pass It Forward

by Diana O. San Jose

It is a common belief that knowledge, when not applied and passed on, dies or is wasted. The concept of good governance is no exception and the partner Local Government Units (LGU) of ISA are aware of it.

ISA’s advocacy is good governance. As a reform institute, it teaches the Performance Governance System (PGS), a strategy management tool that provides organizations with a framework and platform for goal setting and the achievement of targeted results. Public institutions such as (LGUs) have utilized the PGS as a mechanism to bring about genuine reforms in their respective localities.

This transformation journey has made an impact not only on their own organization but also on the community in which they operate and work in.

Governance Outreach

In the PGS, there is an emphasis on shared value and good will through the element called the “governance outreach”. This refers to sharing the governance advocacy to the larger community. It is casting the net a bit wider so that many more others can join the journey towards success.

For the outreach, LGUs partner with institutions and help them come up with their own strategy management program. They help these organizations install the essential elements of the PGS needed to formulate, execute and sustain the strategy. These elements are: (1) the Governance Charter (2) Strategy Map (3) Scorecard (4) Cascading (5) Office for Strategy Management (6) Multi-Sector Governance Council (7) Organizational Culture and the (8) Governance Outreach.

Paying it forward

Seeing the benefits of the PGS firsthand, LGUs are starting to pay it forward by sharing the same strategy management tools and techniques that worked for them to their chosen ‘offspring organizations’, such as schools and the barangays.

In the city of Butuan, Agusan del Norte, the Office for Strategy Management has assisted Brgy. Doongan in formulating their own governance charter, strategy map and scorecard. They worked with the officials in coming up with their cascading mechanism and have helped the barangay establish their own Office for Strategy Management. Moreover, the concept of “5S,” which falls under the organizational culture element, has also been shared with the barangay.

In Talisay City, Negros Occidental, the cascading technology of the Vision Aligned Circles (VACs) have been adopted in the form of the Barangay Vision Aligned Circles (BVACs). BVACs are composed of volunteers from the community who work with the city’s VACs in implementing term goals related to particular initiatives in the strategy map. The BVACs have been instrumental in helping the city government achieve its breakthrough goal of transforming Talisay City’s barangays into retiree-friendly zones.

In Balanga City, Bataan, the Office for Strategy Management (OSM) has conducted PGS orientations in schools and universities to give students a background on the basics and importance of strategy management.

Partners in Solidarity and Responsibility

Through the governance outreach, LGUs and their adopted organizations work in solidarity towards a common vision and value. This results to a genuine partnership that is beneficial to both parties since the adopted institution learns new knowledge and technology while the OSM, through coaching and mentoring, are able to hone and sharpen their management and leadership skills.

This element of the PGS ensures that there is an avenue for collaboration and sharing of ideas, best practices, learnings and insights. All of these are valuable in the quest for continuous improvement in governance. By working hand in hand, the responsibility of nation building and development is shared by government and the community.

This truly embodies the principle of “governance as a shared responsibility”, where everyone is accountable and everyone has a role and contribution to make. By upholding the value of social responsibility through reaching out to a wider public, it is hoped that more gains and breakthroughs in governance may be attained.

In this way, knowledge is not wasted but shared and passed on.
PART II: Vision Aligned Cities

San Fernando, La Union
Bataan Province
Balanga City
Legazpi City
Masbate City
Talisay City
Mandaue City
Butuan City
Dipolog City
The Institute for Solidarity in Asia (ISA) introduced the Performance Governance System (PGS) as its contribution to nation-building. Its role is to strengthen government institutions, including national agencies and local government units in delivering quality public service while advocating transparency, accountability and excellence in governance. The Institute hopes that in the process, it can build a culture of good governance across departments, sectors, provinces, cities and municipalities in the country as well as the region.

Economic development in LGUs

The local government unit (LGU) is an active partner of the national government in the provision of basic social and physical infrastructure and services. It has vested in LGUs such aforementioned functions on the premise that they could be in the best position to respond to varied and fast changing local conditions, and thus be more effective and efficient in addressing the needs of the people in the community.

Localities are said to be the key to growth. Thus, if we want to improve the lives of the populace through sustainable economic growth and greater social inclusion, it is critical to support local governments. This is not only for the purpose of continuously improving their service delivery for better outcomes, but also to help propagate their successful experiences and practices.

The significance of secondary cities

By definition, secondary cities are geographically defined urban jurisdictions or centres performing vital governance, logistical, and production functions at a sub-national or sub-metropolitan region level within a system of cities in a country. Secondary cities play an important role as catalysts and secondary hubs in facilitating production, transportation, or transfer of goods, people, trade, information, and services between and among cities nationally, regionally and globally.1

ISA recognized the significance of these secondary cities. Sometimes overlooked, they could very well be the propellers of progress. Their position on the edge of growth inspired ISA to work closely with them.

Based on good practices in other countries, tapping the economic potential of secondary cities has become an important strategy to cash in on their tremendous potential for national and regional economic development. Thus, national governments provide support so that these cities could enhance their governance efficiency and business competitiveness to harness their local resources that as a result, will foster local economic development. Economic outcomes include double or even triple GDP for many poor cities and rural regions and increased competitiveness and self-sufficiency.

In the Philippines, as in other developing countries, cities have a wide range of challenges and opportunities to develop. There is a need for infrastructure and services; limited capital resources to fund programs and projects; inadequate institutional capacity to manage local development; vulnerability to adverse climate-related impacts, and poor and limited integration within and with the rest of adjacent communities, and other cities.

Works in progress: LGUs taking the lead

There are many compelling stories of LGUs taking the lead in addressing the daunting challenges of creating sustainable income opportunities for their constituents. While the IGG LGU’s vision and strategies are all still works-in-progress, it is evident that transformation has already begun and, if focus and commitment continue to persist among the LGUs leaders and stakeholders, complete transformation will be fulfilled.

It was just a matter of recognizing what was already present – this is the statement behind Balanga’s vision for 2020. We need not go very far to know what we had to do, and where we needed to go. Like most famous, classical stories say, we just needed to look within.

Balanga is teeming with potential. We have quality schools that produce quality graduates. We also have many people that possess great talents apt for today’s age of innovation and entrepreneurship. We have all that we need. It was just up to us to solidify our plans and address some questions.

At first, we were already content with pushing our schools to be centers of excellence. However, we were faced with this question: What happens next? What happens next when they graduate? Yes, there are many opportunities nationwide, but we asked ourselves - Don’t we want to give them avenues to grow in their hometown? Don’t we want them to participate and witness the growth of our beloved Balanga? Do they really need to go search far and wide for employment?

We revisited our vision with these questions. Upon careful planning and research, we decided to not just create a university town. We decided to go beyond. We expanded our vision from having a university town into creating a knowledge-based industry hub.

Our city defines knowledge-based businesses as businesses that use information and technology to produce “smart” products. These smart products contribute to the improvement of the lives of people. These types of businesses use research with quantifiable data to continuously improve its products or services. These businesses also propose new ways of doing things. This includes online selling or e-commerce, mobile applications, etc.
Learning through tests
In terms of perspective, we think our vision is revolutionary. It goes against the longstanding mindset that it is necessary for students to become employees or join the workforce when they graduate. There is nothing wrong with being employed or being a member of the workforce but it has been the natural inclination of society that it is the only way to prosper and grow professionally. We want to be able to transform that mindset. We want to open people’s eyes that there are other paths to achieving success, knowledge, and growth. Our vision, when fulfilled, will change that perception. Businesses mean employment opportunities, economic success, and financial freedom.

We realized that we have always been resilient to changes, and that we have maintained our values as a city despite these changes. The presence of many schools in the city created a melting pot of people from different municipalities, including Pampanga and Olongapo. This diversity challenged us yet we embraced it fully—this made our city grow but we never compromised the things we hold dear. In light of this, we are confident that even though there will be a wave of new people coming in with a whole new perspective on things, we will survive. This is our strength and this is why we are confident that our City will be able to adapt and align with the vision.

Roadmap to flying colors
The first step to making the vision a reality is to get everyone on board. Continuous campaigns for awareness have been carried out by the city. The campaigns’ purpose is to educate students, aspiring entrepreneurs and current business owners on the industry of knowledge-based businesses. The field is a current subject of interest for business owners on the industry of knowledge-based businesses. The field is a current subject of interest for many locally and abroad as it is considered to be the next revolutionary. It goes against the longstanding mindset of society that it is the only way to prosper and grow professionally. We want to be able to transform that mindset. We want to open people’s eyes that there are other paths to achieving success, knowledge, and growth. Our vision, when fulfilled, will change that perception. Businesses mean employment opportunities, economic success, and financial freedom.

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A-class collaboration
The introduction of the PGS to the city’s employees was a welcome sight. For the first time in years, employees were in the driving seat of the initiatives. Initially, many felt overwhelmed and intimidated by the changes and the new roles but the consistent campaign to explain the new processes in place is helping ease the transition period. Weeks of training, meetings and seminars filled the calendar of the Office for Strategy Management (OSM). The resistance was felt but we can see that some are already leaving their comfort zones to learn the new ropes.

The city also formed its own Multi-sectoral Governance Coalition (MSGC) known as Ugnayang Balanagueno to further its vision. The citizen arm of the city, Ugnayang Balanagueno, is a group of professionals representing various fields of the society, which will assist the city with its horizons. We envision a City teeming with graduates eager to seek learning avenues—through employment or through starting a business of their own. We see a City whose natural talent for entrepreneurship will be tapped and honed. This is what Balanga City was meant to be all along—a community of hardworkers determined to create a brighter future.
In the 1950s until the 1960s when the logging industry was in full bloom, Butuan City was known as the “Timber City of the South.” However, due to unsustainable logging practices, the city’s forest cover decreased from 50,000 hectares to 1,000 hectares. As a result, the people shifted from the wood industry to agriculture as a means of livelihood.

Planting a sustainable future: The strategy of tree farming

Butuan’s Vision 2020 to become the Philippines’ premiere forest city was both a challenge and an inspiration to the City. The vision was crafted with due consideration given to the city’s comparative advantages, namely, vast forest area, suitable soil quality and favorable climate. It was crafted with a longing to bring back the glorious days of our timber city. The steps we outlined to achieve our vision is a tribute to our past, a celebration of the resources we have now, and a commitment to maximize those resources for our future.

The vision addresses development issues such as food and water security, environment protection, climate change adaptation, livelihood opportunities, eco-tourism, renewable energy, and poverty reduction. The City’s poverty incidence at 26.7% as of 2013 is a key factor in introducing the economic aspect of tree growing.

Integrated tree farming is the main strategy we have in mind to achieve our vision. This entails the establishment of tree farms, primarily for falcata or cacao, integrated with high value crops, livestock, and aquaculture. For falcata alone, one hectare is expected to yield a gross profit of Php2 million after 7 years excluding earnings for other crops and along the value chain. Rural barangays are at the forefront of implementation while urban barangays can also engage through the barangay sisterhood system.

Another strategy is tree growing in urban areas. This aims to showcase Butuan City as the “Premier Forest City” by creating pocket forests or greenbelts in the city center. Urban barangays and private businesses are engaged in various projects under this initiative such as the Bood Promontory Eco-Park and the landscaping of street islands. For the Bood Promontory project, planting of indigenous species is prioritized for public information and education purposes.

This new approach, guided by the elements of the Performance Governance System, ensures sustainability. So far, with the hard work put in by our Vision Aligned Circles (VAC) for the tree farming and growing initiatives, we have planted 5.29 million trees in 39 barangays covering 7,067 hectares, exceeding our breakthrough goal of growing 5 million trees as of June 2015. This breakthrough can be verified through our geo-tagging...
system. This number does not include the planted trees that are still subject for geo-tagging in other barangays.

**The growing pains: Challenges of the PGS journey**

Our Performance Governance System (PGS) journey is not without challenges. At the initial stage, we had to contend with the lack of buy-in among our own employees and the public. In response, we cascaded the vision more aggressively to provide our people with a deeper understanding of PGS in general, our strategic initiatives and their benefits. It was not easy, but we were determined to exhaust all communication channels as much as we could. This resulted to a more enthusiastic involvement of our employees and a planting frenzy among the public. It gave us a glimpse into the past, but also gave us a renewed hope for our future.

The 1st VAC Revalida, which showcased the remarkable outputs of the pioneer VACs helped to give inspiration to the other employees to perform well with their own VAC activities.

Another challenge we encountered is the lack of funding for interested farmers. As an initial intervention, the LGU provided seedlings and seeds to committed farmers who signed the “Willingness to Join” survey. The City Environment and Natural Resources Office (CENRO) and the City Agriculture Office provided technical assistance. Convergence was also used as a tool to tap support from other agencies like DENR, through its National Greening Program, the Department of Agriculture for organic farming and agro-fishery, and Department of Agrarian Reform for land use.

The involvement of the Multi-Sectoral Governance Coalition (MSGC) also proved to be crucial to the public’s acceptance of the vision. The launching of the MSGC’s flagship project, the Butuan City Forest Park in Barangay Bancasi, drew support from various sectors and broadened the public’s awareness about the new direction of the city. Another project, the Caraga State University Eco-Park, is also in the process of implementation.

So far, the LGU’s desired internal transformation through the PGS is gradually taking place. The employees’ involvement with the Vision Aligned Circles provided them with opportunities to work outside their comfort zones, thus, giving them a fresh perspective, greater appreciation, and renewed enthusiasm for their mandated tasks.

**Commitment: Rooted on the vision**

Butuan City is committed to complete the institutionalization of the PGS. The next step is to focus on external stakeholders and strengthen their support by bannering the achievements of the internal VAC workers. Another round of VAC revalida is scheduled in the 3rd Quarter of 2015. It is hoped that this culmination activity will showcase more early wins in our initiatives and more proof that the PGS is an efficient tool for getting things done.

Our inclusion in the Islands of Good Governance (IGG) is something that Butuanons can be proud of. It promotes pride of place, making it easier for the government sector to win the support of private organizations and individuals, and inspiring them to embrace the vision.

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It was crafted with a longing to bring back the glorious days of our timber city. The steps we outlined to achieve our vision is a tribute to our past, a celebration of the resources we have now, and a commitment to maximize those resources for our future.
More often than not, people are wired to stick to comfort zones, routines, and habits. This is why, when change comes, it is difficult to grasp – both for the recipient and the initiator. Change is costly – for resources, time, financially. But change, as most who have engaged in it will find, is rewarding and mostly worthwhile. Dipolog City has accepted this challenge of changing its future direction with its vision for 2020.

Dipolog City has often been labeled as the “Orchid City,” or the “Bottled Sardines Capital” or the “Gateway to Western Mindanao.”

Recently, however, the City has redirected its direction in terms of tourism and economic growth – outdoor sports. Although it seems to be a strange and completely different arena for us, it is an idea that we firmly believe in. We know that the hosting of major sports events and the availability of outdoor sports recreation activities and venues shall be the compelling reason for athletes, sports enthusiasts and vacationers to come to Dipolog.

It is no secret that Filipinos love sports—whether engaging in it or being spectators. We think this is the best way to entice people to come to our city and, as a result, allow them to see that there is so much more to our city than meets the eye.

Winning advantages

One advantage Dipolog City has is its location—it is in close proximity to Brunei Darussalam-Indonesia-Malaysia-the Philippines East ASEAN Growth Area (BIMP-EAGA), making it an ideal spot for trade, travel and commerce. Its site is also recognized to be generally typhoon-free.

Another asset of Dipolog City is that it already has sports facilities that cater to a wide variety of activities. The coastlines and rivers in the city are suitable as water sports venues. There are also parks and mountain ranges that accommodate people who are interested in doing activities that relate closely with nature like hiking or mountaineering.

We are confident with our vision because we know there is no city, municipality or province in Mindanao that has officially claimed to be the center for outdoor sports.

We know that a lot of people are skeptical about our vision for 2020 to be the outdoor sports center but we believe incharting a new strategy and challenging ourselves is the best way to grow. Initially, it may seem difficult and daunting but we know that sports will bring economic vibrancy to our city.
A constant influx of tourists will require the city to produce certain types of products, goods and services. This will create an avenue for more businesses to open in the city, boosting the employment rate and our economy. Furthermore, it will encourage our people to live healthier lifestyles.

**Goals scored**

The use of Vision Aligned Circles (VACs) was able to generate participation of 90% or 434 out of the 481 regular employees of the City Government in strategic work. Our City currently has 113 VACs working to achieve their Pinaka-Importanteng Trabaho (PITs) that are aptly aligned with the 2020 vision.

The launch of the Sporty Dipolog Campaign is proving to be successful as more and more sports organizations are finding ways to make the Dipolognons active.

For two consecutive years, the provincial government of Zamboanga del Norte has lined up various sports competitions during its weeklong founding anniversary celebration every June. Private individuals have also established sports and tourism-related businesses. Some of these are the Transition Tri-Shop, which sells supplies for bikes and accessories for triathletes, Dipolog Tackle Shop, which sells fishing gears and accessories for anglers, and Souvenir Hub, which sells souvenir items such as shirts, and mugs.

The 1st National Dragon Boat and Kayak Race in Dipolog was organized and managed by the Philippine Federation of Canoe and Kayak Associations in May 2-3, 2015.

A VAC was able to encourage the participation of 21 barangays in the “Most Tourist-Friendly Barangay Awards.” All these barangays worked hard to improve their processes, cleanliness and overall orderliness. The VAC also generated participation from the City General Services Office, City Health Office, and Philippine National Police in crafting the Clean, Orderly, Safe and Congenial (COSCO) criteria. As of January 2015, the VAC was able to certify 8 barangays in Dipolog City as tourist-friendly. The top two most-tourist friendly barangays were awarded with PhP 100,000 worth of projects as prizes.

Another VAC was also able to decrease the number of steps in business permit procedures from 11 steps to 4 steps. The processing time for each business permit with complete documentary requirements was reduced from 2 days to 3 hours.

By December 31, 2014, the city’s income from local sources increased by 19%. From PhP 222 million in 2013, there was an increase to PhP 265 million in 2014. As of April 2015, local income has been recorded already at PhP 78 million, which is already 29% of the 2015 target.
Teamwork and team play
The OSM’s persistent explanation of the significance of aligning every VAC’s PIT to the 2020 vision, and the consistent conduction of Weekly Operations Review Meetings (WORMs), Monthly Strategy Review Meetings (MSRM), and VAC revalida have created a new mindset armed with a sense of accountability among the employees. The establishment of the Multi-Sectoral Governance Coalition (MSGC) achieved the participation of external stakeholders, which is key in promoting the campaign to be a sports center. The MSGC is composed of representatives from the academe (Andres Bonifacio College), civil society organizations (CESCOD), civic organizations (Rotary Club of Dipolog), the business community (Metro Dipolog Filipino-Chinese Chamber of Commerce and Industry, Dipolog Chamber of Commerce and Industry, and the Philippine Airlines-Dipolog), and the media (Mindanao Observer and Tingog Peninsula).

Eyes on the prize
With the remaining 5 years until 2020, Dipolog will do its best to achieve the targets we have set our plans on. The City Government is committed but we know that we cannot do this alone. We need all the help that we can get both from the private and public sector. We are still open to public-private partnerships with individuals or corporations who find putting up sports events and sports facilities, profitable.

Our vision may be littered with discouragements and doubts but we know that change is necessary, and for that, we are determined to overcome the challenges. With our intelligent, hardworking and resourceful stakeholders championing our purpose and vision, our most-coveted goals are not too far. ▲

Our vision may be littered with discouragements and doubts but we know that change is necessary, and for that, we are determined to overcome the challenges.
LEGAZPI CITY:
Exciting Convention City

by Mayor Noel E. Rosal

Something old, something new

Legazpi City is like that one student in class that you’ve always known about, but never really talked to. We’ve been around for so long, having so much to offer, yet never being able to let people fully know who we really are. We have not been able to voice out and show all of our sides. Over the past recent years, that has been changing. We are taking what we have always had and breathing new life into it. We are re-inventing the way we will introduce ourselves, but keeping the core things that make us who we are, intact.

Our vision for 2020 is to become known as a “Convention City.” We have been well on our way to fulfilling this vision. Since 2012, we have attracted and won the hosting rights of a lot of major conventions and events. This is quite an achievement for us, considering that we a relatively new player in the convention venue market.

The city has been successful in gathering important stakeholders and consistently progressing in terms of attracting new investors. The city boasts of easy access to important places, it has a wide range of hotel options, the unique Bikolano cuisine, historical tourist sites and the presence of modern tourist amenities.

Currently, the City has staged 18 conventions in 2013, as well as 33 conferences in 2014. In 2015, the City is expected to host 27 conventions and events.

Putting it all together

To completely implement local governance reforms, the Office for Strategy Management (OSM) drafted a Quality Management Systems (QMS) Manual. The Manual detailed the policies and procedures that will guide stakeholders in conducting more focused operations. Extra efforts have been made by the OSM to guarantee adherence to the QMS in a consistent manner. They conduct meetings to ensure alignment of all Vision Aligned Circles (VAC). They also require the submission of updates and reports to the City Mayor of all strategic initiatives.

The Mission, Vision and Core Values were formally presented to the Legazpi City Planning and Development Council (LCPDC) during its General Assembly in 2013 and was adopted, concurred and approved by the Sangguniang Panlungson in March, 2014.

In addition, the City also created the City Strategic Management Team (CSMT). The Technical Working Group and Secretariat (E.O. No. 05-2015) is responsible for the integration and coordination of all efforts of all functional units of the City.
We can proudly say that our vision is in tune to the city’s booming tourism industry and that we continue to make progress on the road to reaching our goals.

The adjustments and programs done over the recent years produced significant impact on the City.

1. Poverty incidence in 2012 dropped to 17.3% from 30.7% in 2009.
2. The web-based / GIS ready Enhanced Tax Revenue and Collection System (ETRACS) was implemented. ETRACS is the system used for assessment of business permits applications, assessment of taxes for real property units, and the collection of fees and taxes.
3. An increase in the private sector investments in property development. This includes investments from Ayala Corp., SM Prime Holdings, Robinsons Corporation, and the Gaisano Grand Group of Companies.

The City recognizes the value of community participation as well. We acknowledge that the people are an invaluable asset in increasing awareness, strengthening participation and civic engagement in good, local governance. Strategic partnerships are continuously undertaken with government entities, non-governmental organizations (NGO) and development partners.

Problems and progress
Some of the obstacles that we faced were related to the participation and level of efficiency of City employees. A number took time to adjust to the changes. As a result, the performances of some VACs were affected and some PIGs were initially not properly aligned to the City’s Vision.

Cascading was persistently done do strengthen and encourage the city’s VACs in improving their PIGs. The cascading reached OSMs, City Employees and City Department Heads.

We were also challenged with the decision of whether to maintain the current set-up of the OSM under the HR office or create a separate department or unit.

The PGS team conducted an observation and enhancement tour to Mandaue City last June. The tour served as an eye-opener to Legazpi’s PGS Team. It showed the team how important efficient integration and coordination is for implementation of the various PGS activities. Mandaue’s OSM had a strong presence in carrying out these tasks. We saw the need to have a separate office for Legazpi’s OSM.

What’s next?
We can proudly say that our vision is in tune to the city’s booming tourism industry and that we continue to make progress on the road to reaching our goals.

This is evident though the Department of Tourism’s (DOT) pronouncement of our City as among the Top 14 Tourist Destinations across the country, following up the trend of tourist arrivals in the area, totaling to 579,470 in 2013 and 666,220 in 2014, respectively. Such increase, along with its role as an ideal location for conferences and conventions, has undoubtedly contributed to the economic growth of the City.

The best way to achieve the City’s vision is to include everyone in its fulfillment. We believe that with collective effort, it is within reach.

1 National Statistical Coordination Board or NSCB
Masbate Province is considered the Rodeo Capital of the Philippines. Since 1973, we have been supplying cattle to adjacent provinces such as Samar, Lucena, Batangas, and even as far as Urdaneta. Today, the cattle industry continues to flourish.

It is only but natural that our vision as a city is founded on this—that we become the country’s top producer of organic beef.

**Herding the future to organic**

As far as resources go, there is an abundance of cattle ranches in our City and nearby municipalities. Admittedly, we were not able to maximize these abundant resources in the past. With the new direction charted now, we hope to be able to truly make use of it.

In addition, although Masbate is quite known for producing high quality beef; we chose to add the value of it being organic. We want to push organic because we believe organic goods are not going to be just a diet trend for today, but also a key necessity in the future. More and more health related risks are being associated with food. As a result, people are being encouraged to be smarter with their food choices. This means our product being organic will continue to be in demand. Having an organic product is also environment-friendly. It poses less risk to nature because of the reduced amount of hazardous waste in production. Furthermore, nobody in the entire country can claim that they are producing organic beef. This makes our primary product even more valuable.

Focusing on developing organic beef will create a multiplier effect on our economy, which will contribute significantly to the improvement of the current and future quality of life of our people. It will generate additional sources of revenue. It will also create complementary industries such as manufacturing and services. The creation of these industries will provide and increase employment. Our farmer beneficiaries will have an alternative livelihood and acquire additional skills specifically in meat processing. This will be done through our forward and backward linkages.

**Rewards of raising cattle**

One of the goals that we want to achieve to fulfill our vision is to completely change the perspective that raising cattle is solely for the elite ranchers. It is not true. The beneficiaries of our communal cattle fattening are not the elite ranchers. We had to change this mindset, and it is a challenge we undertook carefully and seriously. The unlearning process is never easy but we were committed to engage in it, and involve the people as well.

Through the open lines of communication, we sent
out the message that the beneficiaries of raising cattle are the identified farmers in target areas. We also encouraged them with the truth that ordinary farmers can perform the same practices as elite ranchers do. They, too, can be involved in cattle fattening with the help and support from the City Government. Our team assured them that they would be guided and equipped accordingly.

We are set on training these identified farmers with the technologies of organic communal cattle fattening and meat processing. In fact, we have already begun training the farmer beneficiaries on the processes of organically raising cattle. We have also allotted a budget for purchasing 30 pilot cattle to be distributed to the identified farmers. Facilities to support the vision have been established such as the Liquid Nitrogen Plant, the meat processing facility and improvement of the AA slaughterhouse.

Some of the stakeholders helped during the strategic planning of our strategy map and scorecards. The Multi-Sectoral Governance Council (MSGC) likewise have actively participated in the formulation of the said map. Some of the MSGC members own ranches and cattle and has experience in cattle fattening, raising cattle and silage making. This was an advantage because they provided us with skills, knowledge and the technology for organic cattle fattening and organic beef production.

As to communal cattle fattening, Vision-Aligned Team (VAT) 1 is in-charge in the implementation of this program. The offices involved in VAT 1 are the City Agriculture Office and City Veterinarian’s Office.

**Herding support**

Future plans of the city include the establishment of organic beef production manufacturing services, improvement of the AA slaughterhouse and a power terminal for refrigerated van, as well as the creation of a strong Masbate Beef brand. Furthermore, the City also plans to push for ranch tourism.

Currently, the City is challenged by the buy-ins of the frontline offices due to the sudden shift of the vision from becoming the country’s marine sanctuary into becoming the top producer of organic beef. There was also hesitation among the farmer beneficiaries especially with the concept of feeding pure organically produced corn silage. They are hesitant to do this because they think that it is not practical to feed corn to the cows since corn is one of our staple foods. We are confident and hopeful that by arming them with sufficient knowledge, skills and maintaining our communication lines open, they, too will embrace the vision.

The unpredictable weather has also proven to be a challenge. Land preparation and corn planting were compromised due to the recent, long drought.

Despite these challenges, through our research and study, we have become firm believers in our City’s potential for development. We are gifted with vast resources. Our resources are not just our beef, but our people as well. They have various skills and knowledge in agriculture and when we move as one towards our goal, there is no doubt that our vision can become a reality. ▲

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**TOP:** Local farmers pose for a photo-op after a session on organic beef production organized by the city government.

**OPPOSITE PAGE:** A herd of cattle roaming free in a ranch in Masbate.
Who is Mandaue?

Carving out an identity, especially in this age of social media could be a daunting task. One could easily get swept away in the sea of ideas, the downpour of various perceptions and the pressure to fit certain standards. However, if successful, the journey to establishing oneself could prove to be one of the most worthwhile challenges. The city of Mandaue has taken its first steps on this journey.

For many years now, Mandaue has been overlooked in terms of its identity. Placed alongside the financial district of Cebu City and the popular resort-town of Lapu-Lapu, Mandaue is easily overlooked. Many people who visit Cebu do not realize that they are actually in Mandaue the second they cross either of the bridges in Mactan.

Unknown to many, Mandauehanons have been born makers. Mandaue has been a strong city that has established its strength early on. It has flourished and maintained its place as a sought-after hub of manufacturers for many years. Unknown to many, Mandaue is home to 70% of exported furniture worldwide since the 1990s until the recent 2000s.

Today, Mandaue continues to offer high-quality consumer products - 37 product types ranging from food to packaging to wood and metal.

Manufactured through challenges

When the recent financial crisis hit, our city’s resilience emerged. We were able to adapt. The cottage industries that were created during the growth of the manufacturing industry in Mandaue kept the city afloat.

Prior to the crisis, a sub-group was created for manufacturers to meet the increasing demand for products. Households were trained as sub-contractors to strengthen the workforce. When factories closed due to the strains brought about by the financial crisis, this network of skilled sub-contractors remained and continued to be available to provide labor.

What the crisis made evident is this: our greatest strength lies in our people. Our ability to move despite the hindrances of a crisis showed how valuable our people’s hearts and skills are. For as far back as I can remember our labor force has continually created products that meet the international taste for quality.

The journey of self-growth

As we strive to establish our identity as a city, we call out to firms to help us. We call onto them to set up their shops in our strategic location, with our skilled people. Our vision is to be recognized as the go-to manufacturing hub in our region.

We believe that in order to fulfill that vision, transformation must take place. Transformation, as many great leaders have shown, must start from within. This is why we launched the #iammandaue transformation program for our employees in the City Hall. The whole idea behind the campaign is to rally change from the inside out.

We wanted our employees to know that they, too, have a significant role to play in achieving our goals. We wanted them to embrace the truth that Mandaue is their city, as much as it is ours. The campaign is a marriage of synergy training and strategy execution.

We created project teams called Vision Aligned Circles (VACs). Each team is assigned to handle a particular strategic initiative. The timeline set for each initiative
varies from 6 or 12 months, depending on the nature of the initiative. The VACs undergo a bi-annual public revalida to present their accomplishments to external stakeholders.

Most of the city’s initiatives reached their targets for 2014. New targets have been set for 2015.

To cater to the needs of our potential investors, we set up a variety of incentive packages. These packages are flexible because we understand that each firm has their own set of unique standards and requirements.

More firms in our city means more employment opportunities. These opportunities will pave way to stable income that will enable our people to fulfill their needs – including the need to give their children education.

Through the #iammandaue Transformation Program, the city’s governance charter is being cascaded to the different departments in the local government. We have placed significant emphasis on the value of identity for the vision and the strategy to work.

One of the steps we took is establish the Multi-Sectoral Governance Council (MSGC) as a monitoring and advisory body. They exist to assess the implementation of the city level strategic initiatives. They review the status of the initiatives on a regular basis. The group also initiated a project to assist small and medium enterprises with packaging and labeling.

To help us enforce the importance of identity, we sought the help of one of our Multi-Sectoral Governance Council (MSGC) members, The Ramon Aboitiz Foundation, Inc. (RAFI). RAFI introduced to us the technology of experiential education through their Kool Adventure Camp (KAC).

The technology espouses the idea of learning through play. It allowed our team to examine our dynamics as a unit. The team also gained insights into the importance of communication and teamwork for synergy to be present in the group.

Then, we proceeded to focus on the vision and the strategy. At the end of the 2-day program, each employee became a member of a VAP (Vision Aligned Partner – department level VAC). Through this, we were able to align the different strategies of the city hall’s departments on improvement with the bigger vision of the city.

I Am Mandaue

Moving forward, we continue to make an effort to constantly impart the idea of governance as a shared responsibility in everything we do. We are now in the process of plugging in this idea into the barangays as well as the schools with the help of the Department of Education (DepEd).

To carve out one’s identity is no simple task, especially for a city. However, I am confident that, with each individual owning stewardship for Mandaue, we will be successful. The road to our goals may seem difficult but there is nothing that the teamwork, skills and resilience of our people cannot overcome.

Our ability to move despite the hindrances of a crisis showed how valuable our people’s hearts and skills are.
SAN FERNANDO, LA UNION:

Health and Wellness Center of Northern Luzon

by Mayor Pablo C. Ortega

As a City, we’ve always believed in maximizing what you already have. That is why we chose to set our sights on being Northern Luzon’s Center for Health and Wellness by 2020.

San Fernando, La Union is currently home to the most advanced education and medical institutions in the region. It is something that we are proud of, something dear to our hearts. That is why, when we came under the program of ISA, it was not difficult to come up with a vision. We know what we have and we want to develop it.

Our City’s concept of health and wellness is holistic. It goes beyond a person’s medical needs. We follow the standards set by the National Wellness Institute that states there are six (6) dimensions of health and wellness—social, physical, occupational, spiritual, intellectual, and emotional.

Getting with the program

To encourage and entice participation from the barangays, we launched the Model Health and Wellness Barangay initiative.

The Model Health and Wellness Barangay initiative has three components.

The first is the Income Generating Project (IGP). It is an avenue for the 59 barangays to develop local products and services, which takes advantage of natural, human and other resources unique to the barangay. These will be marketed and sold in order to generate additional revenues. We already have 11 out of the 12 barangays targeted for the year with IGPs that are posting positive net income with private sector partners as of the end of August which puts us at 92% of our target for 2015.

In line with this, we also launched a program that aims to upgrade the health facilities in all 59 of our barangays as well the City Health Office. The program is all encompassing – we will upgrade the facilities inclusive of the upgrade of medical supplies, infrastructure support, equipment management, health and wellness facilities operations, and services skills of barangay volunteers as well. For the first eight months of 2015, the barangay health and wellness volunteers of 49 barangays have completed their skills upgrade training. This is significant because it is 408% of our target for the year of 12 barangays. We also have five (5) health facilities that were successfully converted to health and wellness facilities. This accounts for 42% of our target of 12 for the year.

Another initiative we took on is the E-HSAS Certified Barangay Program. This is anchored on our belief that standardized processes safeguard and improve the essential factors in establishing a culture of health and wellness. This strategy ensures the compliance and certification of the 59 Barangays of San Fernando to the ISO-EMS 14001:2004 and OHSAS 18001:2007. It affirms that there is proper management of programs on environmental, health and safety present. As of August 2015, all 59 barangays are already E-HSAS certified.

As further support for the City of San Fernando’s vision, we identified and developed three (3) other strategic initiatives. The initiatives are as follows:

1. Walk Green, Breathe Clean

This initiative is centered on executing urban planning programs for the City that are focused on establishing a living and working environment that is conducive to health and wellness. The University of the Philippines Planning and Design (UP Planades) Consortium has been tapped to develop the master plan with components focused on Urban Design Redevelopment Plan, Transportation and Traffic Plan and Development of Drainage and Control
Management Plan. This also includes the generation of the Detailed Engineering Designs for the same scope.

2. Let’s Go San Fernando!

The Let’s Go San Fernando! Initiative is about strengthening investment and incentives promotion for health and wellness MSMLEs. This has paved the way for the establishment of the City of San Fernando Investments and Incentives Board (CSFIIB). To date, the CSFIIB has been convened with the first order of business being the review of existing investment incentives and crafting a new incentives code. Focus group discussions are continuously conducted by CSFIIB with internal and external stakeholders to identify priority investment areas and fiscal and non-fiscal incentives.

3. Business Process Improvement (BPI)

The BPI is guided by the idea that one of the major functions and responsibilities of a LGU is to promote the general welfare of inhabitants and their respective units in order to accelerate economic development and upgrade the quality of life of its people.

To achieve this, the BPI initiative ensures that all City work units complete BPI. A comprehensive review of the different City work unit processes is currently being conducted to improve systems improvement and institutionalize the best practices. The intent of the review process is to ensure that procedures are improved and simplified in compliance with the Anti-Red Tape Act (ARTA).

The alignment of the body

To fulfill our vision, alignment of strategic initiative teams and work units is essential.

We achieved this by cascading the City’s strategy to the work units and employees. A total of 13 work units found their alignment to the strategy by being involved in the strategic initiatives. The remaining 15 work units underwent a cascading session to facilitate the identification of their Unit Breakthroughs (UBTs). It provides focus for the work units to achieve its contributions to strategy execution.

Our Multi-Sectoral Governance Coalition (MSGC) continues to be a widely recognized champion of the City strategy.

It established a Technical Advisory Group (TAG) to review the health and wellness reports of the City against data of other cities and provinces and come up with recommendations on new initiatives that will help the City move forward. The MSGC also has a weekly 15-minute radio program. Each of the members are given the opportunity to speak or invite a speaker on their behalf to discuss topics related to their sectoral programs and activities which are aligned to the City’s vision.

We have organized and conducted four (4) Mini-Boot Camps in order to share the workings and benefits of the PGS. Participants of the boot camps included the City Department Heads, members of the City Council and the MSGC, and heads of external partner offices, barangay captains, representatives of the national government agencies and private sector partners and most recently the Metro La Union Development Coordinating Council.

The City has also gone beyond its borders to share its PGS story and strategy. Neighboring municipalities within the Province of La Union have been brought into the PGS fold through our Municipal Development Strategy sessions with eight (8) municipalities involved to date.

Endurance stretched and commitment tested

The commitment and ability of City stakeholders is well established although their buy-in and proficiency in the methodology of the PGS took time to develop specifically from 2006 to 2011. Change is not easily accepted in an environment where processes and personalities have been deeply engraved over time. This is especially true in the context of the local public sector.

However, through constant communication, the system and strategy has taken root in the hearts and minds of stakeholders from the highest levels of leadership to every constituent of the City.

Data and metrics development also proved to be a challenge as the City sought information that was not within reach. While the organizational vision and strategic objectives were clear, matching these to accurate and readily available data proved to be complex particularly in the context of a citywide scorecard that required data from various sources in different sectors. Metrics were recalibrated to ensure these were within the timeframe needed for the regular monitoring of the scorecard.

Reaching forward

We are confident that with continued commitment of our stakeholders, the City will become Northern Luzon’s Center for Health & Wellness by 2020. We will continue to utilize the Performance Governance System to manage our strategic endeavors to achieve our City’s vision. Even with the change of leadership in 2016, the City remains committed to strategy execution and transformative governance as the means to continuously elevate the City’s delivery of public services and the quality of life of our citizens.

The plan is for the institutionalized processes and elements to sustain the momentum until 2020 when our vision becomes a reality.
Retirement is often viewed as a dead end – a time in a person’s life where things are stagnant. The City of Talisay doesn’t see it that way – and offers a different picture of what it should be.

Retirement can be the best years in a person’s life – both filled with excitement and meaning. It is the start, not the end, of a new adventure. Talisay hopes to give that to the world.

The invitation: Live the good life

“Live in Talisay and Live the Good Life!” – that is our city’s invitation to retirees from all over the country and the world.

We have a city with a Clean, Orderly, Safe and Congenial (COSCo) environment. Our location, beautifully situated between Bacolod City where the seaport is and Silay City where a high quality airport can be found, makes us the best choice for a quiet life that is still not too far from the hustle and bustle of other tourist areas.

Talisay City is now fast becoming the home for high-quality subdivisions. The entry of renowned real estate properties such as Ayala Land, Megaworld Properties, Active Group, HDL Corporation and many others caused interest in Talisay to increase. At present, the City has approximately 165 foreign national households in the poblacion area. This number does not include the balikbayans (local returnees) who have returned to the city after working abroad, to retire.

The City also boasts of its forest cover which comprises 40% of the remaining forest reserve in Northern Negros, generating an abundance of water resources. It currently provides the water supply of Bacolod City.

The coastal area is also a source of pride. It consists of more than 50 hectares of mangrove forest and diverse marine products like nylon shells, blue crabs, oysters among others. Its coastline is a potential site for leisure, sports and recreational facilities.

Talisay also guarantees an affordable cost of living – from housing, food and basic necessities, Talisay gives the promise of giving people their money’s worth.

Retirement equals growth

Being a retirement destination spells growth for the people of Talisay City, not stillness. Becoming a top retirement destination is equal to a significant boost in the City’s local economy. It will provide job opportunities and ultimately realize the concept of inclusive growth.

One of the City’s strategies on its road to transformation involves the barangays (district). We believe that change should start at the grassroots level.
Thus, we decided to involve the smallest administrative division. Our goal is to transform 27 barangays into retiree-friendly barangays before 2020. We want to transform them into COSCo zones, which will eventually lead into retirement haven.

COSCo parameters were set for the barangays to guide them in becoming a retiree-friendly place:
1. Established system on regular weekly clean-up activities
2. Beautification through greening and planting activities
3. Activated and functional Barangay Solid Waste Management Committee
4. Functional and strengthened Barangay Peace and Order Committee
5. Established Emergency Response Team
6. Retiree Welfare help desk
7. Organized retirees association

At present, 21 barangays are already enrolled in the “Model Retiree-Friendly Barangay” program. Various initiatives on beautification and the establishment of the essential barangay groups have also begun.

BVACs are also now functional in at least 10 barangays. They are actively helping in the implementation of the program in their respective areas. Barangay-level weekly clean-up drives and information and education campaign on proper waste disposal are already ongoing.

**Hand in hand: Willingness to see things through**

Though there was initial resistance in the part of the local government’s employees, most of them are now committed partners to fulfilling the vision. There was understandable resistance towards change for various reasons – misconceptions, political biases, and a personal hesitance to explore things outside comfort zones.

Determined to enlist everyone’s support, the City came up with a VAC Reward and Incentives Program. The program gives cash incentives to reward outstanding VAC performers. The City also implemented the Strategic Performance Management System (SPMS) as part of the employees’ rating. They were rated based on their linkage and contribution to the realization of the vision. These programs encouraged and motivated the employees to actively participate as VAC members and take the vision seriously.

The spur of support led to the formation of 57 Vision-Aligned Circles (VACs) who are now actively involved in the planning and execution of the strategic initiatives and other vision-support processes of the City. This includes the formation of COSCo VACs whose objective is to transform the barangays into retiree-friendly zones.

**Talisay used to believe that we just had to make use of the spillover development from Bacolod City.**

Furthermore, since we recognize that good governance and success is a shared responsibility, we intend to develop stronger partnerships with the community by expanding and strengthening its governance outreach programs in schools and other sectors.

The Multi-Sector Governance Council (MSGC) is now zealously working hard, being extra vigilant on specific concerns such as health emergencies and vandalism.

The MSGC established the First Aid and Basic Life Support Training Course, which aims to establish an Emergency Response Team in every Barangay that shall serve as first responders in emergency situations. The training has already been conducted in 7 barangays and will be conducted in 20 more barangays.

The MSGC has also initiated a meeting with the mayor to communicate their concern about the rising graffiti problem in the main thoroughfares of the City. This led to the organizing of a series of consultative meetings with other external stakeholders for the purpose of finding permanent solutions to the problem. Last June 23, 2015, a meeting with school heads, business establishment owners and the local police already took place to discuss these matters.

Some barangay officials felt threatened and viewed the program as a mere political strategy. However, the passion, sincerity and concrete action steps that the VACs presented helped soften the walls of resistance. Many barangay leaders eventually appreciated the PGS program, especially when they saw the benefits for their community.

**Making its mark on the road map to a promising future**

Talisay used to believe that we just had to make use of the spillover development from Bacolod City. However, for the past, recent years that the City has been exploring its existing strengths and resources, we realized that we could make our own path of success. The City is confident that we are now making our mark in the province as a retirement destination, as well as a tourist and business haven. The future is promising and with the City’s unrelenting commitment to good governance and responsible citizenship, the future looks more promising than ever. ▲

OPPOSITE PAGE: The Ruins, a famous tourist spot in Talisay, is one of the many areas in the city where retirees can spend their free time.
A significant past

One of the most powerful discoveries in life is to find out that what you have is enough. In the public governance arena, this rings true. Each place has been blessed with different things and it is up to the people to utilize what they have been given with. That truth is now empowering the province of Bataan as it charts its map to growth.

Bataan is blessed with a rich past—it is popularly known for its significant role in history during the World War II. One of the heaviest battles in the region during the war was held in Bataan. The Imperial Japanese Army and Navy invaded the Philippines soon after the Pearl Harbor bombing. The Filipino and American troops assigned in Luzon gathered at the Bataan Peninsula to fight against the invaders. At this point, the Peninsula was one of the only two remaining Allied strongholds in Southeast Asia. The other one was the island of Corregidor.

Today, Bataan’s survivor spirit lives on. We continue to take pride in our place in history, and aspire to have one that is as, if not more, significant in the future.

For the industrial and environmental

Aside from the steady stream of travelers keeping tourism alive, Bataan tapped into its natural resources to spur growth. This, arm in arm with the homegrown talents of our people, have become the successful ingredients into creating eco-industrial zones.

Why eco-industrial? Investments on eco-industrial businesses are worthwhile because they have low impact on the environment yet geared towards industrialization. We realize that this means we need to be more selective in choosing our investors because there is a responsibility to protect the environment from any threat but we are prepared to do so. We believe industrialization can take place without compromising the environment.

It also maximizes the strategic location of Bataan as a peninsula – accessible via land, air, and water.

The eco zones we have established deal with the hard industry, such as manufacturing and electronic items. We are also proud hosts to power plants.

One of our biggest eco zones is the Freeport Area of Bataan (FAB). It is currently considered to be the fastest growing free port in the country.
Our aim is to make all the businesses in our area more sustainable and friendly to the environment.

In 2013, we experienced 352.4% growth rate. This was hinged on the growth of foreign investments from P86 million to P390 million.

Our aim is to make all the businesses in our area more sustainable and friendly to the environment.

The strategy
In order to attract investors to stay and come to Bataan, we realized that we had to fully understand what they want. As a result, we placed ourselves in their shoes to identify the most effective strategies that would ensure their satisfaction. We did this by doing research on the various industries of potential investors as well as going through our established processes through their eyes.

We discovered that our province has to improve and streamline its processes to further enhance our service to customers and investors. Oftentimes, potential investors are turned off by the difficulty of preparing requirements for putting up a business, as well as securing environmental clearances and permits. It involves going to many sectors of the national and local government unit. Investors value cost and time efficiency with processes, and that is one of the things we need to focus on improving.

On top of the external processes, we also identified certain areas in the internal processes that need improvement as well. Government management and operations can be further strengthened. One way of inspiring efficiency in this is establishing a credible merit-based recognition system.

After identifying these gaps, we came up with our breakthrough goal of having a Bataan Government Center and Business Hub. The idea behind the hub is to transform the existing Capitol compound into a mixed-use government center that caters to all our customers and investors needs. It will be the one-stop shop for all things related to business and government in Bataan. The goal is efficiency with transactions, and operations.

We envision a center that delivers excellent public service in terms of fast and efficient provision of government, environment and investment-related services.

On top of government offices, the center is also targeted to host the Bataan Safety and Sustainability Center (BESSC) as well.

Standing strong
As with all goals, Bataan’s is not without obstacles and challenges. The workforce still needs further training, changes take time adjusting to, and projects still need more funding. Nevertheless, the local government remains positive. I have realized that although we have experienced falls in the past, there is always hope for the Bataenos. The falls equipped us to respond better to challenges. The spirit of survival keeps the people hopeful, strong, and fighting.

If there is anything that these people learned from the its war-torn historical sites, it’s that triumphs do not come without trials, and well-celebrated victories are not won overnight.
Local Chief Executives

FROM LEFT: Mayor Jun Amante, Mayor Jonas Cortes, Gov. Abet Garcia, Mayor Evelyn Uy, Mayor Rowena Tuason, Mayor Noel Rosal, Mayor Eric Saratan, Mayor Joet Garcia, Mayor Pablo Ortega

OSM Heads

TOP ROW, FROM LEFT:
Engr. Lorden Vizmanos, Butuan City; Merci Guerrero, Dipolog City; Atty. Cheryl Ledesma-Despi, Talisay City; Maricar Reyes-Hina, Bataan Province; Carlos Ante, Legazpi City;

BOTTOM ROW, FROM LEFT:
Edmer Fabian, Balanga City; Isaías Bigol, Jr., Masbate City; Marilyn Castino, San Fernando, La Union; Atty. Jamaal Calipayan, Mandaue City
ISA Executives

STANDING FROM LEFT, CLOCKWISE: Oliver Butalid, Supervising Fellow for LGUs; Dr. Francisco Duque, Chairman; Francisco Eizmendi, President; Dr. Jesus Estanislao, Chairman Emeritus.

ISA LGU Team

FROM LEFT: Diana San Jose, Jan-Ace Mendoza, and Gabby Macasinag
Corporate Sponsors

AboitizPower
AboitizPower is the holding company for the Aboitiz Group’s investments in power generation, distribution, and retail electricity services.

The company is one of the largest power producers in the Philippines with a right-mix portfolio of assets located across the country. It is a major producer of Cleanergy, its brand for clean and renewable energy with several hydroelectric and geothermal assets. It also has various fossil-fired power plants in its generation portfolio.

The company owns distribution utilities that operate in high-growth areas in Luzon, Visayas and Mindanao, including the second and third largest private utilities in the country.

OceanaGold Corporation
OceanaGold Corporation is a significant multinational gold producer with a portfolio of operating, development and exploration assets. The Company’s assets are located on the South Island of New Zealand, including one of the largest gold mines in the country and in the northern Philippines. OceanaGold has built a strong business in New Zealand, operating three mines—Macraes Open Pit, Frasers Underground and the Reefton Open Pit mines.

In the northern Philippines, OceanaGold became the first international mining company to commit to the economic development of the country through a Financial or Technical Assistance Agreement (FTAA), OceanaGold’s Didipio Gold-Copper Project was placed under care and maintenance following Global Financial Crisis on 2008.

The construction of the high grade gold-copper Didipio Project located in Luzon, approximately 270 kilometers north of Manila in the Philippines was recommended in June 2011. Construction was completed and commissioning of the mine commenced on schedule in the fourth quarter of 2012 with first ore through the mill in December 2012.

Following successful commissioning, commercial production was declared as of April 1, 2013.
Semirara Mining & Power Corporation

Semirara Mining and Power Corporation (SMPC) is the largest coal producer in the Philippines, and the only power producer in the country that owns and mines its own fuel source (coal).

SMPC has an installed capacity of 600MW, with around 600MW more in the pipeline.

By integrating its mining and power operations, SMPC can better manage its fuel supply and power production so that millions of Filipinos could have access to affordable, reliable electricity.

GNPower Mariveles Coal Plant Ltd. Co.

Strategically situated in the Province of Bataan, an eco-industrial investment destination, GNPower Mariveles Coal Plant Ltd. Co. plays an integral part in the development of the region and the country as it increases the dependable capacity of power and provides the most affordable rate for the domestic and industrial consumers while also significantly contributing in the public infrastructure and environmental program of the local and national government.

Breaking new ground with its ash to cement program, GNPower Mariveles greatly improves its environmental performance and enhances its social commitment by converting ash into cement and contributing the product to the public infrastructure projects of the Province of Bataan. Approximately one hundred twenty thousand bags of cement are donated each year which helps build schools, government buildings, sports facilities, roads and flood control systems.

Reflecting its commitment to the future, GNPower Mariveles is undertaking a comprehensive re-greening of at least ten thousand hectares of land in and around the Province of Bataan in the next fifteen years. To date, one hundred fifty thousand seedlings grown from its own nursery were planted and donated by the company.
About ISA

The Institute for Solidarity in Asia (ISA) is a non-government organization, composed of Fellows who are formerly top level corporate executives and ranking government officials. It was created in response to the urgent need for public sector reforms in a country whose institutions had been severely weakened by corruption and a culture of tolerance and mediocrity. Founded in 2000 by former Finance Secretary Jesus P. Estanislao, ISA sought to make governance a shared responsibility by sharing the strategy management tools that made leading business entities successful to government agencies. He rallied both the ‘governors and the governed’ to action in the urgent task of reforming public institutions.

The campaign to reform the nation “one institution at a time” expanded to the local government units (LGU) in 2004. At that time, over half of the Philippine population lived in cities. ISA saw the importance of providing the city governments with the right tools for them to keep at pace with the rising demands of their cities. The Balanced Scorecard, originally from Kaplan & Norton of Harvard, was adapted by ISA to the Philippine setting and is now known as PGS or Performance Governance System.

The PGS, as a strategy management system is very relevant to LGUs. It enables them to frame a balanced set of strategies focused on a clear vision, with a realistic time frame, along 5 perspectives (Customer, Process, Employee learning, Resources and Citizen’s expectations). Today, ISA and PGS is the country’s leading advocate of good governance through effective strategy management.