



# Insights into Open Local Governance

A product of the Open LGU Research Project  
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## INCENTIVISING “OPENNESS” AT THE LOCAL LEVEL



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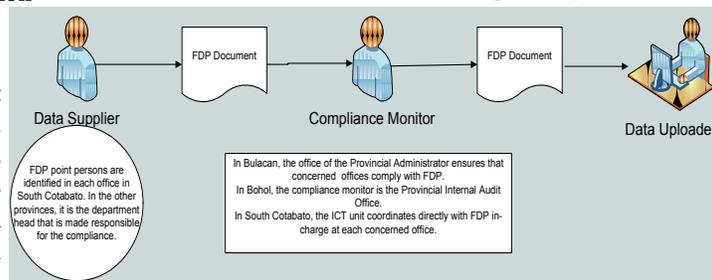
The Department of Interior and Local Government (DILG) in 2011 implemented the Full Disclosure Policy (FDP) through Memorandum Circular 2010-83 entitled “Full Disclosure of Local Finances, and Bids and Public Offerings”. As a way to encourage compliance, FDP compliance is a requirement for the Seal of Good Housekeeping (SGH) award. The SGH is a basis in awarding certain project loan or grants to local government units (LGUs). It must be noted failure to comply with the FDP is punishable by suspension or removal from office on the ground of gross negligence or dereliction from duty.

MC 2010-83 requires LGUs to post the summary of revenues collected and funds received, appropriations and disbursement of funds, procurement-related documents, status and use of funds as well as projects, in LGU websites. In 2011, eighty-two percent (82%) of provinces, eighty-two percent (82%) of cities, and seventy-six percent (76%) of municipalities were granted the SGH. In effect, we can say, that more than

seventy-five percent (75%) of the number of total local government units in the country complied with the full disclosure policy. These compliant LGUs have incorporated governance information in their websites for use and access by people who are interested to do so.

The three provincial governments covered in this study—Bulacan, Bohol, and South Cotabato—were rated by DILG as fully compliant with the FDP. All the three provinces have published FDP-required information through the Full Disclosure Policy Portal, and at the time of its assessment (prior to the redesign of the website of South Cotabato), the same information is also uploaded in the provincial government websites.

Compliance monitoring is installed in the three provinces, although in different structures. In Bulacan, the Office of the Provincial Administrator (OPA) acts as the compliance monitor which makes regular follow-up with data suppliers regarding data submission. When these are complete, the OPA forwards the documents to the ICT unit for uploading.



In the case of Bohol, the Provincial Internal Audit Office (PIAO) works in coordination with the ICT unit in ensuring that all data requirements are uploaded. PIAO ensures that the province complies with the FDP.

In South Cotabato, the designated FDP officers in each of the concerned departments ensure compliance. The ICT unit has a checklist of documents that are needed to be uploaded and based on this list, they ask the FDP officers from each department to submit the documents.

What do these findings mean?

- 1. Transparency can be incentivized.** The Philippine experience suggest that if local government units will be required to share data publicly and through websites, with a clear incentive structure, compliance rate will be high.
- 2. FDP is a good opportunity to promote open local governance.** If and when the FDP will be revised to require that documents should be published in machine-readable format, and given the same incentive structure, it is very likely that compliance will remain high as well. This, however, should be done with an education program that would address the fear of local government leaders to publish data in open format (see Research Insights No. 3).
- 3. DILG needs to strengthen FDP’s punitive measure to ensure that non-compliant LGUs are meted with sanctions.** To ensure that FDP compliance is sustainable, non-compliant LGUs have to be penalized so that every LGU will take effort to ensure that local governance information is provided to citizens.



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