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# **Rapid Training Needs Assessment of LEIPOs of the Cities of Batangas, Iloilo and Cagayan de Oro**

## **Investment Enabling Environment (INVEST) Project**

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## LIST OF ACRONYMS

ABC	Association of Barangay Captains
EA	Executive Assistant
CPDO	City Planning and Development Office
DILG	Department of the Interior and Local Government
DTI	Department of Trade and Industry
INVEST	Investment Enabling Environment Project
IPO	Investment Promotion Officer
IT	Information Technology
LEIPO	Local Economic and Investment Promotions Officer
LGA	Local Government Academy
LGSP-LED	Local Governance Support Program for Local Economic Development
LGU	Local Government Unit
MC	Memorandum Circular
NEDA	National Economic and Development Authority
RTNA	Rapid Training Needs Assessment
USAID	United States Agency for International Development

# I. INTRODUCTION<sup>1</sup>

The Investment Enabling Environment (INVEST) Project is a two-year project of the United States Agency for International Development (USAID) that aims to help improve the business-enabling climate and competitiveness of Philippine cities and attract domestic and foreign investments. Its support takes the form of technical assistance, institutional linkages, and capacity development.

INVEST assists its three partner cities (i.e., Batangas, Cagayan de Oro, and Iloilo) through two project components: (1) lowering the transaction cost of doing business in their respective jurisdictions and (2) enhancing their competitiveness as investment destinations. INVEST works in close coordination with national government agencies, including the Department of the Interior and Local Government (DILG) and Department of Trade and Industry (DTI), whose mandates include the formulation and implementation of policies on streamlining processes that lead to job creation, increased investments, and economic growth through good governance.

## A. Background and Rationale

The designation of an LGU officer charged with facilitating the entry and growth of investments was recognized as a critical element to the growth of any local economy. As a result, the DILG issued Memorandum Circular (MC) 2010-113 that enjoins LGUs to designate their Local Economic and Investment Promotions Officer (LEIPO).

MC 2010-113 defines the specific functions of the LEIPO as the following:

1. Preparation of local economic and investment promotion policies, projects and activities of the city government;
2. Coordination of local economic and investment promotion policies, projects and activities of the city government;
3. Execution of local economic and investment promotion policies, projects and activities of the city government;
4. Establishment of aggressive, systematic, coordinated and sustained promotion and marketing of the city as an investment location;
5. Provision of basic information about business potentials of the city, including services to prospective investors;
6. Establishment of a local economic database containing relevant facts and figures;
7. Coordination with other offices in the promotion of economic activities;
8. Coordination with the private sector in investment promotion campaigns; and
9. Information dissemination on local government policies on investment, wage laws, and required permits, among others.

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The LEIPO is a newly created addition to the LGU structure, and the required competency and skills for the position has yet to be clearly defined. Since building the capacities of LEIPOs in performing their functions was identified as one of INVEST's strategic interventions, this Rapid Training Needs Assessment (RTNA) was conducted. Its results will serve as basis for designing approaches in improving local capacities in economic and investment promotion through the LEIPOs.

It is ultimately envisioned that improved LEIPO knowledge, skills and capacities, as a direct outcome of INVEST Project Component 2, will facilitate the creation of an effective Investment Promotion Office (IPO) in the three partner cities.

## **B. Objectives**

The conduct of this RTNA has the following objectives:

1. Determine the current level of knowledge of the LEIPOs regarding their functions;
2. Determine the current level of competence of the LEIPOs in discharging their mandated functions; and
3. Identify training interventions to enhance the LEIPO's capacities.

## **C. Methodology**

The assessment employed the Narrative Analysis technique.<sup>2</sup>

Data gathering was done through interviews with key informants, particularly those designated as LEIPOs in the partner cities. The interviews were structured based on guide questions developed by the INVEST Project Management Office. Relevant documents, such as MC 2010-113 and local directives and policies related to LEIPO functions, were also collected and reviewed as part of the assessment.

The results of the assessment are presented in Chapter IV, using appropriate forms (i.e., thematic, structural, interactional, and performative). These serve as basis for the recommendations put forth in Chapter V of this report.

## **D. Scope of Assessment**

This assessment focuses on LEIPO-mandated functions vis-à-vis current knowledge, skills, and capacities, and is based primarily on the self-assessment of the designated LEIPOs of the partner cities. This, however, should not be misconstrued as a comprehensive training needs assessment.

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<sup>2</sup> The Narrative Analysis relies on the accounts of the key informants and how the researcher captures and processes the narratives or stories relayed by the key informants. The collection and processing of the narratives, for this specific study, were thoroughly guided by a set of predetermined and focused thematic questions.

## **II. BACKGROUND OF LEIPOs IN THE PARTNER CITIES**

Of the three partner cities, only one was able to recently formalize the designation of its LEIPO. The other two cities have no official LEIPOs, and one city actually has two persons performing some of the LEIPO functions put forth in DILG MC 2010-113.

This section presents a brief background of these four LEIPO functionaries, as well as their perspective on challenges to the economic and investment vision of their respective cities.

### **A. Education, Work Experience and Training**

The first LEIPO is Mr. Erick Anthony Sanohan, a 42 year-old male AB English graduate, with units credited towards a Masters in Education degree. He has yet to attend any training course related to investment planning and promotion, and has actually not been a beneficiary of any sponsored capacity building program since joining the City Government of Batangas about six years ago.

Prior to his current stint in the public sector, Mr. Sanohan worked as a reservations agent and account manager in a Makati-based travel agency, a floor director and account executive of a television network, and a teacher at a university in Batangas City.

It was during his teaching stint when the city's Association of Barangay Captains (ABC) president requested for his services as an Executive Assistant (EA). Two years thereafter, the ABC president was elected City Mayor and Mr. Sanohan was promoted to a position in the City Assessor's Office. After 18 months, he was designated as Supervising Tourism Operations Officer under the Office of the Mayor and performed tourism-related functions for two years. In February 2012, he was formally endorsed by the Mayor Vilma Dimacuja and designated as LEIPO of the city.

The second LEIPO is Ms. Imelda Casino, a 29-year female veteran in LGU service, and currently holds the Economist III position under the City Planning and Development Office (CPDO) of Cagayan de Oro City. She has an Agricultural Economics degree and began her public service career as a researcher for a housing project before moving on to a ten-year stint in the Office of Marginal Settlers prior to her CPDO assignment.

She was the recipient of the following training programs in recent years: Population Development (NEDA), Local Development Investment Promotions (DILG), Income Accounting (NEDA), and Entrepreneurial Leadership Development (LGA/LGSP-LED). The LGSP-LED training required the involvement of LEIPOs – her participation in this program at the request of the Mayor led to her implied designation as LEIPO.

The third LEIPO is Mr. Francis Cruz, a male Information Technology (IT) expert with a Master in Public Management degree from one of the top universities in Manila, where he graduated with honors. He currently serves as Executive Assistant of the Mayor and has been with the City Government of Iloilo for 11 years. Prior to joining public service, he served as marketing director of a private firm. He has attended numerous trainings, both related to and outside, his functions in the city government, which include tasks mandated to LEIPOs.

The fourth LEIPO is Mr. Felix Tiu, male and Chair of the Iloilo City Trade and Investment Board. While his chairmanship was by virtue of an appointment by the Mayor, he identifies himself more as a private sector representative and serves the City as a volunteer. He was not able to finish high school but nevertheless achieved great success as a businessman for 35 years. His business interests include real estate, hotels, travel and tours, and wholesale and retail trading. His only formal training is the recent LGSP-LED sponsored Entrepreneurial Leadership Development Program. While he has no official designation as such, his inputs as Chair of the Investment Board imply LEIPO functions.

## **B. LEIPO Perspectives on City Vision and Development Challenges**

Given his background, it is somewhat to be expected that the perspective of Mr. Sanohan is focused on increasing investments in tourism. The term “tourist-friendly” is explicitly included in the City’s vision, which expands this LEIPO paradigm internationally. The challenges to increased tourism-related investments he had identified are mostly related to the resistance of “established” business groups to perceived motives for effecting changes to business systems and organizations vis-à-vis their involvement in programs of local government.

The second LEIPO, Ms. Casino, also places some emphasis on tourism as a pillar for increasing investments in her city, which she envisions as a stop-over for other tourist destinations in the region and consequently, a viable hub for trade and investments. In order for the second objective to be achieved, Ms. Casino avers that efforts should focus on establishing a peaceful and orderly business-friendly environment, where people are proactive, empowered, and actively engaged in transforming the city as an investment destination, while government facilitates the balance between economic growth and environmental protection.

Mr. Cruz does not share this tourism-centric perspective for increasing investments but rather places special emphasis on the IT industry. Consequently, he perceives the high cost and unstable supply of power as major constraints to economic growth in Iloilo City.

Mr. Tiu, for his part, takes a holistic approach to investments, envisioning the growth of all industries in it as being facilitated by Iloilo City being the most business-friendly in the region. He echoes the constraints identified by Mr. Cruz, and adds the lack of tourist attractions and limited city investment promotion activities as challenges to the attainment of the city’s investment and economic vision.

### III. LEIPO INSTITUTIONALIZATION

The level of LEIPO institutionalization in the three partner cities varies.

In Batangas City, the mayor already forwarded a request to the *Sangguniang Panlungsod* for the abolition of the Supervising Tourism Operation Officer position and creation of the LEIPO position in its place. Both positions correspond to Salary Grade of 22 in the government pay scale and are permanent positions. Moreover, both positions are under the Investment and Tourism Division of the Office of the Mayor – although the ordinance that created the division in 1998 failed to include a position for an Investment Officer.

This recent request of the mayor intends to provide redress to this oversight, and enable the division to properly function in supporting the growth of both tourism and investment. The division is also charged with the provision of manpower, space, and resources to present and future LEIPO activities.

As of end March 2012, the institutionalization of the LEIPO within the LGU structure has yet to be initiated in Iloilo and Cagayan de Oro cities.

While Ms. Casino holds a permanent position in the CPDO, she has no formal mandate (in the form of decision-making and policy direction) to undertake the tasks specified under DILG MC 2010-113. Manpower, space and resource support directly related to LEIPO functions are accessed through the CPDO, although there is currently no technical staff under this office devoted to economic growth and investments.

In Iloilo City, the term of both LEIPO functionaries (Messrs. Cruz and Tiu) are co-terminus with the term of the mayor. The manpower, space, and resource requirements for LEIPO projects and activities are provided for by the Office of the Mayor, which is assisted by the Provincial DTI Office and a private sector foundation, both of which pursue trade and investment promotions.

Needless to say, all four LEIPOs take on multiple roles in the LGU.

Table 1 presents their responsibilities as identified for this assessment, some of which are not related to investment promotion and also includes ad hoc responsibilities as assigned to them by LGU executives and officials from time to time.

**Table 1: Responsibilities and Membership in City Government Units of LEIPO Functionaries**

<b>LEIPO</b>	<b>Identified Responsibilities</b>	<b>Membership</b>
LEIPO 1 (Batangas)	<ul style="list-style-type: none"> <li>- Tourism promotion</li> <li>- Events Management and Coordination</li> <li>- IEC materials development</li> <li>- Represent Mayor in events and gatherings</li> </ul>	<ul style="list-style-type: none"> <li>- City Cultural Affairs Committee</li> <li>- Local Development Council, Public-Private Partnership Sub-Committee</li> </ul>
LEIPO 2 (CDO)	<ul style="list-style-type: none"> <li>- Investment promotion</li> <li>- Preparation of DILG and DTI compliance requirements</li> <li>- Endorsement of investment applications to the Mayor through the CPDO</li> <li>- Ensure compliance to Local Investment and Incentive Code</li> </ul>	<ul style="list-style-type: none"> <li>- Local Investment Evaluation Committee</li> </ul>
LEIPO 3 (Iloilo)	<ul style="list-style-type: none"> <li>- Executive Assistant for IT and Economic Promotion</li> <li>- Official city representative to LGSP-LED and INVEST project</li> </ul>	<ul style="list-style-type: none"> <li>- City Trade and Investment Promotions Board</li> <li>- Economic Development Council</li> <li>- Investment Incentives Board</li> <li>- City Disaster Risk Reduction and Management Council</li> <li>- REDAS TWG</li> </ul>
LEIPO 4 (Iloilo)	<ul style="list-style-type: none"> <li>- Private sector representative to LGSP-LED and INVEST project</li> </ul>	<ul style="list-style-type: none"> <li>- Chair, City Trade and Investment Board</li> </ul>

## IV. ASSESSMENT RESULTS

This assessment focuses on the training needs of the LEIPOs in the INVEST partner cities, based on their official functions as identified in DILG MC 2010-113.

LEIPO functionaries were requested to assess their need for training on each of their official functions. More specifically, they were asked to rate their need as “VH” if it is very high, “H” if high, “L” if low, and “VL” if very low. Table 2 presents the responses of each LEIPO for this self-assessment exercise.

**Table 2: Self-Assessment of LEIPOs for Need for Capacity Building,  
per MC 2010-113 LEIPO Function**

Function	LEIPO 1 (Batangas)	LEIPO 2 (CDO)	LEIPO 3 (Iloilo)	LEIPO 4 (Iloilo)	TOTAL
1. Preparation of local economic and investment promotion policies, projects and activities of the city government	VH	L	H	H	VH – 1 H – 2 L – 1
2. Coordination of local economic and investment promotion policies, projects and activities of the city government	VH	L	H	H	VH – 1 H – 2 L – 1
3. Execution of local economic and investment promotion policies, projects and activities of the city government	VH	H	H	L	VH – 1 H – 2 L – 1
4. Establishment of aggressive, systematic, coordinated and sustained promotion and marketing of the city as an investment location	VH	H	VH	L	VH – 2 H – 1 L – 1
5. Provision of basic information about business potentials of the city, including services to prospective investors	H	H	VH	H	VH – 1 H – 3 L – 0
6. Establishment of a local economic database containing relevant facts and figures	H	L	VH	H	VH – 1 H – 2 L – 1
7. Coordination with other offices in the promotion of economic activities	VH	H	H	H	VH – 1 H – 3 L – 0
8. Coordination with the private sector in investment promotion campaigns	VH	VH	H	H	VH – 2 H – 2 L – 0

Function	LEIPO 1 (Batangas)	LEIPO 2 (CDO)	LEIPO 3 (Iloilo)	LEIPO 4 (Iloilo)	TOTAL
9. Information dissemination on local government policies on investment, wage laws, and required permits, among others	VH	L	H	H	VH – 1 H – 2 L – 1

The total responses indicate that the LEIPO functionaries in partner cities perceived their need for capacity building to be high to very high. No LEIPO responded “very low” on the need for training intervention on any function.

Of the functions enumerated in MC 2010-113, those pertaining to coordination with the private sector in investment promotion campaigns and to the establishment of aggressive, systematic, coordinated and sustained promotion and marketing of the city as an investment location were identified as those where capacity building interventions are most needed in all partner cities.

The LEIPOs were also requested to identify topics for capacity building, for every function identified in the memorandum circular. Table 3 presents their responses, with some of the identified topics cutting across LEIPO functions.

**Table 3: Recommended Topics for Capacity Building,  
Per MC 2010-113 LEIPO Function**

Function	Recommended Topics for Capacity Building
1. Preparation of local economic and investment promotion policies, projects and activities of the city government	<ul style="list-style-type: none"> <li>- Project Proposal Writing</li> <li>- Policy Preparation, Review and Analysis</li> <li>- Orientation Course on Local and International Standards of an Effective LEIPO</li> <li>- Study Tours on Investment Promotion</li> <li>- Project Development and Management</li> </ul>
2. Coordination of local economic and investment promotion policies, projects and activities of the city government	<ul style="list-style-type: none"> <li>- Strategies for Effective Coordination with regional agencies and other partners (Public-Private Partnership)</li> <li>- DTI Training on Investment Promotion</li> </ul>
3. Execution of local economic and investment promotion policies, projects and activities of the city government	<ul style="list-style-type: none"> <li>- Information Education Campaign (IEC) skills</li> <li>- Social graces and protocols (DFA)</li> <li>- Business Planning</li> </ul>
4. Establishment of aggressive, systematic, coordinated and sustained promotion and marketing of the city as an investment location	<ul style="list-style-type: none"> <li>- Localizing NERBAC strategies</li> <li>- Marketing</li> <li>- Promotional materials production and campaigns</li> </ul>
5. Provision of basic information about business potentials of the city, including services to prospective investors	<ul style="list-style-type: none"> <li>- Geographic Information System (GIS) (set up and maintenance)</li> <li>- Promotional materials production and campaign</li> <li>- Marketing</li> </ul>

<b>Function</b>	<b>Recommended Topics for Capacity Building</b>
6. Establishment of a local economic database	- Database Management
7. Coordination with other offices in the promotion of economic activities	<ul style="list-style-type: none"> <li>- Strategies for Effective Coordination with regional agencies and other partners (Public-Private Partnership)</li> <li>- DTI Training on Investment Promotion</li> </ul>
8. Coordination with the private sector in investment promotion campaigns	<ul style="list-style-type: none"> <li>- Coordinate and /or organize Trade Promotions</li> <li>- Effective Strategies for Investment Promotion (as used by other countries)</li> <li>- DTI Training on Investment Promotion</li> </ul>
9. Information dissemination on local government policies on investment, wage laws, and required permits	<ul style="list-style-type: none"> <li>- Networking and Marketing</li> <li>- DOLE Orientation</li> <li>- Local Permitting Systems</li> </ul>

## V. SUMMARY AND RECOMMENDATIONS

The results of this RTNA reveal that there is a high to very high need to build up the capacities of LEIPOs in INVEST partner cities, regardless of gender, age, educational background, and experience, in order for them to fulfill their functions as mandated by DILG MC 2010-113. The key informants admitted that they are not quite familiar with their functions as mandated under the MC and, to a large extent, do not possess the necessary skills and competencies to perform such functions. Hence, they strongly indicated their need to attend relevant training programs.

The assessment also reveals that the willingness of the LEIPOs to participate in training interventions is directly related to the mandate given to them by the LGU in terms of (1) their official designation; (2) focus on their corresponding identified functions anent the position; and (3) provision of manpower, space and resources for their responsibilities as LEIPOs.

The official designation of the LEIPO may be through the issuance of an executive order by the mayor, or the creation of the position within the LGU structure through an ordinance by the Sangguniang Panlungsod. This being the case, the minimum qualifications of a LEIPO (in terms of education and work experience) as well as the selection process must be properly defined.

The study also made apparent the instability of the tenure of the LEIPOs. The potential downside to a LEIPO being designated by the mayor, whether formally (i.e., through an EO) or informally, is that the position may be co-terminus with that of the Local Chief Executive. This being the case, the gains of any capacity building intervention is not retained by the LGU but leaves with the functionary. In order for any LGU to maximize the knowledge and learning provided by training programs on economic growth and investment promotion, it must be provided to personnel with tenure as well as a long-term commitment to local government service.

The key informant interviews related to this RTNA underscored the fact that the designated LEIPOs in the partner cities fulfill multiple functions that are not necessarily linked to investment promotion. Needless to say, multiple and often ad hoc tasks detract from the efforts that need to be exerted by LEIPOs to help attain economic growth and increased investments in the city. The immensity of their mandate as provided by MC 2010-113 requires focus, resources and strategic capacity building for them to be truly instrumental in the attainment of their city's economic and investment vision. This includes the establishment of a City Investment Promotion Center.

Finally, the interviews revealed that manpower and other resources needed by the LEIPOs to fulfill their mandates are often accessed through other, existing offices within the city government. While the dearth of local resources needs to be acknowledged, LGUs may also be capacitated in determining strategies (such as public-private partnerships and advocacy to the DILG) to properly equip the LEIPO office with its technical-management, administrative and support needs.