



Republic of the Philippines

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, West Triangle, Quezon City

<http://www.dilg.gov.ph>



GUIDELINES ON PROMOTING LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION AND ESTABLISHMENT OF LEDIP OFFICE/UNIT IN ALL PROVINCES, CITIES AND MUNICIPALITIES

Memorandum Circular No: 2020-167

Date: 09 DEC 2020

1. Background

- 1.1 DILG Memorandum Circular 2010-113 dated October 13, 2010 encouraged Provincial Governors and City Mayors to designate a Local Economic and Investment Promotions Officer (LEIPO) as economic partner in attracting more investments to enhance local economic activities.
- 1.2 The roles of LEIPO were expanded in the administration of President Rodrigo Roa Duterte on which the government draws its efforts to increase competitiveness and ease of doing business that will enable businesses to thrive in the country. This also supports the Philippines' position in full integration of global economy in the ASEAN Economic Community (AEC) where there is a single market and highly competitive region with equitable economic development.
- 1.3 Further, the current administration commits to sustain the country's global competitiveness ranking. In the latest Doing Business 2020 Report of World Bank (WB), the Philippines moved up to 29 notches from 124th to 95th out of 190 economies. Based on the ten (10) indicators analyzed by the WB, the country performed well in starting a business, dealing with construction permits and protecting minority investors. World Bank economic report aims to measures regulation and assess the business environment in each economy. It also aims to motivate governments to undertake business reforms with the goal of bolstering sustainable economic growth.
- 1.4 As we sustain our mark in the global economy, the national government aims to bolster a sustainable local economic development (LED) by engaging multi-stakeholder and participatory process. This will stir the public, business and non-governmental sectors to address economic problems and create better conditions for investment leading to economic growth and development.
- 1.5 Following the socio-economic agenda of the Government of accelerating the annual infrastructure spending to account for five percent (5%) of gross domestic product, with Public- Private Partnerships (PPP) playing a key role, the DILG issued its Memorandum Circular No. 2016-120, which provided guidelines for the LGUs in the implementation of the Government's Public-Private Partnership for the People Initiative for Local Governments (LGU P4). The DILG and the PPP Center then issued Joint Memorandum Circular No. 2019-01 to provide further guidance to LGUs on the modalities listed under Section 5.3 of DILG MC No. 2016- 120, and to provide a template LGU Code for joint ventures that LGUs may adopt. Moreover, Section 14.3 of the BOT Law Implementing Rules and Regulations provides that LGUs may create a PPP Unit that shall be responsible for planning, overseeing, and monitoring PPP projects of these LGUs.

- 1.6 In keeping with the President’s thrusts to build strong and resilient economy aimed at inclusive and continued growth, the Department of the Interior and Local Government (DILG) strengthened its efforts and resources in enhancing the capabilities of Local Government Units (LGUs) to improve local economy as they play an active role in attracting investments. In addition, the presence of Local Economic and Investment Promotion Office has been established as one of the indicators in the Seal of Good Local Governance (SGLG) under Business-Friendliness and Competitiveness Essential Area. Hence, the designation of LEDIPO in all Provinces, Cities and Municipalities with establishment of its corresponding office/unit is deemed necessary to encourage more investments and competitiveness in the locality to sustain economic development.
- 1.7 The Supreme Court, in the case of Mandanas vs. Ochoa Jr., (GR Nos. 199802 & 208488, May 22, 2019) clarifies that there will be adjustments on the share from the Internal Revenue Allotment (IRA) of the Local Government Units (LGUs).

2. Purpose

2.1 Generally, the purpose of this policy is to enhance DILG Memorandum Circular No. 2010-113 dated October 13, 2010 on the Designation of Local Economic and Investment Promotions Officer (LEIPO) which only covers Cities and Provinces. This MC encourages all the municipalities to also designate Local Economic Development and Investment Promotions Officer (LEDIPO) and to establish/create Local Economic Development and Investment Promotions Office/Unit (LEDIP Office/Unit), and other similar structures.

2.2 Specifically, it aims to:

- 2.2.1 To expand the role of the LEDIPO to serve not only as the local investment promotions officer, but also as the focal officer for local economic development, and clearly define the required competencies of and minimum qualification requirements for the LEDIPO.”
- 2.2.2 To clearly define the role of LEDIP office/unit and its composition.
- 2.2.3 To clearly define the functions and required competencies and minimum qualification requirements of the LEDIPO’s staff

3. Legal Compliance

- 3.1 **Section 14-16, Local Government Code (RA No. 7160)** – Prescribes the corporate existence of the LGUs and that within their respective territorial jurisdictions, they shall enhance economic prosperity and promote full employment.
- 3.2 **Section 18, Local Government Code** - Local Government Unit shall have the power and authority to establish an organization that shall be responsible for the efficient and effective implementation of their development plans, program objectives and priorities; to create their own sources of revenue and to levy taxes, fees, and charges which shall accrue exclusively for their use and disposition and which shall be retained by them.
- 3.3 **Philippine Development Plan 2017-2022-** Chapter 15: Ensuring Sound Macroeconomic Policy, Sector Outcome 1: Responsible, strategic, and supportive fiscal sector

3.4 **DILG Memorandum Circular 2010 – 113** – Designation of Local Economic and Investment Promotions Officer

3.5 **Memorandum Circular No. 2016-120**: Guidelines for the Implementation of Public-Private Partnership for the People Initiative for Local Governments (LGU P4)

3.6 **Joint Memorandum Circular No. 2019-01**: Supplemental Guidelines for the Implementation of Public-Private Partnership for the People Initiative for Local Governments (LGU P4)

4. Scope/Coverage

This Memorandum Circular covers all Provinces, Cities, and Municipalities, DILG Regional, Provincial, City/Municipal Offices, and others concerned.

5. Definitions

The definitions of the following were revised from DILG MC No. 2010-113 due to the expanded roles of the LEDIPO in the localities, viz;

Local Economic and Investment Promotions Officer (LEIPO) (as mentioned in DILG MC 2010-113), shall be renamed as Local Economic Development and Investment Promotions Officer (LEDIPO) to give emphasis on their role for Local Economic Development.

5.1 Local Economic Development and Investment Promotions Office/Unit (LEDIP Office/Unit) It is an office/unit in the LGU in charge of the facilitation, preparation, coordination, and execution of local economic development and investment promotion policies, programs, projects, and activities.

5.2 Local Economic Development and Investment Promotions Officer (LEDIPO) The focal person in the LGU whose function is to facilitate the preparation, coordination, and execution of local economic development and investment promotion policies, programs, projects, and activities of the provincial / city / municipal government. The Local Economic Investment Promotions Officer (LEIPO) as defined in DILG Memorandum Circular 2010-113 dated October 13, 2010 will be now read and define as LEDIPO to emphasized their role on local economic development.

6. Policy Content and Guidelines

The role of the Local Economic Development and Investment Promotions Officer (LEDIPO) in the facilitation and coordination of local economic development and investment promotion advocacies of the local government unit considers a crucial undertaking to create and mobilize a capacitated structure to organize all programs and projects.

Hence, all local government units are enjoined to expand the designation of LEDIPO and establish its corresponding office/unit which will function as stated below:

6.1 Basic functions of the LEDIP Office/Unit

The Office/Unit will take charge of all activities related to LGU investment facilitation and promotion activities, local enterprise development, establishment of support mechanisms for the growth of Micro, Small and Medium Enterprises (MSMEs), provide mechanisms for business retention and expansion, and other business and economic activities to attract investments and generate employment. It shall be headed by the Local Economic Development and Investment Promotions Officer (LEDIPO).

Specific functions are as follows:

- 6.1.1 Serve as member of the advisory group that will guide the LGU for investment promotion;
- 6.1.2 Steer the creation of a business enabling environment to attract, retain or expand investments.
- 6.1.3 Advocate and promote policies and practices that will encourage local investments such as:
 - 6.1.3.1 Preparation of LGU Economic Development aligned with the Provincial Development and Physical Framework Plan (PDPFP), Comprehensive Land Use Plan (CLUP), Comprehensive Development Plan (CDP) and Local Investments and Incentive Code as may be applicable.
 - 6.1.3.2 Assist on the formulation of Local Investments and Incentive Code (LIIC).
 - 6.1.3.3 Marketing and Promotion Strategies of the LGU.
- 6.1.4 In close coordination with the Local Planning and Development Coordinator, identify revenue generating and enterprise development projects of the LGU which may be implemented by the private sector through Public-Private Partnership (PPP) arrangements;
- 6.1.5 Provide support and facilitation assistance for prospective and new investors;
- 6.1.6 Establish and maintain a local economic database containing relevant facts and figures on the local economy to be able to provide information about business potentials of the LGU including its services to prospective investors to attract more investment to flow in the locality.
- 6.1.7 Conduct mission trips in relation to promotion and marketing activities of the LGU to attract investments;
- 6.1.8 Assist and support local councils whose undertakings are related to economic development;

- 6.1.9 Assist in the promotion and development of Micro, Small and Medium Enterprises (MSMEs) in the locality, as well as all other potential investors, particularly in (1) securing licenses and permits, (2) identifying business or joint venture partners, raw materials suppliers and possible business sites, (3) sourcing skilled manpower and service providers, and (4) facilitating the resolution of issues and concerns encountered by business entities;
- 6.1.10 Establish and maintain partnership with Regional Office of National Economic Development Authority (NEDA), Public-Private Partnership (PPP) Center; Department of Trade and Industry (DTI), DTI-Board of Investments (DTI-BOI), National Competitiveness Council (NCC); Department of Science and Technology (DOST), Department of Finance (DOF) Bureaus and attached agencies such as Bureau of Internal Revenue (BIR), Bureau of Customs (BOC), Securities and Exchange Commission (SEC), and Bureau of Local Government Finance (BLGF), along with other national government regulatory agencies and with the private sector, NGOs/CSOs, academe and other stakeholders in the implementation of programs, projects and activities that will promote the business-friendliness and competitiveness of the LGU.
- 6.1.11 Represent the Province/City/Municipality in trade and investment meetings, conferences, and other similar activities in both domestic and foreign venues.
- 6.1.12 Prepare and disseminate investments promotion collaterals, e.g., brochures, and a website of the LGU for the purpose of information dissemination, including issuing reminders to Registered Enterprises, and providing information relevant to investors, among other information generally relevant to doing business

6.2 Structure of Local Economic Development and Investment Promotion (LEDIP) Office or Unit

Depending on the needs and priority economic sector of the LGU, it is recommended and enjoined that members of the LEDIP Office/Unit shall be composed of but not limited to:

- 6.2.1.1 Headed by a LEDIPO;
- 6.2.1.2 Supported by minimum of two (2) to three (3) Technical support Staff to be designated by the Local Chief Executive (LCE) supported by an Executive Order/Ordinance;

The LGU may add or expand the composition of the LEDIP Office/Unit.

- 6.2.1.3 If the LGU opt to establish a LEDIP Office, the following divisions may be created with its corresponding functions:

6.2.1.3.1 Economic Enterprise Division

Functions:

- Responsible for the formulation of plans, development and implementation of proposal for the establishment of new economic enterprise;
- Responsible for coordinating with partnering institutions/agencies/private sector associations intended for PPP projects, and for the conduct of research on PPP project possibilities from existing and new partners, including the development of a databas of potential private sector partners;
- Responsible for facilitating and assisting in the implementation of PPP programs and projects, including, but not limited to the following:
 - For PPP projects that are BOT Law variants and/or are following the BOT Law as the legal framework, serve as the LGU's PPP Unit, the focal unit responsible for the planning, overseeing, and monitoring of PPP projects, as contemplated in Section 14.3 of the BOT Law Implementing Rules and Regulations;
 - For PPP projects that follow the joint venture (JV) arrangement, provide support to the LGU's Joint Venture Selection Committee (JV-SC) and the Contract Monitoring Unit (CMU), particularly in the fulfilment by the JC-SC and the CMU of their responsibilities, as contemplated in the annex of DILG-PPPC JMC No. 2019-01;
- Responsible for coordinating with the PPP Center of the Philippines, the main coordinating and monitoring agency of the Philippine PPP Program, on the Division's relevant tasks, including, but not limited to, the following:
 - Planning, identification, development and structuring of the LGU's infrastructure and development projects for PPP implementation;
 - Accessing relevant PPP learning or capacity building resources for the Division's and/or the LGU's requirements;
 - Accessing relevant PPP project development, advisory or implementation monitoring resources or facilities in support of the LGU's PPP projects;
 - Monitoring, tracking and documentation of the implementation of the LGU's PPP projects along with the LGU's project management office or equivalent unit;
- Responsible for updating of the LGU's data on the LGU P4 portal developed by the DILG;
- Responsible for the conduct of research on best LGU PPP practices, and for recommending plans, policies,

and implementation guidelines related to PPP in consultation with appropriate implementing agencies and private sectors; and

- Other functions related to PPP projects as may be determined by the local chief executive

6.2.1.3.2 Business Development Division

Functions:

- Responsible for the supervision of Trade and Industry functions
- Coordinate with Small-Medium Enterprise (SME) Development Council/Committee
- Conduct research and coordinate with national government agencies and entrepreneurs for local product standardization
- Conduct or participate in trade and exhibitions or other events in coordination with the private sector and other government entities
- Promote local trades by conducting/participating product national and local development seminars, trade and investment mission, livelihood seminars, and marketing events
- Conduct research and endorsement of new technology for existing products
- Develop, monitor, and report performance measures on the effectiveness of trade and industry initiatives
- Facilitate product matching among MSMEs
- Conceptualize product paraphernalia and other marketing strategies for local products
- Monitor and analyze sales report of the trade fairs
- Responsible for the formulation of projects for product development
- Provide assistance in the conduct of research on funding possibilities from existing and new partners and donors
- Conduct research and development of new trends on investment promotion paraphernalia
- Monitor and recommend appropriate interventions for the sustainability for each industry

6.2.1.3.3 Investment Services Division

Functions:

- Responsible for evaluation of applications for registration and application for availment of local incentives
- Provide assistance to clients in identifying business or joint venture partners, sourcing out skilled manpower and service providers, and facilitating concerns

- Provide assistance to clients in identifying business or joint venture partners, sourcing out skilled manpower and service providers, and facilitating concerns encountered by investors and conduct research on the possible investment areas
- Monitor and evaluate project implementation of registered enterprises as well as new investments within the locality
- Formulate plans and strategies on strengthening networking relationships
- Prepare and disseminate investment promotion collaterals including briefing to investors
- Provide adequate recommendations on the existing legislation and procedures for local investments
- Provide assistance in the preparation of the annual investment priority plan of the locality
- Develop marketing, public relations promotional and advertising plans
- Analyze the investment incentive application
- Prepare financial statements and investment briefing reports
- Assist investors in investment related concerns

6.3 Technical Competencies and Qualification Requirements for a LEDIPO

To ensure that the LEDIPO can perform his/her roles and functions accordingly, the recommended minimum technical competencies and qualification requirements are the following:

Technical Competencies	Qualification Requirements
<ul style="list-style-type: none"> • Ability to develop and analyze business plans • Identify and promote community economic development projects and initiatives • Understand local economic, cultural and political environment • Understand relevant laws, policies and procedures. • Financial management and analytical skills • Effective negotiation and mediation skills • Computer skills • Good inter-personal and communication and presentation skills 	<ul style="list-style-type: none"> • Education: Bachelor's Degree (minimum) relevant to position • Experience: 2 year-experience in Business Development, Tourism, Investment Promotion or other related field. • Training: Minimum 40 hours of relevant training in investment promotion, marketing, business planning, and economics • Eligibility: CS Professional, or any other 2nd level eligibility

<ul style="list-style-type: none"> • Business related competency (i.e. Sales, Marketing) • Ability to link local economic development to the attainments of the LGUs vision 	
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The LGU has the prerogative to add in the abovementioned technical competencies and qualification requirements according to their supportive capability for investment promotion.

6.4 Technical Competencies and Qualification Requirements for LEDIP Office/Unit Support Staff

To ensure that the LEDIP Office/Unit Support staff can perform his/her roles and functions accordingly, the recommended minimum technical competencies and qualification standards are the following:

Technical Competencies	Qualification Standards
<ul style="list-style-type: none"> • Good inter-personal and communication and presentation skills • Possess good technical writing skills • Computer Skills • Visual Design and Software Skills (e.g. designing of website, adobe photoshop, etc) 	<ul style="list-style-type: none"> • Education: Bachelor’s Degree (minimum) relevant to position • Preferably with relevant training in investment promotion, marketing, business planning, and economics • Eligibility: CS Professional, or any other 2nd level eligibility

7. Funding

To give financial support on the functions of LEDIPO and LEDIPO Office/Unit, LGUs are encouraged to allocate fund which is subject for accounting and auditing rules and regulations as provided in Commission on Audit Circular No. 92-382.

8. Monitoring

Upon issuance of this Memorandum Circular, the Regional Offices are required to submit monitoring report regarding the designation of LEDIPO and its corresponding office/unit every December of the year. Bureau of Local Government Development (BLGD) shall provide the online mechanism on submission of the report.

9. Separability Clause

If any section or part of this MC is held unconstitutional or invalid, the other sections or provisions not otherwise affected shall remain in full force and effect.

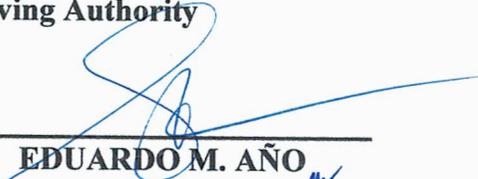
10. Repealing Clause

All rules, regulations, order and or Circulars inconsistent or contrary to the provisions of this MC are hereby repealed or modified accordingly.

11. Effectivity

This Memorandum Circular shall take effect immediately after filing of three (3) certified true copies with the Office of the National Administrative Register, University of the Philippines Law Center.

12. Approving Authority



EDUARDO M. AÑO
Secretary, DILG

13. Feedback

Inquiries concerning this Memorandum Circular should be directed/addressed to Bureau of Local Government Development (BLGD) through any of the following: Tel No. (02) 925-0356 / (02) 927-7852, email address lfrdd.official@gmail.com , or thru mail at 25th Floor, DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, Quezon City for appropriate action.



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