Rapid Field Appraisal of Decentralization

CALABARZON MIMAROPA

Region 4
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A Tale of Two Regions, a Study in Contrasts

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EXECUTIVE SUMMARY

The Rapid Field Appraisal (RFA) story in Regions 4-A and 4-B is a tale of two regions, a study in contrasts. Region 4-A (known also as the CALABARZON\(^1\) growth area) is a region of several first-class provinces, most of which are experiencing rapid urbanization and tremendous economic growth. Region 4-B (or MIMAROPA\(^2\)) meanwhile, is composed of island provinces that, while lying quite close to Metro Manila, remain economically backward. Except for Palawan, all provinces in this region belong to the 44 poorest provinces in the country.

Below is a summary of general findings.

**Local Governance and Administration**

- Local legislation: Most of the local governments in the sites covered have development and legislative agenda in place. Four local legislative councils are undertaking legislative tracking and cataloguing to determine gaps in legislation.

- Transparency: Public Information Offices or Desks that are manned at all times are a regular feature in local government offices. Higher income local governments use varied modes of disseminating information – websites, publications, brochures, outdoor posters. Poorer local governments still use bulletin and message boards.

- Participation and participatory development: There are new avenues for non-government organization (NGO)/people’s organization (PO) participation – the Solid Waste Management (SWM) Board, the Local Council for the Protection of Children, and the Bids and Awards Committee. Not all local governments have activated these special bodies, except for the Bids and Award Committees (BAC). A “trailblazing initiative” of Antipolo City and an example of proactive solicitation of participation is the conduct of a budget forum in 2009 as part of the budget preparation process.

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\(^1\) Cavite, Laguna, Batangas, Rizal, Quezon
\(^2\) Mindoro Oriental, Mindoro Occidental, Marinduque, Romblon, Palawan.
• Development Planning: The presence of enabling and enhancing environment for harmonized planning and new tools and technologies have helped local governments comply with the planning mandates.

• Resource generation: Except for the Provincial Government of Rizal, the ratios of Internal Revenue Allotments to total revenues remain high (80 percent to 97 percent). Major shifts in the internal mix of local resources outside of IRA, real property taxes (RPT) and Special Funds (SF) may be observed. Local officials are more aware of the challenge to promote non-traditional or less traditional sources of income.

• Resource allocation and utilization: The ideal Personnel Services (PS) to Expenditure rate is 45 percent, as the Local Government Code (LGC) mandates. In the region, the ratio range from a high of 70 percent (for low-income class municipalities) to a lower-than-national average of 38 percent (for high-income cities). Lower class local governments point to the devolved personnel as unduly burdening their local budgets.

• Financial accountability: The concept of financial accountability needs to go beyond the use of accounting procedures and procurement requirements and incorporate assets accountability even including natural resource assets.

• Customer Service: There is greater responsiveness to the needs of local governments’ customers and a palpable effort to make transacting with frontline offices more friendly and efficient. All have completed their Citizens’ Charters but not all have these produced and displayed in town hall lobbies. A few have the department-specific mission statements and workflows posted at the entrance of offices.

• Human resource management: Human Resource Management (HRM) Offices with a substantial personnel complement are a feature in provincial and city government offices, while in municipalities, HRM matters are the responsibility of only a Human Resource Officer or a designate.

• Human resource development concerns take a backseat to other local government development priorities; most capacity-building activities are initiated and sponsored by the Civil Service Commission (CSC).

• Networking and inter-local government unit (LGU) cooperation: Inter-LGU clusters have been created and activated for specific purposes (e.g., Inter-Local Health Zones). Active public-private partnerships are one mode of implementing programs, especially those deemed of utmost importance to the locality.
In Palawan, area clustering or subdividing the province into sub-geographical units (referred to as Development Zones) is a new way of promoting integrated program/project implementation and facilitating participatory planning.

**Health and Social Services**

- **Health and Nutrition**: The delivery of health services continues to be weighed down by the dissatisfaction of health workers with their lot – from the paucity of needed medicines and equipment to inadequate staffing and the lack of opportunities for upward career mobility.

  The former Provincial Hospital of Palawan has been re-nationalized, although two new hospitals have been constructed in the northern and the southern parts of the island.

  Overall, the number of medical personnel attending to the health and medical needs of the population falls short of Department of Health (DOH) standards

- **Education and literacy**: The provinces in the region enjoy increased participation rates in both elementary and secondary levels and high literacy rates (from 90 percent to 100 percent) within the period from 2000 to 2009.

- **Scholarship programs for college** are provided by the provinces of Palawan and Rizal and additional classrooms have been built by both provinces. In Palawan, 33 day care centers and 44 school buildings have been constructed with proceeds from the province’s share of the Malampaya Gas project.

- **Social Welfare Services** (including housing and basic utilities, peace and security, and disaster preparedness): As in past RFAs, social welfare and development functions have been smoothly mainstreamed into local government operations.

- **Only in the cities** (Antipolo city and Puerto Princesa city) is housing for the informal sector getting the local government’s attention since these are where pressures for urban land use for housing are most felt.

- **Palawan, Marinduque, and Rizal** are considered among the peaceful provinces in the country, with low crime incidence and high crime solution efficiency rates (averaging above 90 percent).
Local Economic Development

- Agriculture and fisheries: Agriculture and fisheries form the economic base of Palawan and of Marinduque. As such, both provinces provide support for both these sectors.

- Rizal has a relatively small land area devoted to agriculture, but has focused on organic agriculture as its hallmark. The municipality of Baras in Rizal has, in fact, won an award for being the first organic town in the country and has contributed greatly to the crafting of the bill on organic agriculture that will soon be enacted into law.

- Tourism: Tourism-related industries are on the rise in all three provinces. While private investors have taken the lead, the local governments have made investments in tourism-related infrastructure, support facilities, and tourism marketing initiatives.

Environmental Management

- Urban environmental management: The performance in urban environmental management of the local governments in these sites ranges from fair to poor. Only one has complied with all the requirements of Republic Act (RA) 9003; most of the local governments have created their SWM Boards but only half have submitted their Solid Waste Management Plans.

- Puerto Princesa city plans to establish a hospital wastes treatment plant in its current sanitary landfill site in cooperation with a private pollution abatement company. The city has also put in place a program of tricycle volume reduction and tricycle maintenance to address air pollution. None of the local governments in the sites covered has constructed wastewater treatment facilities or established Water Quality Management Areas (WQMAs) as prescribed in the Clean Water Act.

- Coastal resource management: All municipalities in both Palawan and Marinduque have coastal communities, with fisheries as their major economic base. Such mechanisms as Fisheries and Aquatic Resources Management Councils (FARMCs), Marine Protected Areas, and fish wardens (Bantay Dagat) have helped ensure the protection and management of coastal resources.

- Forestry and upland ecosystems management: All three provinces have fared well in the management of their upland ecosystems and continue to invest funds in forest protection activities.
Introduction

Region 4-A (known also as the CALABARZON growth area) is a region of several first-class provinces, most of which are experiencing rapid urbanization and economic growth. Rizal tops all provinces in the country in terms of income, despite its loss of half of its original territory to the National Capital Region.

Region 4-B (or MIMAROPA) is composed of island provinces that, while lying quite close to Metro Manila, remain economically backward. MIMAROPA, however, enjoys natural attractions that have become magnets for visitors and thus pose potential for tourism development.

Three provinces are included in the RFA of Decentralization in Regions 4-A and 4-B. These are Rizal, Palawan, and Marinduque.

Rizal Province is directly east of Metro Manila. Its total land area is 1,175.96 sq. km., representing 2.8 percent of Region 4-A’s area coverage. Its total population in 2007 was 2,284,046, about a third of which is in Antipolo City. Its population growth rate, owing largely to the overspill from Metro Manila, is a high 4.09 percent.

The Province of Palawan is a narrow archipelago of 1,700 islands on the western border of the Philippines. With a land area of about 1.5 million hectares, it is the country’s largest province. It is a melting pot of migrants from different parts of the country, and the influx of settlers accounts for the high population growth rate of 2.45 percent annually. Its total population in 2007 is 682,152.

Marinduque Province is a heart-shaped island between the island of Mindoro to the east and Quezon Province to its north and east. It is a small island, consisting of 959.25 sq. km. Marinduque’s total population in 2007 is 229,636 and its average annual population growth rate is a low 0.79 percent from 1995-2007.

Sample Sites

For this RFA, two island provinces in Region 4-B were covered – Palawan and Marinduque. Palawan used to be a 3rd class province but now belongs to the first class category. Marinduque, previously a 5th class province, is now a fourth class province. Rizal is the only province covered in Region 4-A. It was selected for being the closest to the National Capital Region (NCR), and therefore, quite distinct in its character.
Table 1: Local Governments Covered by the RFA

<table>
<thead>
<tr>
<th>City/Capital Town</th>
<th>Region 4-A 1st - 2nd Class</th>
<th>Region 4-B 1st - 2nd Class</th>
<th>Region 4-B 3rd - 4th Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antipolo City (1st)</td>
<td>Puerto Princesa City (1st)</td>
<td>Boac (1st)</td>
<td></td>
</tr>
<tr>
<td>Angono (1st)</td>
<td>South: Sofronio Espanola (2nd)</td>
<td>North: Sta. Cruz (1st)</td>
<td></td>
</tr>
</tbody>
</table>

5th - 6th
No municipality in this category

5th class municipalities are island municipalities and pose accessibility challenges
No municipality in this category

Table 2: Profile of Sample LGUs

<table>
<thead>
<tr>
<th>Province</th>
<th>Rizal</th>
<th>Palawan</th>
<th>Marinduque</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>Antipolo City</td>
<td>Puerto Princesa City</td>
<td>Boac</td>
</tr>
<tr>
<td>Population</td>
<td>633,971</td>
<td>210,508</td>
<td>50,823</td>
</tr>
<tr>
<td>Land Area (sq.km.)</td>
<td>306.10</td>
<td>2,400</td>
<td>412.72</td>
</tr>
<tr>
<td>Municipality</td>
<td>Angono</td>
<td>Sofronio Espanola</td>
<td>Sta. Cruz</td>
</tr>
<tr>
<td>Population</td>
<td>97,209</td>
<td>28,698</td>
<td>61,322</td>
</tr>
<tr>
<td>Land area (sq.km.)</td>
<td>26.22</td>
<td>473.87</td>
<td>287.85</td>
</tr>
<tr>
<td>Municipality</td>
<td>Baras</td>
<td>Dumar</td>
<td>Buenavista</td>
</tr>
<tr>
<td>Population</td>
<td>31,524</td>
<td>18,737</td>
<td>21,018</td>
</tr>
<tr>
<td>Land area (sq.km.)</td>
<td>84.93</td>
<td>553.27</td>
<td>81.55</td>
</tr>
</tbody>
</table>

Sources: 2007 Census of Population and Housing; Socio-Economic Profiles; Municipal Profiles; Websites

RESULTS OF DECENTRALIZATION

I. Local Governance and Administration

Local Legislation

Most of the local governments in the sites covered have executive-legislative agenda (ELA) in place. Four local legislative councils are undertaking legislative tracking and cataloguing to determine progress in achieving their development agenda and to pinpoint gaps in legislation.

Antipolo city’s legislative tracking system has been computerized, thus facilitating access to information and data retrieval. Just last year its Sangguniang Panlungsod initiated the creation of a Legislative Backstopping Committee. Palawan is also embarking on a computer-based archiving system to facilitate retrieval of local legislation.

The area of local legislation does not appear to be receiving as much attention or intervention as the other governance areas. The situation common among local
governments in this study points to an important need to strengthen their capacity for ELA formulation, codification, data banking, and computerization.

**Transparency**

Transparency (the “heart” of good governance) refers to the degree to which the local government enables the public to access timely, relevant, accurate, and complete information regarding local government operations. Dissemination of information should be more proactive and should be regularly conducted using various means, even when the people do not ask to be informed.

The establishment of Public Information Offices within the local government has boosted the campaign on transparency by effectively letting the people know about the programs and projects of their local government. A regular feature in the local government office then is the Public Information Office or a Public Information Desk, attended to by an Officer-of-the-Day.

Resource-rich local governments use various media forms for information dissemination. The three provincial governments and their respective capitals have websites that contain such information as: profile and history; news and events; government structure and offices; programs and services; tourism, festivals and travel information; frequently asked questions (FAQs); and bidding information.

These local governments also produce brochures and other collaterals for public information purposes and install outdoor billboards in strategic areas. Palawan province has in full-color and quality printed form for public distribution its State of Local Governance Report, Human Development Report, and a tourism-and-investment information packet – *Palawan: Every Island an Adventure* and *Discover Palawan*. The Rizal Provincial Planning and Development Office prints a yearly eight-page *Facts and Figures* pamphlet. The two municipalities in Rizal Province produce periodic newsletters: the *Ugnayang Bayan (Ang Dyaryo ng Bayan ng Angono)* and Baras municipality’s *Baras Balita*.

Rural municipalities still use bulletin boards located in the municipal hall lobbies to post circulars, bid announcements, notices of vacancy, and other information for the public.

**Participation**

Participation of NGOs, civic and grassroots organizations in local special bodies is alive and well in the provinces, as well as in capital towns and cities. In smaller and more remote municipalities, there tend to be fewer organizations that could be enjoined to participate in local governance, even as the local Sanggunian continues the accreditation processes.
Since 1992, there have been new avenues for NGO/PO participation in local governance—the Bids and Awards Committee, the SWM Board, and the Local Council for the Protection of Children, among others. Civil society representatives have actively participated in the local Bids and Awards Committee (BAC) since the enactment of RA 9184. They have been less so in SWM Boards where these have been activated.

An example of an innovation that has to do with soliciting citizen participation in governance is Antipolo city’s conduct of a budget forum in 2009. Through the years, the budget calendar of the city government of Antipolo failed to include the budget forum as one of its activities, a prelude to the budget preparation phase. The city government of Antipolo through the city budget office and in coordination with the members of the local finance committee conducted a one-day forum on July 21, 2009 concerning the budget preparation for the ensuing budget year. Abiding by principles of good governance, transparency, and accountability, the budget forum served as an avenue to encourage stakeholders’ participation in decision-making processes of the City. Through this activity, budget-related issues and concerns were discussed and resolved.

**Development Planning**

Local development planning has benefited from an enabling and enhancing environment provided by advances in information technology and from recent local planning harmonization efforts. The Palawan and Rizal provincial governments, as well as the cities of Antipolo and Puerto Princesa have used Geographic Information Systems and current mapping software in preparing their Provincial Development Physical Framework Plans (PDPFP) and Comprehensive Land Use Plans (CLUP).

The Department of Interior and Local Government’s (DILG) Joint Memorandum Circular 01 dated March 8, 2007 provided among others the integration of sectoral plans into the Comprehensive Development Plan (CDP) and the Comprehensive Land Use Plan (CLUP). Before the circular took effect, local governments had to prepare 28 separate plans, which they then updated periodically. With the harmonization of planning, the major plans that the local governments are mandated to produce and submit for approval are down to five: the 10 to 15 year Comprehensive Land Use Plan, the six-year Comprehensive Development Plan, the three-year ELA, the three-year Local Development Investment Plan (LDIP), and the Annual Investment Plan (AIP).

Data from the Community-Based Monitoring System (CBMS), the Local Governance Performance Management System (LGPMS) and the System for Competency Assessment for Local Government (SCALOG) have also been of valuable use in providing the bases to determine where the local governments’ development priorities should lie and in which particular areas they had to focus and improve on.
The provincial governments of Rizal, Palawan, and Marinduque and the city governments of Puerto Princesa and Antipolo have full staff complements that enable them to readily comply with the required planning mandates. But municipalities, especially those that have planning offices with only three to four staff members, are hardpressed in doing the plan updates without outside technical assistance. This difficulty was expressed by the municipal planning development officers (MPDOs) of Baras, Buenavista, Dumaran, and S. Espanola.

**Resource Generation**

While gathered information and anecdotal snippets are far from forming a complete picture of the state of local resources, available data seem to indicate discrimination as far as sources of local funding is concerned. Antipolo city and Angono town, two local governments close to Metro Manila, are far less dependent on IRA than their counterparts in the islands of Palawan and Marinduque. Moreover, provincial capitals such as Puerto Princesa and Boac are somewhat less dependent than non-capital towns. Interestingly, however, major shifts in the internal mix of local resources outside of IRA, RPT and SF, seem to be in the offing. A close examination of the flow of revenues within the category of other sources of income exhibit dramatic increases in revenues attributed to non-traditional sources such as municipal enterprises. This is particularly apparent in towns such as Buenavista that suffered a slump in traditional real estate and business license revenues in 2007.

In that year, these revenue losses were more than offset by revenues from municipal enterprises. As far back as 2003, the province of Rizal boasted impressive revenue streams in new local sources of income: transfer taxes (P18 million), medical and dental laboratory fees (P7.6 million) and parking fees (P10.5 million). In 2007, Antipolo City’s income attributable to other taxes, fees and income outside of IRA, RPT, and the Special Education Fund (SEF) registered a 32 percent share in the total income of the city. Only one fourth of these were business taxes and licenses. Puerto Princesa’s revenues from public enterprises and non-traditional taxes and fees now constitute more than 25 percent of all revenues outside of IRA, RPT, and SEF. Business taxes and licenses account for 37 percent.

Thus, even as current observations reconfirm research that local governments remain stuck in terms of “IRA dependency,” followed by a bundle of traditional sources of other development funds, and then, much lesser proportions of non-traditional resources, the internal mix of traditional versus non-traditional resources seem to be steadily shifting in favor of less traditional sources. For example, Antipolo derives much-needed income from the city-operated City Mall of Antipolo (CMA). Close to a year after the start of operations, the CMA achieved an occupancy rate of 93 percent and generated 70.78 percent of its expected annual revenue of P33.9 million to P35 million.
Definitely, local officials are more aware of the challenge to promote non-traditional or less traditional sources of income. Traditional real property and business/license taxes, nevertheless, remain the major sources of non-IRA revenues today.

Table 3: Financial Performance of Sample Local Governments

<table>
<thead>
<tr>
<th>LGU</th>
<th>% of Total Income from External Revenue Sources</th>
<th>% of Total Income from Locally Sourced Revenues</th>
<th>Cost to Collect Revenues (%)</th>
<th>Debt Service Ratio (5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Province</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rizal</td>
<td>94.00</td>
<td>6.00</td>
<td>11.00</td>
<td>5.08</td>
</tr>
<tr>
<td>Palawan</td>
<td>95.86</td>
<td>4.14</td>
<td>8.67</td>
<td>16.00</td>
</tr>
<tr>
<td>Marinduque</td>
<td>94.67</td>
<td>5.33</td>
<td>82.17</td>
<td>4.80</td>
</tr>
<tr>
<td>City</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antipolo</td>
<td>61.00</td>
<td>39.00</td>
<td>98.00</td>
<td>10.45</td>
</tr>
<tr>
<td>Puerto Princesa</td>
<td>54.00</td>
<td>46.00</td>
<td>13.00</td>
<td>21.78</td>
</tr>
<tr>
<td>Municipality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Angono</td>
<td>2.00</td>
<td>98.00</td>
<td>2.00</td>
<td>3.00</td>
</tr>
<tr>
<td>Sta. Cruz</td>
<td>81.24</td>
<td>18.76</td>
<td>31.54</td>
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</tr>
<tr>
<td>Boac</td>
<td>85.00</td>
<td>15.00</td>
<td>33.00</td>
<td>0.81</td>
</tr>
<tr>
<td>S. Española</td>
<td>85.00</td>
<td>15.00</td>
<td>38</td>
<td>2.88</td>
</tr>
<tr>
<td>Baras</td>
<td>98.81</td>
<td>0.19</td>
<td>2.00</td>
<td>No Data</td>
</tr>
<tr>
<td>Buenavista</td>
<td>94.16</td>
<td>5.84</td>
<td>16.82</td>
<td>5.85</td>
</tr>
<tr>
<td>Dumaran</td>
<td>95.00</td>
<td>5.00</td>
<td>7.00</td>
<td>2.00</td>
</tr>
</tbody>
</table>

- **Collection of Local Revenues**

In terms of cost of collecting local taxes and generating local revenues, first class provinces have performed better than the national average for all LGUs – 13.8 percent versus 17.5 percent. Palawan has performed even better than the average for its class at 8.6 percent. Rizal, also a first class province, did well as well with an 11.8 percent collection cost. Unfortunately, this cannot be said of Marinduque, a fourth-class province that spent almost as much as it collected – at a whopping 82 percent cost compared to the average of 27.7 percent for 4th class provinces. Neither can it be said of Angono, a first-class municipality with a collection cost of 98.8 percent (the average for first-class municipalities is 36.33 percent).

The city of Antipolo, meanwhile, achieved a cost to collect percentage of less than one percent versus the average for first class cities of 24.7 percent and the national average for cities of 28.5 percent. Puerto Princesa, classed as a highly urbanizing city, practically matched the average for its class at 13.8 percent versus 14 percent.
Compared to the pattern of PS expenditures, all the mentioned LGUs kept their PS costs well below the national average of 37.8 percent except Marinduque whose PS was 59 percent over its total expenditures – way above the national average and the average among its same fourth class provinces of 46 percent. Interestingly, the PS limit for first class to third class LGUs is 45 percent and the limit for fourth to sixth class LGUs is 55 percent. A general observation that LGUs that curb their PS appetites show better performance in local revenue collection might also indicate the need to review the rule granting higher PS ceilings to poorly performing LGUs.

**Local Revenue Generation**

All the provinces studied showed local revenue performance substantially below the national average of 12 percent for all LGUs. Palawan and Rizal provinces, posted four percent and seven percent respectively, a poor showing against the average for first class provinces of 16 percent. Marinduque generated six percent, significantly lower than the 8.5 percent average among fourth class provinces. One observation, however, is that this excludes unique revenues and inter-governmental transfers and other grants. To the extent that these revenues are due to the efforts of the local leadership, such revenues should be considered positively in the assessment of local revenue performance. If this were done, only the IRA would be excluded in the assessment and a more comprehensive picture of local initiatives will emerge.

**Debt Servicing**

Debt service is the amount expended to pay loan interest and maturing principal payments and bond repayments, inclusive of related fees. The LGC limits such debt servicing to 20 percent of regular income. In other words, LGUs cannot incur debt to the extent that paying for all debts, at any time, would exceed 20 percent of an LGU’s regular income. This limitation was intended to maintain the debt status of LGUs at a conservatively safe level.

Puerto Princesa showed itself to be at or beyond the 20 percent legal ceiling, indicating it had exhausted its ability to access debt financing. Antipolo, by comparison, was servicing loans only up to 10 percent of its regular income.

Between the first-class provinces of Rizal and Palawan, the former had a very conservative current record of only five percent debt servicing while Palawan showed 16 percent. Marinduque, a fourth class province, was also extremely conservative at four percent.

Debt financing is an alternative method of raising needed capital for large-scale projects, the up-front costs for which cannot be generated by the LGU itself. Such situation is usually rooted in the fact that the IRA allocation is given in quarterly
fractions, disabling an LGU’s ability to accumulate the large amount of investment required for large capital projects. The LGC devolved to the LGUs the capability to borrow from the capital market expecting that such capacity would enable a cross-over of LGU efforts to raise capital investment from the capital market rather than the traditional national government budgetary outlays.

Thus the range of debt servicing exhibited by the sample of LGUs – four to 20 percent – sends mixed signals as regards financial maturity. In the case of Rizal province, which seems to be excellently positioned to handle debt finance, using only a quarter of its capacity seems to indicate an opportunity loss. Puerto Princesa, meantime, might be in violation of the legal ceiling for debt servicing and could be adjudged guilty of abusing its loan financing power. What seems to be clear is the need for continuing education or training for local governments to appreciate the advantages as well as the abuses of local government financing powers. While initial efforts were done to undertake such education among LGUs at the outset of the implementation of decentralization in the 90s, these efforts seemed to have dissipated. It is time to pick up the chalk again and start anew training LGUs in local government finance.

**Resource Allocation and Utilization**

Of the devolved functions, not one comes near health in terms of resource allocation. In Rizal province for instance, the budget for health was from 17 percent, 15 percent and 14 percent of the total IRA in 2006, 2008 and 2009 respectively, even as agriculture was 2.5 percent, 1.7 percent, and 1.6 percent, and social welfare was less than one percent across the three years.

Interestingly, the health appropriation was mostly salaries for devolved personnel as the PS share accounted for 71 percent, 69 percent, and 69 percent. Agriculture was even higher at 97 percent, 98 percent, and 93 percent, possibly indicating a dangerous trend for agricultural workers to be literally sitting passively in the provincial office. This might be attributable to the fact the province is very highly urbanized because of its proximity to Metro Manila and agriculture is on the decline. Obviously, the province will have to rethink its need for a regular agriculture services office.
Table 4: Resource Allocation for Devolved Function
Personnel Services vs. Maintenance and Operating Expenses

<table>
<thead>
<tr>
<th>LGU</th>
<th>Year</th>
<th>Proportion of PS to MOOE</th>
<th>Proportion of PS to MOOE</th>
<th>Proportion of PS to MOOE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Health</td>
<td>Agriculture</td>
<td>Social Welfare</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PS</td>
<td>MOOE</td>
<td>PS</td>
</tr>
<tr>
<td>Province</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Rizal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>71</td>
<td>27</td>
<td>97</td>
<td>3</td>
</tr>
<tr>
<td>2008</td>
<td>69</td>
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<td>2</td>
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<tr>
<td>2009</td>
<td>69</td>
<td>28</td>
<td>93</td>
<td>7</td>
</tr>
<tr>
<td>Marinduque</td>
<td></td>
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</tr>
<tr>
<td>2006</td>
<td>71</td>
<td>29</td>
<td>83</td>
<td>17</td>
</tr>
<tr>
<td>2008</td>
<td>79</td>
<td>21</td>
<td>79</td>
<td>21</td>
</tr>
<tr>
<td>2009</td>
<td>82</td>
<td>18</td>
<td>84</td>
<td>16</td>
</tr>
</tbody>
</table>

*Municpality*  

| Boac   |      |    |      |    |      |    |      |
| 2006   | 66   | 31 | 77   | 23 | 59   | 41 |
| 2008   | 71   | 26 | 75   | 24 | 51   | 49 |
| 2009   | 65   | 32 | 77   | 23 | 55   | 45 |

*Boac had a capital outlay of 3 percent of the IRA amount in 2006, 2008, 2009*

Allocations for social welfare, although miniscule in comparison to the others, showed MOOE rates of 39 percent, 49 percent, and 40 percent, indicating activity among its personnel.

This pattern is repeated in the 4th class province of Marinduque. The agriculture services function, although similarly high in the share of PS at 83 percent, 79 percent, and 84 percent over the years mentioned above, has a much more active MOOE budget at 17 percent, 21 percent, and 16 percent. The health function exemplifies even higher PS at 71 percent, 79 percent, and 82 percent. Moreover, the similarly small social services office not only shows much lower PS shares at 38 percent, 45 percent, and 18 percent, but also indicates robust activities with Maintenance and Other Operating Expenses (MOOE) shares at 72 percent, 55 percent and 82 percent over 2006, 2008 and 2009.

Social welfare services accounted for two percent of the budget in 2006 and 2008 then doubled to four percent in 2009. A similar upward trend is shown by the agriculture sector with five percent, seven percent, and again seven percent of the province’s appropriations. But in the case of the health function, the marked downward trend shown by Rizal is replicated at 27 percent, 26 percent, and 25 percent.

No marked trend, however, can be concluded in Angono as the health function compared to IRA shows a proportion of seven percent, eight percent, and six percent for 2006, 2008, and 2009. The upward trend is reflected in agriculture and social welfare services with one percent, 2.7 percent, and 3.1 percent; and 3.6 percent, four percent, and 4.4 percent respectively.
Table 5: Resource Allocation for Devolved Functions In Selected Local Governments

<table>
<thead>
<tr>
<th>LGU</th>
<th>Year</th>
<th>% of IRA Allotted for Health</th>
<th>% of IRA Allotted for Agriculture</th>
<th>% of IRA Allotted for Social Welfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Province</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rizal</td>
<td>2006</td>
<td>17</td>
<td>2.5</td>
<td>0.9</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>15</td>
<td>1.7</td>
<td>0.9</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>14</td>
<td>1.6</td>
<td>0.9</td>
</tr>
<tr>
<td>Marinduque</td>
<td>2006</td>
<td>27</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>26</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>25</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Municpality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Angono</td>
<td>2006</td>
<td>7</td>
<td>1</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>8</td>
<td>2.7</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>6</td>
<td>3.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Boac</td>
<td>2006</td>
<td>17</td>
<td>2.8</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>18</td>
<td>3</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>18</td>
<td>3</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Boac shows a relatively level trend of 17 percent, 18 percent and again 18 percent share of IRA for health; and 1.5 percent evenly for social welfare services; and 2.8 percent, three percent and again three percent for agriculture. In terms of utilization, for health, the PS accounted for 66 percent in 2006, 71 percent in 2008, and 65 percent in 2009. Surprisingly, unlike the other LGUs observed, the town managed a capital outlay allotment throughout 2006, 2008, and 2009, with three percent compared to the IRA in the first mentioned year and one percent in 2008 and 2009. Agriculture also posted a 23 percent MOOE to its 77 percent PS budget in 2006 and even managed a one percent capital outlay allocation in 2008 simultaneous with 75 percent PS budget and a 24 percent MOOE. The year 2009 showed Boac with the agriculture function’s PS at 77 percent of IRA and MOOE at 23 percent. Social welfare services continued the more balanced trend of 59 percent, 51 percent, and 55 percent for PS, and 41 percent, 49 percent, and 45 percent for MOOE. All in all, the town of Boac seemed to exhibit a more pro-active staff work among its devolved functions. The oft-repeated complaint of the health and agriculture budget being limited to salaries is apparently not applicable in this LGU, possibly indicating better financial decision-making.

Financial Accountability

When the financial accountability of LGUs is discussed, the traditional outlook is to scrutinize it in terms of adherence to law and compliance with current rules. This perception is strengthened by the high profile stance of the Commission on Audit (COA), with the DILG, Department of Budget and Management (DBM), and Bureau of Local Government Finance (BLGF) close at its heels. Indeed, budget and finance rules are the realm of those agencies, although they are quite often not in synch. For
instance, the DILG says LGUs must resort to creative methods to undertake requisite lengthy preparations for large capital projects planned for the future.

The accountability of the LGU actually goes beyond compliance requirements.

1. LGUs are accountable for all the assets of the locality. While at this time this refers to assets in the inventory of the local government, inroads in natural resource accounting could possibly result in formal accountability for an initial bundle of natural resources in the locality. That is to say, once natural resource accounting generates a language acceptable to the government accounting system, LGUs will be formally accountable for the natural resources covered by such new accounting language.

But even now, LGUs need to practice the discipline of being accountable for safeguarding natural assets and resources of their areas, as this principle is recognized globally, as well as nationally. Initial valuation formulae can be used to arrive at some measure of existing local natural resources, as well as their loss. Registering these in a “sub-ledger” can be a starting point in instituting this accountability.

In this respect, the city of Puerto Princesa seems to be in the right direction. The trees within its forest jurisdiction are marked following the DENR tree-registration system, and then listed in an inventory of forest trees. These are then considered LGU assets and are safeguarded as such by an elaborate forest patrol system that is largely community-based. The city also backs up the system with vehicles, motorcycles, communication, and other support facilities.

2. The most logical objective bases for an assessment of the LGUs’ financial accountabilities would be their mandated financial functions as enumerated in the LGC and the budgetary program covering the projects and activities set in the LGUs’ annual appropriations ordinances. Sources and uses of funds, evaluation of functional delivery performance, and appropriation expenditure evaluation would go a much longer way in capturing an accurate picture of the accountabilities of the LGU leadership. To the extent that the LGPMS is directed at given functions of the LGUs as provided for in the LGC, as well as current rules and regulations and nationally mandated programs, the LGPMS is a good comprehensive gauge of local performance.

Palawan province in its Annual Report draws from its LGPMS to project its impressive accomplishments. Proceeding from its financial database, the province examines its performance against the functions and tasks under the LGC. The result is a striking and relevant discussion of achievements.
Customer Service

There is greater responsiveness to the needs of LGU customers. A palpable effort to make transacting with frontline offices more friendly and efficient can be felt in all of the local government offices visited.

All the local governments in the areas studied have completed their Citizens’ Charters. A few have their vision and mission statements, service pledges, and work process flowcharts prominently displayed in the lobbies and the entrances of the various offices. Several local governments are still in the process of producing the materials and plan to have them in place by mid-year.

The Citizens’ Charter is a significant provision of the Anti-Red Tape Act of 2007 (RA 9485). It is interesting to note that the first example of a Citizens’ Charter was in Naga City, produced in the mid-1990s as a result of an effort to improve the delivery of frontline services. The completion of the charters today could perhaps be mainly in compliance with the law, but some local governments have pursued it as an opportunity to enhance their delivery of services and enable the local government staff to respond adequately to the needs of their constituents.

Among the few local governments in the country that has done so is Puerto Princesa city. The city has been registered and certified as meeting the requirements of the Quality Management System of ISO 9001:2000.

While most local governments have Information Desks for visitors, only a number have desks that are manned at all times. The province of Rizal is one and the Officer-of-the-Day there gives out a customer feedback form for the visitor to fill out and return to the desk after the transaction has been completed.

Human Resource Management (HRM)

The career growth of local government employees allows them to enhance their current performance, fulfill their career needs, and encourages their commitment to public service. The substance of the trainings, workshops, conferences, and forums designed for them should then match the position and needs of a particular employee, to maximize the employee’s performance and growth.

What can be observed among the local governments in the study is that the development of human resources takes a backseat to other local government development priorities. Activities in HRM Plans reflect mainly those initiated and sponsored by the Civil Service Commission (CSC). HRM Offices with a substantial personnel complement are a feature mostly in provincial and city government offices. In municipalities,
HRM matters are the responsibility of only a Human Resource Officer or a designate. The structure (or lack of one) of the HRM office and the opportunities (or lack of opportunities provided for capacity building) are indicative of the degree to which the local leadership pays attention to HRM concerns.

The personnel evaluation system (PES) has been in place the longest in local government as its tool to increase productivity and thus improve the quality of service. A more comprehensive performance management system that is being pilot-tested from March to May this year is the Performance Management System-Office Performance Evaluation System (PMS-OPES) of the Civil Service Commission. Other personnel development mechanisms in place are the Personnel Selection Board (PSB), the Grievance Committee, the Performance Evaluation and Review Committee (PERC), and the Program, Rewards and Incentives for Service Excellence (PRAISE).

In 2009, the Local Government Academy (LGA) initiated the formulation of a Capability Development Agenda (CDA) for local governments to provide a more systematic approach for the identification of capacity building interventions. The LGA sent all local governments the self-assessment tool called the SCALOG to measure seven organizational competencies under the LGPMS’s 14 service performance areas: organization and staffing, legislative support, transparency, management systems, participation, continuing improvement and innovations, and customer service. Of the sample sites, it seems only Puerto Princesa submitted its CDA. The DILG/LGA plans to complete the CDA exercise as the basis for planning and implementing capability-building interventions for local governments and to have the DILG regional offices maintain their respective CDA databases.

**Networking and Cooperation**

Inter-LGU clusters have been instituted in Palawan for ease of administration and coordination. The province has been divided into eight sub-geographical units or area clusters or development zones, each of which has a Zonal Development Advisory Board tasked to provide policy direction and coordination.

For health service delivery purposes, Inter-Local Health Zones (ILHZs) have also been created. In all the provinces in the sample, the ILHZs are active.

Inter-LGU cooperation is evident in environmental initiatives such as the creation of marine sanctuaries that cross municipal boundaries, and protected areas such as the recently declared Mt. Matalingahan Protected Landscape in southern Palawan. The proclamation was the result of the joint efforts of the national government and the South Palawan Planning Council toward the conservation and protection of the highest mountain that traversed five municipalities, namely, Bataraza, Quezon, Rizal, Brooke’s Point, and Sofronio Espanola.
National government agency-local government-non-government (NGA-LGU-NGO) partnership is what drives the Laguna de Bay Institutional Strengthening and Community Participation (LISCOP) Baras River Bank Stabilization and Flood Control Sub-Project. Major elements of the project include the formation of the Baras River Council; construction of riprap along the riverbanks; dredging and desilting of the river; planting of vegetation (vetiver) along the riverbanks; and the construction of a Watch Tower and the Baras Baywalk. Project costs are shared between the municipality of Baras and the Laguna Lake Development Authority/LISCOP Project.

Another form of networking is establishing public-private partnerships in project implementation. An example of this is the Sta. Cruz municipal government’s forest/watershed protection project that is supported by a grant from the Development Bank of the Philippines. The Department of Environment and Natural Resources (DENR) and organizations of settlers are participating in the reforestation activities of the project. Such a partnership mode was also evident in the Boac Council for Sustainable Development formation and the subsequent crafting of Boac’s Municipal Agenda for Sustainable Development in 2004.

II. Health and Social Services

Health

The delivery of health services continues to be weighed down by the dissatisfaction of health workers with their lot – from the paucity of needed medicines and equipment to inadequate staffing, delayed payment of salaries and the lack of opportunities for upward career mobility and professional growth. This was the general sentiment of devolved medical personnel a decade ago, and continues to be the same now, especially in the island provinces. Despite their enjoyment of benefits provided under their Magna Carta (and such situations in at least two municipalities where the Municipal Health Officers earn more than their mayors), health workers complain that hazard allowances for devolved personnel are lower than the Department of Health (DOH) personnel; overtime and differential pay benefits are not enjoyed by them and enjoyment of benefits is always “subject to the availability of funds.”

Overall, the number of medical personnel attending to the health and medical needs of the population falls short of DOH standards. Cities such as Puerto Princesa and Antipolo, however, fare much better than the municipalities.

The devolution of health functions, especially the operation of provincial hospitals, suffered a major setback in the province of Palawan with RA 8549 upgrading the 75-bed capacity Palawan Provincial Hospital into a 150-bed capacity tertiary-level hospital (now known as the Ospital ng Palawan) and reverting to the administrative and technical supervision of the DOH.
Meanwhile, some local health innovations are noteworthy. Boac has introduced the Boac TELERAD and the TeleBarangay Healthcare to improve the delivery of health services to Boakenos. Boac TELERAD (short for teleradiology) was a response to the need of patients for laboratory diagnostic services. It has made costly trips to Lucena or Metro Manila for these services unnecessary. Through the Telerad, radiological images such as x-ray and ultrasound (facilities that are available in the Dr. Pablo Marquez Health and Diagnostic Center in Boac) are transmitted using the Internet to a secure server and can be accessed by authorized doctors for diagnosis. The Boac TELERAD thus enables the Center to continue delivering the service in the absence of a radiologist or sonologist.

The Tele-Barangay Healthcare System (TBHS), meanwhile, uses information and communication technology to deliver health services to remote barangays, where distance and accessibility deter residents from seeking primary health care. Two components make up the system: 1) tele-medicine, the application of clinical medicine in which medical information about a patient is transferred by telephone or the Internet for the purpose of consultation; and 2) e-health management information system, a web-based personal health record to be used for gathering, storing, and managing health information. Because CMS survey results in 2005 indicate that only a small percentage needing treatment availed of health services (27 percent of households), TBHS makes primary health care closer to people’s homes.

More than 500,000 indigents have benefited from Palawan province’s Lakbay Bayanihan or Lakbayan, a package of services-on-wheels that deliver free medical, dental, and veterinary treatment.

**Education and Literacy**

Increased accessibility of education facilities has contributed to the high rates of literacy in these provinces, where literacy rates range from 90 percent to 100 percent. The provinces enjoyed increased participation rates in both elementary and secondary levels within the period from 2000 to 2009.

Day care participation rates have also increased. Palawan province demonstrates notable participation rates, with a total of 112 day care centers and JTR Resource Centers that the provincial government recently established, bringing to 809 the total day care centers in the province. It constructed 33 of these day care centers and 44 school buildings with proceeds from the first tranche of the province’s share of the Malampaya Gas project.

Provinces have contributed a great deal to augment educational programs and facilities. Scholarship programs for college have been a regular feature of the current administrations of Palawan and Rizal provinces. The Rizal College Scholarship Program (Iskolar ni Gob) has seen the increase of the number of scholars from 1,412
in 2007 to 2,716 in 2009. Palawan’s JTR Scholarship Program sends indigent but deserving students to college. Since its inception in 1994, the program has had a total of 3,605 scholars graduate from college.

**Social Welfare Services**

Social welfare and development functions have been found to be smoothly mainstreamed into local government operations. While prior to devolution, social workers were mostly on call, social welfare services are now more accessible to its beneficiaries. Unlike environment functions, almost all social welfare functions were devolved to local governments, and the DSWD has consistently and constantly undertaken trainings of devolved personnel. In 2009, the Magna Carta for social workers was approved, although social welfare workers still have to realize the full benefits of the Magna Carta provisions.

Palawan and Marinduque were among the pilot provinces that implemented the Early Childhood Care and Development Program of the Department of Social Welfare and Development (DSWD). Both provinces have produced the Four Gifts for Children: the Long-Term Development Plan for Children, the Provincial Local Investment Plan for Children, the Local State of Children Report, and the Local Code for Children.

Among the three provinces, it is only Marinduque that is included in the list of the poorest 44 provinces in the country. Its poverty incidence (51.8 percent in 1997 and 55.5 percent in 2000) is second only to Romblon (59.8 percent in 1997 and 66.5 percent in 2000), which has the highest in the region. Some of its municipalities are covered in DSWD’s 4Ps (Pantawid ng Pamilyang Pilipino Program), a conditional cash transfer program that is implemented directly by the DSWD but involves the local government through its Municipal Link.

**Housing**

Only in the cities (Antipolo city and Puerto Princesa city) and rapidly urbanizing municipalities (Angono) is housing for the informal sector getting the local government’s attention, as it is where pressures for urban land use for housing are most felt.

Antipolo city has created the Urban Settlement and Development Office to deal with its urban poor settlements and to provide for systematic control of urban informal settlers. The city undertakes programs such as community mortgage programs (CMP) to provide security of tenure to the underprivileged and homeless citizens.

Angono established its Urban Poor Resettlement Office and enacted SB Resolution (04-073) authorizing the municipality to be the “sole originator” to acquire property for resettlement purposes.
For its part, Rizal Province was awarded by the Housing and Urban Development Coordinating Council and the National Home Mortgage Finance Corporation the Kabalikat sa Pabahay Award as the first provincial government to be accredited as CMP Originator and for its contribution to the government’s housing program.

Sta. Cruz, Marinduque has provided counterpart funding to Gawad Kalinga housing projects in three of its barangays. It has also provided 15 units of core-shelter housing.

**Peace, Security and Disaster Preparedness**

All three provinces, especially the island provinces of Palawan and Marinduque, are considered among the country’s most peaceful, with low crime incidence and high crime-solution efficiency rates (averaging above 90 percent).

Among all the municipalities in the study area, Boac can be considered the most peaceful municipality, not only in the province but even in the whole country. The Boac Municipal Police Station has enjoyed the distinction of having garnered an award as the best Municipal Police Station (MPS) for the first quarter of 2009 and the Medal of Papuri (PNP Commendation Medal) back in 2005. As part of its Lakas ng Barangay Program, Boac has launched a Text Messaging Hotline to enable each household to contact a police station directly to report a crime or an emergency.

All local governments have prepared Disaster Management Plans and organized local disaster coordinating councils. The Boac Municipal Disaster Coordinating Council established the Incident Management Center as an emergency/disaster/incident-response mechanism. The Center’s aim is to ensure that all levels of government operating within the municipality are able to work together in the event of a disaster or emergency. Part of the Center is an Emergency Response Unit that is composed of members from local government, PNP, BFP, and local non-government organizations. Boac has taken disaster preparedness a step further and has in place a family-based disaster preparedness plan named the Gabay Kaligtasan ng Pamilya. The Plan is premised on the fact that in any emergency, the village residents are usually the first responders, and thus need to understand their roles in managing risks, as well as know the actions needed to mitigate them.

**III. Local Economic Development**

**Agriculture and Fisheries**

Rizal province has a relatively small land area devoted to agriculture, but has focused on organic agriculture as its hallmark. Baras has, in fact, won an award for being the First Organic Town in the country and the Organic Farming Capital of the Province of Rizal, and has contributed greatly to the crafting of the bill on organic agriculture that will soon be enacted into law.
In its desire to ensure food security, highly urbanized Antipolo city has established city farms and gardens. The aim is to develop the city as a food source by using backyard gardens and open spaces for vegetable growing. The City Agriculturist Office started pilot projects located at the San Roque National High School and the Lores EcoPark.

Agriculture and fisheries form the economic backbone of the provinces of Palawan and Marinduque. Palawan meets as much as 65 percent of Manila’s fish demand. Palawan’s fishing grounds host commercial fishing operators, municipal fisheries, and aquaculture fisheries. Commercial production represents about 27 percent, while municipal fishing contributes about 72 percent of the province’s production. Of the aquaculture activities, Palawan has promoted seaweed farming in the last nine years, increasing production to more than three times, thereby contributing to the increase in employment.

In both Palawan and Marinduque, technology transfer is done through Farmers’ Field Schools and farm demonstration sites, as well as technical assistance in rice and corn cultivation. The local governments work together with the Department of Agriculture for the accreditation of rice seed growers to secure the source of high yielding certified seeds. Under the 50-50 scheme, certified seeds are made available to farmers at 50 percent discount, with 50 percent subsidy from the DA.

**Tourism**

Tourism in Region 4 has been on the upswing since 1992. As part of their investment promotion strategies, Rizal, Marinduque, and Palawan market themselves as ecotourism and cultural tourism destinations. Rizal has a wide range of tourism attractions, but the better known ones are of historical, cultural, and religious significance. Palawan and Marinduque’s natural attractions have had them branded as ecotourism destinations, but they are also noted for festivals such as the Baragatan (Palawan) and the Moriones (Marinduque).

Of the three provinces, Palawan has experienced the highest tourism growth, from only 14,642 tourists in 1992 to seven times that number in 2002, to about 17 times that in 2008, with tourist arrivals numbering 260,233.

Tourism involves several local industries, and surges in tourism arrivals have contributed greatly to the local economies in these provinces and to the increase in local employment opportunities. Rising numbers of commercial establishments especially in the cities (Antipolo and Puerto Princesa) and the larger municipalities (Angono, Boac, and Sta.Cruz) may be attributed to the growth in the tourism-related industries. With the growing awareness of the need to address climate change and environmental management concerns, ecotourism holds great promise for these areas.
IV. Environment Management

Urban Environmental Management

The performance in urban environmental management of the local governments in these sites ranges from fair to poor.

- **Solid Waste Management**

One of the laws recently passed that seek to address urban environmental management issues is the Ecological Solid Waste Management (SWM) Act of 2000 (RA 9003). Among the major provisions of the law are the following:

- The creation of local SWM Boards;
- The formulation of local government solid waste management plans, including mandatory solid waste diversion rates from 25 percent within five years after the effectivity of the Act, to subsequent increases every three years thereafter;
- The establishment of systems of at-source waste segregation, collection and transport systems, and facilities for materials recovery and composting and programs for recycling;
- Conversion of open dumpsites to controlled dumpsites within three years following the effectivity of the Act;
- Conversion of controlled jumpsites to sanitary landfills within six years following the effectivity of the Act; and
- Establishment of a National SWM Fund and a Local SWM Fund.

Majority of the local governments in the sample sites are already in violation of the above legal provisions. Especially for rural-based, low-income municipal governments, solid waste management is not perceived to be a major or urgent issue, and hence not a priority for action.

Most of the local governments have created their SWM Boards but only half have submitted their SWM Plans.

Only one, Puerto Princesa City, has complied fully with all the requirements of RA 9003. A Galing Pook Hall of Famer, recognized for its innovations and models of good practice in environmental governance, Puerto Princesa has created the institutional structure for solid waste management, mechanized waste collection using color-coded bins and specialized collector trucks, and established Materials Recovery Facilities and its sanitary landfill. In addition, Puerto Princesa City plans to establish a hospital wastes treatment plant in its current sanitary landfill site in cooperation with a private pollution abatement company.
Those that have begun to implement their solid waste management plans have focused on information dissemination regarding household waste segregation and holding regular meetings and dialogues with stakeholders. Others have given support to the production of organic fertilizers. An exemplar is the municipal government of Baras, Rizal that has, as earlier mentioned in this report, been hailed as the First Organic Town in the country.

• **Air Pollution Abatement**

Another piece of environmental legislation is the Clean Air Act of 1999 (RA 8749). In response to this legal mandate, Puerto Princesa passed ordinances establishing its Clean Air Program and the “50-50” traffic scheme, a vehicle volume reduction system for motorized tricycles for hire, and a tricycle maintenance program to address air pollution in the city proper. While tricycles are the main mode of public transportation in the other sample sites, no similar programs have been initiated by the other local governments.

• **Water Pollution Abatement**

The Clean Water Act of 2004 (RA 9275) provides for the designation and management of Water Quality Management Areas and the mandatory connection of households and establishments in highly urbanized cities to existing sewerage systems. Neither Puerto Princesa nor Antipolo City has designated WQMAs or constructed wastewater treatment facilities as prescribed in the Clean Water Act.

**Coastal Resource Management**

All municipalities in both Palawan and Marinduque have coastal communities, with fisheries as their major economic base. But while Palawan still enjoys a relatively unspoiled coastal/marine resource base, Marinduque has suffered severely from the degradation of its coastal resources with the mine tailings spill in Calancan Bay and the Boac/Makulapnit Rivers more than a decade ago. The degradation has led to a decline in fish population, consequently affecting the livelihood of its fisherfolk, at least along its western coast.

Local governments in both provinces have established such mechanisms as Fisheries and Aquatic Resources Management Councils (FARMCs), Marine Protected Areas (MPAs), and fish wardens (*Bantay Dagat*). These have helped arrest the degradation brought about by the encroachment of commercial fishers on municipal fishing waters and the use of harmful fishing methods, and have helped ensure the protection and management of coastal resources. Strategies being practiced to address illegal and destructive fishing include the strengthening of the *Bantay Dagat*, continuous patrolling and the implementation of a law enforcement plan. To improve coastal resource rehabilitation and protection, Marinduque towns conduct periodic coastal
clean-up. Both provinces have ongoing mangrove reforestation projects and in the case of Palawan, reforested areas have increased by 17 percent from 2001 to 2008. Costs of protection and management are borne by the local governments.

A good example of effective coastal resource conservation is in Dumaran, where the areas leased and used for pearl farming are consequently being protected just like MPAs, as the sites are closed to navigation by sea transport and to municipal fishing. It is worthwhile to note that because Dumaran’s main economic activity is fishing and aquaculture, it has sought to secure its major resource by enacting a Municipal Fisheries Code.

**Forestry and Upland Ecosystems Management**

While the local governments in the sample have not performed too well in managing their urban environment, they have fared comparatively better in managing their forest resources and continue to invest funds in forest protection activities such as the *Bantay Gubat*, watershed reforestation, and protection.

Palawan is unique in that it has a comprehensive framework for the sustainable development of the province provided by RA 7611, the Strategic Environmental Plan for Palawan and a mandated body to implement the SEP, namely the Palawan Council for Sustainable Development (PCSD). Pursuing this path of sustainable development, the province has imposed a ban on commercial logging, as well as a moratorium in mining operations that run counter to the SEP provisions.

As part of its reforestation effort, Puerto Princesa holds an annual tree planting festival called the Pista ng Kalikasan (Feast of the Forest). The province also has a yearly province-wide celebration called Baragatan that includes, among others, tree planting as well.

Sta. Cruz, Marinduque has continuing partnerships with non-government organizations in the protection of a key watershed that traverses four barangays. The municipality has mobilized volunteers for reforestation activities and has organized the settlers in forested areas into cooperatives. Volunteers have also been actively involved in the mangrove rehabilitation activities of the municipality in a 100 hectare area covering 19 coastal barangays.
CONCLUSION

- The LGC has helped big local governments (in terms of land area, population and economic base) become better managed, encourage greater investments, and afford innovations. At the same time, however, it has burdened small local governments with increasing portions of their budget for personnel services, leaving little for development activities.

- The local governments continue to try out ways to increase local revenues and have of late resorted to more non-traditional means to do so. It takes greater resolve and creativity from local leaders to sustain these efforts, and a great deal of encouragement and assistance from national government agencies overseeing the devolution process.

- Based on DOF income classifications, an increasing number of local governments since the LGC took effect have fallen under the first-to-third class income brackets. More local governments have also graduated to higher income levels from their previous income levels. Such has been the case with Dumaran and Sofronio Espanola in Palawan, Boac in Marinduque, and Angono in Rizal.

- However local governments may bellyache about the lack of resources to fund their devolved functions, the fact remains that the block grants called the IRA are by far larger than any of the local governments’ share before devolution. The amount of their IRA share now is transparent, automatically increases yearly, and cannot be withheld or impaired under any circumstance.

- The opportunities for co-funding development projects with other partners have widened and the means by which concerned sectors can participate in governance have multiplied.

- While the LGC provided the same opportunities for local governments in terms of powers, the factors that make a difference in results are the potentials of the locality for development, the capacity of the local bureaucracy, and, more importantly, the quality of the local leadership.
BEST PRACTICE
Province of Palawan

Provincial Equipment Pool Office (PEPO) as an Economic Enterprise

Rationale

For the province of Palawan, with a population of almost a million spread across a total land area of 1.5 million hectares, linking people to basic services, and farm produce to market outlets remains a huge challenge. The municipalities’ limited resources hamper their capacity to procure and maintain heavy machinery, making it difficult for them to implement their own infrastructure projects. Moreover, bogged down by bureaucracy, the province experiences perennial delays in procuring the necessary maintenance equipment and spare parts.

Critical to the province’s economic development is effective and efficient infrastructure. Recognizing the importance of reliable machinery and equipment to implementing infrastructure-related projects, Palawan thus established the Provincial Equipment Pool Office (PEPO). It spun the PEPO off the Provincial Engineering Office, relieving the Provincial Engineer of the responsibility of managing light and heavy equipment and allowing the PEO to focus on planning, construction, and maintenance of infrastructure projects and facilities.

Objectives

On July 2, 2004, the provincial government of Palawan created the PEPO to develop an efficient and effectively managed equipment fleet that would support at the least cost the infrastructure requirements of the province.

The PEPO seeks to:

- Provide the appropriate staff complement for the local equipment pool to deliver services effectively and efficiently;
- Assure financial self-reliance by employing cost-recovery approaches;
- Establish a system streamlining local procurement procedures;
- Optimize the utilization of equipment pool resources and personnel; and
- Provide reliable equipment at all times and at the least cost.

Key Steps

1. At the conceptualization stage, the provincial government’s support of DILG circulars and resolutions of the Local Government Mechanical Engineers Association of the Philippines;
2. Ordinances creating the PEPO and ensuring its smooth operation; Local Chief Executive’s support; and
3. Transition approaches (from mother unit, the PEO, to a separate unit).
Results

✓ From 2006 to the present: Rental from private contractors = P 8 million
✓ Cost of services to municipalities valued at 15 million
✓ Ready access of stakeholders to equipment for infrastructure projects
✓ Augmentation of Provincial Government’s limited financial resources
✓ Self-reliant and self-liquidating entity
✓ Improved equipment pool management system
✓ PEPO key personnel equipped with technical skills
✓ Streamlined process of procurement of spare parts
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