



Rapid Field Appraisal of Decentralization

Cagayan Valley

Region 2

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Decentralization as a Welcome Development

EXECUTIVE SUMMARY

The study highlights major findings and provides some conclusions and cross-cutting recommendations. The major findings are: (i) local chief executives (LCEs) interviewed are one in saying that decentralization is the better approach to people-centered and needs-based concept of service delivery; (ii) decentralization made the LCEs realize their critical and primordial role as institutional actors for effective service delivery systems and practices; (iii) scarcity of resources (e.g. “soft” and “hard infrastructure” and financing) serve as a challenge for effective decentralization but at the same time provide the compelling drive to develop and pursue innovative ways of generating revenues and delivering services; (iv) decentralization made more imperative the need for continuing capacity development of local governments given their all-important function as frontline service providers; (v) decentralization made both national and local governments realize the crucial role of the national government in enhancing financial, technical, and institutional development to LGUs and other service providers; (vi) decentralization took cognizance of the imperative to balance national and local development plans as a way of enhancing rather than retarding local autonomy; (vii) the presence of success and failure factors in measuring up to service standards such as the Millennium Development Goals (MDGs) and national targets embodied in the Medium Term Philippine Development Plan (MTPDP) 2004-2010 serve as a concrete yardstick of LGU performance; and (viii) decentralization awakened the interest of LGUs to public-private partnerships (donor-implementer agreements) in the development, implementation, and monitoring of joint programs, projects, and activities that serve as catalysts to bring about change and desirable outcomes.

Six conclusions are arrived at based on the key findings. These are: (i) in Region 2, decentralization is a very welcome development and that it has created an enabling environment for more effective local service delivery; (ii) if local administration and governance is designed properly, with rightsizing, appropriate manpower planning, and proper phasing of program and project implementation, development happens and is felt even in 6th class municipalities; (iii) that the three sectors, i.e. social services, economic development, and environment management are complementarities as human development priorities, and therefore, require holistic policy, institutional, and financing frameworks; (iv) the improvement of local administration, governance, and local service delivery systems and practices depends greatly on the motivations

of the LCEs as exhibited by the LCEs of Batanes, Qurino, Aparri, Tuguegarao, Sta. Praxedes, and Diffun; a harmonized executive-legislative agenda as exemplified by the same LGUs; and a deliberate pursuit of unity and teamwork within the LGU as observed in the province of Quirino and in the municipalities of Diffun and Saguday; (v) accountability – be it in its “for whom,” “to whom,” upward and downward characteristics could serve as an analytic framework of local service delivery, highlighting demand-side accountability or the people’s right to demand for better services and supply-side accountability or the service providers’ duty to provide service to the satisfaction of its customers; and (vi) local service delivery systems do not exist in vacuums but are played out in oftentimes unfavorable political, economic, and social milieu, and whose dynamics underpin the success and failure factors of delivering for the people.

Out of the major findings and analyses, cross-cutting recommendations are formulated that impact on policy, institutions, and finance for improved local governance. For policy effectiveness, these are: (i) the need for an adaptive and responsive approach rather than prescriptive approach to policy-making and implementation; (ii) the adoption of an inclusive human development approach that guarantees targeting the real beneficiaries – the poor; (iii) the need for aggressive promotion and effective implementation of a performance-based and results-oriented incentive system both for the entire LGU as well as individual departments, units, and staff where appropriate; and (iv) the imperative to link local development plans with those of the regional and national for greater development impact.

For institutional governance, the recommendations are: (i) creating champions and ensuring local leadership and ownership of local service delivery agenda; (ii) enhancing strategic alliances and partnerships with civil society, private sector, and donors for synergistic collaborative undertakings that reap development dividends sustainably; and (iii) strengthening LGU capacities and capabilities commensurate to the demand for effective local administration, governance, and service delivery.

For the recommendations to ensure financial sustainability, these are: (i) rational spending and investing on human development priority concerns, such as education, health and nutrition, and water supply, ensures long-term development impacts; (ii) practicing allocative and operational efficiency addresses the problems of resources constraints; (iii) enhancing resources management and fiscal capacity out of LGU’s own-source revenues and innovative partnership arrangements with development organizations guarantee financial self-sufficiency than Internal Revenue Allotment (IRA) dependency; thus, giving true meaning and substance to the concept and principles of decentralization.

Introduction

Located at the northern tip of the Philippines, Region 2 or the Cagayan Valley region is composed of the valley provinces of Cagayan and Isabela, the mountain provinces of Quirino and Nueva Vizcaya, and the island province of Batanes. It is bounded by the Bashi Channel on the north, the Pacific Ocean on the east, the Cordillera Administrative Region on the west and the provinces of Aurora and Nueva Ecija on the south. It is the fourth largest region of the country with a land area of approximately 26,838 sq. kms. (2,683,758 has.).

In 2007, the total population of Region 2 was 3,051,487, reflecting an average annual growth rate of 1.13 percent from its 2000 level. Among its five provinces, Isabela had the highest population (1,401,495), followed by Cagayan (1,072,571), Nueva Vizcaya (397,837), Quirino (163,610), and Batanes (15,974). It is interesting to note that the two small provinces of Quirino and Batanes registered the highest and lowest annual growth rates respectively. Quirino, an in-migration province, had a yearly population growth rate of 1.34 percent. Batanes, an out-migration province, had a comparative figure of -0.42 percent.

Cagayan Valley has an agricultural economy with rice, corn, sugarcane, banana, coconut, and tobacco as its major crops. Thirty-seven percent of its total land area is agricultural land (mainly in the Cagayan River Basin and Aulug River Basin), while much of the rest of the region is forestland. With the eruption of Mt. Pinatubo some two decades ago destroying some prime agricultural land in Central Luzon, Region 2 now has the biggest irrigable land in the country (538,710 hectares). It is a major supplier of agricultural products to the National Capital Region, Regions 3 and 4, and produces approximately 10 to 15 percent of the country's annual rice and corn production. Other agricultural products include root crops, peanut, mongo, fruits, and vegetables.

The region has abundant water resources, which helps explain why hydropower is among its energy sources. Cagayan Valley, however, also gets power from geothermal sources, aside from having gas and coal deposits. It has mineral reserves of gold, copper, manganese, nickel and non-metallic minerals of soft clay, limestone, sulphur, and shale as well. Municipal fishing is its principal source of fish production.

Trading, augmented by cottage industries, is the region's major industrial activity. There are few medium and large-scale industries in the region. Region 2's major urban centers are the capital town of Basco in Batanes; Aparri and Tuguegarao in Cagayan; Ilagan, Cauayan, and Santiago City in Isabela; Bayombong and Solano in Nueva Vizcaya; and Cabarroguis and Diffun in Quirino.

For all these, the latest Regional Economic Situationer prepared by the National Economic and Development Authority (NEDA) Region 2 reveals that Cagayan Valley is the second lowest contributor to the country's gross regional domestic product. There

is an over concentration on rice and corn crops which cover ninety percent of the total agricultural land. The utilization of inland water resources, with an aggregate area of 22,724 hectares and 890 kilometers of coastline need to be maximized. At present only 10 percent of its potential is in actual use. Of the 471,009 hectares of potential pastureland, only 15 percent are classified as managed pastureland. And of its potential mining area of 128,501 hectares, only 0.38 percent or 490 hectares is being used as such.

The region has seaports and airports. Its road network links the provinces. Communication facilities and electricity are available in all five provinces. Yet trading is mostly confined to the urban areas of the five provinces: the lack of transportation facilities hinders the region's development, especially in the mountainous areas.

Set against this backdrop, the following local government units (LGUs) of Region 2 were studied: Cagayan representing a high-income province (1st class province); Quirino representing a middle-income province (3rd class province); and Batanes representing a low-income province (5th class province). Within each province, three municipalities/ city were also sampled representing high, medium, and low-income classification per Department of Finance (DOF)-Bureau of Local Government Finance (BLGF) latest classification, except for Batanes, whose municipalities are all classified as low-income. Table 1 below shows the income classification and basic profile of the LGUs selected for this study:

Table 1: Income Classification and Basic Profile of the LGUs Selected for this Study

LGU	Basic Profile				
	Income Class	Population	Total Land Area (in has.):	No. of Barangays	No. of Households
Provinces					
Batanes*	Low	15,974	20,930	29	3,195
Cagayan	High	1,072,571	900,270	820	190,517
Quirino	Medium	163,610	300,572	132	32,722
City					
Tuguegarao	Medium	129,539	14,480	49	28,304
Municipalities					
Basco	Low	7,517	3,550	6	1,503
Mahatao	Low	1,539	1,290	4	308
Uyugan	Low	1,203	1,550	4	353
Aparri	High	61,024	26,460	42	12,205
Sta. Praxedes	Low	3,379	11,000	10	676
Cabbaroguis	Medium	28,024	26,020	17	5,605
Diffun	High	42,958	32,010	33	8,592
Saguday	Low	13,479	6,824	9	2,555

* The island-province of Batanes is the only low income province in Region 2 and all its municipalities are classified as low income but its position in the Human Development

Index (HDI) ranking has been consistently high compared to other provinces of the country, thus making the results of this study of double interest.

Quantitative data were gathered from a number of documents namely: the 2008 Cagayan Valley E-Statistical Yearbook (CVSY) prepared by the Regional Statistical Coordinating Committee (RSCC) of the Regional Development Council (RDC), the latest version of the Socio-Economic Profiles (SEP) and Development Plans of the LGUs, their Annual Reports, the State of Local Governance Report (SLGR) and State of the Province and Municipality Addresses (SOPA/SOMA) where available. The Local Government Performance System (LGPMS) Reports of the provinces of Cagayan and Quirino, the municipality of Aparri and the City of Tuguegarao provided good insights to the researcher on how the respective LGUs performed in the various areas of governance. The MDG Report of Tuguegarao City was another good source of data and information. Other documents such as the Citizen's Charter, the Roster of Legislations enacted since 1992, the individual agency or department annual reports and the draft Provincial/City/Municipal Development and Physical Framework Plans (PCDPFP/CCDPFP/MCDPFP) were likewise reviewed to ensure the consistency of responses given during the personal interviews and FGDs with existing and available data on record.

RESULTS OF DECENTRALIZATION

I. Local Governance and Administration

Legislative bodies of Region 2 at provincial/city and municipal levels have gone a long way from being mere rubber stamps for budget purposes – their perceived function before the LGC – to being real partners of the LCE in setting the LGUs' development directions. They have been able to undergo this “transformation” through the formulation of a joint executive-legislative agenda (ELA) at the start of the budget process.

LGUs studied in Region 2 are dependent on the IRA. A close look at the figures on resource allocation and use also reveal the need to revisit and improve the management and coordination processes for budgeting and accounting to increase the utilization rate for all the region's provinces. While all the LGUs regardless of income classification had functional Bids and Awards Committees (BACs), regular Commission on Audit (COA) exit reports and meetings with the LGU officials and presence of certified financial statements, the quality and effectiveness of these reports, require more time to study and probe further.

It should also be noted that except for the local development councils (LDCs) and the local finance committees (LFCs) that are mandated to meet on a regular basis, the other special bodies such as the local health board (LHB) the local school board (LSB), along with other sectoral councils and committees meet only on a need basis or when the LCE needs to get the concurrence of the members and of the provincial/city/municipal board for a project in which he is particularly interested. Another

observation was that in most of the low-income LGUs, the representation from the private sector, non-government organizations, and civil society organizations in local special bodies could be best described as token.

All LGUs have staff development activities in varying forms, the most popular of which is the *Lakbay Aral* Program (study visit). Regardless of income class, LGUs make it a point to allocate both time and money for this program. But the breadth and depth of networks and linkages established among the LGUs and with NGAs and other agencies were highly dependent upon the initiative, background, and earlier exposure of the LCE to national and international organizations.

Customer satisfaction as a distinct governance area is not yet in the consciousness of most LGUs. For these LGUs, for as long as the service required is delivered – regardless of time consumed, inconvenience of the public in transacting business, and sometimes rude treatment of customers by abusive and unscrupulous frontline service providers – then they have done their part.

But there is some good news. More than 90 percent of the interviewed respondents for this RFA said that there is less corruption now because everything has become transparent, and the media have become very vigilant in reporting what they see and hear in the LGU. This is an indication of increased public awareness, which augurs well for efforts to have a decentralized system of governance. Yet while much has already been done in the area of development planning, much is still to be desired in terms of organizational performance, consultation process, and management of planning database.

Local Legislation

Records from the 12 LGUs covered in this RFA showed that all have ELAs jointly set and prioritized at the start of each budget year, the pursuit of which is highly dependent upon the political dynamics prevail in the locality. In the case of LGUs where the working relationship between the executive and legislative branches are wholesome (e.g. Tuguegarao city, Aparri, Cagayan, Sta. Praxedes all in Cagayan, the province of Batanes and its municipalities of Basco, Mahatao and Uyugan, the province of Quirino and its municipalities of Diffun and Saguday), the priorities are harmonized. This explains why programs and projects are effectively funded and implemented regardless of income classification.

Of the 12 LGUs studied, Aparri in Cagayan province, Tuguegarao city, the fifth-class municipality of Saguday in Quirino province, and the sixth-class municipality of Mahatao in Batanes have efficient legislative tracking systems. Proofs of these are the awards they have received from national and regional award giving bodies. Tuguegarao city was recognized as the regional winner for local legislative awards in 2009 and placed second in the national competition for its on-line ordinance and resolutions viewer. The

fifth class municipality of Saguday, Quirino was likewise adjudged the region's most outstanding local legislature for Category B for the same year. These LGUs also have codes in support of social development, economic development, and environmental management, most of which are local translations of national laws and codes.

Some legislative highlights in the region include:

- The provinces of Batanes and Quirino both have a very strong and well-disseminated Local Environment Code, Batanes having been declared a protected area, and Quirino being the host LGU of the headwaters of the Cagayan River. The LGUs of Aparri and Tuguegarao in Cagayan, meanwhile, have well spelled-out Investment and Business Promotions Codes that have helped them snag increasing investments in last five years.
- The State of Local Governance Report (SLGR) for the province of Cagayan identified the need for the enhancement of its legislative staff competence as an area of focus of the current provincial administration. Training on the use of legislative tools such as agenda development, legislative tracking, backstopping committee, and legislative performance are necessary for the attainment of quality legislations that are responsive to Cagayan's development agenda.
- The ongoing construction boom in Tuguegarao City necessitated the enactment of a Local Building Code that has special provisions for the disabled and senior citizens.
- In social development, the provinces of Cagayan and Quirino, the city of Tuguegarao, and the municipality of Aparri have formulated their respective Local Codes for Children, an indication of these LGUs' recognition of the need to address both the rights and needs of children.
- Interestingly, Executive Orders and ordinances on solid waste management were seen in all the LGUs covered in this RFA with corresponding budgetary allocations.

It was only in the municipality of Cabarroguis, province of Quirino where the FGD participants were very careful in their choice of words when asked how they would describe the relationship between their executive and legislative branches.

Transparency

Indicators of transparency that were very evident in the LGUs of Aparri, Cagayan, Tuguegarao City, the Province of Quirino and the municipality of Saguday in Quirino were: presence of performance billboards, photo galleries of activities and accomplishments, display areas of trophies, certificates and other symbols of awards and recognitions, and presence of a public information office or desk.

Accessibility of information on local government plans, programs, special events, and records were very evident in the province of Batanes and the municipality of Saguday in Quirino, both low-income LGUs.

One indicator that was not obviously displayed in the LGUs studied was the presence of local government assigned desk or other support mechanisms for civil society organizations (CSOs) or people's organizations (POs) and private sector organization (PSO) concerns. There is, however, an in-place feedback mechanism to generate citizens' views on the reach and quality of services and development thrusts. This is the mandatory synchronized *barangay* assembly conducted twice a year (usually scheduled on the last Saturday of March and third week of October per Executive Order 342).

In addition, the fifth class municipality of Sta. Praxedes in Cagayan, the province of Quirino, and its municipalities of Diffun and Saguday have institutionalized the practice of setting aside a day or two within the week as *Barangay* Day, which is usually when the LCE is available for personal and/ or individual audience with his/ her constituents for dialogue, assistance, and consultation. Other LGUs do it through caravans and medical missions on a regular basis so that visited communities and *barangays* are primed before the "big event."

LGUs that have made transparent the percentage of local government projects funded and implemented out of the 20 percent development fund of the IRA are the provinces of Batanes and Quirino and their respective municipalities. In Cagayan, the municipalities of Aparri and Sta. Praxedes and the lone city of Tuguegarao have billboard displays showing status of projects, cost, fund sources, date of start and expected date of completion, thus allowing the public to monitor movements in these projects. What is not very transparent, however, is the percentage of the development fund spent for the population-in-need. This is usually in the form of what their budget captures as "aid to individuals in crisis situations" (AICS), the allocation and prioritization of which is limited to the LCE and the members of the LGU legislative body.

More than 90 percent of the respondents however said that there is less corruption now because everything has become transparent and media has become very vigilant in reporting what they see and hear in the LGU. The few who disagreed said, corruption has multiplied several times over because there are now more "sharers of the pie."

When asked the toughest challenge they faced as LCEs, the five LGU heads interviewed supplied different answers. Two said corruption has been their toughest challenge so far, one answered interference of the Congressman, another one said interference of the Church, and the last one said interference of constituents with political ambitions. They all claimed they have designed strategies to cope with the challenge and are exerting extra effort to reach out and open communication lines to their critics.

Participation

Participation of different sectors in local governance and development is carried out via the local development councils (LDCs) and the local special bodies such as the local

health board (LHB), the local school board (LSB), and the various sectoral councils. The LGC stipulates that in all these local special bodies, councils, and committees, there must be adequate (at least 25 percent) representation from the private sector and civil society groups. This is one indicator that it is not strictly adhered to in the LGUs studied. Except for the LDC that is mandated to meet on a regular basis, the other bodies, councils, and committees meet only on a need basis or when the LCE needs to get the concurrence of the members of the provincial/city/municipal board for a project of his priority interest.

Development Planning

All the LGUs covered in this study have socio-economic profiles and comprehensive development and land use plans. While the documents are available, a cursory review of the quality and timeliness of the database used in the formulation of said documents reveal that there is vast room for improvement in this area. Either the available databases are overtaken by time and events or are simply irrelevant and no longer acceptable. Examples are population data, housing and land use data, and data on per capita income.

It is worthy to note that all the LGUs regardless of income class are now undertaking the formulation of their respective (PCDPFP/CCDPFP/MCDPFP) per Joint Memo Circular No.1 issued on June 2007 by the National Economic and Development Authority (NEDA), Department of Interior and Local Government (DILG), Department of Budget and Management (DBM), and the Housing and Land Use Regulatory Board (HLURB). The circular mandated the integration of these two comprehensive plans into a single document that would capture all the concerns of all other local plans also mandated by the respective national agencies and organizations espousing certain advocacies and philosophies.

Before the Joint Memo Circular No 1, the process of preparing most of these plans was initiated by particular national government agencies, usually with funding from bilateral or multi-lateral loans or grants. The planning activity was contracted to foreign and local consultants who operated under very tight schedules. They were thus forced to sacrifice the time-consuming process of consultation with, and participation from, local stakeholders. Often, too, the plans were completed with only token participation from the host LGU.

The Circular discourages this practice, and instead stresses the need for the full participation of the local planning structure. It espouses the need for the national agencies concerned to initiate the process of culling out relevant elements of their respective plans and integrating them into the CDPFP of the host LGU. It is argued that when the integration is done properly, the entire local territory – both land and water – will be covered. In the context of its planning activity, the local development council may conduct dialogues between NGAs with actual or potential conflicts and

overlaps in exercising their respective functions over certain portions of the local territory. In Region 2, the Regional Development Council (RDC) through its various sectoral committees plays a pro-active role in this undertaking. The NEDA Regional Office as Secretariat to the RDC provides both the venue and technical services for this consultative process. This is to harmonize policies and programs between national agencies, on one hand, and between the national agencies and the LGU, on the other. This consultative process is also necessary to work out arrangements for sharing responsibility, thus allowing the national government to devolve some of its powers and resources and enabling the local government to make full use of its zoning and other authority levers to co-manage the local territory.

Although the LGUs have done much regarding development planning, their efforts fall short in terms of organizational performance, consultation process, and management of a planning database. These are areas of specific focus identified by the high-income province of Cagayan and the medium-income city of Tuguegarao and Cabarroguis municipality in Quirino. It is worthy to note that the low-income province of Batanes and its equally low-income municipalities, the low-income municipalities of Saguday, Quirino and Sta. Praxedes, Cagayan, owing to their small population size and limited areas of coverage, have no problems in consultation process and database generation. What they need, though, is specific training to make their consultation processes more systematic and efficient and specialized trainings on data processing and management.

Revenue Generation

All LGUs studied in Region 2 are IRA dependent. Only the city of Tuguegarao and the municipality of Aparri in the province of Cagayan were able to raise 34 and 21 percent of their budgets respectively from local sources, rendering them 66 and 79 percent IRA dependent. The provinces of Batanes and Quirino are at the extreme end of the pendulum being 92 and 96 percent IRA dependent. The rest had a range of five to 20 percent of local revenue sourcing. By LGU, even the first class province of Cagayan generated only an average of 11.86 percent of its total income from 2004 to 2008. (Please see Table 2 on the next page.)

A review of the LGPMS records revealed that among the LGUs studied, only the municipality of Aparri and the city of Tuguegarao made deliberate efforts to include specific activities in their annual performance assessment to increase tax collection efficiency by public-enterprise profitability. Among the low-income LGUs, Saguday, Quirino indicated a specific activity – annual tax mapping campaign in all its *barangays* – to raise tax consciousness and improve its tax collection efficiency.

One good result of decentralization was the empowerment of LGUs to raise their own resources by giving them corporate powers to establish and operate their own business enterprises to augment their IRAs. This is on top of the real property taxes (RPT) and the regular business and community taxes they had been used to collecting even before

the LGC. Enterprising LGUs like Quirino came up with innovative projects such as running a school (Quirino Polytechnic College), hotel and restaurant operations, fish farming, construction equipment rental, and operating a ranch that doubles as a breeding center for livestock dispersal. Batanes has its Ivatan Lodge and Batanes Resort owned and operated by the provincial government, while the province of Cagayan and the city of Tuguegarao have both put up their own shopping centers, managed by the staff of their respective newly created Economic Enterprise Offices. Tuguegarao city is likewise embarking on a memorial park business that is expected to open soon.

Resource Allocation and Utilization

The table below shows the average rate of utilization of LGU incomes from 2004 to 2008. A close look at the figures reveals the need to revisit and improve the management and coordination processes for budgeting and accounting to increase the utilization rate for all the provinces of Region 2. While the provinces of Quirino and Cagayan and the city of Tuguegarao were able to register average expenditure rates of 96.21, 92.97, and 92.20 percent respectively from 2004 to 2008, the expenditure patterns of Batanes, Isabela, and Nueva Vizcaya need to be revisited and their respective utilization rates increased to figures closer to 100 percent. Their pattern of expenditure has been declining over the past five years, with excess income ranging from 13.52 percent in Batanes to 32.98 percent in Isabela.

Table 2: Comparative Schedule of Income and Expenditures in Region 2, by Province/City (2004- 2008)

Indicator	Five Years Average, 2004 - 2008					
	Batanes Province	Cagayan Province	Isabela Province	Nueva Vizcaya	Quirino Province	Tuguegarao City
Percent of Local Sources to Total Income	5.11	11.86	8.81	19.57	9.69	34.28
Percent of Tax Revenue (RPT, Business Tax Other Taxes) to Total Local Income	37.94	46.54	61.67	60.35	19.32	65.50
Percent of Non-Tax Revenue to Total Income	3.19	6.34	2.83	6.94	8.10	11.82
Percent of Share from National Tax Collections (IRA and others) to Total Income	91.88	88.12	86.65	80.34	89.49	61.54
Ratio of Total Expenditure to Total Income	88.50	92.97	75.26	68.60	96.21	92.20
Percent of Expenditures in General Services to Total Budget	41.83	31.76	37.51	39.97	38.56	61.64

Indicator	Five Years Average, 2004 - 2008					
	Batanes Province	Cagayan Province	Isabela Province	Nueva Vizcaya	Quirino Province	Tuguegarao City
Percent of Expenditures in Education, Culture and Sports/ Manpower Development to Total Budget	0.53	1.61	2.08	6.20	0.51	4.96
Percent of Expenditures in Health, Nutrition and Population Control to Total Budget	14.97	20.56	18.73	2.44	20.30	8.93
Percent of Expenditures in Labor and Employment to Total Budget	0	0	0	0	0	0
Percent of Expenditures in Housing and Community Development to Total Budget	0	0	13.55	0	0	0
Percent of Expenditures in Social Security/Social Services and Welfare to Total Budget	2.17	0.92	1.14	1.25	0.83	1.52
Percent of Expenditures in Economic Services to Total Budget	20.28	17.46	6.54	29.21	22.72	6.34
Percent of Expenditures in Debt Service to Total Budget	4.46	7.98	13.02	0	0.49	1.47
Percent of Expenditures in Other Purposes to Total Budget	19.20	19.63	7.29	20.66	16.52	15.97
Percent of Excess (Deficit) of Income over Expenditure	13.52	9.46	32.98	30.63	3.96	8.52

Source of Basic Data: BLGF Website

By sector, General Services got the biggest share of expenditures in all LGUs, followed by the Economic Services Sector and the Health and Nutrition Sector almost on equal second rank. Surprisingly, expenditures for Other Purposes came as the third biggest share of the pie, while expenditures for Social Welfare and Education had a range that stood from a minimum of 0.51 to a maximum of only 2.17 percent. Not one of the LGUs studied appropriated for Labor and Employment while only the province of Isabela registered a Housing Expenditure. All the provinces and the city of Tuguegarao

except Nueva Vizcaya had debts to pay although the province of Batanes has paid its debt in 2007 and the City of Tuguegarao as early as 2006.

Financial Accountability

It is interesting to note that of the five performance indicators of financial accountability, i.e. quality of the internal control system, effectiveness of the financial management system, effectiveness of the Bids and Awards Committee (BAC), percentage of disbursements with negative COA findings, and presence of certified financial statements, only the last three indicators surfaced during the interviews and FGD sessions.

All LGUs, regardless of income classification, had functional BACs, regular COA exit reports and meetings with the LGU officialdom and presence of certified financial statements. The quality and effectiveness of these reports, however, could not be determined by this RFA.

No problem regarding financial accountability surfaced during the interviews, but it was obvious that the accounting department was working like an independent republic within the LGU. Unlike other departments where inter-departmental meetings are imperative before a program or a project is implemented, the accounting unit just goes about its daily routine of recording the LGU's procurement and financial transactions. This is where the gap is observed. Accounting is not only meant for payment and recording, it also has internal control and accountability functions that should be recognized as crucial by both the unit itself and the LGU's other departments.

Customer Service

Customer satisfaction as a distinct governance area for assessment is not yet in the consciousness of most LGUs. For them, for as long as the service required is delivered, regardless of time consumed, inconvenience of the public in transacting business and sometimes rude treatment of customers by abusive and unscrupulous frontline service providers, then they have done their part.

The public assistance centers put up by the LGUs functioned mainly as information centers to guide and direct the visitors and customers to the office or person they want to visit. Within the office visited, specifically those requiring personalized attention for certain services such as the issuance of business permits, building permits, certificates of occupancy, marriage licenses, death certificates, real property documents and the like, the long and tedious processing time and the inconvenience of going back and forth to the offices concerned to get the appropriate signatures are still common occurrences in all the LGUs.

In the city of Tuguegarao and in the municipality of Aparri, initial attempts at systematizing work processes in a few identified departments were noticed but much remains to be done. In other LGUs, customer service is simply equated with delivery of services regardless of whether the customer was satisfied with the service or not.

Human Resource Management

The indicators used to assess the human resource management of the LGUs were: effectiveness of the human resource management and development program; quality of human resource policies, plans, and support materials; effectiveness of human resource recruitment, evaluation, promotion and grievance system; percentage of plantilla staff participating in human resource development activities; and percentage of local government-initiated staff development activities.

Of these indicators, the most common among the LGUs were the various staff development activities, the most popular of which is the *Lakbay Aral* Program. Regardless of income class, the LGUs make it a point to allocate both time and money for this program for four reasons: (i) it is a learning trip; (ii) it serves as a team building strategy; (iii) it serves as an incentive for good performing staff; and (iv) it offers an opportunity for networking with other LGUs for purposes of sharing good practices and even resources where appropriate.

Other indicators such as presence of human resource management plan and human resource recruitment, evaluation, and promotion system were not seen except in the province of Cagayan and the municipality of Aparri, also in Cagayan.

Documentary review of reports submitted by the LGUs revealed that the province of Cagayan and the municipality of Aparri are doing excellent performance in human resource management and development. The same documents state that this performance assessment is attributed to the following strategies adopted by the province and the municipality: (i) organization of personnel selection board to ensure transparency in recruitment and selection; (ii) institutionalization of an awards system called Program on Awards and Incentives for Service Excellence (PRAISE); and (iii) setting up of a grievance machinery to respond to employees' issues and complaints.

During the FGD session in Quirino province and in the municipality of Cabarroguis, also of Quirino, it was admitted that while vacancies are posted in public bulletin boards for a certain number of days prior to appointment, this posting is done more in compliance to civil service rules and regulations rather than to open to the public the vacancy for selection purposes. While this practice was not openly admitted by the other LGUs, further probing into the manner of selection, recruitment and promotion of local staff, automatically elicited silence followed by carefully stated and politically accepted responses.

In terms of budget share, it is obvious from Table 3 on the next page that Personnel Services (PS) receive the lion's share of the LGUs' total budget. This trend holds true in all income classes of LGUs; a deeper probe during the interviews reveals that this is done for reasons of political expediency.

Table 3: Percent Share of Personal Services (PS) to Total LGU Budget (2005-2009)

LGU	2005			2006			2007			2008			2009		
	Total Budget	% Share of PS		Total Budget	% Share of PS		Total Budget	% Share of PS		Total Budget	% Share of PS		Total Budget	% Share of PS	
Provinces															
Batanes	148,123,268.35	45.78		170,061,958.49	42.95		161,047,615.66	50.83		190,924,569.38	44.96		215,955,079	43.05	
Cagayan	689,516,180	48		741,759,953	46		716,959,953	45		830,114,556	41		935,853,237	40	
Quirino	271,087,156.89	46.24		315,740,412.21	47.31		358,691,606.00	39.90		442,202,933.00	33.23		490,574,382.90	32.67	
City															
Tuguegarao	301,046,126.28	39.67		345,842,685.27	33.52		377,686,320.61	36.66		408,064,770.00	34.22		416,628,293.00	30.98	
Municipalities															
Basco	20,166,265.69	63.59		29,324,484.94	47.86		29,153,971.46	51.30		31,983,336.15	48.98		31,678,783.60	47.86	
Mahatao	12,166,023.77	61.01		12,281,673.35	59.97		13,682,520.00	55.57		14,345,337.01	54.44		17,657,576.00	57.10	
Uyugan	11,830,454.55	30.75		12,047,935.72	61.86		12,084,497.19	66.58		14,462,081.71	63.85		18,780,033.32	52.27	
Aparri	59,474,670	45		62,090,730	45		63,867,730	44		78,654,360	43.88		83,721,230	41.87	
Sta. Praxedes	16,067,656.02	56.58		18,334,458.15	58.47		19,077,170.30	56.50		24,792,284.22	44.76		27,089,128.41	41.51	
Cabbaroguis	No data	No data		36,107,328.43	50.68		39,361,813.00	50.67		43,918,449.42	51.76		50,377,356.00	48.01	
Diffun	-do-	-do-		49,015,682.09	39.88		50,452,422.12	42.20		57,389,763.54	42.31		65,406,003.10	41.03	
Saguday	-do-	-do-		20,061,618.75	60		21,837,565.75	56.90		24,418,117.32	61.89		27,427,079.00	59.11	

Source: LGU Annual Budgets: 2005 to 2009

Interestingly, it was learned during the individual interviews and FGD in Batanes that its provincial employees, effective 1992, have been receiving the salary rate of first-class provinces as a result of a strong representation by Governor Telesforo Castillejos who was then serving his third term as the province's chief executive when the LGC was just enacted into law. Its municipalities, however, were not included in the same special benefit.

Networking and Linkaging

Among the RFA areas, Tuguegarao city registered the widest network with both local and international organizations, followed by the province of Quirino, which registered the most number of foreign-assisted projects, both in the economic and infrastructure sectors.

To sustain its good governance efforts, Tuguegarao enrolled itself with the City Development Strategy (CDS), a World Bank project implemented by the League of Cities of the Philippines; the Public Governance System (PGS), a management system initiated by the Institute for Solidarity in Asia; Millennium Development Goals (MDG) Localization with the United Nations Development Programme (UNDP) and UN Habitat; and System on Competency Assessment for Local Governments (SCALOG) with Capacity Development Agenda (CapDev) with DILG. Tuguegarao's active membership in these organizations and movements and its use of the Balanced Scorecard developed by the Harvard School of Business to assess its own business processes, has resulted in numerous awards for the city, ranging from Healthy Prison National Awardee in 2002 to the lone National Nutrition Honor Awardee in 2006. The city has also maintained its Hall of Fame recognition as the Most Child Friendly Component City of the Philippines, among several other awards.

Outside of its strong linkage with the provincial, regional, and national government agencies in Region 2, Sta. Praxedes in Cagayan has established its own development network with the LGUs within the Congressional District of Ilocos Norte in Region 1. This special partnership with the municipalities of Pagudpud, Bangui, and Burgos has resulted in Sta. Praxedes enjoying a significant increase in tourist arrivals since 2007.

II. Health and Social Services

It is interesting to note that the low-income island province of Batanes, which has four of its six municipalities classified as sixth class and two municipalities, Basco, the capital town and Itbayat, an island municipality as fifth class, has consistently ranked high in terms of human development index (HDI) compared with the rest of the provinces of the country. Tables 4 and 5 on the next page show the standing of the five provinces in the HDI Report prepared by UNDP through the Human Development Network in 1997, 2000, 2003, and 2006.

Table 4: Ranking of Provinces in Region 2 Using HDI Indicators (1997, 2000, 2003 and 2006)

Province	HDI Rank				Life Expectancy (Years)				% High School Graduation (18 and Above)				Primary and HS Enrollment Rate (%)			
	97	00	03	06	97	00	03	06	97	00	03	06	97	00	03	06
Batanes	2	10	5	8	62.8	63.4	63.6	64.5	58.3	60.7	76.3	65.5	96.6	98.0	96.9	100
Cagayan	23	46	37	25	65.3	67.6	69.8	72.0	32.0	37.8	42.6	52.3	91.5	89.2	92.8	91.6
Isabela	26	23	27	27	66.8	68.5	70.0	71.9	41.7	47.1	46.5	51.0	88.5	88.4	90.5	86.5
Nueva Vizcaya	19	13	7	9	64.1	64.9	65.8	66.5	42.8	48.9	50.9	54.6	90.9	93.6	93.5	92.2
Quirino	27	48	20	18	62.9	64.2	65.7	67.1	37.2	39.6	39.4	48.1	89.4	86.6	90.6	89.0

Source: *Philippine Human Development Report 2008/2009*

Aside from Batanes, which was consistently one of the top 10 provinces in the country from 1997 to 2006, Quirino, a middle-income province, has also registered an improving trend from rank 27 in 1997 to rank 18 in 2006. Except for Nueva Vizcaya, which registered a considerable improvement from rank 19 in 1997 to rank 9 in 2006, the other high-income provinces in the region, Cagayan and Isabela, made very insignificant movements.

The HDI is a measure of achievement in terms of life expectancy, educational attainment, and adjusted real income. Interestingly, Table 4 above shows that all the provinces of Region 2 registered an improving trend in their life expectancy, with Cagayan registering the longest at 72 years and Batanes the shortest at 64.5 years. In terms of the two education indicators – 18-year-olds finishing high school and primary and secondary enrollment rate – Batanes consistently outranked all the provinces with a 100 percent enrolment rate in both primary and secondary levels in 2006. This could be attributed to two factors: the province's small population and the provincial government's deliberate focus on education in its development agenda.

Table 5: 2006 Gender-Related Development Index (GDI) Ranking of Provinces in Region 2 and Per Capita Income By Province (2000, 2003 and 2006)

Province	Per Capita Income (PPP US\$)			Gender-Related Development Index (GDI) Rank Among Provinces
	2000	2003	2006	2006
Batanes	3,166	3,988	4,302	8
Cagayan	1,673	1,895	2,232	25
Isabela	1,912	2,010	2,202	27
Nueva Vizcaya	2,160	2,876	3,132	9
Quirino	1,463	2,228	2,543	18

Source: Philippine Human Development Report 2008/2009

The HDI also includes per capita income as an indicator. The above data show that all the provinces of Region 2 registered an increasing per capita income between 2000 and 2006, with Batanes outranking the rest. The 2006 HDI Report included GDI as an indicator of human development. The provinces of Batanes and Nueva Vizcaya proved to be the most gender sensitive among the five provinces.

Health and Nutrition

Aside from education, one other important sector that has a direct impact on human development is health and nutrition. Since the enactment of the LGC, local health service delivery has been plagued by multifarious policy, institutional, and financial issues and challenges. Region 2 LGUs are not exempt from these challenges, most common of which are: (i) weak coordination among LGUs in bridging the gaps in health governance and operations as crucial factors for effective delivery of health

and nutrition services; (ii) institutional capacity deficits such as technical, financial, institutional, and managerial capacities of LGUs for devolved health functions and responsibilities; (iii) the apparent “hands-off attitude” of the Department of Health (DOH) on those devolved functions despite dismal performance of the LGUs to ensure improved health care in general and maternal and child health in particular; (iv) problem of membership, expansion of coverage, and ensuring PhilHealth benefits to the indigent population; (v) ambiguous role of barangay in health financing; (vi) shortage of health workers and lack of funds for their incentives and benefits; (vi) inefficient local procurement of medicines and not fully maximizing the benefits of inter-local health zones (ILHZ); (vii) the disconnect between policy and local situations in terms of availability, access, affordability, and effectiveness of facility delivery in hard-to-reach *barangays*; and (viii) the contentious issue on the role of traditional birth attendants. The last three indicators are more common in the remote municipalities of Quirino than elsewhere.

In all the FGDs and interviews with the health personnel, it was gathered that in small municipalities like Basco, Mahatao, and Uyugan of Batanes, and Cabarroguis and Saguday of Quirino, the DOH-mandated formula for determining the target eligible population for immunization is not used. They argue that if they use the three percent projected eligible population as target – and as directed by the DOH – it would be impossible for them to attain a 100 percent fully immunized children target (FIC) even if health workers do house-to-house monitoring of the entire municipality for an eligible population. This is because the number of live births is very much lower than what was projected. Thus, these towns use actual number of live births instead – to the consternation of their DOH partners.

Table 6: Trends in Major Health Indicators

Province/ City/ Municipality	Functional Local Health Boards		Ratio of Government Physicians to Population		% of Children Fully Immunized		Malnutrition Rate of Pre- school Children		Number of Infant Deaths		Number of Maternal Deaths	
	2005	2009	2005	2009	2005	2009	2005	2009	2005	2009	2005	2009
Batanes Province	Yes	Yes	1:16,250	1:15,974	71	61	3.6	2.7	3	3	0	0
Basco	Yes	Yes	1:2,000	1:2,000	100	100	3.85	2.62	2	2	0	0
Mahatao	Yes	Yes	1:1,609	1:1,609	100	100	0	0	0	0	0	0
Uyugan	Yes	Yes	1:1,350	1:1,350	100	100	1	.44	0	0	0	0
Cagayan Province	Yes	No	1:31,162	1:31,434	81.22	89	10.61	8.79	106	89	12	9
Aparri	Yes	Yes	1:10,000	1:10,000	90	91	6.64	3.75	12	9	2	1
Sta. Praxedes	Yes	Yes	1:3,379	1:3,379	90	89	20	19	0	0	0	0
Tuguegarao City	Yes	Not very	1:5,427	1:5,236	70.46	94.90	5.46	3.37	11	23	2	2
Quirino Province	Yes	Yes	1:29,056	1:27,268	88.05	90.92	1.12	1.53	15	16	1	1
Cabarroguis	No	No	1:20,000	1:20,000	90.84	91	13.29	6.41	0	0	0	1
Diffun	Yes	Yes		1:42,958	99.69	100	No data supplied		6	6	0	0
Saguday	Yes	Yes	1:10,000	1:10,000	85	98	4.50	1.43	9	0	0	0

Source: Annual Accomplishment Reports of the Provincial Health Offices (PHO) of Batanes, Cagayan and Quirino

While the above data and information on the health situation in the RFA areas are not alarming, there are some areas that need deliberate attention and reforms to ensure that the local health system works as originally envisioned in the LGC. Among the key sector reforms and recommendations are: (i) the need for efficient and accurate data collection, especially for a Field Health Services Information System (FHSIS), with the provision of creating incentives for *Barangay* Health Workers (BHWs) and compulsory submission of data by the private sector; (ii) address shortage of health workers by encouraging LGUs to raise revenues to employ more health workers and reward them through performance-based grants from improved revenue generation; (iii) strengthening the role of BHWs or the grassroots health workers, (iv) identification of the true poor for PhilHealth membership beyond political expediency; (v) giving exemptions to poor clients for health services, as well as giving outpatient benefit package to the indigents; (vi) ensuring efficient and effective use of scarce resources such as procurement of less costly medicines by LGUs from the National Drug Program-Project Management Unit (NDP-PMU) rather than from medical representatives; and (vii) avoidance of one-size-fits-all strategy for the health sector without taking cognizance of the geographic, socio-economic, cultural nuances of local practices such as the DOH policy of facility-based delivery of which the effective implementation takes time for the locals to accept.

Education

Declining participation rate, low cohort survival rate, and inadequate textbooks remained a serious challenge of the basic education services sector. The region's declining performance in this sector is an indication that the attainment of 100 percent access to primary education by 2015 as targeted in the Millennium Development Goals (MDGs) is not feasible.

Data show that in the province of Cagayan only 80.69 percent of children aged six to 12 years were in elementary school in SY 2004-2005. This figure dropped to 77.21 percent in SY 2005-2006. The national average is at 91.2 percent. For secondary education, ages 13 to 16, a much lower figure than the national average (77 percent) was recorded for Cagayan (43 percent for both school years). Data for succeeding school years were not yet available during the data gathering phase of this study.

Among the region's provinces, Batanes ranked highest in all the education indicators: effectiveness of the Local School Board; percentage of *barangays* with functioning pre-school centers; ratio of teachers, classrooms, and textbooks to pupils; elementary school participation rate; secondary school participation rate; secondary school completion rate; tertiary graduation rate; vocational school completion rate; and literacy rate. The province's stellar showing in all the input and output indicators for education is replicated in all its six municipalities.

In Quirino, interviews with the LCEs at the provincial and municipal levels yielded a uniform answer on where their respective Special Education Funds (SEFs) go: as salaries

of locally paid teachers. Apparently, each year, the continually growing enrolment in schools leads to a chronic shortage of teachers. SEF-funded teachers' salaries are also the LGUs' response to the twin problems of physical and financial inaccessibility of schools. Among Region 2 provinces, Quirino used to register the lowest participation rate and the highest dropout rate in both levels in the early 1990s. But this is no longer the case because of this LGU initiative.

In primary and secondary education, the key policy, institutional, and financial issues and challenges as viewed by this researcher are: (i) low quality of education; (ii) shortage of education inputs; (iii) low quality of the teaching staff; (iv) slow implementation of Philippine Education for All (EFA) 2015 and Basic Education Sector Reform Agenda (BESRA); (v) the need to strengthen school-based management (SBM); and (viii) weak, if not dysfunctional, Local School Boards (LSBs) and School Governing Councils (SGCs).

Housing and Basic Utilities

The 2000 Census of Population and Households registered a total of 191,037 households in Cagayan province. The same census registered 188,137 occupied housing units for the province. With an average household size of 5.27, the figures reveal a ratio of 1:1, which means every household maintains its own housing unit.

Only the city of Tuguegarao and the municipality of Aparri in Cagayan have housing and urban settlement problems. These are now being addressed by their respective Local Housing Task Forces, indicating that these are actively functioning as the coordinating unit on housing in these localities.

All the other LGUs in the provinces of Batanes and Quirino do not as yet pay much attention on the housing needs of their constituents. They say that the constituents themselves are still capable of putting up their own dwelling units, thus allowing LGUs to focus more on basic utilities, such as light and water services. As a result, 96.91 percent of all households in Batanes have sustainable potable water supply, with three of its sixth class municipalities (Mahatao, Ivana, and Sabtang) having 100 percent of their households enjoying such.

The mountainous province of Quirino likewise had 96.67 percent of households with safe water. As early as 2003, the town of Diffin had 100 percent of its households supplied with safe water. Cabarroguis followed suit the next year. By 2005, 99.87 percent of Saguday households had safe water.

In the province of Cagayan, the Provincial Health Office (PHO) data on water and sanitation revealed that in 2006, about 87.60 percent or 166,901 out of 190,517 total households in the province have access to safe water. The same trend remained

unchanged in 2007. Households in the province draw their water requirements largely from ground water wells, springs, and water works systems. In 2005, there were 12 municipalities with Level II Water Supply systems equipped with pressurized pumps, tanks, wells, and reservoirs.

The increasing percentage of households having access to safe water reveals that the region will be able to attain its regional and MDG targets. The provision of infrastructure facilities to low-income municipalities, including construction, rehabilitation, and expansion of water systems contribute to this observable improvement.

Closely related to safe drinking water is basic sanitation. Both are crucial to the preservation of human life, hence the need for LGUs to make these twin concerns top priority in their development agenda.

Access to sanitary toilets is one good indicator that helps to measure how sanitation is being addressed. In Cagayan, sanitation has improved with developments in water supply and access as shown by the increasing (if modest) percentage of households using sanitary toilets – from 90 percent in 2003 to 91.20 percent in 2005. The rise is attributed to the intensive Information and Education Campaign (IEC) and provision of water-sealed toilet molders and bowls by the LGUs. Tuguegaro registered a higher percentage at 98.75 percent in 2007.

Batanes has consistently outdone all the other provinces of Region 2 in all social development indicators, including percentage of households with sanitary toilets at 99.87 percent in 2007. In comparison, the province of Quirino, registered a level of 81.90 percent for the same year.

In terms of percentage of households with electricity, Batanes has all its households with power. But power operations are not 24 hours in the island municipalities of Sabtang and Itbayat because of low demand and lack of space for the installation of additional generating sets.

For Quirino, the percentage of households with electricity rose steadily from 68.49 percent in 2001 to 72.72 percent in 2005. But this is still low compared with the region's other provinces. Some of the reasons cited for the situation in Quirino are inaccessibility of areas still without power, lengthy lines to be installed in very few households scattered in mountain villages, and the slow execution of right-of-way clearing.

Cagayan, meanwhile, has all its 28 municipalities and one city with electricity. Of the province's 820 *barangays*, a total of 756 or 92 percent have power. Cagayan ranks second to Batanes in terms of percent of households with electricity, with 81 percent or 154,029 actual household connections. Nueva Vizcaya registered the least with 69 percent. Only Batanes and Quirino achieved 100 percent in terms of *barangays* with electricity.

A deeper probe by this researcher on the performance of the RFA areas along housing and basic utilities reveal the need to address the following key policy, institutional, and financial issues facing the LGUs: (i) limited financial resources resulting in poor local public water service delivery in many areas in Cagayan and slow power distribution in Quirino; (ii) lack of emphasis on sanitation as a public function related to water service delivery; (iii) weak and fragmented organizational structures resulting in non-streamlined local water service delivery in remote areas of Cagayan; and (iv) limited tie-ups and partnerships with the private sector, NGOs, and other players in local water service delivery.

Peace and Security

The state of peace and security in Region 2 can be rated as 5, which means “Excellent” in the LGPMS rating scale. The ratings of Cagayan Province, Tuguegarao city, and the municipality of Aparri in their respective 2009 LGPMS Reports are all 5. Results of interviews and FGDs also point to the presence of effective Local Peace and Order Councils (LPOCs) in all the LGUs studied. Table 7 below shows the comparative number and crime rate committed by type, by province for 2006 and 2007.

Table 7: Number and Crime Rate Committed by Type, by Province (2006-2007)

Province	Type of Crime	2006		2007	
		Occurrence	Crime Rate	Occurrence	Crime Rate
Batanes	Murder	2	0.03	2	0.03
	Homicide	0	0.00	2	0.03
	Rape	2	0.03	0	0.00
	Physical Injury	2	0.03	2	0.03
	Robbery	0.00	0.00	0.00	0.00
	Theft	1	0.01	1	0.01
Cagayan	Murder	83	70.96	85	70.96
	Homicide	44	37.62	29	24.79
	Rape	18	15.39	18	15.39
	Physical Injury	39	33.34	29	24.79
	Robbery	31	26.50	20	17.10
	Theft	13	11.11	18	15.39
Quirino	Murder	18	2.43	9	1.21
	Homicide	5	0.67	3	0.40
	Rape	0	0.00	5	0.67
	Physical Injury	15	2.02	12	1.62
	Robbery	13	1.79	12	1.62
	Theft	11	1.48	3	0.40

Source: PNP Regional Office No.02

Batanes has consistently maintained the near-zero crime rate it has had even before the LGC was enacted. Other indications of a tranquil peace-and-order situation in Batanes are the absence of insurgency and terrorism, absence of drug-related cases, and the unlocked doors of homes even if the occupants are not there day and night.

The province of Quirino likewise registered an average crime rate of less than one percent in 2007, an indication of a relatively quiet and peaceful environment conducive for development. The *Barangay Tanods* and *Katarungang Pambarangay* have been institutionalized in all the *barangays* of the municipalities studied, including the City of Tuguegarao, and members of the *Katarungang Pambarangay* or *Lupong Tagapamayapa* had been trained to resolve interpersonal disputes at the *barangay* level.

With regards to security and public safety, Cagayan may not have the ideal police to population ratio of 1:500 but its crime rate ranges from 1.62 to 1.82 for index crime and 1.60 to 2.05 for non-index crime, e.g., robbery and theft for the period 2005 to 2007. Data on insurgency-related incidents likewise registered a continuing decline over the past five years.

Given the above peace and security situation in the region, it is not surprising to note that investments have been pouring in as indicated by the increase in the number of locators at the Cagayan Special Economic Zone and Freeport (CSEFP) of the Cagayan Economic Zone Authority from three in 2002 to 91 as of December 2009, with a capital investment of P7.57 billion, and generating employment of 6,643 from a level of only 195 in 2002; infusion of an additional P3.2 billion investment by the Cagayan Robina Sugar Milling Corporation and the Robina Corporation in 2006; and the opening of new branches of banking institutions in Tuguegarao, Aparri, and other capital and business centers in the region.

But perhaps the most telling indicator of peace and security in the region is the influx of foreign and domestic tourists from 2004 to 2007 with 1,934 arrivals, registering an increase of 81.48 percent from the previous four years. Top foreign nationals that arrived in the region were Americans and Chinese.

Disaster Preparedness and Management

The region is a natural disaster-prone region. Batanes is situated along the typhoon belt. As such, it experiences an average of nineteen 19 typhoons every year but because the houses there are built to be typhoon-resistant, damages on persons and properties during and after typhoons are very minimal, if any.

Cagayan is a flood-prone province because of the swelling of the Cagayan River during rainy season. The floods bring damage to both persons and properties and in most cases result in a protracted income disturbance among farmers. Nevertheless, the Cagayan

Provincial Social Welfare and Development Office (PSWDO) had been frequently recognized and cited as a learning center both at the national and regional levels for its outstanding performance in times of natural or man-made disaster. The Disaster Risk Reduction and Management Plan prepared in coordination with the other members of the PDCC serves as a model for other LGUs to pattern their own plans after.

In Quirino, the frequent disasters there are pest-related. One such disaster happened in the middle of the 1990s when all banana plantations suffered from the attack of a banana-killing insect that wreaked havoc not only in Quirino but also in nearby Isabela and Nueva Vizcaya. At that time, the PDCC was not ready for this kind of disaster so Quirino authorities had to ask for assistance from various entities such as the RDCC, the RDC, and pest-control experts from the University of the Philippines in Los Baños, Laguna. Today Quirino is more prepared for different types of disaster.

In general, Region 2 stands out in the area of disaster preparedness and management. Its LGUs have come up with their respective Disaster Risk Reduction and Management Plans. These are formulated in coordination with their respective Local Disaster Coordinating Councils (LDCCs), which are organized and functional and have proven their efficiency and effectiveness in handling different types of disasters. This happened because the policy and institutional arrangements for this area of governance are all in place and fully supported with five percent of the total budget of the LGU per year (See Table 2 on Percent of Expenditure for Other Purposes to Total Budget, Other Purposes include the five percent annual budget for disaster preparedness and management). But putting things back to normal for the local folk after rescue and relief has proved a bigger challenge for LDCCs.

III. Economic Development

Agriculture and Fisheries Development

The region's economy over the past five years had been generally upbeat compared to previous years. *Palay* and corn production, fishery production, total investments, and tourist arrivals have been increasing primarily due to the combined efforts of the LGUs and national government agencies operating in Region 2. Concrete indications of this trend are the increasing rice and corn sufficiency levels and surpluses in both crops and the reliance of other regions on Region 2's *palay*, corn, and fruit production.

There has been an observed decline in livestock and poultry sufficiency levels, but the protein shortage is compensated by increasing fishery production. Cagayan, for instance, claims to be doing an excellent performance in this sector because it is providing quality fingerlings to its fisher folk and maintaining Provincial Fishery Stations (PFS) to provide the needed technology for marine fishing.

Tuguegarao city, for its part, says that its big investment in agriculture and fishery modernization in 2008 yielded increased production and income of farmer beneficiaries assisted by the modernization program. The next challenge for Tuguegarao is how to extend the gains of the agriculture and fishery sector to the commerce and industry sector of the city.

Batanes, by comparison, is not a grains-producing province. Its agricultural productivity is drawn mainly from poultry, livestock, and vegetable production. Since 2006, however, the province has been experiencing dwindling cattle production because of unregulated export. Pork, poultry, and vegetable production likewise have not yet reached levels sufficient for domestic consumption.

Batanes's fish production in 2007 and 2008, though, showed an increasing trend compared to previous years. This is due to the Ivatan's improved capability to explore and fish in new areas with the introduction of global positioning technology to locate new fishing grounds.

In response to the issue of dwindling livestock production, the Batanes provincial government is embarking on a small and large ruminants production project that will be placed in a six-hectare pasture land envisioned to accommodate 60,000 heads of goat and 30,000 heads of cattle under improved pasture care compared to the current accommodation of only 15,000 goats and 6,000 cattle.

In Quirino, the primary economic activity is agriculture. Hence, income sustainability derived from agricultural activities is top priority in the LGU's agenda. Agriculture, fishery, and forestry-related businesses are the dominant economic activities in the province. Agricultural product lines include rice and corn, banana, mango, vegetables, livestock, and poultry.

Despite the high investments (See Table 2, specifically Percent of Expenditure for Economic Services to Total Budget) poured into this sector, however, greater intervention remains necessary to improve productivity.

To maximize the productivity of the agriculture and fishery sector of the RFA areas, the following strategies, policies, institutional and financial support mechanisms are recommended for the LGUs to undertake: (i) formulation and enforcement of relevant/appropriate policies and local ordinances; (ii) provision of support for access to financial assistance of farmers and people's organizations; and (iii) creation of subsidy and simple/affordable financial assistance mechanism to encourage farmers to adopt new and appropriate technologies for crop, livestock, and fishery production.

Forestry

In the forestry subsector, a declining trend in the actual peso value of outputs from 2005 to 2008 has been observed. This plummeting of GRDP contribution is attributed to the decline in log production, which in turn is a result of the implementation of the ban on the issuance of cutting permits under the Department of Environment and Natural Resources' (DENR) Forest Protection Program. This holds true for all LGUs of Region 2.

Entrepreneurship, Business Development, and Industry Promotion

The provincial government of Cagayan through its 2008 Accomplishment Report says that it did not perform fairly well in this service area. It should be noted, however, that this particular type of service is more a mandate of municipal LGUs rather than of provincial LGUs. Specific LGUs like Tuguegarao and Aparri registered higher performances.

In spite of the low rating, however, Cagayan has been sustaining its initiative to promote a business-friendly environment. The province boasts of an active Small and Medium-Scale Industries Development Council and an operational Investment Promotion Center. It conducts periodic trade fairs as well as job fairs. Through its Economic Enterprise Office, the provincial government also conducts business promotion activities. It has an Investment Code that offers tax incentives to investors.

For 2010, the Cagayan provincial government in collaboration with organizations in the business sector committed to aggressively implement projects and activities that will promote micro, small and medium enterprises, as well as investments in the province.

In the province of Quirino, the few small-scale industries operating there are the furniture industry, the gifts, toys and houseware (GTH), and the food industry. But the furniture industry, which employs a good number of local carpenters, assemblers, wood carvers, and machine operators, is now under threat because of the sustainability issue regarding raw materials. Unless the local government addresses this issue holistically, either the industry will die a natural death or illegal sources of raw materials will continue to thrive at the expense of the environment. The GTH and the food industry, which are run by organized groups, are more sustainable. The local government can also easily help extend the capitalization they require.

Like Quirino, entrepreneurship and business promotion in Batanes are limited to small-scale trading, GTH, and food industry in support of its growing tourism industry, which is also the centerpiece agenda of the current administration of the island province.

To sustain the gains made in the business and industry sector, it is strongly urged that the LGUs pay special attention to these policy, institutional, and financial recommendations: (i) enhance and expand the “One Town One Product” (OTOP) program of the Department of Trade and Industry (DTI) by way of piloting appropriate micro enterprise projects in all municipalities of the region; (ii) creation and adoption of business friendly policies to streamline business processes; (iii) creation of business friendly institutions that can provide technical and financial support for small and medium-scale enterprise establishment; (iv) formulation and enforcement of relevant/appropriate policies and local ordinances for the sector such as the establishment of a “one stop shop” for business licensing and permits issuance; (v) provision of support for the development of investment and management plans; (vi) creation of financial mechanism for small and medium-scale enterprise to access funds from financial institutions; and (vii) development of business and market linkages.

Tourism Development and Promotion

Domestic tourists continued to account for the bulk of tourists visiting the region. In 2007, domestic tourists totaled 623,431 with two percent increase from 610,704 in 2006. Foreign tourists increased by 14.2 percent from 17,903 in 2006 to 20,462 in 2007. Majority of the foreign tourists came from East Asian countries like South Korea, Japan, and Taiwan. The Cagayan Special Economic Zone in Sta. Ana, Cagayan attracted tourists from China and Macau through their daily chartered flights that come primarily for the gaming facilities in Sta. Ana, Cagayan.

Tourism has become an essential contributor to the region’s economy over the past five years. Tourist arrivals have been continually increasing in all the provinces as a result of the LGUs’ aggressive campaigns and establishment and upgrading of facilities in adventure tourism sites. This was after the Department of Tourism (DOT) national office identified Region 2 as an “adventure tourism destination,” in consideration of the five provinces’ desire to protect their respective natural resources and to preserve their respective cultures.

As a tourism destination, Cagayan has a variety of natural attractions ranging from beaches, scenic mountains, bird sanctuaries, game refuges, limestone caves, fluvial attractions, museums, historical landmarks, and centuries-old churches. These attractions are scattered all over the province. Cagayan also offers a wide range of nature-based tourism activities, which include forest-trekking, mountain-climbing, whitewater-rafting, beach-walking, and whale- and dolphin- watching in the Babuyan Group of Islands.

Like Cagayan, Quirino province is also endowed with natural tourist destinations. Some of its more famous tourist spots are the Aglipay Caves and Campsite, the Maddela Falls and Forest Resort, and the newly discovered Mactol Falls of Nagtipunan.

But it is Batanes that is the favorite destination of tourists, both domestic and foreign. Its pristine beauty has been preserved over time and the present administration, fully aware of the limited resource base and carrying capacity of the province, has developed and declared as its centerpiece agenda and strategy the Batanes Ecological-Cultural Tourism Industry (BECTI). This is viewed as the only viable and sustainable development agenda for the province as it is conservation-anchored and therefore consistent with the Protected Landscape and Seascape Management Plan prepared earlier by the province. It is also socially, economically, culturally, and environmentally compatible with the inherent character and attributes of the province and its people.

IV. Environment Management

For this report, environmental governance looked into two areas: natural resource management (which includes forest ecosystem management, freshwater ecosystem management, coastal marine ecosystem management, and urban ecosystem management), and solid waste management and pollution control combined.

Natural Resource Management

Growing awareness of critical environmental conditions has been palpable in the region. In fact, the development of eco-tourism sites can be traced to the desire of local folk to protect the region's natural resources even as they use these. The Batanes Protected Landscape and Seascape and the Quirino Landscape in particular have been identified as the two priority sites for eco-tourism in the region.

In the meantime, the Cagayan PDPFP is being updated. Specific chapters of the plan outline in detail what the province will do in relation to forest protection and management, freshwater rehabilitation and ecosystems management, and coastal marine protection and rehabilitation. Worthy of note is that in the plan's drafting, the enriching contribution and pro-active participation of NGOs, CSOs and POs had been acknowledged.

For Tuguegarao city, its efforts at natural resources management have been focused on the restoration of the remaining forest cover located at the peripheries of the city's territorial jurisdiction, increase in city greenery and improvement of parks, riverbank protection, and establishment of new settlements with rows of trees surrounding it.

The forests of Quirino play a significant role in the development not only of the province itself but of adjoining provinces as well. As headwater of the famous Cagayan River, and being part of the Casecnan watershed, the forests have profound impact on the agricultural production of the neighboring provinces of Isabela and Nueva Ecija. The forests' watersheds support national infrastructure projects such as the Casecnan dam in Alfonso Castaneda, Nueva Vizcaya, and the Addalam dam in Aglipay, Quirino, aside from the communal irrigation projects within the province.

Unfortunately, Quirino's natural forests are continuously under threat from conversion and illegal cutting. Although loss of natural forests is estimated at only 157 hectares per year, the rate of increase in *kaingin* areas between 2003 and 2006 – estimated at 107 percent annually or 179 hectares per year – is very alarming. Indeed, considering that the province's annual population growth rate is 1.34 percent, one can surmise that the difficult economic situation has forced local folk to eke out a living from the forests.

The provincial LGU has requested assistance from the United States Agency for International Development (USAID) funded Philippine Environmental Governance Project (ECOGOV), a project being implemented by the DENR, for the formulation of its provincial forestry master plan. The first of its kind in the country, this 10-year (2009-2019) Master Plan translates at the provincial level the National Forestry Master Plan and the Cagayan Valley Regional Forestry Master Plan. For Quirino in particular, the framework plan covers four priority areas: biodiversity conservation, water production, wood production, and nature-based tourism. Cognizant of the interconnection between these concerns, the Quirino Provincial Forestry Master Plan (QPFMP) recognizes and works along the interaction between the upland and lowland ecosystems. It emphasizes the urgency of harmonizing conflicting uses of the forest and forestlands and provides basis for policy direction. The QPFMP also serves as a guiding document in attracting and engaging investors to develop the natural resources of Quirino while managing it as a protected landscape.

For doing this, Quirino stands out among provinces of the country in so far as natural resources management is concerned. This plan is a significant step toward the protection, development, and management of the province's valuable forest resource for the benefit not only of the people of Quirino, but also of the region and the nation as a whole, for this generation and for posterity.

Specifically, the plan addresses these pressing forestry issues and concerns in the province: the need to sustain requirements of the furniture industry for wood and non-wood raw materials; the need to protect and conserve its rich biodiversity resources to promote eco-tourism; and the need to ensure a sustainable water supply (both in terms of quantity and quality) to support agriculture and domestic requirements of local communities. At the same time, the plan provides an integrated framework, so that Quirino can realign its infrastructure and support services to attract private investments in forestry that are environmentally sustainable.

Unlike Quirino, Batanes did not come up with a separate Forestry Management Plan given its very limited forestry area. The BECTI, however, spells out specific natural resources programs and projects that include forest and coral reefs protection, protection and preservation of marine sanctuaries, and protection and continuing maintenance of springs as sources of potable water for all LGUs of the province.

Solid Waste Management and Pollution Control

These twin functions under environmental management are more pronounced at the municipal and city levels rather than at the provincial level in view of the fact that garbage collection and issuance of industry permits are lodged at that level.

In 2005 Tuguegarao City formulated its 10-year Solid Waste Management (SWM) Plan which was approved by the National Solid Waste Management Commission and adopted for implementation by the *Sangguniang Panglungsod*. This plan, in cooperation with the private sector and some NGOs, was formulated in accordance with the requirements of Republic Act (RA) 9003, otherwise known as the Ecological Solid Waste Management Act of 2000. It has been widely disseminated to all the component *barangays* of the city for its implementation, monitoring, and evaluation. To date, the plan has been implemented and a quick assessment of its operation reveals that only the conversion of the dump site into a sanitary landfill is the only component of the plan that is not yet completed.

In Aparri, Cagayan, the solid waste management program is anchored on three main thrusts dubbed as 3Rs – “reuse, recycle, and reduce.” A Solid Waste Action Team (SWAT) goes around with a public address system twice a day to announce the arrival of dump trucks to pick up the neighborhood garbage. Through proper waste segregation at the household level, garbage in Aparri has been reduced by 30 percent from its 2005 level because only the residual biodegradable wastes are being collected while the recyclable wastes like bottles, plastics, paper, and tin cans are recycled or sold to private entrepreneurs. In 2009, Aparri was adjudged the cleanest municipality of Cagayan.

All the other municipalities are in the process of formulating their respective SWMPs. In two municipalities – Mahatao in Batanes and Saguday in Quirino – the municipal planning and development coordinators (MPDCs) were actually working on their SWMPs when this researcher walked in for their scheduled interviews. In the plans that they were formulating, deliberate mention was already made on pollution control and that IEC campaigns were targeted not only for the municipal and *barangay* officials but also for schools and neighborhood groupings. In these campaigns, pollution in the form of smog, dust, odor, and noise were carefully explained by their respective environment and natural resources officers.

CONCLUSIONS AND RECOMMENDATIONS

Five conclusions are arrived at based on the key findings. These are:

- In Region 2, decentralization is a very welcome development and that it has created an enabling environment for more effective local service delivery;
- If local administration and governance is designed properly, with rightsizing, appropriate manpower planning, and proper phasing of program and project

- implementation, development happens and is felt even in sixth class municipalities;
- The three sectors, i.e. social services, economic development, and environment management, are complementarities as human development priorities and therefore require holistic policy, institutional, and financing frameworks;
 - The improvement of local administration, governance, and local service delivery systems and practices depends greatly on the motivations of the LCEs as was exhibited by those of Batanes, Quirino, Aparri, Tuguegarao, Sta. Praxedes, and Diffun; a harmonized executive-legislative agenda as exemplified by the same LGUs; and, a deliberate pursuit of unity and teamwork within the LGU as espoused in the province of Quirino and in the municipalities of Diffun and Saguday;
 - Accountability could serve as an analytic framework of local service delivery, highlighting *demand-side accountability* or the people's right to demand for better services and *supply-side accountability* or the service providers' duty to provide service to the satisfaction of its customers; and
 - Local service delivery systems do not exist in vacuums but are played out in oftentimes unfavorable political, economic, and social milieu, and whose dynamics underpin the success and failure factors of delivering for the people.

Viewed from the analysis of performance outcomes in the RFA areas, the needed policy, institutional, and financial reforms and recommendations on local administration and governance are:

- Harmonization of the executive and legislative agenda;
- Improving the legislative tracking system and computerized accessing of legislation by the public;
- Translation of national laws into local codes and ordinances in support of social development, economic development and environmental management;
- Presence of a Public Information Office or Desk to make information on local government plans, programs, special events and records readily available and accessible;
- Participation of different sectors including CSOs, NGOs, POs and PSOs in local governance and development;
- Presence of feedback mechanism to generate citizens' views on the reach and quality of services and development thrusts;
- Clarifying roles and accountabilities of institutions such as LDCs, LHBs, LSBs, and the various Local Councils and Special Bodies for greater coordination;
- Adequate and timely generation of a database to support local development planning;
- Efficient system for real property tax assessment and collection;
- Improving the annual profitability rate of public enterprise;
- Improving the quality of the annual local budget;
- Institutionalizing the practice of departments maintaining records of appropriations and expenditures;

- Improving the quality of the internal control system;
- Improving the quality and streamlining of customer service;
- Improving the quality of human resource policies, plans, and support materials for recruitment, evaluation, promotion and grievance system; and
- Expanding networks and partnerships with organizations external to the LGU.

Along local service delivery, the needed key policy, institutional, and financial reforms and recommendations are: (i) prioritization of programs, projects and activities on social services, economic development and environmental management should be cooperatively done by the LGU, CSOs, and PSOs based on actual needs of the area and its constituents as is being done in Batanes; (ii) institutionalization of a local moral recovery program and an effective local check and balance system like that being practiced in Aparri, Cagayan; (iii) provision of incentives, monetary and non-monetary to personnel who perform effectively in their respective functions; (iv) establishment and strengthening of provincial, municipal, and *barangay* networks and coordinating mechanisms to ensure integration, consistency, and complementation of priorities to address fragmentation in local service delivery at varying levels as is being done in Tuguegarao city; and (v) establishment and strengthening of tie-ups and partnerships with multilateral and bilateral donors, international organizations, national agencies, and the private sector as is being done in Quirino.

Out of the major findings and analyses, cross-cutting recommendations are formulated that bear impact on policy, institutions, and finance for an improved local governance. For policy effectiveness, these are: (i) the need for an adaptive and responsive approach rather than prescriptive approach to policy-making and implementation; (ii) the adoption of an inclusive human development approach that guarantees targeting the real beneficiaries – the poor; (iii) the need for aggressive promotion and effective implementation of a performance-based and results-oriented incentive system both for the entire LGU as well as individual departments, units, and staff where appropriate; and (iv) the imperative to link local development plans with regional and national development plans for greater impact.

For institutional governance, the recommendations are: (i) creating champions and ensuring local leadership and ownership of local service delivery agenda; (ii) enhancing strategic alliances and partnerships with civil society, private sector, and donors for synergistic collaborative undertakings that reap development dividends sustainably; and (iii) strengthening LGU capacities and capabilities commensurate to the demand for effective local administration, governance, and service delivery.

For recommendations to ensure financial sustainability, these are: (i) rational spending and investing on human development priority concerns, such as education, health and nutrition, and water supply to ensure long-term development impacts; (ii) practicing

allocative and operational efficiency to address the problems of resources constraints; (iii) enhancing resources management and fiscal capacity out of LGU's own-source revenues, and innovative partnership arrangements with development organizations to guarantee financial self-sufficiency than IRA dependency, thus giving true meaning and substance to the concept and principles of decentralization.

In conclusion, it can be said that decentralization is working in Region 2. As gleaned from this report, the results are positive and the momentum for accelerated development is felt in the RFA areas regardless of income classification. The challenge as articulated by the LCEs interviewed was how to sustain this momentum, given the defensive and sometimes obstructive policies issued by the national government on certain devolved functions. The LCEs said these should be better left to the LGUs, since they are in a better position to know their own needs and development requirements.

To this researcher, the real challenge in this tug-of-war between national and local governments is how to balance the macro perspectives at the national level with the micro views and interests at the local government level. Moves to amend the LGC had been made and a long list of recommended amendments had been forwarded. One important consideration that should be remembered once the government finally decides to work on the amendments is to make sure that the people who sit in that amendment body, however it shall be called, should have both the macro and micro perspectives. Highly placed technocrats with very little exposure on local governance may not be the best source of guidance in this crucial exercise. And yet the experienced and highly visible local chief executives with ingrained biases and vested interests may also distort the true intent and purpose of the amendments. The bottom line is to ensure that people who will draw up the amendments to the LGC not only must have a full grasp of what growth and development really mean at all levels, but also – and perhaps more importantly – have only good governance and sincere public service at heart.

BEST PRACTICE

Tuguegarao City

MDG-FACES: The Tuguegarao City Experience



Rationale of the Project: Tuguegarao City, in its desire to mainstream slum-level MDG targets into its City Development Plan and ensure the achievement of the MDGs by 2015, enrolled itself in the UNDP-funded Project called MDG-FACES City Experience in May 2008. With technical assistance from UN HABITAT and the Local Government Academy (LGA), the LGU identified and analyzed child-based MDG issues of 40 poor families in *Barangay 10, Centro, Tuguegarao City*. On the basis of these issues, the LGU formulated and managed the Family

MDG Covenants and monitored the progress of 20 boys and 20 girls from these same families on the MDG targets over a six-month period (June-November 2008).

How the Project Worked and Actors: The LGU created a Project Management Team (PMT) to guide, control, and direct project implementation. The PMT was composed of the City Mayor, the City Vice Mayor, the SP Committee Chair for Women and Family, the City Social Welfare and Development Officer (CSWDO), the City Planning and Development Coordinator (CPDC), the City Budget Officer, and the City Treasurer. The PMT in turn authorized the creation of a Project Team to undertake actual implementation, monitoring, and evaluation of the agreed activities in the MDG covenant. The CPDC was appointed Team Leader and the CSWDO Co-Team Leader of 13 personnel from the various departments of the city government who were trained by the LGA, UN-HABITAT, and the Philippine Business for Social Progress (PBSP) to do actual project implementation at the community level. Activities included multi-stakeholders' dialogues with *barangay* officials, community volunteers, NGOs, and the business sector to develop quick response mechanisms, organization, actual orientation and training of project beneficiaries on appropriate livelihood projects, actual construction of five low-cost housing units, five artesian wells and 15 sanitary toilets, provision of sewing machines for mothers, and regular on-site monitoring visits to families targeted by the project.

Funding: UNDP provided the funds for the preparatory activities and the actual project launch in the amount of P270,270.00 (\$6,500.00). The LGU equity was P515,000.00, which was used for the inputs to the actual implementation of the activities in the MDG Covenant ranging from regular meetings, trainings, capital outlay for construction, and purchase of inputs and equipment for livelihood projects to monitoring visits and other overhead expenditures of the PMT.

Barriers: The silent despair and the dole-out mentality of the poor families targeted for the project.

Enabling Factors: Presence of the City Mayor and the CPDC during the project launch and in all major activities of the project. Both clarified that the MDG-FACES is a self-help project whose assistance will last only for six months but with outcomes that could last their lifetime if they cooperate and sincerely agree to the provisions of the MDG Family Covenant, which they were asked to sign before they get enrolled as beneficiaries. Tools used (the MDG Family Covenant, the Family Quick Action Guide and the Child's Progress Report) were clearly explained by the CPDC and assured the 40 families of full support from the City Mayor within six months after signing. After six months they were guaranteed they would be in a much better position to provide for their families and live honorably on their own.



BEST PRACTICE

Tuguegarao City

Hall of Fame Awardee in the Search for the Most Child Friendly Cities in the Philippines

Rationale of the Project: Tuguegarao city, in its desire to assess its own level of child-friendliness using the criteria developed by the Council for the Welfare of Children (CWC) for component cities, made its first assessment in 2001. What was assessed was the LGU performance of 2000 because that was its first year as a city, Tuguegarao having been converted into a city only on December 18, 1999. The objective was mainly to know where they were and how they fared along the assessment criteria for component cities.

The CWC, the coordinating council for all programs and projects for children in the country, has as one of its major tasks the conduct of an annual search for the most child-friendly municipalities and cities pursuant to Executive Order No. 184, series of 1999 (December 13, 1999) entitled "Establishing the Presidential Award for the Child-Friendly Municipalities and Cities." The Presidential Award is clustered into five groups of LGUs: 4th-6th Class Municipality Group; 1st-3rd Class Municipality Group; Group of Component Cities (where Tuguegarao belongs); Independent Chartered Cities; and Highly Urbanized Cities, using a different set of criteria for each cluster. Basically, the search is considered a self-assessment mechanism of the level of child-friendliness of a particular city or municipality and attested by external evaluators from CWC and other relevant agencies and organizations.

With a cash prize of P1 million per win per category, the search likewise gives recognition to the LGUs that put in place a “child-friendly” environment.

How the Project Worked and Actors: Consistent with the provisions of Executive Order 184, series of 1999, the LGU just after its conversion into a city, organized in 1999 a City Council for the Protection of Children (CCPC), chaired by no less than the City Mayor himself. Members are the SP Chair of the Committee on Women and Children, the City Social Welfare Officer, the City Health Officer, the City Schools Division Superintendent, the City Planning and Development Coordinator, the police officer in charge of the local police Children’s and Women’s Desk, and NGOs working on children’s rights in the city. The CCPC in turn created a Technical Working Group (TWG) composed of technical staff from the member offices of the CCPC. The City Social Welfare Officer was identified as the appropriate city official to chair the TWG, whose

main function is to serve as the CCPC Secretariat, as well as to oversee the planning, implementation, monitoring, and evaluation of the Council’s programs, projects, and activities, one of which is the search for the most friendly component city.

The CCPC organized its counterpart at the *barangay* level, called *Barangay* Council for the Protection of Children (BCPC). As such, the TWG proposed two sets of activities, the city level activities and the *barangay* level activities.



The city-level activities consisted of the following: (i) orientation on the Child-Friendly Movement (CFM), which focused on children’s rights; functions, duties and responsibilities of the City Council for the Protection of Children (CCPC); organization of the CCPC; and the four major rights of the child; (ii) training of the CCPC on the formulation of a Five-Year Development Plan for Children specifically on situation analysis writing, formulation of a City Operational Plan for Children, and documentation; and (iii) actual crafting and approval of the Tuguegarao City Code for Children.

The *barangay* level activities, meanwhile, consisted of orientation of the BCPC on the CFM and training of the BCPC on the preparation of the Annual Investment Plans (AIPs), preparation of annual reports, documentation of activities, and organizational structuring of the BCPC.

Special awareness campaigns were launched such as the one on the Rights of the Child through stickers on tricycles and posters in schools, *barangay* halls, churches, and other public places. The rights were translated into the local dialect (Ibanag) and painted on walls of school buildings. Special celebrations for

children were also observed such as the Nutrition Month, *Araw ng Kabataan*, and International Children's Day, during which the mayor gave a State of the Children's Report (SLCR) to the public. There were also activities jointly undertaken by the BCPC, the schools, and the churches. All programs, projects, and activities were documented.

Funding: All activities of the CCPC and the TWG were, and are still being funded by the LGU, including the funding requirements related to the search.

Barriers: The TWG members do their tasks in the CCPC in a concurrent capacity with their regular functions in their respective mother departments or agencies. As such, overlapping and conflicting schedules could not be avoided. Questions on their loyalty to their mother department or agency also surfaced.

Enabling Factors: Personal commitment of the mayor to the Child Friendly Movement (CFM) and full support to the CCPC activities were the twin strong influences to the attainment of the prestigious Hall of Fame Award given to Tuguegarao City in 2003, a recognition it has sustained up to the present. The *Sangguniang Panglungsod* likewise shared the same commitment and support to children's programs, projects, and activities in the city. The Regional Sub-Committee for the Welfare of Children (RSCWC) under the umbrella of the Regional Development Council and the extension of the CWC at the regional level was seen by the LGU as a reserve source of technical assistance in areas in which it was not confident.

Results:

- Tuguegarao city has been adjudged as national winner in the prestigious Presidential Award for Child Friendly City, Component City category for three consecutive years, 2001, 2002, and 2003, thus qualifying it to become a Hall of Fame awardee.
- Aside from the recognition given at Malacañang Palace by no less than President Gloria Macapagal Arroyo herself, Tuguegarao city was also given a total of P3 million or a cash prize of P1 million each time it won.
- All the prizes were plowed back to the CCPC and the TWG to enhance implementation of all their programs, projects, and activities. Examples of these are: construction of day care playground facilities, improvement of the detention cell for children in conflict with the law (CICL), purchase of workbooks for Grade I pupils, ultra sound machine for the Peoples' Hospital,



armchairs, weighing scales, audio-visual facilities, teachers' manuals, first aid kits, computers, photocopying machine, camera, karaoke with microphone, and color television sets for use during training and meetings.

- A sizeable amount from the prizes went to training the trainers and the members of the CCPC, TWG, and BCPC on the CFM, and training and observation study tour of day care workers to model day care centers.
- Some amount was also allocated for the annual Search for the Most Child Friendly *Barangay*, which still continues up to the present.

Lessons Learned:

- The desire to excel as an LGU must come from the LGU officials themselves. Tuguegarao's determination to be converted into a city and stand out as a component city started with the preparation and completion in 1998 of its Physical Framework Plan covering the period 1993 to 2022. With the plan's approval in 1999, it became the basis for Tuguegarao's conversion into a component city on the same year and served as the new city's blueprint for sustainable development.
- Guided by the approved Physical Framework Plan, sectoral action plans were prepared for health, nutrition, education, revenue generation and allocation, good governance, public safety, functional literacy, social welfare, infrastructure (mobility and accessibility), agriculture (food security and poverty reduction) and livelihood development (poverty reduction and local economic development).
- The corresponding investment programs for each sectoral plan were likewise prepared and approved by the new *Sannguniang Panglungsod*.
- Implementation, monitoring, and evaluation of the sectoral plans were vigorously pursued, resulting in dramatic improvements in various development indicators, foremost of which were the social development indicators.
- The holistic approach to child survival, development, protection and participation, and proper documentation of all CCPC and BCPC activities qualified Tuguegarao City to become eligible for the Search for the Child Friendly Component City, which it won for three consecutive years. It became a Hall of Famer afterward, and it has since conducted its own annual Search for Child Friendly *Barangays*.

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About the Writer

Dr. Ma. Virginia Castillejos-Liquigan worked with NEDA Region 2 for 27 years prior to her retirement in 2003. She headed the Social Development Division (SDD) of NRO 2 for 18 years, the Macro-Inter-sectoral Coordination and Assistance Division (MICAD) for more than two years and served as OIC Assistant Regional Director for almost two years. In all her posts at NEDA, she headed the provision of direct technical assistance to local government units (LGUs) in the areas of development planning, project development and management, coordination, monitoring and evaluation. Prior to her NEDA stint, she was Dean of the College of Education of St. Paul University Philippines in Tuguegarao City. Right after her retirement from NEDA, she was hired by UNICEF Philippines as Planning, Monitoring and Evaluation Officer from 2003 to 2005 and from 2006 to 2009, she was under a Special Services Agreement (SSA) with UNICEF to Head the Programme Coordination and Monitoring Unit (PCMU) of the Sixth Country Programme for Children (CPC 6), a UNICEF-assisted Programme in the Philippines based at NEDA Central Office covering 19 provinces and 5 cities. From 1990 to 1993, on an intermittent basis, she was engaged by UNICEF Vietnam to assist the country in their Area-Based Planning for Women and Children. At present, she works as a part time Graduate School Professor and Guest Lecturer on Development Planning, Project Development and Management, Development Administration, Social Mobilization for Development, and Coordination, Monitoring and Evaluation in the various colleges and universities operating in Region 2.



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