



# **Rapid Field Appraisal of Decentralization**

*Central Luzon*

**Region 3**

This study is made possible by the generous support of the American people through the United States Agency for International Development (USAID) through Cooperative Agreement Number AID 492-A-00-09-00031-00. The contents are the responsibility of The Asia Foundation and do not necessarily reflect the views of USAID or the United States Government.



# A Test for People's Participation in Central Luzon

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## EXECUTIVE SUMMARY

**I**n general, the Rapid Field Appraisal (RFA) discovered that in the arena of local governance and administration, local leaders demonstrated competence, credibility, resourcefulness, and political will in pushing their development agenda, earning trust, confidence, and cooperation from the rank-and-file in the local government units (LGUs), as well as from their constituents. People participation was thus optimized. Great strides have been achieved in professionalizing the public service through reorganization, improving office systems and procedures, transparency and accountability in transactions, and system of merits and recognition. This has led to a development of a culture of excellence.

LGUs do not enjoy full fiscal autonomy and are still dependent on the Internal Revenue Allotment (IRA) (60 to 88 percent). However, they tried different creative strategies to increase revenue collection. Priorities in resource utilization were on general public services (29 percent), economic services (20 percent), health (17 percent), education (8 percent), and social services (1.5 percent).

In the area of health and social services, people in the region generally have access to basic primary health care and other services given by 15 hospitals, 80 rural health units (RHU), and 950 barangay health stations (BHS). There is one RHU per municipality and one BHS per barangay. One positive development is the presence of at least one doctor, one nurse, and one midwife in each RHU. In maternal and child care, much still needs to be done with the high infant mortality rate (7.8 percent) and maternal mortality rate (0.62 percent). All the health indicators on pre-natal and post-partum care did not meet the performance standards except those on exclusive breastfeeding and Vitamin A supplementation. Despite budget constraints, LGUs addressed the needs of the vulnerable sectors (indigents, persons with disability, out-of-school youth, unemployed, women, senior citizens, rebel returnees, youth in conflict with the law) with the active support and participation of NGOs and the community at large.

Economic development was spurred by efforts of local government units with the participation of the people to adapt local needs with national and regional economic and development thrusts especially in shaping global marketing perspectives for local industries and businesses.

National agencies and financial institutions helped LGUs by providing credit financing. Likewise, private industries and international donors demonstrated interest and commitment through donations, grants, and other forms of aid. There seems to be great faith in the LGUs' potential for development particularly in the services industry, agriculture, and eco-tourism.

Policies through local legislation such as the Investment Code, active participation of various sectors in the Regional Development Council (RDC), and infrastructure support (transportation, communication, power) are in place and nearing completion, which could further boost the business and industry sectors. This can also generate employment and increase revenues that can fund health and social services.

The RFA also noted that agriculture in the region notched very notable achievements:

- Rice productivity was highest in the country at 4.2 metric tons per hectare (mt./ha.) – higher even than the national average of 3.4 mt./ha.;
- Sugar production was 68,764 mt./ha. Although this was higher than the country's average of 64,764 mt./ha., it gave the region only a 5<sup>th</sup> place ranking among the Philippines' sugar-producing areas;
- Peanut productivity of 1.33 mt./ha. was slightly higher than the national level of 0.97 mt./ha.;
- Mango production ranked first in terms of land area devoted to plantations and third in production; and
- Vegetable production, livestock-raising, and fish production are now also being expanded to include high-value crops.

LGUs also passed local legislative measures in support of national laws on environment and ecological solid waste management. They developed their own local plans and implemented programs on environmental conservation and protection, solid waste management, and coastal resource management with the support and active participation of industries, commercial establishments, non-government organizations (NGOs), public and private schools, and informal neighborhood groups. But the demands of a steadily increasing population are putting pressure on the region's environmental resources.

## **Introduction**

Central Luzon is north of the National Capital Region bounded on the east by the Pacific Ocean and on the west by the China Sea. It is composed of seven provinces and two highly urbanized cities and has a total land area of 2,147,036 hectares or about seven percent of the country's total land area. 45 percent of this is classified forest lands while the rest are certified alienable and disposable lands. Its topography is marked by an extensive central plain surrounded by three mountain ranges (Sierra Madre on the east, Caraballo on the north, and Zambales mountains on the west). The region has a long coastline and only the provinces of Tarlac and Nueva Ecija are landlocked.

The region's population of 9.8 million in 2008 grew at an annual average rate of 2.36 percent from year 2000. There has been an increase in poverty incidence in the region, with the 2006 figure standing at 20.7 percent, compared to 17.5 percent in 2003. Most parts of Central Luzon are domestic migration destinations even as they are also a source of international migrants.

The region's contribution to the country's Gross Domestic Product (GDP) comes from three major sectors: agriculture, industry, and services. In 2007, the region accounted for 11 percent of national agriculture, fishery, and forestry output and was fifth in rice production. While it topped other regions in the supply of onions, as well as in hog- and poultry-raising, it ranked third in mango production and fourth in aquaculture production.

In trade and industry, the region is among the top three (the others being National Capital Region [NCR] and Region IV-A) in terms of investment generation. At the forefront of attracting investments are the Subic Bay Freeport Zone (SBFZ) in Zambales and the Clark Freeport Zone (CFZ) in Pampanga. With the global recession, however, investments fell from P131.7 billion in 2006 to P72.55 billion in 2008 while the value of exports contracted from \$4.0 billion in 2006 to \$2.7 billion in 2008. Central Luzon's top five exports are electronics, garments and textile, other industrial and consumer manufactures, and fashion accessories and leather goods. The region ranks third in terms of number of micro-small-medium enterprises (MSMEs) with a total of 151,303 registered MSMEs (2004-2006), of which 87.5 percent are in trade and services and about 10 percent are in manufacturing.

In tourism, visitor arrivals climbed from 234,359 in 2000 to 530,802 in 2008 due to infrastructure development and promotions.

The mining and quarrying industry currently accounts for only 0.01 percent of the Gross Regional Domestic Product (GRDP). This sector, however, is considered to have the highest potential in the region, which has been identified as one of the richest mineral areas in the country. Zambales in particular was identified as having the biggest mining land share – 6.98 percent – of its total land area. Currently, a total of 44,235 hectares, or two percent of the region's total land area is covered by approved mining claims.

Circulation of goods and people within and outside the region is facilitated by a combination of roads, airports, and seaports. The most important north-south road connection between the National Capital Region (NCR) and all regions north are the Manila North Road and the Cagayan Valley Road, both of which serve as the backbone of the road network of Luzon and contribute to the primacy of Manila as the capital city of the country. These two arteries are supplemented by expressways that provide fast, continuous, and reliable north-south travel: North Luzon, Bataan, and Subic-Clark-Tarlac.

## Sampling of Local Government Units

The RFA covered three Central Luzon provinces: Aurora (3rd class) including the municipalities of Baler, Dipaculao, and Ma. Aurora; Bulacan (1st class) including the municipalities of Bustos, Plaridel, and Malolos City; and, Zambales (2nd class) covering the municipalities of Cabangan, Iba, and San Felipe.

Sampling of LGUs was done such that varied income classes were represented. The twelve (12) sample LGUs which were selected in Region 3 are shown below.

Table 1: Total Land Area (in has.)

LGU	Basic Profile				
	Income Class	Population	Total Land Area (in has.):	No. of Barangays	No. of Households
<b>Provinces</b>					
Aurora	Third	187,802	309,860	151	35,679
Bulacan	First	2,862,926	277,485	569	463,886
Zambales	Second	720,355	371,440	230	91,972
<b>City</b>					
Malolos	Third	223,069	6,725	61	36,663
<b>Municipalities</b>					
Baler	Fourth	34,492	11,240	13	7,241
Dipaculao	Third	24,882	36,600	25	5,518
Maria Aurora	Second	35,289	41,170	40	8,702
Bustos	Second	65,156	4,750	14	13,077
Plaridel	First	97,225	4,100	19	20,549
Cabangan	Third	21,519	6,723	22	4,456
Iba	First	44,344	15,338	14	7,930
San Felipe	Fourth	21,322	11,169	11	5,004

## RESULTS OF DECENTRALIZATION

### I. Local Governance and Administration

#### Local Legislation

LGUs passed local legislative measures that (a) strengthened their organizational efficiency; (b) increased local revenues; (c) improved their delivery of basic services through effective program implementation; (d) pushed local economic investment and development; (e) ensured policies that would protect their environment and natural resources for sustainable development; and (f) addressed specific local concerns. Many of these local laws supported national laws and programs, ensuring that policies, regulations and accountability are clearly defined, and funds for programs are provided.

The Administrative Code provided for the reorganization and the creation of mandated and optional offices. LGUs reviewed their respective organizational structures and appropriately redesigned these to be more responsive to their operations and program implementation. Some LGUs made their organization bigger while others made it leaner. The common objective was to have qualified public servants who made the internal operations in local government more effective and efficient.

Internal efficiency was enhanced with the computerization of services. Among the systems installed were the Management Information System (MIS); Geographic Information System (GIS); Real Property Tax Information System (RPTIS); Personnel Management Information System (PMIS); automated attendance monitoring system through biometric device and payroll system; electronic National Government Accounting System (e-NGAS); and Early Warning system assisted by the Korea International Cooperation Agency (KOICA) and the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA). These systems reduced transaction time, facilitated the consumption of information, simplified the recording and filing system, and facilitated retrieval of information.

The Revenue Code was periodically revised to update assessment levels of real properties, and also allowed the charging of local fees for such things as frequently requested documents, hospital and laboratory services, and use of LGU facilities. The Local Reproductive Health Care Code provided the budget for the purchase of family planning commodities and supplies for family planning services. The localization of the Asin and Food Fortification Laws encouraged cooperatives and micro-entrepreneurs to produce iodized salt and food fortified with vitamins and made these available to the local people at cheap prices. In support of the Women in Nation Building Act, Bulacan created the Provincial Commission on Women, which formulated gender policies and monitored the implementation of women development programs. LGUs also formulated local Ecological and Solid Waste Management plans in which they identified “do-able” and practical strategies to segregate waste, convert open dumpsites into sanitary landfills, and establish materials recovery facilities.

To enhance local economic development, LGUs passed Investment Codes, which provided incentives to investors and established one-stop-shops to facilitate business-license processes. San Felipe, Zambales passed a resolution on a Memorandum of Agreement with the Canadian Executive Service Organization, League of Municipalities of the Philippines, Mayors’ Development Center, Communication and Information and Technology National Corporation, and the Department of Trade and Industry on a technical assistance for the crafting of an information system, strategic plan, and operationalization of an electronic business permit and licensing system.

Examples of local legislation that addressed specific local concerns were on peace and security and environment management. San Felipe, Zambales passed a *Sangguniang Bayan* (SB) resolution requesting the Department of Environment and Natural

Resources (DENR) to assist it in the dismantling of unauthorized fences and private armed personnel in one of its barangays. This local initiative to collaborate closely with a national agency improved the local peace and order situation in the community. Another local concern has been the management of quarries for environmental protection and revenue generation. The province of Aurora passed a resolution wherein a Memorandum of Agreement (MOA) was executed with the municipalities and barangays on procedures to manage the quarries. Likewise, Bulacan passed a provincial ordinance that defined guidelines for the accreditation of processors, traders, dealers, retailers, mining and quarry operators, and all entities dealing with minerals and mineral products and by-products.

LGUs have institutionalized their own merit-and-award system for excellence and innovations in public service. Winners showcase their best practices and the leagues of local governments draw lessons from these champions. Several *lakbay aral* or study visits among LGUs were done in the past years enabling participants to learn from the achievements of others. The governors and mayors regard the awards not as ends by themselves, but as public report cards of their performance, tools for credit financing of their projects, and sources of attraction for development investors.

The best local practices of LGUs were recognized and awarded by national government agencies and non-government institutions. Aurora received awards for its early warning system in disaster mitigation, streamlined procedure in the issuance of permits, and business and investment enabling environment. Cabangan, Zambales was awarded as best implementer of its *Lupong Tagapamayapa* at the barangay level. Bulacan received several awards on continuing excellence in local governance from the Galing Pook Foundation, Konrad Adenauer Stiftung Foundation, and The Ford Foundation. Other awards were on outstanding cooperatives, best e-practices and website, nutrition, gender and development, disaster management, land use planning, business friendly environment, and highest local revenue generation.

## Transparency

Transparency in LGUs was indicated by their use of local publications, media releases, radio programs, information bulletin boards, billboards, streamers, websites, leaflets, brochures, publications of reports and the holding of public forums and assemblies, posting of job vacancies in bulletin boards, and publication of contracts. Aurora province regularly releases its official publication *Ang Bagong Aurora*. It also had a radio program (*Balitang Aurora*) but ceased to operate it because of financial constraints. The local publications of Bulacan include *TSO-Kabalitaan Mo! Para sa Totoong Serbisyo Mamamayan ang Panalo and Pang-Asenso*. These are distributed to all provincial offices, municipalities, key provincial agencies, and accredited NGOs.

The municipalities of Plaridel, Bulacan (*Tinig ng Plaridel tungo sa Progreso*) and Cabangan, Zambales (The Leaf) also have their local publications, copies of which are available in department offices for the public to read.

Public information desks and suggestion boxes are visibly located in the main lobbies of the provincial and municipal buildings of LGUs. Copies of the Citizens' Charter, as well as flowcharts, are also displayed in strategic locations in LGUs. Likewise, tarpaulins regarding important events, announcements, and accomplishments such as winning in competitions are displayed in provincial and municipal buildings.

Transparency has been further enhanced by the annual "State of the Province/ Municipality" delivered by the LGUs' respective local chief executives in general public assemblies. Leaflets summarizing the accomplishments are also distributed to the public. In addition, constituents can read their town's or province's annual accomplishment reports in the LGUs' respective Planning and Development Offices. Bulacan in particular has a Public Affairs Office (PAO) that prepares its publications and other information materials. All the sampled provinces have an Information Technology Office that is in charge of the LGU's website and e-mail service through which the LGU can communicate with constituents. Computerized information systems were also present in the municipalities of Ma. Aurora, Dipaculao, Plaridel, and Malolos City.

### **Participation and Participatory Development**

LGUs realized the importance of encouraging people to participate in the affairs of government. The private sector and NGOs have partnered with the LGUs through their representation in LSBs, committees, task forces, and councils created for specific concerns. All these bodies are generally functional and active at the provincial, municipal and barangay levels. They meet regularly at least twice a year except for those bodies that are mandated to meet monthly. They participate in policy formulation, program and project development, implementation and monitoring, generating resources – money, material, and volunteers.

In Aurora, the *barangay* councils for the Protection of Children formulated policies and established databases for children. It prepared annual work plans and implemented various programs for children. The senior citizen associations were very active as well and worked in close coordination with the Social Welfare Offices. They articulated the needs and concerns of the elderly and helped implement programs such as those involving physical health examination, eye care and provision of eyeglasses, and referrals of elderly constituents who need medical operation and treatment to hospitals, Philippine Charity and Sweepstakes Office (PCSO), and other civic organizations for financial assistance, medical and surgical services, and medicine.

People's organizations such as cooperatives partnered with LGUs in micro-financing, giving training in livelihood skills, formulating business projects, and in management and marketing of products. Local business organizations also joined hands with LGUs. The Bulacan Chamber of Commerce and Industry (BCCI), for example, partnered with the province and helped entrepreneurs in product development, packaging and labeling, and marketing and business promotion. It likewise served as partner of

the Public Health Office (PHO) in promoting family planning services in business and industrial establishments. Civic organizations such as the Rotary Clubs, Lions International and Soroptimist International, meanwhile, gave financial support to community projects in education, health, and livelihood in all the sampled LGUs.

### **Development Planning**

Local laws are put into operation starting with planning. LGUs formulated their own local plans anchored on actual needs and resources. The planning and development offices at the provincial, city, and municipal levels are all functioning. The services of the offices are computerized and they have efficient recording and filing systems. The planning personnel are capable and competent, computer literate, and were very positive toward their work. The Local Development Councils (LDCs) are functional and meeting regularly. Public consultations are regularly held. All these led to the formulation of plans such as the Annual Investment Plan, Comprehensive Development Plan (CDP), Comprehensive Land Use Plan (CLUP), Financial Development Plan, Human Resource Development (HRD) Plan, Health Development Plan, Provincial/ City/Municipal Investment Plan for Health, Gender and Development (GAD) Plan, and Revenue Generation Plan. The LGUs, however, varied in performance in terms of updating and completing the plans due to time constraints or lack of funds. One concern raised by LGUs is the difficulty in gathering accurate and updated data from the *barangays*.

### **Resource Generation**

Plan implementation needs funds, and LGUs are thus challenged to increase local revenues. LGUs, however, do not enjoy full fiscal autonomy and are still dependent on the IRA, from 60 percent (Bulacan, 1<sup>st</sup> class) to 89 percent (Aurora, 3<sup>rd</sup> class). Decentralization challenged LGUs to exercise their power to create their own sources of revenue and to levy taxes, fees, or charges subject to approved tax ordinance or revenue measure (LGC, Art. 218 & 222).

For the past five years, Bulacan generated more than half of its total revenues from local sources (66 percent). By comparison, Aurora, a third class province, has had a meager 10 percent average share of local revenues given its limited opportunities for generating revenues from local sources. It is also averse to burdening further its poor constituents with additional taxes since the province has a high unemployment rate and most businesses are struggling to survive.

Zambales, on the other hand, saw local revenues leap from a mere 11 percent in 2004 to 67 percent in 2008. Tax revenues constituted 60 percent of the total local revenues of the LGUs.

The ratio of IRA to total expenditure likewise indicates the dependency of lower class LGUs on the IRA (92 percent for Aurora and 98 percent for Zambales). Bulacan's ratio was 62 percent, which indicate efforts to raise local revenues.



Real property tax (RPT) is the main source of tax revenues in the provinces (42 to 82 percent) and in the municipalities (41 to 70 percent) except in Iba (24 percent). Business taxes contributed seven to 14 percent in the sampled provinces, and 43 to 67 percent at municipalities in Bulacan and Zambales. Modest efforts were shown in Aurora and in Zambales with a 50 and 52 percent increase in real property tax collection, from 2004 to 2008.

The LGUs noted that the General Revision, which provides for the revised market values of real properties, widens their tax base and has been an opportunity for them to increase collection given intensified collection efforts. Not all LGUs, however, made the General Revision every three years as provided in the Local Government Code. Reasons cited were financial constraints, lack of manpower, and lack of political will. Among the factors contributing to delinquencies were low productivity of land due to natural calamities, transfer of owners to other places in the country or abroad, disputes on payment of taxes among heirs of property that has been subdivided but has yet to be titled properly, real owner could not be determined or identified because the property had been sold but not yet transferred; pending disputes on property boundaries or ownership, duplication of titles; titled properties under the Comprehensive Agrarian Reform Program (CARP) or free patent but have no tax declaration, mother title with many heirs still not divided and transferred, and conflict between subdivision owners and lot owners on who should pay the taxes. Complicating matters was the fact that assessment records of the real property units had not been updated to show changes in actual use or reflect subdivided lots and transferred properties.

Table 3: Revenues from Real Property and Business Taxes, Average in Million Pesos (2004-2008)

Indicator (Average, 2004-2008)	Aurora (3 <sup>rd</sup> class)				Zambales (2 <sup>nd</sup> class)			Bulacan (1 <sup>st</sup> class)		
	P10.18M				P27.04M			P321.20M		
RPT (PhP in Million)										
	Baler (4 <sup>th</sup> )	Dipaculao (3 <sup>rd</sup> )	Maria Aurora (2 <sup>nd</sup> )		Cabangan (3 <sup>rd</sup> )	Iba (1 <sup>st</sup> )	San Felipe (4 <sup>th</sup> )	Bustos (2 <sup>nd</sup> )	Plaridel (1 <sup>st</sup> )	Malolos City (3 <sup>rd</sup> )
	2.46	1.84	2.25		0.89	2.75	1.26	3.36	12.63	52.87
% RPT to tax revenues	81.57							76.82		
	45.56	70.23	57.11		47.85	24.31	44.68	49.85	41.38	48.77
Business Taxes	P1.54M							P57.67M		
% Business taxes to tax revenues	12.34							6.69		
	38.31	20.23	27.92		44.62	66.58	49.29	43.03	54.39	45.94

Among the strategies used by LGUs to increase the RPT collection includes setting up of a real property tax information system; persistent pursuance of delinquent taxpayers through administrative and judicial remedies; tax amnesty and compromise agreement with big tax delinquents; and intensive tax information and education down to the *barangay* level.

The municipalities generated income from business taxes from as low as 20 percent in Dipaculao to as high as 66 percent in Iba. In Aurora, Bulacan, and Zambales it was a meager seven percent to 14 percent. These indicated the need to boost business activities and to intensify the campaign for business registration and issuance of receipts by existing businesses.

### ***Non-tax Revenues***

LGUs intensified and strictly implemented the collection of non-tax revenues such as regulatory fees, service and user charges, and receipts from economic enterprises. Legislation supported these collections. It should be noted that LGU classification was not a barrier to collection, which averaged 40 percent across all local governments. Aurora showed a steady increase of 238 percent over the past five years. The province signed a Memorandum of Agreement with eight municipalities and 79 barangays on the improvement of management of quarries and the collection of taxes from their operations. It also operated the Rice Processing Center as an economic enterprise. The trend in Zambales fluctuated from year to year, while that in Bulacan picked up in the last two years.

Table 4: Comparative Data on Non-Tax Revenues, Average in Million Pesos (2004-2008)

Indicator (Average, 2004-2008)	Aurora (3 <sup>rd</sup> class)			Zambales (2 <sup>nd</sup> class)			Bulacan (1 <sup>st</sup> class)		
Non-tax revenues (PhP M)	P18.86M			P35.51M			P247.95M		
	Baler (4 <sup>th</sup> )	Dipaculao (3 <sup>rd</sup> )	Ma. Aurora (2 <sup>nd</sup> )	Cabangan (3 <sup>rd</sup> )	Iba (1 <sup>st</sup> )	San Felipe (4 <sup>th</sup> )	Bustos (2 <sup>nd</sup> )	Plaridel (1 <sup>st</sup> )	Malolos City (3 <sup>rd</sup> )
	4.56	1.47	2.56	2.49	5.22	4.16	4.25	17.49	30.88
% Non-tax revenues to local generated revenue	60.18			64.21			37.23		
	45.78	35.94	39.38	6.87	9.45	12.16	7.90	16.39	8.33

### Resource Allocation and Utilization

Provinces showed the same priorities in resource allocation and utilization: general public services (29 percent), economic services (20 percent), and health (17 percent). Not high on the list of priorities were education (8 percent) and social services and welfare (2 percent). LGUs that exceeded the 45 percent standard set in Sec. 325 of the Local Government Code were the municipalities of Dipaculao, Ma. Aurora, Cabangan, Iba, and Bustos, and Malolos City. Aurora and Zambales focused on their need for economic development (22 percent and 26 percent, respectively). Bulacan gave equal attention to economic services (12 percent), and education (11 percent).

Table 5: LGU Expenditures on Basic Services, Average in Million Pesos (2004-2008)

Indicator (Average, 2004-2008)	Aurora (3 <sup>rd</sup> class)			Zambales (2 <sup>nd</sup> class)			Bulacan (1 <sup>st</sup> class)		
	Baler (4 <sup>th</sup> )	Dipaculao (3 <sup>rd</sup> )	Ma. Aurora (2 <sup>nd</sup> )	Cabangan (3 <sup>rd</sup> )	Iba (1 <sup>st</sup> )	San Felipe (4 <sup>th</sup> )	Bustos (2 <sup>nd</sup> )	Plaridel (1 <sup>st</sup> )	Malolos City (3 <sup>rd</sup> )
Total Expenditures			P313.5M			P427.28M			P1,640.28M
	42.37	44.54	55.98	35.42	55.25	28.93	50.71	80.14	347.07
Expenditure on General Public Services			P105.36M			P116.98M			P445.48M
	21.92	22.48	29.95	21.85	30.02	15.57	24.58	31.32	174.25
% General Public Services to total expenditure			33.70			27.29			27.13
	51.73	50.47	53.50	61.69	54.33	53.82	48.47	39.08	50.21
Expenditure on Education			P6.84M			P16.6M			P178.6M
	0.94	1.0	1.21	0.41	1.50	0.74	1.78	6.48	22.32
% Education to total expenditure			2.15			4.08			10.94
	2.22	2.25	2.16	1.16	2.71	2.56	3.51	8.09	6.43
Expenditure on Health, nutrition & population			P131.04M			P83.6M			P251.92M
	2.95	3.66	4.33	2.46	4.82	2.70	6.11	9.84	32.35
% Health, Nutrition & Population to total expenditure			16.66			19.90			15.03
	6.96	8.22	7.73	6.94	8.72	9.33	12.04	12.28	9.32
Expenditure on Social Services & Welfare			P4.02M			P1.0M			P51.32M
	1.39	1.54	1.87	0.80	0.85	0.54	3.86	3.23	7.93

Table 5: LGU Expenditures on Basic Services, Average in Million Pesos (2004-2008) cont.

Indicator (Average, 2004-2008)	Aurora (3 <sup>rd</sup> class)			Zambales (2 <sup>nd</sup> class)			Bulacan (1 <sup>st</sup> class)		
% Social Services & Welfare to total expenditure	1.32			0.24			3.03		
	1.39	1.54	1.87	0.80	0.85	0.54	3.86	3.23	7.93
Expenditure on Economic Services	P67.56M			P114.66M			P199.86M		
	5.74	4.22	4.44	2.96	8.31	3.87	5.14	8.75	62.80
% Economic Services to total expenditure	22.11			25.76			11.98		
	13.55	9.47	7.93	8.36	15.04	13.38	10.14	10.92	18.09
Expenditure on Debt Service	0			P11.63M			P26.68M		
	0.74	0	0.83	0	0	0	0.75	1.38	3.01
% Debt Service to total expenditure	0			2.72			1.63		
	1.75	0	1.48	0	0	0	1.48	1.72	0.87

## **Financial Accountability**

In all LGUs, the budget, accounting, and treasury offices complied with the mandated recording, reporting, and publication requirements. Disbursements were made in accordance with existing laws and regulations and certified financial statements were available. These offices were manned by qualified personnel who knew their duties and responsibilities. The Bids and Awards Committees (BAC) were functional. The computerization of transactions and operations facilitated the monitoring and tracking of finance-related activities. The Commission on Audit (COA) had no major negative findings on the LGUs, although these were aware of the need to continuously improve their internal audit system.

## **Customer Service**

The LGUs exerted efforts to improve their services to citizens. All were aware that having mechanisms like a communication system for easy access to government officials and installing a one-stop shop for convenient and easy access of public documents can lead to customer satisfaction. All LGUs have copies of the Citizens' Charter posted on billboards, bulletin boards or published in brochures. In Aurora and Bulacan, the local government offices have leaflets and brochures on services available to the public. In all the LGUs, the normal practice was to post announcements on bulletin boards and streamers/tarpaulins set up in strategic places such as the capitol/municipal grounds, public markets, and parks. While there were suggestion boxes visibly placed in provincial and municipal offices, citizens still preferred to directly talk with the heads or employees of the departments they have business with. In addition, LGU personnel observed that many citizens, particularly those living in distant barangays, would rather inquire through phone calls or text messaging.

In Aurora and Bulacan, citizens who needed special and specific assistance were attended to by the provincial administrator or chief of staff and referred to the governor or appropriate offices. In Zambales, people waited in the Office of the Governor to talk to him directly.

To get citizen feedback, Bulacan and Plaridel conducted evaluation or exit surveys accomplished by the citizen participants after community activities or programs. In the Kaagapay sa Barangay program in Bulacan, the governor together with all department heads, scheduled visits to the barangays, held dialogues, and delivered needed services. Community-needs assessment was usually done before these visits.

## **Human Resource Management**

All LGUs have a Human Resource Management Officer (HRMO) with a fully-equipped office and staff. HRMOs adhered to civil-service laws, rules and guidelines. Human resource development plans were formulated but these were not fully implemented,

even though funds were allocated for training and other enhancement activities of LGU employees.

Most of the training were conducted by the Civil Service Commission (CSC), Department of Interior and Local Governments (DILG), Department of Health (DOH), Department of Agriculture (DA), Department of Trade and Industry (DTI), Department of Science and Technology (DOST), and the DENR. Others were initiated by the LGU themselves based on need or demand. Common to all the training were the orientation of employees on the thrusts of the current leadership, job functions, CSC rules and regulations, policies and requirements of the Government Service Insurance System (GSIS), PhilHealth, and Pag-Ibig. There was no career path given to employees and officers in the LGUs. Job vacancies were posted on bulletin boards. Recruitment and selection was done by the HRMO in coordination and consultation with other key department heads and the Office of the Governor which makes the final decision.

The LGUs reviewed their organizational structures and appropriately redesigned these to be more responsive to their operations and program implementation. Some made their organization bigger while others made it leaner. The common objective was to have qualified public servants who made the internal operations in local government more effective and efficient. The municipality of Baler, for example, added 22 people, most of whom were field personnel who implemented programs in the barangays. The presence and close supervision of the programs in the town's communities increased people's awareness and involvement.

By comparison, Bulacan made its organization leaner because devolution increased the total workforce of the province by 60 percent (from 1,350 to 2,163). Five kinds of reorganization were implemented in a span of eight years: rationalization of devolved functions, streamlining and clustering, right-sizing and upgrading, consolidation of functions and upgrading, and realignment of organizational strategy. Some offices were merged, others abolished, and new offices created to address emerging concerns and needed services to push development.

Table 6: LGU Expenditure on Personnel Services, Average, in Million Pesos (2004-2008)

Indicator (Average, 2004-2008)	Aurora (3rd class)				Zambales (2nd class)			Bulacan (1st class)		
	Baler (4th)	Dipaculao (3 <sup>rd</sup> )	Ma. Aurora (2 <sup>nd</sup> )		Cabangan (3 <sup>rd</sup> )	Iba (1 <sup>st</sup> )	San Felipe (4 <sup>th</sup> )	Bustos (2 <sup>nd</sup> )	Plaridel (1 <sup>st</sup> )	Malolos City (3 <sup>rd</sup> )
Expenditure on General Public Services				P105.36M			P116.98M			P445.48M
	21.92	22.48	29.95		21.85	30.02	15.57	24.58	31.32	174.25
% General Public Services to total expenditure			33.70				27.29			27.13
	51.73	50.47	53.50		61.69	54.33	53.82	48.47	39.08	50.21

## **Networking and Linkaging**

The provinces maximized their networking and linkages with national government agencies, local, national and international organizations, civil society organizations, private companies, academic institutions, cooperatives, health-care organizations, business organizations, as well as with citizens including those living abroad. They requested financial, technical, and material resources assistance.

Aurora received grants from the Japan International Cooperation Agency (JICA) for the improvement of the Aurora Memorial Hospital. It also partnered with the United Nations Children's Fund (UNICEF) for its project on indigenous children. The technical assistance received by Bulacan from the United States Agency for International Development (USAID) focused on local governance projects such as capability building for local officials, key department offices, and civil society organizations, as well as the development of its Management Information System and Geographic Management System. Zambales received donations from the Subic Bay Metropolitan Authority (SBMA) for the improvement of elementary school buildings. It also linked up with the Canadian Executive Service Organization, League of Municipalities of the Philippines, Mayors' Development Center, Communication and Information and Technology National Corporation, and DTI for technical assistance in the crafting of its information system, strategic plan, and operationalization of an electronic business permit and licensing system.

Municipalities on the other hand, focused more on linking up with senators and congressmen for their infrastructure projects and farm inputs (e.g. seedlings and fertilizers). They also joined forces with successful community businessmen, professionals, and local civic organizations for scholarships for students, book and medicine donations, medical missions, relief operations, and other community projects.

## **II. Health and Social Services**

### **Health Services and Facilities**

The LGUs' health service facilities consist of hospitals, rural health units (RHUs) and barangay health stations (BHS). The BHS and RHUs provide services on basic preventive medicine and promotion of primary health care including the management, diagnosis, and treatment of minor ailments. Higher level services and management of more serious medical cases are performed in hospitals.

Efficient delivery of health service needs a well-defined health referral system (HRS). The HRS identifies the minimum package of services at the primary health facilities and complementary services at the secondary and tertiary facilities. The system ensures clear coordination of all levels of health service delivery units from provincial, district, health centers and barangay health stations and with government agencies, non-

government agencies, private providers, and with LGUs particularly for transportation, communication, and financial assistance. Although LGUs don't have an HRS manual, local health personnel have an agreement in referring patients from one type or level of service provider to another – such as from a health center to a district hospital, district hospital to provincial hospital, provincial hospital to a specialized national hospital; or from a private clinic to a public hospital, or from a public hospital to a private hospital. Reasons for referrals include neurosurgical interventions, orthopedic evaluation, CT scan, absence of burn unit, medico-legal evaluation, further medical evaluation, and management of animal bites. In the last couple of years, the number of referred cases from RHUs and private clinics to public hospitals increased when more medical specialists were hired in the provincial hospitals. Consequently, the number of cases referred by public hospitals to national hospitals decreased as immediate medical attention was already administered to patients at the provincial level.

Hospitals in the three provinces have bed occupancy rates ranging from 90 percent to 140 percent. The Bulacan Provincial Hospital has upgraded its facilities and is now classified as a Medical Center. Aurora is the only province that does not have a higher level referral hospital. The Aurora Memorial Hospital in Baler is the province's only first-level referral hospital. The nearest higher level referral hospital is located in Cabanatuan City which is 280 kilometers away from Dilasag and 135 kilometers from Baler. The poor road conditions in Aurora means that it will take patients four to eight hours to reach Cabanatuan City.

Table 7: Health Service Facilities & Gaps Based on DOH Standards

	Aurora (2008)	Zambales (2008)	Bulacan (2008)	Total	Standard (DOH)	Ratio 2008	Deficiency/ Excess
Hospitals	4	4	7	15	-	1:249,005	
RHUs	8	15	57	80	1:20,000	1:45,508	-102
BHS	66	349	535	950	1:5,000	1:3,931	+202

*\*Standard ratio of facility to population*

The ratio of health facilities to population in the provinces shows that there is an excess of 202 barangay health stations (BHS). And yet with the current target of one BHS per barangay, 17 out of the 967 barangays are still without a BHS. While there is one RHU per municipality, LGUs still lack 102 RHUs based on the standard ratio. There are thickly populated cities such as Olongapo with a population of 227,270, which accounts for almost one-third (32 percent) of the total population of Zambales. Most of the other municipalities in the province have an average population of 25,000. Similarly, in Aurora province, the average population per municipality is 23,000.

Since Central Luzon is generally mountainous bisected by numerous river networks, many barangays are situated in remote areas. Bridges are still being constructed and repaired. LGUs have responded to this situation by setting up BHS that are lower in cost but limited in services. This enables people to have access to minimum

primary health care services. After all, the construction of one RHU inclusive of basic equipment and fixtures costs approximately P5 million against P2.5 to P3 million for a BHS. The mean cost of personnel salaries, operations, supplies, and medicines was also estimated at P2 million annually.

One major constraint faced by LGUs is the lack of funds to upgrade their health facilities and hire additional personnel to enhance the quality of services, a step towards accreditation by the DOH and the Philippine Health Insurance Commission (PHIC). Accreditation by these health agencies guarantees that the health facility has attained the required quality standards. A health facility must be certified by the DOH as *Sentrong Sigla* with Tuberculosis-Directly Observed Treatment Short (TB-DOTS) Course, locally known as *Tutok Gamutan*), Out Patient Benefit (OPB) or Maternal Care Package (MCP) before PhilHealth accredits it. A facility accredited by PhilHealth is reimbursed for providing services to a patient who is member of PhilHealth. These reimbursements constitute the PhilHealth capitation fund of the LGUs which can be used to further improve their health delivery services.

Table 8: Accredited Health Service Facilities

Accreditation	Aurora		Bulacan		Zambales	
	N	%	N	%	N	%
Sentrong Sigla (DOH)	6	75.00	Hosp= 7	88.00	10	66.66
			RHUs=53	95.00		
			BHS=91	22.00		
Out Patient Benefit (PHIC)	2	25.00	27	50.00	6	40.00
Maternal Care Package (PHIC)	0	0.00	1	1.85	6	40.00
TB-DOTS (PHIC)	0	0.00	13	24.07	1	6.67

## Health Personnel

Through the years, provinces increased the number of health workers, but this was still inadequate based on DOH standards. The region's population has increased much faster than expected because of migration. The best the LGUs could do to cope with this phenomenon was to have at least one doctor, one nurse, and one midwife per RHU. LGUs also tried to attract doctors to the rural areas by offering incentives such as free housing and scholarships for their children in local schools.

Health workers are given orientation and training on the regular health programs, including their procedures and administration. Senior health workers mentor the younger ones through coaching and actual practice. But the LGUs lack funds to support advanced training of doctors and nurses. Doctors also find it hard to attend professional training because of the exigencies of their services.

Table 9: Health Personnel and Gaps Based on DOH Standards

Personnel	DOH Standard ratio	Aurora (2008)		Bulacan (2008)		Zambales (2008)	
Population		191,916		2,921,974		526,740	
		N	Gap	N	Gap	N	Gap
Doctor	1:20,000	7	2	61	85	17	5
Dentist	1:20,000	5	4	43	103	9	13
Nurse	1:20,000	12	3	90	56	20	5
Med tech		6	3	38	108	14	8
Midwife	1:5,000	63	24	468	116	90	15
Sanitary Insp.		7	2	55	91	13	7
BHW	1:20 HH or 1% total population	1,182	737	3,076	23,067	1,820	

### Health Planning, Budgeting, and Financing

LGUs have functional local health boards that hold regular meetings during which health problems and solutions are discussed. In the case of the Tuberculosis Diagnostic Committee, meetings are not held regularly. The Maternal Death Review Committee is not very active as well, with its members also too busy to convene regular meetings. At most, the committee would simply list cases and causes of maternal deaths.

The LGUs used different ways to provide people access to cheap but good quality medicines through the *Botika ng Barangay* (BnB). LGUs also sell drugs and medicines in government hospitals. The more enterprising LGUs get consignments from suppliers of medicines and run their own outlets. Most of the medicines needed by indigents, however, are subsidized by the local government.

The LGUs' expenditure on health, nutrition, and population averaged 17 percent of total spending from 2004 to 2008. Aurora had the highest per capita expenditure on health, followed by Dipaculao and Malolos in Bulacan. Region 3 LGUs generally exceeded the national target of at least 10 percent of total expenditure for health.

Table 10: Expenditure for Health, Nutrition & Population, Average in Million Pesos (2004-2008)

Indicator (Average, 2004-2008)	Aurora (3 <sup>rd</sup> class)			Zambales (2 <sup>nd</sup> class)			Bulacan (1 <sup>st</sup> class)		
	Baler (4 <sup>th</sup> )	Dipaculao (3 <sup>rd</sup> )	Ma. Aurora (2 <sup>nd</sup> )	Cabangan (3 <sup>rd</sup> )	Iba (1 <sup>st</sup> )	San Felipe (4 <sup>th</sup> )	Bustos (2 <sup>nd</sup> )	Plaridel (1 <sup>st</sup> )	Malolos City (3 <sup>rd</sup> )
Total Expenditures			P313.5M			P427.28M			P1,640.28M
	42.37	44.54	55.98	35.42	55.25	28.93	50.71	80.14	347.07
Expenditure on Health, nutrition & population			P131.04M			P83.6M			P251.92M
	2.95	3.66	4.33	2.46	4.82	2.70	6.11	9.84	32.35
% Health, Nutrition & Population to total expenditure			16.66			19.90			15.03
	6.96	8.22	7.73	6.94	8.72	9.33	12.04	12.28	9.32
Per Capita expenditure on health, nutrition & population (2008)			340.78			155			135.78
	116.84	178.04	155.29	140.34	131.02	137.89	118.95	137.31	175.51

All the LGUs formulated their Annual Operation Plan for Health, which was incorporated into the Annual Investment Plan of the province. Some LGUs prepared an Investment Plan for Health that covers health strategies for three to five years. Generally, LGUs lack trained field workers to get accurate and reliable data at the barangay level. This is aggravated by the lack of funds for travel expenses. To augment their limited health funds, LGUs worked in partnership with the private sector and NGOs.

## Maternal and Child Health

Infant mortality is high in the provinces covered by the RFA. Factors contributing to this include poor maternal nutrition, increased fertility with short birth intervals, poor newborn care, late referral/diagnosis of complications, lack of health workers, poor system of monitoring and reporting, home-based delivery, and poor access to potable water supply. In 2007, only 24 percent of households in Aurora and 23 percent in Zambales had access to safe water supply. Bulacan's comparative figure was 55 percent.

Table 11: Common Causes of Infant Mortality Per 1,000 Live Births (2008)

Aurora	Bulacan	Zambales
Sepsis	Pneumonia	Prematurity
Respiratory distress syndrome	Pre-maturity	Respiratory distress syndrome
Pneumonia	Congenital anomalies	Asphyxia neonatorum
Asphyxia	Septicemia/sepsis	Pneumonia
Bacterial meningitis	Acute respiratory disease syndrome	Sepsis neonatorum

All LGUs, though, achieved the performance standard on maternal mortality rate. This could be attributed to their having achieved the national targets for pre-natal and post-partum care visits of pregnant women, except for the administration of TT2+, in which the LGUs' figures were slightly lower than the national target. Almost all the deliveries were attended to by skilled health professionals. Many pregnant women, however, were not given iron supplements because of lack of supply from the DOH. LGUs did not procure iron supplements.

The common causes of maternal deaths in 2008 were eclampsia, post-partum hemorrhage, abruption placenta, placenta previa, and ruptured ectopic pregnancy. Contributory factors were the poor health-seeking behavior of some pregnant women (hence the delay in deciding to seek medical care), the distance of their homes to the nearest health facility, unavailable blood supply, shortage of supplies and medicines, absence of functioning basic equipment (e.g. portable ECG), and delay in receiving laboratory results. All LGUs also did not meet the performance standard for immunization. In family planning, the use of pills was predominant among other methods.

Leading cause of morbidity in the general population were acute respiratory infection, diarrhea, pneumonia, bronchitis, and hypertension. The major causes of mortality were cardiovascular diseases, cancer, diabetes, and pneumonia. While the LGUs' death rates for these were lower than national figures, these could still be cause for alarm. Unchanged lifestyle – essentially the refusal to withdraw from long-established habits and practices – was identified as the underlying cause for the incidence of these diseases.

Tuberculosis (TB) was included in the top 10 leading causes of morbidity. Because of the stigma attached to TB, people afflicted with it had very low health-seeking behavior. The case detection rate in the region was also low and barely reached the national target of 70 percent.

Malaria has been found to be endemic in Zambales. Since 2005, it has reached epidemic proportions in Subic, Zambales. Throughout the region, dengue used to be a seasonal occurrence usually during the rainy season. But in recent years, dengue cases have been reported regardless of the season. LGUs intensified preventive measures such as regular community cleaning and information and education campaigns, especially in schools.

Cases from rabies, particularly from dogs, increased. While there are local laws on responsible pet ownership, these have not been strictly enforced. Fortunately, very few deaths from rabies occurred.

## **Social Welfare**

LGUs passed local laws to support programs and projects on social welfare services and development. These were (a) education, such as the institutionalization of literacy programs, alternative learning systems, and arts and culture; (b) anti-poverty programs, such as livelihood training, entrepreneurship, micro-finance, employment assistance, social health insurance; (c) children and youth welfare and protection; (d) disaster preparedness and mitigation, relocation sites, housing; (e) support for the Anti-Trafficking in Persons Act, human rights, gender and development; (f) systems of support and funding of programs for persons with disability, senior citizens, and other vulnerable sectors.

LGUs supported the creation of local bodies in the provincial, city/municipal, and barangay levels composed of representatives from the private sector and NGOs. These meet at least twice a year and plan annual programs for their sector. These bodies recommend policies and assist in monitoring program implementation.

Table 12: Expenditures on Social Services and Welfare, Average in Million Pesos (2004-2008)

Indicator (Average, 2004-2008)	Aurora (3 <sup>rd</sup> class)				Zambales (2 <sup>nd</sup> class)				Bulacan (1 <sup>st</sup> class)			
	Baler (4 <sup>th</sup> )	Dipaculao (3 <sup>rd</sup> )	Ma. Aurora (2 <sup>nd</sup> )		Cabangan (3 <sup>rd</sup> )	Iba (1 <sup>st</sup> )	San Felipe (4 <sup>th</sup> )		Bustos (2 <sup>nd</sup> )	Plaridel (1 <sup>st</sup> )	Malolos City (3 <sup>rd</sup> )	
Total Expenditures				P313.5M				P427.28M				P1,640.28M
	42.37	44.54	55.98		35.42	55.25	28.93		50.71	80.14	347.07	
Expenditure on social services and welfare				P4.02M			P1.0M				P51.32M	
	1.39	1.54	1.87		0.80	0.85	0.54		3.86	3.23	7.93	
% Social services and welfare to total expenditure			1.32				0.24				3.03	
	3.28	3.46	3.34		2.26	1.53	1.87		7.61	4.03	2.28	
Per capita expenditure on social services and welfare (2008)			P26.62				P1.94				P25.53	
	48.13	74.75	55.26		41.82	22.33	30.95		112.65	52.14	45.68	

Bulacan had the highest percentage of expenditure on social services while Aurora had the highest per capita expenditure. Despite financial constraints, LGUs implemented their social programs in partnership with the private sector and civil society organizations.

Table 13: NGO Partners of LGUs in Social Services and Welfare Programs

Partners	Nature of Participation
Health-care giving institutions	Financial assistance
Cooperatives	Financial and technical assistance
NCWP	Financial assistance, livelihood training
Samahan ng mga Unang Ginang ng Bayan	Training
Association of Neighborhood Shelter Assistance of Dikapanikian	Helped in actual construction of shelter for victims of calamities
Integrated Development Foundation	Training and fund support
Nagkakaisang Kababaihan ng Bayan	Training

In recognition of the contribution of community volunteers, Bulacan instituted a life and accident insurance program covering families of barangay health workers, barangay tanods, and *Lingkod Lingap sa Nayon* volunteers under its *Sa Boluntaryong Serbisyo Mo, Libreng Siguro ang Handog Ko*. In 2005, the premiums paid for this insurance amounted only to P1.06 million. By 2006, it reached P2.5 million or an increase of 150 percent.

**Nutrition.** The following programs were implemented by LGUs: (a) feeding and vitamin supplementation for underweight children, (b) *Pabasa sa Nutrisyon* in the barangays with high malnutrition rate, (c) symposium on breastfeeding and complimentary food for new mothers in municipalities with low prevalence of breastfeeding, and (d) refresher course in nutrition for community volunteers. However, only 16 percent (2007) of underweight children were rehabilitated in the sampled LGUs.

**Early Childhood Care and Development (ECCD).** ECCD was institutionalized and early childhood care communities were activated in the LGUs. In support of the Childhood Care and Development Act of 2000 (Republic Act [RA] 8980), LGUs provide eyeglasses for daycare pupils with visual difficulties, child psychology and methodology in teaching seminar for day-care workers (DCWs) to strengthen their capabilities, recognize outstanding Day Care Centers and Child-Friendly Municipalities, distribute books and brochures, and participate in Children's Congress.

**Child Welfare and Protection.** To reduce the incidence of child abuse, exploitation, and discrimination, LGUs conducted a master listing of child labor and profiling of youth offenders, resulting in the identification of domestic workers and counseling of youth offenders. In Bulacan, families of children who were employed in the pyrotechnics industry were given alternative livelihood opportunities and assistance.

## Education

With decentralization, the challenges of LGUs were threefold: the stepped-up demand for education caused by population increase due to migration; the deteriorating quality of basic education as shown by the poor performance of students in national achievement tests; and the provision of post-secondary education, particularly vocational and technical education. The Local School Boards (LSB) used the Special Education Fund (SEF) to allocate funds to support the activities and projects of the Department of Education (DepEd), hire new teachers to complement its roster, purchase computer units, construct and repair school buildings and facilities, purchase materials, and provide funds for training. Noteworthy also was the strengthening of the Alternative Learning System (ALS), which provided literacy classes and skills training to target clientele to help them improve their socio-economic conditions.

Based on the 2003 Functional Literacy and Mass Media Survey (FLEMMS), the simple literacy rate for Region 3 was 97 percent compared with the national rate of 84 percent. Functional literacy in the region was at 87 percent compared with 84 percent nationwide. Approximately 85 percent of the region's six- to 11-year-olds were in elementary school while 65 percent of the population aged 12 to 15 years were in high school.

Table 14: Education, Average in Million Pesos (2004-2008)

Indicator (Average, 2004-2008)	Aurora (3 <sup>rd</sup> class)				Zambales (2 <sup>nd</sup> class)			Bulacan (1 <sup>st</sup> class)			
	Baler (4 <sup>th</sup> )	Dipaculao (3 <sup>rd</sup> )	Ma. Aurora (2 <sup>nd</sup> )	P313.5M	Cabangan (3 <sup>rd</sup> )	Iba (1 <sup>st</sup> )	San Felipe (4 <sup>th</sup> )	Bustos (2 <sup>nd</sup> )	Plaridel (1 <sup>st</sup> )	Malolos City (3 <sup>rd</sup> )	P1,640.28M
Total Expenditures											
% to Total	42.37	44.54	55.98		35.42	55.25	28.93	50.71	80.14	347.07	
Expenditure on education				P6.84M			P16.6M				P178.6M
	0.94	1.0	1.21		0.41	1.50	0.74	1.78	6.48	22.32	
% Education to total expenditure			2.15				4.08			10.94	
	2.22	2.25	2.16		1.16	2.71	2.56	3.51	8.09	6.43	
Per capita expenditure on education (2008)		P41.00				P27.35			P61.67		
	36.53	53.85	38.82		13.48	29.09	38.93	22.41	68.60	100.06	

***Expenditure on Education.*** Bulacan had the highest percentage of expenditure on education (11 percent) compared to other provinces. It also had the highest per capita expenditure on education (P61.67). Malolos City surpassed the province at P100.06 per capita expenditure on education.

***Gender and Development.*** The LGUs had good GAD Plans. Some of the notable programs were those for solo mothers and widows whose children were provided with free health insurance and scholarships. Solo parents were also extended financial assistance and skills training under a self-employment assistance program. In Bulacan, the *Panglalarawang Komisyon para sa Kababaihan* formulated policies, established women's desks in all municipalities, mobilized women's organizations, and monitored their programs and projects.

The most common forms of violence against women in Region 3 are physical and sexual abuse. Most child abuse cases, meanwhile, took place at home. One major aggravating factor was the use of alcohol or drugs by the abusers. Only a few of the victims filed cases despite the presence of women's desks (which are handled by trained female personnel) in all LGUs, the intensified advocacy campaign in most barangays, and the support system given by NGOs in the communities.

***Senior Citizens.*** LGUs have set up their Office for Senior Citizens Affairs (OSCA) which have issued identification cards to senior citizens (SC) and organized SC associations and federations. The OSCA guided the SC associations and federations in the formulation and implementation of their plans and programs. The elderly also received wheelchairs and walking canes; regular medical, surgical and dental services as well as financial, food, and livelihood assistance.

At the same time, the wisdom, experience, and capabilities of the elderly were tapped not only for senior citizen programs but also for other sectors. Often, senior citizens served as resource persons and volunteers in community affairs.

***Persons with Disability (PWD).*** LGUs helped PWDs in organizing themselves into associations, and later into federations. They held several forums and workshops and formulated annual plans of activities. All PWDs were given information about their rights, privileges, and incentives stipulated in the Magna Carta for Disabled Persons and for Other Purposes (RA 7277), and in An Act Amending RA 7277 (RA 9442) which stipulated other privileges and incentives for PWDs, which includes entitlement to at least 20 percent discount on services, medicines, fare, educational assistance, social security, and express lanes. LGUs tapped NGOs and POs in conducting training activities for PWDs and in marketing the PWDs' products such as bags, wallets, food products, gifts, toys, and ornaments. In Aurora, specially designed bicycles were awarded to PWDs who are ambulant vendors. The province also hired PWDs as computer technicians, clerks, and canteen helpers.

***Livelihood and Employment.*** To help people through the economic crisis, LGUs provided livelihood and employment assistance for the poor and unemployed. The assistance also covered overseas workers whose job contracts were terminated prematurely. LGUs, in partnership with the DTI, implemented the Self-Employment Assistance program under which the unemployed were given financial assistance (P3,000 to P5,000 for individual projects, and P10,000 to P20,000 for group projects). The types of projects vary: *sari-sari* store, buy and sell, hog raising, *kakanin* or native delicacy making, *karinderia*, fruit and fish vending, soap and detergent-making, and cologne and perfume making.

***Rebel Returnees.*** Provincial governments implemented a social integration program for rebel returnees in partnership with the Philippine Army (PA), Philippine National Police (PNP), and the Office of the Presidential Assistant for Peace Process (OPAPP). Under the social-integration program, rebel returnees were given skills training and financial assistance to start up their livelihood enterprises, as well as employment, and scholarship for their children. Some rebel returnee groups were organized into cooperatives, given cooperative education and training, and were awarded with seed money for their initial operations. These cooperatives were also given opportunities to join provincial trade fairs while their products were marketed in *bagsakan* and *pasalubong* centers.

### **Housing and Basic Utilities**

One common concern of LGUs in the region is the provision of housing to very poor families, informal settlers occupying public lands, and those displaced by natural disasters and calamities. While there are areas in the region being developed for settlement and service centers, there are also sites built to accommodate vulnerable groups. LGUs provide vertical and horizontal social infrastructure, including paved access roads, electricity, water supply facilities, housing, health centers, government centers, and school buildings. For example, the victims of typhoon Violeta in 2004 were awarded “certificates of ownership” under the “Core Shelter Assistance Project” by the Province of Aurora in collaboration with the DSWD which gave P3 million. The Neighborhood Shelter Assistance Association (NSAA) also helped in the actual construction of the shelters. The municipality of Maria Aurora, on the other hand, linked up with Sirmata Ti Amianan Development Foundation (a local NGO), to implement its housing project. In most cases, the LGUs identified the resettlement sites, while national agencies provided funds and other support facilities.

Table 15: Expenditure on Housing and Community Development, Average in Million Pesos (2004-2008)

Indicator (Average, 2004-2008)	Aurora (3 <sup>rd</sup> class)				Zambales (2 <sup>nd</sup> class)				Bulacan (1 <sup>st</sup> class)			
	Baler (4 <sup>th</sup> )	Dipaculao (3 <sup>rd</sup> )	Ma. Aurora (2 <sup>nd</sup> )		Cabangan (3 <sup>rd</sup> )	Iba (1 <sup>st</sup> )	San Felipe (4 <sup>th</sup> )		Bustos (2 <sup>nd</sup> )	Plaridel (1 <sup>st</sup> )	Malolos City (3 <sup>rd</sup> )	
Total Expenditures				P313.5M			P427.28M				P1,640.28M	
	42.37	44.54	55.98		35.42	55.25	28.93		50.71	80.14	347.07	
Expenditure for housing & community development			0				0				0	
	0	0	0		0	0	0.09		0	1.28	0	
% Housing to total expenditure			0				0				0	
	0	0	0		0	0	0.003		0	.015	0	

## Justice, Peace and Security

LGUs coordinated closely with the Philippine National Police (PNP), Philippine Army (PA), DILG, and the Regional Trial Courts in the area of justice, peace, and security. They also implemented the Justice on Wheels project where conciliation, simultaneous hearings, and information dissemination on justice administration were given. They set up hotlines or emergency numbers either through landline or text messaging with support of the Peace and Order Councils (POC). The contact numbers of the PNP, fire stations, disaster preparedness office, hospitals, health centers, Red Cross, ambulance, PLDT, Meralco, the National Bureau of Investigation (NBI), water district, and other vital service providers were also posted on billboards located in strategic places.

Barangay officials, especially barangay tanods, were given training on their duties and responsibilities, crime prevention and management, *Katarungang Pambarangay (KP)*, violence against women and child abuse, issuance of Barangay Protection Order, arrest procedures such as disarming and putting handcuffs on suspects, use of *arnis* and baton, and self-defense. Problems within the jurisdiction of the KP were usually successfully resolved. In one barangay for example, out of 211 cases brought to the KP, 100 cases or 47.39 percent were resolved, 74 or 35 percent were dismissed and only 37 or 17.53 percent were certified as cases that can be elevated to the fiscal's office.

**Disaster Preparedness.** Some of the LGUs developed a program on disaster preparedness as part of their social welfare service. Others created a separate office for community disaster preparedness under the social welfare department or the Provincial Administrator's Office. Some of these LGUs have already institutionalized innovative programs such as the "Dial 566" hotline for emergency situations in the province of Bulacan.

**Social Health Insurance.** Health insurance for indigent families was provided by LGUs in partnership with the private sector and NGOs. Bulacan had 58,175 indigent families enrolled in PhilHealth in 2006, or 12.5 percent of the province's total households. Zambales had 25,490 poor families enrolled in 2008, or 26 percent of its total households.

It was evident that LGUs could barely sustain the social health insurance needs of its poor families. For one, funds for coverage relied mostly on sponsorship by politicians or private groups and individuals, making these very unstable. There were also no clear criteria (although most were politically motivated) on selection of beneficiaries. The funds for social services were also very meager, and with the increasing number of poor families, LGUs can not regularly appropriate a determined percentage of their budget for this purpose. Moreover, only 40 percent of the service facilities were accredited for Out Patient Benefit (OPB) and Maternal Care Package (MCP), and 6.67 percent for TB-DOTS.

### III. Local Economic Development

Region 3 is basically agricultural with some semi-industrialized and commercial areas. Its economic base rests on its natural resources: forest products in the mountains; crops from lowlands; fish, shells, and seaweed from the coastal and marine areas; beautiful world-class crafts and products from indigenous materials; and the waters, beaches, wildlife, parks and falls present tremendous potential for tourism. Infrastructure support systems include the newly developed and still developing transportation system, including road networks, bridges, seaports and international airports, along with communication systems. The environment is generally peaceful and conducive to investments. Economic policies, legislation, and investment incentives mechanisms such as one-stop shops are in place. Above all, the region prides itself in its vast human resources and progressive local leadership.

Development has been conceived by LGUs from a local perspective with a global dimension. One provincial governor said the challenge was “to think global and act local.” This was echoed by other local officials who said that programs from the province down to the barangay levels like those in tourism and exporting processed food were geared toward international marketing. Hence, facilities and services were designed to cater to both local and foreign customers. Interestingly, because of limited resources, the LGUs have tapped foreign partners in funding their development projects.

Foremost among the local legislative measures supporting economic development is the Investment Code, which defined the economic policies and directions as well as incentives for investors. Other significant laws include those which pertain to the establishment of the Zambales Industrial Park and Zambales Port, the Rice Processing Center in Aurora, and the North Luzon Food Exchange Center in Bulacan, along with those supporting national programs in agriculture such as an Agricultural Modernization Law and a measure toward the establishment of tree farms and sawmill in Botolan, Zambales. Noteworthy, too, is an ordinance in San Felipe, Zambales that grants duly registered cooperatives and organizations of fisherfolk fishing privileges on bangus fry which boosts inland fishery.

Table 16: Expenditures in Economic Services and Labor and Employment, Average in Million Pesos (2004-2008)

Indicator (Average, 2004-2008)	Aurora (3 <sup>rd</sup> class)			Zambales (2 <sup>nd</sup> class)			Bulacan (1 <sup>st</sup> class)		
	P313.5M			P427.28M			P1,640.28M		
Total Expenditures									
	<b>Baler (4<sup>th</sup>)</b>	<b>Dipaculao (3<sup>rd</sup>)</b>	<b>Ma. Aurora (2<sup>nd</sup>)</b>	<b>Cabangan (3<sup>rd</sup>)</b>	<b>Iba (1<sup>st</sup>)</b>	<b>San Felipe (4<sup>th</sup>)</b>	<b>Bustos (2<sup>nd</sup>)</b>	<b>Plaridel (1<sup>st</sup>)</b>	<b>Malolos City (3<sup>rd</sup>)</b>
	42.37	44.54	55.98	35.42	55.25	28.93	50.71	80.14	347.07
Expenditures on economic services			P67.56M			P114.66M			P199.86M
	5.74	4.22	4.44	2.96	8.31	3.87	5.14	8.75	62.80
% Economic service to total expenditure			22.11			25.76			11.98
	13.55	9.47	7.93	8.36	15.04	13.38	10.14	10.92	18.09
Expenditures in labor and employment			P0.44			0			P17.63
	0	0	0	0	0	0	0.17	0	0
% Expenditures in labor and employment to total expenditure	0.001			0			0.01		
	0			0	0		0.003		

Among the LGUs, Aurora and Zambales spent one-fifth and one-fourth, respectively, of their total expenditure on economic services. Bulacan spent a meager 12 percent. LGUs did not spend significantly for labor and employment services.

### **Agriculture and Fisheries**

The provinces extended support – financial, technical assistance, or farm inputs – to municipalities in implementing agricultural and fishery programs. The mayors had direct supervision and control over agriculture, fisheries, and veterinary programs. The prioritization and funding support of the programs and projects depended on the leadership of the local chief executives. Local officials respect the plans and programs coming from national agencies, although they believe that they and their people are in the best position to decide which programs would be best for them. Still, LGUs coordinated with national agencies such as the DA, DENR, DTI, National Irrigation Authority (NIA), and financial institutions, including the Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP), and Bangko Sentral ng Pilipinas (BSP). An example of this is the restoration and rehabilitation of irrigation structures with funding assistance from the NIA.

***Rice and Corn Production.*** Local governments and the DA provided subsidy to farmers through the distribution of certified and hybrid seeds, fertilizers and pesticides. In 2003, Central Luzon was the highest rice producer among all regions. Around 569,729 hectares (14 percent share in the country's total) were planted to rice. Rice productivity was highest in the region at 4.2 metric tons per hectare (mt./ha.), higher than the country's average of 3.4 mt./ha. Irrigated rice lands yielded 4.3 mt./ha., higher than rainfed areas which had only 3.45 mt./ha. The region ranked ninth among all regions in terms of corn production. Zambales recorded the highest productivity at 4.82 mt./ha. of yellow corn. Bataan had the highest productivity at 3.35 mt./ha. of white corn.

The provincial governments distributed free organic fertilizer to restore minerals in farmlands. Aurora province established its “e-village for farmers” in Baler, Maria Aurora, Dipaculao, and San Luis, enabling farmers to use the latest information technology to quickly receive vital and updated information such as agricultural technology, farm inputs, weather reports, climatic changes, and prices of goods. Through a P130-million grant from South Korea, Aurora established its Rice Processing Complex, which provided farmers with a modern, integrated, one-stop post-production and processing facility to help reduce post-harvest losses and produce quality rice. The center was set up as an economic enterprise through Provincial Ordinance 161 signed on December 13, 2007.

The increased demand for corn in Aurora from 2005 to 2008 was triggered by the development of the livestock, poultry, and fishery industries in the region. From 2,191 hectares planted to corn, there are now 5,367 hectares (2009) with an average yield of 5.5 mt./ha., earning on average a net income of P18,500 in 120 days. The LGUs, in

coordination with the DA, provided farmers with technical assistance, seeds, tractors and post harvest facilities.

**Mango Production.** Mango is a fruit crop significant to the region, ranking third in terms of mango production. The provincial government of Zambales supports the mango industry through technology (processing raw mango into dried mango, candies, pickled mango, puree and juice), holding an annual mango festival, and marketing assistance through trade fairs and exhibits.

**Coconut Production.** Coconut is another plantation crop significant to the region. The region's 6,000 mt./ha. productivity is higher compared to the national figure of 4,000 mt./ha. The provincial government of Aurora established its Provincial Coconut Research and Development Center in a 150-hectare pasture land area in Barangay Dibaraybay, Dinalungan to increase the number of coconut trees and coconut-based production, as part of the grant which the province received from South Korea.

**Livestock.** In livestock raising, breeds were continuously upgraded and control measures were put in place to prevent the entry and spread of foot and mouth disease, avian flu, and rabies. Animal quarantine checkpoints were maintained by local governments. Aurora strictly enforced animal quarantine and ended up as the only province in Central Luzon unaffected by swine, carabao, and cattle disease. It remains an animal disease-free zone. Increased income came from meat processed products such as *tocino*, *longganiza*, *embotido*, and chicken and burger nuggets.

**Fish Production.** Off-shore fishing, inland fishponds, mariculture, plus an extensive river system contribute to a vibrant fish production industry in the region. *Bangus* and *tilapia* constitute a regular staple for the people and are always available at reasonable prices. Aurora province at one time experienced more than a hundred percent increase in *tilapia* harvests and an increase of more than 30 percent in *bangus* production, particularly from fish cages. LGUs encouraged the raising of high-value fish species such as *lapu-lapu*, *apahap* or sea bass for commercial purposes.

LGUs provided assistance to fisherfolk such as the distribution of bottom-set gill nets, fingerlings, and fish cages. In addition, the LGUs, through their livelihood assistance programs, also taught fisherfolk and other members of the community fish processing to develop products like bagoong, dried and smoked fish, boneless bangus, and fish fillets.

**Marketing Agricultural Products.** LGUs assisted farmers in marketing their products. Aurora, for example, established bagsakan centers with a P1 million grant from the DA. The province provided the site and building at the Baler public market, while the P1 million fund became a source for capital of vegetable wholesalers and vendors. In the Barangay Bagsakan Centers, the barangay received a soft loan of P50,000 payable in 18 months. The barangay loan came with a grant of one freezer, one chiller, 10 crates, and one digital weighing scale. Bulacan, on the other hand, put up the North

Food Exchange Center for the produce of farmers' cooperatives. The site is still being developed although cooperatives have already been accredited.

### **Business, Industry, and Entrepreneurship**

The proximity of Central Luzon to Manila is an advantage that encourages the growth of industries and businesses that complement existing ones. The availability of raw materials and skilled manpower also contribute to an increase in investment activities. Seeing this as an opportunity, each province in the region specialized in its own particular industry, catering to both domestic and foreign markets.

To spur more business activities and encourage investments, LGUs created a friendly and enabling environment. With help from national agencies, financial institutions, development partners and the private sector, LGUs built support road networks, connecting bridges, seaport and airport facilities, and communications systems.

To further attract and facilitate investments, LGUs have installed mechanisms such as one-stop-shops and computerized processing of documents for permits and licensing. Trained personnel handle investment inquiries. LGUs actively participated in the One Town, One Product (OTOP) program in support of the provisions of the Magna Carta for Small Enterprises (RA 6977). Local governments also assisted entrepreneurs in the marketing of their products by conducting trade fairs, establishing *pasalubong* and *bagsakan* centers, improving the facilities in public markets, and employing media for promotion. Some LGUs were able to tap external sources of funding in the establishment of product development and packaging centers. More importantly, they formulated their development plans along with Investment Codes, Revenue Codes, and Citizen's Charters, which guide locators in doing business with local governments.

LGUs supported micro-financing schemes and skills training and enhancement. Cooperatives were extended financial assistance, resulting in a rise in micro-small-medium livelihood projects. Cooperatives benefited from the 10 percent mandatory allocation of credit resources (eight percent for micro and small enterprises and two percent for medium enterprises). The municipality of Baler in Aurora was among the recipients of the 2009 Presidential Citation for Best Practices in Creating a Business and Investment Enabling Environment. Aurora established a Cooperative Surety Fund in June 2009 with a P1.4 million credit surety fund equivalent to the total contributions of member cooperatives. The Development Bank of the Philippines (DBP) as the depository bank and administrator of the trust fund also contributed an equivalent amount to the fund. In addition, Aurora intensified its support for the development and improvement of the production of ceramics, pottery, and bricks because of the abundance of clay materials in the area.

Similarly, the province of Bulacan granted a P12 million financial assistance to 75 active cooperatives. The province linked the cooperatives to institutional buyers and allowed

them to market their products in the Bulacan Trade Center. There are now 792 active cooperatives in Bulacan (the highest number in the Philippines, 2008), with a total asset of P8.3 billion (2008). Income of cooperatives totaled 227.76 million from 2004 to 2008. Bulacan also implemented its *Tatak Bulakenyo* program, through which it provided a P7.89 million financial assistance to 127 micro-small-medium entrepreneurs (MSMEs), 28 different kinds of skills training to their workers, and technical assistance in management and technology. The program, moreover, facilitated the MSMEs' participation in 34 trade fairs, helped develop the packaging and label designs of 813 food and non-food products, and established 213 market linkages for the MSMEs' products. From 2007 to 2008, MSMEs generated a P264.5 million income, along with 18,389 jobs. From 2004 to 2008, the province also assisted 49 locators that brought in P8.32 billion worth of investments. Outbound missions to other countries resulted in investments worth P23.12 billion from July 2007 to June 2009.

Zambales participated in agri-industrial and tourism fairs, particularly in the Subic Bay Freeport Zone. In 2005-2006, economic activities in the province generated investments worth a total of P34.3 billion, created 63,231 jobs, and total gross receipts of \$1.19 billion or P54 billion. Its participation in trade fairs, business matching, and *pasalubong* trade houses generated sales worth P59 million.

## **Employment**

LGUs facilitated employment in various ways such as: (a) employment for walk-in applicants, job fairs, Special Program for the Employment of Students (SPES), (b) overseas placement, (c) work appreciation program, (d) self-employment skills training, (e) livelihood programs, (f) labor market information, and (g) PGMA work coupon. More importantly, LGU initiatives in the development of the MSMEs, cooperatives, and investments of locators generated employment.

## **Tourism**

With the improvement in the major road network and tourism infrastructure, the LGUs put themselves on the map of promising and accessible tourism destinations in the country. LGUs created their local Tourism Offices with trained staff. Provincial Tourism Offices produced fact sheets, flyers, posters, audio-visual materials and websites promoting tourist destinations and investment areas; established their tourism database; and strengthened their network and linkages especially with the media. Zambales had media exposures in the "Magandang Umaga" TV program in its celebration of its Dinamulag Festival, and was also featured in the Discover Philippines Magazines. The province also hosted TV programs like that of Pinoy Big Brother Special and Xtra Challenge Survivor Series.

In coordination with the Department of Tourism (DOT) and the DTI, LGUs participated in travel and trade fairs within and outside the country. Bulacan sent teams

to other countries to promote trade and tourism. LGUs likewise initiated institutional partnerships to boost economic and tourism development. For example, on-going projects which will improve tourism and the transport system in the Province of Aurora are the Airport Development in Casiguran and the Dingalan Port Development project, which the executing agency is the Philippine Port Authority (PPA) and the Provincial Government of Aurora as the collaborating agency. In the development of the Aurora Pacific Eco-Zone, the executing agency is the provincial government while the collaborating agency is the Office of Senator Edgardo Angara. Zambales ventured into a joint partnership with the Subic Bay Metropolitan Authority (SBMA) for the development of its Redondo Peninsula eco-tourism project.

#### **IV. Environment Management**

All the LGUs in the region passed local laws on environmental management. Provinces and municipalities formulated local plans and programs on ecological and solid waste management. Notable are the three legislative measures passed by the municipality of Plaridel, Bulacan that (a) require all owners and operators of business and commercial establishments to undergo a half-day seminar on SWM prior to the issuance of business permits, (b) create positions for garbage collector, driver, and record keeper, as well as allow the purchase of garbage trucks to fully implement its SWM plan, and (c) establish the role of senior citizens in solid waste management. The Province of Aurora passed an ordinance limiting the issuance of small scale mining permits. Zambales, meanwhile, passed a resolution that defined policies on small-scale mining. By virtue of these laws, offices, task forces, councils and committees were created for program implementation, monitoring, and evaluation. These local groups include members from people's organizations that serve as the local environmental guardians (*Bantay Kalikasan*).

Local governments assumed their responsibilities in the implementation of environmental laws within their jurisdiction. Among these are environmental regulations such as the issuance of permits and licenses, accreditation of operators and businesses, monitoring of quarrying, mining, fishing and logging operations. Violators are apprehended and cases in courts filed whenever necessary. They also monitor the quality of water in rivers for presence of effluents and pollutants and ground aquifers as sources of potable water. Household septic tanks and drainage systems of commercial and industrial establishments are also inspected and monitored to prevent these from discharging wastes into the river system. To protect the river system, LGUs initiated intensive campaigns against throwing garbage into waterways. Rivers were also regularly dredged and cleaned. Trees were also planted along river banks while mangroves were rehabilitated. Still, many LGUs face the problem of informal settlers living along river banks and irrigation canals.

Comprehensive SWM and coastal resource management plans were being implemented with the active participation of the private sector, NGOs, and students. The LGUs also embarked on clean and green projects and reforestation programs that include the

development and maintenance of plant nurseries. Public and private schools are active partners of local governments with students being tapped in tree planting activities. Local governments also monitor and regulate the use of forest lands and forest resources particularly with regards the livelihood and economic activities of the people.

### **Some issues and concerns by LGUs on environment management:**

1. Differing directions pursued by neighboring local governments impede the concerted and unified efforts to protect the environment at the same time that natural resources are being developed. Different signals are given to interested locators and development partners. For example, it was noted that Aurora's policy is to limit the issuance of small-scale mining permits. It wants to assess the operations of current small-scale miners relative to environment standards and to provide the necessary interventions such as orientation, training and technology in the practice of safe small-scale mining, as well as the mechanisms for more effective and efficient monitoring and evaluation of mining operations. By comparison, Zambales and Bulacan encourage small-scale mining (five hectares or less) because they can issue the permit, supervise, and regulate their operations, and collect revenues directly. Both provinces have had long experience in mining and are drawing lessons from the past. Their income from the mining industry was used for the construction of school buildings, roads, repair of hospitals, and other infrastructure needed for development – hence, their interest to directly collect revenues.

Although these differences in policies are limited to their jurisdiction, there is still the issue of whether small-scale mining locators are being regulated and closely monitored by LGUs, particularly regarding the disposal of mine wastes and the use of chemicals in the processing of ores. With river systems and water tables at stake, this is a standing call for the concerned national agency and regional development council to enforce policies contained in laws, hold dialogues with the local governments, and clearly define the development agenda in this sector.

2. Massive titling of lands classified as alienable and disposable being processed by the actual occupants/beneficiaries through administrative proceedings. RA 9176 (An Act Extending the Period Until December 31, 2120 for the Filing of Applications for Administrative Legalization (Free Patent) and Judicial Confirmation or Imperfect and Incomplete Titles to Alienable and Disposable Lands of the Public domain, Amended) was passed on November 13, 2002. For this purpose the *Handog Titulo* program was created. Through several modes of disposition such as free patent and sales, owners and other beneficiaries could perfect their rights on the property they occupied or have the land titled in their name. Some results included the issuance of titles to individuals (most with DENR connections) for areas with an 18 percent slope or higher. These areas are classified as forests and are therefore public lands that should not be titled. Activities in the areas have now led to the degradation and depletion of watersheds and disturbance of the ecosystem.

3. Large-scale quarrying operators are issued permits and licenses in the absence of endorsement by local governments. Pending applications for mineral production sharing agreement (MPSA) with the DENR are presumed or treated to have been approved already by the operator. When the provincial government monitors and demands to see the appropriate supporting documents (permits for an area clearance), what is often presented is the application, not the actual approval or license. In many cases, those who applied for small-scale mining permits could not be accommodated because “favored” big operators had already claimed the area.
4. Local governments find difficulty in monitoring its actual two percent share from the excise tax from quarrying operations. National agencies just send them their share without any report on its computation. There is no transparency in the transactions. Some local governments just receive a fixed share through the years, while others have yet to get anything.

## CONCLUSIONS

1. Decentralization brought together local political leaders, regional and national agencies, and civil society for greater participation in local planning and development. Development and investment plans contain programs and projects that are responsive to the needs of the people who are the intended beneficiaries. LGUs delivered the basic health, social, and economic services at creditable levels of efficiency and effectiveness within the appropriated budget (responsive to the needs of their people, easily accessed, and timely delivered at the least cost).
2. Most of the local leadership behaved differently in the second decade of decentralization: visionary, more creative and dynamic, valued people’s participation, more confident, earned public trust, and greatly valued direct people participation.
3. Gray areas remain regarding jurisdiction and relationships between national agencies and particularly in land use, environmental management, and share in income from the national wealth.
4. LGUs demonstrated capabilities in making a thorough assessment of the local problems, enjoined the participation of the people through LSBs, councils and committees, POs and NGOs, in the planning, prioritizing, implementation, monitoring and evaluation of local programs, projects, and activities.
5. POs, particularly local community volunteers who directly participate in the implementation of local programs and projects, demonstrated their capabilities and commitment. However, engagement of the POs overlap sometimes, and are often fragmented and too sector-specific.
6. Local initiatives in improving their performance demonstrated good practices worth emulating.

## Recommendations

1. Strictly enforce the integration of local plans and investment programs into the Regional Development Plan and Regional Development Investment Plan to ensure coherence of development and national support to local development plans.
2. Institutionalize a “public report card” on revenue collection and expenditure down to the barangay level.
3. After a review and audit of the fiscal situation and potential for raising local revenues, lower-income LGUs may be identified as qualified to be given additional financial assistance by the national government in specific devolved services.
4. LGUs and NGAs need to closely complement their efforts in maintaining regulations on environment and make operations coherent with economic growth, sustainable development, and human protection. Policies, implementation of IRRs, actual current practices, and constraints in the implementation of environmental laws need to be reviewed and problems addressed.
5. Forging agreements, understanding, and development partnerships with foreign entities need to be practiced with greater caution and in a broader perspective relative to development directions in the region/country and their impact on the lives and culture of the people and the environment.
6. POs may be further strengthened in their management and leadership capabilities, financial stability for sustainability of operations. Sector POs may be re-organized by cluster and unified for better planning and synchronization of activities in the same communities that they serve.
7. LGUs, NGAs, financial institutions, NGOs, development partners, and international donors may focus on one or two common economic development projects for the region that have the greatest impact on improving the life of the communities (e.g. electronics and services industries, agricultural productivity, and eco-tourism).
8. LGU capability-building should be further strengthened particularly in local fiscal management; economic planning, research and development; conflict resolution and management; and disaster preparedness and management.
9. The Epidemiology and Surveillance Unit (PESU) of LGUs needs to be supported with the basic equipment of communication, transportation, information system, including the required training on investigation, surveillance, assessment, monitoring, recording, and reporting. Coordination on protocol responses also needs to be fully disseminated.

## BEST PRACTICE

Province of Bulacan

### ‘BUWIS BALIKATAN SA BARANGAY’

Bulacan’s Provincial Assessment and Treasury Office (PATO) had a formidable challenge: to generate local revenues to sustain operations and investments in development even as the province’s population doubled (the result of high population growth and migration from Metro Manila and nearby provinces in Region 3).



The PATO thought of increasing its local sources of revenues (39 percent in 2002) and committed itself to an effective and efficient tax administration. It decided to focus on real property taxes, which constituted the biggest local source of revenue.

In 2004, the province revised its Revenue Tax Code. It also sought the cooperation and support of the city, municipalities, and barangays in intensive assessments of real properties, as well as in its tax-collection campaign. It revived the Provincial Revenue Task Force and organized different tax teams in the municipalities and barangays. These teams became advocates of the mayors, Sangguniang Bayan, municipal assessors, municipal treasurers and barangay officials. The teams also prepared action plans on capability building and formulated guidelines in implementing, monitoring, and evaluating the tax caravan, tax balitaan, and other related activities.



The field collection campaign included the conduct of tax caravans and Ugnayan sa Barangay, as well as the establishment of the Barangay Tax Payment Centers. The tax caravan aimed to instill awareness among taxpayers regarding their obligation to pay taxes. It also served as a vehicle to disseminate information and distribution of 200,000 flyers that contained vital information on tax computation,

advantages of early tax payment, where taxes go, and the compromise agreement program. These were also placed in public places such as municipal halls, malls, churches, markets, and other areas where people converge.

In the Ugnayan sa Barangay, barangay officials, leaders, senior citizens, and the youth were convened and encouraged to promote payment of taxes. Dialogues between the taxpayers and the local government simply started as Kuwentuhan sa

Barangay in 2003, and evolved in the succeeding years as Tax Balitaan in 2004, Uganayan sa Barangay from 2005 to 2006, and Gabay sa Barangay in 2007. Every year, the activities and materials used in the assemblies were enriched and the processes improved. People began to inquire about their taxes, licenses, fees, charges, and real properties. Depending on their queries, they were referred to relevant offices and agencies for proper guidance and assistance.

The establishment of Barangay Tax Payment Centers not only facilitated the payment of taxes, but also served as venues to respond to inquiries of citizens. The provincial, city, municipal and barangay tax teams provided these services. The list of delinquent taxpayers was also posted in barangay halls, tax payment centers, and also on the province's website, which provided access to taxpayers who were employed abroad. This information dissemination gave property owners time to pay their taxes and avoid the possibility of their properties to be auctioned.

The Real Property Tax Information System (RPTIS) and the Geographic Information System (GIS) helped the PATO in generating updated information about real properties. The modules were on real property assessment and tax billing and payment. These were designed to support the revenue generation efforts of the provincial government, as well as Bulacan's municipalities and cities. Through a centralized data storage mechanism, RPT payments can be received, updated, and an accurate assessment roll of RPT units can be provided anywhere in the province.

The PATO also implemented the Compromise Agreement scheme by virtue of Resolution No. 140-S'07. Under this scheme, the taxpayer may pay a down payment of 30 percent of the total delinquent taxes due and pay the remaining balance within the applicable period, depending on the amount of delinquency. Failure to pay the taxes within the stipulated period would give the province rights over the subject property, existing improvements, and to sell at public auction in accordance with the provision of RA 7160 (Local Government Code of 1991).

In the Mabuting Pamamahala at Masunuring Mamamayan Magkaakibat ...Yan ang Kailangan Tungo sa Kaunlaran program, PATO engaged the participation of the Provincial and Municipal Finance Clusters. These focused on three areas of local fiscal administration: (a) local tax policy and revenue administration, (b) local government budgeting, and (c) local government accounting for income and expenditures. There was a simultaneous house-to-house tax information drive in all targeted barangays, distribution of communication materials (flyers and comic books), and airing of tax jingles. Symposia and seminar-workshops on local fiscal administration were held for employees in city and municipal governments, barangay officials, as well as for school officials and teachers. Emphasis was made on the interrelationships among the offices of the local accountant, assessor, budget officer, and treasurer in attaining sound local fiscal administration.

The PATO signed an agreement with the Bureau of Internal Revenue and the Register of Deeds that the original official receipt on tax for the transfer of real property issued by the Provincial Government should be required for

presentation upon payment of the registration fees in their offices. This request was made after the PATO discovered that some taxpayers or their authorized representatives photocopied the original official receipt but covered the name of the original taxpayer so they can change it with their own. With this tactic, a single payment is “multiplied,” depriving the provincial government of taxes due on the transfer of real properties.

Another local initiative of the PATO involved coordinating with the Department of Agrarian Reform (DAR) regarding the list of farmer beneficiaries of Emancipation Patents and Certificate of Land Ownership Awards. This list is the initial basis for identifying the owners of agricultural lands and tax collection enforcement after the titles of the land have been issued. The original land owners do not pay the RPT because they are not the owners anymore. The farmer beneficiaries do not also pay their taxes because they have no land titles yet. PATO thus assisted them in the transfer of titles and issued them tax declarations.

Likewise, the PATO coordinated with the DENR and obtained the needed copies of cadastral maps to correct the provincial section maps. This clarified issues on land boundaries and facilitated the amicable settlement of disputes regarding these.

#### **Accomplishments:**

- Provincial local revenues increased by 39.20 percent from P501.8 million in 2002 to P698 million in 2007,
- Municipal share in RPT increased by 10.27 percent in basic tax from P128.5 million in 2002 to P141 million in 2007, 10.21 percent in Special Education Fund, P160.7 million in 2002 to P177 million in 2007,
- Barangay share in RPT increased by 34 percent from P80.3 million in 2002 to P88.6 million in 2007,
- 12,630 delinquent taxpayers paid P151.9 million in 2005 and benefited from the condoned interests and penalties on RPT,
- 322 taxpayers availed of the compromise agreement and paid P21 million in 2007,
- Reached out to 469 barangays or 82 percent of the 569 baangays in 22 municipalities, and
- Provided 22 municipalities and 2 cities with 50 laptop computers and 22 public address system or megaphones.

#### **Impact of the accomplishments:**

- Improved access to and prompt delivery of services at the barangay level,
- Effective services were delivered at the barangay level – specific problems and issues were given specific and appropriate remedies; resolved conflicts at the barangay level,
- Tangible benefits from the RPTIS in cost and transaction time, easy retrieval of information,
- Promoted transparency and accountability at the barangay level, and
- Enhanced people participation from provincial to barangay levels, public, and private sectors.

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Modesta G. Lugos, Ed.D. is a curriculum specialist, module writer, trainer of the Technology of Participation group facilitation methods, community organization, cooperatives development, youth and moral leadership, parent education, village justice system, conflict resolution, designer and facilitator in participatory events, strategic and action planning sessions, and team building activities. Her engagements included those in the Governance and Local Democracy Project, Local Enhancement and Development for Health, Local Governance for Development, Health Governance, Health Promotion, Technical Assistance to the Health Sector Policy Support Programme in the Philippines-Public Finance Management, and the Transparent Accountable Governance Project of The Asia Foundation. She is a community volunteer in local government committees, church, school and civic organizations. She served as Vice-President for Planning, Research and Extension Services at the Bulacan State University, Philippines, and Director of the University's Institute of Local Government Administration and Cooperative Development.



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