



**Rapid Field
Appraisal of
Decentralization**
SOCCKSARGEN
Region 12

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Citizen Participation as Regular Feature of Local Governance

Nelia Agbon

EXECUTIVE SUMMARY

During the early years of implementation of the Local Government Code (LGC), government workers devolved from national government pleaded to be re-nationalized. Today, though, the devolved employees themselves are the first to defend decentralization, citing three main reasons: participation, ownership, and responsiveness to local condition.

In the area of *local governance and administration*, efforts particularly by provincial and city local government units (LGUs) to professionalize the local government bureaucracy led them to invest in organizational development processes. This in turn resulted in sharpening the definition of development directions and introducing reforms to match these directions.

Internal Revenue Allotments (IRAs) continue to be the biggest contributor to LGU incomes. LGUs have intensified efforts in revenue generation through public enterprises, user fees and trade and investment promotions. Fiscal reforms are keys to reducing unnecessary spending and in more feasible revenue generation and collection strategies. Revenue collection efficiency, though, needs to be reviewed. General public services get the largest chunk of the local revenues. Prioritized in spending among the direct services and programs are economic services; least prioritized is housing.

Participation has become an ordinary feature of local governance. There are higher competencies in planning, a function that LGUs have taken more seriously, keeping its participatory nature and sponsoring the conduct of local profiling projects to have updated and reliable information base for planning. LGUs invest resources in staff welfare.

Social services. While LGUs continue to cooperate to implement national programs in health, education, social welfare, agriculture, and environmental protection and management, local innovations are aplenty as LGUs think of better and more responsive ways to address local issues. This track, however, has not been complemented by greater flexibility and lesser impositions on the part of national government.

Economic development. The region has maintained its excellent performance in agriculture and fisheries. But LGUs assert that progress in this sector would be quicker if they have control over all the programs that are implemented in their areas,

particularly those that come from the national government. Provinces and higher-income municipal LGUs headed by local chief executives with entrepreneurial mindsets have been more aggressive in encouraging joint ventures and in promoting their areas as choice locations for both businessmen and tourists. Eco-tourism and adventure tourism have become preferred investments.

Environmental management and protection. While there is the admission that LGUs generally lack technical expertise to deal with more complex environment issues, there is general consensus among LGUs that they should exercise greater authority over the care and protection of the environment. Not only due to, but made more urgent by, the very serious challenge posed by global warming, the current limited decentralization policy in the environment sector should be reviewed and amended.

Introduction

Profile of the region. Formerly known as Central Mindanao, which had non-contiguous areas, present-day Region 12 was reconstituted by Executive Order (EO) No. 36. Issued on September 19, 2001, EO No. 36 reorganized the administrative regions in Mindanao. Region 12 retained the Province of (North) Cotabato and the cities of Cotabato and Kidapawan; added LGUs from Region 11 (provinces of Sarangani, South Cotabato, and Sultan Kudarat; and the cities of General Santos, Koronadal, and Tacurong); and lost the province of Lanao del Norte and the Iligan City to Region 10. Except for Cotabato City, all the other LGUs are now contiguously located. Executive Order 304, meanwhile, designated Koronadal as the region's center and seat of government, a role previously played by Cotabato City.

As of 2007, the region had 3.829 million people; its population was growing at an annual average of 2.41 percent. It has a total land area of 19,165.87 sq. km. Also known as SoCCSKSarGen¹, the region inherited the fast-paced economic growth of its LGUs that were once were part of Region 11, having received much attention from the Ramos administration when the Brunei Darussalam, Indonesia, Malaysia, Philippines-East ASEAN Growth Area (BIMP-EAGA) was established. South Cotabato and Sarangani face Indonesia, making them a strategic part of this regional economic sub-cooperation. Their key location was all the more enhanced with facilities such as the General Santos International Standard Airport, Fish Port Complex, and Makar Wharf, which is a major port-of-call for international ships. The region has become a favored location of big corporations that are engaged in agriculture, livestock, fisheries, and even large-scale mining.

Since 1999, Region 12 has been Mindanao's top palay and corn producer. Top export products include canned and fresh pineapple, canned/fresh/chilled/frozen tuna, crude coconut oil, fishmeal, banana chips, corn seed, and frozen milkfish. Eco-tourism is also

1 South Cotabato, Cotabato, Sultan Kudarat, Sarangani, General Santos.

a vibrant industry in the region. Yet even with its dynamic business and investment climate, Region 12 has the fourth highest unemployment rate among the country's 16 regions. Still, its unemployment rate of 5.1 percent (as of July 2009) is lower than the national average of 7.6 percent. Poverty incidence of families has also declined, from 40.7 percent in 2000 to 33.8 percent in 2008.

For sure, though, the region's economy would be growing at an even faster pace if not for the unrepentant cycle of armed violence in some of its municipalities and in neighboring Maguindanao Province. This should compel local and national leaders to realize the profound effect of peace and order not only on governance, but also on development.

Demographic Information of Sample Sites

Three provincial LGUs and three cities/municipalities chosen according to income class in each province were included in this appraisal. Next to income classification, access and security were the considerations in the selection. Sample areas are as follows:

Table 1: Sample LGUs

LGU	Income Class	Population (as of August 1, 2007)	Land Area (as of 2007, in hectares)	Number of Sub-LGUs
Province of Sarangani	Second	475,514	410,042	7 municipalities, 140 barangays
Municipality of Alabel	First	71,872	51,098	12 barangays
Municipality of Kiamba	Third	53,040	32,868	19 barangays
Municipality of Maitum	Third	37,054	29,066	10 barangays
Province of South Cotabato	First	767,254	370,589	10 municipalities, 2 Cities, 225 barangays
City of Koronadal	Third	149,622	27,700	27 barangays
Municipality of Tantangan	Third	35,825	11,310	13 barangays
Municipality of Tupi	First	57,779	22,800	15 barangays
Province of Sultan Kudarat	First	675,644	513,530	11 municipalities, 1 city, 249 barangays
City of Tacurong	Fourth	82,546	15,340	20 barangays
Municipality of Lambayong	Second	60,372	22,688	26 barangays
Municipality of President Quirino	Fourth	33,595	20,840	19 barangays

Source: National Statistical Coordination Board

Major Findings of the Rapid Field Appraisal

The LGC provided the legal basis for the LGUs' having greater autonomy and control over their budgets, revenue generation and spending, programming, and service delivery to meet objectives defined in their local development plans. By improving local governance, decentralization is expected to achieve fiscal autonomy, economic development, and reduction of poverty.

RESULTS OF DECENTRALIZATION

I. Local Governance and Administration

The LGC mandates that there should exist “accountable, efficient, and dynamic organizational structure and operating mechanism in every LGU,” to be implemented through legislative, administrative, and organizational reforms. This section looks into what the results are in pursuit of developing strong and dynamic LGUs and what reform initiative made these possible.

Local Legislation

To a very large extent, sorting out political differences is key to managing executive-legislative relations. Yet while political differences may at times stand in the way of objectivity required in legislative processes, strengthening meaningful local autonomy in the face of continued national impositions and supporting responsive local initiatives have been the guideposts of local legislation. Ordinances to localize implementation of national laws or to support local initiatives deemed as important and relevant have been passed.

Legislation has also been used to assert an LGU's stand on important issues, such as banning open-pit mining through the environment code recently passed by the South Cotabato *Sangguniang Panlalawigan*. This placed the LGU at loggerheads with big mining companies, but it has stood its ground, with the support of the church and civil society organizations (CSO).

The preparation of Comprehensive Development Plans-Executive Legislative Agenda (CDP-ELA) in some LGUs became a useful exercise in achieving a shared understanding of the development directions toward determining legislative support requirements. Local chief executives (LCE) and the *sanggunians* continue to abide by the LGC provision that prior legislative authorization has to be issued before the LCE can enter into any contract or negotiate financial grants or donations. *Sanggunians* have also pushed for legislative action from the national legislature, such as the conversion of the Sultan Kudarat Polytechnic State College into a University or the setting up of the School of Health and Sciences for Midwifery and Nursing in South Cotabato.

The quality, efficiency and effectiveness of legislation and legislative work, though, can still stand improvement, especially in the low-income municipalities. Research, technical support to committee work, agenda setting, coding, and legislative tracking are some capacities that need to be enhanced. Fortunately, the region has Sarangani, whose paperless Sangguniang Panlalawigan, as well as its legislative staff training, could serve as model for other LGUs.

Transparency and Customer Service

The LGUs demonstrated more efforts in transparency, anti-corruption, and building constituency/customer relations. In Sarangani, mid- and year-end program reviews are presented by department heads to the Provincial Development Council (PDC) and the *Sangguniang Panlalawigan*, as a measure to monitor progress and use of funds. Kiamba's Bids and Awards Committee meets after the Executive-Legislative Committee meetings every Monday.

Republic Act (RA) 9485 or the Anti-Red Tape Act (ARTA) of 2007 was an important element in pushing for transparency in the LGUs. Citizen's Charters hang prominently at the entrances of the city and town buildings and local government offices with front-line services. A detailed guide for citizens availing of LGU services, of the LGU, the Charter is generally seen as a measure to increase citizen access to information and reduce time lags in dealing with transactions. Koronadal was a step ahead in this effort. When it put together its manual of internal operations in 1997, it also developed a similar document for an external audience. With the assistance of the South Cotabato Foundation, Inc., a handy reference to guide citizens availing of various services of the city government was developed.

Public assistance and complaints desks are common features at the entrances of most LGU buildings but are observed to be functioning more in provincial, city, and high-income municipalities. Drop boxes and hotlines for citizens' complaints have also been installed in Sultan Kudarat and South Cotabato, with the feedback reviewed by the Human Resources Department. In Tacurong, LGU employees wear identification cards, which have their names and designations shown prominently. This is to facilitate identification of an employee should a citizen need to contact him or her again, or in the event that a citizen would want to submit a commendation or complaint about the employee. Meanwhile, key information such as key socio-economic data, annual statement of receipts and expenditures, bids and job opportunities, real property tax collections and delinquencies are posted on the walls.

Some examples of LGU tri-media information channels:

Tacurong: "*Maayong Aga Tacurong*," a radio program aired once a week, and a newsletter *Ang Talakudong*.
Koronadal: *Sidlak* newsletter, and a radio program broadcasted in three local radio networks.
Kiamba: *Kiambalita*.

Provinces, cities, and high-income municipalities have invested in print, broadcast, and online media to provide information to and generate feedback from their publics (Box 1). Most of the LGUs have updated websites. Social networking sites have also been tapped by the LGUs, with Sarangani using these extensively.

Barangay assemblies are among the other means by which the region's provincial and municipal governments reach out to citizens, either to conduct consultations on pressing issues or alongside activities to deliver medical, social welfare, and/or agriculture services. Koronadal also designated information officers in its barangays. The State of the Province/City/Municipality/Address is viewed to be a good tool to inform constituents and organizations about progress in the local government. Yet while efforts to increase citizen's access to information are aplenty, how citizens reckon with the published information (e.g. if they understand the information, if the charter is read by those who access LGU services for the first time) and how citizen feedback is processed within the local bureaucracy are unclear.

A topic related to transparency is corruption, and this Rapid Field Appraisal (RFA) asked the following question: "In your perception, is there less corruption now in local government compared to 18 years ago?" The resounding – and surprising – response from this region is that corruption cannot thrive in LGUs because of the high degree of familiarity. Transactions are easy to trace, say the respondents. In addition, they say, civil society participation in the bids and awards committee and other local bodies that oversee financial transactions is seen to have helped curb corruption. Local government officials also share the observation that it is national government that is burdened with corruption, citing the fertilizer scam and the ZTE scandal.

Participation

Participation of civil society and the private sector is one of the defining features of decentralization. The South Cotabato Provincial Development Council has even expanded its membership to include more than the mandated number of Civil Society Organization (CSO) representatives and transforms its regular quarterly meetings into fora on issues important to citizens (e.g. power outages) if there are no urgent business items. As observed also in previous RFAs, peoples' organization (POs) and CSOs take advantage of the opportunities for participation provided by local development councils and local special bodies (e.g. local health board, local finance committee) and in functions such as bidding, planning, implementation, monitoring or evaluation.

At the same time, devolution has brought about an increase in LGU link-ups with business organizations for direct social service delivery, as well as for initiatives in environmental protection and management. This is consistent with the LGC provision on engaging different sectors to promote ecological balance and improve the well-being of the constituents. For its centerpiece program for education, the Quality Education for Sarangani Today (QUEST), Sarangani partnered with corporations

and foundations; QUEST has been provided about P8.4 million by Union Bank, Alcantara Foundation, Conal Holdings Corporation, SPPC, SMI and Children's Hour. The Allah Valley Landscape Development Alliance (AVLADA) counts Dole Philippines and Upland Banana Corporation as its key partners. South Cotabato, for its part, organized a multiparty monitoring team to apprehend violators of *banlas* or hydraulic small-scale mining and has health programs jointly implemented with Mahintana Foundation, Inc.

Development Planning

Being able to plan to better address local conditions tops the list of what decentralization has led LGUs to in Region 12. That is according to the LGUs themselves; it seems they take their planning function seriously. One planning officer even said that with the LGC, "LGUs now have the power, authority and autonomy to operate and decide what development should be put in place in the area."

Fortunately, there are now more reliable and updated databases and technological advances to help and strengthen local development planning. LGUs have sponsored projects in poverty-mapping, including household profiling to generate updated and more accurate information for planning and for a more targeted approach against poverty. Sarangani's inclusion in the list of poorest provinces of the country prodded the LGU into rethinking its interventions. Recognizing the importance of reliable data, Governor Miguel Dominguez directed the implementation of Community-Based Monitoring System (CBMS). Koronadal's Integrated Database System (KIDS) was designed to establish an information management system for programming, with data as specific as household level. Tacurong and South Cotabato use Geographical Information System (GIS) in land-use planning, as well as in zoning enforcement and monitoring. South Cotabato will download GIS-based land use planning to its municipalities.

Equipped with reliable data and technical skills – and with the priorities of the governor or mayor factored in – provinces, cities, and some municipal LGUs have become more astute in defining development directions. Conscious of its poverty ranking, Sarangani ensured that its development plan has a clear focus on combating poverty, with peace, indigenous peoples, youth, tourism and investments, and education as key intervention areas. This has resulted in Sarangani sliding down in the list of the country's 20 poorest provinces. From 4th place, it is now down to eighth.

Koronadal's priorities, meantime, are reflected in "agricultourism" – for agriculture, culture, tourism, investment, sports, and manpower. The city also redefined its strategic framework when it was designated as the regional center. Maitum, after its Organizational Strengthening and Team Building Workshop, adopted HEARTS (Health, Education and Environment, Agriculture, Roads, Tourism, Trade and Industry), as its key priority areas.

Higher level of planning skills, even in planning of a more technical nature, has also resulted in better quality of plans. Sarangani's Provincial Physical Framework Plan (PPFP), 2010-2030 was commended for its soundness despite being prepared without any external expertise.

Local autonomy has also encouraged LGUs to try out mechanisms to make planning more efficient not only by linking it to budget but also through inter-department cooperation. Sarangani formed a Technical Working Group (TWG), which coordinates program development, reviews and presents proposals to the Local Finance Committee, guided by the investment policy.

The Local Governance Performance Management System (LGPMS) and State of Local Governance Report (SLGR) provide inputs on areas for improvement, but the LGUs recommend more detailed analysis specific to their areas. The cold statistics also have more meaning and become more useful if narratives in the form of annual accomplishment reports that show performance by presenting time-series data (e.g. in three- or five-year periods) are also prepared.

Yet for all these, LGUs in the lower level are unable to locate themselves in such “big-picture” plans, indicating that there has not been much bottom-up planning in the region.

Resource Generation and Utilization

South Cotabato (1st class province), Alabel (1st class municipality), and Koronadal (3rd class city) consistently recorded the highest annual income in their LGU categories. Alabel's income of P121 million in 2008 is way higher than all other municipalities, the only MLGU surpassing the P100 million mark. The income of President Quirino, a fourth class municipality, did not even reach 50 percent of Alabel's yearly income in any year during the period.

The LGC stresses that adequate resources shall be provided to LGUs for them to effectively perform their functions. It also provides the LGUs with a just share in the national taxes and in the utilization of national wealth in their respective areas, and gives LGUs the power to create revenue sources and to impose taxes, fees, and charges.

Up to now, however, LGUs are still saying that the “just share in the national taxes” through IRA, even if it is the largest contributor to local revenues, is inadequate to support priority programs and projects to make an impact on poverty. Share of national wealth also remains a nebulous concept.

Similar to findings in earlier RFAs, IRA generally increased through the years. Some LGUs, though, reported decreases in IRA receipts in 2006 and 2007, as shown in Table 2. There is no clear trend in terms of income class vis-a-vis IRA increases.

Share of IRA to total income is highest among provinces (at an average of 89.67 percent) and lowest in cities at 79.56 percent). It averages at 75 percent in first class municipal LGUs and hovers between 85 percent and 94 percent in municipalities in the other income classes. The average share of IRA in the total income is highest in Lambayong, a second class municipality, at 93.97 percent; and lowest in Tupi, a first class municipality, at 74.19 percent. Table 3 shows the percentage of IRA to total income from 2004 to 2008, for all LGUs covered in this RFA, by income class.

The race to cityhood by municipalities seems to be propelled by the huge increase in IRA share once a town is declared to be a city. Koronadal's IRA, for instance, rose from P65.8 million in 2000 to P120.17 million in 2001, when it became a city. Provincial and city LGUs, as well as some municipal LGUs have nevertheless embarked on other means to generate revenue, such as public enterprise development, levying of taxes and user fees, and encouraging private sector investments. The region's LGUs have also stayed on track of fiscal reforms not only to reduce unnecessary spending and increase efficiency, but also to determine revenue-earning potentials.

Table 2: IRA Increases per Year (2004-2008)

LGU	Income Class	2005	2006	2007	2008
Provinces					
South Cotabato	1 st	7.66%	17.50%	2.06%	18.10%
Sultan Kudarat	1 st	29.17%	-1.88%	2.42%	20.19%
Sarangani	2 nd	9.53%	17.42%	2.22%	15.49%
Municipalities					
Alabel	1 st	8.27%	16.00%	4.80%	24.47%
Tupi	1 st	37.22%	-8.88%	30.72%	17.66%
Lambayong	2 nd	20.03%	5.99%	2.72%	23.94%
Kiamba	3 rd	8.15%	16.51%	4.12%	25.91%
Maitum	3 rd	8.11%	11.95%	12.70%	12.70%

Table 3: Percentage of IRA Share to Total Income (2004-2008)

LGU	Income Class	2004	2005	2006	2007	2008
Provinces						
South Cotabato	1 st	84.80%	85.60%	86.25%	84.04%	83.94%
Sultan Kudarat	1 st	94.81%	80.08%	94.65%	95.10%	93.70%
Sarangani	2 nd	92.04%	89.03%	92.19%	94.06%	94.81%
Municipalities						
Alabel	1 st	75.83%	73.06%	75.14%	75.05%	75.16%
Tupi	1 st	62.51%	78.36%	74.78%	75.48%	79.84%
Lambayong	2 nd	93.77%	93.40%	93.25%	93.78%	95.66%
Kiamba	3 rd	84.05%	84.15%	82.10%	85.25%	87.30%

LGU	Income Class	2004	2005	2006	2007	2008
Maitum	3 rd	86.71%	85.34%	86.62%	89.88%	89.89%
Tantangan	3 rd	91.38%	91.09%	91.87%	74.63%	82.62%
President Quirino	4 th	89.45%	93.53%	92.89%	85.90%	94.30%
Cities						
Koronadal	3 rd	84.15%	79.55%	79.43%	80.17%	79.43%
Tacurong	4 th	77.40%	78.63%	79.31%	79.28%	78.33%

Source: Bureau of Local Government Finance

Real property tax (RPT) is the biggest source of local revenues for the Region 12 LGUs, contributing more than half of the income of several LGUs between 2004 and 2008. In Sultan Kudarat, RPT's share of local revenues even hit 78 percent in 2008. RPT to total revenue ratio is erratic, though, and some LGUs like Alabel and President Quirino have recorded decreasing RPT share.

This indicates a need for the LGUs to look into improving RPT collection efficiency. LGPMS data show that in 2009, only Tacurong's RPT accomplishment rate² at 91.51 percent was much higher than the average for LGUs in its income class (79.79 percent). Kiamba's was slightly higher, at 79.37 percent, as against the average of 78.53 percent for third class municipalities. Maitum, of the same income class, was way low at 18.12 percent. RPT accomplishment rate of the rest of the LGUs hover between 50 percent to 60 percent – lower than the average for all LGUs of their respective income classes.

Local revenue sources other than RPT are public enterprises – mostly slaughterhouses, markets, terminals, training and technology centers. One of the more unique public enterprises, however, is South Cotabato's zip line, located in Lake Sebu town. LGUs also make money from fees and charges, such as those charged in hospitals and health centers, and business taxes. The pay wing of the South Cotabato Provincial Hospital generated an income of P10 million in 2008. The province also earned P28 million in hospital fees in the same year.

Koronadal, meanwhile, embarked on an innovative scheme to provide support to the transfer of the offices of regional line agencies from Cotabato City. In August 2006, the city government purchased an 8.9 hectare lot to be developed as the Prime Regional Center Site, housing 45 regional offices that would be constructed on a build-lease-transfer scheme.

Table 4 shows that cities and higher-income municipalities appear to be benefitting more from local revenues, which has contributed as much as a quarter of their total incomes.

² RPT accomplishment rate refers to the percentage of RPT collected against projected RPT collectibles.

Table 4: Percentage of Local Sources to Total Income (2004-2008)

LGU	Income Class	2004	2005	2006	2007	2008
Province						
South Cotabato	1 st	15.19%	14.37%	13.73%	15.95%	15.11%
Sultan Kudarat	1 st	5.13%	3.05%	4.82%	4.77%	6.27%
Sarangani	2 nd	7.73%	9.95%	7.80%	5.87%	5.19%
Municipalities						
Alabel	1 st	24.17%	21.50%	24.86%	24.95%	24.84%
Tupi	1 st	23.17%	21.64%	24.96%	24.52%	20.16%
Lambayong	2 nd	5.73%	6.60%	6.75%	6.22%	4.34%
Kiamba	3 rd	15.95%	15.85%	14.51%	14.75%	12.07%
Maitum	3 rd	13.29%	14.66%	13.38%	10.12%	10.11%
Tantangan	3 rd	8.62%	8.91%	7.81%	7.48%	7.09%
Pres. Quirino	4 th	10.55%	6.47%	7.11%	6.27%	5.70%
Cities						
Koronadal City	3 rd	15.76%	20.40%	20.41%	19.79%	20.52%
Tacurong City	4 th	22.60%	21.37%	20.69%	20.72%	21.67%

Source: Bureau of Local Government Finance

According to the LGPMS 2009 data, locally sourced revenues contribute at most 11 percent of the total provincial LGU incomes in Region 12. This is much lower than the average for provinces nationwide, recorded at 15.72 percent for first-class provinces and 10.37 percent for second class. Among the municipalities, share of local revenues to total income, ranging from five to 17 percent, has a direct correlation with income class. Outliers are Alabel and Lambayong, with local revenues making up at least 22 percent of total income.

Of the three provincial LGUs, LGPMS 2009 data show that only South Cotabato's cost in collecting revenues (0.89 percent) rated better than the average for 1st class provinces, at 13.07 percent. Sultan Kudarat's was much higher, at 35.88 percent. Sarangani, meanwhile, would do well to review its revenue collection strategies. In 2009, its collection cost was at a whopping 63.16 percent of actual collections, much higher than the average for second class provinces that was at 20.35 percent. Among the municipalities, Tupi and President Quirino kept their respective costs of collection low at 15 percent or even less. Kiamba also kept it quite low, at 24.59 percent, or almost half of the average cost of collection for 3rd class municipalities. But Tantangan needs to take a serious, hard look at its revenue collection strategies – it had a collection cost of 136.66 percent. By contrast, Tacurong City recorded an impressive 10.93 percent cost of collection.

Donor funds, though, have also become a target for support, with LGUs constantly busy working on pre-designed donor programs, usually in partnership with national agencies, or coming up with their own proposals for funding. These donor funds have been a quite crucial for many local programs.

In terms of expenditures, general public services get the biggest chunk of the budget. First-class provinces spent an average of 30 percent on this item; Sarangani, a second-class province, spent 50 percent. Municipalities, regardless of income class, spent an average of 52 percent. Expenditures for “other purposes” ranks next, with as much as 46 percent spent on average for this by Koronadal. Tacurong and the first-class provinces of South Cotabato and Sultan Kudarat spent an average of 22.9 percent for this item, while Alabel, a first-class municipality, did not report any expense for “other purposes.”

Economic services top the list in terms of utilization of income for direct programs and services. Sultan Kudarat, third-class Maitum, and Alabel spent an average of at least 26 percent of their budgets for this while the rest spent less than 20 percent on average. Next sector prioritized is health, nutrition, and population control, with provinces spending between 14 percent and 16 percent on average for this, and municipalities between six percent and 11 percent. Cities spent the lowest for this sector, at less than five percent.

Further down the list were education and social welfare, for which the average expenditure were 2.7 percent and 2.4 percent, respectively. Notably, though, their ranking among the priorities shifted through the years. Among the sampled LGUs, President Quirino spent the lowest for education, which took only 0.7 percent of its total expenditures. At the bottom of the expenditure priorities, however, is housing, with only South Cotabato and third-class municipality of Kiamba spending more than three percent of their respective budgets on this on the average. By comparison, most of the other LGUs spent less than one percent for housing.

Debt service ratio of all LGUs is below the debt servicing limitation of 20 percent of regular income set by the LGC. Tandingan posted the highest expense for debt servicing, at an average of 5.67 percent.

Expenditures by sector by LGU from 2004 to 2008 are shown in Table 5.

Table 5: LGU expenditures by type, Five-Year average (2004-2008)

LGU	Income Class	General Public Services	Education, Culture & Sports/ Manpower Development	Health, Nutrition & Population Control	Housing	Social Security / Social Services & Welfare	Economic Services	Debt Services	Other Purposes
Province									
South Cotabato	1 st	29.69%	3.69%	16.74%	3.96%	3.72%	14.01%	5.25%	22.91%
Sultan Kudarat	1 st	29.18%	1.43%	14.42%	0.00%	1.62%	30.82%	0.00%	22.52%
Sarangani	2 nd	50.94%	3.10%	14.62%	1.62%	1.44%	16.18%	2.56%	9.54%
Municipalities									
Alabel	1 st	58.99%	3.47%	6.39%	0.00%	3.67%	26.77%	0.70%	0.00%
Tupi	1 st	42.78%	2.58%	10.87%	0.00%	2.11%	19.43%	3.07%	19.17%
Lambayong	2 nd	57.48%	1.07%	10.66%	0.25%	2.56%	16.72%	0.00%	11.26%
Kiamba	3 rd	52.09%	4.99%	9.31%	3.71%	2.13%	14.17%	2.44%	11.16%
Maitum	3 rd	52.73%	2.77%	7.64%	0.20%	2.36%	28.77%	0.79%	4.74%
Tantangan	3 rd	44.07%	1.80%	11.54%	0.00%	2.09%	11.27%	5.67%	23.55%
Pres. Quirino	4 th	62.51%	0.72%	9.49%	0.12%	3.70%	13.44%	0.00%	10.02%
Cities									
Koronadal City	3 rd	31.33%	4.52%	4.99%	0.68%	1.73%	11.16%	0.00%	45.60%
Tacurong City	4 th	48.81%	3.14%	3.49%	0.09%	2.72%	13.37%	4.98%	23.17%

Source: Bureau of Local Government Finance

All the provincial LGUs spent less than the LGC limitation for personnel services (PS) in 2009. But it was a different story for municipal LGUs. First- and third-class municipalities struggled to keep within the mandated allocations for PS, but Maitum still ended up spending 10 percent more than the PS limitation for its income bracket. Tacurong City, meanwhile, had an impressive PS expenditure ratio of only 30 percent.

The 2009 LGPMS data also show that the per capita expenses of all the provinces are lower than the average of that of provinces in their respective incomes classes.

LGUs have revenue-generation assessments and plans to rationalize revenue-raising efforts. Assessments and plans also help define specific targets from conventional and non-conventional revenue sources or propose rate increases in taxes or user fees.

Interestingly, among the common features in the LGUs' comprehensive fiscal reforms have been automation and data banking. These in fact became crucial in implementing South Cotabato's Revenue Generation Action Plan, which focuses on untapped or problematic collection targets such as landowners, Comprehensive Agrarian Reform Program beneficiaries, and big delinquent taxpayers like telecommunications; updating of RPT assessment and appraisal rates; and increasing tax-collection efficiency and collection targets on public economic enterprises. South Cotabato installed its Real Property Tax Administration System (RPTAS) software not only at the Provincial Treasurer's and Assessor's Offices, but also in their counterpart offices in the province's 10 municipalities. In March 2007, the LGU of Koronadal commenced its City of Koronadal Information and Communication Technology Program (CKICTP) on a build-operate-transfer agreement with GeoData.

Maitum's Revenue Generation Plan included the development of Business Tax Map to increase tax base, defined its policy on market lease contracts, and updated the schedule of market values on real properties. Sultan Kudarat drew up its Revenue Generation and Resource Mobilization Profile and Plan along with its Fiscal Management Operations Manual, Computerized RPTAS, and Business Permit and Licensing System (BPLS). Sarangani linked all its municipalities in its Provincial Revenue Generation Automation program, which has a database of the land, building and machinery taxation. The program is linked as well to the Treasury Operations Information System. Sarangani is scheduled to complete the automation of its RPT system in 2010, ensuring accuracy of data on real property and assessed values that can be viewed by taxpayers.

LGUs resorted to different methods for increasing tax collections. Both Maitum and President Quirino, for example, involved the schools in developing appreciation for tax payments among the young, who would then influence the adults to fulfill their obligations to the state.

One immediate and high-impact result of the fiscal reforms has been the increase in tax collections and investments. Sultan Kudarat raked in more than P10 million in real property tax collection and consequently an increase of 216 percent in collection for the Special Education Fund (SEF) from 2002 to 2004. Over the same period, local tax collection rose by 107 percent. The province was also able to collect 100 percent of its share in RPT from municipalities for 2003 and 50 percent of the receivables for the previous year. The Office of the Provincial Assessor was able to assess 91,659 parcels of land in 2004, with a value of over P3 billion. The reforms also included the LGU's Tax Amnesty Program in 2008, resulting in an increase of RPT by 49 percent that year.

Koronadal's systems reforms – which included improvements in property assessment and tax administration, business permit and licensing, and budget operations – led to an increase in RPT collections by 122 percent; in business taxes by 120 percent; in fees and charges by 112 percent; and in economic enterprises by 124 percent. Koronadal and Tacurong streamlined their business-permit application and renewal procedures under the Transparent Accountable Governance (TAG) project with The Asia Foundation (TAF). With the findings on poor collection of user's fees, Tacurong embarked on collection mapping, which gave the Treasury Office an estimate of the expected daily collection per collector. Its Finance Committee membership was also expanded to include tax collectors. Kiamba's intensive revenue-generation efforts and increased efficiency led to hitting a collection rate of 98 percent of its 2008 targets, besting the six other municipalities in the province.

For investors and taxpayers, these reforms meant faster and convenient services from the local government, as well as promoted transparency in revenue assessment, collection and generation. In Koronadal, applications for new and renewal of business permits now get approved and released within a day, two days shorter than the pre-CKICTP days. Local revenue collectors report reducing collection transaction time by at least 75 percent. When they were still being done manually, these used to take at least 30 to 40 minutes each to complete.

Competition among the LGUs to access donor monies can be stiff. To rationalize and have an edge, Sarangani organized the Provincial Steering Committee for Externally-Assisted Projects (PSCEAP) that is chaired by the governor, with the vice governor as co-chair. The Committee's task is to coordinate efforts and provide information on external assistance and funding windows for the socio-economic development of the province. Most of these donor-funded programs require cost-sharing from LGUs. More often than not, LGUs agree to this arrangement, which can be difficult for lower-class municipalities. Sarangani came up with a 70/30 percent counterpart scheme with its municipal LGUs. Under this arrangement, municipalities wanting to pursue programs and projects requiring counterpart funds – common among donor-assisted projects and programs – can request the provincial government to shoulder 70 percent of the counterpart requirement.

In the midst of all their efforts at raising revenues, LGUs have continued to grumble over increasing the budgets of national government agencies with several devolved programs. While there is no consensus on their stand on IRA – i.e., whether to change the formula for IRA computation and sharing among LGUs, or to increase the allocation for IRA – there is agreement that the national government must put its foot where its mouth is and put more resources under the LGUs' control.

Organizational Management Strengthening including Financial Accountability

LGUs invested substantially in reforms for organizational and management strengthening, and especially so in the area of fiscal and administrative management. Provincial, city, and middle-income LGUs instituted organization-wide reforms, which clarified directions, re-engineered the bureaucracy, linked various functions, and used information technology.

When Sarangani defined its thrusts, it conceptualized a governance and institutions development program to prepare the bureaucracy for what it needed to do to help achieve the LGU's new goals. The governance program's components include information and communication technology, local governance and empowerment, fiscal management, legislative development, human resource and development communication, and advocacy.

Provincial, city, and middle-income LGUs installed computer-based integrated systems to enhance efficiency and effectiveness, providing timely and critical information for management action. Sarangani takes pride in being the first LGU in Region 12 to have an automated government accounting system, using the Electronic-New Government Accounting System (E-NGAS) introduced by the Commission on Audit (COA). Aside from increasing the efficiency of its accounting office, interconnecting departments via E-NGAS also saved the LGU around P9 million. Its high efficiency at this task resulted in its Provincial Accounting Office being named as the best in Region 12 and in the country in 2008. Sarangani also had the first WiFi-connected capitol in the country, linking 150 computers and various departments. Another control measure to keep expenses within budgets is that departments can request only quarterly funds release for allocations.

South Cotabato has since also installed E-NGAS and an LGU-wide computerized system, initially with transaction-tracking and financial-control functions (budget, payroll, accounting, check and voucher, and procurement). The internal control system, which will track performance of functions of the different provincial offices, will soon be in place. Departments are also required to submit monthly reports on the use of their funds to monitor the status and rate of utilization of these monies. South Cotabato hopes to be an ISO-certified provincial government. Koronadal's CKICTP was an initiative in a similar direction.

LGUs also immediately take action within their authorities on financial issues. South Cotabato, responding to COA findings on abuses of its cash advance facility and absence of internal control mechanism, designated a cash custodian, bonded a treasury employee, and re-established the necessity of submitting official receipts and charge invoices as supporting documents. Direct payment arrangements were made with creditors. The provincial government also installed safeguards viz unauthorized charging of expenditures incurred in the past years against current funds. As a check against fraud, control mechanisms were also agreed between the signatories of the voucher and auditors in Tacurong. Signatories at various levels serve to ensure that a cash advance request has been reviewed thoroughly and that the signatures are all authentic.

Republic Act (RA) 9184 or the Government Procurement Reform Act (GPRA), meantime, has received mixed reviews among the LGUs. While on one hand it was criticized for being contrary to local autonomy and introducing delays in procurement requirements in case of emergencies such as disease outbreaks, some quarters on the other hand support this new law, since the guidelines require “COA’s eyes” early on in the procurement process.

Human Resource Management

Efforts on human resource management (HRM) have been a mix of the LGUs’ own programs and those directed by the Civil Service Commission (CSC). Provincial and city governments improved their human resource management information systems, which include data management and record maintenance for its employees, for the speedy delivery of personnel services. Time and attendance monitoring systems were installed, significantly improving punctuality and reporting to the office. In Sarangani, thumbprint scanners have taken over bundy clocks.

The birth of Sarangani became an opportunity to scrutinize its existing structure through an LGU-led organizational development initiative in 2005. The 17 departments revisited their key results area (KRA), service delivery, and values, and redefined these according to the current need. This led to a trimmer bureaucracy for better service delivery.

CSC directives on human resource development plans, updating plantilla and revising system of ranking positions, performance appraisal (Performance Management System-Office Performance Evaluation System), and personnel development assisted LGUs in their streamlining efforts and in increasing efficiency at work. Like Koronadal, Tacurong developed its Manual of Internal Operations to increase organizational productivity and improve service delivery.

The LGUs have been taking care of their staff, investing more on employees’ welfare. South Cotabato set up a Provincial Capitol Children’s Home, a child-minding service for children of provincial government employees. Sarangani decided to invest in a

six-hectare property for staff housing, with a project cost of P80 million, to help out employees, most of whom were residing in nearby General Santos City. Scholarship programs were provided to employees wanting to pursue master's degrees. Sultan Kudarat organized trainings not directly related to work but on opportunities for the staff to venture into entrepreneurship or promote wellness. Educational trips were conducted and loyalty awards given to retirees and those with at least 10 years of service. Savings realized are allocated for staff bonuses. In the case of South Cotabato, these savings came mostly from the reorganization and streamlining of its provincial bureaucracy, which was saddled by its having more than 1,000 personnel. The Magna Carta benefits of health, veterinary, and social work personnel were ordered to be fully implemented and yearly salary rate increases mandated – which meant an additional amount of P20 million annually.

LGUs are also more open to negotiations with employees' associations to enhance staff welfare. Box 2 provides some details on these negotiations.

Negotiating benefits.

In 2009, the provincial government signed the Collective Bargaining Agreement proposed by the Sultan Kudarat Association of Provincial Employees (SKAPE). Under the agreement, all regular employees will be receiving cash incentive of P30,000 on staggered basis at P10,000 per year starting 2009 to 2011. Bonuses, fringe benefits, extra cash gifts, and year-end incentives to job orders costing around P516 million have also been given by the provincial government. Sarangani's employees' association negotiated for the proposed 10-percent increase in the salaries of "job order" employees. Kiamba also welcomed the partnership with the Union of Local Government Employees of Maitum for the advancement of employee's rights and privileges through Collective Negotiation Agreement.

Networking and Linkaging

The LGC encourages LGUs to enter into alliances and to coordinate and complement efforts on similar concerns. The idea of inter-LGU alliance is well-received in the region, not just for resource complementation, but also as an effective strategy to address issues that transcend administrative boundaries – such as environmental degradation. The more prominent inter-LGU alliances in the area are the Maitum-Kiamba-Maasim (MAKIMA) Industrial Triangle, formed to spur economic development in these three Sarangani towns; and Allah Valley Landscape Development Alliance (AVLDA), an alliance of two provinces, one city, 10 municipalities, and national government agencies, for the protection and management of the Allah Valley Landscape.

Local chief executives also see the benefits of networking to generate interest in their investment potentials. The BIMP-EAGA cooperation is one such link-up that has provided extensive investment opportunities for those involved. The LGUs and their staff also actively participate in the various leagues, seen as good fora for linkage-building and advocacy.

II. Social Services

There is more strategic thinking in social service delivery, for greater impact on the long-standing issue of poverty, resulting in more LGU programs addressing basic

concerns. Sarangani defined Service Delivery System Development as a focused area of intervention. This covers *Kabalikat Laban sa Kahirapan Tungo* (KALAKAT) – *Kaunlaran* Program, *Ugnayan* Sarangani Program (Emergency Relief Services), Health Services Development Program, *Katuwang sa Kaunlaran* (KASAKA) ng Sarangani Program, Population Management and Development Program, and Sports Development Program.

The LGUs say, however, that they are still unable to fully exercise local autonomy whenever they are regarded as mere implementers of national government programs.

Health and Nutrition

LGUs focused their resources on making health services accessible to their constituents, particularly to indigents, and on maintaining and upgrading of facilities.

Health investments from the Department of Health (DOH) for LGUs are outlined in the Province-wide Investment Plan for Health (PIPH), a component of the Health Sector Reform Agenda (now called *Fourmula One* for Health). The reform agenda was meant to address the issue of fragmentation of the health systems by providing assistance in four areas: health financing, health service delivery, health regulation, and good governance in health.

LGUs report improved performance in the delivery of DOH programs. Sultan Kudarat, for example, was able to curb the increasing number of malaria cases. Under the Global Fund Malaria Component (2007-2012), malaria cases dropped from 982 in 2007 to 256 in 2008. Some of the interventions are training of barangay health workers in Rapid Diagnostic Test (RTD), training of malaria microscopist, distribution of treated mosquito nets, and indoor residual spraying. The program is supervised by the Provincial Malaria Management Committee.

In 2008, FIC coverage of Sarangani under its EPI was 89 percent, up from 67 percent the previous year. The health offices in the provinces intensified their education and awareness activities, reached out to remote barangays to conduct immunization activities, and made the vaccines available, among others. Tandingan is regarded as a model municipality in the delivery of the devolved health mandates. It has the highest allocation for health among the province's municipalities and granted Magna Carta benefits of health workers – something that is still an issue in the other municipalities. Tandingan has enforced contraceptive self-reliance for several years. The town has also implemented full provision of Vitamins A and K for pregnant women and three months of post-partum care.

LGUs have also resorted to creative strategies to implement DOH programs. Tandingan has an arrangement with its barangays in which these take care of upgrading

or constructing lying-in clinics while the municipal LGU provides the delivery table. Alabel clustered its barangays, and then designated rural health units to cater to a cluster, each of which has a health staff. It also focused more attention to a remote barangay it refers to as Geographically Isolated Depressed Area, even though this meant augmenting the P1,500 transportation allowance for health workers and making the most per visit. To promote breastfeeding, Maitum organized its “*Sabay-sabay, Sumusosa Nanay*” activity, which was part of a worldwide synchronized breastfeeding event.

Local Health Boards (LHBs) are functional, and are used by the LGUs as platforms to push for support for local health programs or for national health programs deemed responsive to local needs.

Though never enough, the health sector receives a substantial amount annually from the LGU’s income. For instance, the Provincial Health Office of South Cotabato receives an annual budget of P120 million to P150 million, which is used for local programs and as counterpart for national programs. LGUs also report increased allocation for their share of the premium contributions of indigent households and hopes to achieve universal coverage; Lambayong is targeting this by 2010.

One of the main observations of the effects of decentralization is weak compliance with health standards. Sentrong Sigla certification and incentives awards initiated by the DOH encouraged LGUS to upgrade their health facilities. The National Health Insurance Act of 1995 also became platform for increasing free health care in standards-compliant health facilities. With PhilHealth’s capitation program, LGUs were able to upgrade rural health units to DOH standards.

Provincial LGUs supported upgrading of hospitals or making it accessible to indigents. Looking at the potential conversion of the provincial hospital into a medical center, Sultan Kudarat constructed 12 additional rooms with 120 beds for the hospital and expanded its delivery room. More doctors, nurses and nursing attendants were also hired. South Cotabato expanded the bed capacity of the South Cotabato Provincial Hospital from 100 to 250 to cater to the influx of patients, including those from neighboring provinces.

Hospitals also became a revenue center for provincial governments. South Cotabato built a three-story, 25-room Pay Wing Hospital, complete with modern equipment, such as portable and mounted X-ray machines, platelet agitator, ultrasound and ECG machines, electro-surgical units, and infant incubators. The emergency room was also expanded and the ICU equipment beefed up. More computers were purchased to facilitate recording and processing of bills.

The LGU’s hospital facility improvement was extended to the three district hospitals. With all these improvements, hospital income reached P47 million, which was deposited in a trust fund.

In municipalities, however, hospitals are losing money. In 2009, the Roel Senador Memorial Hospital received an P8 million subsidy from Tupi, but its collections from fees reached only P2.8 million.

The Inter-Local Health Zones (ILHZ) are operational in all provinces, with LGUs providing contributions for the referral hospitals designated to provide services to the catchment area, share critical personnel, or converge resources for health.

There have been many innovations in health that make the LGUs more responsive to local health issues. Sultan Kudarat's Mobile Hospital has provided medical and dental assistance to more than 600,000 patients in the province and in neighboring areas. Under its Hospital Assistance to Patients for Tertiary Hospital Care, Sarangani entered into a Memorandum of Agreement with private hospitals in General Santos City for free hospital care for indigent patients. From 2004 to until last year, 10,381 patients availed of this benefit. The province shoulders 70 percent of the cost per patient, while the remaining 30 percent is paid for by the LGU of the patient's municipality of residence. South Cotabato also created the Hospitalization Fund with an allocation of P2.83 million to assist residents who need financial support for their hospital bills. The provincial LGU has a health financing innovation as well. It drew up a Memorandum of Agreement with suppliers in the area, allowing patients with approved requests to withdraw medicines and other medical supplies from the suppliers. The provincial government then pays the suppliers on terms agreed upon.

ROM Service sa Barangay in Kiamba brings outpatient services to barangays. So far, it has been able to perform 7,744 laboratory procedures, such as blood chemistry, routine urinalysis, complete blood count, and diagnostic procedures for infectious diseases. Kiamba's Municipal Health Office (MHO), in cooperation with the University of the Philippines' Philippine General Hospital, now uses as screening tool for cervical cancer a "visual inspection by acetic acid," a low-cost substitute for pap smear. Kiamba also brought in P80 million worth of medical services from the University of Santo Tomas Medical Mission Inc. Moreover, it is the first town in Sarangani to achieve contraceptive self-reliance, a direction all the LGUs are taking, albeit in varying intensities.

The George Y. Yabes Maternity Home in Maitum, the first in Sarangani, is acknowledged as one of the best in the province, symbolizing commitment to child and maternal care. The center provides deworming, immunization, pre-natal, Operation *Timbang*, and child-delivery services. It has high-tech facilities such as Doppler and birthing table. The project cost of P1.5 million was sourced from the local government fund, along with a cash prize from the Child Friendly Movement, Gawad Galing Pook, and the provincial government. The United Nations Children's Fund (UNICEF) also donated P1 million worth of equipment.

Aside from *Sentrong Sigla* and PhilHealth accreditation, LGUs also push for accreditation of specialized services. Sultan Kudarat, for instance, has been accredited

as Newborn Screening Facility by the Manila-based New Born Screening Reference Center, and with the National Electronic Injury Surveillance System.

The LGUs have realizing the need for a more integrated delivery of services, as well as the importance of having peace and security, to ensure their development. Sarangani's Health for Peace and Development Program thus targets remote and conflict-vulnerable areas for its converged services on health care. The program delivers promotive-preventive health care to these communities, initially in 35 barangays. To date, 18,084 people in 55 barangays have been able to avail of medical services and 2,387 of dental services. South Cotabato had a similar initiative, converging health and other social services, which is actually the function of the Development Assistance Framework (DAF).

Donor-funded programs such as the UNICEF and the United Nations Population Fund (UNFPA) 6th Country Programs are acknowledged to provide much needed assistance, particularly in child and reproductive health care. UNFPA's Program on Reproductive Health helped improve population program through education, training, networking, and reproductive-health service delivery.

South Cotabato posted the lowest population growth rate in the region, whittling down its figure from 2.3 percent to 1.4 percent. Its responsible parenthood education program was recognized as outstanding in the region in 2009, earning the LGU an award of P5.8 million from the Population Commission.

The challenge that the local health sector faces is how to achieve targets determined by the DOH based on projected, not on actual population. Arguing that these have resulted in unrealistic targets, the LGUs say it is no surprise that they end up underachieving. Some of the health officers interviewed said that they do not attend quarterly provincial meetings and Program Implementation Reviews since LGUs get the blame for not achieving targets that they did not have a hand in defining in the first place. Questions have also been raised regarding the construction of facilities that are managed by higher-level offices. Tandingan, for instance, was surprised when the design of the health center funded by the European Union was modified, making it fall below standards.

The LGUs have also raised the issue of procurement, and point out that bulk purchases, even if centrally managed, should always take the different needs of the LGUs in consideration.

One of the common recommendations was for more resources to be transferred to LGUs to support local health programs. LGUs assert that DOH should concern itself more

with policy, standards setting, monitoring, and evaluation – and less with programs. Health databases also need to be improved, since these have become very fragmented.

Education

LGUs recognize the benefits of having well-educated and productive constituents to local development. They have provided support to the Department of Education (DepEd), mostly through the Special Education Fund (SEF). In 2008, South Cotabato took P53 million from its SEF for DepEd programs and activities and P6.710 million for the construction of six units of two-classroom buildings, as well as for school repairs. Sarangani provided support for teachers, resulting in the ideal 1:40 teacher-pupil ratio. Sultan Kudarat funded the construction of high school annexes, such as those of the Kayapa National High School-Annex of Bagumbayan and Lebak Legislated National High School and supported the DEAR or Drop Everything and Read program of DepEd in the province. Funds have also been provided for the repair and maintenance of athletic equipment and for hosting athletic meets.

Noting gaps in national education programs, LGUs designed their own, exhibiting flexibility and responsiveness. Kiamba's Comprehensive Learning Assistance and Support for Schoolers by Mayor Rom (CLASSROM) provided learning materials and equipment and supported teacher training. Maitum accessed support from foundations for free school supplies, milk, hot meals, and school repairs. Sarangani's QUEST provided workbooks to all its Grade I and II pupils, ending up with 1:1 ratio. In addition, it has the Sarangani Big Brother mentoring program in which youth volunteers and members of the Sangguniang Kabataan spend 45 days with children during summer, acting as their mentors on the value of education and the challenges of life. The province also has Madaris Education program, which supports around 50 *madrrasah* for its Muslim constituents.

LGUs have scholarships programs, too. Koronadal set up the Isko City Scholarship Program to help finance the studies of poor but deserving college students based in Koronadal. South Cotabato's Kabugsawon-Paglaum Scholarship Program (KPSP) for poor and average-income had served 208 scholars by December 2008, with a total cost of P2.8 million.

LGUs support higher education as well. Kiamba entered into a memorandum of agreement with the Mindanao State University (MSU) through its Education Extension Program for an Educational Laboratory in the fields of agriculture, fisheries, education, and vocational technology. Sarangani has a Memorandum of Agreement for an extension campus with the same university, which has enabled 70 indigent scholars to pursue bachelor's degrees in elementary education. These scholars will later be employed by the provincial government.

Sultan Kudarat grants financial assistance to the Public Administration graduate program of MSU. Still awaiting release of funds from the General Appropriations Act (GAA), South Cotabato has allocated funds worth P11.5 million as part of its cost-share for the land and building of the University of the Philippines School of Health and Sciences for Midwifery and Nursing set to open in June 2010 and Medicine and Masteral Degrees in 2014.

Social Welfare

LGUs provide some funds for national government programs to help increase the number of facilities, personnel, and other support needed to provide social welfare services to their constituents. When asked about the results of decentralization on this sector, social welfare officers replied that program delivery has improved because LGUs have more control over plans, programs and budgets. Should funds fall short, they go for the supplemental budget mechanism.

Compared to the other devolved sectors, there have not been as many local innovations regarding social welfare programs. But the priority given by the Municipality of Maitum to the welfare of children stands out. Maitum, in fact, has been recognized several times as the most child-friendly municipality in the region; in 2003, it even became a UNICEF awardee as Child-Friendly Municipality (national level winner). This led to the construction of Coca-Cola Foundation's 79th Little Red Schoolhouse in Maitum.

Still, there have been more inter-agency programming and convergence modes of delivery in the social welfare sector to increase efficiency and for resource complementation. Of note is the South Cotabato Provincial Health Office's arrangement with the Provincial Social Welfare and Development Office for subsidies for indigents certified to qualify for medical assistance under the latter's Assistance to Individuals and Households in Crisis Situations (AICS).

Disaster Management

The region has had its share of natural and man-made (mostly armed conflict) disasters. LGUs cite this as one of the compelling reasons to always ensure the disaster coordinating councils in the region are functioning well. All these councils have received training in various skills important to disaster prevention and mitigation; provinces, cities, and higher-income municipalities have gone to the extent of providing equipment support for rescue and communication. These efforts were recognized by national government. The South Cotabato Provincial Development Coordinating Council (DCC) was awarded the Kalasag Award for several times as the country's best prepared DCC and as the Hall of Fame Awardee for Region 12 for its disaster-management program. Sarangani Disaster Coordinating Council also won as Best Prepared for Disaster and the Kalasag Award in 2008. Maitum and Sarangani received similar awards in their LGU categories.

Peace and Security

The LGUs have organized Peace and Order Councils (POC), with efforts focused on law enforcement issues. Yet the POCs have not expanded their framework to address the fact that the region is constantly threatened by armed violence in pursuit of political goals, even if doing so is allowed within the Councils' mandate.

The Office of the Presidential Adviser on the Peace Process (OPAPP), meanwhile, has stressed that LGUs are at the frontline in the peace process, and are crucial in pushing for social, economic and political reforms that address the root causes of armed conflict. Provincial governments have started some programs that integrate peace-building and development efforts. South Cotabato's Sustaining Peace and Development Initiatives (SPDI) implemented a convergence approach in an area influenced by Front 73 of the New People's Army (NPA), which was also notorious for collecting revolutionary taxes. SPDI later became the Development Assistance Framework, adopting community organizing as a component. Among other things, the province has provided educational assistance to children in crisis situations in DAF-covered areas. For it to work, DAF relied on existing programs of other provincial government agencies, allocations from the provincial government, and funds from donor agencies. It initially covered 12 barangays; today that has been expanded to 40 barangays, and DAF now has 1,400 volunteers.

In recognition of its population's multicultural character, South Cotabato also has set up a Tribal Council and allocated funds for programs addressing tribal concerns. Lambayong, for its part, organized the Municipal Religious Council, composed of Muslims and Christians, to help the LGU avoid conflict.

Sarangani created the Kalinaw Sarangani Unit under the Office of the Provincial Governor. The Unit coordinates the implementation of the province's peace and development program. Sarangani also embarked on the Justice on Wheels Program as a peace-and-order initiative, the first in the region to do so. A bus goes around, functioning as a mobile court. This has resulted in the speedy resolution of cases, which has helped reduce the number of inmates at the provincial jail from 445 to 239. The Regional Development Council 12 has since encouraged other LGUs to adopt the program. A related initiative in Sarangani is the Provincial Mediation Center, constructed in 2007. Meant to address conflicts at the household and community levels to prevent escalation into bigger conflicts, this initiative has been recognized by the Philippine Judges Association (PHILJA).

III. Economic Development

The region's LGUs are becoming more adept in putting together comprehensive economic packages. For instance, Sarangani's Productive Economic Enterprise

Development Program is actually made up of the Luntiang Sarangani Program for agriculture and aquamarine, Livestock and Poultry Development Program, *Kabuhayan* Sarangani, Provincial Investment Development (PRIDE), Small-Medium Enterprise Development (SMED) Program, and WOW Sarangani Program for tourism.

Agriculture

LGUs report improving performance in the implementation of *Ginintuang Masaganang Ani* (GMA) program and in other programs downloaded by the Department of Agriculture (DA). Combined *palay* production in the region yielded 1.097 million metric tons in 2004; the figure increased to 1.229 million metric tons by 2009. Corn production grew from 1.095 metric tons to 1.146 metric tons during the same period. Sultan Kudarat remains as one of the country's 36 major rice-producing provinces. Fish production in the region increased by 24 percent from 2007 to 2008, with the biggest share (at 72 percent) coming from commercial fishing. Municipal inland production increased by two percent in the same period.

Industry councils such as the Agriculture and Fisheries Councils have been strengthened in varying degrees. Funding support has also been extended to infrastructure facilities such as irrigation, storage, and solar driers. Training and marketing support is provided by Farmers Information Technology Services (FITS) Centers, a DA initiative, in the LGUs.

For the most part, LGUs accept programs from DA, saying that these can be useful. But they would rather have the funds be decentralized, so that they would have the flexibility to design their own programs and to have control over program resources. In implementing national programs, local agriculturists complain about poor quality of seedlings, overpriced and/or substandard facilities. Tandingan, for example, says that a supplied flatbed drier could not be used at all. Another LGU has reportedly refusing to accept some of these programs, calling them irrelevant or criticizing the “weak adaptability of commodities,” such as seeds.

LGUs have designed and funded their own agricultural programs that they say fit local conditions better. For example:

- South Cotabato focused its agricultural programs on promoting food security and sufficiency. It prioritized coffee production, even if it is not in the national commodity priorities, to accelerate its reforestation efforts.
- Tupi's fertile soil from the volcanic waste of Mt. Matutum got the LGU into prioritizing high-value fruits, vegetables, and flowers.
- Tandingan saw its high potential for rice and fruit trees production and agro-forestry.

- Maitum focused on intensifying the production of plantation crops such as banana, rubber, and abaca through its Diversified Farming System.
- Kiamba invested some P57 million in its agricultural programs, prioritizing organic farming (for which it set aside 60 hectares) and community livelihood.
- There are increasing efforts to move into organic farming and community-based composting facilities, for health and environmental reasons.

LGUs have tapped donor-funded programs for agricultural development. Sarangani, for instance, is reported to be the biggest recipient of assistance from the Mindanao Rural Development Program (MRDP), with a P300 million partnership for infrastructure and rural development. Lambayong also accessed support from MRDP for the same purpose.

Agricultural research is also becoming a strong discipline in LGUs. South Cotabato put up its nursery and demo farm in the municipality of Banga that, among others, tests the adaptability of seeds and other inputs to local conditions before these are accepted. The LGU has rejected commodities from the national government and other sources because these failed the tests in the demo farm. South Cotabato has also installed rain gauges in several strategic locations across the provinces. These are monitored regularly, with the data gathered recorded, analyzed, and relayed to the provincial leadership, farmers, and other interested parties. Sultan Kudarat has its Soils and Water Laboratory, for fertility mapping and developed the fertilizer guide map for the farmer.

Agricultural workers prefer their status as devolved workers, since funds for programs get augmented, and salaries and benefits are released on time. The workers get to attend training workshops as well. There has been a push for a Magna Carta for agriculture and fisheries development workers, with the stipulation that the national government, not the LGUs, pay for the benefits.

Comprehensive

Tourism and Industry Promotion

Region 12 LGUs are becoming better at encouraging private investments to consider their areas, as well as at developing competencies in dealing with local and foreign investors, handling investment missions, and organizing trade and tourism fairs and business conferences and other similar promotion activities. How LGUs make use of opportunities such as those offered by BIMP-EAGA events, though, depends on how open the local leadership is to pursue business promotions as a way to perk up the local economy and contribute to poverty alleviation.

In general, provincial, city, and middle-income LGUs prepared their areas for investments. Koronadal even has an Investments Center, headed by an investments manager and accountable to the investments board, which annually reviews the city's investment priorities.

The LGUs' promotional collaterals in the form of brochures, posters, and websites, are professionally done. Performance of regulatory functions has been improved through streamlining of procedures, while infrastructure support is provided to the level afforded by the LGU. Investment codes offered incentives to qualified businesses.

These efforts have started to pay off. Sarangani has snagged its biggest investment in its history yet: a \$450 million power generation plant in the village of Kamanga in Maasim. Included in the project is a \$7 million watershed area development. In 2006, Sarangani reported that external funds from the public and private sectors had exceeded its IRA by P178 million. Kiamba has a P200 million coffee plantation project with Canadian Rocky Mountain Arabica Coffee Company, Inc. Working with the T'boli community, the plantation will be one of only 10 that the company will develop in the country.

When it was just three years into cityhood, Koronadal was adjudged as the Most Competitive Small-sized City in the Philippines in 2003. In 2006, it was also named as one of the Most Competitive Small-sized Cities in the Philippines. Maitum was adjudged as the most business-friendly municipal local government unit in the province.

Tourism has one of the strongest investment potentials in the region, and the LGUs have become technically competent in tourism planning. LGUs that are not as endowed with natural resources as the others organize tourism events to call attention to the investment potentials and showcase their cultural heritage. Koronadal, for example, decided to focus on developing products and events after an analysis showed that the city does not have natural tourism sites that could compete with those found in neighboring areas. Koronadal turned to the origins of its name in coming up with a unique theme for the "One Town, One Product" (OTOP) campaign. Koronadal comes from the word "cogon," which grows in abundance in the area. The city's tourism office gathered local artists and provided them with art supplies for them to produce works with cogon as inspiration. The city then put up an exhibit showcasing the artists' output.

Koronadal also holds a Hinugyaw Festival each year. In 2009, the city celebrated the 111th Philippine Independence Day celebration with then President Gloria Macapagal Arroyo herself raising the flag – the first ever by a president outside of Metro Manila or Kawit, Cavite. Tacurong organizes the Talakudong Festival every September and Inugyunay Festival every December.

Much of the rest of the region, however, boast of excellent beaches, dive spots, mountain resorts, and caves with archeological artifacts (Maitum's caves have

2,000-year-old anthropomorphic jars), making Region 12 suitable adventure tourism. Events are organized around these sites, such as the Sarangani Bay Festival each May, which has seen its guests tripling in a span of two years (from 5,700 in 2007 to more than 17,000 in 2009). Another big Sarangani event is *MunaTo* (B'laan term for first people), which showcases the province's finest in culture, fishing, or agriculture. Tupi organizes *Amyak Maleh*, an annual climb to Mt. Matutum, with participants from all over the country. *Amyak Maleh* is B'laan for climb and plant; event participants are asked to plant trees and help protect the forest of Mt. Matutum, which has been nominated as a new UNESCO World Heritage Site.

LGUs have also been supportive in promoting arts and culture as a way to spur interest in their areas. Koronadal's Hinugyaw Cultural Dance Troupe has performed in other countries. Koronadal also organized the City Brass Band, Arts and Letters Group and the Visual Artists Group. South Cotabato's Arts, Culture and Museum Support Program became a Galing Pook awardee.

IV. Environment Management

Region 12 LGUs have implemented the Ecological Solid Waste Management (ESWM) Act, albeit in different ways.

- After passing the local ordinance, South Cotabato assisted the development of Ten-Year SWM Plans of its 10 municipalities. The PEMO in South Cotabato ventured into a P5 million Cluster Sanitary Landfill (SLF) Project – the first ever facility of this nature in the country – in Surallah. By September 2010, this cluster SLF will be operational; the guidelines are now being drawn up. South Cotabato is also seeking barangay-level indigenous and cost-effective waste management. The province has held its first South Cotabato Recyclable Waste Fair, collecting 12,602 kg of recyclable wastes. It was the first time a provincial LGU organized such an event.
- Three LGUs in Sarangani achieved their 25 percent waste diversion target by September 2008. Alabel and Kiamba have also prepared the SLF design and business plan for waste management programs. The provincial government has conceptualized an awards system to sustain SWM.
- Tacurong has been recognized as the country's first LGU to formulate its 10-year plan, and has become a model in the implementation of the ESWM Act. It was a Department of Environment and Natural Resources (DENR) 12 awardee under the category of Local Environment and Natural Resources governance. The city constructed its Materials Recovery Facility (MRF) in 2003 and pre-tested the solid waste garbage bin at the public market for biodegradable waste recovery. Its SLF is said to be the first in Central Mindanao.

- Tuntungan combined its materials recovery facility, vermi-composting, and organic farming into one project, the site of which can be found at the back of the town hall. Segregated waste goes into different concrete boxes, which then gets subjected to vermi-composting. Fertilizers produced are applied in the adjacent organic garden, from which fruits and seedlings are sold at very low prices.

The LGUs have also found ways to comply with other mandates from national government. Some examples:

- South Cotabato implements air pollution control programs such as the Linis Hangin Program and “Bantay Usok/Bantay Tambutso” or the roadside monitoring of vehicle emission. Invoking the Clean Air Act, it has identified Silway River that cuts across General Santos and three neighboring towns as a Water Quality Management Area (WQMA). Silway River drains into Sarangani Bay, known for tuna and which also happens to be a WQMA.
- The Integrated Coastal Management Plan for Sarangani Bay has been completed. The province also provides support to the Mt. Balakan Forest Reserve in Kiamba, Mt. Matutum protected area in Malungon. Sarangani Bay, along with the adjoining municipal waters of Maasim, Kiamba, Maitum, and Glan are now Protected Seascape, having been declared as protected areas under the National Integrated Area System Act of 1992.
- South Cotabato adopted the Department of Interior and Local Government’s (DILG) Cleanest and Greenest competition. The province awards incentives to best performers in the municipalities. Maitum is implementing an adopt-a-street project in which schools, business establishments, and the LGU conduct massive clean-ups on streets they have “adopted” every 3rd Friday of the month.
- LGUs pursue diversified farming and community-based programs in forestry and mangrove rehabilitation.

The LGUs, however, resent the limited role provided by the LGC in taking care of the environment, considering the serious effects of environmental degradation and environmental law violations committed in their areas of jurisdiction amid the serious threat of climate change. The LGUs accept the wisdom of having a central authority that is primarily responsible for dealing with environmental challenges. But they express frustration over being unable to do more about violations of environmental laws that are committed in their own backyard.

The national-local tension will remain as LGUs assert their authority on local issues. They shared reports of local environment officers apprehending those transporting of illegally cut logs within their area, and then the officers themselves getting charged instead with usurpation of authority. The LGUs also talked about being bypassed in

the approval of environmental clearance certificates (ECC) for establishments locating in their areas; they were not even furnished with copies of the issued ECCs.

South Cotabato ordered the termination of operations of illegal mining and treasure hunting operations. Its local environment office conducts raids in hydraulic mining operations, but the DENR has criticized this, saying the local office lacks jurisdiction. The LGU, in turn, has scored the DENR on its inaction on apprehended violators. The province also invested in a mobile laboratory to test water quality of business establishments, but the Environmental Management Bureau asserted this is not a local government function.

Recently, South Cotabato's provincial sanggunian passed an environmental code, after five years of deliberation. The LGC bans open-pit mining, and the governor has made known that she does not intend to use her veto power on it. Yet while this has been lauded by local church leaders and civil society, Sagittarius Mines, Inc., which has massive copper and gold exploration that will lead to open-pit mining in the area, is shrugging off the law. According to the company, the Philippine Mining Act allows open-pit mining, and a local law cannot supersede a national law.

Interestingly, this weak authority over environmental protection and management has led to the LGUs' putting the environment on their programming and resource-allocation priority lists. They have also created local environment offices. The Provincial Environment and Management Office of South Cotabato, for example, was set up to manage programs in environmental management, mines and geosciences, forest and inland water.

LGUs also opted to vigorously pursue own initiatives, at times linking up with each other for better results. Sultan Kudarat, for one, organized resource-based interventions that led to forming inter-LGU alliances. Among these are the South Moro Gulf Coastal Community Development, Buluan Lake Conservation and Development, and Daguma/Alip Mountain Ranges Development. Allah Valley Landscape Development Alliance, a 2008 Galing Pook Awardee, is another such grouping, this time forged by the local governments of South Cotabato and Sultan Kudarat to manage the protection and conservation of the Allah River.

Other LGUs have come up with their own green initiatives. Some examples:

- Sarangani conceptualized *Bantay Kalikasan* and Sarangani Environment Resource Development Program and continues to take a strong stand for the environment.
- South Cotabato installed rain gauges in strategic areas to be able to monitor rainfall and help them plan ahead.

- Maitum forged ahead with its Pawikan Hatchery Site, to protect the species and promote biodiversity. The municipality was also an awardee of the Gawad Pangulo sa Kapaligiran for the Cleanest Inland Body of Water.
- Koronadal set up a controlled dumpsite that it plans to convert later into an ecopark.
- Tupi developed charcoal bricks using pineapple leaves, frowning on the use of charcoal from wood.

Business ventures were explored with an eye on natural resource development. Kiamba signed an agreement with T'boli Falel Community Association, a Community-Based Forest Management Agreement (CBFMA) holder, Platinum Corp., and other key actors to develop a rubber-based farming system. Similar agreements were entered into by other investors and upland farmers.

External assistance was also accessed. Sultan Kudarat implemented the Riverbank Stabilization Project with P5 million from the Mindanao Rural Development Program of the World Bank. Bamboo seedlings, which would grow into having high economic value afterward, were planted to stabilize the riverbank. Sarangani's Environmental Conservation and Protection Center, a research facility, was constructed with DENR. The Center has a P1.6 million multi-parameter water quality monitoring equipment.

The Water Quality Assessment of Sarangani Bay was funded by the Japan International Cooperation Agency (JICA). Sarangani Bay was chosen as the WQMA for the project. The bay, which is part of the Coral Triangle involving two other countries, Indonesia and Malaysia, is a major fishing ground, as well as important in the ecotourism development of the region. To process domestic septage, a major pollutant in Sarangani Bay, the provincial LGU accessed a P339.5 million Septage Treatment Facility (STF) project from Japan Bank for International Cooperation. Another STF is in place in Alabel and five other coastal towns, with technical assistance from USAID-funded EcoGov.

Despite a hesitant decentralization in this sector, the 2009 rating of the provincial LGUs in LGPMS in three of the four areas in environmental governance was excellent. Sarangani and Sultan Kudarat, however, received lower ratings – fair and high, respectively – for Urban Ecosystems Management, in part because of some work that had yet to be done regarding solid waste management and pollution control.

CONCLUSION

It is safe to say that decentralization is here to stay. The first ones to defend it are the personnel devolved from national government, on the basis of three factors: participation, ownership, and responsiveness to local conditions. LGUs themselves are now also asking why there continues to be resistance by national government to decentralization, as seen in its downloading of programs it designed to the LGUs for implementation, even though it does not provide adequate resources for these.

Over the past 18 years, notwithstanding changes in the local political leadership, LGUs have developed higher proficiencies, even to the point of excellence, in various local government functions. They have endeavored to improve their performance not only in delivering services, but also in improving systems and procedures within the local government structure itself. The LGUs covered in this Appraisal seem to have a common vision of obliterating the image of government as a slow and uncaring bureaucracy. The LGC enabled LGUs to exercise their powers and authorities, some even testing the limits of the law in the process.

Provinces, cities, and high-income municipalities have demonstrated that autonomy is no longer an uncharted territory. They have made huge strides in organizational strengthening, fiscal management, and revenue generation and programming, with clear anti-poverty and broad-based economic development targets. It would be wise for newly elected leaders in these areas to sustain programs and reform initiatives that are working well. In the meantime, lower-income municipalities need assistance in breaking the chain of underdevelopment brought about by a weak revenue base, wrong investment priorities, weak fiscal management, and a bureaucracy that needs to be reinvigorated.

Brillantes, et al (2009) point out that the decentralization has four major objectives: first, to promote economic development, efficiency and distributive equity; second, to make local governance effective and enable local governments to become efficient in managing the local development process; third, to promote a more meaningful local autonomy and local democracy; and fourth, to facilitate the coherent organization of local governments with appropriate capacities.

To attain these objectives, these recommendations are put forward:

a) Technical assistance for lower-income LGUs in various functions such as revenue generation from non-traditional sources, trade and tourism investment promotions, and targeted approaches in programming;

- b) Review of the IRA formula and sharing to favor lower-income municipalities;
- c) Expansion of the limited decentralization in the environment sector;
- d) More resource-based interventions such as AVLADA and economic clusters not only for complementation, but to better deal with issues that transcend administrative boundaries; and
- e) Letting the LGUs do programming and implementation; national government should perform more of standards-setting, policy formulation, technical assistance and monitoring and evaluation.

BEST PRACTICES

Region 12

Sarangani Province: Fighting Poverty Starts with Reliable Information

Disturbed by Sarangani's rank as one of the top ten poorest provinces in the country, the leadership of the province vowed to get it out of the list. To do this would mean enhancing the capacity of the poor to alleviate their condition, and it was decided that one of the first steps toward this would be to increase the poor's access to basic services. Yet before that could be done, Sarangani had to answer the question: Who are the poor and where are they?

To provide the answer with a high degree of reliability, Governor Migs Dominguez directed the province-wide adoption of the Community-Based Monitoring System (CBMS), a tool to diagnose poverty at the community level. CBMS uses a set of 13 core indicators covering different dimensions of this socio-economic condition.

To fast-track CBMS implementation, Dominguez encouraged the mayors of the seven towns to go for a 70-30 cost sharing arrangement for the project's estimated P4 million cost. The database was completed in July 2009, resulting in updated and reliable information on the poorest barangays, where access to social services are most needed and should be prioritized in targeting.

Health is Not Only Physical

Bringing basic health services to where it matters most led the Provincial Health Office (PHO) of Sarangani to organize medical and dental missions to target 35 underserved barangays. Distance, poor accessibility, volatile peace-and-order situation, and poverty were among the factors that had contributed to the poor health of people in these areas. Health status (e.g. immunization coverage,

occurrence of diarrhea, malaria and other diseases, cases of tuberculosis) was also used as a basis for the selection of the barangays.

Networking with public and private sector organizations for medicines, medical and dental professionals, and other needs enabled the PHO to provide accessible, available, and acceptable health services. It also focused on promotive-preventive medicines through coordinative initiatives and sharing of resources from the province, the municipalities, other agencies, and partners. The project became a channel in peace building initiatives as well, and even helped the local government to bring into the barangays other services, including those for agriculture and social services. In truth, the people-focused delivery of health services in remote barangays brought government presence in areas where the populace were at high risk of being preyed upon by armed groups.

By 2008, a total of 55 barangays had been reached, 18,084 people had availed of the medical services and 2,387 for the dental service. The province set aside P500,000 for the procurement of medicines, as well as for paying the bills for community meetings and activities, including dental/medical missions.

Making Public Funds Work for Private Hospital Care for Indigents

Sarangani's health office estimated that only 60 percent of the population had been able to avail of public health services even if these were affordable. Access to tertiary-level care of hospital care (e.g. surgeries) was even bleaker, with the issue of availability of such services in the LGUs coming into play. Sarangani does not have a provincial hospital, and for now, its proximity to General Santos is an argument against setting up one. Its municipal hospitals do not have the capability to provide tertiary health care.

In 2005, Governor Migs Dominguez, on behalf of the Sarangani provincial government, signed a memorandum of agreement with five private hospitals (St. Elizabeth Hospital, Socsargen County Hospital, General Santos Doctor's Hospital, Mindanao Medical Center, and R.O. Diagan Cooperative Hospital) and one public hospital (General Santos City Hospital) in General Santos City, to ensure that patients from poor families can avail of hospital health care, including surgery. The patients need only to submit a certificate from the Municipal Social Welfare and Development Office with a medical referral slip from the Municipal Health Officer or attending physician, community tax certificate, and certification of residency from the barangay captain. Municipal governments were asked to foot 30 percent of the hospital bills of the patients from their respective areas.

As it turned out, however, that Sarangani patients had a preference for three hospitals in particular: R.O. Diagan, General Santos City Hospital, and Mindanao Medical Center. Other observations include:

- General Santos City Hospital registered the highest number of admission with a total of 1,423 patients served, incurring a total bill of P6,567,882.49;

- The municipality of Alabel referred the most number of patients (525), with total bills amounting to P3,145,710.25;
- The Malungon municipality posted the highest percentage of disbursement out of its total budget, shelling out a total of P3,490,909.82 that served 439 patients.
- Some patients could not come up with their 30-percent counterpart of their bills, causing their discharge to be delayed.
- Some cases had been referred to private tertiary hospitals that had the facilities for the needed medical intervention.
- Accommodations have been on a case-to-case basis, especially on OB-GYN cases, but compliance with the guidelines has been observed.

As of 2008, the Hospital Assistance Program has had a total of 2, 243 admissions of indigents from the province' seven municipalities. Sarangani allocated P19 million for this program in the same year.

BEST PRACTICES

South Cotabato:

Testing the Waters

South Cotabato has multinational industries and businesses, majority of which are agricultural plantations, which employ heavy use of chemicals, fertilizers, and other toxic substances in their operations. These activities thus have detrimental effects on the province's water resources and even its air. In response, the Provincial Environment Management Office (PEMO) has given top priority the protection and rehabilitation of the bodies of water within the province.

Knowing that the DENR's Environmental Management Bureau (DENR-EMB 12) lacks manpower to monitor all of the water bodies within its regional jurisdiction, the provincial government initiated the establishment of a semi-mobile laboratory in compliance to the Philippine Clean Water Act of 2000 or RA 9275. This law mandates that the LGUs shall share the responsibility in the management and improvement of water quality within their territorial jurisdiction.



The province allotted P1.128 million to kick off the initiative, which supports the 11 component municipal LGUs in gathering water quality data within their jurisdiction to come up with effective Water Quality Management Plans. The allotment for the project was used to purchase water-quality laboratory equipment and laboratory chemicals and reagents, as well as to support training for the monitoring team. PEMO collaborated with EMB

and MGB XII for the technical assistance, the LGUs for the monitoring support, and the PEO, OPAg, IPHO, PPDO, SP for technical support.

By late November 2009, the semi-mobile laboratory was up and running. PEMO initially monitored the efficiency of the Wastewater Treatment Facilities (WWTF) of its component LGUs, specifically at the public markets and slaughterhouses. The results became the bases for the recommendations on appropriate WWTF designs and proper wastewater management in the area. The recommendations included the retrofitting of the Koronadal Slaughterhouse WWTF and the enhanced operation of Polomolok Public Market WWTF.

PEMO also monitored the wastewater quality discharged by the provincial hospital and three district hospitals. In addition, baseline data on the water quality of the rivers and monitoring stations surrounding the Surallah Cluster SLF were recorded as reference for future monitoring activities to evaluate the waste management efficiency of the Cluster SLF.

Data gathered from the monitoring and sampling activities helped PEMO come up with accurate assessment results that have been used for recommendations on measures to abate or control pollution.

Currently, the semi-laboratory has the capacity to monitor 10 basic physico-chemical and bacteriological water-quality parameters, namely pH, dissolved oxygen (DO), total dissolved solids (TDS), cyanide, total coliform, phosphates, temperature, chlorine, turbidity, chemical oxygen demand (COD), and nitrates.

PEMO looks forward to the time when the laboratory would have the capability to monitor toxicity, biochemical oxygen demand (BOD), and heavy metals. (Source: PEMO, South Cotabato)

BEST PRACTICES

Koronadal City:

The Power of Information and Communication

The city government of Koronadal saw the importance of accurate data in making its plans more effective and relevant. The Koronadal Integrated Database System (KIDS), an Information Management System that provides profiles at the household level, has given the city statistical data that it can use for plan formulation and equity in resource allocation.

The household survey started in August 2008. Fielding survey teams completed the total enumeration of 32,801 households in all 27 Barangays in March 2009. The data have been subjected to validation and will be presented to the executive and legislative offices for adoption as the official data of Koronadal.

LGUs to RA 9003's mandate of establishing and operating a sanitary landfill following standard requirements.

The provincial government recognized that South Cotabato has limited sites available for Sanitary Landfill (SLF) construction. And while the residual waste generation of most LGUs is relatively low in volume, these would find it relatively hard financially to construct and maintain their own SLFs. The province decided that SLF clustering would be the most appropriate strategy ensuring proper disposal management. To identify potential common SLF sites within the province, a map analysis was done by the SWM-Provincial Technical Working group (PTWG), with technical assistance from the Philippine Environmental Governance 2 Project (EcoGov 2), Mines and Geo-Sciences Bureau (MGB), and Environmental Management Bureau. Koronadal City and Surallah were identified as common SLF sites. Results of the analysis also showed that the Koronadal SLF cluster would be accommodating residual wastes from Tampakan, Tantangan, and Tupi. The Surallah SLF cluster, meanwhile, would serve Banga, Sto. Niño, T'boli, Lake Sebu, and Norala. Polomolok LGU decided to construct its own SLF in partnership with Dole Philippines.

How It Started

For the Surallah SLF Cluster, the provincial government gathered all mayors of the affected municipalities and presented the proposed SLF clustering strategy to arrive at a participatory decision. The consultation on December 5, 2006 was followed by scouting for a potential site in Surallah. Exploration was done on a two-hectare site used by Surallah as open dumpsite and later converted to a Residual Containment Area (RCA). After favorable results of the topographic mapping and hydro-geological study conducted by MGB, EMB, and NSWMC for the site located in Barangay Centrala, social preparation activities such as an orientation and a barangay general assembly were held in the community. IEC through local radio station were conducted from April 2007 to October 2008. After

Role of Key Proponents South Cotabato LGU

- Provide technical and financial assistance in the improvement of the access road from the national highway to the SLF site;
- Assist host LGU in developing/maintaining the SLF;
- Mediate any conflicts that may arise between and among member LGUs.

Host LGU

- Provide disposal site suitable for SLF
- Ensure establishment, management, operation and maintenance of the SLF
- Allow continued access to the SLF site to all garbage transport vehicles of the other LGUs who are part of the cluster, other LGUs and private entities who may thereafter indicate their commitment and intention to avail services of the SLF
- Collect tipping fees from SLF users, ensure that revenues from SLF are used for maintenance of facility.

Other LGU members

- The LGUs that are part of the cluster shall provide their own transport units, preferably compactor trucks or any other closed type units as provided in RA 9003
- The tipping fee that may be assessed from the LGUs shall be paid through a mechanism whereby the disposing LGU shall make automatic allocations from their IRA specifically for the purpose.
- Participate in the periodic assessment of the performance of cluster members and host LGU with respect to disposal management.



series of community dialogues, however, Barangay Centrala residents decided that they would not allow the project. The barangay captain aired their opposition through radio and local newspaper.

Fortunately, another potential site was identified in Barangay Colongolo. The positive outcomes of the topographic mapping, hydro-geological study and community dialogues led to the Surallah LGU purchasing (in cash) the six-hectare land for P1.5 million.

MOA Signing

On December 6, 2008, the six municipalities signed the Memorandum of Agreement (MOA) for the Surallah Cluster Sanitary Landfill. This was followed by the development of its Detailed Engineering Design. It was agreed that the Surallah SLF would be a category-2 SLF that would receive residual wastes only from Surallah (SLF host), Sto. Niño, Norala, T'boli, Banga, and Lake Sebu.

In accordance with the MOA, a Board (specifically for the Cluster SLF) would be created composed of all the LCEs of member LGUs, along with representatives of the provincial government and the host barangay. The Board's primary role would be to formulate rules and regulations of disposal, use, and maintenance of the SLF, and monitor and evaluate its operation and maintenance. It will also determine sanctions to be imposed to parties who will withdraw from or violate any provision of the MOA. The board would also create an Operation and Management Committee. To date, an Operation and Management Manual is being drafted and finalized. It will lay down the specific and detailed operation and management of the facility, including reasonable tipping fees to be collected from the users.

Development Phase

The development of the Surallah SLF has been done by phase. The first cell of the facility has been designed to have a capacity of 75,000 cu.m., including air space for immediate and final soil cover. This cell is projected to be used by the six LGUs within a period of five years. It will have natural clay liner as leachate containment layers at specified thicknesses and hydraulic conductivities as indicated in DAO 10-2006. This facility has an initial development cost of P9.2 million, of which P2.7 million is from Surallah LGU (with approved budget) and P5 million from the provincial government (already released by the provincial government). The remaining P1.5 m has yet to be allocated either by Surallah or the incoming provincial governor.

The construction of the category-2 SLF started last October 2009 and is expected to be completed by September 2010.

Results/Benefits

The establishment and operation of Surallah SLF Cluster, taking into account provisions of the signed MOA, are expected to yield the following benefits:

- Economies of scale. If each of the six LGU had their own SLF, investment cost per SLF would range from P7.5 million to P12 million, amounting to a total amount of P54 million – and that is without management costs yet. With the Surallah SLF, only P6.5 million (initial) will be incurred as capital outlay. Projected management costs are still to be determined, but resources saved by cluster LGUs from maintaining their own SLFs will now be used to provide other social services to their constituents;
- Flexibility. Commercial and industrial establishments within the six cluster LGUs with own collection and transport systems will also be allowed to dispose their residual wastes in the Surallah SLF. Only residual wastes will be accommodated from these establishments with corresponding tipping fees;
- Proper management of emissions and leachate from residual wastes. The availability of Surallah SLF for immediate use by cluster LGUs will ensure proper management of approximately 23.5 tons/day of residual wastes. With SLF cluster regularly monitored, pollution from emissions and leachate from residual wastes can be reduced;
- Promotion of waste segregation and diversion at source in cluster LGUs. Since the MOA provides that only residual wastes will be received in the Surallah SLF, cluster LGUs will be motivated to fully enforce proper waste segregation at source and effectively implement waste diversion strategies, including composting at source and recovery of recyclable wastes;
- Sustainability of disposal facility. With tipping fees to be collected from cluster LGUs, financial resources to sustain operation and maintain engineering structure in good condition will be available. Fines and penalties that will be determined by the Board for LGUs withdrawing from the cluster or committing waste disposal rules and regulations will ensure continuous and proper patronage of the cluster LGUs;
- Surallah Cluster SLF as learning site. Since the construction and development of SLF is very costly, Surallah SLF is expected to serve as a learning site as other LGUs in Mindanao to explore the benefits of sharing a common disposal facility. We are proud that this facility is the first of its kind (as cluster SLF) in the whole country. (Source of data/information: PEMO, South Cotabato)

BEST PRACTICES

South Cotabato:

Multiplying the Gains of the Farmers

South Cotabato's provincial nursery, scion grove, research and demo farm in Reyes, Banga conducts production demonstrations, technology verification on cultural management, and seed production and distribution. Economic data are noted to verify the performance, productivity and profitability of potential varieties tested. Cultural management practices pre-identified by breeding institution are verified and even modified to the production environment of the Province of South Cotabato.

Seeds harvested from crops showing promising performance are processed and distributed to the farmers to support the province's pilot program, the Development Alternatives Framework, along with the Gulayan sa Paaralan program and the Food Always in the Home program of Governor Daisy Avance Fuentes.



In 2008, the province's nursery/grove/farm produced 731 kilos upland rice seeds valued at P11,130; 2,000 kilos of red cob corn seeds worth P40,000; and 379.5 assorted vegetable seeds, valued at P309,220. Last year, increases were noted on assorted vegetable seeds at 485 kilos, valued at P378,760; and 2,468 kilos of improved red cob corn seeds, valued at P97,920. Only 450 kilos of upland seeds was produced, valued at P14,000. Most of these seeds materials were distributed for free.

Corn seed materials produced and distributed are progenies of improved open-pollinated varieties so that farmers can still use part of the harvest as seeds materials of the incoming planting season. The growing demand for assorted vegetable seeds and other field crops made PAO more enthusiastic to pursue this initiative. It has allotted P211,720 in its 2010 AIP for this project.

This nursery also played a major role when a gradual change in the farming system in the province allowed farmers to shift into cultivating fruit trees and timber trees brought by demands for quality seedlings/planting materials. Many farmers have been encouraged to engage in fruit growing as a result of the intensive campaign of the Provincial Agriculture Office on the prospects and opportunities in fruit production, as well as its ecological contribution. This led to a high demand for planting materials in the province. In response, PAO focused on the propagation of assorted variety fruits and planting materials. A scion grove has been established, in which selected varieties of fruit trees suitable for growing in the province are collected.

The nursery serves as the area for massive propagation and production, and as source of quality planting materials of the provincial government for later distribution to interested farmers. It is also accredited as an off-campus school for agriculture students by various schools in the region.

The project has involved the sexual propagation of 95,000 hills of assorted fruits and timber trees, asexual propagation of 140,000 hills of assorted fruits and forest trees, continuous maintenance of 1,200 hills of assorted variety fruit trees, and the conduct of lectures and briefings on nursery management and hands-on training on asexual propagation to walk-in clients and students. This has entailed costs amounting to P3,162,500, shouldered by the province.

Currently, massive production and distribution of quality planting materials of high value fruit trees is a continuing project that has support from the provincial leadership. The demand of quality planting materials is still high. The PAO plans to plant 15,000 hectares of fruit trees by 2015. To date, it has around 10,000 hectares planted, although the recent dry spell affected production by about 20 percent. The nursery/farm is targeting to produce and distribute around 100,000 hills of grafted seedling of fruit trees this year and another 150,000 seedlings of coconut.

The abundance of fruits displayed along the national highway and in fruit stands is a manifestation of the success of the province's intensive Plant Now Pay Later (PNPL) Program as well. More farmers were interested to plant fruit trees even in their backyard and, along with LGUs, use these as part of their reforestation efforts. (Source: PAO, South Cotabato)

About the Writer

Ms. Nelia Agbon has over 20 years of professional experience in various aspects of peace, security, humanitarian and development work, highlighted by her knowledge of Mindanao-wide concerns. She has done extensive social and policy research on Mindanao capacity building in various aspects in local governance, community safety and security, women's political participation, advocacy supporting children in armed conflict in Mindanao, and youth leadership. Ms. Agbon served as Secretariat Executive Director of the Mindanao Economic Development Council (MEDCO) where she led the organization in performing its leadership and coordination functions across several concerns with an extensive network of regional and Mindanao-wide line agencies, local government units, private sector, NGOs, people's organizations, counterpart country EAGA secretariats and international donor organizations.



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