

**Rapid Field  
Appraisal of  
Decentralization**

*Caraga*

**Region 13**

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# Decentralization Gains Still Haunted by Challenges

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## EXECUTIVE SUMMARY

**T**he Caraga Region in Northeastern Mindanao is a region of contrast. It is a contrast seen in the face of poverty amid plenty – of natural bounty and rich cultural diversity, yet with a high incidence of poor families. This picture of contrasting attributes sets the backdrop of local governance in the region, where this study endeavored to profile the initiatives of local government units (LGUs) in the areas of governance and administration and its results on the economic, social, and environmental development of the region and its people. This study covered 12 LGUs, composed of three provinces, three cities, and six municipalities selected across income classification.

Generally, local governance in Caraga gained headway in simplifying and improving systems and procedures, bringing people's participation in governance processes, providing public access to information on LGU services and transactions, localizing national laws, crafting responsive legislation, enhancing participatory planning and processes, and working toward transparent and accountable fiscal management.

The LGUs of Caraga, however, are challenged to explore other sources of local revenues; further build capacities to make better use of technology in planning, legislative tracking, and project management and monitoring. The need to professionalize processes and management systems that ensure the retention, motivation, and best use of the skilled human resource; balance the focus and budget emphasis between operational expenses and those for social services, economic and environmental management; and strengthen administrative capacity and widen people participation in monitoring the implementation of plans and projects remain a challenge, as does institutionalizing mechanisms for a more transparent and accountable governance.

Furthermore, LGUs are challenged on how they can give more to the public in terms of health and sanitation, social welfare, housing, livelihood, economic development, and safe, healthy environment, among others. While they have initiated the operations of local economic enterprises and focused development assistance in infrastructure projects, they also need to widen partnerships and strengthen coordination and collaboration to meet the region's infrastructure requirements, including those that provide vital links to agriculture, industries and major tourism areas. LGUs need to invest their effort and resources to Caraga's high potential for ecotourism and agro-

industrial development. A strong link between the public and the private sectors is needed to ensure a shared vision and understanding of the government's development plans and programs.

The initiatives and focus of LGUs at organizing and strengthening the cooperatives have been shown to have helped promote economic development. LGUs benefit from, and need to strengthen further inter-government agency cooperation as much as inter-LGU cooperation or alliances for desired results in environmental management.

## **Introduction**

The Caraga region in Northeastern Mindanao is one of the newly created regions in the Philippines. It is composed of five provinces, six cities, and 67 municipalities (BLGF Caraga, 2009). Its beauty, potentials, and richness are seen side by side with the contradicting poverty of its people. It is a region peopled by Christians, Muslims, and indigenous peoples. Unfortunately, its natural bounty and rich cultural diversity have also been sources of conflict among contending groups. Areas in the region have been the site of violent clashes between the government and other armed entities for a number of years.

It is a region considered as among the richest source of minerals in the country, with vast potentials in the field of agriculture, forestry, and ecotourism. Yet for a number of years, two of the region's provinces were among the country's top 10 poorest. National Statistics and Census Board (NSCB) data also show Caraga region with the 4<sup>th</sup> highest poverty incidence in 2000, 2<sup>nd</sup> in 2003, and first in 2006.

In response to the challenges posed by the contrasting face of poverty and conflict amid bounty, the rich resources of the land and its people, the leaders of the region visualized Caraga becoming the fishery, agri-forestry, mineral, and eco-tourism (FAME) center of the country. This is contained in the Regional Development Plan for 2004-2010.

The achievement of this vision for the region given the challenges of poverty reduction, however, is possible only with continued good local governance. It calls for efficient provision of basic services to spur economic development while ensuring that the use of its resources is done in a manner that promotes sustainability. How the local governments address these challenges and the extent to which they have responded to them are measures of the potential gains of decentralization.

For the study, the following is the list of covered LGUs with their corresponding income classes. The data was taken from the Bureau of Local Government Finance (BLGF) Caraga Regional Office.

Table 1: Demographic Profile of Sampled LGUs

LGU	Income Class	Population (2007/2000)	Total Land Area (in Sq.km.)	No. of Municipalities/ Barangays	Population Density (Persons/ Sq.km.)
<b>Province</b>					
Agusan del Norte	3 <sup>rd</sup>	314,027	2,216.45	11 / 166	142
Surigao del Norte	2 <sup>nd</sup>	409,468	2,557.98	27 / 335	160
Surigao del Sur	1 <sup>st</sup>	541,347	4,715.06	17 / 309	115
<b>City</b>					
Bislig City	3 <sup>rd</sup>	107,960	405.0	24	266.57
Butuan City	1 <sup>st</sup>	298,378	816.62	86	667.93
Surigao City	3 <sup>rd</sup>	132,151	245.3	54	538.7
<b>Municipality</b>					
Carmen	5 <sup>th</sup>	9,551 (2000)		8	1,873
Claver	2 <sup>nd</sup>	18,258	322.6	14	
Kitcharao	4 <sup>th</sup>	14,604	212.40 sq km	11	69
Remedios T. Romualdez (RTR)	5 <sup>th</sup>	13,359 (2000)	81.47 sq km	8	164
Tagbina	2 <sup>nd</sup>	34,057 (2000)		25	6,210
Tubod	5 <sup>th</sup>	10,922 (as of 2000)		9	2,165

Source: National Statistics Office & Municipal data

Caraga is the third least populated region in the country. Among the provinces covered by the study, Surigao del Sur has the highest number of population but with the lowest population density, while Surigao del Norte has the most number of people for every square kilometer of land area. Among cities, Butuan City – the regional center and the primary urban center of Caraga, has the highest population density and growth rate. Among the municipalities, Tagbina, a 2<sup>nd</sup> class town in Surigao del Sur has the highest population, while Carmen, a 5<sup>th</sup> class town in the same province, has the least number of population.

Table 2: Poverty Incidence and Magnitude of Poor Families

Province	Poverty Incidence Among Families (%)			Magnitude of Poor Families		
	2000	2003	2006	2000	2003	2006
Agusan del Norte	40.9	33.2	35.2	42,992	36,198	40,668
Surigao del Norte	42.6	54.5	53.2	38,936	52,417	55,510
Surigao del Sur	38.4	48.6	45.4	37,350	47,192	47,591

Source: NSCB

The provinces also show an increasing growth rate from 1995 to 2007, with Agusan del Norte registering the highest growth rate. This rising growth rate is accompanied with an increasing number of households considered to be poor. Surigao del Norte remained among the 10 poorest provinces in the country from 2003 to 2006. Surigao del Sur dropped out from the list in 2006.

## RESULTS OF DECENTRALIZATION

### I. Local Governance and Administration

Policies formulated related to decentralization – including the Local Government Performance Management System (LGPMs) of the Department of Interior and Local Governments (DILG) – emphasized the importance of crafting responsive and supportive legislation, and facilitated the raising of LGUs’ awareness on transparency and participation, development planning, financial accountability, resource generation and allocation,; human resource development and management, networking and linking, and customer service. All sampled LGUs of Caraga have shown initiatives toward this end.

#### Local Legislation

In addition to ordinances related to budget appropriation and creation of positions, LGUs also passed ordinances related to agriculture and fishery; constructed farm-to-market roads; provided post-harvest facilities; undertook agreements with Bureau of Fisheries and Agriculture Research (BFAR), Department of Agriculture (DA), Department of Agrarian Reform (DAR), and International Food and Agriculture Development (IFAD); undertook loan agreements with banks for the purchase of heavy equipments; accredited non-government organizations (NGOs) for project implementation, and adopted various plans and codes on gender and development; child welfare and protection; solid waste management plans and programs; and Omnibus Tax Code, Investment Code, and Revenue Code.

Table 3: Local Legislation

Areas	Province	City	Municipality	Total
Budget for Services	3	3	6	12
Governance and Administration, Local Organization Structure and Positions	3	3	6	12
Agriculture and Fishery	3	3	6	12
Gender and Development	3	3	4	10
Child Welfare and Protection	3	3	4	10
Environment Code	3	3	4	10
Revenue Services	3	3	6	12

These ordinances were enacted through a rational, comprehensive, and holistic approach to address the needs of the community, which is evident in the allocation of projects under the 20 percent development fund. LGUs claimed these local legislations helped create a friendly business atmosphere, and increased the involvement of the private sector in the delivery of basic social services. However, the imperatives of quality legislation have to be looked into. This means looking into the greater use of legislative tools, such as a tracking system.

### Transparency

LGUs differ widely in their practices on promoting transparency. They conducted public hearings, put up bulletin boards and make their accomplishments known through the State of Province Address, State of City Address, or State of Municipality Address. However, only a few LGUs have published these accomplishments. Bulletin boards contain only information on ordinances passed, procurement announcements, projects implemented, and other matters. Some LGUs do not regularly update their bulletin boards but posting copies of LGU Citizen's Charter in LGU buildings and other public places has facilitated the sharing of information on LGU processes.

Table 4: Information Materials and Modes

Materials and Modes	Province	City	Municipality	Total
Brochures, Newsletters, Bulletin boards	3	3	6	12
Websites	3	3	3	9
Flowcharts	3	3	6	12
Barangay Assemblies	0	3	6	9
Radio Programs	3	3	0	6

## **Participation and Participatory Development**

LGUs have accredited non-government organizations (NGOs) and people's organizations (POs), reconstituted the different Local Special Bodies (LSBs) and created other LGC-inspired bodies such as the Integrated Forestry and Agricultural Resources Management Council (IFARMC), Bantay Dagat, and Bantay Gubat. The accredited NGOs/POs form part of the various local special bodies (LSBs) which reconstitution was supported by ordinances. LSBs in most of the sampled LGUs meet regularly – at least twice a year for consultations. In a number of LGUs, however, the LSBs met only once; this was when they were reconstituted, after which the members were no longer called or did not meet again.

Bids and Awards Committees (BAC) of LGUs are convened. NGOs/POs however, are seldom represented in public biddings. NGOs and POs also reported very minimal engagement in program implementation in their respective LGUs; some did not even apply for accreditation because of lack of trust in the LGU processes and its leadership.

LGUs regularly conduct public consultations and reported to have conducted them in at least 80 percent of the barangays. Municipalities and provinces that had been project areas of the Northern Mindanao Community Initiatives Resource Management Project (NMCIREMP) have organized Self-Help Groups (SHGs) and Community Volunteer Organizations (CVOs) that became partners and beneficiaries of the project's livelihood, poverty alleviation, and natural resource management programs.

## **Development Planning**

With the implementation of the Local Government Code (LGC) development planning has taken a new flavor – becoming more participatory and consultative. This has facilitated the formulation and updating of the various planning documents such as the Comprehensive Land Use Plan (CLUP), Comprehensive Development Plan (CDP), Annual Investment Plan (AIP), Health Investment Plan (HIP), Tourism Development Plan (TDP), Revenue Generation Plan (RGP), Human Resource Development Plan (HRDP), Contingency Plan, Solid Waste Management Plan (SWMP), Gender and Development Plan, Ecotourism Development Plan, Poverty Reduction Plan (PRP), Capacity Development Plan, and the executive-legislative agenda (ELA). In coordination with the provincial governments and DILG field offices, planning offices of municipal LGUs also facilitated the conduct of barangay planning and budgeting workshops, especially for the newly elected barangay officials in 2007.

The barangay governments take an active role in the management and governance of their respective communities. The city and municipal personnel's expertise in planning were shared with the barangay officials to produce the different planning documents especially the Barangay Development Plan (BDP), and the Barangay Annual Investment Plan (BIP).

The LGUs' planning processes engaged the various stakeholders at all levels. LGU planning competencies had been improved through their attendance in various training and conferences sponsored/facilitated by national government agencies such as DILG, National Economic and Development Authority (NEDA), the Department of Trade and Industry (DTI), and by various non-government organizations and academic institutions.

Tools used in assessment and planning include the LGPMS, System for Competency Assessment of Local Government (SCALOG), Gender Responsive LGU (GeRL) Self-Assessment Tool, Community-Based Management Information System (CBMIS), the Socio-Economic Development profile survey instrument, and other secondary data from various NGAs. Workshop is a common method used to generate issues and build consensus during planning.

While some of these LGUs – specifically provinces and cities – have computerized their planning data and used computer-based tools, a number of the municipal LGUs have not updated their data, do not have databases, or lack the capacity to install and manage computer-based databases.

### Resource Generation

The IRA share of all the LGUs of Caraga is significantly high compared to their respective local incomes. The percentage of IRA to the total LGU income for 2004 to 2008 is from 82 percent to 96 percent for the provinces; 64 percent to 87 percent for the cities; and 78 to 97 for the municipalities.

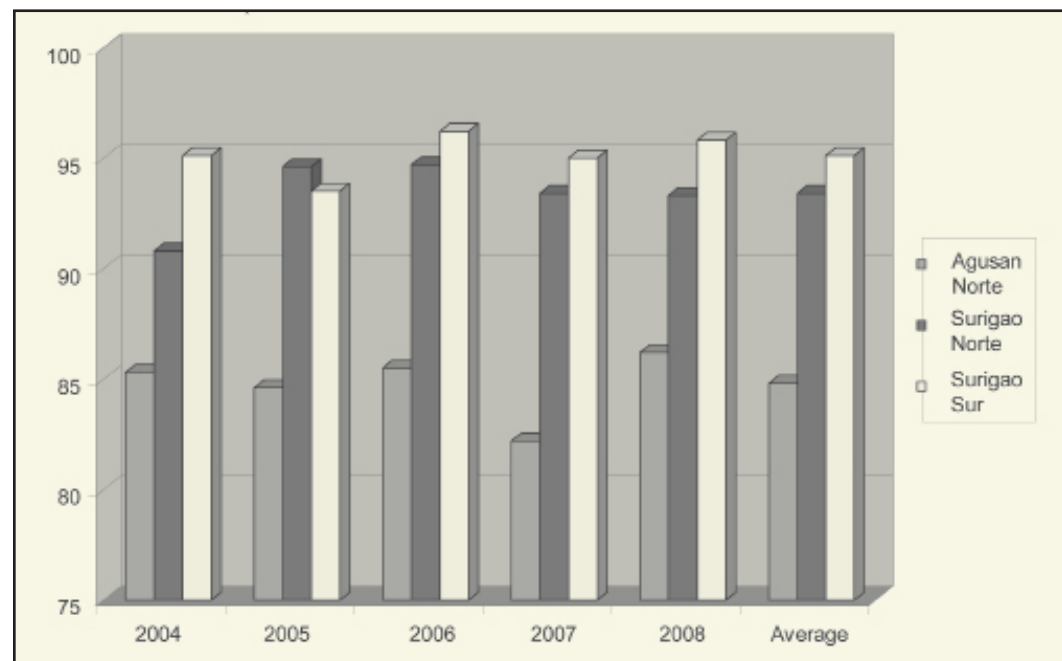
Provinces showed an increasing trend in total income from 2004 to 2008, although this was mainly due to the increase in IRA and other national share and not reflective of an increase in local sources. The share of local sources to total income ranged from a low of five percent to 15 percent for fiscal years 2004 to 2008. Of these local sources about 31 to 77.6 percent come from tax revenues.

Table 5: Average Percentages of Local & National Income Sources to Total Income of Sampled Provinces (2004-2008)

	Agusan del Norte	Surigao del Norte	Surigao del Sur
Percent of Local Sources to Total Income	15	6.6	4.9
Percent of Tax Revenue (RPT, Buss Tax Other Taxes) to Total Local Income	31	59.8	77.6
Percent of Non-Tax Revenue to Total Income	10.3	2.6	1.1
Percent of Share from National Tax Collections (IRA and others) to Total Income	84.8	93.4	95.1

A similar trend is seen among the cities. From 2004 to 2008, total income of cities has increased because of a rise in IRA and other shares from the national government. Income from national tax collections is more than twice or even three times than income from local sources. While the sampled cities reported to have clearer revenue targets and performance benchmarks for the revenue generating offices, the revenue collection processes are seen as areas for improvement. For Surigao City, a Tax Collection Enforcement Program was implemented, bringing the cost to collection ratio at 13 percent. This program's strategies include the awarding of certificates to prompt taxpayers and incentives for officials and employees for exceeding collection targets.

Figure 1: Percent of Share from National Tax Collections



The percentages of the cities' local sources, however, are higher compared to those of the provinces. These ranged from 15 percent for a 3<sup>rd</sup> class city to 28 percent for a highly urbanized city. Butuan City, which is highly urbanized, has the lowest percentage of share from national tax collection compared to the other cities. Except for 2007, it also had the comparatively higher percentage of local sources to total income. However, in all the sampled cities, the tax base is still considered small as in the case of the provinces and municipalities.

Table 6: Average Percentages of Local & National Income Sources to Total Income of Sampled Municipalities (2004-2008)

	Carmen	Claver	Kitcharao	RTR	Tagbina	Tubod
Percent of Local Sources to Total Income	6.3	6	7.9	9.1	6.3	6.6
Percent of Tax Revenue (RPT, Buss Tax Other Taxes) to Total Local Income	43.9	72.9	50.6	50.1	49.3	67.7
Percent of Non-Tax Revenue to Total Income	3.6	1.6	3.9	4.6	3.2	2.2
Percent of Share from National Tax Collections (IRA and others) to Total Income	93.7	94	92.1	86.9	91.2	91.6

Higher share of IRA and other sources to total LGU income are also seen in the municipalities. From 2004 to 2008, these range from 79 percent to 94 percent. The income derived from local sources – both tax and non-tax – is about a tenth of the total income or even less. There is a significant but a low and inverse relationship existing between the income classification of the municipality and the percentage of IRA to total income. Lower class (4<sup>th</sup> to 6<sup>th</sup>) municipalities have lower IRA share compared to the higher income municipalities. They also have lower collection and less varied sources of local revenues. Furthermore, in the five years covered by the study, fluctuations in the percentages of local sources to total income characterized the municipalities' collection efforts from local sources. These fluctuations in collections occur for both tax and non-tax revenues.

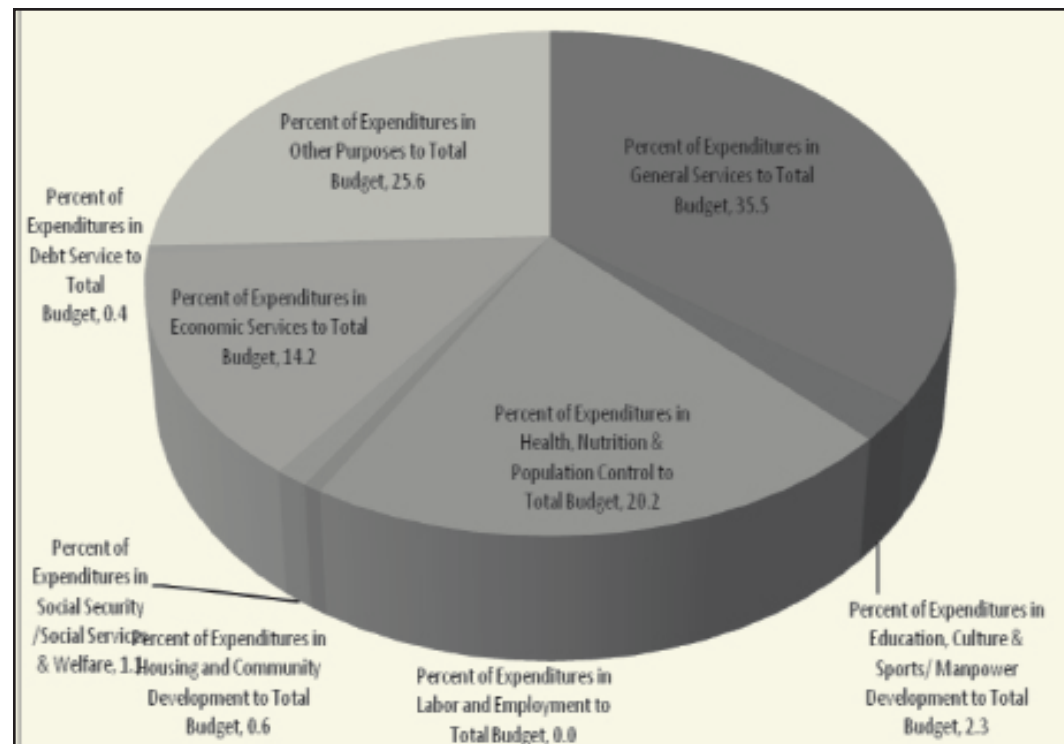
A number of these LGUs during the fiscal years of 2004 to 2008 had not fully implemented their revenue code. Some of the LGUs, meanwhile, were able to craft/update their revenue code only in 2007. However, only initial gains were realized since the *Sanggunian* had not fully passed the recommended measures. Some provisions were deferred; in other LGUs (especially the municipalities) the LGC had not been passed but was by then in the final reading. Four of these municipalities had not computerized their RPTA system.

### Resource Utilization and Mobilization

The total surplus of the CARAGA LGUs for 2008 is P1.2 billion. Provinces contributed more to the surplus, followed by the cities and the municipalities. The low figures for surplus in 2007 are attributed to the desire to complete unfinished projects, since it was an election year. This rise in surplus for 2008 compared to the 2007 data is attributed to an increase in local collections for the cities, the creation of three cities in the region, thereby bringing about an increase in IRA, or to the non-implementation of programs and services. It should be noted, though, that the increases of the IRA

received by these newly created cities were not included in their 2008 annual budget. As such, most of them submitted supplemental budget to support the new or expanded programs and activities as newly-created cities.

Figure 2: Average Percentage Expenditure of Sampled Provinces



LGUs were encouraged, and to some extent given the discretion, to explore and generate alternative sources of revenue. The LGUs thus had greater capacity to generate local revenues and diversify their income sources. The general revision of real property assessments and the computerization project initiated and/or supported by the provincial LGUs ensured the fast and accurate delivery of tax assessment services. Improved information dissemination, presence of Business-One-Stop-Shop (BOSS), and the Business Tax Enhancement Project (BTEP) resulted in increased collection and increased business investments, especially in cities. City governments' support to the establishment of the Real Property Tax Information System (RPTIS) and Geographical Information System (GIS) contributed to the quick completion of the general revision of assessment and property classification.

While LGUs' spending pattern varied through the years, the General Administration and Support services far outweigh those of the social and economic services.

Provinces on the average spent 36 percent for General Public Services; 2.3 percent for Education, Culture & Sports/ Manpower Development; 20 percent for Health, Nutrition, and Population Control; less than one percent for Housing and Community Development; one percent for Social Services and Welfare; and 14 percent for Economic Services. A similar trend is seen for the cities and municipalities.

Table 7: Average Percentage Expenditure of Cities & Municipalities

	Butuan	Surigao	Bislig	Carmen	Claver	Kitcharao	RTR	Tabgina	Tubod
Percent of Expenditures in General Services to Total Budget	24.2	31.2	48.7	47.1	55.5	40.2	47.1	62.1	57.6
Percent of Expenditures in Education, Culture & Sports/ Manpower Development to Total Budget	2	2.8	2.4	0.6	0.6	0.6	1.4	1.1	0.6
Percent of Expenditures in Health, Nutrition & Population Control to Total Budget	8.7	6.5	7.3	9.6	6	8.6	7.4	5.4	9.1
Percent of Expenditures in Labor and Employment to Total Budget	11.7	0	0	0	0	0	0	0	0
Percent of Expenditures in Housing and Community Development to Total Budget	7.5	0	0	0	0	0	0	0	0
Percent of Expenditures in Social Security /Social Services & Welfare	2.9	1.9	4.5	2.5	4.8	2.5	2	1.7	2.3
Percent of Expenditures in Economic Services to Total Budget	23.8	14.5	23	7	11.7	11.6	10.5	5.6	8.4
Percent of Expenditures in Debt Service to Total Budget	11.7	3.2	2.2	0	0	0	3.5	0	0
Percent of Expenditures in Other Purposes to Total Budget	25.2	40	13.2	33.3	21.3	36.6	28.1	24.1	21.4

Cities and municipalities showed the highest expenditure on General Administrative and Support Services. In terms of percentage difference on the expenditure for General Administrative and Support Services to the total expenditures, cities on the average, spent 0.83 percent lower than those of the province, and 17 percent lower than those of the municipalities. In actual amount/figures, however, the expenditures of the highly urbanized city are much higher than those of the province and municipalities. Butuan City has the highest percentage expense for debt servicing. One out of the six sampled municipalities had spent for debt servicing.

Aside from General Administrative and Support Services, the next highest expenditure areas are on health and nutrition and economic services. Two of the sampled cities and all of the municipalities had not allocated and had not spent for labor and employment, and housing and community development. In addition, education is one of the lowest budgeted items.

Trainings and other capacity development (CapDev) activities would depend on the mandate of the office. Each office is allocated with a budget for trainings and capability development and implementation of such is coordinated through the Personnel or Human Resource Management Office.

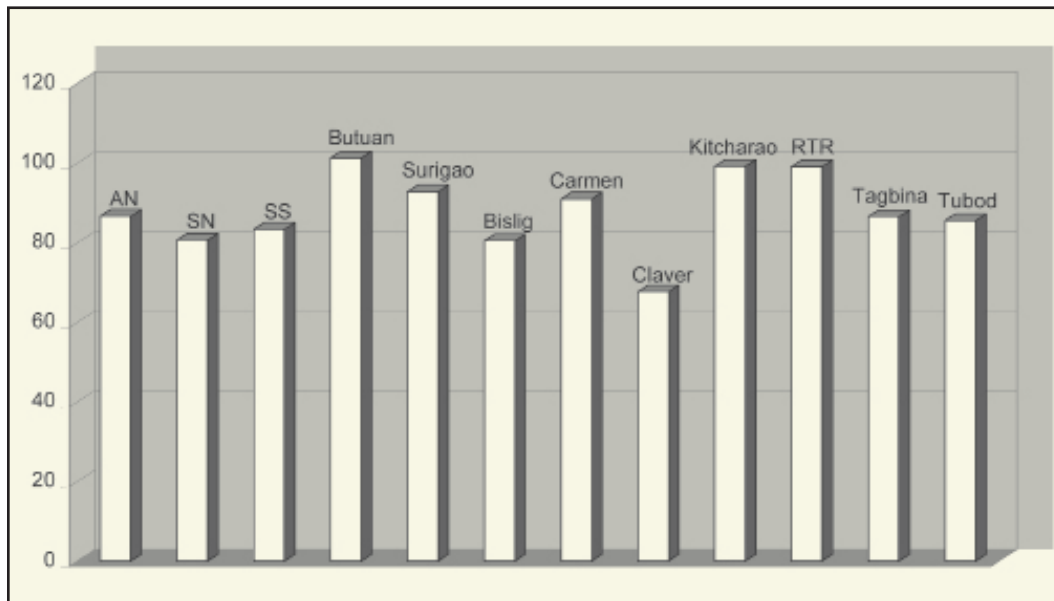
Some LGUs reported they need to exhaust their CapDev budget for fear that the non-utilization of the current training budget may cause a reduction in the budget for the succeeding year. Furthermore, CapDev activities that were not implemented for the current year were carried over the succeeding year, including its budget as an obligated fund.

### **Financial Accountability**

LGUs view the implementation of the LGC as an efficient mechanism in addressing the needs of the people, with LGUs now more empowered to implement programs and projects that directly respond to the needs of the people.

Projects and activities proposed by the different offices of an LGU including the devolved offices determine the distribution of the LGU's aggregate budget. The cap for personnel services (PS) has been observed, but LGU personnel consider this as a "limitation." In the municipalities, the PS "limitation" is seen as contributing to the non-hiring of additional personnel even when more people are needed, the non-regularization of certain personnel, or the non-creation of the environment and natural resource office. In the cities and provinces, the PS cap is cited by personnel as limiting their flexibility in providing additional incentives, such as salary increases.

Figure 3: Ratio of Total Expenditure to Total Income



LGUs have Annual Investment Plans (AIP) reviewed and approved by their respective Sanggunians. The Local Finance Committee (LFC) control the utilization or disbursement of funds as defined in the AIP. LGUs also tried to observe compulsory annual budgetary reserve and austerity measures. However, in three out of the five years (2004 to 2008) covered, Butuan City reported a total expenditure that was more than its annual income. During these years, too, there was an observed increase in the city's non-tax revenue, yet the decrease in tax revenues was significantly higher.

Surigao City pioneered the implementation of the Electronic New Government Accounting System (E-NGAS) in Caraga. Accountability of financial officers is clear in the system, which includes sanctions for erring personnel. The implementation of the Government Procurement Act; the adoption of the Transparent Accountable Governance (TAG) project; the preparation of the Annual Procurement Plan (APP); the creation of the new Bids and Awards Committee; the use of the Electronic Procurement System (G-EPS), the implementation of document tracking with the prescribed response time for processing payments to vendors; and the delegation of alternate signatories all ensured greater responsibility and accountability and significantly reduced delays.

All LGUs reported regularity of audit. But save for the financial reports cited in the annual accomplishment reports and the State of the Province Address/State of the City Address/State of the Municipality Address (SOPA/SOCA/SOMA), most of them had not publicly posted their financial reports.

## Customer Service

The improved organization through the creation of offices was cited as instrumental in enhancing the LGUs' performance to better respond to the needs of the people through the performance of their specific or specialized functions. Because these reduce the workload of personnel, better services are delivered by staff who now have more time to attend to the needs of the constituents with the appropriate use of their fields of expertise.

Public Service Ethics and Accountability Program (PSEEAP), Public Service Excellence Program (PSEP), Transparent Accountable Governance (TAG), and other capability building programs were also cited as contributing to the improved services and customer satisfaction. LGUs with these programs – such as the cities of Butuan and Surigao and the province of Surigao del Norte – were able to facilitate the formulation of service mission, values, strategy, commitment, and standards. As a result, their clients' waiting time was reduced. At the same time, “service enhancers” such as the availability of newspapers, TVs, or coffee, and candies made such waiting time less of a burden for clients.

For the Butuan City Assessor's Office, the creation of the Service Audit Team (SAT), under the Transparent Accountable Governance (TAG) project, facilitated the monitoring of employee performance and served as input information for awards or recognition. The Anti-Corruption Team (ACT), meanwhile, now responds to complaints of acts of employees engaged in corrupt practices. The team investigates and then reports to the head of office who will then render the appropriate sanction on the erring employee.

In Surigao City, the Transparent Accountable Governance (TAG) project enabled the institutionalization and the operationalization of the computerized Business Tax Assessment and Collection System (BTACS), which in turn reduced to a minimum document processing time and payment of fees.

All LGUs have formulated the Citizen's Charter. They have put up illustrations of the flow of transactions in strategic places. These are perceived to help improve customer service in addition to information desks, as well as the training provided for frontline services. All of the sampled provinces and cities have public information desks. Among municipalities, however, this is true only for one out of every three towns. Training of frontliners and streamlining of frontline services were also undertaken by LGU personnel to improve customer satisfaction. Training workshops were usually conducted in-house or were conducted by local experts. LGUs, especially those of the lower income class, seldom send people for national training because of budgetary limitation, although mandatory trainings by NGAs are prioritized. The number of people to be sent for training, however, is sometimes less than the number required by the mandate because of budgetary constraints.

LGUs have also conducted CapDev activities related to improvement of competencies in management and enhancement of management systems. This included trainings on project planning and development; fiscal resource generation, financial management, bidding and procurement process; communication skills and IEC; service standards; human resource development, values formation, competency assessments, conflict management and culture of peace; and computerization, Management Information System (MIS), GIS and records management. CapDev activities on transparency and participation included the strengthening of the Local Special Bodies and other NGOs, as well as the establishment, training and strengthening of community-based/rural-based organizations.

As a result of the implementation of CapDev activities, LGU personnel have enhanced performances and are now able to install and institutionalize systems and processes for improved customer satisfaction even as they respond to the challenges of devolution.

### **Human Resource Management**

All sampled LGUs have existing Human Resource Management and Development Office (HRMDO). But only the provinces, cities, and a few municipalities have a human resource management (HRM) plan.

In cities, provinces, and some municipalities, training needs assessments (TNA) were conducted by the personnel or human resource management and development office. The extent at which a training workshop is expected to enhance the individual's work performance, the training's contribution to the organization, and the possibility of bringing about increased income generation were factored into the prioritization of such training efforts.

The TNA's results were used as bases for the allocation of funds and in determining the need for a specific training. Guidelines have been built into the different offices' guidelines and mandates, and the training workshops to be attended must be in line with the office's scope and functions. Unfortunately, TNA is not regularly updated, even by the sampled LGUs.

The majority of the prioritized training focused more on management and in the enhancement of the LGU's financial operations. Other training workshops were dealt on a case-to-case basis. Specific training needs of the different offices are determined by the department heads and are usually subject to availability of funds, especially if these are not covered by the AIP. Such must first be discussed in the executive and legislative levels before any approval (or disapproval) can be made.

Mandatory trainings by the NGAs are included in the priority list. Results of the LGPMS and SCALOG are also factored in determining training activities.

Prior to 2007, most of the LGUs did not have a defined CapDev agenda. At the time, training and other CapDev activities were done in compliance with national requirements and directives. Today the identified facilitating factors include the presence of articulated vision, goals, and strategies as reflected in the HR plan or CapDev agenda properly adopted by the Sanggunian, appropriate budget, management systems to include the creation or presence of an office or unit/division/department and installed processes and procedures for planning, developing, implementing and evaluating programs and projects. The leadership of the local chief executive to implement the programs and projects involving capacity development is critical to the success of the CapDev implementation.

The LGUs are dependent, to some extent, on external assistance. Its reliance on the training provided by NGAs play an important role in shaping, and in some ways hindering local capacity. Most of the time, the training and seminars available to LGUs are dependent on the initiatives of the different line agencies. Those attended by LGU personnel depend on whether or not the different line agencies of the government would handle or provide these. Allied to these training workshops, NGAs have specific criteria on who are qualified to attend the trainings. In almost all of these LGUs, there are just one or two people who meet the required criteria, thereby limiting the participation of other personnel in such training seminars. The conflict in the schedules of available seminars and trainings further hinder the participation of LGU personnel. In addition, most of the workshops and seminars conducted by the different NGAs are held toward the last quarter of the year. At such time, most of the LGUs' budget for these activities is almost, if not totally, depleted.

The respondents cited shortage of personnel trained in particular skills such as policy analysis, program planning and implementation, and management of information systems. Other constraints relate not to the availability of human resources, but to the use of these personnel. Competent employees, for example, are assigned to other departments and those who attend training are usually the senior ones who are less mobile than most of the rest of the staff. Another personnel-related constraint is the resistance of some of them to change or accept change, which may translate into a resistance to embrace or apply new learning to their work.

The institutional context of the LGUs continues to act as a drag on performance. Lack of budgetary resources hampers them, especially those that do not have donor support. The combined lack of resources, equipment, facilities, and technologies for LGU personnel to do their job and the few training opportunities encumber performance.

Trainings that updates skills are needed. The respondents themselves said that with improved human resource and better organization, networking and linking are facilitated and are able to bring about strengthened partnerships, alternative fund sourcing, and resource-sharing mechanisms.

## Networking and Linkaging

Caraga LGUs have formed alliances among themselves for common environmental and economic concerns. These include:

- **Hinatuan Passage Development Alliance (HIPADA)** – Placer, Claver, Bacuag, Gigaquit, Malimono, and San Francisco of Surigao del Norte;
- **BIBAHILITA Development Alliance** – Bislig, Barobo, Hinatuan, Lingig, and Tagbina of Surigao del Sur;
- **CARCANMADCARLANCORTAN Development Alliance** – Carrascal, Cantilan, Madrid, Carmen, Lanuza, Cortes, and Tandag of Surigao del Sur;
- **Lake Mainit Development Alliance (LMDA)** – Kircharao, Jabonga, Santiago, and Tubay of Agusan del Norte; Alegria, Tubod, Mainit, and Sison of Surigao del Norte;
- **Lower Agusan Development Alliance (LADA)** – Butuan City, Magallanes and Las Nieves of Agusan del Norte; San Luis and Esperanza of Agusan del Sur; and
- **Cabadbaran-Tubay-RTR-Magallanes Alliance** – Cabadbaran, Tubay, RTR; and Magallanes of Agusan del Norte

All these LGUs are also members of their respective leagues – League of Cities of the Philippines (LCP), League of Provinces of the Philippines (LPP), and League of Municipalities of the Philippines (LMP). According to them, however, they have yet to see concrete benefits as a result of their membership in these leagues.

Cities, provinces, and four municipalities in the region have built partnerships with the private sector and civil society organizations other than those accredited in the Local Special Bodies (LSBs). The cities and provincial LGUs have engaged the local chamber of commerce while some municipalities partnered with local associations such as cooperatives and market vendors. LGUs are also developing public-private partnerships to provide services through community-based organizations. Inter-barangay cooperation was seen operating in Butuan City as a result of the implementation of the Millennium Development Goals (MDG) project.

## II. Social Services

### Health and Nutrition

Health indicators for the sampled LGUs showed that in comparison to the 2000 national figures, Regional Crude Birth Rate (CBR) was 14.68 percent lower, Crude Death Rate (CDR) 12 percent lower, and Infant Mortality Rate (IMR) 22 percent lower. From 2000 to 2003, the region's IMR dropped from 11.1 percent to 9.58 percent per 1,000 live births and the Maternal Mortality Rate (MMR) from 1.72 percent to 1.43 percent per 1,000 live births. A comparison of 2004 to 2008 figures also show a decrease in IMR from 9.57 percent to 6.51 percent, as well as in CBR,

which fell from 19.1 percent to one, and in CDR (from 3.7 percent to 3.48 percent). There was, however, a rise in MMR, from 1.19 percent to 1.37 percent.

Table 8: Trend of Infant Mortality Rates in Caraga Region, rate per 1,000 pop. (2000-2008)

Area	2000	2001	2002	2003	2004	2005	2006	2007	2008
Agusan Norte	9.5	5.85	5.27	3.20	3.41	3.41	3.08	5.00	2.97
Butuan City	22.8	19.16	16.95	16.21	14.38	10.84	13.68	8.43	9.76
Surigao Norte	8.0	9.43	12.00	8.69	8.84	9.79	7.81	6.73	7.14
Surigao City	14.9	12.46	6.45	10.13	7.94	7.12	8.88	9.30	10.27
Surigao Sur	10.2	14.81	9.97	13.05	13.65	9.16	8.33	13.90	5.16
Bislig City	5.5	12.56	6.57	6.80	11.49	9.31	7.75	6.78	6.35
Caraga	11.1	11.50	9.73	9.58	9.75	7.02	7.41	6.29	6.51

Source: Dept. of Health, Center for Health Development – Caraga Region

Table 9: Trend of Crude Birth Rates in Caraga Region, rate per 1,000 pop. (2000-2008)

Area	2000	2001	2002	2003	2004	2005	2006	2007	2008
Agusan Norte	19.77	18.97	18.81	20.7	22.8	22.47	23.42	23.55	22
Butuan City	17.86	16.02	15.49	16.3	17.1	20.07	16.4	14.71	17
Surigao Norte	18.83	17.69	17.42	18.4	17.3	17.6	16.21	18.21	18
Surigao City	19.54	19.24	20.08	19.8	19.9	20.73	17.19	18.73	20
Surigao Sur	19.48	17.55	17.26	17	17.1	16.48	15.43	18	17
Bislig City	20.69	18.43	15.41	18	18.6	18.58	17.05	16.44	19
Caraga	19.19	17.84	17.42	18.3	19.1	19.37	18.14	18.26	19

Source: Dept. of Health, Center for Health Development – Caraga Region

At the provincial level, a decreasing trend is seen from 2000 to 2003. However, there was an increase in IMR observed in 2007 for Agusan del Norte and Surigao del Sur and a decrease again in 2008. In 2008, the IMR per 1,000 live births ranged from

Table 10: Trend of Crude Death Rates in Caraga Region in rate per 1,000 pop. (2000-2008)

Area	2000	2001	2002	2003	2004	2005	2006	2007	2008
Agusan Norte	3.25	3.1	3.5	3.4	3.5	3.4	3.6	3.5	3.5
Butuan City	5.52	3.9	4.8	3.7	5.1	5.1	5.1	3.8	4.7
Surigao Norte	3.5	3.4	3.3	3.7	3.7	3.8	4.1	4	3.8
Surigao City	5.5	5.2	5.1	5.5	4.7	5.5	6	5.2	5.3
Surigao Sur	3.4	3.6	3.8	4.3	4.7	3.7	3.7	3.8	3.5

Area	2000	2001	2002	2003	2004	2005	2006	2007	2008
Bislig City	2.94	3.4	3.6	4.1	4.7	4.6	4.7	4.4	4.35
Caraga	3.45	3.2	3.4	3.6	3.7	3.5	3.6	3.3	3.48

Source: Dept. of Health, Center for Health Development – Caraga Region

2.97 percent to 7.14 percent on the provincial level, with Surigao del Norte posing the highest IMR and Agusan del Norte the lowest. The IMRs for the cities are higher than those recorded in the provinces, ranging from 6.35 percent to 10.27 percent, with Surigao City having the highest and Bislig City the lowest. The maternal death rate meantime declined from 2003 to 2008. Surigao del Sur posted the highest Maternal Mortality Rate (MMR) – 2.58 in 2008, while Surigao del Norte had the lowest. For the sampled cities in the region, the highest MMR was recorded in Bislig City (2.65 percent) and lowest in Surigao City (1.10 percent). Pneumonia remains as the leading cause for IMR while it is post-partum hemorrhage for MMR. For the general public, the leading cause of morbidity continues to be acute respiratory infection or upper respiratory infection while the top cause of death is hypertensive cardio vascular disease.

Table 11: Trend of Maternal Mortality Ratio in Caraga Region, rate per 1,000 live births (2000-2008)

Area	2000	2001	2002	2003	2004	2005	2006	2007	2008
Agusan Norte	0.7	0.35	0.88	0.00	0.57	0.57	0.27	0.68	0.81
Butuan City	3.7	2.23	1.13	1.75	1.64	2.24	1.66	1.14	1.59
Surigao Norte	1.3	0.30	1.52	0.43	1.37	1.19	0.96	1.39	0.71
Surigao City	0.0	0.86	2.02	1.22	0.79	1.50	2.22	0.81	1.10
Surigao Sur	1.9	2.08	0.97	1.40	1.10	2.26	2.08	0.76	2.58
Bislig City	0.4	0.47	2.74	1.70	1.09	1.64	1.19	1.13	2.65
Caraga	1.7	1.38	1.43	1.43	1.19	1.52	1.18	0.91	1.37

Source: Dept. of Health, Center for Health Development – Caraga Region

Despite the fluctuating IMR, CBR, CDR, and MMR from 2000 to 2008, health indicators show improvement over the last nine years or more across all LGU levels and income class.

From 2000 to 2003, Caraga region had two Department of Health (DOH)- retained hospitals: the Caraga Regional Hospital in Surigao City and the Adela Serra Ty Memorial Medical Center in Tandag, Surigao del Sur. It also had four Provincial Health Offices, three City Health Offices, 79 rural health units/municipal health units, and 528 barangay health stations.

By 2008, Caraga had 60 major health facilities, including the two DOH-retained hospitals. Ten of the hospitals in the region are in Agusan del Norte, nine in Surigao del Norte, and 11 in Surigao del Sur. There are seven hospitals in Butuan City, five in

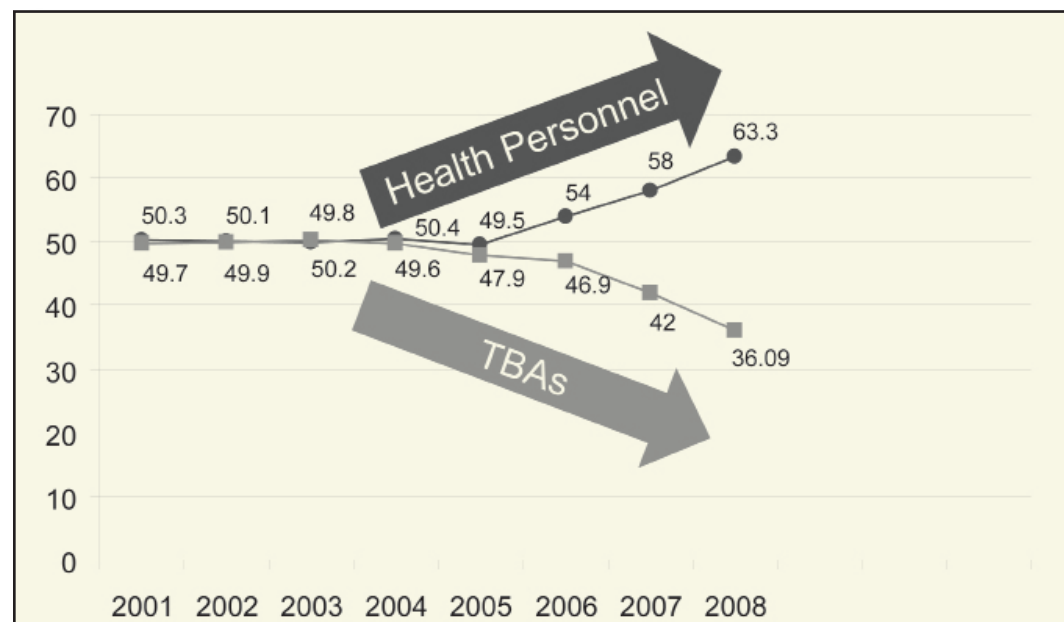
Surigao City, and four in Bislig City, where 81 percent of these hospitals are privately owned. There are 11 Rural Health Units (RHUs) or Municipal Health Units (MHUs) and 91 Barangay Health Stations (BHSs) in Agusan del Norte; 20 RHU/MHU and 68 BHS for Surigao del Norte; and 18 RHU/MHU and 189 BHS in Surigao del Sur.

The increase in the number of health facilities has contributed to the decrease in home deliveries and a corresponding increase in hospital/facility-based deliveries. Among the sampled provinces, Surigao del Sur has the deepest drop in home deliveries. In 2001, 88 percent of births in Surigao del Sur occurred at home. By 2005, this figure had decreased to 81 percent; this dropped further to 59 percent in 2009. Among the sampled cities, Bislig City recorded the highest drop in home deliveries compared to 2001 data, recording 12 percent of births in 2005 as occurring at home, and 45 percent in 2008. Accompanying the increase in hospital delivery rate has been a rise in health personnel-attended deliveries. This direction influenced and portends the future decline in the MMR.

However, only about 77 percent of Caraga hospitals, both public and private, are accredited with the Philippine Health Insurance Corporation (PHIC). Among the RHUs, only about 81 percent are accredited. Health insurance coverage increased to 168,096 enrolled individuals in 2008 compared to the 124,196 in 2007.

LGUs that adopted a multi-payor scheme were able to achieve universal or 100 percent coverage of identified indigents. Under this scheme, enrolment of indigents is shouldered by the provincial government through the Provincial Social Welfare and Development Office (PSWD) in partnership with the congressional office, the municipal government, barangay government, the family, and private and NGO partners.

Figure 4:



In terms of hospital bed to population ratio, Caraga is way below the standard of 1:1,000, with its average ratio being 1:1,318. This deficiency is higher at the provincial and municipal levels where the hospitals are also wanting of repair and maintenance. Still, the combined efforts of the LGUs and the DOH-Center for Health Development (DOH-CHD) have managed to provide health services in the region, and even to the extent of having Caraga reduce its crude death rate, IMR, and MMR.

Table 12: Hospital Bed to Population Ratio in Caraga Region (2008)

Province/City	No. of Hospital			No. of Hospital Beds			Bed to Pop Ratio
	Gov't	Priv't	Total	Gov't	Priv't	Total	
Agusan del Norte	6	4	10	185	70	255	1:1,318
Surigao del Norte	9		9	170		170	1:1,811
Surigao del Sur	8	3	11	230	20	250	1:1,917
Butuan City	1	6	7	100	295	377	1:806
Surigao City	1	4	5	150	108	258	1:531
Bislig City	1	3	4	25	85	110	1:896
Caraga Region	35	25	60	1,110	633	1743	1:1,318

Interestingly, in 2000 to 2003, the challenge of addressing mosquito borne diseases like dengue, malaria and filariasis; and water borne diseases like schistosomiasis became the concern of the region especially those of the sampled LGUs. As such, the subsequent years saw the complementation of the preventive to the curative aspect of health programs in these LGUs.

The city and municipal governments provided preventive health programs and projects with counterpart funding either from the provincial government, national government or from foreign assistance. These preventive-curative health services included programs for filaria, malaria, dengue, maternal and child health care, schistosomiasis, leprosy, goiter, tuberculosis, acute respiratory infection control, cardiovascular disease, diabetes mellitus, renal disease control, community based rehabilitation for stroke patients, sexually transmitted diseases and social hygiene clinics, adolescent and youth health development, violence against women and children, expanded immunization, cancer and autoimmune, deworming, and blood donation among others. Cities and some of these municipalities have since been declared disease-free zones for filaria, malaria, and schistosomiasis. They also have *Sentrong Sigla* certified RHUs.

Data from DOH-Center for Health and Development Caraga showed a continued decline in the malnutrition incidence from 2000 to 2008. Of the sampled LGUs, Surigao del Sur has the highest incidence of malnutrition (22 percent) while Butuan City has the lowest incidence (7.7 percent). LGUs have programs to reduce the malnutrition rate implemented in collaboration with NGOs. Nutrition-related programs aimed at improving children's health such as supplemental feeding and

micronutrient supplementation have been implemented by the sampled LGUs. Yet while the decline in the malnutrition rate suggests an on-track achievement of the MDG target on the proportion of underweight children, malnutrition incidence is still considered as a continuing challenge as this affects school participation and performance of children.

### **Education, Social Welfare and Development**

Caraga is the third least populated region in the country, with a registered population of 2,095,367 in 2000 and 2,293,480 in 2007. It had an average annual population growth of 1.25 percent between the censal years 2000 and 2007, way below the national average. The region's population is relatively young, with 47.6 percent belonging to the 0 to 17 years old age range, while the male-female population ratio is 51:49 across age groups.

Among provinces, as of 2003, Surigao del Sur had the most number of day care centers (DCCs) with 436. It also had the highest number of six to 11 year old children. Among the cities, Butuan had the most number of DCCs at 107.

Caraga LGUs showed an increasing enrolment participation rate from 2000 to 2009. Cohort survival and completion rates of public elementary school children improved from 58 percent and 56 percent in the years 2000 to 2001 to 61 percent and 58 percent in 2003 to 2004 respectively. However, the participation rate, cohort survival, and completion rates in school years 2000 to 2008 registered volatile trends. There is a high dropout rate in both elementary and secondary levels. Remote barangays and even some urban barangays – especially in the 3<sup>rd</sup> to 6<sup>th</sup> class municipalities – cited problems regarding access to basic education.

The Alternative Learning System (ALS) successfully provided education to young adults, out-of-school youths and the indigenous peoples. At the same time, the operation of the School for Indigenous Knowledge and Tradition (SIKAT) improved the functional literacy of the indigenous people and their communities.

There has also been a rise in the number of technical-vocational schools, especially during the school year 2006-2007 and onward. This has been due to the increasing demand for skilled workers abroad.

Local school boards meet regularly to discuss the mechanism and support needed for their respective LGUs' scholarship program, support for ALS, appropriate funds for the honorarium of teachers and utility workers, construction and improvement of school buildings and facilities to address classroom shortage, and for the implementation of projects that are critical to promotion of formal and non-formal education. The school boards also appropriated funds for their division's participation in the *Palarong Pambansa*, which promotes physical fitness among the school children.

The financial support of the provincial governments helped the municipalities and component cities build and repair their Barangay Health Stations and day care centers. They also helped fund municipal and city supplemental feeding program and livelihood projects. The provincial LGUs said these not only respond to the needs of their communities but are also in support to the national program on “Accelerated Mitigation” and the MDGs.

The provincial LGUs also provided assistance to the Department of Education (DepEd) for the honoraria of volunteer teachers and the salaries of regular teachers, as well as funds for the construction of schools buildings and additional classrooms in their towns and cities.

The focus of social welfare and development is the protection and the promotion of the welfare of the vulnerable groups, which include children and youth, women, indigenous peoples (IPs), differently-abled persons or persons with disabilities, and senior citizens.

The sampled city governments have programs on Children in Conflict with the Law (CILC); leadership training for the youth; practical skills training for heads of households, out-of-school youth, women, and differently-abled people; Self-Employment Assistance (SEA-K), basic emergency motherhood obstetrics services, mortuary aid; financial and service assistance to senior citizens, Kasalan ng Bayan, Lingap Center, and Child Labor Protection.

Welfare programs implemented by the city governments are similarly implemented by the municipalities, albeit under different program names and budgetary allocations. These programs are supported by the provincial governments.

There are also mechanisms, structures, and programs for gender and development. Gender and Development (GAD) initiatives at the regional level are spearheaded by the Regional Development Council (RDC GADCC) and by the Caraga GAD Advocates at the LGU level. In 2000 to 2003, the institutionalization of the five-percent GAD budget was a challenge. In later years, however, more LGUs appropriated the five-percent GAD budget for programs and projects to improve the lives of women and enable wider access to various livelihood opportunities.

### **Housing and Basic Utilities**

The ratio of the household population to occupied housing units for the sampled LGUs such as Agusan del Norte, Surigao del Norte, Surigao del Sur, Butuan City, Surigao City and Bislig City, in 2000, are 5.4; 5.19; 5.33; 5.3; 5.26; and 5.36 respectively. This indicated the significant number of doubled-up households and housing backlog.

By 2003, the housing backlog was even higher due to informal settlers, displaced families and doubled-up households. These included families occupying private

and public lands, those displaced by government infrastructure projects, and people residing in danger zones and blighted areas such as esteros, riverbanks, under bridges, roadsides, parks, and open spaces. Alongside the housing backlog is the issue on the security of land tenure.

Table 13: New Units Needed Due to Backlog, By Province and City, Caraga Region, (as of CY 2003)

Province/ City	Due to Population (2000-2003)	Double-Up Households	Landless/ Informal Settlers	Displaced	Homeless	Total
Agusan Norte	4,170	898	2,113	321	451	7,953
Surigao Norte	3,716	1,004	4,481	492	48	9,741
Surigao Sur	4,108	1,033	5,791	2,005	-	12,973
Bislig City	4,259	420	2,183	160	3,253	10,275
Butuan City	4,519	1,430	10,886	6,378	315	23,528
Surigao City	1,417	583	3,220	371	-	5,591

Source: NHA, LGUs and NSO

In 2000, Butuan City had 10,886 informal settlers who could be found along its urbanized areas, and a housing backlog of 25,117. Bislig, meantime, had the least number of informal settlers, even as it had the highest number of homeless families among the three cities sampled. This housing problem is attributed primarily to poverty, population growth, and limited opportunities for gainful employment especially in the rural areas, and limited funds for shelter.

Butuan City, through the City Housing and Development Office, has since facilitated the provision of homelots to more than 11,000 families and reduced to half its housing backlog. For Surigao City, its City Urban Development and Housing Council (CUDHOC) passed resolutions for the approval of beneficiaries, as well as for procedures on how to address the rampant selling of rights to awarded lots and the prices of lots. As of 2008, about 85 percent of the target beneficiaries had been provided with homelots.

Bislig City's records showed about 202 constructed houses under the CORE Shelter program for 2008 and 2009. These housing programs were implemented by the city government in partnership with Gawad Kalinga, Habitat for Humanity, congressional office, and the Department of Social Welfare and Development (DSWD) national office.

Table 14: Environmental Health Status (2008)

Area	% of HH w/access to improve safe H2O Supply	% of Level 1	% of Level 2	% of Level 3	% of HH with access to Sanitary Toilet	% of HH w/sat. disposal of solid waste	% of HH w/comp. Basic San. Facilities
Agusan Norte	85.2	38.3	38.1	23.6	92.6	77.0	76.4
Surigao Norte	96.9	19.4	48.7	31.9	82.3	63.1	51.9
Surigao Sur	81.5	35.4	36.0	28.6	74.7	31.4	26.2
Butuan City	100.0	33.7	5.3	60.9	61.5	61.5	61.5
Surigao City	100.0	5.6	38.4	56.0	82.6	84.6	82.6
Bislig City	84.9	5.6	17.4	77.0	82.5	72.6	53.8
Caraga	88.9	30.5	35.4	34.1	79.6	60.9	53.5

From 2000 to 2007, there was little improvement in the percentage of households with access to safe water supply. By 2007, only about 80 percent of the households had access to Level III water system while the remaining percentage had Levels I or II or doubtful water sources. Of the sampled provinces, Surigao del Sur posted the lowest with 72 percent in 2007 and 81 percent in 2008. Among the sampled cities, Butuan and Surigao had the highest percentage of access and Bislig City the lowest at 78 percent in 2007 and 85 percent in 2008. The overall regional percentage of households with access to safe water was 79 percent in 2007, which grew to 89 percent in 2008. This was, however, still below the target of 98 percent for urban and 90 percent for rural areas. But the continued support of the LGUs as seen in their allocation for health helped enhance the other environmental health indicators.

### **Peace, Security and Disaster Risk Management**

The members of the Local Peace and Order Council and the City/Municipal Disaster Coordinating Councils (C/MDCC) meet regularly to plan, implement, and monitor the programs and activities related to peace and order and disaster risk management.

The Women and Child Protection Desk (WCPD) and the Crisis Center for Women and Children provide temporary shelter, counseling sessions, food, medical assistance to children in conflict with the law and to women and children who are victims of abuse and violence.

*Barangay Tanods* (village watchmen) are organized to assist police functions. All the barangays have their Lupong Tagapamayapa and about nine out of every 10 recorded community interpersonal disputes are resolved by this body. The Quick Response Teams (QRT) are also able to respond to emergency calls.

Caraga is one of the regions in the country prone to geological and meteorological or hydrological hazards. Data from the Office of Civil Defense (OCD) indicate that the region experienced a total of 18 incidents of natural calamities from 1999 to 2008. Flooding occurs frequently. In the last decade, four flashfloods and two flooding and landslide incidents, along with three typhoons and one earthquake were experienced by the region.

Among the sampled LGUs, the top areas that indicated Level 5 (highest level) risk to life due to flooding are the cities of Butuan, Surigao, Bislig, and Placer (Surigao del Norte). Butuan City is further assessed to have areas with Level-5 risk to property, also due to flooding. The cities of Surigao, and Bislig and Tandag (Surigao del Sur) indicated Level 3 (moderate) risk to property. As such, the Lower Agusan Development Project (LADP) – Flood Control component was undertaken to minimize the occurrence of flooding in Butuan City. Surigao City expressed the need for a drainage plan, to dredge the Surigao River as flood control mechanism, and the provincial government to support the implementation of the watershed management plan.

Prone to ground rupture are the built-up areas of the major growth centers of the region such as the cities of Butuan, Bislig and Surigao; and the municipalities of Cabadbaran, Nasipit and Buenavista in Agusan del Norte, and Tandag and Lianga in Surigao del Sur.

The Disaster Coordinating Councils (DCCs) at the provincial, city and municipal levels continuously conduct disaster preparedness and management orientation, along with disaster risk reduction, earthquake and fire drills. Disaster information materials have been disseminated to increase awareness on the steps to be taken during emergencies. Provincial governments constructed and rehabilitated timber and bailey bridges as mitigation measures; and supported relief operations and distributed goods and medicines to victims of flood, fire and other calamities.

Development of competencies needed for the implementation of coastal resource management program and disaster risk management were also done with funding support from various donor agencies.

### **III. Local Economic Development**

Poverty has contributed to making the region an out-migration area. In 2000, the poverty incidence in Caraga was 43 percent, with Surigao del Norte posting the highest incidence among the three provinces studied.

Table 15: Poverty Incidence Among Families

Province	2000	2003	2006
Agusan del Norte	40.9	33.2	35.2
Surigao del Norte	42.6	54.5	53.2
Surigao del Sur	38.4	45.4	45.4

By 2006, only Surigao del Norte posted a higher poverty incidence compared to the regional figure of 24 percent. Other provinces managed to keep their own numbers below 50 percent. Agusan del Norte, the only province in Caraga that did not belong to the country's bottom 20 list, was also the only province in the region that posted a rise in poverty incidence, from 33 percent in 2003 to 35 percent in 2006.

### Agriculture and Fishery

Cooperatives served as an effective vehicle for LGUs to promote economic development. LGUs provided financial assistance to cooperatives under the zero-interest loan, with equity used for micro-lending and livelihood projects. The LGUs' agricultural technicians conducted training, seminars, meetings, and informal consultations in support to rural-based organizations and tapped the services of the Cooperative Development Authority and other agencies such as the Department of Trade and Industry to provide such trainings.

The agriculture, fishery and forestry (AFF) sector is considered as the banner economic sector among the LGUs studied. It has grown due to the forestry subsector's robust performance, which compensated for the decline in agriculture and fishery in 2000 to 2003. Inadequate management practices and occurrence of disease were identified as the major causes of low productivity.

The AFF sector absorbed the bulk of the labor force. The services sector's share of the labor force, however, has been increasing rapidly compared to the agriculture and industry sectors, eventually surpassing the latter in 2008.

LGU initiatives for agricultural development projects include assistance to farmers on rice and corn production, promotion of high-value crops, cassava production and processing, aquamarine and livestock production and dispersal, and small enterprises for rural women and youth. Infrastructures to support agricultural development such as farm-to-market roads, pre- and post-harvest facilities were constructed. Farm inputs such as fertilizers, seeds and seedlings were provided with zero interest and 50/50 payment schemes, and pesticides and herbicides were also distributed.

Cassava is considered as one of the major crop in the region. Surigao del Norte produces the highest volume of cassava production, followed by Butuan City, Agusan del Norte, and Surigao City. Only Butuan City has most of the needed post-harvest facilities while the rest lack all sorts of things, ranging from mechanical dryers to tractors, to even transportation

facilitation. Common problems encountered by farmers include lack of credit access to high principal capitalization with low interest rates, bad weather conditions, theft, high labor cost, and the absence of technology. Most of the farmers have limited training.

Surigao del Norte is the major producer of marine fishery products in the region. The province has seven marine fishery grounds, and rich inland fishery resources like fresh water, brackish water, and lakes covering a total area of 10,225.65 hectares. Despite these abundant resources, fishery production in Caraga can neither satisfy nor meet the local demand. LGU programs and projects to support the fishery sector are on aquaculture and marine fishery production, and fingerlings dispersal, with support from the Bureau of Fisheries and Aquatic Resources (BFAR). Seaweed production was also strengthened through training workshops and distribution of seaweed propagules and paraphernalia.

To support rural-based organizations, seminars, workshops, meetings, and informal consultations were also conducted by agriculture technicians, to transfer skills and technology.

Economic development initiatives has included the promotion and production of high-value commercial crops, alternative livelihood training, formulation of the investment plan, establishment of one-stop-shop, and provision of needed infrastructure support.

### **Promotion of Trade, Industry and Tourism**

The National Ecotourism Strategy identified Agusan Marsh and Wildlife Sanctuary in Agusan del Sur, and the Siargao Island Protected Landscape and Seascape (SIPLAS) in Surigao del Norte as major ecotourism sites. These areas have gained prominence because of their unique natural features and biodiversity. SIPLAS gained distinction for the varied natural landscapes of the small islands and the natural waves coming from the Pacific seaboard suitable for surfing. The island is also known for having the largest contiguous mangrove forest in the country.

While mining areas have been identified in the province of Agusan del Norte, a significant volume of minerals is actually located in the provinces of Surigao del Norte and Surigao del Sur.

The region's investments as reported by the Department of Trade and Industry (DTI), fell by 25 percent from P6.3 billion in 2002 to P4.6 billion in 2003. All the provinces covered in this RFA posted negative growth. Surigao del Sur and Surigao del Norte likewise recorded significant cutbacks of 58 percent, and 48 percent, respectively. Agusan del Norte posted a minimal 8.5 percent reduction in investments. Agusan del Norte and Butuan City generated the biggest increases in percentage share of investment.

The promotion of trade, business, and investment is integrated into the development plans of the LGUs. While most of the sampled 5<sup>th</sup> and 6<sup>th</sup> class LGUs have yet to

formulate and/or implement their revenue and investment codes, others are already implementing these codes formulated through multi-sectoral consultations and with participation from national line agencies, business sector, and NGOs.

The LGUs' partnership with the Small and Medium Economic Development Councils (SMEDCs) is cited as instrumental in creating an environment conducive to business growth and investments. The quality of customer service provided to businesses and investors, strong partnership with the private sector, promotion of online information, and the assistance to small and medium entrepreneurs were also cited as factors needed for economic development.

Not surprisingly, Surigao City became a national finalist in the Search for Most Business Friendly City in 2008. Butuan City's business investments increased from P5 million in 1996 to P800 million in 2008, and created 2,619 jobs. The processing and industrial center of the City of Bislig generated more that P13 million public investment and over P50 million in private investments, and created more than 250 jobs in 2009.

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

Caraga Region is declared by the Department of Environment and Natural Resources (DENR) as the timber corridor of the south. However, the years 1987 to 2003 saw a significant reduction of its forest cover by 77 percent due to illegal logging, slash-and-burn farming practices, and land conversion and cultivation for agro-forestry and industrial plantations. As such, the Co-Production Sharing Agreement (CPSA) was adopted to ensure sustainable development of the region's forest resources. The communities are considered partners in forest development, and play the lead role in the rehabilitation, protection, development, and management of the forests. The other tenurial instrument adopted is the Community Based Forest Management (CBFM), which integrates the Social Forestry (ISF), Community Forest Plantation (CFP), Community Environment Project (CEP), Coastal Resource Management and Development Project (CRMDP), and Environment and Natural Resources-Sectoral Adjustment Loan (ENR-SECAL), among others.

These agreements are supported by the LGUs through the various NRM projects such as Watershed Management, Seedling Dispersal, Reforestation and Community-Based Forest Management (CBFM), Marine and Mangrove Development, Coastal Marine Resources Management, Forest Protection and Monitoring, and those on soil erosion control along the damaged water tributaries and creeks. These are implemented in partnership with DENR, CENRO, PENRO, MGB, academic institutions, non-government organizations, and water districts.

The enactment of new environmental ordinances has been limited and slow to come. The DENR-CENRO, PENRO, MENRO, for their part, have implemented patrolling activities, forest ranger visibility and information dissemination campaign to prevent

illegal forest products activities. The Bantay Gubat and Bantay Dagat groups had been organized but express difficulty in finding logistical support for their operations.

The CarCanMadCarLanCorTan Lanuza Bay Development Alliance Forest Land Use Project, spearheaded by the LGUs in this alliance, and their advocacy activities in the communities have shown that increased awareness and enhanced enforcement of environmental ordinances minimize the incidence of timber poaching and other issues.

Capacity development activities for environmental governance were conducted and supported by LGUs. These activities included information dissemination campaigns to prevent illegal practices, protect and conserve wildlife, and ensure a healthy ecosystem through various measures and safeguards against pollution and preservation of the natural ecosystem. They also helped promote the viability and effective implementation of the Solid Waste Management (SWM) programs.

LGUs convened the SWM Board, which also had workshops to help it implement the Solid Waste Management Act of 2000. These workshops helped formulate the SWM plan, set up of policies, and coordinate with the barangays. Other SWM-related activities included waste segregation and the operation of recycling technology and materials recovery facility centers.

A number of Caraga LGUs say they have improved their environmental management competencies and have implemented ecological SWM activities down to the barangay level. A few have institutionalized waste segregation from source. But the process of waste collection remains a challenge; while households have applied waste segregation, the collection does not support this practice.

## CONCLUSION

### 1. Gains and Challenges of Decentralization on Governance and Administration

The implementation of the LGC for the last 19 years has impressed on the local authorities their responsibilities as well as the extent of their autonomy. The accomplishments in local governance in Caraga are seen in the improvement of the systems and procedures within the LGUs and in simplifying operational procedures. The initiatives of the LGUs in bringing people's participation in governance processes, and facilitating access of citizens to information on LGU services and transactions showed significant gains. Most Caraga LGUs, however, are still heavily dependent on their IRA. The need to improve local income is important in order to fund the expenditure responsibilities of local governments. But LGUs are constrained by a small tax base. Increasing taxation based on a small tax base may not raise enough revenues for the LGUs. Hence, they need to explore other sources of local revenues to generate funds for critical capital projects that fuel local development.

On development planning, all provinces and cities and some municipalities have demonstrated planning competencies, and are regularly updating their plans. Most of them have undergone various orientations on mainstreaming disaster-risk reduction measures, geo-hazard vulnerability, and climate change-adaptation measures. And while structures, consultative processes, and planning databases that are highly facilitative in the preparation or updating of land use and development plans are in place, there is still a need for more linkages with other entities for more accurate data.

An area of capacity development that needs to be considered and improved are the processes and management systems that ensures the retention, motivation, and best use of LGU human resources. Alongside the need for a Human Resource Management plan is ensuring that the well-trained human resources are put to effective use.

Development interventions funded either locally or by Official Development Assistance (ODA) have been primarily dedicated to infrastructure. Lesser attention has been given to governance, social services, and enterprise development, which are mostly devolved functions. Local enterprises would have been good sources of additional LGU revenues but only few of the LGUs initiate local enterprises. Those that do have such initiatives, moreover, have them in scales that are not big enough to contribute significantly to the local budget.

The review of budget and financial statements is in accordance with the budgetary requirements and general limitations set forth in the LGC of 1991. The preparation of the Executive Annual Budget of provinces has been open to public scrutiny. This is in keeping with government thrust for transparency and accountability in the budget making process. However, there is a need to improve accountability and strengthen administrative capacity to ensure observance of guidelines relative to accounting, procurement, and financial transactions.

## **2. Decentralization and Social Services**

The LGUs have appreciated the importance of the people's participation in the planning, implementation, and monitoring of social services. The 19 years of LGC implementation has shown the progress made in fostering partnership between government institutions and civil society groups, resulting in more synergistic, integrative, collaborative service programs and delivery. Lessons from Caraga LGUs that have successfully nurtured and sustained the partnership may be shared with other LGUs.

## **3. Decentralization and Economic Development**

Caraga has ecotourism and agro-industrial potential for Micro, Small and Medium Enterprises (MSME) development. However, there are only a few bankable investment projects in these sectors. Since the birth of the region, basic infrastructure have been developed continuously and accorded high priority for local and foreign

funding, viewed as key support to economic and social services to enhance quality of life. Yet Caraga's infrastructure requirements remain large, and include those that provide vital links to agriculture, industries and major tourism areas.

The initiatives and focus of Caraga LGUs at organizing and strengthening the cooperatives have been shown to have helped promote economic development.

In Caraga, lack of public funds limits the scope and reach of local government programs and projects. A strong link between the public and the private sectors is needed to ensure a shared vision and understanding of the government's development plans and programs. Representation of the private sector in local development planning has yet to be strengthened and expanded to bolster cooperation and sharing of ideas.

Most of the capacity development activities of the LGUs are funded from the 20 percent development fund. And while the respondents confirmed having gained benefits through the activities conducted along the agriculture and fishery sector, the capacities developed are taking effect gradually. Data showed the need for the LGUs to strengthen their collaboration and coordination with the NGAs for agricultural programs and thrusts. Capability-building programs for the development of technical skills and knowledge are also needed to deliver better services, and enhance monitoring and evaluation of agrifishery development projects have to be made.

#### **4. Decentralization and Environment Management**

Two of the industries for which Caraga is known for are mining and logging. Although these two industries contribute largely to the income of the LGUs and the Caraganons, the issues on environmental misuse and exploitation, and conflict on interests regarding land and natural resources, remain a challenge and considered as among the major causes of conflict.

The use of forest resources is growing faster than the reforestation activities as shown in the region's diminishing forest cover. The proliferation of mining activities has become a concern in the recent years. While the region recognizes that its rich natural resources can contribute significantly to its long-term development, environmental protection and natural resources conservation need to be taken into account. The formulation of a sound environmental plan such as the forest land use plan for some LGUs or the implementation of these plans for the others are the challenges local officials have to face.

Inter-government agency cooperation and inter-LGU cooperation or alliances are seen as vital.

Efforts on effective Waste Management and Pollution Control are in place in a number of LGUs. However, the SWM Boards in most of these LGUs have yet to become fully functional.

## **BEST PRACTICE**

Province of Surigao del Norte

### **Partnering with the People for Tourism Development and Promotion**

In mid-80s, tourist influx to the province was practically nil. Then word began to spread in the surfing world about the consistent and forceful waves of Siargao Island. International surfing professionals and enthusiasts, resort developers, and photographers soon started trickling into Siargao. Photos of the island and its inviting waves landed in the surfing magazines in all languages all over the world. The featured surfing area, “Cloud 9” became famous and what used to be a handful of surfers became a horde coming from all corners of the globe.

In 1995, the local government of General Luna, the provincial government, the Department of Tourism, together with some Australian expatriates, organized the surfing competition dubbed as the “Siargao Surfing Classic.” The event’s success attracted the world’s attention and opened the doors to the global tourism market. The provincial leadership facilitated the forging of partnerships, both locally and internationally, to develop and promote not just the surfing potential of Siargao, but also Surigao del Norte’s other tourism sites.

By then, top surfing promoters had talked about “Cloud 9” enough for it to be mentioned if not become the subject of stories in leading surfing magazines the world over. This led to investments, influencing tourism patterns in Surigao City, the provincial capital.

Because the provincial government recognizes host communities as front liners of social development, their participation is integrated in the whole developmental process. Since most tourism activities in the province are community-based, the community is involved even in the conceptual stage of the activity. Through the Municipal Tourism Council, planning and implementation are brought up to the level of the Provincial Tourism Council. These two policy-making bodies are composed of various stakeholders of the tourism industry. They review policies and seek funding sources for the sustainability of any tourism event.

The international surfing competition in Siargao became a banner tourism event for the province, and encouraged the holding of other related water-sports activities. As such, the provincial government and the Provincial Tourism and Culture Office conducted various tourism ancillary training workshops that would be useful in the hosting of the event. They organized and built partnerships with tourism-related establishments for the improvement of their facilities and services. Other tourism-support industries saw to it that they would be prepared for the expected surge of visitors during the competition. The local government unit implemented projects to improve and beautify the municipality.

The provincial government further widened its partnership through the signing of a Memorandum of Agreement between the province and Billabong, a leading global board sports apparel company until 2012.

Community-based organizations supporting tourism development have been strengthened. From the tricycle drivers association to homestay program members, to resort owners organization – these all have been aware of the importance and contribution of tourism to the socio-economic development of the municipality and the province. The international surfing event has paved the way for the LGUs of Siargao Island to be conscious on the preservation and conservation of the environment. They have even lobbied for the formulation of the Siargao Eco-Tourism Master Plan.

The provincial government realized that increased influx of visitors and settlers in Siargao would pose a challenge to the island's ecology. There was an urgent need to develop policies to regulate activities and make tourism a sustainable industry. Thus came the formulation of the Provincial Sustainable Eco-Tourism Master Plan, Provincial Solid Waste Management Plan, and the Provincial Environment Code. In consonance with the Provincial Tourism Master Plan, the municipality of General Luna provided a local plan integrated with the municipal plans of all nine other municipalities of Siargao Island. Today tourism activities are regularly funded from the 20-percent Development Fund of the province and the municipalities.

The promotion of these surfing events encouraged similar activities in other parts of the province and the rest of Caraga. It is now on its 15<sup>th</sup> year, with the competition now having various divisions.

The popularity of General Luna's surf waves has led to the development and promotion of tourism in Siargao and the rest of Surigao del Norte. More eco-friendly activities such as diving, fishing, mountain biking, kayaking, rappelling, sailing, skimboarding, beach volleyball and football, cave exploration, and community interaction have also been developed and enhanced.

Between the years 1999 to 2000, arrivals in General Luna and Siargao Island posted a cumulative record of 3,500 foreign tourists, stabilizing at 6,700 (2001). (Caraga Tourism Masterplan 2009) By 2005, the province posted 9,368 foreign arrivals, hitting the 20,000 mark in 2008. Majority of the foreign visitors are from the United States, Australia, Korea, Japan, Germany, and Canada. Local tourism consistently contributed to this influx, making up 91 percent or higher of the total arrivals. The province hosted 75,000 Filipino tourists in 2005 and 114,000 in 2008. (Provincial Tourism & Culture Office)

Direct investments for tourist resorts stood at zero in 1995. Now there are about 50 establishments in the area. The estimated capital generated has reached about P200 million, with foreign exchange component. Beachfront property

values have skyrocketed from P1 per square meter some 20 years ago to the current P1,000 per square meter. Goods and services such as construction, food, transport, electricity, water, communications, infrastructure, and leisure-related components including human resource development like surf instruction created jobs and enterprises for thousands of residents. Surigao del Norte is now known as the Surfing Capital of the Philippines, getting 25 percent to 28 percent of total regional arrivals. (Caraga Tourism Masterplan)

## **BEST PRACTICE**

City of Surigao

### **Institutional Development for Solar Electrification and Agriculture/Rural Enterprise Development**

The 15 barangays of Surigao City are certified as agrarian reform communities composing the Surigao City ARC 3 –SHINSI Islands (Sumilon, Hikdop, Nonoc, and Sibale). These villages were in dire need of electrification and development. To address this, the local government of Surigao City embarked on a development project with the Spanish Government through the Department of Agrarian Reform (DAR) Foreign Assisted Project Office and the Department of Energy (DOE). The project is also in partnership with NEDA, NEA, NPC, and BP Solar.

POs were formed and strengthened in the barangays, such as the Aurora Solar Association (ASA), Danawan Fishermen Association (DAFISA), Lisondra Fisherfolks Association (LIFFASSO), Sumilon Agro-Fishery and Solar Home Users Association (SAFISSMA), and the Zaragosa Fishers/Farmers Association (ZAFASSO). Organizational management and technical training were provided to these associations, which were registered under the Department of Labor and Employment (DOLE).

The POs' collective skills in planning, problem solving, financial management, monitoring, and evaluation have enhanced the running of the organizations, increased membership, and afforded them the delivery of solar system packages.

The visionary and expansive leadership of the LGU of Surigao City, the technical expertise of its personnel, technical assistance provided and concerted effort of the partners, and the strengthened POs ensured the successful implementation of the project and its sustainability. As a result, 270 households have become solar homes recipients. They have also availed of the school packages for five elementary schools and one high school; barangay hall lighting system in three barangays, four barangay health centers; and one potable water system. Fifteen units of communal lighting system were installed in five barangays. The total cost of these initiatives amounted to P29,790,452.00.

To augment household income various livelihood projects were initiated, among them fish cage and pump boat operation, general merchandising, and hog production.

The availability of funding from the Spanish government through the RP-Spanish Memorandum of Understanding on financial cooperation, the endorsement of the Sangguniang Panglunsod (SP), and the subsequent budgetary commitment, the availability of technical expertise and personnel from the City Planning and Development Office (CPDO) helped facilitate the start-up of the initiative. The partnership with various government agencies provided technical advice and support for the identification of sites, as well as for the evaluation of solar packages appropriate for community application and their installation. The partnership also assisted in determining community projects that are social, technical, economic, and management viable. The Regional, Provincial and City Agrarian Reform Offices and pump boat operators, together with the LGU personnel, also jointly monitored the implementation and the overall performance of the systems.

The strengthened POs shouldered the operation, maintenance, and management of the solar packages, management of the agribusiness/rural enterprises and the necessary counterpart, equity, and other requirements.

## About the Writer

Dr. Alma Eleazar is the Vice President for Research, Extension and Development of Father Saturnino Urios University in Butuan City. She has served as resource person and trainer in various development initiatives such as the Konsult Mindanaw project of the Bishop-Ulama Conference, the Bridging Leadership Influence on Coalition Building of the Department of Agrarian Reform and International Fund for Agriculture Development (DAR-IFAD), LCE Development and Management program of the Development Academy of the Philippines-Mindanao, and was a regional screener for the Galing Pook Awards in 2004-2006. Dr. Eleazar was a delegate to the Multi-sectoral Forum in Intersector Collaboration of Non-profit Organizations in Ichigaya, Tokyo, Japan, and to the 8th International Women and Health Meetings in Rio de Janeiro.



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