

## DECENTRALIZATION IN SOUTHERN MINDANAO

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The 6th Rapid Field Appraisal on Decentralization was conducted in Southern Mindanao (Region XI) covering two provinces, two first-class municipalities, two fifth-class municipalities and one city. Its purpose was to document the progress in the management of local autonomy by the local government units since the last Rapid Field Appraisal in June 1995.

Focused group discussions, in-depth interviews, records reviews and telephone interviews were utilized to establish the trends and constraints in the implementation of the Local Government Code. These will serve as bases for eliciting recommendations that may facilitate identification of venues for amendments that will all the more make local governance effective. The Local Government Code appeared to have seeped into the system of the local government units (LGUs) in appreciation of the noble intention of the Code for a better public administration. Systems and structures believed to effectively enhance local governance have been installed.

The Sixth Rapid Field Appraisal was positively supported by the respondents as a venue through which they could express their views on some provisions of RA 7160. The Code was perceived as generally beneficial by

both devolved and organic personnel as this provided the employees more focus in the delivery of basic services for the welfare of the people and faster decision-making in their operations.

Aside from the internal revenue allotment and the local revenue-generation scheme, the LGUs have entered into various strategies to accumulate the needed funds to finance their development projects. The provinces of Davao del Norte and Davao del Sur are currently contemplating credit-servicing from the Land Bank of the Philippines to purchase road-building equipments. The municipality of Tagum is in its final negotiation of the Build-Operate-Transfer (BOT) Scheme with Fil-Estate for the circumferential road that will complement the operation of the newly-built integrated bus terminal and the public market. It has likewise availed of a loan from the World Bank through PREMIUMED for the public market (Phases 1 and 2); entered into a co-financing scheme with the Province of Davao del Norte and Davao Federation of Non-Agricultural Coop (DAFENACO) in the construction of the integrated bus terminal. Davao City has constructed its Sangguniang Panlungsod Building through BOT scheme. It was completed in September 1995. -

Most of the LGUs are still contemplating their reorganization plans. Davao City has undertaken two-reorganizations, i.e. 1992 and 1996. The Province of Davao del Sur will have theirs on June 1996. Some of the LGUs were in the process of implementing the benefits provided in the Magna Carta of Health Workers, particularly those in the lower class-type municipalities. The mandated salary increases were still in the process of negotiation. The LGUs are varied in their responses to development plans. LGUs

have prepared and finalized their Area Integrated Plans (AIPs) and development plans.

Davao City is currently amending its zoning and land-use plan while the Province of Davao del Sur is monitoring the preparation of the land-use plans of its municipalities.

NGO networking in local governance is strongly observed by the LGUs. Davao City succeeded in implementing the Barangay Profiling, legislation of the Davao City Children's Welfare Code and the drafting of the Social and Economic Framework Plans, in cooperation with the Alternate Forum for Research in Mindanao, Children Rehabilitation Center and Ateneo de Davao University, respectively. The Province of Davao del Norte and the municipality of Tagum have entered into a co-financing scheme with the Davao Federation of Non-Agricultural Coop (DAFENACO) to build the integrated bus terminal of Tagum.

Delays in the procurement of supplies and medicines are still noted by the respondents, given the COA Circular 92-386. Salary disparities between the devolved and organic personnel remained a problem.

LGUs were moving towards the full exercise of their taxing power. Strategies were updated and devolved agencies were mobilized to collect fees for their services to increase local revenues. Devolved agencies were more focused in their delivery of basic services given the financial and logistical support mechanism of the LGUs. Manpower requirements of the devolved agencies were adequately taken care of by the LGUs.

Coordination and collaboration between the LGUs and the NGOs were enhanced through: continued membership of NGOs/POs in the Local Development Councils (LDCs) and Local Special Bodies (LSBs); forging co-financing scheme with LGUs; and provision by the LGUs of funding to NGOs.

Aside from the DILG-implemented capability-building programs, the offices under the LGUs continued to design trainings for their staff. Career professionalism among the employees was constantly promoted through scholarship grants or facilitating scholarship grants to pursue masteral degrees offered by the Center for Local Governance of the Ateneo de Davao University and the University of Southeastern Philippines.

LGUs recognized the importance of inter-governmental relations as venues to exchange ideas, discuss issues in local governance and drafting plans that would enhance local autonomy; hence, the organization of the Leagues of Mayors, Vice-Mayors, Treasurers and Assessors, and Accountants.

Considered as powerful in the LGUs, the Sanggunian in all levels continued to practice political patronage. Large "mini-Community Development Funds (CDF's)" are maintained in the guise of contingency funds for the Sanggunian members.

The LGUs were constantly exploring mechanisms that would expedite their operations despite the various circulars imposed by the national agencies. They allowed flexibility in their systems and procedures to accommodate

impositions from the national agencies.

The implementation of the LGUs of the mandates of RA 7160 was indicative of the trust and confidence that the LGUs had with local autonomy. This likewise denoted their recognition of their capability and confidence in managing local development activities that they saw as more responsive to the enhancement of the welfare of their citizens.

The total revenues generated by the LGUs increased from 1991 to 1995 resulted from their aggressive implementation of local tax codes and other strategies as *Pulong-pulong sa Barangay*, mobilization of devolved agencies to charge service fees, granting of amnesty to tax delinquents, installation of sand and gravel checkpoints, tax on delivery vans, raffle draws of the officials receipts of taxes paid, and recognition of tax payers with "good standing", among others.

IRA-wise, LGUs indicated increasing amounts from 1991 to 1995, with the provinces of Davao del Sur and Davao del Norte, and municipalities of New Corella and Sulop as significantly dependent on IRA for their revenue. The Municipalities of Digos and Tagum indicated less dependency status during the first two years of implementation of RA 7160 and shifted to dependence on IRA in 1993.

The bulk of revenue utilization was concentrated in the delivery of basic services. However, effective delivery of these services has been constrained by the limited travel allowances allocated to the service providers.

Alternative funding sources were explored by the LGUs. Davao City has constructed its Sangguniang Panlungsod Building through the BOT Scheme, with the municipality of Tagum and Digos exploring similar arrangements. Co-financing schemes were likewise ventured into by the Province of Davao del Sur, Municipality of Tagum and an NGO (Davao Federation of Non-Agricultural Cooperatives). Grants from CIDA (for the Municipalities of Tagum and Digos) were also availed of, including loans from the World Bank through PREMIUMED (as in the case of the Municipality of Tagum for the completion of the public market on its 2nd phase).

Alternative funding sources abound, but few LGUs availed of such, despite reported annual savings. This is indicative of the LGUs conservative attitude towards debt-servicing, their knowledge of the mechanics of debt-servicing and their risk-aversion behavior. Likewise, the LGUs still face the problem of getting access to information on the determination of their share from the national wealth. This, coupled with the delayed remittances and tedious paperwork preparation, almost discouraged the LGUs to pursue their share from the national proceeds. The province of Davao del Norte had just received their share from the use of the national wealth in 1995 since the time RA 7160 was implemented in 1991.

Also salary disparities continued to gnaw at the expected smooth interpersonal relations between the LGUs and devolved agencies. This has been heightened by the mandated salary increases of P700/800, P1,000 and the 30% of the basic salary and the implementation of the mandatory Magna Carta for Health Workers. This is

indicative of the extent to which legislators supported the local autonomy program.

#### *Local Government Services*

The bulk of revenues generated were allocated to the delivery of basic services, with the health services garnering most of these revenues. The devolved service offices (Agriculture, Social Services and Health) still continue implementing national projects with locally-generated budget. Prior to devolution, these service offices complained of delayed program/project implementation, a factor which made the devolved agencies appreciate decentralization. Devolution made the service offices more directed and focused in their delivery of basic services. Though citing the delayed appointment of a Head of Office, specifically for agriculture and social services, cordial relationships with the LGUs had been maintained and the delivery of basic services had never been deterred. However, travel allowances of health service providers to all the barangays were constrained.

Other than the allocated revenues, the Department of Health enjoys grants from funding agencies. The Provincial Health Office of Davao del Norte is a beneficiary of the USAID for their LGU Performance Program (LPP) in 1994 and 1995 and for their Access to Voluntary Safe Contraception (AUSC) to augment their program in Surgical Family Planning Methods. The province will be a recipient of another USAID fund through POPCOUNCIL's "Intervention Package to Improve Quality of Family Planning and Reproductive Health Services" by July, 1996.

DENR continued to be the source of technical assistance to the Provincial Environment and National Resources Office (PENRO) managing the devolved environmental projects of the LGUs. In Davao del Sur, the Municipality of Malalag has just issued an ordinance establishing fish sanctuaries. Other LGUs are contemplating on this. The aggressive and zealous monitoring of illegal cutting of trees in Davao del Norte resulted to barring the passage of public and private vehicles in the property of the concerned illegal logging concessionaires. This somehow deterred the speedy road construction complementing the operation of the newly-constructed public market.

Effective LGUs mean effective planning and allocation of funds. LGUs may consider themselves as effective in managing the delivery of basic services in their locality but this is oftentimes disrupted by the sudden introduction of programs from the national agencies, sometimes considered as sheer disregard of the principles and purpose of local autonomy. One case was the sudden implementation of the "Knock-out Polio Program" last February and March 1996.

Another constraint is the inadequacy of travel allowances to development workers to reach the innermost barangays. The budget allocated to this was limited to nearer barangays.

The local autonomy program encouraged popular participation of NGOs in local governance. NGOs became members of the local development councils and special bodies. Some NGOs in Davao City were actively involved with the affairs of the LGUs, as evidenced by the collaborative efforts of the LGU and the Children's

Rehabilitation Center in drafting and passing the Davao City Children's Welfare Code as a law and the conceptualization and implementation of the Barangay Profile Research. The DAFENACO in the Province of Davao de Norte also entered into a joint venture with the provincial and municipal governments to construct the Tagum integrated bus terminal.

The Local School and Health Boards in the provincial and first class municipalities and in the city were currently engaged in providing funds to renovate/construct school buildings and to the recent Southern Mindanao Regional Athletics Association. The school and health boards appeared to be relatively more active in their functions compared to the LDCs.

The code is clear on how the NGOs should be selected to participate in the LDCs and LSBs. Most of the NGOs were selected by the mayor and the members of the Sangguniang Bayan.

Effective active citizen participation in this case, has been missed by most of the LGUs. LGUs merely informed the citizens of their plans for support. Salient information on the operations of the LGUs was broadcast through the radio by the provinces of Davao del Sur and Davao del Norte, Davao City and the Municipalities of Digos and Tagum. Some LGUs continue providing an honorarium to the members of LDCs and LSBs.

NGOs strongly accepted their participation in local governance but are still not clear on what their participation in the local governance really means. NGOs perceived that their participation in the local governance is a recognition that they

can contribute to the enhancement of the local governance.

The relationship between the NGOs and the LGUs had been observed as cordial. The NGOs were inquisitive during meetings and review of LGU plans. NGOs felt that the LGUs saw them as watchdogs and were there to cause bottlenecks in their traditional power-wielding activities.

The LGUs might have recognized the legitimacy of citizen's participation in their affairs but had failed to be transparent on their operations.

Moves toward reorganization have been made but to date only Davao City had implemented re-organization. Other LGUs were still finalizing their re-organization plans.

Training programs were part of the proposed plans of the various offices but most of these were not implemented. LGUs preferred attending trainings offered by other GO/NGO entities. Capability-building programs were availed of by the LGUs, sponsored by the DILG, Center for Local Governance of the Ateneo de Davao University, the University of Southeastern Philippines and the Development Academy of the Philippines-Davao City. These training and capability-building programs mostly utilized the hands-on approach for easy application in their respective LGUs. Land use mapping is currently undertaken in Davao del Sur, sponsored by the provincial governor and inputted by the HLURB.

Career enhancement was limited to the organic personnel, encouraging devolved personnel to avail of career development programs through scholarships.

The current training programs made available by the training centers to the LGUs are not the results of Training Needs Analysis (TNA) and are still based on the classroom approach. Training and career development programs were offered to the LGUs but they were constrained, given its 45/55 limit on personnel expenditures.

Devolved personnel are also government workers; thus, LGUs are mandated to include them in career development. The professional health workers need points incurred from attendance in scientific trainings for the renewal of licenses.

The "optional" devolved status of heads of offices of agriculture and social welfare development continued constraining effective human resource and organizational development. This limits the rights of these heads of offices to avail of the remuneration equivalent to heads of organic offices.

The LGUs have transcended territorial boundaries by sharing resource and by managing projects. The Province of Davao del Sur co-implements devolved watershed protection projects with the municipalities of Malalag and Matanao and the Integrated Social Forestry (ISF) Program with the municipalities of Magsaysay, Don Marcelino, Kiblawan and Sta. Maria. Davao del Norte, on the other hand, entered a joint venture with the municipality of Tagum and an NGO (DAFENACO) in the construction of the integrated bus terminal of Tagum.

LGU-based programs are supported more by LGUs than national programs. The minimum basic needs (MBN) program elicited reactions from some LGUs.

Effective performance of the LGUs is hampered by circulars issued by the national agencies. This was viewed by the LGUs as utter disregard for the principles of local autonomy. Moreover, feedback on these circulars was not even solicited before their implementation.

The power to approve and disapprove development plans, including appointments of personnel still rests with the Sangguniang Bayan. Approval of development plans/projects by the local development councils is not a guarantee of the Sanggunian's approval. It is a common practice for the Sanggunian to maintain certain funds for their disposal. Each member of the Sanggunian must be a member of one or more committees. This is another venue through which the Sanggunian members can maintain funds for disposal. Approval of ordinances supportive to LGU operations was readily passed.

Devolved personnel, particularly the heads of offices, are often not considered for appointment if he/she fails to establish "political rapport". This criterion often pushes these persons to entertain strategies such as optional retirement, resignation, and transfer to other areas or offices. Another constraint is the maintenance of political appointees in the LGUs serving as intelligence gathering personnel to the Sanggunian members.

#### *Assessment of Decentralization Status*

LGUs on all levels recognized the importance of revenues in effective public administration. Their conscious efforts to increase revenues led to exploration of various strategies, both mandated and otherwise, to generate more funds. Loans, grants and the BOT scheme were availed of, and joint-ventures were

entered into.

Local revenues generated a steady increase from 1991 to 1995 and were augmented by the internal revenue allotment, sufficiently defraying the costs outlined in the comprehensive plans of the LGUs. However, it should be noted that the LGUs on all levels were largely dependent on their IRA.

The basic services delivered under devolution were generally similar to those implemented in the pre-devolution period. These were readily accepted by the LGUs on all levels as the necessary services in their respective LGUs. Since the LGUs served as the frontliners in the delivery of basic services, the regional and national agencies assumed an augmentative role, i.e. providing technical assistance and logistical support.

All the service offices cited increased budget compared to the pre-devolution period as well as increased availability of resources needed in the execution of their tasks. The issues emanating from the "optional" devolution of the heads of the offices of agriculture and social welfare and development and the salary disparities did not in any way deter the delivery of basic health services in the fifth class municipalities where these issues were strongly felt. However, these optional devolution made the devolved agencies recommend re-nationalization or the observance of the trust fund scheme as protection for the allocated budget to these agencies.

Inspired by the Magna Carta for Health Workers, the Magna Carta for Agricultural Workers, drafted in the Visayas,

was supported by the agriculture-based personnel. Another group of government employees drafted the Magna Carta for Government Employees.

Environmental protection programs include those devolved by the DENR to the provinces and those that were LGU-based. This is one of the LGU projects that cultivated horizontal governmental networking. Attempts had been made to stop destructive environmental practices but were not sustained.

Hopes for re-nationalization ebbed just when controversies arising from the Magna Carta for the Health Workers occurred. Pressures from the health personnel for LGUs in the municipal level resulted in social distance between the LGUs and the Health sector. Other than this, delayed procurement of medicines was cited.

Local health boards in the municipalities of the Davao Provinces were recently revived and functional; however, most of the municipalities in Davao del Sur were not.

Except for Davao City, all the LGUs covered by this research did not give housing as priority program.

Effectiveness of decentralization can be measured by the participation of the governed in local governance. NGOs, selected by the NGOs themselves or otherwise, spread themselves in the Local Development Councils (LDCs) and Local Special Bodies (LSBs) within the LGUs. However, most of these special bodies, particularly in Davao del Sur and Davao del Norte and their municipalities, need reactivation. The health boards in all the municipalities of Davao del Norte

were revived recently.

Despite this, decentralization has been successful in promoting NGO-LGU collaboration. In Davao City, the city has entered into a partnership with the Development of People's Foundation in drafting the Sasa Barangay Development Plan and the Barangay Sasa Reproductive Health Program, and in the development of a Module on Pre-Marriage Counseling. A joint venture was likewise entered into between the province of Davao del Norte, the Municipality of Tagum and DAFENACO in the construction of the Tagum integrated bus terminal.

LGUs in all levels tend to prioritize organic personnel more than the devolved ones. Constrained, the devolved health personnel turn to other sources to advance their career. The head of office of health in New Corella was able to avail of a 2-month training in Japan, with some financial assistance from the LGU.

The outcomes of the horizontal relations among government entities have been positive. This shows the LGUs concern in concerted efforts to move together towards development. Likewise, decentralization is successful in forging horizontal relations as avenues through which issues on devolution can be discussed, leading to a unified integration of the development plans of the LGUs.