

Engaging Local Government in Social Development Planning: The Case Of Baa, Camarines Sur

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The policy framework: Codal mandates for local planning and people participation

Since the passage of the Local Government Code of 1991 (LGC), local governments have become a significant locus of social development intervention. With decentralized authority for development planning, local governments are able to determine their development goals, plan and execute their programs, and allot funds for social spending. Ultimately, the goal of local governments is to reduce poverty by ensuring the delivery of basic social services to its communities.

The Local Government Code paved the way for greater citizen participation through local development councils (LDCs), mandating that nongovernment organizations (NGOs) and people's organizations (POs) be represented in these bodies, in accordance with Sections 106 and 107 of Republic Act 7160 (Nolledo 1992).

Generally, NGOs are voluntary organizations outside of the government and the business sector. David Korten of the Institute of Development Research in the United States classifies NGOs based on orientations in programming strategy as: (1) first-generation NGOs, or those involved in assistance for relief and welfare; (2) second-generation NGOs, or those involved in assisting small-scale and self-reliant development; and (3) third-generation NGOs, or those involved in sustainable systems development and influence of public policy.

POs are community-based grassroots organizations of individuals from specific sectors such as farmers, fisherfolk, women, and indigenous peoples, which collectively advance their interests and development concerns by self-help and cooperation with NGOs. In some countries, POs are also referred to as community-based organizations or CBOs.

The term *civil-society organization*, or CSO, has recently become a more popular and generic term to refer to organizations including NGOs, POs, foundations, and other voluntary organizations of citizens, sometimes referred to as the "third sector."

Specifically, under Section 109 of RA 7160, the Local Government Code outlines the functions of the local development councils to include the formulation of a comprehensive multisectoral development plan, annual public investment programs, incentives to promote private capital inflows, and the coordination, monitoring, and evaluation of development plans (Nolledo 1992).

The Local Government Code paved the way for citizen participation in local decision-making bodies.

To finance the plan, local governments are vested with powers to tax. Local government units (LGUs) are allowed by law to raise their own revenues by collecting real estate, business taxes, fees, and charges. To supplement this, the Code mandates a formula for the allocation of the Internal Revenue Allotment (IRA), which is the LGU share of national revenues. Twenty percent of the IRA is used for the implementation of development plans. The congressional district representative's Congressional Development Fund (CDF), the legislative pork barrel that the congressman disposes of according to his own priorities, augment these funds.

Given a relatively favorable policy environment for local autonomy, it is important to look beyond the Code into various modes of engagement between civil-society organizations and government, modes that have helped to promote sustainable development; and to define other policy options by which these engagements can be enhanced.

Development theorists and practitioners agree that a significant level of people's participation in local development processes—especially in the planning and implementation of programs—can result in effective and efficient delivery of services and can contribute to poverty alleviation. While it is the duty of the government to deliver social services, NGOs have filled the gap in service delivery by undertaking programs and projects that directly benefit the people. Whether by design or accident, NGO programs tend to complement those of government.

NGO and PO participation in social services delivery maximizes the resources available for such needs. Also, people's participation strengthens democratic political institutions because it allows communities to determine their own path to development while exacting transparency and accountability from their elected officials and the bureaucracy.

The case of Baao, Camarines Sur

The case of Baao, Camarines Sur, illustrates how a local government delivers its social development commitments by harnessing civil society participation in development planning.

Baao is a fourth-class municipality belonging to the fourth legislative district of the province of Camarines Sur. Located southwest of Naga City, the provincial capital, Baao has 30 barangays with 8,496 households, a total population of 46,693, based on the year-2000 national census data. The Office of the Municipal Development and Planning Council of Baao, pegs its annual per capita income at Php5,283.84, equivalent to roughly US\$101.61 as of 2000. Poverty incidence is estimated at 63.7 percent.

In spite of the high incidence of poverty, the municipal government envisages Baao as a potential agro-industrial area. Economic activity is mainly agriculture-based—poultry, egg farming, aquaculture (*tilapia* fingerling production), rice and coconut farming. The municipality's mission statement for the economic services sector, which identifies agriculture, commerce, trade and industry, and tourism as its key development areas, is "to provide favorable business opportunity on agro-industry" (Baao 2001).

The Municipal Development Council

Civil-society organizations are represented in the Municipal Development Council (MDC) of Baao. Unlike most towns in the country where LGUs hardly comply with this provision of the Code, Baao officials have opened the accreditation process to all existing nongovernment and people's organizations in the municipality.

Since 1992, official notices have been diligently sent out to all barangay captains, NGOs and civic organizations for accreditation in the MDC. The CSOs' interest in participating in the early years (1992-1995) was minimal. This can be characterized as the confidence-building stage, when it was not yet clear to CSOs what gain they could derive from participation. From 1995 onwards, the process "matured," and this is where the CSOs became more interested in becoming a part of the MDC. In the following years, CSOs developed a clear development agenda, introduced priorities in the municipal development plans, and submitted some funding proposals for their own organizations' projects. On the whole, CSOs in Baao believe that the MDC processes are transparent and inclusive.

One factor that probably works in favor of people's participation is that the MDC coordinator, Mr. Japhet Badiola, is himself an NGO person. Badiola sits on the board of trustees of the Philippine Rural Reconstruction Movement (PRRM), a national NGO with a branch in Camarines Sur. Badiola defines the activities and achievements of the MDC over the years as "institutionalization of the body from 1992-1995, standardization of rules and procedures in 1995-1998, and in-depth participation between 1998-2001" (PRRM 2001).

Presently, Baao's MDC is composed of all 30 barangay chairpersons, the chair of the municipal council committee on appropriations, and 17 NGO/PO representatives. For the first time since 1992, the district congressman assigned his representative to sit as a member of the MDC. In the past, for no plausible reason, no member of Congress had been active in Baao's MDC. Consequently, the municipality benefited from very few congressional funds.

Although there is now more interest and willingness among CSOs to become MDC members, there has been a decline in the number of CSO members in the MDC from 1992 to the present. This was because—under Article 64 of the Implementing Rules and Regulations (IRR) of the LGC—more stringent rules were applied in the accreditation process for CSOs. For example, the Federation of Baao Women has been organized and implementing its own community projects for some time. But it has yet to be accredited by the Sangguniang Bayan (municipal legislative council), pending the registration of the federation with the Securities and Exchange Commission.

Some NGOs such as PRRM-Camarines Sur argue that the inclusion of a particular criterion for accreditation—that the CSOs must be "community-based with project development and implementation track record of at least one (1) year"—is rigidly applied even to small POs by local accreditation bodies. This discourages greater CSO participation. In many forums where the issue of accreditation has been taken up, current accreditation procedures have been described as too cumbersome. On the other hand, other CSOs welcome strict

procedures in order to prevent bogus NGOs and POs formed by local politicians from benefiting from behest deals with the LGUs.

In this regard, the matter of NGO self-regulation is one important area that needs to be studied by policymakers as a more liberal and viable option for people's participation. The focus of policy work should shift from tightening accreditation procedures and penalizing noncompliance to offering incentives and rewards for compliance and developing process guidelines for participation in LDCs, e.g., managing committees, facilitating meetings, etc., which involve the planning functions of the councils.

In January 1998, the MDC of Baao expanded its membership to include "other implementing units of the local government that are able to articulate the objectives, strategies, costs and results in the implementation of programs and project activities" with the view that "locally planned development programs and projects [are] implemented properly [only] if appropriate matching with the needed funding is made during plans-budget preparation including clear definition of their performance." Moreover, the local council felt that it was in a better position—in the words of Municipal Ordinance No. 2, S.1998, Section 4, Strategic Planning—"to assess development performance of implementing units, improve the system of program/project execution and set the directions for a rational delivery of services and facilities" (Baao 1998).

Unfortunately, the ordinance effectively diminished the voice of the MDC, especially that of the CSO members, in recommending the projects for the Annual Investment Plan (AIP). When choosing priority projects for the AIP, heads of barangays, who are supposedly nonpartisan, nevertheless vote as a bloc to obtain funding they need for their own barangay projects. The votes of the National Government Agency representatives in the MDC further skew the balance of power in the MDC, which is already numerically in favor of government.

The Baao MDC structure

The MDC structure includes the Executive Committee, the secretariat, and the local finance committees, all three of which are mandated by the Code to facilitate the operations of the MDC. Apart from these committees, thematic and sectoral concerns in the development plan are addressed by specific committees, viz., primary health care and social welfare, private sector development and networking, youth and manpower, crops and livestock, environmental management, aquatic resources, and cultural affairs.

Other functional committees include development administration and revenue generation, infrastructure, and monitoring and evaluation committees. Membership in these committees is voluntary, and the level of participation of members defines how functional each will be.

According to MDC coordinator Japhet Badiola, the council meets three times a year on the average. Special sessions may be called for the purpose of realigning funds. In 1999, five special sessions were called to discuss changes in the policies of national government regarding the use of the development fund.

Executive Order No. 189, signed by then President Joseph Estrada, prescribed the manner by which the IRA was to be used, setting stringent limitations to the implementation of the LGU plans. This was exacerbated by Estrada's decision to cut back the amount of IRA to be released to all local governments, violating its constitutional mandate and causing a furor on the part of the LGUs, the leagues of local governments, and civil society in general. The executive order was eventually rescinded.

Instead of meeting monthly as prescribed by Article 182 of the Code's implementing rules and regulations, the Baa0 MDC Executive Committee meets twice a year. Special Executive Committee meetings are called in cases requiring immediate action by the MDC, especially those that pertain to realignment of funds.

Available documents show several cases of fund realignments that happened in 1998, under Mayor Miguel Bolalin Jr. By virtue of Resolution No. MDC-EC 98-07, dated 24 June 1998, the MDC Executive Committee realigned more than Php225,000 for various projects from out of the development funds in order to settle costs already incurred in ongoing projects that were under-budgeted. Earlier, on 1 June 1998, by virtue of Resolution No. MDC-EC 98-03, the Executive Committee realigned Php131,000 from out of the development funds to pay past-due electricity bills of the municipal government (MDC 1998).

The strategic plan

One of the most important contributions of CSOs to the MDC was the drafting of the strategic plan. On 28 and 29 September 1998, the Baa0 MDC conducted a two-day workshop to outline the 1998-2001 municipal strategic development plan, which was subsequently updated to cover the period 2001-2005. PRRM facilitated the planning process. These plans outline the long-term program priorities set by the MDC, which are translated into annual programs, projects, and activities plan and budget, or the Annual Investment Plan.

The proceedings of the 1998 strategic planning exercise reveal that NGOs and POs actively participated in the formulation of the town's vision, mission, goals, and strategies (VMGS) and in identifying the strengths, weaknesses, opportunities, and threats (SWOT) for the municipality. The LGU and the CSOs shared a common framework for agro-industrial development.

Baa0's vision is to be "a progressive agro-industry-based municipality, with God-loving, peaceful and empowered citizenry, enjoying a quality of life, a balanced environment under an effective and viable system of government, being run by professional public servants, complemented by the private sector, and providing efficient delivery of basic services by the year 2004."

Its mission is to "enhance dynamic growth and achieve efficiency and effectiveness in the delivery of basic services and facilities for the general welfare of its people." Specific mission statements include provision of favorable business opportunities; promotion of agro-industrial development; enhancement of ecological balance, social transformation, and moral recovery; initiating genuine people participation and community mobilization; and maintenance and improvement of infrastructure and physical facilities.

The concern of NGOs and POs for environmental issues is reflected in the MDC program to achieve a balance between agro-industry and the environment. It must be noted that the municipality has consistently been winning the “Cleanest and Greenest Municipality Award” for seriously pursuing the concern for environment through proper waste management. Aside from waste management and beautification, the MDC attended to and allotted funds for natural-resource management projects such as reforestation, a multi-cropping development project, the use of organic fertilizer, and enforcement of fishery laws.

The MDC likewise created a committee on community land-use planning to provide clear guidelines and standards for land use, zoning and physical planning for agriculture-based industry development. PRRM representative Dante Bismonte put forward a strong case for food security, especially in relation to land use and industrial development.

Seeing the advantage of officially adopting a coherent strategic plan, the MDC of the town of Buhi followed the example of the Baa0 MDC and undertook a similar strategic planning process.

The Annual Investment Plan

In the annual planning process, the Municipal Planning and Development Coordinator (MPDC) plays a major role. Mr. Badiola drafts the first version of the Annual Investment Plan (AIP) or the spending program for the 20-percent development fund. This draft is presented to the members of the MDC, who deliberate on the consistency of the AIP with their priorities identified in the Strategic Plan. The members are allowed to propose specific projects and activities in the plan, including their budget proposals.

While this process is inclusive and participatory, Mr. Manuel Celleza, the representative of the people’s organization *Kaboronyogan ng Magniniyog sa Rinconada* (KAMARIN), is of the opinion that “the existence of a pro-forma AIP limits the members’ critical and creative thinking, as we are of the impression that the programs or projects we have in mind are already accounted for, if not of low priority.” He suggests that a draft should be done away with, short of saying that the MPDC should actually do the entire planning process. Similarly, Ms. Juliet Lacuin, representative of the Baa0 Parish Multipurpose Cooperative, says that the AIP template, to some extent, encroaches upon the thinking processes of members (PRRM 2001).

After approval of the proposed spending projects and programs, the plans are forwarded to the Sangguniang Bayan for approval. In some cases, the plans are remanded to the MDC for revisions and corrections.

When the need is urgent and the MDC Executive Committee realigns funds, notices of these Executive Committee resolutions should be duly furnished to all members of the MDC and the Sanggunian. Unfortunately, this is not practiced at all times, and it happens that MDC members are informed only verbally about these executive decisions.

Civil-society participation

What were some of the gains realized by the CSOs from their participation?

Apart from the recognition that the CSOs were instrumental in collectively crafting the strategic plan for Baao, projects identified by NGOs and POs have been funded by AIP. For example, PRRM was able to access funds for beekeeping, Sloping Agriculture Land Technology (SALT) training, and solid waste management, which were undertaken by partner POs within Baao.

The MPDC notes that PRRM's role as NGO representative in the MDC Executive Committee is appreciated by local government officials because of its technically competent staff and its ability to bring in a wide range of community groups, and sectors into the development process, from project identification to post-implementation evaluation.

The MDC has also invested in capacity-building for people's organizations such as KAMARIN. In October 1998, the MDC funded KAMARIN's congress, during which the members outlined their development agenda for Baao. This openness has allowed for greater commitment of community organizations to participate in the various development processes in Baao.

However, the planning and budgeting process still has some weaknesses that need to be addressed. While the process is largely democratic in that the priorities in the AIP are collectively determined, the plans are not broken down to the level of operations planning. Even if there is a wide room for CSOs to implement projects with the LGU, the MDC is neither able to evaluate the impact of other elements in the plan (e.g., budget allocation) nor assess the outcomes of the various projects in the strategic plan. For example, decisions on reversions and realignment of development funds can adversely affect the desired results of the strategic plan.

The gap

On the whole, while Baao hovers on the threshold of poverty, the engagement between the local government and civil society continues to grow. A huge gap still exists between development plans and benefits gained in participating. The main obstacle appears to be that meager funds are made available and that effectively, as in most local governments, control is vested strongly in the local chief executive.

Baao, for the last 10 years, has consistently been dependent on the national government's Internal Revenue Allotment. It has failed to raise enough local revenues to fund its own plans. The revenues collected from 1993-2001 merely ranged from a low of Php472,000 in 1994 (~US\$9,076 at the current rate) to a high of Php992,500 (~US\$19,087) in 2000. Total available revenues, including IRA ranged from Php10,193,200 (~US\$196,023) in 1993 to Php31,075,900 (~US\$597,613) in 2000. Baao's dependency on the IRA continued to grow from 85.4 percent in 1993 to 91.2 percent in 2000.

From the municipality's expenditure patterns, it is difficult to deduce which projects contributed to social development. The municipality still has to build

physical infrastructure for basic needs. From figures available, however, health spending has been increasing from 1993 to 2000. Baao spent Php1,358,630 in 1993 and Php3,011,740 in 2000. Although much of the figures reflect increased spending for health personnel, whose salary payments were devolved to the LGUs in 1992, there is a steadily increasing pattern for maintenance and operating expenses. As a percentage of the budget, health gets 9-12 percent of the total, far more than the prescribed standard of the World Health Organization at 5 percent.

The budget for Gender and Development (GAD), on the other hand, still needs improvement. While the municipality tries to allocate the mandated 5 percent to gender-related programs, the types of GAD projects undertaken do not directly promote greater gender awareness and sensitivity. Examples of these are youth sports programs, promotion and preservation of traditional and cultural heritage, identification of tourist spots, annual cultural contest, and fire-fighting brigades.

Bridging the gap

As various studies on fiscal autonomy and decentralization have shown, financing for development has been a nagging constraint for local governments. While decentralization has allowed room for political autonomy and people's participation, this has not yet translated into poverty alleviation. Policy options being considered to address IRA dependency involve some amendments to the IRA computation to include poverty indices rather than simple population and land-area factors. Poverty-sensitive indicators have yet to be developed and standardized for IRA reformulation.

On the matter of raising revenues, it is important to look deeper into how the implementation of existing tax laws can be improved. In Baao, the completion of the land use program and zoning plans will contribute greatly to determining appropriate real estate taxes, especially for industrial areas. Besides strict collection, Baao can consider legislating incentives for tax collection on agro-industries (e.g., incentives for environment-standards compliance), especially once the zoning is finalized.

Engaging local government for social development is a crucial task requiring technocratic skills, people participation, and an open and free exchange of information and ideas among the actors of development. Policy reforms that will enable greater democratic participation need to be identified at the various levels of governance, starting from what can be done by the local legislature, to what rules or laws can be amended or enforced more strongly with political will, both at the level of the local and national executive. Amid all these, community action for these reforms is ever crucial.

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