

MAKING DECENTRALIZATION WORK IN THE PHILIPPINES: The Experiences of Canada-Philippines Partnership Program

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Abstract

A multi-stakeholder strategy development and project implementation capacity development program facilitated by the Canadian Urban Institute in the Guimaras Province and replicated in Metropolitan Iloilo region and Boracay Island, Philippines have resulted in local governments units embracing their responsibilities associated with decentralization more efficiently, effectively and democratically, abiding by principles of sustainable development . Optimizing limited resources, substantial improvements in solid waste management, ecotourism and agro-industry at the local and provincial levels have also been achieved over the course of 8 years.

Strategi pembangunan yang melibatkan seluruh stakeholder dan adanya program pembangunan kapasitas untuk pelaksanaan proyek yang difasilitasi oleh Canadian Urban Institute (CUI) di Provinsi Guimaras yang kemudian direplikasi di Wilayah Metropolitan Iloilo dan Pulau Boracay, Filipina, telah menghasilkan unit-unit pemerintah lokal yang mampu menjalankan tanggung jawabnya berkaitan dengan desentralisasi, dengan lebih efisien, efektif dan demokratis, berdasarkan prinsip-prinsip pembangunan yang berkelanjutan. Dalam kurun waktu 8 tahun, pengoptimalan sumber daya yang terbatas, perbaikan menyeluruh dalam bidang manajemen persampahan, ecotourism, dan agroindustri pada tingkat lokal dan provinsi telah dapat dicapai.

I. INTRODUCTION

A tradition of strong central government power and control in the Philippines, which dates back 400 years to the beginning of the Spanish conquest, made an important reversal in 1986 with the advent of the People's Power Revolution. This revolution brought the country into its current era of democratic development. By 1991, the Local Government Code (LGC) had been passed, beginning the trend toward government decentralization and empowerment of local communities, thereby deepening the roots of democracy (see box). The LGC, considered one of the most revolutionary local government reform laws in Asia, describes a system of sound local governance based on the principles of openness, accountability, efficiency, equity and respect for the rule

of law. The Code gave Local Government Units (LGUs) the power and responsibility to undertake basic services previously performed by the central government. Before 1991, national-local relations were characterized by strong centralism.

The passage of the LGC, however, has altered that hierarchical relationship, giving LGUs more autonomy, power, responsibilities, and some (although many would argue not enough) new sources of revenue to enable them to support the devolved functions.

But implementation of the new law poses many challenges. Local governments in the Philippines have to rapidly build their capacities to take on their new responsibilities, to reinvent the ways in which their institutions operate, and to find ways to involve citizens in planning and decision making to ensure that services are responsive to citizen needs.

II. THE LGUs AND THEIR CIRCUMSTANCES

Three local government units in Western Visayas, Philippines (see map) have decided to develop their capacities to manage local affairs according to principles of sustainable development: economic vitality, environmental integrity and democratic decision-making. Quite suddenly a significant degree of powers and responsibilities had been transferred downwards to these LGUs; yet overall there was a lack of human and technical capacities to absorb them. One of the major constraints of these LGUs is the prevailing poverty and was placing a significant strain on the delivery of services, especially in the area of social services and health. What was needed was a program that will help build capacity in managing social, economic and environmental issues in partnership with local communities, as well as to increase efficiency in service delivery and to foster good governance.

The island *Province of Guimaras* is nestled between the larger islands of Panay and Negros Occidental in the Western Visayas. The island has a total area of 60,465 hectares (about the same area as Singapore) and a population of 133,000. Located just 3 kilometres across the straight from the medium-sized city of Iloilo (population 330,000 and capital of Iloilo Province), Guimaras can be considered to be a peri-urban region that is coming increasing under the urban growth shadow. The economy of Guimaras is based primarily on agriculture and agri-based industries, producing mangoes, cashews, coconuts, corn, rice and citrus fruits. Once a sub-province of Iloilo, Guimaras was granted full Provincial status on May 22, 1992. Because of its ranking among the 20 poorest provinces in the country and with its LGUs still considered to be in their infancy, the national government has given Guimaras priority status for development. This has meant greater financial and technical assistance directed toward the province, but also a real need for capacity development vis-à-vis other places in the country.

Metropolitan Iloilo is situated about 500 kilometres south of Manila and composed of the Municipalities of Leganes, Oton, Pavia, San Miguel and the

core municipality of Iloilo City. The urban region is facing rapid and poorly coordinated growth in recent years. The metropolitan area is the largest urban centre and the regional capital of the Western Visayas region. Founded by the Spanish in 1571, the core city of Iloilo is the second oldest in the country and among the five biggest urban centers in terms of population. With a combined population of close to 500,000 and an annual growth rate of 2 percent or more, the urban region is one of the fast-growing economic, education and industrial centers of the Philippines. Iloilo City's social and economic problems brought about by urbanization have begun to slowly encroach on the more serene quality of life of its four neighboring 'suburban' municipalities. This growth has not been accompanied by suitable improvements in the urban region's capacity to govern.

Boracay Island is located on the northern tip of Panay island, within the municipality of Malay, Province of Aklan. Over the past decade, this tiny island has experienced rapid growth of the tourism economy and has fast become one of the most popular destinations for visitors to the Philippines. Growth of tourism facilities and infrastructure on the island has been taking place without due regard for the island's development plans and guidelines and, as a result, environmental degradation of the island's fragile ecosystem continues to grow. This degradation threatens tourism, which is the foundation of the local economy and the source of livelihood for most of the island's residents. Little attention had been paid to issues of sustainable development, carrying capacity, participatory process or the need for partnerships for orderly development.

III. THE INNOVATIVE PRACTICES

The Canada-Philippines Partnership Program for Economic Development and Environmental Protection started when the Provincial Government of Guimaras together with the Canadian Urban Institute embarked on a strategic planning and development process to respond to the needs of the fledgling province in 1994. The planning process involved three tiers of government—provincial, municipal, and barangay—and was undertaken in three phases.

During Phase I, a multi-disciplinary team of local government leaders and NGO representatives designed the program tapping into Canadian expertise for technical advice. Following this, stakeholders organized a series of grassroots strategic development workshops to prioritize issues and generate primary data for anchoring subsequent barangay action plans.

This led to the completion of Phase II two years later, which resulted in the institution of participatory, community based strategic planning, and management processes for all three levels of the local government.

In Phase III, the program facilitated the formulation and implementation of an integrated solid waste management plan, a provincial economic development strategy, and a community-based tourism action plan.

- The **integrated solid waste management** plan for the whole island has significantly altered the way in which the island manages its solid waste (including recycling and composting). The process involved communities and stakeholders from across the island toward creating a vision for a “clean and green” island. The result is that now a series of 15 solid waste management demonstration projects are being implemented island-wide through local government–community partnerships.
- In pursuit of economic prosperity, Guimaras tackled **local economic development** through the preparation of an economic development strategy for the island, which was completed through a broad-based participatory process with civil society and the private sector. The plan is now beginning to be implemented through various demonstration projects. These include the implementation of a provincial tourism action plan, which has included the establishment of a municipal tourism promotion demonstration project in the Municipality of Nueva Valencia and which is also now building the infrastructure for community-based heritage tourism on the island; the establishment of the institutional mechanisms for ongoing economic development through the creation of a Guimaras Economic Development Office. Business support services like the development of an investment marketing program through a website, promotional written materials and aggressive participation in trade and economic fairs; the implementation of small-scale initiatives aimed at creating new economic opportunities for individuals and small businesses in the island’s largely agrarian economy.

Similarly in Phase III, Guimaras experience have been **shared and replicated** elsewhere in the Philippines. This was done in two other local governments in the Western Visayas—Boracay Island, Municipality of Malay and Metropolitan Iloilo Region (see map) through sharing workshops, how-to manuals, case studies and study visits.

- **Promoting sustainable development in Boracay Island.** CUI has been working with the Department of Tourism, the Municipality of Malay and the Province of Aklan to improve the environmental and growth management of this small tourism-oriented island. Outputs have included preparing and providing support in the implementation of a participatory Sustainable Development Strategy for the Island, a solid waste management action plan, and strengthened development guidelines and municipal ordinances. Included with this was a comprehensive capacity development program directed at local government representatives and community and private sector stakeholders, which included an element of partnership building for action.
- In 1999, the Province of Aklan Tourism Master Planning Process, which utilized the participatory strategic process was started by the Program.
- **Addressing challenges of urbanization in Metropolitan Iloilo.** The strategic urban management approach pioneered in Guimaras has been used

in the urban region to prepare a solid waste management action plan and an environmental management plan. It has also been used to build partnerships among the five municipalities in the urban region to create the Metro Iloilo Development Council (MIDC), a regional service delivery coordination body that has now been formally launched and budgeted. It will serve to coordinate urban-region-wide services and functions, such as land use planning, environment, public safety and security, basic service delivery, economic development, and infrastructural development.

IV. ACHIEVEMENTS

The program's unique approach allowed local authorities to embrace their responsibilities associated with decentralization more efficiently, effectively and democratically, abiding by principles of sustainable development and optimizing limited resources. This model has been replicated with success in two other locations in the country, and shared with other countries in Southeast Asia.

The extensive participation of stakeholders in strategic planning and project implementation laid down a solid foundation for mutual feedback between local authorities and their constituents in setting developmental priorities and strategies. Strategies were first developed at the barangay level before they were up-scaled into strategic municipal and provincial plans. The program also facilitated the formulation and implementation of an integrated solid waste management plan, a provincial economic development strategy and community-based tourism action plan.

The multi-stakeholder consensus built on action strategies for environmental improvement, solid waste management, metropolitan governance and improved regional growth management were achieved. Five local governments and community/private sector/academe stakeholders exposed to new strategic approaches to urban management and cooperative governance practices.

All five municipalities in the urban region have approved and budgeted the formation of the Metropolitan Iloilo Development Council (MIDC) as a regional urban body to tackle pressing urban issues such as planning, waste management, economic development, transportation, and provision of other regionally-oriented services. A new organizational structure has been established, staffed and budgeted within Iloilo City for implementing the environmental management plan – City Environment and Natural Resources Office (CENRO).

Likewise, in Boracay Island, the sustainable island development plans, experiences and knowledge generated have been successfully transferred to the Municipality of Malay and Aklan Province through the tourism master planning process for the province and the island. Public participation process piloted by CUI in Boracay has been applied to the tourism master planning process. The Municipality of Malay has established a new Special Task force to steward and

sustain environmental protection activities in the island through its new partnership approach with private sector, civil society and barangays. The project's sustainable development planning process has raised awareness of critical 'carrying capacity' issues on the island and driven forward the agenda for improvement to environmental infrastructure on the island – an OECF-funded project (Boracay Environmental Infrastructure Project, or BEIP) is currently being undertaken that will bring proper sewerage and piped water to the island.

Another approach used was the **leveraging of resources** of other international partners. The CUI-initiated strategic urban management approach is also being used to leverage support from and/or to coordinate the work of other international agencies active in Guimaras. Leveraged support and coordinated international programming has been achieved with CIDA's bilateral Local Government Support Program (LGSP), Ottawa-based Institute on Governance (IOG), AusAid, GTZ, the EU-funded SMISLE program and the Asian Development Bank. As concrete examples, both IOG and the GTZ cooperated with CUI on the Island's integrated solid waste management program, providing respectively funding for an action research process and technical guidance in plan formulation and implementation.

V. LESSONS LEARNED

The program has established a multi-stakeholder structure that is integrated and fully institutionalized, thus ensuring that the program meets local needs and priorities over time. The local government units, national government agencies, businesses, and community representatives regularly update program components with the community's changing needs will ensure sustainability beyond the life of the project.

Major challenges involved creating support for programs at the high levels in government agencies, working with an uneducated population and tempering expectations. These issues were constructively addressed by establishing and mobilizing a multi-stakeholder team and slowly building a large constituency, gaining the support of "key champions" (local government decision-makers and community opinion leaders) through capability enhancement measures, trickling up new concepts, and working through pilot projects so that stakeholders could see immediate results of their work.

The pursuit of good governance requires a sustained and focused effort over many years. The full entrenchment of democratic governance practices and values in the Philippines will likely take decades to achieve. In turn, local government capacity building within the context of strong decentralization policies is a process that must accompany this reform over many years.

Flexibility and adaptability are essential requirements for working in the area of public sector reform in the Philippines, especially at the local level. Democratic governance is still very young in the country and decentralized

been the inherent flexibility that is built into our results-based management framework, as well as an accompanying flexible approach by those responsible for management of the program. This allowed us to steer a course that met local needs and priorities all the while at a tempo that was agreeable to our partners (albeit faster than under normal circumstances).

It is important in the Philippines to understand how politics and political stripe are deeply entrenched in the Philippines psyche and significantly impact on life at almost all levels – not just in government but also within communities. Special attention must be taken to ensure a “detached professionalism” when implementing projects (especially those within government), while at the same time having a deep knowledge of politics and a healthy respect for the importance of politics in the society. This detached professionalism without political bias has allowed our projects in the Philippines to weather changes in political leadership at the executive level and turnover of political parties at the legislative level, thereby maintaining support from one administration to the next.