

Email Interview with Mayor Jesse Robredo, Naga City

Dear Alecks,

Below are my responses to your questions:

What do you think are the Code's best features that have helped revolutionize local administration and development as far as Naga's experience is concerned?

From our experience, and from our participation in international conferences on decentralization, the Code provisions promoting participation and partnerships actually stand out as its best features, mainly because it is where Naga City carved its niche – participative governance which has become part and parcel of our 2015 vision.

Of course, having more resources, more power and more authority than ever before – which the Code made possible – is desirable, especially for the well meaning executives. But they do not always translate into what is best for the public and for the local community. What we need are social accountability mechanisms that will ensure improved outcomes at the level of ordinary citizens. Which is why I put premium on the provisions on participation and partnerships because they form part of these accountability mechanisms.

In reading and implementing the Code, I always look back at Section 3, which contains the 13 operative principles of decentralization. To me, this is very important because that particular section captures the whole essence of local autonomy and the potentials of what the Code can do for local communities. But like the Parable of the Talents, these principles will only be meaningful if used fully, and not consigned to the dustbin like the wicked slave did who merely buried the Lord's gold under the ground.

In conceptualizing initiatives aimed at improving service quality to our citizens and customers, and in promoting local development of the city, the 12th principle – involving the private sector in local governance – has served Naga very well. This was further elaborated on under Sections 34-36 (which comprise an entire chapter on LGU-NGO-PO relations); it became the legal basis for our internationally recognized Empowerment Ordinance of 1997, which led to the establishment of the Naga City People's Council (NCPC), the local federation of NGOs and POs that is effectively co-governing with us in the city.

Today, people participation – both by organized groups and by individual citizens – is not just a buzzword in Naga; it has defined that way governance is practised in the city, and has improved outcomes precisely because of its inclusive nature. The most recent affirmation came from the draft progress report on the Millennium Development Goals (MDGs) in Bicol, which was commissioned by the NEDA, covering the six provinces and three cities of the region. Naga did very, very well in that report.

On the other hand, what are its features that have tended to hinder or delay the forward march of LGUs like Naga?

One of my top advocacies these days is education, spurred by our experience in reinventing the Naga

City School Board. There are various reasons, but to me, the most important is its long-term implication: quality basic education is the best way of securing Naga's future, and in ensuring whatever advances we have made in participative governance and in building a more livable city will not go to waste. If we can make our public school system world-class – at par with, if not better than their private sector counterparts – then Naga will produce a steady stream of competent servant leaders like the late Raul Roco and incumbent Sen. Joker Arroyo.

But under the Code, the Local School Board is woefully underutilized, reflecting a centralized public school system that, for the last three decades, has simply failed to work. The provisions regarding the LSB, to my mind, reinforces this institutional ineffectiveness and worse, shackles progressive communities like Naga, Bulacan, Cebu and Marikina.

A related issue – although not strictly Code-related, but again has to do with the central-vs.-local dynamics inherent in any decentralization experience – is what I believe are counterproductive rules in regard to procurement, as well as financial management. The intentions behind the new Procurement Law are laudable, but they are severely constricting our institutional capability to respond when needed. The documentary requirements asked of potential bidders are so voluminous, and the process they need to go through (from securing bid documents to collecting payment) too laborious they turn off suppliers who could have provided the goods and services we need at a much lower cost. Truth of the matter is, this effectively constitutes barrier to entry, which actually puts government at a disadvantage.

There is also the issue of the Commission on Audit's restriction in regard to computerizing our financial management system. A COA circular bars us from doing so, mainly because COA has developed its own proprietary system that it intends to implement all over the country. But we have seen that much-ballyhooed system COA is effectively imposing and plainly, I am not impressed. Our EDP, with the help of the local ICT community in Naga, can actually come up with a superior system.

In light of the latter, what do you think are particular areas that need to be improved or addressed?

In regard to education, a wholly centralized public school system runs against the grain of the decentralization movement that is reshaping public governance all over the world, which the 1991 LGC brought forth in the Philippines. I am therefore advocating calibrated decentralization of basic education – in localities which are administratively and financial ready, and will demand for this type of arrangement.

In regard to procurement and government financial management, the bottomline is differentiation: all localities are not only created unequal, but over time, thanks to the opportunities of decentralization opened up by the Code, some have become better than most. It is bad policy to pursue a one-size-fits-all approach that fails to recognize these nuances. The national government will do well in allowing localities with good track record in procurement, ICT development and overall LGU management the required flexibility to innovate, do more with less, and improve outputs and outcomes – which will redound to the benefit of their constituents. These "entrepreneurial LGUs" need to be rewarded, instead of being chained by some archaic rules and mindsets.

What are your specific recommendations in so far as amending or introducing new provisions in the Code?

At the end of the day, the Code needs to be revisited in regard to its avowed objectives, and there are three: (a) Responsive and accountable local government structure (Sec. 2a); (b) Exacting public accountability (Sec. 2b); and (c) Building stakeholdership (Sec. 2c).

My proposals in regard to education, procurement and financial management outlined above already forms part of my recommendations for the first objective. To that, I will add the need for a more responsive and relevant sharing scheme for the Internal Revenue Allotment (IRA), which will remain a controversial issue in view of the continuing effort to convert more towns into cities. I have written several papers about it, but for brevity, let me highlight the following recommendations:

1. **More realistic sharing based on current demographics.** Philippine cities today are supporting between 34-43% of the population. Obviously, a 23% share is no longer tenable. The most logical source would be the share of provinces, which have emerged as clear winners under the current scheme.

2. **Portability of municipal IRA.** Allowing municipalities up for cityhood to bring along their municipal IRA allocation will mitigate the huge cost of conversion. (The additional 57 cities converted since 1991, for example, represents an opportunity cost of P238 million for each of the 60 original cities.) One possible approach is to assign a fixed municipal IRA share that will be automatically transferred to the cities' total IRA for every approved conversion. Another is treating the municipal and city IRA shares as one pool so any further conversion will not affect the total.

3. **Inclusion of performance-based criterion.** At least five percent (5%) of the annual IRA should be set aside as a performance-based facility which will be shared among provinces, cities and municipalities based on their efficiency and effectiveness in mobilizing local revenues. This will encourage them to pay attention to fiscal discipline and more efficient governance.

Finally, let me end by touching on the 2nd and 3rd objectives, which is related to what I pointed out about the Parable of the Talents. You will recall that in that parable, the wicked slave – who buried the gold entrusted to him – was punished by our Lord by casting him into the darkness. This resonates clearly with the need to exact accountability among local officials, and the Code can explicitly mandate a performance evaluation system among elected officials – particularly chief executives – that will rate them comprehensively, and whose results should be publicized nationwide to allow for comparison. This will empower voters with a solid basis for their decisions come election day: whether to reward their leaders with another term, or cast them off into political oblivion.

I hope you find the above in order.

Jesse Robredo