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Metro Iloilo Development Council: In Pursuit of Managed Urban Growth

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Metro Iloilo Development Council: In Pursuit of Managed Urban Growth

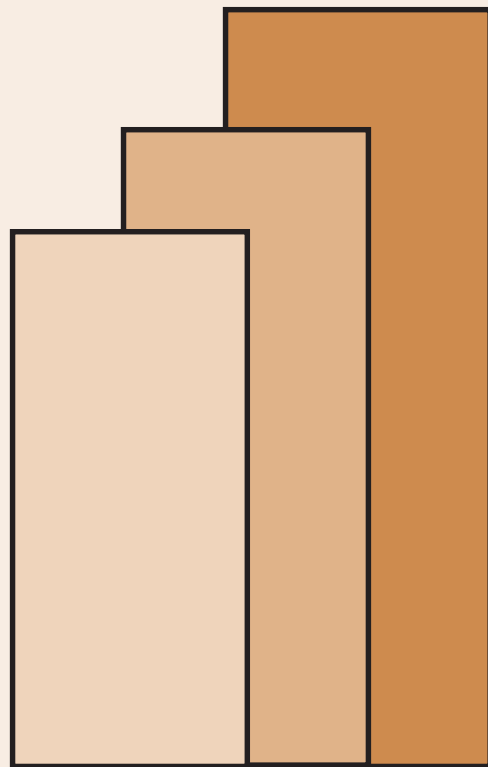
Eden C. Villanueva and Janet S. Cuenca

DISCUSSION PAPER SERIES NO. 2004-52

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ABSTRACT

The challenges posed by urbanization cannot be underestimated. Despite the apparent advantages of urbanization, the accompanying issues must be properly addressed lest the benefits cannot be fully obtained or at worse, they can be diminished. Apparently, managing urban growth has been the concern of the country not only at the national level but at the local level as well. Thus, in addition to the challenges and opportunities brought about by decentralization in terms of resource mobilization and allocation and delivery of basic services, local government units are also facing more complicated pressures of urbanization. Various initiatives are undertaken as response to the many urbanization issues such as traffic congestion, solid waste management, pollution, and informal settlement to name a few. At the local level, more and more local government units are moving towards metropolitanization. It involves a highly urbanized city and adjacent towns entering into a collaborative partnership for effective and efficient delivery of urban services that cut across boundaries. These services include but are not limited to land use planning, solid waste management, traffic management, and water supply. As a highly urbanized city in the Western Visayas experiencing these issues, Iloilo City, along with its adjacent municipalities, has entered into this kind of local collaboration known as Metro Iloilo Development Council (MIDC).

This paper aims to present the experience of MIDC in its pursuit for “a highly livable region of God-loving and educated people working together for a progressive, self-reliant and sustainable community.” It provides the socio-economic development in Iloilo City, MIDC's core city and delves into urbanization issues and responses of Iloilo City in terms of resource mobilization and allocation, and delivery of basic services. It also gives a background on the creation of MIDC and highlights the experience of MIDC in working together towards the attainment of its vision.

Keywords: Metropolitan Iloilo Development Council, MIDC, interlocal government cooperation, Iloilo City, metropolitanization, metropolitan arrangement

Executive Summary

The challenges posed by urbanization cannot be underestimated. Despite the apparent advantages of urbanization, the accompanying issues must be properly addressed lest the benefits cannot be fully obtained or at worse, they can be diminished. Apparently, managing urban growth has been the concern of the country not only at the national level but at the local level as well. In the case of Iloilo City, the local government has managed to address urbanization issues that confront the city. In terms of delivery of basic services, it is able to meet the needs of its populace despite its limited resources due to its political will, innovativeness and ability to maximize the advantages of private sector and NGOs participation.

Nevertheless, to be able to sustain existing activities and fund more programs, the city government still needs to strengthen its political will as far as revenue generation and expenditure management are concerned. It should take full advantage of the taxing powers given to local governments. For instance, the city could religiously revise the assessment of real properties every three years considering that it has become a highly urbanized city. Given that GRA could be costly, other innovations could be done to pump RPT collections. The establishment of one-stop-shop in the city for payment of taxes is noteworthy as well as the aggressive tax collection through tax audits. On the other hand, computerization of RPT assessment and collection records might be good ideas to consider. At the same time, tax mapping can be further improved through the use of information directly from the barangay level.

Tapping of non-traditional source of revenue can also be considered like having a good LGU economic enterprise management. The city could have increased its locally sourced revenue by adjusting the fees and rentals of economic enterprise so that this will serve as revenue center instead of cost center. As expected, such move would create public opposition but this can be lessened, if not avoided, through information and education campaign and public hearing. Fiscal management should not be jeopardized by political considerations. More importantly, the local government must be able to prove its constituents that the taxes and fees they pay translate into better delivery of services.

On the one hand, Iloilo City is also confronted with more complicated pressures of urbanization. However, it will not face up with the challenge single-handedly as it has entered into an inter-local agreement with its adjacent municipalities. The said agreement is dubbed as "Metropolitan Iloilo Development Council" (MIDC). The MIDC is composed of Iloilo City, Leganes, Oton, Pavia and San Miguel. The concerned LGUs voluntarily entered into an agreement for a metropolitan arrangement with knowledge on such arrangement as well as understanding of its advantages through the capability building activities of the Canadian Urban Institute (CUI). The CUI has been instrumental in the creation of MIDC. Moreover, the active participation of various stakeholders is also noteworthy.

Under the metropolitan arrangement, the LGUs identified areas of collaboration which include environmental management; land use planning and management; public safety and security; infrastructure development; basic

services delivery; and economic promotion. Also, they determined the extent of collaboration in terms of programming and resource allocation. Together, the MIDC LGUs formulated action plans along the areas of collaboration and some of which have already materialized. The MIDC has gone a long way in its three years of existence. To wit, the Metro Iloilo Physical Framework Plan is one of its major accomplishments. Other accomplishments are not in the form of physical structure or social services but they should not be underestimated. The series of workshops and study tours for the capacity building of the local executives, staff and leaders are essential in the light of the more flexible governance under the decentralized framework. Harnessing the capacity of local leaders will enable them to use such flexibility effectively and efficiently. In addition, the MIDC members have started to reap the fruits of their cooperation. For instance, LGUs benefited from sharing of information and encouragement for each other that result in member LGUs' adoption of programs such as Sentrong Sigla.

In the MIDC framework, Iloilo City will remain as the center for residential, commercial, financial, and educational activities of the region while the other four (4) LGUs will be the satellites. Pavia will serve as the agro-industrial center; Leganes as the center for light industries; San Miguel as the agricultural basket; and Oton as a residential area. The caveat with this designation is that the role of each LGU only serves as a guide for their planning but the jurisdiction for the economic decisions will still depend on what each LGU intends for their own locality. The local chief executives maintain their authority to govern over their respective LGU and constituents. Further, it is important to bear in mind the vital role LCEs play in the success of the MIDC. Although each member had already signed the MOA, joint development planning and implementation would still be voluntary. It would still depend on their jurisdiction what the extent of collaboration would be. Hence, like what had happened during the creation of MIDC, its success involved a lot of political maturity from the local officials. The change in local government leadership of any of each town, especially Iloilo City, would greatly have an impact on the operation and success of MIDC.

Further, not all services can be and should be jointly delivered by member LGUs. It should always be clear to MIDC members that new political structures are not created by this kind of arrangement. Hence, one local government could not compel another member to enter into a joint project. In the case of a common slaughterhouse being proposed by the Municipality of Leganes to the City of Iloilo, the city has the absolute discretion to enter or not into such collaborative project. Nevertheless, membership to MIDC is an advantage considering that it is a formal avenue to discuss and negotiate the possibility of such arrangement and the implications on administrative matters and fiscal management of having a common economic enterprise. In fact, this could fall in one of the benefits of local collaboration – the economies of scale.

Fund management problem, on the other hand, is raising pressure on the Council whether to enter into a different kind of institution – a private entity. At present, the fund of the Council is being managed under the trust fund of Oton municipality (its mayor act as the treasurer). There is a plan to register MIDC to SEC as a non-profit corporation. Nevertheless, this will raise issues on having a private institution that is so much involved in the planning and decision-making for the five government organizations. Lastly, the contribution of Canadian Urban Institute (CUI) in the success of MIDC cannot be undermined particularly in

enhancing the capacity of the city and the four towns to run their own governments and MIDC. CUI's commitment to MIDC will end in 2006. The Council should be ready by then, not only in terms of capacity but as a strong metropolitan institution as well.

Metro Iloilo Development Council: In Pursuit of Managed Urban Growth
Eden C. Villanueva and Janet S. Cuenca¹

I. Introduction

The challenges posed by urbanization cannot be underestimated. Despite the apparent advantages of urbanization, the accompanying issues must be properly addressed lest the benefits cannot be fully obtained or at worse, they can be diminished. Apparently, managing urban growth has been the concern of the country not only at the national level but at the local level as well. Thus, in addition to the challenges and opportunities brought about by decentralization in terms of resource mobilization and allocation and delivery of basic services, local government units are also facing more complicated pressures of urbanization. Various initiatives are undertaken as response to the many urbanization issues such as traffic congestion, solid waste management, pollution, and informal settlement to name a few. At the local level, more and more local government units are moving towards metropolitanization. It involves a highly urbanized city and adjacent towns entering into a collaborative partnership for effective and efficient delivery of urban services that cut across boundaries. These services include but are not limited to land use planning, solid waste management, traffic management, and water supply. As a highly urbanized city in the Western Visayas experiencing these issues, Iloilo City, along with its adjacent municipalities, has entered into this kind of local collaboration known as Metro Iloilo Development Council (MIDC).

Iloilo City is about 283 statute miles from Manila through Antique waters and 337.6 nautical miles through Capiz waters. It is only 55 and 25 minutes away by plane from Manila and Cebu, respectively. It has a land area of 7,023 hectares and is divided into six (6) districts namely City Proper, La Paz, Jaro, Molo, Mandurriao, and Arevalo composed of 180 barangays. It is bounded by Municipalities of Leganes and Pavia in the North-East; Municipalities of Pavia and San Miguel in the North-West; Iloilo Strait in the South-East; and Iloilo Strait and Municipality of Oton in the South-West. These municipalities together with Iloilo City make up the MIDC (**Annex Figure 1**).

This paper aims to present the experience of MIDC in its pursuit for “a *highly livable region of God-loving and educated people working together for a progressive, self-reliant and sustainable community.*”² It is divided into four sections. Section II provides the socio-economic development in Iloilo City,

¹ The authors are Senior Research Specialist and Research Specialist at the Philippine Institute for Development Studies, respectively. The study was done in collaboration with Mr. Harold Alfie Marshall, Planning Officer IV of POPCOM Region VI. The valuable research assistance of Jethro Pastorpide of the City Government of Iloilo, and the cooperation of local officials and staff of MIDC LGUs and private organizations are highly appreciated.

² Metro Iloilo Development Framework Plan, 2004-2014

MIDC's core city. Section III delves into urbanization issues and responses of Iloilo City in terms of resource mobilization and allocation, and delivery of basic services. It also gives a background on the creation of MIDC. On top of these, the section highlights the experience of MIDC in working together towards the attainment of its vision. Lastly, Section IV presents the conclusion and recommendation of the study.

II. Socio-economic Development in Iloilo City

II.1. Demography

Based on the National Census in 2000, Iloilo City has a total population of 365,820 composed of 72,218 households. It has a population density of 6,533/sq.km. and has an average household size of 5. Population grew from a rate of 1.47% in 1990-1995 to 1.93% in 1995-2002 (**Table 1**). These growth rates are relatively low compared to the national average of 2.32% in 1990-1995 and 2.36% in 1995-2000. However, the adjacent towns of the city, which experience the spillover effects, are the ones posting rapid growth rates in 1995-2000. For instance, Leganes population grew by 4.36%, Oton by 3.05%, Pavia by 4.48 and San Miguel by 2.12%. This pattern in population growth rates could be attributed to an already densely populated Iloilo City compared with the adjacent municipalities whose population densities only range from a low of 651/sq.km (San Miguel) to a high of 2,139/sq.km (Pavia).

Table 1

	Population Growth Rate (%)	
	1990-1995	1995-2000
Philippines	2.32	2.36
WESTERN VISAYAS	1.30	1.56
Iloilo Province	1.06	2.10
METRO Iloilo	1.49	2.34
ILOILO CITY	1.47	1.93
Leganes	0.73	4.36
Oton	1.63	3.05
Pavia	2.21	4.48
San Miguel	1.26	2.12

Source: Census of Population, NSO

Table 2 shows the predominance of the city's female population in 1980 and 1995. Majority of the female population is in "15-19" age group. On the other hand, male population is concentrated in "5-9" age group. The dependency ratio in 1980 registered at 71 percent with young dependency ratio

placed at almost 64 percent. In contrast, dependency ratio declined to a low 59 percent in 1995 with young dependency ratio of 52 percent.

Table 2
Percentage Distribution of Population by Age Group and Sex, Iloilo City

Age group	1980 Total Population				Age group	1995 Total Population			
	Number	Percent to Total				Number	Percent to Total		
		Both	Male	Female			Both	Male	Female
All ages	244,827	100	47.86	52.14	All ages	334,539	100.00	48.42	51.58
Under 1	7,410	3.03	1.55	1.48	Under 1	7,455	2.23	1.15	1.08
1-4	25,821	10.55	5.36	5.18	1-4	29,060	8.69	4.49	4.20
5-9	29,245	11.95	6.26	5.68	5-9	36,493	10.91	5.59	5.32
10-14	28,721	11.73	5.88	5.86	10-14	36,007	10.76	5.41	5.35
15-19	29,126	11.90	5.50	6.40	15-19	39,282	11.74	5.50	6.25
20-24	24,599	10.05	4.42	5.62	20-24	33,287	9.95	4.76	5.19
25-29	20,576	8.40	3.94	4.46	25-29	28,578	8.54	4.15	4.39
30-34	15,055	6.15	2.95	3.20	30-34	24,991	7.47	3.62	3.85
35-39	12,657	5.17	2.42	2.75	35-39	22,569	6.75	3.29	3.46
40-44	11,838	4.84	2.27	2.56	40-44	18,620	5.57	2.73	2.83
45-49	9,757	3.99	1.83	2.16	45-49	15,078	4.51	2.17	2.34
50-54	8,193	3.35	1.52	1.83	50-54	10,891	3.26	1.50	1.76
55-59	6,380	2.61	1.17	1.43	55-59	9,585	2.87	1.27	1.60
60-64	4,984	2.04	0.92	1.12	60-64	7,625	2.28	1.01	1.27
65-69	4,426	1.81	0.79	1.01	65-69	5,834	1.74	0.73	1.02
70-74	2,765	1.13	0.50	0.63	70-74	3,994	1.19	0.48	0.71
75 and over	3,274	1.34	0.58	0.76	75-79	2,488	0.74	0.28	0.46
					80-84	1,678	0.50	0.19	0.31
					85 and over	1,024	0.31	0.10	0.20

Source: 1980 Census of Population, NSO

As regards migration, Iloilo City used to be an out-migrating city in the late 70s. The migration rate was -0.7 percent. The trend was markedly reversed in the 80s with migration rate at 0.8 percent per year. The pattern followed both inter-regional and inter-district migration. According to Iloilo City's Comprehensive Land Used Plan (CLUP), the city's Land Use and Facilities Plan regulates net migration due to limited area and facilities. The city can only accommodate 405,000 people at the maximum. Nearby towns such as Pavia, Leganes, Oton, and San Miguel and even distant towns of Sta. Barbara, Tigbauan, and Zarraga will have to absorb the additional population pressures. Further, the strict implementation of the no-squatting policy is expected to control in-migration.

Based on Iloilo City Population Commission Office's citywide survey in 2003, the resident population of the city is 391,293, which is little below the maximum total population. Crude birth rate is estimated to be 10.23 while crude

death rate is 4.89. On the one hand, net migration rate is 0.04. The city's population office is trying to manage population growth rate through family planning and population management program. It also conducts premarital counseling and information and education campaign.

Moreover, Iloilo City has a daytime transient population of around 550,000. The big increase in the daytime transient population is attributed to the residents of the nearby towns who go to the city for employment, commerce, education and access to other services available in the city. This causes traffic jam in the city and also in connecting roads to adjacent municipalities, especially during rush hours. Residents of other towns opt to commute everyday rather than live in the city maybe because of some financial considerations. The land cost, cost of living or house rentals in the city can be very high so that the nuisance of traffic congestion is overshadowed.

II.2. Changes in the Economic Structure

The city's economic activity started to flourish during the American regime with the booming sugar industry, which was attributed to British investments. It was facilitated by the construction of a kilometer long road called Calle Progreso, now named Isidro de la Rama Street, in 1857 to serve the busy riverwharf. The road connected sugar warehouses with the rest of the Iloilo towns. Eventually, the economic activity was transferred to Calle Real, present-day J.M. Basa Street, which became the commercial hub with the presence of retail shops and stores and now known as the city's downtown core. The availability of port facilities also contributed to the thriving economic activity in the city as it has made the business environment conducive for investments. Creation of employment opportunities followed which attracted migrants from other provinces (CLUP, 1998).

In 1998-2003, a number of firms registered with the Department of Trade and Industry. Over the period, more and more business names were registered. With only 1,373 in 1998, the number of registered firms in 2003 totalled to 2,495 (**Annex Table 1**). These firms are concentrated in manufacturing and private services. In particular, most of the investors are attracted to the food business. The number of investors in the sector accounts to an average of 9.68 percent of the total number for the period, i.e., the highest among the sectors with semi-skilled services (4.89%) and cereals and cereals preparation (4.51%) next in rank (**Table 3**). This might be due to a relatively low investment required for food business as compared to investment in medical, dental, optical, and pharmaceuticals as well as in real estate development (**Table 4**). Moreover, the food business sector contributes much in the creation of jobs especially starting 1999 up to 2003. General merchandise, other transport services and equipment, and semi-skilled services also provide a considerable number of employment opportunities in Iloilo City during the 6-year span (**Table 5**). Looking closely at Table 5, manufacturing and private services employ majority of the total manpower, i.e., 49.62 percent and 36.20 percent on the average, respectively.

Table 3
Number of Firms Registered in Department of Trade and Industry, Share to Total (%)
Iloilo City, 1998-2003

Industry	1998	1999	2000	2001	2002	2003	Ave.	Rank
Manufacturing	0.49	0.52	0.49	0.49	0.49	0.46	0.49	1
Articles of apparel and clothing accessories	3.28	3.41	3.22	4.64	4.48	2.61	3.61	10
Cereals & cereal preparations (eg. rice, corn, and wheat)	3.71	4.43	4.85	4.39	4.01	5.65	4.51	3
General merchandise	4.15	4.21	3.33	3.93	3.59	3.89	3.85	7
Medical, dental, optical and pharmaceuticals	4.22	3.63	3.38	3.07	4.11	5.81	4.04	6
Non-metallic minerals (glass, concrete products, ceramic)	3.57	4.16	4.25	4.23	4.06	2.28	3.76	8
Office machines, IT equipment and services	1.82	2.99	6.11	4.13	3.43	3.73	3.70	9
Private_Services	0.32	0.31	0.33	0.34	0.34	0.35	0.33	2
Canteen, carinderia, restaurant	10.05	10.56	9.54	9.73	7.65	10.54	9.68	1
Other transport services and equipment	3.20	3.68	2.51	4.49	5.70	5.37	4.16	5
Semi-skilled services	5.97	4.64	5.83	4.74	4.27	3.89	4.89	2
Tri-media services	4.73	4.59	5.83	3.93	4.80	3.05	4.49	4

Source: Department of Trade and Industry, Regional Office, Iloilo City

Table 4
Capitalization by Registered Firms in Department of Trade and Industry, Share to Total (%)
Iloilo City, In Thousand Pesos, 1998-2003

PRODUCT/SECTOR	1998	1999	2000	2001	2002	2003
Manufacturing	48.69	16.67	88.45	63.16	65.77	68.65
Articles of apparel and clothing accessories	1.75	0.33	0.34	2.31	6.62	0.48
Cereals & cereal preparations (eg. rice, corn and wheat)	2.56	0.08	0.46	0.41	8.21	48.54
General merchandise	6.51	1.94	0.55	2.82	1.07	2.28
Medical, dental, optical and pharmaceuticals	3.43	8.87	73.74	43.02	41.43	5.34
Non-metallic minerals (glass, concrete products, ceramic)	19.40	0.20	1.72	1.31	0.56	0.52
Finance and Real Estate	16.08	81.12	3.45	28.57	6.96	4.37
Banks, non-banks, financial intermediaries and pre-need plans	1.50	1.89	0.74	13.83	1.68	1.19
Real estate developers (including hotel, pension hotel)	14.57	79.23	2.71	14.75	5.28	3.17
Trade	2.37	0.08	0.28	0.38	6.89	17.27
Bazar, boutique, giftshops, and sporting goods	1.06	0.06	0.16	0.23	6.53	17.09
Private Services	24.92	1.16	4.21	5.13	18.73	7.41
Canteen, carinderia, restaurant	4.81	0.34	1.51	2.11	1.63	1.30
Recreational and cultural entertainment and sporting activity	0.10	0.10	0.11	0.08	10.80	0.89

Source: Department of Trade and Industry, Regional Office, Iloilo City

Table 5
Employment by Registered Firms in Department of Trade and Industry, Share to Total (%)
Iloilo City, 1998-2003

PRODUCT/SECTOR	1998	1999	2000	2001	2002	2003
Manufacturing	48.97	51.96	52.38	48.97	44.23	51.23
Articles of apparel and clothing accessories	2.16	2.50	2.31	3.88	3.40	2.89
Cereals & cereal preparations (eg. rice, corn and wheat)	5.00	2.76	5.10	5.48	3.40	10.26
Dry goods	1.46	1.60	6.65	0.56	0.71	1.14
Electrical/electronic machinery, appliances	2.44	3.47	3.15	3.25	1.83	2.30
General merchandise	12.64	10.17	4.99	4.60	5.54	7.62
Hardware	0.47	0.62	0.81	0.06	0.83	3.37
Medical, dental, optical and pharmaceuticals	4.24	2.89	3.46	3.07	3.84	6.84
Non-metallic minerals (glass, concrete products, ceramic)	3.72	3.56	3.82	4.33	4.18	2.06
Office and school supplies	0.93	6.00	1.08	2.04	1.64	1.09
Office machines, IT equipment and services	0.71	1.79	4.09	2.34	1.66	2.34
Private Services	37.71	36.59	30.35	34.94	44.05	33.55
Canteen, carinderia, restaurant	9.23	13.19	10.92	12.87	10.12	12.08
Other transport services and equipment	13.89	4.14	2.34	3.87	7.13	6.39
Recruitment and placement agency	0.15	5.50	0.18	0.17	0.01	0.05
Schools, tutorials, seminars, trainings	1.56	1.13	0.89	2.16	4.83	1.38
Semi-skilled services	5.65	5.41	6.43	5.86	9.56	3.11
Tri-media services	2.63	1.53	4.03	2.55	3.71	2.24
Finance and Real Estate	3.36	2.02	3.83	5.98	2.90	3.86
Real estate developers (including hotel, pension hotel)	2.40	1.14	2.03	4.57	2.09	2.61
Transportation and Communication	0.99	1.19	1.83	1.17	1.22	2.64
Road vehicles	0.99	1.19	1.83	1.17	1.22	2.64
Construction	3.35	0.62	4.32	3.11	1.94	2.71
Vertical and structural builders	3.35	0.62	4.32	3.11	1.94	2.71

Source: Department of Trade and Industry, Regional Office, Iloilo City

Poverty status -- As the economic activities in the city prosper through the years, it is important to see if these developments translate to the improvement of the living condition and incomes of its people. Based on the Family Income and Expenditure Survey for various years (1994, 1997 and 2000), nominal per capita income of residents of Iloilo City grew less than 2% annually from the period 1994-1997 (**Table 6**). This is very low compared to 14% increase in the nominal per capita income of Iloilo Province and the rest of the Western Visayas Region. In real terms, the per capita income of the city even posted a negative growth, i.e., at an average of -5%, while the rest of the province and the region has increased at an average of 6%. Moreover, Bacolod City posted an 11% increase in its real per capita income in this period.

However, the average per capita income in the city showed a rosy picture in the period 1997-2000. In nominal terms, it grew by 22% annually compared to 7% in the Iloilo Province and 2% in the region. In real terms, while almost all of the provinces in the region are posting a negative growth, the city's per capita income increased by almost 13%.

Table 6

	Average Growth Rate			
	Nominal Per Capita Income		Real Per Capita Income	
	1994-97	1997-2000	1994-97	1997-2000
Aklan	8.84	1.36	1.58	(6.32)
Antique	26.22	0.47	17.81	(7.14)
Capiz	26.72	0.65	18.28	(6.98)
Guimaras		10.35		1.98
Iloilo	13.92	7.43	6.32	(0.71)
Negros Occidental	8.57	(1.47)	1.33	(8.94)
Western Visayas	13.55	2.24	5.98	(5.51)
Iloilo City	1.65	22.21	(5.13)	12.95
Bacolod, Negros Occ.	18.90	9.11	10.98	0.84

Source of basic data: FIES, various years

Using the 2002 Annual Poverty Indicator Survey, the city populace has an annual per capita income of P45,679 in nominal terms and P11,879 in real terms (**Table 7**).

Table 7

Real Per Capita Income

	FIES 1994	FIES 1997	FIES 2000	APIS 2002
Aklan	6,411	6,720	5,524	5,846
Antique	4,113	6,724	5,384	5,282
Capiz	4,336	7,174	5,775	5,817
Guimaras		5,090	5,399	4,134
Iloilo	5,066	6,089	5,961	5,226
Negros Occidental	5,392	5,610	4,237	4,770
Western Visayas	5,134	6,112	5,157	5,146
Iloilo City	13,233	11,301	16,282	11,879
Bacolod City	7,672	10,486	10,752	15,327

Source: FIES for 1994, 1997 and 2000 and APIS for 2002

Measuring up with all the provinces in the region, Bacolod City and the Western Visayas in general, the city ranks number one with respect to annual real per capita income for the years 1994, 1997 and 2000 (**Table 7**). Nevertheless, in 2002, it only ranks next to Bacolod City. Notwithstanding the ranking and the

drop in the annual real per capita income, the city still has the lowest poverty incidence in the region (**Table 8**). It has 19.68% and 9.64% poverty incidence in 1997 and 2000, respectively based on FIES data. Further, there is a significant decline in poverty incidence between 1997 and 2000.

Table 8
Poverty Incidence and Average Per Capita Income Gap

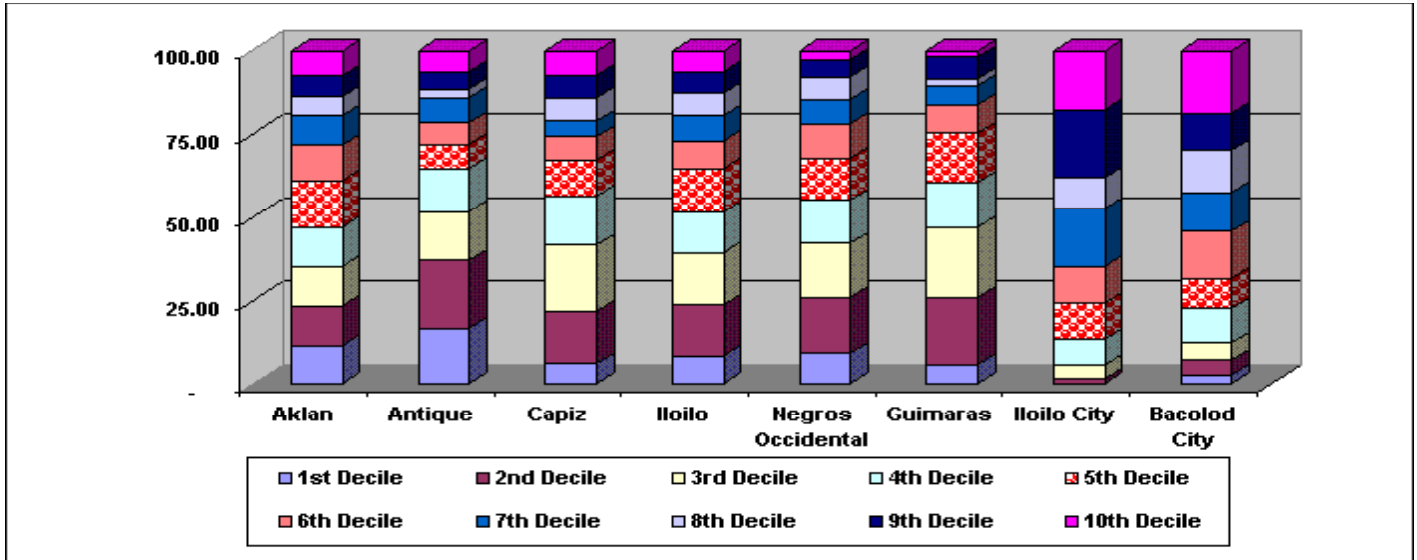
	Poverty Incidence		PC Income Gap by Poverty Status	
	1997	2000	1997	2000
	Aklan	39.16	42.94	18,510
Antique	52.60	45.89	23,108	21,092
Capiz	48.49	56.38	19,913	24,361
Iloilo	48.64	44.14	18,979	23,686
Negros Occidental	45.22	56.38	12,771	15,692
Guimaras	35.75	28.31	12,615	15,783
Iloilo City	19.68	9.64	28,088	48,627
Bacolod City	17.83	20.34	27,567	33,966

Source: FIES

In addition, a finer disaggregation of the data using national per capita income decile shows that only less than a quarter of the Iloilo City residents belong to the lower half of the income groups, i.e., the first to the fifth national per capita income deciles (**Figure 1**). However, the per capita income gap between the poor and non-poor residents is relatively high in the city (**Table 8**). In 2000, the Province of Iloilo has a P23,686 poverty gap in per capita income, while on the average, the Iloilo city non-poor residents has an edge of P48,627 over those residents who live below the poverty threshold.

Employment -- In general, based on 2002 APIS, 80% of the labor force is employed (**Table 9**). The same rate is observed with the non-poor residents and as expected, the non-poor residents show a higher unemployment rate of more than 34%. Females show a higher employment rate regardless of their poverty status over the male residents. In particular, 73% of the poor and 83% of the non-poor females are employed compared with 63% and 80% of males, respectively.

Figure 1
Distribution of Residents by National Per Capita Income Decile, APIS 2002



Source: APIS 2002

Table 9
Iloilo City Residents by Type of Job, 2002

	Poor			Non-Poor			All		
	Male	Female	All	Male	Female	All	Male	Female	All
Special occupations	0.00	0.00	0.00	0.36	0.00	0.20	0.32	0.00	0.18
Officials of govt and special interest org	12.73	0.00	9.46	23.52	24.25	23.86	22.36	23.11	22.69
Professionals	0.00	0.00	0.00	8.57	12.96	10.58	7.65	12.34	9.72
Technicians	0.00	0.00	0.00	2.55	8.13	5.10	2.28	7.74	4.69
Clerks	0.00	0.00	0.00	7.14	12.47	9.58	6.37	11.88	8.80
Service workers	0.00	0.00	0.00	10.51	20.63	15.14	9.38	19.66	13.91
Farmers	10.25	0.00	7.62	4.10	0.94	2.65	4.76	0.89	3.05
Traders	12.58	0.00	9.35	12.56	4.76	8.99	12.56	4.53	9.02
Plant and machine operators	3.99	0.00	2.97	10.26	0.00	5.56	9.58	0.00	5.35
Laborers	60.46	100.00	70.60	20.42	15.87	18.34	24.74	19.84	22.58
ALL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Employment Rate	63.13	72.69	65.63	80.12	82.95	81.41	78.32	82.46	80.14

Source: APIS 2002

Many are employed in the government and special interests group which comprises 22.7% of those who have jobs. Likewise, a big share of those who work are laborers, having almost the same share with those who work for the government and NGOs. Ranking third are the service workers followed by the

professionals and traders. Only 3% of those who have job are farmers. With respect to poor workers, more than 70% are laborers, while only 9% work for the government and special interest group and another 9% work as traders. On the other hand, 24% of the non-poor residents who have jobs are working for the government and special interest group. Poor females work as laborers while non-poor females work for various jobs. Likewise, majority of the poor males work as laborers while non-poor males' jobs are very varied.

Comparing the 1999 APIS and 2002 APIS, movements in the types of jobs could be observed. For instance, **Table 10** shows that from a laborer dominated residents in 1999 (with share of 20.67%), there was a shift to a mixed laborers and government-NGO employees (22.6% and 22.7% shares, respectively). Though officials of government and special interest groups ranks second in 1999, it only has 16.7% share in the total number of residents categorized by type employment. The group of traders, ranking third in 1999 with 14.9% share, has only 9.0% share in 2002 putting it in rank five. The share of plant and machine operators in 1999 at 12.6%, decreased to merely 5.4% in 2002. The share of professionals on the other hand has increased from 6.2% in 1999 to 9.7% in 2002.

Table 10
Iloilo Residents by Type of Job, 1999 and 2002

	1999			2002		
	Male	Female	All	Male	Female	All
Special occupations	2.18	0.46	1.42	0.32	-	0.18
Officials of govt and special interest org	12.24	22.20	16.65	22.36	23.11	22.69
Professionals	5.19	7.48	6.20	7.65	12.34	9.72
Technicians	2.13	5.36	3.56	2.28	7.74	4.69
Clerks	2.79	11.22	6.52	6.37	11.88	8.80
Service workers	12.89	16.64	14.55	9.38	19.66	13.91
Farmers	3.87	1.78	2.94	4.76	0.89	3.05
Traders	21.31	6.89	14.92	12.56	4.53	9.02
Plant and machine operators	21.16	1.72	12.55	9.58	-	5.35
Laborers	16.24	26.25	20.67	24.74	19.84	22.58
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source of basic data: APIS 1999 and 2002

Table 10 also shows that the males shifted from traders and plant and machine operators (with shares of 21.3% and 21.2%, respectively) to laborers and government and special interest organization employees (with shares of 24.7% and 22.4%, respectively). Females being dominated by laborer in 1999 with 26.3% share, shifted to government and special interest group employees with 23.1% share. In addition, professional females have increased its share from 7.5% in 1999 to 12.3% in 2002.

Several residents are involved in entrepreneurial activities as well. In particular, more than 30% of those who have businesses are engaged in

wholesale and retail in 2002 (**Table 11**). Also, almost 20% are involved in community, social and personal services. Another big share in the business activities for the residents of Iloilo city is transportation, storage and communication which has a 14% share. Other entrepreneurial activities of the residents are construction (7%), hotels and restaurants (7%), financing, insurance and real state (6%), manufacturing (6%), and agriculture, fishery and forestry (5%).

Table 11

Iloilo City Residents by Type of Entrepreneurial Activities, 2002

	Poor			Non-Poor			All		
	Male	Female	All	Male	Female	All	Male	Female	All
Agri, fishery and forestry	16.19	8.67	14.26	5.97	2.23	4.26	7.08	2.53	5.07
Mining and quarrying	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Manufacturing	0.00	0.00	0.00	6.90	7.04	6.96	6.15	6.71	6.40
Electricity,gas,water	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Construction	25.80	0.00	19.18	11.85	0.00	6.43	13.36	0.00	7.46
Wholesale and retail	32.27	19.11	28.89	24.75	37.42	30.54	25.56	36.55	30.41
Hotels and restaurants	0.00	0.00	0.00	3.98	12.88	8.05	3.55	12.27	7.40
Transportation/storage and communication	22.75	0.00	16.91	22.13	3.01	13.39	22.20	2.87	13.67
Financing, insurance and real estate and bss services	0.00	0.00	0.00	7.81	6.07	7.01	6.97	5.78	6.44
Community, social and personal services	2.99	11.56	5.19	15.73	27.15	20.96	14.36	26.42	19.68
Industry nec	0.00	60.67	15.57	0.87	4.20	2.39	0.78	6.87	3.46
ALL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: APIS 2002

Poor and non-poor residents are both inclined to enter in wholesale and retail businesses (29% for poor and 30% for non-poor). While construction ranks second for poor businessmen, the community, social and personal services rank second for the non-poor. In terms of gender bias, wholesale and retail ranks first for both male and female entrepreneurs, with 26% and 37%, respectively. On the other hand, many males tend to go for transportation, storage and communication industry having a 22% share (ranking second) compared to the 3% share for women. Next to trading, the community, social and personal services rank second for female entrepreneurs having a 26% share.

Movements in the type of business are presented in **Table 12**. Although there is an increase in the share of wholesale and retail as the entrepreneurial activity of the residents, from 26.7% in 1999 to 30.4% in 2002, this remains to be the number one type of business they enter into for both years. The male entrepreneurs, who majority entered in the community, social and personal

services businesses in 1999, became trader dominated in 2002. On the other hand, the female entrepreneurs engaged in almost the same types of businesses for both years. Wholesale and retail ranks first in 1999 and 2002 with 38.4% and 36.6% shares, respectively, while community, social and personal services ranks second with a shares of 21.5% and 26.4% in 1999 and 2002, respectively. Nevertheless, a decrease in the share of business venture in the manufacturing industry by females is observed, i.e., from 11.4% in 1999 to 6.7% in 2002.

Table 12
Iloilo Residents by Type of Entrepreneurial Activity, 1999 and 2002

	1999			2002		
	Male	Female	All	Male	Female	All
Agri, fishery and forestry	5.44	1.91	3.92	7.08	2.53	5.07
Mining and quarrying	0.00	0.00	0.00	0.00	0.00	0.00
Manufacturing	10.37	11.40	10.81	6.15	6.71	6.40
Electricity, gas, water	0.38	0.50	0.43	0.00	0.00	0.00
Construction	10.71	0.00	6.10	13.36	0.00	7.46
Wholesale and retail	17.92	38.37	26.72	25.56	36.55	30.41
Hotels and restaurants	3.65	5.22	4.33	3.55	12.27	7.40
Transportation/storage and communication	22.42	2.32	13.77	22.20	2.87	13.67
Financing, insurance and real estate and bss services	2.00	4.87	3.24	6.97	5.78	6.44
Community, social and personal services	24.92	21.46	23.43	14.36	26.42	19.68
Industry nec	2.20	13.96	7.26	0.78	6.87	3.46
ALL	100.00	100.00	100.00	100.00	100.00	100.00

Source of basic data: APIS 1999 and 2002

III. Issues and Responses

III.1. Resource mobilization and allocation under a highly urbanized city

III.1.a. Revenue generation (1995-2002)

Local Government Per Capita Income -- **Table 13** shows that per capita income of the city rose significantly in 2000 by 12% (from a level of P1,386 in 1999 to P1,550 in 2000). This can be attributed to the 16% increase in locally sourced revenue. In particular, there is a 23% increase in real property collections, a 6% increase in local business taxes and a 27% increase in other tax collections.

Interestingly, the city borrowed P143,460M in 2001. This is the same year when the IRA decreased by 9%, from P270.740M in 2000 to P24.343M. Hence, per capita income net of borrowings for the same year declined by 2%. Although

there was a significant increase in the receipts from economic enterprise (87%), a 23% decrease in the collection from other non-tax revenues was observed.

Per capita income in 2002 amounted to P1632. Despite the fact that LSR has not increased significantly (0.59% growth), an increase of 59% in income from fees and rentals and 21% in IRA could have resulted to a 9% growth in the total income.

Table 13
Growth Rate of Per Capita Income, Iloilo City

	1996	1997	1998	1999	2000	2001	2002
Total Income	11.19	5.05	2.84	7.55	11.84	22.82	(14.31)
Total Income Net of Borrowings	11.19	5.05	2.84	7.55	11.84	(1.92)	7.30
Locally Sourced Revenue	16.81	1.37	6.14	4.61	13.90	6.42	(1.32)
Tax Revenue	20.59	(2.59)	5.16	6.44	12.98	10.24	(1.02)
Real Property Tax	(5.93)	23.33	0.01	11.43	20.29	7.20	4.04
Local Business Tax	10.22	11.01	4.73	7.12	4.31	5.21	(4.15)
Other Taxes	102.03	(47.14)	17.64	(4.66)	24.87	29.88	(2.90)
Non-Tax Revenue	(0.07)	22.72	10.33	(2.85)	18.03	(9.91)	(2.88)
Fees and Rentals	(0.41)	9.87	14.23	0.41	7.54	83.06	55.81
Other Non-Tax	(0.01)	25.03	9.71	(3.39)	19.83	(24.20)	(24.67)
Externally Sourced	5.45	9.22	(0.62)	10.86	9.65	40.88	(25.11)
IRA	5.45	9.22	(0.62)	10.86	9.65	(11.10)	18.67

Source of basic data: Accountant's Office, Iloilo City

Revenue as a Ratio of Household Income – The ratio of total income net of borrowings to household income is increasing in the period 1995-1997 (**Table 14**). However, an incessant decline in the same ratio is evident for the succeeding years. For instance, from a ratio of 4.08% in 1997, it dropped to 3.44 in 1998 and plunged at 1.95% in 2002.

A finer look in the table shows that the ratio of locally sourced revenue to household income in 1995 to 1998 ranges from a low of 1.82% to a high of 2.09%. This dropped constantly starting in 1999, at 1.56%, and deteriorated in 2002 at 1.02%.

In the same manner, total tax collection as a ratio of the household income is not promising. From 1.49% in 1995 it increased to 1.77% in 1996, the highest tax effort posted, but continuously dwindled there after. In fact, it plummeted in 2002 at a ratio less than a percent.

The ratio of fees and rentals under the non-tax revenue is the only income item that shows a positive picture. It remains to be stable at 0.05% for the period 1995-1998, dropped to 0.04% in 1999 and 2000, but was able to pick up in 2001 at

.05% and even reached 0.07% in 2002, the highest ratio posted in the period observed.

Table 14
Iloilo City Revenue as Ratio of Household Income, In Percent

	1995	1996	1997	1998	1999	2000	2001	2002
Total Income	3.60	3.94	4.08	3.44	3.02	2.77	2.78	1.95
Total Income Net of Borrowings	3.60	3.94	4.08	3.44	3.02	2.77	2.22	1.95
Locally Sourced Revenue	1.82	2.09	2.09	1.82	1.56	1.45	1.26	1.02
Tax Revenue	1.49	1.77	1.70	1.46	1.27	1.18	1.06	0.86
Real Property Tax	0.51	0.48	0.58	0.47	0.43	0.42	0.37	0.32
Local Business Tax	0.72	0.78	0.85	0.73	0.64	0.55	0.47	0.37
Other Taxes	0.26	0.51	0.27	0.26	0.20	0.21	0.22	0.17
Non-Tax Revenue	0.33	0.33	0.40	0.36	0.28	0.27	0.20	0.16
Fees and Rentals	0.05	0.05	0.05	0.05	0.04	0.04	0.05	0.07
Other Non-Tax	0.28	0.28	0.34	0.31	0.24	0.24	0.15	0.09
Externally Sourced	1.78	1.85	1.99	1.62	1.47	1.32	1.52	0.93
IRA	1.78	1.85	1.99	1.62	1.47	1.32	0.96	0.93

Source of basic data: Accountant's Office, Iloilo City

As always been the case with any other local government units, IRA remains to be the major source of income of the city averaging at around 48% of its total income, with the exception in 2001 when IRA was cut down and has share which drops at 43% (**Table 15**). Local business tax ranks second with an average share of 20% followed by RPT contributing the other 15%. Fees and rentals on economic enterprise contributes only 1% of the income, nevertheless, its share is starting to increase in 2001 at 2% and in 2002 at 4%.

Table 15
Percent Distribution of Revenues and Receipts, Iloilo City

	1995	1996	1997	1998	1999	2000	2001	2002	Average	
									1998-2000	2001-2002
Total Income	100	100	100	100	100	100	125	100	100	112
Total Income Net of Borrowings	100	100	100	100	100	100	100	100	100	100
Locally Sourced Revenue	51	53	51	53	51	52	57	52	52	54
Tax Revenue	41	45	42	42	42	42	48	44	42	46
Real Property Tax	14	12	14	14	14	15	17	16	15	16
Local Business Tax	20	20	21	21	21	20	21	19	21	20
Other Taxes	7	13	7	8	7	7	10	9	7	9
Non-Tax Revenue	9	8	10	10	9	10	9	8	10	9
Fees and Rentals	1	1	1	1	1	1	2	4	1	3
Other Non-Tax	8	7	8	9	8	9	7	5	9	6
Externally Sourced	49	47	49	47	49	48	68	48	48	58
IRA	49	47	49	47	49	48	43	48	48	46

Source of basic data: Accountant's Office, Iloilo City

Given this, the City Government needs a lot of political will to implement its Revenue Generation Plan to be able to strategically increase its locally source income and not be highly dependent on the national government subsidies like IRA. What has been done so far?

After the second General Revision of Assessments (GRA) in October 30, 1996, the third GRA of all kinds and classes of real property was passed in the SP on June 26, 2002 and was implemented in 2003. Assessment levels of residential lands is at 5%; agricultural lands at 16%; commercial lands, industrial lands and mineral lands at 10%; and timber lands at 5%. Likewise, revised schedule of base unit market values of lands and improvements and schedule of base unit construction cost of buildings and other improvements were applied in the general revision.

Also, under the Expanded Iloilo City Investment Incentives Ordinance, registered enterprises enjoy fiscal incentives for a fixed period depending on the amount of capital investment put up by the enterprise. Fiscal incentives include exemption from local licenses, fees and dues and entitlement to reduced business taxes.

On the other hand, as part of the City Treasurers drive to increase collections, it has 15 examiners who audit the books of accounts of the local businesses in the city. However, only 1 out of the 15 examiners is a certified public accountant, while the rest has just underwent trainings sponsored by the Bureau of Local Government Finance (BLGF). Audit of taxpayers is done by district and they target those who have decreased declarations of gross receipts. Catching

rate is 6 out of 10 business taxpayers and they have collected an additional P8M just for the City Proper audits.

In addition to these efforts in increasing collections, the City of Iloilo has also improved the services provided for the taxpayers by having a one-stop-shop for the payment of business and real property taxes. There are also flow charts posted on the walls in this area which give information and steps on how to pay taxes. Police officers are also visible in the area to ensure order and safety especially during the end-period of payment where mad-rush of taxpayers is expected.

III.1.b. Resource allocation (1995-2000)

As shown in **Table 16**, the social services sector (education, health, social welfare, and housing) in the aggregate had a big share in the expenditures of the city. On the average, more than 40% of the budget is allotted to social services in 1995-2000, except for 1997 and 1998 where its share decreased to 37% (for these years GPS ranks first with more than 40% share in the total budget).

- a. Under the social services sector, housing and community development ranks first (15%), followed by education (12%), health (10%), and social welfare services (4%).
- b. Most of the budget in housing and community development goes to sanitary services and community development. In fact, sanitary services share of 4% in the total budget is stable in 1995-2000.
- c. Almost the entire budget in education went to basic education, in particular to public education and school supervision. The same is true in health where almost the whole budget went to basic health services.

General public services ranks second in terms of budget share (37%). Most of the general public services budget went to general administration services which accounts for 95% of the total GPS. However, an increasing share of the police services is notable. For instance, police services was getting less than 1% of the budget in 1995-1997 but started to get 1% in 1998 to 2% in 2000.

Economic services, ranking third in the major sectors, received on the average 15% of the budget in 1995-2000. Less than 2% of the budget went to agricultural services. The infrastructure, getting 60% of the total budget for economic services, is the major winner under this sector where roads and electrification were prioritized. The share of operation of markets averages to 3% of the total budget.

Large spending in personnel services (PS), which result in squeeze on maintenance and other operating expenditures (MOOE) and capital outlay (capex), has been one of the major problems in local expenditure management. The City is not excused with this outstanding issue. An increasing share of PS is evident in the expenditure pattern of the city during the period 1995-1998. For instance, in 1995, PS spending has a share of 36% in the total expenditure and soar to 53% in 1998. However, this contracted in 1999 by having a share of 46% and improved in 2000 with only 39% share.

Table 16
Percent Distribution of Iloilo City Expenditures, 1995-2000

	1995	1996	1997	1998	1999	2000	Average 1995-2000
TOTAL EXPENDITURES	100.00	100.00	100.00	100.00	100.00	100.00	100.00
GENERAL PUBLIC SERVICES	33.79	35.31	41.53	42.17	37.48	34.89	37.39
of which:							
Police Services	0.82	0.87	0.89	1.04	1.14	1.99	1.20
SOCIAL SERVICES	42.49	43.73	38.09	37.23	41.59	40.46	40.55
1. Education Expenditures	10.78	15.55	10.50	12.16	10.33	11.42	11.72
of which:							
Basic Education	8.76	14.37	9.56	11.37	9.32	10.37	10.59
2. Health Expenditures	8.90	9.24	10.70	10.95	10.51	8.80	9.80
of which:							
Basic Health	7.26	6.25	10.36	10.77	10.34	8.15	8.88
3. Soc. Welfare Serv., Labor and Emp.	4.45	3.78	4.40	4.58	4.51	4.28	4.33
4. Housing and Community Devt.	18.36	15.17	12.49	9.54	16.24	15.96	14.69
ECONOMIC SERVICES	17.75	9.43	16.72	17.21	11.83	15.21	14.67
of which:							
1. Agricultural Services	1.19	1.10	1.56	1.58	1.60	1.13	1.35
2. Infrastructure	13.74	5.34	11.47	11.72	6.56	9.06	9.50
3. Operation of Markets	2.31	2.72	3.02	3.08	2.76	4.01	3.08
OTHER PURPOSES	5.97	11.53	3.66	3.39	9.09	9.44	7.39

Source of basic data: Accountant's Office, Iloilo City

III.2. Delivery of Basic Services Under a Highly Urbanized City

III.2.a. Education

The City Government is delivering education services for its people in three ways. First, it is granting scholarships for College and Technical and Vocational Education and Training (TVET) courses through the City Government Scholarship Grant per City Ordinance 92-236 or the revised Iloilo City Government Scholarship. Second, it is providing free TVET to the children from the poor families of the city in the Technical Institute of Iloilo City. Lastly, it is contributing to the betterment of the basic education through the Special Education Fund.

Tertiary Education: City Government Scholarship Grant and Technical Institute of Iloilo City

Table 17
Grantees Under the Revised Iloilo City Government Scholarship

	Total	College	TVET
GRADUATES			
March 2004	11	5	6
March 2003	29	11	18
March 2002	50	6	44
ENROLMENT			
SY 2003-2004			
	Total	College	TVET
First Year		24	17
Second Year		20	6
Third Year		12	
Fourth Year		6	
Total	85	62	23
SY 2002-2003			
	Total	College	TVET
First Year		31	21
Second Year		17	18
Third Year		9	
Fourth Year		12	
Total	108	69	39

Source: Accomplishment Report, various years

It should be noted that not all local governments could afford to provide and will provide tertiary scholarships. The city obligated P2,344,824 in 2002 for the Revised Iloilo City Government Scholarship which is 8.7% of the total education budget of the city under the general fund. It dropped by 2% In 2003 having a

budget of P2,295,735. However, it is much higher in terms of its share which is more than 10% of the education budget under the general fund

There were 108 scholars who enrolled at the start of SY2002-2003 in 16 different SUCS and Vocational/Technical Schools, 39 of which took up TVET courses and 69 enrolled in 4-year courses (**Table 17**). Out of the 12 fourth year students in college, 11 graduated, while all of the 18 TVET students graduated at the end of the year. In the same manner, 11 grantees graduated in March 2004, 5 of which with a Bachelors degree and 6 under TVET courses.

On the other hand, enrolment dropped from 108 in SY2002-2003 to 85 at the start of SY 2003-2004. Out of the 57 first year to third year students in SY2002-2003, only 38 enrolled the following year. Almost half of those who failed to continue the scholarship were freshman or those students supposedly to be enrolled in the second year for SY2003-2004. Similarly, out of the 21 students who enrolled in TVET courses in SY2002-2003, only 6 enrolled on the succeeding year. In addition, there were 7 students, out of the 85 students enrolled during the first semester of SY2003-2004, disqualified for not meeting the grade requirements

The Technical Institute of Iloilo City was established to undertake free manpower skills education for the youth of the city and to provide free technical and vocational education to children from poor families. It received P1,213,241 in 2002 and P1,348,778 in 2003 which are 4.5% and 6% of the total education budget under the general fund, respectively.

Many of the students take Automotive Technology which comprises 44% of the total enrolment in SY2003-2004, followed by Electrical Technology with 41% and Civil Technology with 15% (**Table 18**). There are 9 automotive technology students, out of the 19 who graduated in SY2003-2004, who passed the Trade Test in Light Duty Mechanic under the public testing of TESDA. Also, 10 of the 15 electrical technology students passed the Trade Test in Building Wiring Electrician under the Skill Certification and equivalency Program (SCEP) of TESDA, while 6 out of the 8 civil technology students passed the Trade Test General Mason under SCEP of TESDA.

Table 18
Enrolment in Technical Institute of Iloilo City

	Total	1st Year	2nd Year
Automotive Technology			
2002-2003			
1st Sem	43	23	20
2nd Sem	40	21	19
2003-2004			
1st Sem	52	33	19
2nd Sem	44	25	19
Electrical Technology			
2002-2003			
1st Sem	46	25	21
2nd Sem	37	18	19
2003-2004			
1st Sem	47	31	16
2nd Sem	41	26	15
Civil Technology			
2002-2003			
1st Sem	19	13	6
2nd Sem	15	9	6
2003-2004			
1st Sem	18	10	8
2nd Sem	14	6	8

Source: Accomplishment Report, various years

Table 18 shows that dropping out during the first year is palpable for all the three TVET courses. In SY 2003-2004, more than 24% first year automotive technology students did not enroll in the second semester compared to 100% attendance in the second year. Likewise, almost half of the civil technology students in the first year did not enroll for the second semester while all the second year students went back to school. The same can be observed with the electrical technology students where 16% did not report in the second semester. Students, after acquiring basic knowledge and skills in the first year, are inclined to seek employment and hence would drop out of school.

Table 19
Special Education Fund Budget for 2004, In Thousand Pesos

	Regular	Supplemental
Revenues and Receipts	70,500.00	12,077.76
Appropriations		
Personal Services	21,591.62	1,063.88
Salaries of teachers	14,908.50	695.73
Maintenance and Operating Expenses	30,553.38	4,100.00
Capital Outlays	18,355.00	4,950.00
Unappropriated		1,963.88

Source: Iloilo City Division Office

The city collected 1% additional property taxes amounting to P56.5M which goes to the Special Education Fund (SEF). In addition, real property tax collections from prior years, penalties and interest on time deposit totaled to P14M. Hence, the Iloilo City School Board has a total budget of P70.5M for 2004 (**Table 19**). Due to increased collections of the city in 2003 which resulted to surplus or retained earnings, there was a supplemental budget of P12M for the SEF. This additional budget is almost 15% of the total SEF for 2004.

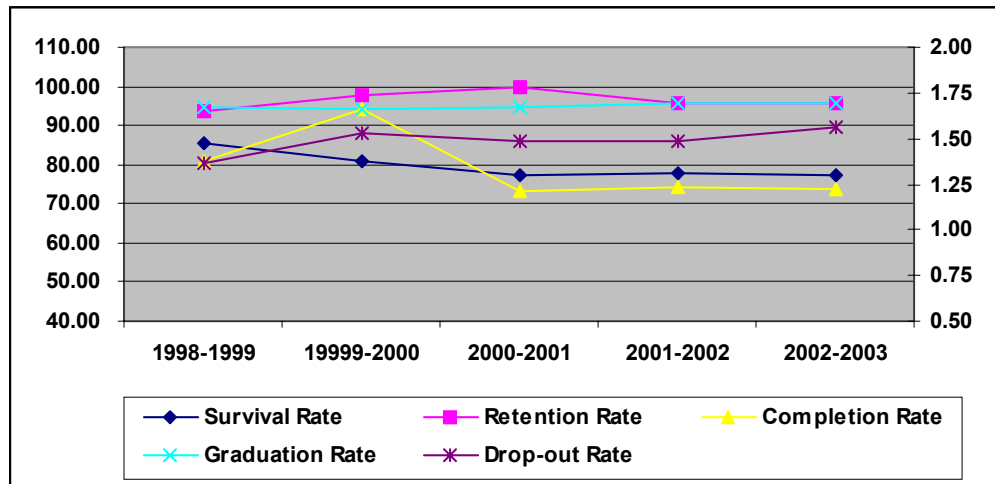
There are 125 locally-paid teachers in 2003 and at the beginning of 2004. Due to the supplemental budget, an additional of 10 more teachers were created resulting to a 135 locally-paid teachers for 2004. Thus, more than 20% of the budget for 2004 is appropriated for salaries of 125 teachers making the personal services, with a share of 31%, rank second in terms of budget share by type of expenditure.

Maintenance and operating expenses has the biggest share in the SEF budget. In fact, more than 43% of the budget goes to MOOE, where 28% goes to basic education in the form of instructional programs, reference materials and books, science facilities and supplies, school supplies, preparation of lesson plans, test construction, maintenance and operation of special elementary schools, and purchase of materials such as chairs, tables and blackboards. SEF also covers the expenses in utilities such as water, communication and power services which is almost 26% of MOOE. Sports and physical education with a share of 20% ranks third while preschool programs has a 9% share in MOOE. Other MOOE includes staff development program, division office supplies, advocacy social mobilization and educational research.

Capital Outlay has the least share in the SEF budget, getting a 26% share. A total of P7M is appropriated for the construction of building which is more than 38% of total CO. In the aggregate, 27% of CO goes to classroom repairs and fencing, 15% for construction of covered gyms and 8% for various equipment and furnitures and fixtures for all schools.

Performance indicators deteriorated in the recent years both for elementary and secondary education. These include survival rate, retention rate, completion rate and drop-out rate. For instance, from an 85.30% survival rate in the elementary schools in 1998-1999, this dropped to 81.12% in 1999-2000 and plays at around 77% the years after (**Figure 2**). Retention rate in elementary schools show a positive portrait when it rose from 93.48% in 1998-1999 to 97.62% in 1999-2000 to 99.78% in 2000-20001. However, it dropped by almost 4 percentage points in 2001-2002. The same goes with completion rate where it increased by more than 10 percentage points in 1999-2000 but dwindled in the succeeding years. Drop-out rate has not been doing good also where it ranges from a low of 1.37% in 1998-1999 and a high of 1.56% in 2002-2003.

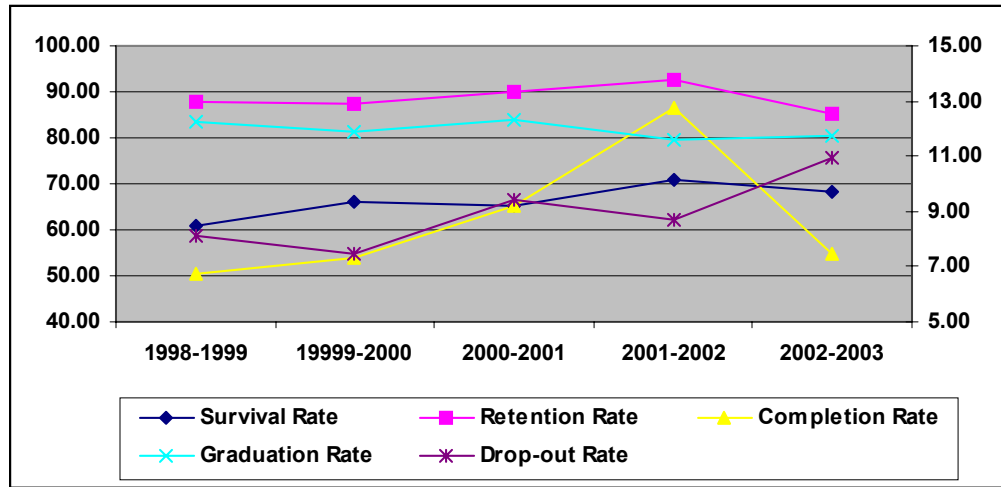
Figure 2
Elementary: Performance Indicators



Source: Iloilo City Division Office

The secondary schools are not performing well also. Though survival rate has been picking-up, completion rate is deteriorating (**Figure 3**). Retention rate, graduation rate and drop-out rate are very variable. In particular, retention rate decreased to 87.36% in 1999-2000 but increase in to 90.09% in 2001, has further increased in 2001-2002 but decreased again in 2002-2003 to 85.17%. Graduation rate alternately increased and decreased from 83.23% in 1998-1999 to 80.42% in 2002-2003. The same is true with drop-out rate where it alternately decreased and increased between 1998-1999 at 8.15% and 2002-2003 at 10.93%.

Figure 3
Secondary: Performance Indicators



Source: Iloilo City Division Office

Similarly, mean percentage scores in NEAT is declining since 1998. Although NSAT-MPS rose by 7 percentage points in 1999, it dwindled by 4 percentage points in 2000 and is below the national average for both years (Table 20).

Table 20
Mean Percentage Scores, NEAT and NSAT

NEAT	ILOILO CITY	ILOILO	WESTERN VISAYAS REGION	NATIONAL
1993	46.02	41.13	40.54	41.76
1994	47.29	42.56	43.29	43.64
1995	49.74	45.62	44.75	46.44
1996	47.58	43.66	44.79	46.16
1997	51.37	49.31	48.18	50.78
1998	49.83	55.68	50.42	50.08
1999	46.47	45.22	45.87	49.19
2000	44.15	43.58	45.69	51.73
NSAT	ILOILO CITY	ILOILO	WESTERN VISAYAS REGION	NATIONAL
1998	47.51	44.58	42.80	46.12
1999	54.10	50.92	50.26	54.35
2000	50.48	49.11	48.89	53.39

Source: Iloilo City Division Office

III.2.b. Health and Population

The City Health Office (CHO) and the City Population Office (CPO) handle the health and population concerns of the city. Iloilo City has no city hospital but it has seven district health centers and 44 barangay health stations. All the district health centers are certified Sentrong Sigla which means their health facilities have met the standards and requirements set by the DOH to deliver quality basic services.

The City Health Office employs measures included in the ten elements of reproductive health such as maternal and child health (MCH), and expanded program on immunization (EPI), among others, to reduce infant mortality rate (IMR) and maternal mortality rate (MMR). On population and family planning, the CHO provides preventive clinical services while the CPO works on the information and education campaign/referral system.

The leading causes of infant mortality rate are shown in **Table 21** with septicemia at the top. The disease resulted in infant mortality rate of 3.72 percent for male and 2.72 percent for female in 2003. Pneumonia is next in rank with IMR of 1.72 percent and 1 percent for male and female infants, respectively. In contrast, IMR caused by hydrocephalus is placed at 0.14 percent for both male and female infants.

With regard to leading causes of morbidity, pneumonia ranked first and registered a morbidity rate of 53.76 percent for male and 52.16 percent for female (**Table 22**). In almost all diseases, morbidity rates are higher for male than for female, except for hypertension, diseases of the heart, and gonorrhea.

Table 21
Ten Leading Causes of Infant Mortality, 2003

Disease	No. of Deaths		Rates	
	Male	Female	Male	Female
Septicemia	26	19	3.72	2.72
Pneumonia	12	7	1.72	1
Prematurity	14	5	2	0.71
Sudden Infant Death Syndrome	10	9	1.43	1.29
Congenital Health Disease	4	2	0.57	0.29
Perinatal Asphyxia	4	2	0.57	0.29
Diarrhea	2	3	0.29	0.43
Congenital Anomalies	1	2	0.14	0.29
Tetanus	1	2	0.14	0.29
Hydrocephalus	1	1	0.14	0.14

Source: Health Office, Iloilo City

Table 22
Ten Leading Causes of Morbidity in Iloilo City, CY2003

Disease	No. of Deaths		Rates	
	Male	Female	Male	Female
Pneumonia	2093	2031	53.76	52.16
Diarrhea	851	577	21.86	14.82
TB (all forms)	478	422	12.28	10.84
Hypertension	432	434	11.1	11.15
Diseases of the Heart	284	304	7.29	7.81
Injuries of all types	306	195	7.86	5.01
Influenza	243	241	6.24	6.19
Typhoid fever	136	135	3.49	3.47
Cancer	129	123	3.31	3.16
Gonorrhea	34	148	0.87	3.8

Source: Health Office, Iloilo City

Nutrition of the populace is another concern that the CHO deals with. The prevalence of malnutrition, i.e., 2nd and 3rd degree malnutrition, in the city for children aged below 6 is 4.57 percent in 2001. It slightly improved in 2002 with 4.51 percent prevalence rate.

On sanitation, Metro Iloilo Water District (MIWD), a private firm provides water to the city. Iloilo City is experiencing a shortage and distribution problem in some areas of the city. For instance, only 74 percent of total households in Lapuz have water supply. It is the lowest among all the districts considering that more than 85 percent of total households in the other districts benefit from supply of clean water (**Table 23**).

Table 23
Iloilo's Water Supply

District	Total HH	Status of Water Supply Facilities								Total HH	
		Level 1		Level 2		Level 3		Doubtful Sources		With Supply	
City Proper	10,926	0	0.0	0	0.0	10,926	100.0	0	0.0	10,926	100.00
La Paz	8,209	2,343	28.5	0	0.0	5,635	68.6	231	2.8	7,978	97.19
Jaro 1	9,073	1,530	16.9	0	0.0	7,520	82.9	13	0.1	9,050	99.75
Jaro 2	9,187	7,831	85.2	0	0.0	133	1.4	1,223	13.3	7,964	86.69
Mandurriao	8,048	3,872	48.1	0	0.0	3,906	4.5	270	3.4	7,778	96.65
Arevalo	7,142	3,461	48.5	0	0.0	3,222	45.1	459	6.4	6,683	93.57
Molo	11,908	3,991	33.5	0	0.0	7,912	66.4	5	0.0	11,903	99.96
Lapuz	4,932	0	0.0	0	0.0	3,649	74.0	1,285	26.1	3,649	73.99
Total	69,425	23,028	33.2	0	0.0	42,903	61.8	3,486	5.0	65,931	94.97

In terms of availability of toilet facilities, almost all households, i.e., more than 90 percent of total households in all districts have toilet facilities. However, these facilities are mixed sanitary and unsanitary toilets. Not all households have access to sanitary toilets. In particular, only 66 percent and 70 percent of households in Molo and Arevalo district, respectively, have sanitary toilets. The rest have unsanitary toilets and at worse, no access to toilet facilities at all. In contrast, 91 percent of the city proper's households enjoy sanitary toilets (**Table 24**).

Table 24
Distribution of Household by Type of Toilet Facilities

District	Total HH	Status of Toilet Facilities						Total HH with toilet (in percent)
		HH w/ Sanitary	HH w/ Unsanitary	HH w/o toilets				
City Proper	10,926	10,012	91.6	366	3.3	420	3.8	95
La Paz	8,209	6,208	75.6	1,525	18.6	245	3.0	94
Jaro 1	9,073	7,268	80.1	1,656	18.3	139	1.5	98
Jaro 2	9,187	8,131	88.5	818	8.9	238	2.6	97
Mandurriao	8,048	6,560	81.5	836	10.4	640	8.0	92
Arevalo	7,142	5,140	72.0	1,364	19.1	648	9.1	91
Molo	11,908	7,881	66.2	3,844	32.3	183	1.5	98
Lapuz	4,932	3,489	70.7	975	19.8	448	9.1	91
Total	69,425	54,689	78.8	11,384	16.4	2,961	4.3	95

III.2.c. Social Welfare

The City Social Welfare and Development Office (CSWDO) implements the national and local programs in social welfare and development for the City of Iloilo. Its programs and services can be categorized into six major functions: (1) Day Care Services, (2) Nutrition Program, (3) Emergency Assistance Program, (4) Practical Skills Development and Job Placement, (5) Self-Employment Assistance and (6) Other Special Social Services.

Table 25
City Social Welfare and Development Office (CSWDO)
Jan-Dec 2003

	Beneficiaries	Cost (%)
1. Day Care Service	10,391	46.98
2. Nutrition Program	8,213	3.71
3. Emergency Program	24,860*	33.85
4. Aid to Individual In Crisis Situation	3,013	13.18
5. Practical Skills Training	465	0.66
6. Special Social Services	15,391	1.09
7. Livelihood Assistance	70	0.53
TOTAL		100.00

* families

Table 25 shows the percent distribution of social welfare and development services expenditures by major function categories. Day care service eats up almost half (47%) of the budget for the CSWDO programs. Likewise, almost the remaining half of the budget goes to emergency assistance program to victims of natural calamities and social disorganization, i.e., 34% for emergency program and 13% for assistance to individuals in crisis situation.

Population aged six and below benefited much in the programs of the CSWDO in 2003, in particular under the day care services program and nutrition program. For instance, P7.13M was allotted for Day Care Services and P.563M for supplemental feeding. It is worthy to note that the day care center is an existing program of DSWD for children under the 3-6 age cohort. As a beneficiary of the Worldbank Early Childhood Care and Development (ECD) project for children aged 0-6, the city is giving P3M as a counterpart fund for its implementation. There are 20 additional barangays which benefited from this Worldbank ECD project which started in 2001 and will end in 2004. Another internationally ECD project is programmed for 2004-2006 which targets 30 preschooler for each of the 35 target barangays in the city.

ECD focuses on the psychosocial development and early education of preschoolers. It has also a nutrition component which provides supplemental feeding to children aged 0-6 who are malnourished so as to prepare them physically before they enter formal schooling. Some of the ECD's additional inputs to the existing day care center program are manipulative toys, books, and training for the workers.

Out of the 10,391 preschoolers who benefited from the day care centers in 2003, 24% are from Molo, 20% from Jaro, 20% from La Paz, 14% from City Proper, 12% from Mandurriao and 10% from Arevalo. Similarly, supplemental feeding of 8,613 malnourished children aged 0-6 was managed by 180 volunteers. Approximately 23% of this nutrition program beneficiaries were from Molo, 21% from Jaro, 17% from La Paz, 17% from Mandurriao, 13% from City Proper and 9% from Arevalo.

As of the day of interview (April 2004), there are 251 day care centers in the city. Furthermore, compared to 32 barangays in 2002, there are only 25 barangays out of the 180 barangays in the city without DCC centers. It is worth mentioning that the barangay officials helped in the implementation of the daycare centers. In particular, some barangays covered the insufficiency of the fund for the day care center construction in their area, which includes the construction of ceilings, paintings, and other finishing for the center.

Table 26
Actual/Consolidated Reports
Total Number of Pre-Schoolers
SY 2002-2003

District	Total Pre-Schooler	DCC Workers	DCC Centers
Arevalo	1,165	29	18
City Proper	1,715	47	40
Jaro I	2,183	30	18
Jaro II	1,604	29	25
La Paz	2,330	66	51
Mandurriao	1,293	31	23
Molo	2,740	65	40
TOTAL	13,030	297	215

There were 215 day care centers which accommodated 13,030 preschoolers in the whole city for school year 2002-2003 (**Table 26**). The district of Jaro, which registered the biggest number of preschoolers, was divided into clusters I and II. Moreover, Molo posted the highest number of preschoolers and the only district who accepted children of age 7, followed by La Paz and Jaro I. In the same manner, the districts of La Paz and Molo have the highest number of day care centers. On the contrary, Jaro I ranking third with respect to the number of preschoolers, has the least number of day care centers. In fact, a detailed report as of December 31, 2002 shows that in Jaro I, preschooler to DCC worker ratio ranges from a low of 32:1 to a high of 93:1. Assuming that there are 2 sessions for big classes, the highest preschooler –to-DCC worker ratio will still be 46:1 on the average.

The Day care workers is a mixed of permanent and casual employees with the number of casual employees almost twice of the permanent ones. As of December 2002, Casual employees receive an honorarium of P4,000 monthly (P4,500 in 2004) while the permanent employees compensation ranges from P7,606 to 10,612, depending on their length of service. Also, the highest educational attainment of DCC workers varies from a high school graduate, graduate of vocational courses, college level, midwife to a college degree holder.

Another big chunk of the budget is the emergency assistance program which amounted to P5.136M in 2003. A total of 38,270 families affected by typhoons Chedeng and Harurot benefited from the program. Other household beneficiaries who were provided emergency relief assistance were fire victims and relocated squatters. In addition, P2M was allotted for financial assistance to defray cost of medicines, laboratory fees, hospital bills and burial assistance to 3,013 individuals in crisis situation. Transportation assistance was provided to stranded victims as well.

The incidence of street children is expected in an urbanized area. On a citywide survey conducted by the Task Force on Street children in Iloilo City, 174 registered compared with the 400 estimate of the CSWDO. Out of the 174 street children, 30 were given scholarships by the city in coordination with Educational Research and Development Assistance Foundation (ERDA): 29 in the elementary and 1 in high school. The assistance includes transportation and snack allowance of P150/week, P700 for miscellaneous fees, and uniforms and school supplies. Moreover, under the Parent Effectiveness Service (PES), parents of the street children scholars undergo seminars about the roles of parents and have committed that they will not allow their children to work in the streets again. Majority of the street children work by car watching, scavenging, selling and begging in the streets to augment the meager incomes of their families. Some street children were not living with their families, of which 4 were referred to institutions such as Saint John of the Cross.

Out of school youths are prevalent in the city. The incidence reaches 2,500 and ranges from age 15 to age 24, the age cohort for fourth year high school and tertiary education. Majority of them age 15-19 and are males. The two major reasons given by the out of school youth are economic in nature and attitude. First is that they needed to work to add to the small incomes of their families and second is lack of interest in studying. Part of the services for them is the leadership training and self-awareness program which enhances their interest in going back to school. Other activities include community building, capability building and skills enhancement programs. All of which are barangay-based.

III.2.d. Environment

Environmental Protection

To address the environmental concerns and other issues pertaining to natural resources in Iloilo City, the City Environment and Natural Resources Office (CENRO) was created on December 2000 by virtue of Regulation Ordinance No. 00-161, Series of 2000. Since then, the CENRO has been responsible for the preparation and implementation of plans and programs concerning rehabilitation, protection and development of the city's environment and natural resources which is aimed at maintaining a safe and healthy environment for the Ilonggos.

The CENRO programs and projects focus on environmental planning and management; environmental quality and environmental compliance certificate (ECC) monitoring; and environmental sanitation and maintenance. Environmental planning and management includes water resources management; air quality planning and management; development of the city environment profile; solid waste management; and heritage planning and conservation. To date, the CENRO has accomplished a number of projects particularly along water resources management. One of these projects is the

formulation of Iloilo River Development Master Plan (IRDMP) which is the outcome of the City Mayor's participation at the Mayors of the Asia-Pacific Environmental Summit (MAPES) in Honolulu, Hawaii. It was completed in April 2003 in consultation with stakeholders and was approved and adopted in July 2003. In addition, the CENRO also assisted in the implementation of Integrated Water Resources Alliance (IWRA), which started in October 2002 and ended in May 2003 with the formulation of an Integrated Water Resources Management Workbook. On top of these is the annual cleanup of Iloilo River which started on September 21, 2003 in connection with the celebration of the International Coastal Cleanup Day. Since then, the active participation of the private sector and people's organizations in the cleanup activity has been noteworthy.

As regard air quality planning and management, the CENRO, in coordination with the Metro Iloilo Development Council's Environmental Management Committee, Municipality of San Miguel, and the San Miguel Jeepney Operators and Drivers Association, conducted a one-day voluntary smoke emissions testing at San Miguel, Iloilo on December 12, 2003 using the "Lucas (HR172) Smokemeter." Fourteen public utility jeepneys (PUJs) underwent voluntary testing. Two of them failed the test and their respective drivers were advised to have their vehicles checked and implement necessary repair and maintenance to reduce smoke emission.

The development of the city environment profile is underway. Almost all of the required data and information for the preparation of the profile is available. The CENRO is now doing the technical writing of the document, which is expected to be complete by the middle of 2004. On heritage planning and conservation, the CENRO sits as the Executive Director of the Iloilo City Cultural Heritage Conservation Council (ICCHCC). It is responsible for coordinating activities relative to the implementation of heritage conservation programs and projects. The cataloguing of heritage buildings in downtown central business district (CBD) is a major project of the ICCHCC. The completion of the draft catalogue is still in progress. Further, the ICCHCC program covers the establishment of conservation guidelines as well as the implementation of IEC and advocacy campaigns on the preservation of old buildings.

On the one hand, environmental quality and ECC monitoring involve handling of pollution and nuisance complaints ranging from garbage burning to emission of smoke and foul odor from backyard piggeries and chemical leakage; and review of environmental clearance applications. In compliance with the Clean Air Act of 1999 or Republic Act 8749, the CENRO established an interim Anti Smoke Belching Program for the city.

Lastly, environmental sanitation and maintenance covers regular upkeep of cleanliness and sanitation in markets, slaughterhouse and public cemeteries as well as beautification of parks and plazas. In particular, the CENRO implements the Clean and Green Program, which includes pursuance of urban greening.

Garbage Collection/Solid Waste Management

The provision of basic solid waste management (SWM) services in Iloilo City is assigned to the Office of Public Services (OPS) under the General Services Office (GSO). It includes four (4) primary aspects of SWM such as primary and secondary collection, transfer/haulage and final disposal of garbage. The current service area includes 176 barangays in Iloilo City, markets, port area, commercial and industrial zones. The city government implements a barangay-based garbage collection called clustering, which is done everyday. The system, which started in July 2001, adopts a door-to-door approach of garbage collection. However, four barangays were not covered by SWM provisions because they are either not accessible to collection vehicles; currently generating insufficient quantities of waste to justify a regular collection service because the houses and generators are scattered too thinly; and/or the population is minimal.

A private contractor provides the collection service in the city. The contract service requires 78 round trips per day, 365 days per year. The service fee per trip is PhP1,083.00. As regard equipment, the contractor has 29 different vehicles, which include 16 general-purpose dump truck vehicles with extended side, and 12 specialized garbage collection vehicles (compactor trucks). Of these vehicles, there are small capacity collection vehicles which are used for collection in remote areas passing through barangay and narrow subdivision roads. Two to three service units are allotted in case an assigned vehicle breaks down or is off road undergoing routine maintenance.

On the other hand, the city is maintaining one (1) unit open dump truck assigned to collect left-over wastes during daytime, and one (1) unit skip hoist trolley truck for collection of slaughterhouse waste. To augment the collection service, some commercial establishments and institutions deploy their own refuse delivery vehicles, dump trucks, jeeps, pick-up, tricycle and pedicabs, to undertake direct delivery of wastes to the dumpsite. Other private collectors also share in the delivery of wastes but on a limited frequency.

Based on the recent interview, with 300 tons of garbage generated daily, only 200 tons is collected which means almost 70 percent efficiency in garbage collection. Scavengers recover 3 percent of the total garbage collection. The amount of recycled garbage at the household level is not accounted for. In contrast, the OPS Report (2002) says that the estimated average generation in the city is 250 tons per day based on the assumption of 500,000 population including transient population, and waste generation rate of 0.5kg/cap/day. Such estimate is comparable with mixed urban waste generation data reported for other Highly Urbanized Cities (HUC's) in the Philippines for which typical values are recorded in the range of 0.47 to 0.68 kg/cap/day.

About 90 percent of the total volume is collected and transported to Brgy. Calajunan located in Mandurriao District. Waste is dumped without being compacted or covered in a 23-hectare Calajunan Dumpsite. There is no

organized procedure for the deposition of waste. Such practice of open dump system poses significant risks to public health particularly in contiguous communities. Moreover, Republic Act 9003 which is otherwise known as “The Ecological Solid Waste Management Act of 2000” stipulates the conversion of open dumpsite to engineered or controlled dumpsite by 2004 and to sanitary landfill by 2008. This would require a sizeable amount. In 1997, the World Bank estimated the cost of converting the dumpsite into a sanitary landfill at about PhP260M but considering the prevailing exchange rate, the estimate would be much higher now.

Nevertheless, the city government has taken initiatives to address all components of an ecological waste management system. A number of resolutions have been passed for the establishment of a Material Recovery Facility (MRF) in Calajunan Dumpsite as well as the implementation of the Calajunan Controlled Dump Conversion Project (CCDCP). The total budget for the latter is PhP60M but the available fund is only PhP10M. To date, the conversion is about 20 percent complete. In addition, the city government also implements community-based solid waste management pilot projects in coordination with DPWH-PMO and CTI Engineering. The project aims to establish Material Recovery Facilities (MRF) in three (3) pilot barangays: Brgy. Bakhaw, Mandurriao; Brgy. Buntatala, Jaro; and Brgy. Sta. Filemona, Arevalo. In 2003, DPWH-PMI personnel with the assistance of the CENRO staff had begun a series of community profiling/organizing activities and planning workshops with the selected barangays. Moreover, the CENRO and OPS personnel actively participated in the conduct of the study on the improvement plan for Iloilo City's solid waste management program specifically in terms of baseline data gathering activities. The study is a component of the on-going JBIC-funded Iloilo Flood Control Project implemented by the DPWH.

III.2.e. Peace and Order

The Iloilo City Police Office (ICPO) has six (6) Police Stations, now called Police Precincts, which are located in the six (6) districts of the city. In addition, it has 14 Community Oriented Policing System Kababayan Centers, which provide full service, i.e., policing in crime-prone areas and one (1) City Mobile Group or anti-terrorist unit which serves as armed support to police personnel on the ground.

As of April 20, 2004, the ICPO is composed of 46 Police Commissioned Officers (PCO's) and 469 Police Non-Commissioned Officers (PNCO's) who are deployed in the Headquarters, Traffic Management and Engineering Unit, ICMG, and Police Precincts. Fifty percent (50%) of the PCO's and almost 30.5 percent of the PNCO's are in the headquarters. The ratio and proportion of the ICPO's actual strength to the district's population is shown in **Table 27**. There is a shortage in manpower for police services. Nevertheless, the City Government has managed to deal with peace and order problems through its barangay-based anti-crime strategy, which is dubbed as Community Oriented Policing

System (COPS). The system is simply the partnership between civilians and police in fighting against crimes guided by “*The Community is the Police and the Police is the Community*” principle.

Table 27
PERSONNEL FILL-UP OF PNP RECOMM 6
(As of April 2004)

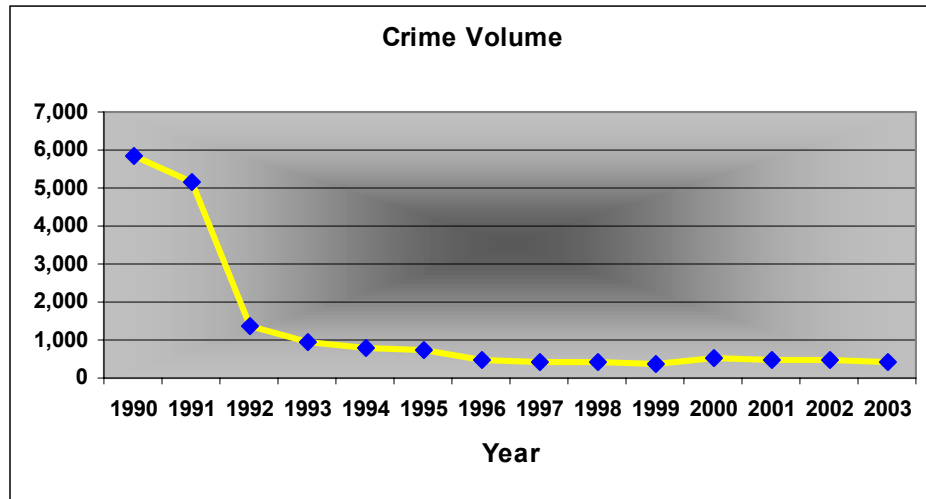
UNIFORMED PERSONNEL				
UNIT	ACTUAL STRENGTH Percentage Distribution			
	PCO's	PNCO's	PCO's	PNCO's
HQS	13	143	50.00	30.49
TMEU	1	35	3.85	7.46
ICMG	2	57	7.69	12.15
PP1	2	68	7.69	14.50
PP2	2	37	7.69	7.89
PP3	2	42	7.69	8.96
PP4	1	30	3.85	6.40
PP5	2	29	7.69	6.18
PP6	1	28	3.85	5.97
Total	26	469	100.00	100.00

Source: Iloilo City Police Office

Out of 180 barangays, 135 are remote barangays. They were grouped into cluster of 4 barangays wherein three (3) police officers are assigned to work with barangay tanods. The latter supplies intelligence while the former provides the strength or firearm. The indispensable cooperation between barangay tanods and civilians is effective in the case of Iloilo City. The strategy is aimed at crime prevention and crime solution as well.

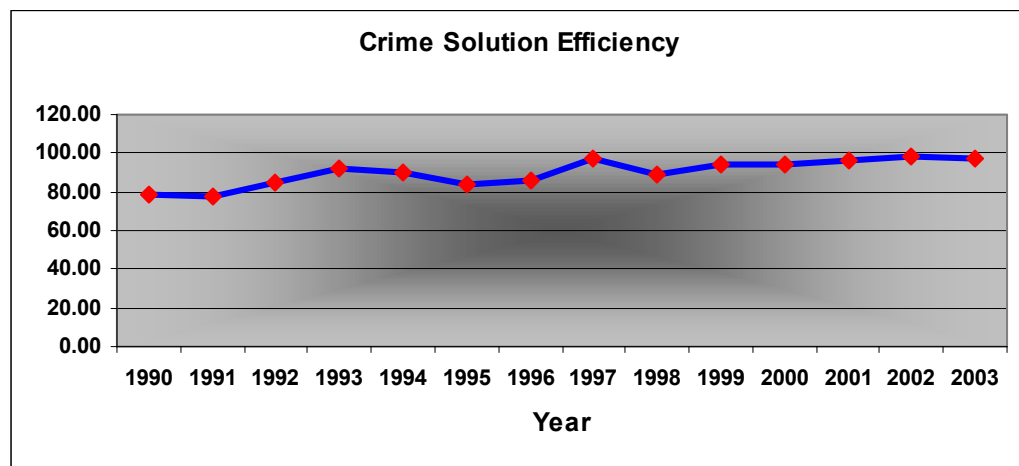
Crime volume is given by the number of non-index crime and number of index crime. Non-index crimes are violations of special laws such as PD1602 and they include illegal fishing, illegal gambling, illegal drugs and drug trafficking. On the one hand, index crimes are those crimes which occur with regularity, i.e., violation of revised penal code such as murder, homicide, rape, theft, and the like. **Figure 4** shows the sharp decline in crime volume between 1991 and 1992 followed by much lower crime volume in the subsequent years. On the one hand, **Figure 5** exhibits improved crime solution efficiency - ratio between reported and solved crimes - despite the shortage in manpower. Due to the efficiency and effectiveness of the ICPO, it has received 1,070 Letters of Commendation, 249 medals and two (2) Certificates of Recognition. On top of these, the ICPO has bagged the Best City Police Office award in CY2003.

Figure 4



Source of basic data: Iloilo City Police Office

Figure 5



Source of basic data: Iloilo City Police Office

III.2.f. Traffic Management

Traffic management in Iloilo City rests on Iloilo City Police Office's Traffic Management and Engineering Unit (TMEU). Since traffic congestion is a perennial problem in the city, the city government is finding ways and means to ease traffic jam. The City Mayor created a special committee dubbed as "Task Force Trafik" to undertake the study and experimentation on traffic in the entire city.

Traffic congestion in the city is attributed to a number of factors such as lack of roads and prevalence of narrow roads; concentration of commercial areas in specific portions of the city; increase in the number of vehicles particularly of provincial public utility vehicles (PPUV); presence of big trucks loading and unloading cargoes in the city's thoroughfares; and lack of

rationalization of traffic routes and signs throughout the city. The task force has identified possible solutions to these problems but some of them require a huge amount of money particularly widening of existing roads and construction of new roads.

On the one hand, other solutions require strict implementation of city ordinances. In fact, a number of ordinances have been passed to resolve traffic congestion. One of them is a regulation ordinance establishing perimeter boundaries for PPUV entering the city's major streets. All PPUV coming from their respective points of origin have their perimeter boundaries in different districts of Iloilo City, outside of the City Proper area, as assigned or designated by the TMEU with the approval of the Sangguniang Panlungsod (SP).

Public utility pass (PU Pass) entitles the operators of jeepneys and buses to enter and load and unload in their designated terminals. TMEU determines the number of PU Passes to be issued to the operators of PPUV coming from Passi City and different municipalities of the provinces of Iloilo, Aklan, Capiz, and Antique but it is subject to SP's approval. Nevertheless, PPUV coming from the towns considered as part of Metro Iloilo such as Leganes, Pavia, Oton, San Miguel, and Sta. Barbara are exempted from the ordinance due to their proximity to Iloilo City.

In addition, the SP also passed an ordinance providing for an expanded truck ban in specific streets in the city. Trucks refer to motor vehicles of six wheels or more and those motor vehicles classified as "T" with the LTO. It includes both government and private trucks except dump trucks loading garbage for the city government of Iloilo, fire trucks and trucks carrying perishable goods. The truck ban starts from 6:00AM until 10:00PM except Sundays.

III.2.g. Housing for Urban Poor/Squatter Relocation

In accordance with the implementation of R.A. 7279, otherwise known as Urban Development and Housing Act of 1992, the local government of Iloilo City created the Iloilo City Urban Poor Affairs Office (ICUPAO). One of the major functions of the office is to handle efficiently the resettlement of informal settlers dislocated by calamities, implementation of government projects and ejection by virtue of court order.

Based on the citywide census conducted by Iloilo City Population Commission Office in 2003, 37,635 households, i.e., 47 percent (47%) of the total households are classified as urban poor. Forty-one percent (41%) of them have benefited from the city's resettlement program. In contrast, almost 48 percent (48%) of the urban poor are informal settlers. Majority of them, 71 percent (71%), are located in danger zones or high-risk areas such as waterways (28.77%); road easements (13.71%); and shoreline (57.52%). The remaining portion, 11 percent (11%), accounts for renters. Thus, 59 percent (59%) of the urban poor, i.e., 22,197 households are in need of resettlement homelots.

The city government is exerting effort to address the issue. In CY2002, the annual budget for the Program is five percent (5%), i.e., PhP27.2M, of the city's total annual budget. A portion of the budget was used for raw land acquisition, which is intended for additional relocation site projects. According to ICUPAO's 2003 Annual Report, the effective management of the 2002 budget has significantly influenced the developments in CY2003. For the last three calendar years, the city government has provided relocation homelots to all qualified-immediate needy constituents. As of CY2003, it has granted 3,196 homelots to qualified beneficiaries. To date, more than 4,885 homelots have already been provided to relocatees.

Nevertheless, the city government needs additional budget for the construction of basic infrastructure and creation of programs to enhance employment opportunities in the relocation sites. Moreover, the city government has yet to respond to the need of other households particularly those settling along waterways or areas affected by the Iloilo Flood Control Project. The Project requires additional relocation sites for 3,500 households in a matter of three (3) years starting 2004. Thirty-three (33) hectares of land is needed. As of now, only 3.8 hectares is available. The city government is expecting assistance from the National Housing Authority (NHA) amounting to PhP63.167M, which is equivalent to additional 16 hectares.

III.3. Issues and Responses leading to the Creation of Metropolitan Iloilo Development Council

Background

From an entirely rural area in the Pre-Spanish period, Iloilo City had become a chartered city on July 16, 1937. In the early 1930s, the Arellano Plan was developed as part of a campaign for indigenous architecture that aimed to develop the Philippine countryside. It took off from the existing Pre-Hispanic layout of the city and incorporated improvement and adaptation of the European design of a radial urban center consisting of a plaza and a government administrative office. In addition, it specified locations for a future airport, government facilities, and a boulevard. However, the Plan did not get full support and thus was never fully implemented. The American influence of houses and buildings in the city can be attributed to the Ilonggo architects who returned from a study grant abroad.

For late 1970s until 1990s, the 1977 Comprehensive Urban Development Plan (CUDP) with two implementing tools such as Land Use Plan and Zoning Ordinance guided development efforts of the city. Later, the city government had to revise it because it could not meet the challenges brought about by rapid urbanization and population growth. A multi-sector group formulated the 1994-2010 Comprehensive Development Plan of Iloilo City by the end of 1993 as replacement for the 1977 City Plan. Nevertheless, the 1993 Plan was not implemented due to lack of some required maps and documents.

Consequently, the physical development and land utilization of the city has been poorly managed (CLUP, 1998).

Efforts to cope with the rapid urbanization and population growth did not stop there. In 1998, the City Government sought public participation in drawing up measures that would address urbanization issues. The issuance of Executive Order No. 6 series of 1998 created the City Land Use Plan Executive Committee and the Technical Working Group. In addition, the task forces created for the revision of the 1977 plan was also reconvened and they identified the sectors for consideration. The sectors include economic, infrastructure, land use, environment, social, local administration and demographic. A series of multi-sectoral consultative planning workshops was conducted to come up with the Comprehensive Land Use Plan (CLUP) for 1998-2010. The city's private sector such as the academe, NGOs, POs, church, banking institutions, business clubs, civic clubs and other professional clubs actively participated in the planning initiative. Further, the CLUP was also formulated in close coordination with the four neighboring municipalities of Leganes, Oton, Pavia and San Miguel.

Despite Iloilo City's conscious attempt to manage urban growth, nearby municipalities have started to experience the spillover effects of rapid urbanization in the core city. It is true that there are positive effects that come along with it but the negative effects cannot be underestimated. For instance, economic activities in the city cause traffic jam not only in the city but also in connecting roads leading to adjacent towns during rush hours. On top of this are the more serious problems such as flooding, garbage, lack of housing and shelter services, and inadequate infrastructure.

Cognizant of these pressing concerns, a group of Ilonggo businessmen initiated and conceptualized in the early 1990s the formation of a metropolitan arrangement. The agreement would be between Iloilo City and its nearby towns. However, the idea did not materialize because the city was experiencing political instability then. It was only revived in 1996 when the mayors of concerned LGUs, Iloilo City, Oton, Pavia, and Leganes met primarily to identify possible areas of cooperation. A memorandum of agreement (MOA) was drafted for the creation of the Metro Iloilo Development Council (MIDC). For it to be legally binding, a resolution allowing the local executive to sign the MOA must be passed. The Sangguniang Bayan (SB) of the three municipalities passed the resolution. On the contrary, the Sangguniang Panglungsod (SP) refused to do so due to alleged lack of consultation with concerned sectors of Iloilo City particularly in the drafting of the MOA and lack of technical study to support the proposal (Mercado and Anlocotan, 2002).

In 1998, the Canadian Urban Institute (CUI) started to support the establishment of MIDC in terms of capability building activities. It sponsored a series of meetings, workshops, and local and foreign study tours. These activities gave local officials a better understanding of metropolitan arrangement. Consequently, local government leaders started to view it as essential for

planning and management of issues and services that cut across boundaries. Later, the Municipality of San Miguel joined the initiative in late 2000.

Annex Table 2 gives the summary of the 9 steps in the establishment process, which involved over 500 stakeholders from local government, national government agencies, business sector, and non-governmental organizations. The active participation of stakeholders in the formation of MIDC is noteworthy. The MIDC was formalized on February 9, 2001 with the signing of a memorandum of agreement among the local chief executives (LCE) of the five LGUs. Part of the commitment of each LGU is the budgetary contribution annually. In particular, Iloilo City committed PhP100,000 and PhP200,000 for the first and second year, respectively. Each of the four municipalities gave half of the city's counterpart fund. To date, the MIDC is now fully established and recognized and accepted as a governance body. It is envisioned to create *"a highly livable region of God-loving and educated people working together for a progressive, self-reliant and sustainable community."* In particular, MIDC is aimed at addressing the problem associated with rapid urban growth with the end view of enhancing the quality of life of all urban residents. The five LGUs have a common and integrated development plan along the identified areas of collaboration which include environmental management; land use planning and management; public safety and security; infrastructure development; basic services delivery and economic promotion (**Annex Table 3**). Nevertheless, the LCEs still have the authority to govern over their respective LGU and constituents.

As regards the organizational structure of MIDC (**Annex Figure 2**), policy-making is the Executive Council's responsibility. In particular, the Executive Council (EC) is tasked to legislate and enforce policies on the metro-wide complementation of programs and projects for the effective and efficient utilization of LGU resources. Other functions of EC include formulation, implementation, coordination and monitoring of metro-wide plans and programs relating to the areas of collaboration on basic services delivery, public safety and security, infrastructure, land use planning, environmental management, and economic promotion as well as other development concerns that the MIDC Board may identify; and facilitation of the sharing of manpower, financial and technical resources among the MIDC LGUs. It also receives grants, soft loans and other assistance; and national government subsidies for its priority development programs and projects. Moreover, it serves as a forum for resolving inter-local government issues, which may arise between and among its LGU membership.

On the one hand, the Advisory Board, composed of representatives from the different national agencies and the academe, acts as a consulting body. It provides policy and technical assistance and information to the Executive Council. When it comes to administrative work, the MIDC secretariat coordinates all communication, finance, project development, and procurement activities. It is composed of an Executive Director, Assistant Executive Director, a Project Coordinator, and a Finance and Administrative Coordinator. At present, in

addition to the office space in the city hall provided for the MIDC Secretariat, its staff is detailed and being paid under the regular plantilla of the city.

Further, the MIDC has six Project Steering Committees (PSC) that are tasked to prepare programs and projects to address priority sectoral issues and problems; recommend policies, rules and procedures that can better plan, implement, monitor, and evaluate projects and programs; prepare work plans and budgets for their respective sector; and implement priority projects. In addition, the PSC are also responsible for the planning and coordination of services, which have metro-wide impact. A technical working group (TWG) supports the PSC and the Executive Council in terms of planning and coordination of daily activities of the PSC. It also serves as the technical arm of the MIDC; provides progress reports to the MIDC on its activities; and prepares the annual work and financial plans. The TWG and PSC members are representatives from the five LGUs particularly the local government planners and heads of the departments associated with the six areas of collaboration and active NGOs (Frank, et al, 2003).

In the MIDC framework, Iloilo City will remain as the center for residential, commercial, financial, and educational activities of the region while the other four (4) LGUs will be the satellites. Pavia will serve as the agro-industrial center; Leganes as the center for light industries; San Miguel as the agricultural basket; and Oton as a residential area. The caveat with this designation is that the role of each LGU only serves as a guide for their planning but the jurisdiction for the economic decisions will still depend on what each LGU intends for their own locality. The MIDC initial program strategy centers on the six sectoral priorities previously mentioned. To wit, enhancing public safety and order; formulating a comprehensive and integrated metropolitan land use development plan; protecting and improving the quality of air, land and water environments; upgrading regional infrastructure; ensuring the efficient and equitable delivery of basic human services; and promoting investment and economic growth in the metropolitan region (MIDC Framework Plan).

Metropolitan Iloilo Development Council: Experience in Managing Urban Growth/Future and Accomplished Programs and Activities

A. Metropolitan Iloilo: Profile (Physical and Demographic Composition) and Situation

Metropolitan Iloilo includes Iloilo City, as core city and the municipalities of Leganes, Oton, Pavia, and San Miguel. It has a land area of 263.15sq.km. which is bounded by the Municipality of Zarraga in the north, New Lucena in the northwest, Santa Barbara in the west, Leon in the southwest, Tigbauan in the south and the Guimaras strait in the east. Among the five LGUs, Oton is largest with land area of 90.73sq.km. and is followed by Iloilo City (70.23sq.km.), Pavia (38.04sq.km.), Leganes (32.18sq.km.), and San Miguel (31.97sq.km.).

It has a total population of 510,230 as of year 2000 (**Table 28**). Iloilo City accounts for about 72 percent of the total population while the remaining portion comes from Oton (13%), Pavia (6%), Leganes (5%) and San Miguel (4%). In contrast, Metro Iloilo registered a total population of 454,419 in 1995. If the population will grow steadily at the rate of 2.34, the estimated population by 2013 is 689,559.

Table 28
METRO ILOILO URBAN POPULATION (PROJECTED)

YEAR	ILOILO CITY	LEGANES	PAVIA	OTON	SAN MIGUEL	METRO ILOILO
1995*	333,470	19,098	26,561	56,536	18,753	454,419
2000*	366,992	23,643	33,065	65,703	20,827	510,230
Ave. GR	1.93	4.36	4.48	3.05	2.12	2.34
2001	374,091	24,674	34,546	67,707	21,268	522,190
2002	381,327	25,750	36,093	69,773	21,719	534,429
2003	388,702	26,874	37,709	71,902	22,180	546,956
2004	396,221	28,046	39,398	74,095	22,650	559,776
2005	403,885	29,269	41,162	76,356	23,130	572,896
2006	411,697	30,546	43,005	78,685	23,620	586,324
2007	419,660	31,878	44,931	81,086	24,121	600,067
2008	427,777	33,269	46,943	83,559	24,632	614,132
2009	436,051	34,720	49,045	86,109	25,154	628,527
2010	444,485	36,234	51,241	88,735	25,687	643,259
2011	453,083	37,815	53,536	91,443	26,232	658,336
2012	461,846	39,464	55,933	94,232	26,788	673,767
2013	470,779	41,185	58,438	97,107	27,356	689,559

* figures are centered

Metro Iloilo has a total land area of 26,316 hectares. Oton has the largest portion with 9,073 hectares, which is 34% of the total area. On the one hand, San Miguel has the smallest with 3,197 hectares, i.e., 12.15 percent of the total area (**Table 29**). In terms of population density, Iloilo City has the highest population density: 47.63 percent and 52.17 for 1995 and 2000, respectively. In contrast, San Miguel has the lowest population density for both years. At the aggregate, the metro's population density is 17.33 percent and 19.33 percent for 1995 and 2000, respectively.

Table 29
LGUs' Population Density: 1995, 2000
Person/hectare

	Area	1995	2000
Leganes	3,218	5.98	7.29
Oton	9,073	7.03	8.63
Pavia	3,805	6.26	7.21
San Miguel	3,197	5.89	6.49
Iloilo City	7,023	47.63	52.17
Metro Iloilo	26,316	17.33	19.33

Source: Metro Iloilo Development Framework Plan, 2004-2014

As regards labor force, Metro Iloilo posted a total of 281,758 in 1995. Almost 75 percent of the total working population comes from Iloilo City. Of the remaining portion, Oton has the highest share, i.e., 12 percent. On the other hand, the total dependency ratio is highest in Leganes, i.e., almost 72 percent. Also, Leganes has the highest young dependency ratio (64%). On the contrary, total dependency ratio is lowest in Iloilo City which is estimated at 59 percent. Similarly, Iloilo City has the lowest young dependency ratio (52%) **(Table 30)**.

Table 30
Metro Iloilo's Dependency Ratio, 1995

	TDR	YDR	ODR
Leganes	71.97	63.86	8.11
Oton	71.11	61.35	9.77
Pavia	69.75	59.36	10.39
San Miguel	69.57	58.83	10.74
Iloilo City	58.92	51.79	7.13

Source of basic data: 1995 Census of Population

B. Metropolitan Iloilo Development Council: What it has done so far and its future plans

The programs and activities of MIDC have always been consistent with the identified areas of collaboration. In particular, **Annex Table 3** provides a summary of the Action Plan as well as the accomplishments of MIDC in its three years of existence. One of the major accomplishments of MIDC is the formulation of the Metro Iloilo Physical Framework Plan 2004-2014 in March 2003. The Plan is a guide that describes how the residents of Metropolitan Iloilo envision the region given shared community resources in terms of natural environment, infrastructure and manpower. It provides a long-term plan for the land use of Metro Iloilo and offers a valid review of the current data and land use policies for the five LGUs. It also presents how other economic resources should be utilized efficiently and

effectively. The PSC on Land Use Planning and Management spearheaded the preparation of the Plan. Initially, it created a conceptual Metro Iloilo Land Use Plan (MILUP) considering the Regional Development Plan. The MILUP became the basis for the formulation of the Metro Iloilo Land Use Framework Plan (MILUFP), which involved a six-step process that include review of existing municipal and city comprehensive land use plans (CLUP); information analysis and mapping; sectoral consultations and reports; public consultation (Phase 1); drafting of metropolitan plan; and public consultation (Phase 2).

The Plan was given top priority considering the urgency of the problems confronting the region. As a result, a number of metropolitan priorities (Frank, et al, 2003) have been identified in the planning process and some of these are as follows:

❖ Panay Area Business Development Project

The Project was initiated by the Department of Trade and Industry with close coordination with the provinces of Iloilo, Antique, Aklan, and Capiz and MIDC as well. It is aimed at making Panay Island a premier agricultural and fishery product exporter and tourism service provider through enhanced agri-fishery industry, world-class standardization of support services for tourism, and strong linkages among government, civil society, and the business sector.

❖ International Standard Airport

The construction of the new airport with international standards is being planned for the Municipality of Cabutuan, north of San Miguel municipal boundary. The national government chose the site due to its proximity to the city, the relatively flat terrain, and stability of the terrain from hydrological elements. During the dialogue for the Project, it was recommended that the planning process focus on:

1. coming up with an inventory of current landownership near the site;
2. conduct of appraisal process to determine the value of the land to be purchased for the Project;
3. provision of efficient road access, i.e., connecting the airport to the city proper and into the main highway system into the northern part of Panay Island; and
4. decommissioning the current domestic airport located in Mandurriao district of Iloilo City and exploring its appropriate redevelopment for commercial and other uses.

❖ Circumferential Road System

Another project that was identified is the construction of secondary road system that will provide inter-district connections among the municipalities within the metropolitan region and beyond. Initial plans include new road

network that will provide a radial connection from Iloilo City going to the peripheral municipalities, and lateral connections between the peripheral municipalities of Santa Barbara, Alimodian, Zarraga, Maasin, Cabatuan and New Lucena, Oton, Pavia, San Miguel and Leganes. The new road system is also envisioned to provide connections between Iloilo commercial port, the proposed international airport in Cabatuan, and the regional agro-industrial center in Pavia and the Leon-San Remegio Road linking with Antique Province. The MIDC, Department of Public Works and Highways (DPWH) and the Japan International Cooperation Agency (JICA) have agreed to fund the Project as well as the related capacity development and know-how transfer that go with it.

❖ Solid Waste Management

The conversion of open dumps into controlled dumps within three years and ultimately into sanitary landfills within five years is mandated in Republic Act 9003. With the difficulties involved in managing both the technical and political process, the MIDC took on the challenge of tackling the issues and political tradeoffs. Through a series of consultation, the MIDC agreed to develop a common solid waste management framework plan and program to help establish policies, standards, programs and projects for proper waste disposal, segregation, and composting.

❖ Iloilo Flood Control Project

Iloilo City and Pavia are the most affected areas of floods. With the considerable damages to lives and property and infrastructure facilities, metropolitan-wide plan to control flood was pursued. The plans and maps of the Iloilo Flood Control Project will be integrated in the final MILUF Plan. As regards funding for the Project, the loan agreement between Philippine Government and the Japanese Government through JBIC was approved on March 28, 2002.

❖ Integrated Water Resource Management

There is a surplus of water for agricultural and industrial purposes in Metro Iloilo. On the one hand, there is lack of potable water for the populace. The problem is attributed to the lack of coordination and integration among LGUs and other government agencies in planning, service delivery, and infrastructure development. The Integrated Water Resource Management initiative aims to address the concern by focusing on:

1. development of an integrated master planning process for water resource management;
2. ensuring that its planning efforts are properly linked and coordinated with other planning initiatives and programmes, including the Iloilo River Master Plan implementation process;

3. partnership building for project planning, implementation, monitoring and evaluation;
4. public education and awareness raising on water resource management and conservation issues;
5. support to infrastructure development (e.g. drainage planning and technologies); and
6. sustenance of the economic value of water resources

The MIDC will take the lead in the area of integrated water resource management for the urban region.

❖ Iloilo River Rehabilitation

The Plan for the rehabilitation of the Iloilo River has already been completed using the information gathered during the planning process and consultations. It is considered a major initiative to rehabilitate the urban region's largest and most polluted waterway.

IV. Conclusion and Recommendation

At first glance, urbanization presents a rosy picture with its perceived benefits. However, issues that come along with it must be properly addressed lest the benefits cannot be fully obtained or at worse, be diminished. In the case of Iloilo City, the local government has managed to address urbanization issues that confront the city. In terms of delivery of basic services, it is able to meet the needs of its populace despite its limited resources due to its political will, innovativeness and ability to maximize the advantages of private sector and NGOs participation.

Nevertheless, to be able to sustain existing activities and fund more programs, the city government still needs to strengthen its political will as far as revenue generation and expenditure management are concerned. It should take full advantage of the taxing powers given to local governments. For instance, the city could religiously revise the assessment of real properties every three years considering that it has become a highly urbanized city. Given that GRA could be costly, other innovations could be done to pump RPT collections. The establishment of one-stop-shop in the city for payment of taxes is noteworthy as well as the aggressive tax collection through tax audits. On the other hand, computerization of RPT assessment and collection records might be good ideas to consider. At the same time, tax mapping can be further improved through the use of information directly from the barangay level.

Tapping of non-traditional source of revenue can also be considered like having a good LGU economic enterprise management. The city could have increased its locally sourced revenue by adjusting the fees and rentals of economic enterprise so that this will serve as revenue center instead of cost center. As expected, such move would create public opposition but this can be

lessened, if not avoided, through information and education campaign and public hearing. Fiscal management should not be jeopardized by political considerations. More importantly, the local government must be able to prove its constituents that the taxes and fees they pay translate into better delivery of services.

On the one hand, Iloilo City is also facing more complicated pressures of urbanization. Various initiatives are undertaken as response to the many urbanization issues such as traffic congestion, solid waste management, pollution, and informal settlement to name a few through the Metropolitan Iloilo Development Council (MIDC). The MIDC is composed of Iloilo City, Leganes, Oton, Pavia and San Miguel. The concerned LGUs voluntarily entered into an agreement for a metropolitan arrangement with knowledge on such arrangement as well as understanding of its advantages through the capability building activities of the Canadian Urban Institute (CUI). The CUI has been instrumental in the creation of MIDC. The active participation of various local stakeholders is also noteworthy.

Under the metropolitan arrangement, the LGUs identified areas of collaboration which include environmental management; land use planning and management; public safety and security; infrastructure development; basic services delivery; and economic promotion. Also, they determined the extent of collaboration in terms of programming and resource allocation. Together, the MIDC LGUs formulated action plans and some of which have already materialized. The MIDC has gone a long way in its three years of existence. To wit, the Metro Iloilo Physical Framework Plan is one of its major accomplishments. Other accomplishments are not in the form of physical structure or social services but they should not be underestimated. The series of workshops and study tours for the capacity building of the local executives, staff and leaders are essential in the light of the more flexible governance under the decentralized framework. Harnessing the capacity of local leaders will enable them to use such flexibility effectively and efficiently. Furthermore, the MIDC members have started to reap the fruits of their cooperation. For instance, LGUs benefited from sharing of information and encouragement for each other that result in member LGUs' adoption of programs such as Sentrong Sigla.

Nevertheless, it is important to bear in mind the vital role LCEs play in the success of the MIDC. Although each member had already signed the MOA, joint development planning and implementation would still be voluntary. It would still depend on their jurisdiction what the extent of collaboration would be. Hence, like what had happened during the creation of MIDC, its success involved a lot of political maturity from the local officials. The change in local government leadership of any of each town, especially Iloilo City, would greatly have an impact on the operation and success of MIDC. Also, not all services can be and should be jointly delivered by member LGUs. It should always be clear to MIDC members that new political structures are not created by this kind of arrangement. Hence, one local government could not compel another member to enter into a joint project. In the case of a common slaughterhouse being

proposed by the Municipality of Leganes to the City of Iloilo, the city has the absolute discretion to enter or not into such collaborative project. However, membership to MIDC is an advantage considering that it is a formal avenue to discuss and negotiate the possibility of such arrangement and the implications on administrative matters and fiscal management of having a common economic enterprise. In fact, this could fall in one of the benefits of local collaboration – the economies of scale.

Fund management problem, on the other hand, is raising pressure on the Council whether to enter into a different kind of institution – a private entity. At present, the fund of the Council is being managed under the trust fund of Oton municipality (its mayor act as the treasurer). There is a plan to register MIDC to SEC as a non-profit corporation. Nevertheless, this will raise issues on having a private institution that is so much involved in the planning and decision-making for the five government organizations. Lastly, the contribution of Canadian Urban Institute (CUI) in the success of MIDC cannot be undermined particularly in enhancing the capacity of the city and the four towns to run their own governments and MIDC. CUI's commitment to MIDC will end in 2006. The Council should be ready by then, not only in terms of capacity but as a strong metropolitan institution as well.

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Annex Table 1
Business Name Registrations in Department of Trade and Industry
By Industry, Iloilo City, 1998-2003

Industry	1998	1999	2000	2001	2002	2003
Agriculture_Fishery_and_Forestry	78	109	99	93	98	98
Mining_and_Quarrying	0	0	0	0	0	0
Manufacturing	678	978	900	979	927	1,144
Construction	20	29	23	31	22	34
Electricity_Gas_and_Water	0	0	0	0	0	0
Transport_Communication_and_Storage	18	14	21	19	20	57
Trade	64	85	86	82	105	162
Finance_and_Real_Estate	76	75	101	101	86	119
Private_Services	439	585	604	679	638	881
Government_Services	0	0	0	0	0	0
Total	1,373	1,875	1,834	1,984	1,896	2,495

Source of basic data: Department of Trade and Industry, Regional Office, Iloilo City

Annex Table 2. Steps in the Establishment Process of MIDC

Steps	Activities
<p>1. Project Inception Meetings (Mid-1998)</p>	<ul style="list-style-type: none"> - Two planning meetings were conducted among the five mayors and their technical staff to reach consensus and iron out issues related to the concept, process, work plan, financing, and other issues related to the proposed creation of MIDC - At the end of inception phase, the five LGUs signed a memorandum of understanding (MOU) which called for the creation of a multi-stakeholder Project Steering Committee (PSC). The PSC was mandated to do feasibility study on alternative institutional arrangements, coordinate a process of multi-stakeholder consultation, and recommend initial common development issues. - The initiative to design the metropolitan arrangement was officially launched on September 23, 1998.
<p>2. Establishment of a Project Steering Committee (PSC)</p>	<ul style="list-style-type: none"> - The PSC was established with work plan and a detailed orientation training session was held with its members.
<p>3. Multi-stakeholder Issues Survey</p>	<ul style="list-style-type: none"> - A multi-stakeholder survey was conducted to identify common development issues among the five LGUs in the metropolitan region and prioritize them for inclusion in the development agenda.
<p>4. Study Tours and Best Practice Research</p>	<ul style="list-style-type: none"> - CUI organized study tours for mayors, elected officials, and LGU staff to ensure that the design of the Iloilo metropolitan arrangement was informed by experiences in other places.
<p>5. Strategic Planning Workshop (April 1999)</p>	<ul style="list-style-type: none"> - A participatory strategic planning workshop was held to examine in detail the development issues confronting Iloilo City and its adjacent municipalities. - The output of the workshop was a first draft

Annex Table 2. Steps in the Establishment Process of MIDC

Steps	Activities
	<p>of the proposed MIDC strategic framework plan, containing the vision, goals, objectives, priority issues, areas of collaboration and strategic actions to be undertaken.</p>
<p>6. Municipal Consultative Workshops (May 1999)</p>	<ul style="list-style-type: none"> - The draft strategic framework plan was validated and strengthened through a series of consultative workshops with all the constituent LGUs. - Consequently, a draft of the memorandum of agreement (MOA) for the creation of MIDC was prepared.
<p>7. Public Consultation (July 1999)</p>	<ul style="list-style-type: none"> - A public consultation was organized wherein a refined draft of the strategic framework plan and the results of the various workshop were presented. - Stakeholders provided comments on the metropolitan concept, the proposed organizational structure for the metropolitan arrangement, the framework plan, and MIDC MOA.
<p>8. Legislative Approval</p>	<ul style="list-style-type: none"> - The individual Sanggunians discussed and refined and subsequently, approved the MIDC MOA. - MIDC was formally launched on February 9, 2001.
<p>9. Organizational Strengthening and Project Implementation</p>	<ul style="list-style-type: none"> - Before and after its establishment in 2001, with support from CUI, MIDC has been involved in various capacity building activities for strengthening the Council and to launch planning and implementation of several priority initiatives.

Source: Frank, et al, 2003

Annex Table 3. MIDC Areas of Collaboration

Areas	Issues	Action Plan	Output
Environmental Management	<ul style="list-style-type: none"> - Poor enforcement of environmental laws - Inadequate plans and programs that have integrated sustainable development approaches to address environmental problems - Need for capacity building for municipal environment officers to strengthen the involvement of LGUs in environmental management 	<ul style="list-style-type: none"> - Formulation of common environmental programs and projects - Coordination in the implementation and monitoring and evaluation of the various environmental initiatives on air quality management, flood control, integrated solid waste management, drainage and sewage system, and water resource management 	<ul style="list-style-type: none"> - Preparation of action plan for the committee - Decision to have common solid waste management program for Metro Iloilo - Conduct of an orientation on the Republic Act 9003, National Ecological Waste Management Act of the Philippines - Participation in the Integrated Water Resource Alliance in the preparation of the water resource management plan for Iloilo City and the neighboring municipal government - Preparation of draft proposal on Materials Recovery Facility (MRF) proposal
Land Use Planning and Management	<ul style="list-style-type: none"> - No Land Use Framework Plan to address major development concerns and guide urban development in Metro Iloilo 	<ul style="list-style-type: none"> - Preparation of the Metro Iloilo Land Use Framework Plan - Provision of support for programs on urban and rural renewal and development 	<ul style="list-style-type: none"> - Metro Iloilo Land Use Framework Plan

Annex Table 3. MIDC Areas of Collaboration

Areas	Issues	Action Plan	Output
Public Safety and Security	<ul style="list-style-type: none"> - Inadequate logistical support for protective services compounded by poor enforcement and low level of public awareness and understanding of laws and ordinances - Absence of financial assistance from the national government and other agencies for logistical requirements - Need for MIDC member municipalities to pool and share resources 	<ul style="list-style-type: none"> - Common zoning and urban growth expansion plan - Preparation of a regional land use framework plan - Review of existing laws and ordinances on peace and order, including the creation of a multi-partite monitoring group to ensure the strict enforcement of laws and ordinances - Creation of an integrated MIDC police force - Public involvement strategy 	<ul style="list-style-type: none"> - Collection and analysis of data on public safety and security situation of Metro Iloilo - Launching of projects including "Search for Outstanding Barangay Tanod", etc.
Infrastructure Development	<ul style="list-style-type: none"> - Insufficient infrastructure and logistical support for planning, construction, maintenance, and rehabilitation to meet present and future needs 	<ul style="list-style-type: none"> - Review and coordination of programs and projects related to transportation, traffic management, infrastructure development, road networks, water works, 	<ul style="list-style-type: none"> - Collection and analysis of data on infrastructure situation of Metro Iloilo - Preparation and endorsement of proposal on Metro Iloilo

Annex Table 3. MIDC Areas of Collaboration

Areas	Issues	Action Plan	Output
	<ul style="list-style-type: none"> - Absence of a comprehensive and integrated infrastructure, transportation, and communications plans - Lack of skills in local government personnel in terms of local financing schemes and revenue generation and utilization 	<ul style="list-style-type: none"> power and telecommunications - Monitoring and evaluation of major infrastructure projects 	<ul style="list-style-type: none"> Circumferential Roads Project for JBIC funding
Basic Services Delivery	<ul style="list-style-type: none"> - Insufficient resources for basic services. - Basic services not priority for LGUs in terms of budget allocation - Need for plans and programs for comprehensive housing, integrated health, accessibility for potable water, and marketing and promotions of MIDC - Need for information and feedback mechanism between municipality/city and barangays for efficient and effective implementation of land use and zoning plans 	<ul style="list-style-type: none"> - Review and coordination of programs and projects on health and housing; - Provision of livelihood opportunities and educational activities for the disadvantaged group 	<ul style="list-style-type: none"> - Completion of the project proposal on basic health services delivery - Conduct of consultation on project priorities - Formulation of a Memorandum of Agreement on MIDC health program

Annex Table 3. MIDC Areas of Collaboration

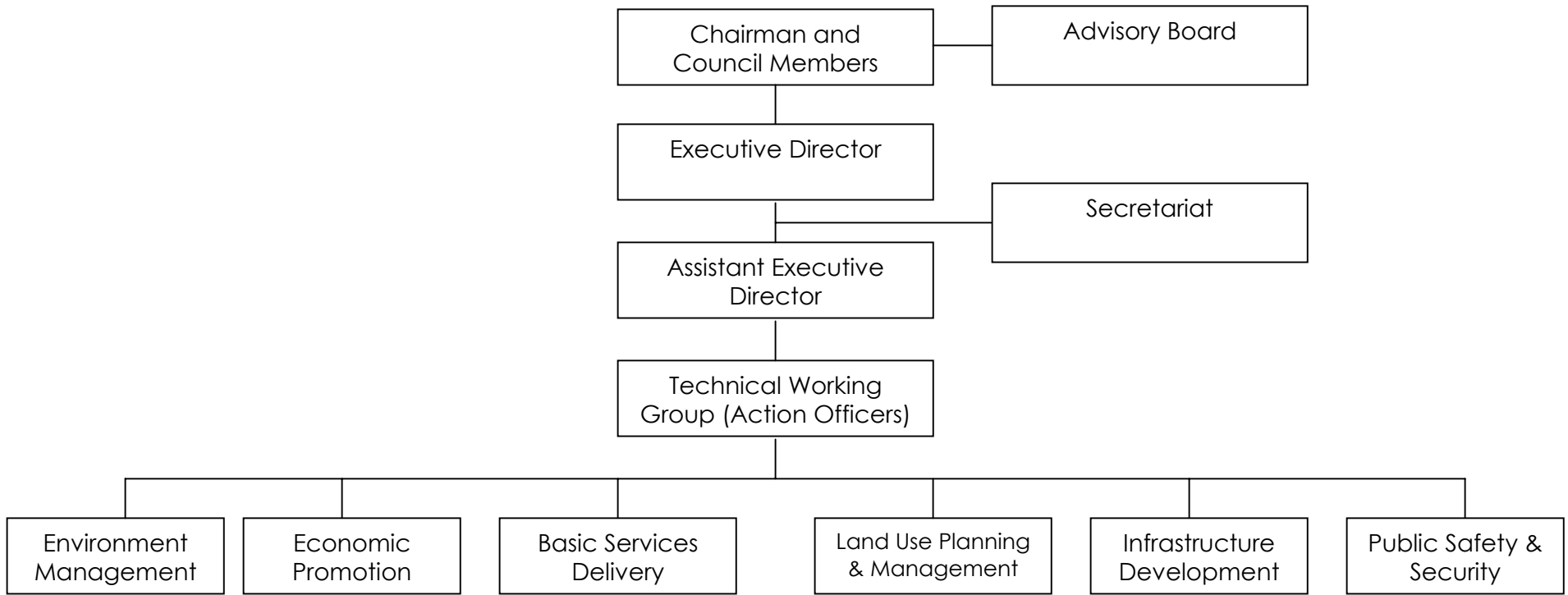
Areas	Issues	Action Plan	Output
Economic Promotion	<ul style="list-style-type: none"> - Need for review and revision of existing ordinances and policies - Lack of coordination in local economic promotion - Need for marketing and promotion programs for local governments under the MIDC umbrella - Need for information and feedback mechanism between municipality/city and barangays for efficient and effective implemen- 	<ul style="list-style-type: none"> - Formulation of plans and coordination in the implementation of local economic and investment promotion programs - Conduct of entrepreneurship trainings - Review of existing investment laws and ordinances 	<ul style="list-style-type: none"> - Conduct of survey of the economic resources, programs and ordinances of the member LGUs - Decision to work on common investment code for Metro Iloilo - Preparation of the MIDC Investment Promotion and Marketing Program proposal

Sources: Metro Iloilo Development Framework Plan, 2004-2014
 Frank, et al (2003)
 MIDC 2003 Accomplishment Report

**Annex Figure 1
Metropolitan Iloilo Map**



**Annex Figure 2
MIDC Organizational Chart**



Source: MIDC Operations Manual