

YES, WE CAN!*

Successfully riding out the current crisis

Introduction

A year ago, in the aftermath of Super typhoon Reming's onslaught, I challenged the newly elected leadership of this city to make the most of its fresh mandate by unveiling an ambitious plan that seeks to realize our dreams and aspirations for Naga.

Saying we cannot approach matters with a "business as usual" mindset, we dared everyone to take on a difficult dream that focuses on the need to (1) build a more progressive city, (2) establish a livable urban district, and (3) sustain our world-class governance system.

The current crisis

Today, as I summarize our progress over the last 12 months, the country – in fact the whole world – is faced with a formidable challenge. Unlike Reming, it is a storm that threatens whole societies, particularly the developing world.

The cost of food and fuel is rising, sending inflation again into double digits territory. They have cut deep into the budget of everyone – from ordinary households, to firms big and small, and governments both national and local. And it is Juan de la Cruz who is most vulnerable against the rising tide of inflation and the uncertainties of our times.

What we are seeing today, which recent events have exposed, is the dark underbelly of globalization. Through rapid changes in technology, a world shrinking into an integrated, interdependent global village is more vulnerable to shocks that rock and reverberate through the system.

We need to face this crisis with firm resolve. Otherwise, to do nothing is to let economic hardship fuel rising crime and the steady flow of street children and migrants into our city

We will overcome

But make no mistakes. We will overcome.

* State of the City Report delivered by Mayor Jesse M. Robredo before the Sangguniang Panlungsod during its regular meeting on August 12, 2008.

Our city has faced similar challenges before, and each and every time we rose up and moved on. This will be no different. There are uncertainties as to the depth, breadth and intensity of this economic crisis. But just like ‘Reming’ – the strongest in the city’s contemporary history – the Nagueño has what it takes to ride it out.

Yet in doing so, we need to do again what worked for us in weathering Reming: We need to summon again three key virtues that have come to define the contemporary Nagueño. Notwithstanding the odds, these qualities elevate and differentiate him from the “loser” tag that a recent survey says characterizes the feeling of the average Filipino today.

- The first is **confidence**. It is our enduring faith in our capacity as a resilient society that masters all sorts of tribulations visiting our land.
- The second is **hope**. It is our unyielding belief that after the trials that test us, things will always become better.
- And finally, we need **communal action**. Time after time, we came to realize that things only do get better the quickest possible way when we begin working together.

Our track record

What is the basis for our continuing confidence in the face of this crisis?

A robust local economy. For one, economic indicators for the last 12 months show that the local economy remains vibrant and resilient.

- The 614 newly registered enterprises as of the end of June 2008 represent a 3.9% increase compared to the 591 in June 2007. In terms of value, total investments reached P454 million, an even bigger increase of 238% over last year.
- In spite of the doubling cost of construction materials, we issued 46% more building permits this year over 2007, netting P3.5 million for the city building unit. In terms of value, the local construction sector invested P562 million this year, 50.6% higher than last year’s P373 million.
- While approval of new subdivision permits went down from 6 last year to 3 this year, their combined value nonetheless increased by 532.6% – from P59.5 million in 2007 to P376 million this year.
- All told, these investments translated to 5,568 new jobs during the period, using the national government standard that every P250,000 investment adds one job into the local economy.

Moreover, data from the MNCCI business registry shows that the local economy is in fact more robust than we expect it to be. A total of 1,217 new firms opened shop in 2007, bringing the total to 8,303 from only 7,086 in 2006 – a bigger 17% increase.

Compared to the 5,337 registered businesses, it shows that 36% – or roughly one of every three – firms in Naga belong to the informal sector, further indicating a thriving underground economy that will serve our people well in these difficult times.

Most competitive small city. The recently released results of the Asian Institute of Management (AIM) ranking of the most competitive Philippine cities is another basis of our confidence.

In spite of the expanded coverage, now covering 90 in the fifth round from only 10 when the ranking project was first conducted in 1999, Naga maintained its standing as one of the most competitive Philippine cities in the small city category, defined as those with population of 200,000 and below. In the Bicol region, only our city made it into the list.

Effective city leadership and governance. Moreover, what buttresses our confidence is the continuing high level of satisfaction by city residents on the overall performance of their elected leaders.

For instance, in 90% of the contests in the recent barangay elections, although a non-partisan political exercise, the citizenry opted for leaders who are supportive of the city government. This clearly sent a message of continuity and productive engagement insofar as leadership and governance in Naga are concerned.

Moreover, in the March 2008 Public Opinion Survey conducted by the Ateneo de Naga University, the net satisfaction rating of the incumbent city leadership ranged from as high as 67% to a low of 36%. This is a marked contrast with the national leadership, whose net satisfaction rating during the same period was -22%. Later, it would go down to -38%, the lowest ever among the country's post-Marcos administrations.

People-centered development. The main reason why the administration continues to enjoy a high level of satisfaction and trust among citizens is our proven, time-tested commitment to improving the welfare of less privileged fellowmen. Over time, we have designed and implemented innovative pro-poor programs, starting with housing (Kaantabay), education (NEED, Sanggawadan and QUEEN), livelihood and enterprise development (Metro PESO and CSWDO's microlending), health and nutrition (Sentrong Sigla, city hospital and the Nutri-Ataman/Nanay/Dunong initiatives) – all of which converge on alleviating poverty in the city, focusing on the lowest 20% of the population.

Their combined impact has yielded the following Millennium Development Goal (MDG) numbers for the city:

Goal	2000-06	2007	Trend
Poverty incidence	18.9%	n.d.	n.a.
Preschool malnutrition	5.6%	4.4%	+
Elem participation rate	100%	106%	+

Elem completion rate	66.6%	74.5%	+
Under-5 mortality	3.68	5.55	-
Infant mortality	8.96	0.30	+
Maternal mortality	0	0.30	-
Fully immunized children	81%	85%	+

Our navigating strategy

Along this line – and buoyed by our solid track record in handling the economy, maintaining our competitiveness, and managing the city as a whole – allow me to outline our strategy in riding out the current crisis. This strategy is founded on four fundamental principles:

- ***Social justice.*** In this gathering storm, some will be hit harder than most. It is our social obligation to help them out. We will therefore prioritize the most vulnerable segments of our society. As the late President Magsaysay said, “those who have less in life should have more in law.”
- ***Leadership by example.*** We will not ask of our people what their leaders are not willing to do themselves. If these difficult times call for shared pain, expect City Hall to show the way. (In fact, Vice Mayor Gabby Bordado and I decided to forego the programmed purchase this year of replacement for our 9-year old service vehicles to ensure that City Hall will have enough money to provide the 10% salary adjustment for its personnel.)
- ***Enhanced productivity.*** At City Hall, we will also continue to do more with less – in the process multiplying internal resources and capabilities – as a means of improving both outputs and outcomes. Our practices and processes as a model in procurement should be fine tuned to ensure that we continue to acquire goods, services and infrastructure at significantly lower costs than the national government.
- ***Shared sacrifice.*** While City Hall will provide the requisite leadership and pursue social justice on behalf of the poor, it should not be taken as license for freeloading for even those who are most vulnerable. These are times that call for shared sacrifice, and fundamental fairness requires that each and every stakeholder must do their part. That, we shall demand from everyone, including our less privileged brethren.

Applying these principles, we will pursue the following key strategies:

1. ***Integrated social safety nets.*** The city has gained renown for its innovative social programs, but these extraordinary times call that we do more and exact better outcomes from the same level of spending. This we will ensure through improved synergy through integration and convergence of our various social programs, all targeted towards the poorest 20% of the city’s household population.

- We will intensify implementation of the **QUEEN and QUEEN Plus programs**. These programs are intended to ensure that in spite of poverty, all Nagueño children of school age will have the opportunity to finish basic education by eliminating the barriers to entry to our public schools.

DepEd-Naga data for the current schoolyear shows a meager 1.4% increase in elementary enrolment compared to last year's level. What is alarming is that 14% of those who entered Grade I last year did not proceed to Grade II this year. We will be working with the city schools divisions, the school and PTA heads and the various barangay officials in the city to improve outcomes in this particular area.

- We will retool the Sanggawadan program to make it more responsive and comprehensive. Under the **Expanded Sanggawadan**, to be quarterbacked by the City Council for the Welfare and Protection of Children, we will bring in Metro Peso, the City Agriculturist, the Naga City School Board, the City Population and Nutrition Office, and the City Health Office to expand the menu of benefits for parents who will maintain their children in school and increase retention rates.

Coverage will therefore move from individual parents and schoolchildren to households. Poor families that commit and put their schoolchildren through school will benefit from livelihood skills training and micro-lending; rice and school supplies subsidy; center, school and home-based feeding; and regular immunization and free medical checkups.

- In recognition of the fact that certain hospital services are already beyond the reach of poor residents, we have expanded both the capacity and laboratory services of the Naga City Hospital, precisely to make them accessible to everyone. Building on this, we will continue to enhance our **topnotch public health system** by increasing synergy among our frontline health and nutrition units, improving beneficiary targeting through the ongoing i-Serve program, and increasing resources available to them. We will fully implement SOMECAP, our local health insurance program, this year by looking beyond the Bicol Medical Center and exploring partnerships with private hospitals. We will review the city's various nationally recognized nutrition programs, with the end view of bringing in more private sector partners that will pave the way for intensified spending in pre-natal, post-natal and maternal care.
- Finally, we will expand the **Bayadnihan work-for-pay program** to enable urban poor beneficiaries of *Kaantabay sa Kauswagan* to meet their financial obligations under the program.

In particular, we look forward to mobilizing them in local environmental efforts, especially in cleaning up sidewalks, city streets and the Naga River; in improving its riverbanks, particularly at the urban district of the city; and in establishing and maintaining community gardens and parks.

The message is clear: even the poor, given the opportunity and within their own capabilities, can contribute to community building. This we will ask of them, to underscore our philosophy that these social safety nets are intended to promote empowerment and not dependence.

2. **Optimizing City Hall efficiencies.** The Naga City government has gained a reputation for being a miser and spendthrift. Others view it with horror; in these difficult times, we should wear it as a badge of honor. Running a tight ship will enable us to do more for the constituency, which is what every public servant swears an oath to in their weekly *panunumpa*.

- Except for fuel and oil, other operating expenses of the city government will remain at current levels.
- We will review our procurement program and find ways of generating cost savings, particularly in the expanded use of cash purchases which we are already experimenting with.
- Side by side, we will revisit our 5-S strategies, with the end view of further economizing on the supplies and materials requirement of the entire city government bureaucracy.
- Finally, we will extend this to our current level of service commitments to our customers at City Hall. We will revitalize our computerization program, with the end view of fully automating key phases in the business licensing and real property tax management.
- Using a World Bank study on the cost of doing business in the Philippines and abroad, we will aim to improve targets by at least 10% across the board – and this will include national government agencies involved in business licensing. Our goal is for the city to have the fastest business registration process in the country.

At the same time, we will pursue better use for existing assets of the city government. For instance, rising costs demand that we shut down one of two swimming pools currently being used by our champion swimmers, and ask all existing swimming clubs to make do with, and make efficient use of, the one we will leave online. We will offer the shuttered TLC Beatrice meat processing facility to the private sector, and look for other possible users who can make it productive again. And we will do the same in regard to the 2nd floor of the Integrated Bus Terminal – it is most ideal for a Gwapotel type of lodging house that will meet the needs not only of travelers passing through the terminal but the sales staff of SM Naga City Mall. We will offer this project to competitive bidding by interested BOT investors.

3. **Calibrated capital investment.** While tightening our belt on the one hand, we will not shirk from our duty to ensure the city's continuing competitiveness on the other – calibrating it to suit current realities.

The proposed completion of the Naga City Coliseum is a case in point. We remain convinced of the necessity for putting up this key facility. Thus, the city government will proceed with the needed borrowings, to take advantage of the fixed competitive interest rate still available in the market

Notwithstanding the new P155 million adjusted project cost, driven by the 100-200% increase in cement, steel bars and other construction materials, we will bite the bullet to ensure that we will be able to finish it on schedule. Because if we do not do it now, the city will never be able to see the project through.

What are the implications of this decision? One, from a purely financial standpoint, our original projection that the Coliseum-cum-Filcab van terminal will be able to pay for itself will no longer hold true. We will have to operate the facility with funding support from our balance sheet, that is to say, with subsidy from the city. But with revenues from the SM mall coming on stream starting next year, our commitment shall remain the same – current levels of socioeconomic services of the city government will not be compromised by this difficult decision.

Secondly, from a broader economic standpoint, the project will realize a key public good that the private sector cannot provide, as we have argued before. In the process, it will generate direct and indirect benefits to the economy that conventional cash flow projections will not capture – in the form of new enterprises that will be established, jobs that will be created, and various sociocultural events that will benefit society as a whole.

4. *Managed real property valuation reforms.* We will clearly distinguish between *real property valuation* (which is a technical exercise mandated by law) and *taxation*, which is what I will put on the table for discussion and negotiation.

To us, the former is non-negotiable – good governance principles dictate that we put in place a reliable SMV that reflects current realities. It will send a clear signal to the national and international community that we have the political will needed to put our property valuation regime in order.

But in the same breath, we need to accept reality that prudence is paramount in these difficult times, and balance the need for shared sacrifice by stakeholders commensurate with their respective ability to bear the social burden.

Toward this end, and in response to the position taken by the Metro Naga Chamber of Commerce and Industry, we will further reduce existing tax rates (which are already the lowest in Bicol) and assessment levels to effect the following outcomes:

- For Years 1 and 2, an annual increase of 15% over the current bill of real property owners. These will allow us to keep pace with inflation, bringing the total increase to 30% over the 2008 bill by the end of the second year.
- For Years 3 and 4, an additional annual increase of 25% over the 2008 bill, bringing the total to 80% by the end of the fourth year, and
- For Year 5, the final 20% increase so that the full 100% will only take effect on 2013, on the fifth year of the SMV's approval and adoption.

5. A clear fiscal policy to guide planning and budgeting. Side by side, we will put in place, by ordinance, a more coherent and responsive policy of allocating the city government's financial resources to ensure greater fiscal discipline, transparency, accountability and predictability in their use.

- *Personal Services* – that is, the salaries and wages of the City Hall bureaucracy – will be funded mainly by the Internal Revenue Allotment (IRA) share of the city from the national government, net of the mandatory deductions, particularly the Local Development Fund (LDF) .
- *Maintenance and Other Operating Expenditures* will be drawn from business taxes, licenses and other local sources of income – except real property taxes -- of the city government.
- *The LDF, together with unallocated proceeds from business taxes, fees and licenses, and other local income* will fund the city's social programs
- *Real Property Tax revenues* of the city government will exclusively finance the city capital investments – especially key infrastructure projects – that will ensure its continuing vitality and viability.

The last one is your guarantee that real property tax payments – with the exception of the SEF which will fund the local public school system -- will not pay the salaries of our people at city hall, nor the operations of our various departments, agencies and instrumentalities but will only fund programs, projects and activities that enhances the real properties that underpin this specific tax.

5. The Barangay Performance Indicators System (BPIS). This is a new mechanism through which we will encourage our barangay officials to align their plans and resources towards the realization of our 12-point Maogmang Lugar vision.

On one hand, it is meant to empower the barangays as we will pursue parallel efforts to delegate more authority and resources to barangay councils, including enforcement of policies and implementation of projects at the community level.

On the other, it will also serve as an accountability mechanism. We are currently refining the BPIS, in close consultation with the Association of Barangay Councils, to incorporate indicators which will enable ordinary citizens to assess whether their elected barangay officials are living up to the basic demands of barangay governance.

The system will be so designed as to put equal weight on the empowerment, alignment and accountability aspects – not to mention the effectiveness, efficiency and responsiveness of barangay governments in respect to their mandate under the Local Government Code of 1991.

Updates on the 12 Components of ‘Maogmang Lugar’

Having laid down our navigating strategy to weather the current economic crisis, allow me now to update you on the progress we made in regard to the 12 components of our “Maogmang Lugar’ vision:

<p>1. <i>Cleaner Naga.</i> We should do a lot more to improve air and water quality, and manage our solid waste, whose volume is growing by the day, more effectively. We need to dramatically increase our waste recycling capacity or get a new sanitary landfill soon.</p>	<ul style="list-style-type: none"> • The City ENRO, with the help of the planning department, EDP and the DENR regional office, has evaluated five alternative sites for the sanitary landfill. • We have narrowed down our top choices to a 21-hectare property in Magarao and another one in San Fernando. Both municipal governments are supportive of this initiative – making it an inter-LGU partnership with potential Metro Naga wide impact. • Side by side, we have signed an extended technical assistance from the Czech Republic towards preparing a closure plan for the existing Balatas controlled dumpsite. An initial public hearing involving the EMB Regional Director and pre-assessment of the site was conducted in preparation for a joint SLF project on waste disposal • We will jointly develop this facility, together with the MNWD which is also eyeing its own septage facility within the site.
<p>2. <i>Good schools.</i> Our best public schools are as good as our best private schools in the city. And our best public and private schools lead the region, from the elementary up to the tertiary level. But the bigger challenges lie in the middle and bottom half which need to do better. And we also need to address the continuing inability of our school system to ensure that no child is left behind.</p>	<ul style="list-style-type: none"> • The city maintained its leadership in the Regional Unified Achievement Test, topping the RUAT for the third consecutive year. But results in the Division and National achievement tests barely moved during the last two years, increasing by an average of 1.37 percentage points every year. • This is a serious concern that the Naga City School Board took note of in a series of meetings with parents, teachers and school heads in the process of crafting its 2008 Budget. In a planning session with DepEd-Naga, we have secured their commitment to improve its performance and targeting. We are hopeful that the city public school system will rise up to this challenge. • We have also completed the first year of implementing the QUEEN programs, including vital organizing and capacity building activities. In the process, we have made public education more accessible by covering most school fees for 2 of every 3 enrolled students. But as pointed out above, the increase in enrolment has been minimal, and 14% of Grade I students last year failed to proceed to Grade II this year. Obviously, we will need to redouble our efforts in improving enrolment and retention rates. • The Naga City School Board continues to make the necessary investments in

	<p>improving the inputs to quality education. This year, it is programmed to hire 128 teaching and non-teaching staff – to which we will add more as need arises. At this level, about 12% of the teaching workforce in Naga are paid by local funds. Moreover, we also built five new public school buildings accommodating 12 new classrooms to meet growing demands of the city public school system.</p> <ul style="list-style-type: none"> • Side by side, we have improved the services and capacities of local learning facilities. Our Raul S. Roco Library is now WiFi-ready and has beefed up its catalog – books, research tomes, videos, archives, clippings and a Bikoliana section; expanded and improved its children section; conducted the first ever regional conference for public librarians; and managed the 2nd RSR Youth Awards – in the process earning the Best Community Relations national award from Jollibee Philippines. Our Bicol Science Centrum received a P725,000 Grant-in-Aid from the Department of Science and Technology (DOST) to procure brochures, exhibit panel boards and computers.
<p>3. <i>A decent house to live in.</i> Through our Kaantabay sa Kauswagan program, we have done a massive job of ensuring security of tenure in a scale unmatched by any other Philippine locality. The next step is to look at the bigger picture and build self-contained, vibrant and clean communities that we will be proud to live in.</p>	<ul style="list-style-type: none"> • With funding support from the World Bank-funded UPSURGE project of Philssa and COPE, we are now implementing a P4-million land development project that will concrete the access road to the GK-Habitat Maogma village. As a result, there are now 52 Habitat and 40 GK houses in Naga. • In addition to the Enjoy Realty group’s P5 million, the Socialized Housing Counterparting (SHC) scheme has raised another P2.6 from the Tremezzo project of Communities Philippines for area upgrading. In addition, we have also secured around 5 hectares more for socialized housing through the Deca Northfield Estates and the St. Jude Orchard projects. • We also worked for the acquisition and settlement of another 13,630 sq. meters landholdings for socialized housing in Barangays Carolina (Austria family), Cararayan (Abella family) and Sabang (Ruiz family). • Finally, have secured Sanggunian authorization to enter into an agreement with the Socialized Housing Finance Corporation to pilot the Localized Community Mortgage Program (LCMP) of the national government’s housing agencies – the last one standing out of the original four or five pilot areas in the country. This will bring in P50 million in fresh funds for the local housing sector.

<p>4. <i>A city of trees.</i> We have maintained our preeminent status as the regional center of trade and services, anchored on a support infrastructure that meets if not exceeds Bicol and Philippine standards. Now, imagine if this urban vitality is enhanced by a verdant city teeming with green trees and landscaped spaces. It is time to beautify Naga!</p>	<ul style="list-style-type: none"> • We have planted a total of 10,145 seedlings during the year, 8,300 of which are endemic species within the Mt. Isarog National Park in partnership with the Mt. Isarog Guardians (MIG) and the Metro Naga Water District. • The remaining 1,845 consisted of fruit and shade trees in 18 public schools in the city. These schools, in partnership with the Ladies in Green Foundation, the Rotary Club of Naga and the local media, are serving as our pilot areas for greening efforts
<p>5. <i>Three meals a day.</i> The nutritional status of our preschool children is unparalleled in Bicol, but we begin to have a problem once they enter the public school system. We need to sustain current efforts to address in-school malnutrition all the way – and ensure there is sufficient food on the table for every Nagueño household. A clear food security policy is therefore in order.</p>	<ul style="list-style-type: none"> • Through the effort of the City Nutrition Office and Vice Mayor Bordado, the city government is scaling up implementation of Nutri-Dunong in all public elementary schools in Naga during this school year. This came after a successful pilot last year in five big public schools with the highest incidence of malnutrition, whose OPT exit results showed a 65% improvement among school children covered. • In the upland barangays of Panicason, San Isidro, Carolina and Pacol, we are working with the Land O'Lakes of the Philippines Foundation (LOLPFI) and our dairy farmers belonging to the San Isidro Development Cooperative (SIDECO) in conducting a combination of targeted milk and non-milk school based feeding for undernourished school children. • We have further reduced the malnutrition rate among preschoolers from 4.8% in 2007 to 4% as of June 2008. Expectedly, Bicol's most outstanding BNS for this year comes from Naga, and among all Philippine cities, we also garnered top marks in the National Nutrition Council's Pabasa sa Nutrisyon program..
<p>6. <i>Gainful jobs.</i> Our investment figures have been consistently increasing over the years, indicating solid confidence by the private sector on our strengths and comparative advantages. We started with our "one family, one gainful economic activity" program during our previous term. But side by side, we continue to lose a sizable number of our graduates to Metro Manila.</p>	<ul style="list-style-type: none"> • As explained above, the local economy remains strong – with registered enterprises increasing by 3.9%, total number of firms (including the unregistered) increasing by 17%, investments by 238%, construction by 46% in number and 50.6% in value, housing investments by 532% over last year. Moreover, they translated to 5,568 new jobs during the period. • Microlending by our Metro PESO unit increased by 44% in terms of value, and 9% in terms of beneficiaries covered. Regular job fairs attracted 46% more applicants for overseas work, from 707 last year to 1,305, and placed 93% more, from 7 to 100. Local job placement however dipped by about 1%, indicating a tightening local labor market in view of the current crisis.

	<ul style="list-style-type: none"> • During the first quarter of 2008, a brand new hotel opened while two existing ones underwent expansion and rehabilitation. To date, the city’s 23 standard hotels (excluding motels and lodging inns) have a combined capacity of 756 rooms, with 55 more coming to completion. • The Camarines Sur-Naga combine continues to lead the region in tourism arrivals and receipts, generating 127,202 tourists and grossing P77.7 million in tourism revenues as of first quarter of 2008. In terms of arrivals, Camarines Norte ranked second (35,271) and Albay third (35,157). The entry of the low-cost operator Cebu Pacific Air not only doubled the number of flights but also made air travel more affordable. • Construction of the SM Naga City Mall at the CBD 2 area is now in full swing. In all, is expected to infuse around P1 billion into the economy and create 3,500 new jobs during construction phase alone. • Phase 1 of Bicol Access Health Centrum, owned by more than 60 doctors, is already starting at CBD II, adjacent to SM Naga City, in front of St. Joseph School. This is envisioned as an ambulatory facility with world-class amenities and services. • Finally, local investment promotion efforts focused on developing the local animation industry, culminating in the celebration of Nag-aanim8 2008 on May 9. During that event, we graduated 2D trainors on various advanced modules in 2D animation; inaugurated the Naga City Creative Media Center (NCCMC), a “creative park” which will serve as an incubation, production and continuing education facility; and conducted an investment briefing for prospective locators. • At present, two 3D firms employing around 10 workers are now being incubated at the NCCMC, with two being eyed to follow suit. The 2D section of the NCCMC has more than 20 artists who are now doing outsourced work from Manila studios, an e-learning project for the Naga City School Board and a Peñafrancia fiesta production.
<p>7. <i>Well-paved roads, working drainage and orderly streets.</i> We have the highest road ratios in Bicol, and we need to maintain and improve them. We also have one of the</p>	<ul style="list-style-type: none"> • Over the last six months, we finalized acquisition of the required road right-of-way (RROW) that will finally connect the city’s inner Circumferential Road. This will open up the Abella-Queborac area to new development possibilities.

<p>largest drainage network in the region but we have to maintain them at their highest level of efficiency to mitigate flooding. And we need to put better order in the distribution lines of our utilities and eliminate the unseemly sight of dangling wires.</p>	<ul style="list-style-type: none"> • Thanks to the SHC scheme and the WB-funded UPSURGE project, the city government laid down the groundworks for completing the Balatas-Gimenez Subdivision roadlink within 2008. • Our close to P1 million share from the Road Users Fee will enable the city to rehabilitate the Pacol-Cararayan (via Salonguigui) roadlink within the year.
<p>8. <i>Being able to walk the streets at night unafraid.</i> Our public safety numbers have been improving, indicated by better crime indices reported by the Naga City police force. But our people's security is not only a matter of numbers; it is also about perception, and our city has had better days, especially during those times when we had the best police station in the entire country. We will strive to bring back those golden years.</p>	<ul style="list-style-type: none"> • We have already secured substantial autonomy for the Naga PNP, carving it out as an independent district from the province. This clarifies the muddled situation that hampered us in the past, but also clearly puts accountability for peace and order on the local PNP unit and the Public Safety Office (PSO), its complementary support group from the city government. • These institutional gains have already yielded concrete results: Crime solution efficiency, for instance, went up by 3 percentage points, from 82 to 85%. Of the total 773 crime incidents logged, the NCPO-PSO combine solved 656. And compared to 2007, crime volume and average monthly crime rate went down by 24 percent. • For its part, the PSO and the NCPO helped managed traffic in the city, particularly within the urban core of the city. A total of 5,340 traffic violators were apprehended, 349 of which were forwarded to the City Prosecution Office for necessary disposition. Top violations were arrogance, driving without helmet, smoking, driving under the influence of liquor and charging of excessive fare. The establishment of a database of all public utility vehicle drivers in the city, by way of issuing them IDs, has greatly facilitated the process. • In terms of containing fires, a total of 35 incidents were recorded compared to 138 last year. This translates to a 75% percent reduction. And although fire losses amounting to P1.4 million exceeded last year by P100,000, equivalent to 4%, structural fires also went down by 55%, from 40 to 18 cases. • Our continuing challenge is to sustain and improve on these initial gains. For instance, crime solution efficiency for index crimes is only 72%, 13 points lower than the total crime solution efficiency. And we need to contain high-profile crime incidents, particularly snatching, that perpetuates the popular perception of rising incidence of petty crimes.

<p>9. <i>Available health service everytime it is needed.</i> Our health indicators are the best in Bicol. But the MDG reports aired some concerns, especially in regard to immunization coverage. Then there is also the need to ensure optimized coverage, particularly for the poorer segments of our population.</p>	<ul style="list-style-type: none"> • We have started to recover some lost ground, particularly in the field of immunization. This year, we raised it up to 85% from 81% the year before, notwithstanding the very strict supervision and policy guidance issued by the Department of Health insofar as coverage of the immunization campaign is concerned. • Based on 274 hospital admissions of 14 diseases with epidemic potential being monitored from six sentinel sites in the city, the number of cases in the 1st and 2nd quarters of 2008 is visibly lower compared to last year. Incidence of typhoid fever decreased from 7 in 2007 to 4 in 2008, and diarrheal cases tapered down by 38 percent, with 143 cases compared to 232 last year. • We have also upgraded the Naga City Hospital to make it more responsive to needs of primary clientele by increasing capacity from 21 to 30 hospital beds. This will position our hospital to admit more patients, higher than the 595 it took in over the last six months. But the impact of its services is much wider – 98% of the 25,362 served during the same period are emergency/outpatient cases, averaging 206 per day. And its pharmacy is able to serve 6 of every 10 prescriptions issued. • Over the last six months, the City Hospital also performed a total of 14,453 laboratory exams and 3,009 x-ray services. We will improve these numbers as our laboratory services have been expanded to include newborn screening and hemoglobin exam for diabetes, and introducing ultrasound diagnostic examinations, thanks to an equipment grant from the Bienvenido Tan Foundation.
<p>10. <i>Vibrant city of history, music, culture and arts.</i> Urban livability requires taking good care of our economic vitality, our social fabric as well as our soul, and the latter is expressed in our history, music, culture and arts.</p>	<ul style="list-style-type: none"> • The P10-million facelifting at CBD I has started in earnest; it will improve sidewalks and install lampposts within the area to complement the ones in place along Panganiban and Magsaysay avenues. • We are also beautifying Plaza Quezon by improving its primary and secondary lighting, and its facilities at the back to house a Tourism Office of the Naga City Visitors Center. • We are developing and investing around P4 million to set up Plaza Nueva Caceres beside the Naga City Public Market. Jose Barcena, Jr., a Davao-based descendant of the late Federico Barcena – who built the monuments at Plazas Rizal and Quince Martires – has prepared the concept for a monument that will anchor this

	<p>new plaza. On one side, facing Naga River, one will depict the first meeting between the Spanish conquistador Juan de Salcedo and the sovereigns of ancient Naga; on the other, ten-foot figures of Elias Angeles and Felix Plaza will rise, to mark the end of Spanish control over the city.</p> <ul style="list-style-type: none"> • Mr. Barcena is also conceptualizing another monument dedicated to the Arejola brothers Luduvico and Tomas, which will rise in front of Advent Theater. Similar to how Plaza Quince Martires was built, we propose that this be a tripartite undertaking – between the city government, the Arejola Foundation and the people of Naga. • Finally, to anchor the recommended historical walk within CBD I, we will put up markers for historical sites within the old Nueva Caceres, taking on the suggested sites by historian Jose Barrameda. His research on the provenance of these key sites will serve as basis for the content of these markers that will be completed before yearend. • This puts us in a great position to successfully host the opening of the 4th National Filipino Heritage Festival, which will be held on April 29 and 30 next year. This event opens the month-long celebration of the National Heritage Month in May, built around cultural shows, exhibits and competitions that will not just entertain our people but educate them of our cultural heritage as well.
<p>11. <i>Clean and honest government.</i> Modesty aside, we already have the best governed city in the entire country. But we should not rest on our laurels because there is always a better way and, in partnership with civil society, we will continue to find them.</p>	<ul style="list-style-type: none"> • Led by the city HRMO, the city government has updated its Performance Pledges and come up with individualized commitments to the city’s Vision and Mission statement under its “Connecting the Dots” initiative. This puts in a place a four-level scorecard for our Public Governance System, down to the individual employees. • The city’s Project Monitoring Council, quarterbacked by the City Planning and Development Office, was recognized just last week as Bicol’s Most Outstanding PMC, on the strength of its sustained effort to monitor both local and national, infra and non-infra projects being implemented within the city. Unlike the previous year where there were more than 40 awardees, this time, only the Naga PMC made the grade.
<p>12. <i>A place where one can realize his full potentials.</i> The bottomline of all the above is</p>	<ul style="list-style-type: none"> • To sum up, this remains our dream that drives, guides and binds all efforts of the

<p>building a city that will allow its citizens to develop their full potentials in the full range of human pursuits.</p>	<p>city government.</p> <ul style="list-style-type: none"> • At the institutional level, Naga has demonstrated that it can hold its own and be among the best, even the in the worst of times like the economic crisis we are currently facing. Our continuing challenge is to do the same for every citizen
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Conclusion

The economic crisis facing us has magnified the development challenges and implementation difficulties of the three-year Executive-Legislative Agenda I outlined a year ago. Evidently we need to review them and decide which ones to pursue for the short-term, and which ones to classify as foundational work, requiring us to lay down the key cornerstones and leave its completion to the next administrations.

Surmounting these challenges will require addressing the gaps I identified in my address six months ago: (1) The **policy gap** are pending ordinances with the Sanggunian. I understand some of these are already up for approval – commendation for your individual and collective work is definitely in order, in sincere appreciation for your continuing support. Just the same, a little reminder on the unfinished business will not hurt: the Greenbelts, Three-Strike Rule, Junkshop and Cellphone, HRD, Accountability and Bikol language institute ordinances. The list has just become longer, with the SMV and fiscal policy ordinances I mentioned earlier. (2) The **resource gap** needs to be bridged, and the pending reforms in real property valuation in the city are a critical forward step we need to take. (3) Finally, the **institutional gap** concerns the need for clear programs for the agricultural sector, which should take greater urgency in the light of recent expert pronouncements that the era of cheap food worldwide are effectively over.

The more ambitious undertakings in the ELA – the establishment of a new sanitary landfill side-by-side the closure of the existing controlled dumpsite in Balatas and the revitalization of Naga River – are clearly foundational: we will do whatever we can to lay down the groundworks, and complete demonstration phases over the next two years.

But there are doable initiatives we can already pursue, to which the executive will commit its focus and resources. They answer the question: “What activities can I do starting tomorrow that will contribute to the realization of our ‘Maogmang Lugar’ vision?” Let me share with you some of the things I have in mind. Starting tomorrow:

- We will look for the Nagueño streetchildren and scavengers, put them in school – formal or through alternative learning – and see to it they will finish elementary.
- We will assign agents that will monitor Balatas-Dayangdang and the Isla-Penafrancia area 24-7 – to contain illicit drug trade that continues to proliferate.
- We will organize motorcycle-riding PSO personnel that will go after and stamp out motorcycle-riding snatchers in the city.

- And we will ask the QUEEN Parents Association and all barangay captains to coordinate with school principals and find out who, where and why 14% of the Grade I pupils who enrolled last year failed to move on to Grade II this year.

In the face of these difficult times, I will ask the same question of other government agencies outside of City Hall. Let me give you two examples:

- On November 5, 2007, a brazen high-noon robbery victimized the Jollibee outlet along Panganiban Drive. Nine months after the police filed charges, the case is far from being resolved. Clearly, we need the local PNP and the City Fiscal to do more, exact accountability from their responsible personnel, and demonstrate that crime does not pay in Naga.
- Better service is also required of the Registry of Deeds, in the light of complaints lodged by its stakeholders, particularly the business community in the city. We can cite all excuses in the world, and they can probably valid. But at the end of the day, unless we are able to speed up transactions and deliver better service to customers, they wouldn't mean a thing. And we shall have failed to do our share in making our city better.

It is only then that we can ask of every Nagueño: “What little things can I do starting tomorrow that will make Naga a better place?” The answers can be varied. They can be as simple as segregating our wastes at home, ensuring that our kids attend school every day, attending meetings and participating in *rabuz* arranged by the school, driving defensively while on the road, being respectful to elders and senior citizens, paying our correct taxes, or regularly attending church and performing our obligations to God well.

Whatever they may be, your positive response to that question will ensure that we will once again overcome the new challenges to our society, and successfully ride out this crisis. Our track record, not to mention our history as a confident, hopeful and capable people with a strong sense of community, is our greatest assurance that “Yes, we definitely can!”