

State of the City Report

August 12, 2002
Naga City Youth Center

Challenging the Future MAKING LIVES BETTER FOR THE POOR

Over the past years, Naga City has been faithfully working to transform itself into a livable city, a happy place truly "An Maogmang Lugar", where tranquility and progress permeate its natural and socio-economic landscape.

As a "Maogmang Lugar" we envision Naga City as a center of people-focused education, development and governance, with a sustained, clean and healthy environment, and an economy that provides livelihood opportunities for all, ensuring equitable distribution of wealth and proper utilization of its resources.

We are heartened by the fact that such vision, through our strong will and hard work, is taking shape. Gone were the days of stagnation due to years of neglect. Gone were the days when Naga's local economy was sluggish. Even some of our erstwhile higher aspirations such as homes for the poor and accessible medical care for the indigents have become attainable and doable. The task at hand is how to sustain our triumphs by challenging the future so that we are assured of accomplishing more in the days ahead.

Looking back at what we have accomplished, the past six months proved to be a fruitful one as we were able to break new grounds and post improved records in the innovations and programs that we so relentlessly sought.

The question may be asked: *What makes Naga a livable city? Or what have we done that made Naga a livable city that it is today?*

The answer lies in the three defining elements that make our city a better place to live in. These are: 1) our desire to build a partnerships-driven community; 2) the availability of competitive basic services, and; 3) our initiatives in promoting and practicing good urban governance.

Partnerships. The turning point of Naga's march to progress and development came when during my early administration I enjoined the private and business sector to become partners in laying the groundwork needed to turn Naga around from its unstable state to what it is today. Thus, Naga became a dynamic community where the private sector is a vital stakeholder of our development. Together, both the city and the private sector played key roles in the realization of the following economic-enhancing initiatives:

- The *Panganiban Upgrading and Beautification Project*, a Build-Operate Lease Project long before BOT law was enacted. At no cost to the government, the project saw the speedy growth of a new business corridor out of a kilometer-long eyesore – the swampy PNR property along the railtrack.
- The *South Riverfront Growth Center Project*, which was made possible by pro-active intervention by the city government to address the concerns of the affected urban dwellers and the property owner. The effort eventually resulted to the establishment of the LCC Central Mall and the gradual development of its surrounding areas where the former squatters were given security of tenure on designated homelots which they can call their own;
- The *CBD II Development Project*, wherein the Naga Central Bus Terminal now stands, is a private development project with the city government providing the growth stimulus by

putting up an integrated bus terminal and inviting investors to establish their businesses there.

- The *East Highland Eco-Tourism Zone* (Pacol and Carolina development), a result of partnership between property owner and developers, on one hand, and the city government, on the other, which provides the basic infrastructures and encourages investments.

Still, we continue to broaden participation in policy and decision-making processes by getting on board other concerned sectors of the community. For instance, the Naga City People's Council – a federation of close to 100 NGOs and GOs -- was institutionalized through our People Empowerment Ordinance. The NCPC is now a major participant in almost all aspects of project planning and implementation of key city projects that require consultation from the people. It plays a significant role in the preparatory works for the proposed Almeda highway, particularly in safeguarding the interest of farmers and tenants. It also presides over, through its Chairman Fr. Nelson Tria, in the evaluation of qualified bidders to determine who can effectively operate and manage the Naga City Central Bus Terminal.

And consistent with our policy of involving all sectors, we also encouraged the Naga City Investment Board, where the NCPC is also a member, to serve as a forum and articulator of the private and business enterprise with regards to the economic vision of the city. It operates a one-stop shop business-processing center where businessmen are given advice on requirements to comply with and the fees to be paid.

Where we are now is a result of our investments in capability-building where no one has a monopoly of issues because every concerned sector is always consulted.

Because they have seen how the city government's capacity-building engendered positive results, various international development agencies came to us and leveraged their support. Over the last decade, prestigious institutions such as USAID, AusAID, Ford Foundation, World Bank, Asian development Bank, and non-government organizations such as the Asian Coalition of Housing Rights, the Philippine Business for Social Progress, and the Ayala Foundation, joint-ventured with us in many of our programs and undertakings and became part of many of our groundbreaking initiatives.

Good governance and customer-focused bureaucracy. Our customer-focused bureaucracy provided us our competitive basic services. In 1988, we launched the Productivity Improvement Program. It then evolved into Public Service Excellence Program (PSEP) that focuses on customer service satisfaction as the true measure of government effectiveness and efficiency.

Each office at City Hall has a "Performance Pledge". This is a "contract of desirables" specifying the office's services, person responsible for the service and the response time needed to complete the service. It is displayed as a fixture of the office so that constituents and clients availing of services may hold an office or personnel accountable.

Moreover, the program is also concerned with cost standards. Offices, over the years, have become conscious of their per unit standard cost for each service delivered. For instance, the cost of medicine purchased must be low so that the city hospital may have more medicines for the patients. On road construction, the City Engineer's Office is aware that government estimates are regrettably not ideal, hence, the CEO makes his estimate on how much the private sector would allocate for the same project.

The city government has "done more with less" and demonstrated fiscal prudence as a result. Concretely, the unit cost of services and even cost of collecting taxes have gone down while productivity and quality of service were enhanced resulting to efficient delivery of government services. Moreover, all economic enterprises of the city government, such as the public market, the abattoir and the central bus terminal have become viable.

The LPPMS, a performance measurement conducted by the Department of Interior and Local Governments, gave Naga City an 86% in performance rating for the year 2000, which is the highest among the 78 surveyed cities in the country. For the year 2001, the rating

improved further to 95.6%, again the highest among other cities in the Philippines during that year.

On the strength of our effective performance over the years, the League of Cities of the Philippines, the national organization of Philippine cities, has chosen Naga as the model of good urban ordinance. Then the UN-Habitat, too, has listed Naga as among the 15 inclusive cities in the world, in line with the United Nations' International Campaign for Good Urban Governance.

Livability. International experts and urban planners maintain that there are a number of indicators to determine whether a city is livable or not. These are: efficient health care, good schools, road density and accessibility of public transport, affordable housing and decent shelter for the poor, low crime, and plenty of leisure activities. Clean air counts, as does economic vitality.

Examining closely, let us now see what qualify Naga as a livable city:

➤ **Income and Economic Vitality**

- The better quality of life in the city is best reflected in its households' family income, which is 42% higher than the national average and 126% higher than the Bicol regional average. Naga's per capita income, according to ADB estimates is 115% higher than the national average.
- For the first 6 months of this year alone, Naga City generated investments totaling P523.57, a very high improvement compared to the P776.37 million total investments posted during the entire 12 months of last year. The investments generated for the first six months easily translates to additional 1,188 new jobs, based on investment figures.
- Compared to other areas, we have a high fast-food-chain-to-population ratio, which is another strong indicator of a dynamic local economy.

➤ **Road Network and Infrastructure**

- Our road network is the most extensive and is still expanding where one will barely see a street unpaved even in the rural districts of the city. Naga's road density is 2.09 kilometers per square kilometer. This is very much way above Iriga's City's 1.60 kms/sq.km and Legazpi City's 1.25.kms/sq.km. Camarines Sur, on the other hand, had only 0.70 kilometers per square kilometer, which is among the lowest in the region.
- Naga has a total length of 177.34 kilometers of road, 85% of which, or a total of 151.05 kilometers are concrete. This is more than three (3) times the 60.99 kilometers road length for second-placer Legazpi City.
- Because we are flood-prone being part of the Bicol River Basin area, this did not deter us from finding solution to a nagging problem. Today, we have the most extensive drainage systems in the region. It is a result of our painstaking effort to implement the First and Second Phases of the Master Flood Control Plan for the city. An 84-kilometer drainage network has minimized flooding in the city.

➤ **Telecommunications**

- Naga has the highest telephone-to-household ratio in Bicol at 1:2 (53.7%), which is ahead of the national target of 1:3.
- According to the Asian Institute of Management study on city competitiveness, Naga is one of the most "wired" among Philippine city governments. Its computer-to-bureaucrat ratio of 1:5 is higher than all ten leading cities in the Philippines.
- About five years ago, only 19 of the 27 barangays of the city have their landline connections. Today, our landlines have extended up to 24 barangays including those in the rural area. Barangay Carolina and other upland barangays, where modern resorts

are located, have availed of VSAT telephone service. Internet service providers, cable TVs, and international dialing services complement our fast-growing telecommunications facilities. Services at City Hall can be accessed on-line through our revitalized and re-engineered naga.gov. website.

➤ **Education**

- Bannered by three prestigious universities, our institutions of learning are the best in the region, consistently producing some of the country's topnotchers in board and bar exams, like engineering, law, accountancy, nursing and allied services, and licensure exams for teachers. Opening of a College of Medicine at the Universidad de Sta. Isabel completes the menu of course offerings. Naga City is now on the threshold of becoming a university city in the future.
- The public school system, under close supervision and guidance by a pro-active Naga City School Board, is fast becoming at par with, if not better than, private schools' quality standards. In fact, the city-run Naga City Science High School -- whose graduates are rating high in college admission tests of the country's top universities -- has been chosen as one of the 20 schools nationwide to pilot the revised basic secondary education curriculum. In the last NSAT, the NCSHS also topped the region in academic performance.
- Naga's public education ratios are well within national standards and we are consistently focusing on further improvement of quality of public education services.
- The city government provides access from pre-school to tertiary education.

➤ **Health Care**

- Due to our effective disease prevention measures and the cleaner environment that we so have maintained, cases of major illnesses and infections such as diarrhea, pneumonia, dengue, measles, chicken pox, typhoid cases, influenza, and bronchitis have all declined during the first 6 months of this year. In Naga, we have diminishing cases of diseases while other places suffer outbreaks, such as the reported measles outbreak in Camarines Sur and Metro Manila.
- On the whole, our health delivery services surpass the World Health Organization (WHO) standards. While the WHO standard for hospital beds to population is 1:500, the Naga city ratio is 1:195. Here are other revealing statistics:
- Cited not only as the only city-run hospital in Bicol, but also as the best-managed primary hospital in Bicol, we have expanded the Naga City Hospital's services by installing its own X-Ray machine, laboratory, and a blood bank, which are not found in primary hospitals. Our drug laboratory is accredited by the Dangerous Drugs Board.

➤ **Affordable Housing**

- Socialized housing units are sprouting in new areas in the city, including urban poor settlements. Through the city's pace-setting initiative, the city provides homelots and shelter to the city's poorer residents.
- Naga City todate has 38 subdivisions that cater to the cross-section of the city's household classification: urban poor and social housing, housing for middle-income earners, and upscale villages.
- The NHA, through strong representation by the city government, is appropriating P112 million for the construction of four 5-storey buildings for middle-income earners and another P20 million for the construction of row-type subdivision for poor families within CBD II.
- Side by side, we provide households with basic infrastructure support, like drainage and water, which are also conceded to be the most extensive in the region. You will see that

our old water transmission lines are being replaced with modern ones and more territories being covered to ensure safe and accessible potable water to everyone.

➤ **Environment**

- Despite its growing economy, Naga still enjoys its quaint parochial ambience with a generally clean air, clean river and clean surroundings. We have our continuing campaign against smoke belchers that has to date apprehended more than a hundred violators who were ordered to rehabilitate their motor engines after being made to pay fines which amount we shall use to help put up a permanent exhaust testing center. The Department of Environment and Natural Resources (DENR) has recently rated our air ambient quality from fair to satisfactory.
- The Naga City Watershed Project is a model for Mt. Isarog conservation program.
- The city's garbage collection with an efficiency rating of 85% has been extended to cover 25 of the 27 barangays when in the past it was implemented only in the city's urban district.
- We have improved the management of Balatas dumpsite.
- Because of our efficient effort in garbage collection, the Japan Bank for International Cooperation has chosen our city as one of only two pilot areas in the country for waste disposal management.

➤ **Low Crime**

- While we may not be perfectly impressed by its performance, the Naga City PNP has been cited as best police station in the region. Records show that Naga City remains to be one of the most peaceful urban centers in the country. In fact, its crime solution efficiency was placed at 85% which is the highest in the region for the period January to June 2002.
- Naga's average monthly crime rate, which is the lowest in the region, has been placed at 6.2 for every 100,000 population during the first 6 months of this year. It is an improvement over last year's 8.5 during the same period. The national average, on the hand, stands at 10.0. We have consistently maintained such commendable level of peace and tranquility, in spite of the worsening crime incidence in other parts of the country due to hard times. Much has to be done, however, to eradicate crime and other illegal activities in the city.
- Stricter enforcement of our traffic rules, the rationalization of routes and freeing of sidewalks from vendors have restored discipline and smooth flow of traffic in the city's busy streets and major thoroughfares. No less than Conrado de Quiros of the **Philippine Daily Inquirer** cited in his column how effectively Naga has managed its traffic despite its burgeoning economic activities. De Quiros wrote: *"The daily traffic (in Naga) isn't light by any means, particularly on rush hour, but that's the wonder of it. It flows (even) without traffic lights."*

➤ **Sports and Leisure Activities**

- Naga last June 2002 hosted the last Palarong Pambansa with its refurbished sports complex and other facilities. More sports events are forthcoming within the year such as the Regional Table Tennis Circuit and the Regional Taekwondo Competition. Commitments to host other future national sports events have already been received by us even at this early stage.
- As a convention and tourism hub, Naga City boasts of fine hotels and restaurants, modern spring resorts, ancient museums and other landmarks, including the upgraded Plaza Quince Martires and the eco-park.

- Naga's nightlife is unrivalled in the Bicol region. Bistros, Cafes, and live bands are among our attractions for visitors, tourists and local habitués who need to unwind at day's end.

How other countries see Naga. Not only *Asiaweek* has cited Naga as one of the four most improved cities in Asia in 1999, but also that government officials, funding donors, the academe, and training institutions from all over the world and Southeast Asia and the Pacific have looked upon us as a laboratory for good governance and efficient city management. We have ceased to be a curious learner of programs and disciplines from other countries by becoming a provider of initiatives that have been emulated not only nationally but internationally as well.

Because we run the affairs of our city well, prestigious national and international organizations have chosen Naga City to pilot trailblazing innovations on governance:

- As pilot for Local Development Performance Measurement project of the Philippine-Australia Governance Facility;
- As model for procurement by the World Bank;
- As model city for Bicol for the DILG's anti-red tape campaign;
- As model city of the League of Cities in the Philippines for good urban governance;
- As pilot area for solid waste management by the Japan Bank for International Cooperation;
- As model for Benchmarking and Cities Data Book projects of the Asian Development Bank;
- As model for Good Urban Governance Initiative of the United Nations Development Program (UNDP);
- As one of 5 pilot cities in the Philippines for the Climate Change Protection (CCP) Campaign, a project of the International Council for Local Environment Initiatives (ICLEI)

Because of these and other achievements, propelled by innovations and initiatives, various foreign governments have invited us so that I may speak either as presenter or resource person on the excellent jobs that we have been doing in Naga City. These countries where I presented Naga City's good governance initiatives are:

- *Hanoi, Vietnam*, by Citynet, on poverty alleviation and environment;
- *Singapore*, by the World Bank on urban poverty learning where Naga City was showcased as a model for governance and urban development
- *Jakarta, Indonesia*, by the Urban Poor Consortium and the Asian Coalition of Housing Rights, as member of fact-finding mission to the urban poor situation in Jakarta;
- *Nagoya, Japan*, by the UN Centre for Regional Development on human security and regional development;
- *Phnom Penh, Cambodia*, by the United Nations Center for Regional development and Municipal Government of Phnom Penh, on local autonomy, decentralization and city-sharing partnership;
- *New Delhi, India*, by UN-Habitat for the Global Launch of Good Urban Governance Campaign; and
- *Seoul, Korea*, by Citynet on Private-Public Sector Partnership.

Last May 13, 2002, I spoke before an international audience as one of the four panelists in the Asian Society's forum on "Asian Pathmakers, Global Bridgebuilders" in New York, USA.

Only recently, I keynoted the 4th Asian Mayors' Forum in Bangkok, Thailand where I showcased Naga City's experiences in local governance, highlighting people empowerment, transparency and accountability as key elements in effective city management. I was there on these important occasions not as Jesse Robredo but as Mayor of Naga City.

On city-sharing partnership, we have entered into a memorandum of understanding with the cities of Phnom Penh and Hanoi where we shall be sharing with them our experiences on government decentralization, local autonomy and effective city management.

Representatives from most of these countries also make it a point to come to our city to validate what I have presented them and learn more from us by actually interacting with our

local leaders, NGOs, and concerned sectors so that they may replicate the good practices that we have initiated and gained from.

No less than two deputy-governors from Phnom Penh, Cambodia and 14 other delegates and two Japanese scholars came to the city last June, this year, and stayed for 4 days as observers and learners of Naga City Governance.

Moreover, countless decision makers, NGO workers and local leaders from other cities in the country, including our neighboring Bicol cities and provinces also came to share and learn from us.

What we have done during the past 6 months

Our past achievements give us more reason to work even harder because we have jobs to do as partners of our people whose future is our future, too. And while we have made inroads towards greater growth and prosperity, we should now start looking up to the future where the needs may be complex and the demands more difficult to meet. All these challenges, however, will not be insurmountable.

Despite financial constraints, due in large part to the national government's fragile economy, we were able to surmount problems by working hard to compensate for its shortcomings.

When the bad news reached us that our Internal Revenue Allotment (IRA) for this year has been slashed by as much as P25 Million, this did not deter us from hitting our targets, particularly in terms of service delivery and in meeting our financial obligations. On the contrary, because of our prudence in handling our limited financial resources, we were able to sustain our fiscal turnaround. More than that, we were able to generate profitable revenues from our city-run enterprises. We were also able to leverage our restored financial stability and confidence through non-traditional fund sources such as financial assistance from international institutions, senators, and other national offices.

These packages of financial assistance came in the form of leverages and joint ventures with such prestigious institutions such as the World Bank, the Australian Agency for International Development, the Asian Development Bank, Citynet, the Ford Foundation, the United Nations Center for Regional Development, and the GTZ of Germany.

For their generosity and support, we are grateful to Senators Drilon, Pimentel, Cayetano, Magsaysay, Osmeña, and Ople whose financial assistance collectively amounted to approximately P12 Million to fund various projects. Congressman Cho Roco has also appropriated to the city at least P10 million worth of infrastructure projects.

During the rehabilitation of various facilities for the Palarong Pambansa 2002, Secretary Raul S. Roco released to the city a total of P5 million as financial assistance. Congressman Rolando Andaya, Jr. also appropriated for us another P5 million. For her part, Her Excellency, President Gloria Macapagal-Arroyo gave her share of P6 Million in financial assistance.

While we have recorded headways in almost all fronts of service delivery and governance, we shall now move onwards by resolving to achieve these three main objectives:

1. to pursue our good governance initiatives with more innovations and vigor because good governance will be our legacy and best investment for the future;
2. to optimize the delivery of services by recharging manpower productivity and re-examining our commitments, specially in areas where the direct beneficiaries are the poor, and;
3. to further enhance Naga City's competitiveness as the regional business and trade center in Bicol, including its eminence as the educational and religious center of the region.

It needs to be emphasized, however, that in every effort and initiative that we undertake, the nobler interest of the poorer members of our community, the jobless parents, the children, and those who are materially less endowed, must always be considered and

protected. Thus, the standard of our success must always be gauged by how far we have uplifted the lives of our poor residents.

We believe, for instance, that housing for the poor is a public responsibility. And that providing opportunity to own one's residence is conducive to developing attitudes and habits of personal pride and civic responsibility.

Education and health care for children are also public responsibilities. These, along with cleaner environment, drug-free homes, safe streets, and easy access to public services are key elements of a just and humane society.

At this juncture, it will help us pursue our future objectives with more vigor by taking time to look back and examine how far we have carried out our tasks in the following concerns:

SECTORAL ACCOMPLISHMENTS

Fiscal Management

Because of our prudent fiscal management, the Naga City Government posted a **surplus** amounting to **P40.17 Million** for the period covering January to June 2002 alone. This is directly opposite to the **P52.11 Million deficit** incurred during the same period in 2001 before I took over City Hall.

A report on our Statement of Operations revealed that the fiscal turnaround was due to a 38% decrease in expenditures and a 16% increase in the collection of income, particularly from local sources.

A total income of **P65,602,210.39** from local sources was thus earned in January-June 2002 as against the **P56,476,838.47** realized during the same period in 2001, or an increase of **P9,125,371.92**.

By June 2002, the city's total actual income reached **P169,128,505.56**, or 51% of the estimated annual income. Of that amount, only **P128,949,932.41** was obligated for expenses and obligations, which represented a mere 39% of the total budget. The favorable results were largely due to the prudent management of the city's revenues and expenses.

Now that we have reversed our financial position, we expect to optimize the use of our resources, particularly in addressing the basic needs of the less privileged residents of the city, while sustaining our efforts to enhance economic growth for everyone's welfare, rich or poor.

Service Delivery at least cost. Because of cost effective service delivery, the city government was able to push down the cost of installing and maintaining streetlight at P333 per unit. Street cleaning cost was also pegged at P0.05 per sq.m. We also generated substantial savings through a more transparent and competitive procurement process resulting in lower cost of medicines, equipment and supplies.

Cost effective revenue collection. It costs the city only one (1) centavo to collect each peso of business tax, and only three (3) centavos to collect each peso of real property tax.

Infrastructure

Upon the start of 2002, Naga City saw the emergence of new road networks. The objective is clear: while girding up to improve traffic and mobility, we also accelerate the development of new growth areas that were once idle estates or unattended outskirts waiting to be tapped by dynamic city development planners.

Roads. As earlier presented, Naga City has the most extensive road network in Bicol with the highest road density and the longest span of concrete road network compared to other provinces and cities in the region.

Evidently, a significant contributor to Naga's economic progress is the city's investment in infrastructure support. While we started with only 155.87 kilometers of mixed surface in

1987 before I first took over as City Mayor, I immediately stretched it to 164.07 kilometers in 1997. Of that length, 114.85 kms are full-concrete compared to only 36.71 of concrete roads in 1987.

To date, we have a total road network of **177.34 kilometers, 151.05 kilometers** of which are **concrete**, undisputedly the biggest road concreting program in Bicol's history. And we are feverishly opening up new routes that nobody thought would have been possible in areas that were once marshlands, or inhabited by only a few people.

If we have remaining unpaved roads, they are only few and their programs of work are already in place. They will all be concreted before my term ends.

Specifically, we have completed the concreting of the road connecting Cararayan to Pacol in time for the Palarong Pambansa last June 2002. We also completed the Carolina to San Isidro Road. Barangay Balatas is now connected to Bgy. San Felipe such that vehicles from upland barangays will have a choice not to pass through Magsaysay or Dayangdang when going to the *centro*.

Furthermore, the 5-kilometer Pasto, Cararayan to Pacol Urban Poor Road is now open and passable. These projects in upland barangays will not only ease traffic in the centro, but will likewise open new areas for development. The USI, Ateneo, and several other institutions are developing housing projects in these areas.

We are now in the process of constructing an road connecting Abella to Bagumbayan Sur via Queborac. This will form part of the network that will provide alternative route to motorists plying Mabulo to Sabang via Tabuco. Exiting from Queborac through Magsaysay Avenue, travelers may go to Legazpi City without having to pass through Diversion Road or Panganiban Avenue.

To further decongest the centro and provide alternative access coming from the south of the city, we will complete improvement of the following road sections:

- Carangcang, Magarao to Pacol, Naga Road
- Sta. Lucia, Magarao to San Felipe, Naga Road
- Baras, Canaman to Calauag, Naga Road

Drainage. Along with our road network, the city drainage system is also the most extensive in the region. Its total length is 84 kilometers as of June 2002.

Originally concentrated in the city's urban district, the drainage system has expanded to other outlying barangays, including those in the rural district and in the urban poor resettlement areas.

Because of better maintenance and expanded drainage system, flooding in the streets due to heavy rains has been minimized. During the past few days when we had recurring rains, flooding was significantly minimized at Panganiban Avenue, particularly the erstwhile flood-prone section fronting the Iglesia ni Kristo. The early completion of the storm drainage project in that section facilitated the flow of rainwater towards the Naga River.

We also have undertaken the following flood control and drainage projects:

1. Naga River revetment, Sabang section
2. Naga River revetment, Peñafrancia section
3. Implementation of Calauag-San Felipe storm drainage
4. Construction of additional lateral drainage lines

Urban and Rural Poor

Urban poor. As a city known internationally for its *Kaantabay sa Kauswagan* Program, we continue to remain faithful to our commitment of uplifting the plight of the poor. We always believe that strong government intervention is necessary in addressing the needs of the urban poor. It is not enough that we should be efficient as public servants. We should also

be responsive, especially when meeting the demands of those who are less equipped to stand on their own feet because they have no jobs or capital to start with.

In providing assistance to the poor, we continued to encourage strategies that promote economic self-reliance and mitigate against the permanent dependence upon public subsidies.

We have institutionalized our *Bayadnihan* work-for-pay program wherein the unemployed and underemployed beneficiaries of *Kaantabay sa Kauswagan* have been allowed to settle their lot amortization by providing unskilled and skilled labor for projects of the city government. Among others, this includes the hiring of 87 beneficiaries, some of whom have been recruited as labor crew in the Palarong Pambansa 2002 rehabilitation and maintenance works and other city projects. On these initiatives alone, Naga City stands out as a trailblazer and innovator in crafting the best pro-poor practices that have been emulated by other countries around the world.

Land Tenure. Since the implementation of the Kaantabay program in 1989, the city has to date appropriated the total amount of over P68.86 Million for the acquisition of lots under negotiated purchase, land sharing, land swapping CMP and self-help CMP, and leveraged land sharing plus.

The number of beneficiaries totaled to 6,161 urban poor families who were settled in approximately 68.05 hectares of land in 16 on-site and 15 off-site projects.

In the last six (6) months, we have fully paid our obligations to the Queborac Resettlement Site, Kapilihan Relocation Site, Froyalde Compound Urban Poor Project, and Sta. Cruz Proper On-Site Project. These four projects cost around P25.9 Million and benefit 983 families.

We have partially settled our obligations for the Happy Homes Resettlement Project, Del Rosario Urban Poor Resettlement Project, and the CBD II Residential Project. Of the total cost of P15.2 Million we have made partial payment of P6.2 Million to close the agreements. These projects will benefit 489 families.

We are in the middle of negotiations in acquiring the Fernandez Compound in Sta. Cruz, Villa Fulgentes in Sabang, Belale Compound in Sabang, the san Andres Estate in Penafancia, the LBC Bank property in Sabang, and the Dy-Liaco property at Canda Comcepcion Pequeña. These projects, mostly on-site, involves over Canda families.

Pending litigation are properties belonging to the families of Manubay, Espiritu, Matilde Isaac, and the Tapas Compound in Balatas. In a number of instances, the city government has taken the cudgels for close to 525 families in danger of eviction.

Ongoing negotiations for more homelots for the city's urban poor are being vigorously pursued as a major thrust of the city administration. In all our expansion efforts, we always take into account the resettlement requirements of affected urban poor settlers. As a general policy, we reject segmentation of home, market and workplace in the resettlement of dislocated settlers but rather encourage the promotion of neighborhoods where adequate services, infrastructures, and livelihood opportunities are provided.

Home renters. It is worthy to note that our *Kaantabay* program has slowly evolved not only in providing homelots to the homeless urban poor, but also the qualified poor families who are either house renters or sharers in order to give them chance to own lots and homes they can call their own.

Rural Poor resettlement. In addition to the Panicason and San Isidro Resettlement sites, we will be developing a new concept of resettlement for farming families. As I have promised, there will be farm lots for the city's farmer-poor. The land is already available and the city is working on the concept of designing lot sizes that will accommodate the farmer's home and his farm lot, and utilize modern farming technology to make sure that he will produce harvest that will give him income to sustain his family needs.

Water supply. Whereas in 1998 when I was about to take my first term as city mayor, there were only 19 barangays that have a potable water system, today the MNWD has covered 25 of the city's 27 barangays. By the end of my term, only one will remain outside of the serviced area because Barangay Panicuason at the foot of Mt. Isarog opted to be excluded. A Level II water supply system installed in Panicuason during my first term in 1988, has been providing them their potable water needs.

In Barangay Cararayan, we have secured the assistance of the Metro Naga Water District (MNWD) to construct Level III waster supply system at the cost of P2.4 million to benefit at least 1,000 poor families who have been resettled through the Kaantabay program. We have provided the same for 35 urban poor families in Barangay Del Rosario.

Only recently, the Carolina water transmission line has been made operational since May this year. Likewise, the Metro Naga Water District started the construction of a P16.31 million modern pumping station in Bgy. Cararayan. When completed, the pumping station will augment the existing water supply requirements of the residents in Cararayan but the other nearby barangays as well.

Our Task Force Tubig, as a complementing arm to our citywide potable water provision program, has installed a total number of 261 jetmatic pumps and 17 pitcher-type pumps, or a total of 337 water pumps including the appurtenant materials, during the period January to June 2002

Energization. On power service, urban poor resettlement sites in Barangays Sabang, Calauag, Pacol, Caromatig in Carolina, and Cararayan have already been fully energized. Resettlement sites at Spukoi (Sabang), CLUPA, and Calauag were likewise fully energized.

The city government has made an arrangement with the Camarines Sur II Electric Cooperative where the city government will advance electrical materials, especially cables and electrical wires, to expeditiously meet the demands for energization in the new inhabited areas of the city. The payment will be charged to the power amount of the city over a period of six (6) months. This is an expeditious way to respond to requests for power services by the city's poor dwellers. We have in fact, energized Yabo, Carolina – which in the last 6 months did not have electricity – by way of this arrangement.

Housing. The National Housing Authority has committed to allocate P18-million to construct a row-house type subdivision intended for families affected by the commercial development within CBD II.

For the middle-income earners, we have prepared the blueprint for the construction of four 5-storey buildings at Villa Grande Homes, in collaboration with the National Housing Authority which allocated P112-million for the project. Each building will consist of 60 units when completed.

Agriculture. Our farmers and livestock entrepreneurs in the upland barangays continue to receive extension services and technical assistance from the city government.

By shifting to organic fertilizers and the provision of assistance by the city government, rice harvest from January to June, this year yielded a total harvest of 3,012 metric tons, which is 10.78% higher than last year during the same period. Our two techno demo farms in Carolina, using hybrid palays has yielded 138 cavans per hectare which encouraged farmers to use the same hybrid seeds in their next planting.

Corn production in barangays San Isidro, Cararayan and Carolina has been expanded to cover the outlying barangays of Panicuason, Pacol, San Felipe, and Balatas.

By encouraging agricultural diversification, our vegetable farmers in Panicuason and Carolina, through technical support by the City Agriculturist Office, have been profitably engaged in commercial production of eggplant and ampalaya which command better market demands.

During the last six months, vegetable production increased by 28%. About 65% of our total vegetable harvest finds their way to markets in other provinces, including Divisoria in Metro Manila.

From only 82 last year, now there 180 growers in Pacol, Carolina and Panicuason who are engaged in small-scale ornamental and cutflower production, most of which are of the backyard-type. This provides them with their daily income.

To exploit the full potential of our rural farms, we will push for more government support to enable farmers to maximize their production with inputs to be provided by the city government.

Livelihood and Employment

New jobs. With the influx of new investments, a total of 1,188 new jobs -- 463 laborers and 725 employees -- were generated from January to June, this year alone. This is a marked improvement from the 1,290 new jobs generated for the whole year 2001.

Enterprise development. From January to June 2002, we were able to grant loans to 277 individuals and 175 cooperative members. Some 1,385 individuals were indirect beneficiaries of these loans under the Metro PESO's enterprise development.

Livelihood trainings were extended to 149 individuals while 456 livelihood projects were closely monitored for technical assistance. Despite the cutback in IRA which greatly affected our financial resource for loans, we were nevertheless able to release P1,469,272.00 and registered collections amounting to P1,145,940.60 during the same period.

Employment assistance. On employment generation, 3,202 local job applicants were referred to prospective employers while 1,403 referred applicants were actually hired by various establishments.

Metro PESO also referred 775 overseas applicants to licensed recruiters; 1,686 graduating students were given career guidance; 384 poor but deserving students were employed under the SPES, and; 57 out-of-school youths graduated from Basic Automotive Mechanic Course being offered by the city.

Quality journey. For contributing more than 50% of job placements in the entire Bicol Region, Naga's Metro PESO was accordingly cited by the Department of Labor and Employment for its impressive accomplishment. Moreover, the Metro PESO was accredited by the Technical Education and Skills Development Authority (TESDA) as one of the first-ever Skills and Livelihood One-Stop-Shop for Informal Sector Workers in the country, the others being the TESDA Women's Center and the provinces of Laguna and Pangasinan.

Health and Nutrition

Nutrition. Our nutrition services are conceded to be the best in the country. In fact, our nutrition program has been elevated to the National Hall of fame. We have virtually eliminated all cases of 3rd degree malnutrition. Leaving only 6 cases which we shall reduce to zero in the coming months. On the other hand, moderate malnutrition cases from 931 in 2001 have been substantially reduced to 310 as of June this year.

Child vaccination. As we launched the first round of the "Door-To-Door Polio Patak" at the start of the year, a total of 24,749 children with ages 0 to 59 months were immediately given vaccination. The record was surpassed, however, when the City Health Office conducted its second round vaccination drive to 25,795 children of the same age bracket last March 2 to 8 this year.

More indigent residents received their Socialized Medical Care Program (SOMECAP) IDs that entitle them to free medical benefits, including confinement at the Bicol Medical Center and the Naga City Hospital.

Operation Smile. On this year's conduct of this medical-surgical mission which was composed of 33 American and Filipino plastic surgeons, a total of 80 patients with cleft lips

underwent reconstructive surgery. Nine of the patients were from Naga City while the remaining 71 patients came from the 6 provinces of the Bicol Region. There was no reported complications or problems encountered during the pre- and post-op course of the mission.

Realizing that there are more indigent patients with facial deformities not only in the city but in the whole province who are wanting medical assistance, the Naga City Government has agreed in principle to establish our own local Operation Smile team in collaboration with the Camarines Sur Medical Society represented by Dr. Ronnie Ursua.

This team shall be composed of Filipino and Bicolano volunteer plastic surgeons and reconstructive surgery experts who will conduct operations on patients with cleft lips and other facial deformities without having to wait for the American medical experts for their annual medical mission.

Child Care. On the first round of "Garantisadong Pambata" program, the City Health Office provided Vitamin A supplementation to about 17,292 children, surpassing targets. Some 8,937 children were recipients of the city's deworming program.

Medical Missions. To further boost our dispensation of free medicines, we conducted free medical consultations and distribution of medicines in the city's 27 barangays in coordination with private establishments. During a one-day free consultation and medicines sponsored by Mercury Drug, we were able to treat 1,403 patients; we also treated 468 patients during a medical mission that provided medicines donated by Unilab. New South Star Drug also conducted its free consultation and medicine project which benefited some 1,500 patients. These medical missions affirm the strong partnership that the city government has been fostering with the private sector.

Sentrong Sigla. As anticipated, the Naga City Health Office has been finally accredited this year as a "Sentrong Sigla Facility" by the Department of Health. This means that the Naga City Health Office, with added muscle and resources, will continue to provide quality health services, particularly in disease prevention, control and referrals through the sharing of resources with DOH, the LGU and NGOs concerned with health services.

City Hospital. As a double treat, the city-operated Naga City Hospital was likewise adjudged by the Department of Health as the best-run government hospital in the entire Bicol Region.

City hospital. The availability of modern medical equipment and other services and facilities make the hospital "deliver the goods" beyond its original function as a primary hospital. Even as a primary hospital, it has its own modern x-ray machine, ECG equipment, and its own blood bank, and a drug-testing laboratory.

From January to June, this year, the Naga City Hospital has served a total number of 24,842 patients at an average of 199 patients per day. We also dispensed for free various kinds of medicines based on the total number of 35,855 prescriptions. Nine (9) out of 10 indigent patients are able to get their free prescribed medicines at the city hospital whose services go beyond the minimum requirements of a primary hospital. Our free medicine dispensation efficiency is in large part attributed to our cost effectiveness in purchasing medicines. As well, our transparent public biddings and preferential bias for generic medicines enabled us to purchase more supplies at least cost.

Because of our more efficient delivery of medical services and assistance, incidence of common illnesses and diseases has been pushed down to the minimum. On pneumonia cases, for instance, we had 111 cases in May this but this was significantly reduced to only 55 cases in the following month of June. On diarrheal infection, we had 206 cases in May, but this was reduced to 147 in June. On bronchitis, we had 45 cases in May, but this was brought down to only 23 during the following month.

The Emergency Rescue Naga during the same period responded to at least 156 Nagueños requesting for emergency assistance aside from the 52 referrals made by the city ambulance.

Maternal Care. On maternal care, especially poor expectant and lactating mothers, the City Health Office supplied them their TT2, iron, and Vitamin A supplementation. For good measure, our doctors and medical attendants regularly accorded them pre-natal visits.

Education

We have likewise made considerable progress in our bid to improve quality and access to education services, in partnership with the Department of Education and the private sector.

Since we have made strong efforts to re-invent public education system in our city, indicators have shown that both our public elementary and secondary schools are now comparable if not better than private schools in terms of quality education. This proves to us that public education is not inherently inferior to the more expensive private schools, given the right support and innovations by concerned government agencies, such as what we are doing.

Enhancing quality. To enhance quality, we have significantly improved the resource allocation mechanisms of the Naga City School Board through a more open and highly participative budgeting process involving stakeholders of the public education sector. Early this year, a P19-million school board budget was passed in response to identified priorities--addressing such areas as the acquisition of instructional materials, the operation of public high schools, the granting of additional incentives to 1,200 school teachers and personnel, and the repair and maintenance of school buildings and facilities in 29 public elementary and high schools in the city. This is a major accomplishment under a P6.5-million grant from the Ford Foundation for reinventing the local school board.

This same budget has enabled us to implement and localize performance measurement of student achievement in our public schools, anchored on the divisionwide universal pretesting of around 19,000 elementary last July 30 and 11,000 secondary students by mid-August. This is most probably the first of its kind undertaken by a local school board in the Philippines.

Before the current school year ends, a divisionwide post-testing of the same students will effectively enable us to measure their academic achievement. The results will then serve as basis for the granting of the Performance Incentive Fund (PIF) for the best public elementary and secondary schools in the city.

In response to the 6% increase in enrolment in our public high schools for the current school year, the Board also authorized the hiring of 12 additional teachers that we will be farming out to Cararayan, Carolina, Concepcion Pequena, Sabang, and the newly opened Tinago campus of Camarines Sur National High School. In selecting these teachers, we are making the process more transparent and merit-driven if only to ensure that we will be employing only the best and worthiest from the crop of teacher-applicants.

Leveraging our P3-million allocation in the School Board budget for the acquisition of instructional materials, we have secured firm commitment from the Department of Education to provide for some 60,000 "unprogrammed" textbooks on top of those allocated by the department for delivery within the year. If these commitments materialize, we will be able to meet, and in certain grades exceed, the 1:1 textbook-to-student ratio in all elementary schools in Naga City before the current school year ends.

We have also effectively "wired" our high schools by providing them free Internet access—thanks to the Ayala Foundation-funded Project ACCESS (which stands for "Accessible Computer Education for Secondary Schools"). The project seeks to equalize education opportunities by providing them free computer equipment, peripherals and (with the help of Digital Telecommunications Corp.) high-speed Internet connection, which these schools are already enjoying. As a result, two of our public schools (in Cararayan and Del Rosario) have received additional equipment grant from public and private sector partners of the city government.

Finally, our effort to improve quality is slowly being recognized. For instance, the Naga City Science High School has been selected by the Department of Education as one of the 20 schools nationwide that will pilot the revised basic secondary education curriculum. We

have successfully leveraged this with the Department of Education which recently committed two additional teachers to the school, which would enable it to meet minimum standards of the department insofar as its teaching staff is concerned.

Improving access. Side by side the thrust to upgrade education quality is comprehensively opening up access to basic education itself.

For instance, we have engaged 5 additional day care workers to augment the 77-person teaching staff of our 64 Montessori-based schools for early education and development (SEEDs). This means that on the average, no less than two SEEDs are serving the preschool needs of each of Naga's 27 barangays.

We have opened up two new schools—the Caromatig campus of the Carolina Elementary School and the Tinago campus of the Camarines Sur National High School. Our direction is for these campuses to become independent schools in their own right at the appropriate time.

To expand the reach of education services beyond the traditional school system, we are reorienting the Non-Formal Education (NFE) program of DepEd to complement and expand existing programs of the city government. The latter includes the CSNHS-based Balik-Adal program which should be replicated in the other public high schools; as well as Metro Peso's Integrated Livelihood Masterplan (ILM) that should enhance the livelihood content of DepEd's ongoing literacy classes.

Upgrading physical facilities and institutional support. Another windfall from the recent staging of the 2002 Palarong Pambansa is the upgrading of school buildings and facilities, buoyed by some P11 million allocated by the national government for the purpose. This magnified by five times over the school board's P2-million allocation for repairs and maintenance for the current year.

In addition, we have also secured a US\$10,000 grant from the Naga City U.S.A. under the leadership of Ms. Zenaida Sabocor, which has been allocated to finance the construction of an administrative building for the Naga City Science High School.

Further, on top of DepEd's commitments on textbook and teachers, Congressman Cho Roco also approved the construction of two new school buildings for the Tinago campus and the Cararayan High School that would enable us to address emerging needs in these areas.

We are looking to sustain these headways by strengthening the Parents-Teachers-Community Associations (PTCAs) in each of the 23 elementary and 6 high schools currently operating in Naga. A more robust PTCA network in the city will yield a more effective and dependable partner of the city government in our common desire to improve both quality and access to public education services.

Other facilities. The Bicol Science Centrum, the only LGU-managed educational facility of its kind in the country, has recently secured a P3 million grant for additional equipment. A new P10-million Naga City Library and Museum building is currently under construction within the City Hall complex.

Our directions. Building on these gains, the city government will focus its attention and resources for the attainment of the following:

- Achievement of the desired ratios in textbook and classroom size
- Institutionalization of localized performance measurement as basis for the granting of incentives to deserving schools and teachers
- The opening of Pacol High School next school year
- The eventual conversion of Caromatig Elementary School and the Pacol and Tinago High Schools into independent education institutions
- The development of standardized localized workbooks supplementing the textbooks being supplied by the Education department, and
- A continuing facility improvement program that will improve the quality of life within our public schools.

Social Welfare

The City Social Welfare and Development Office as the welfare arm of the city government has been efficiently carrying out its tasks in attending to the needs of the city's poorest, including parents, unemployed women, and their children.

Its 75 Day Care workers take good care of about 2,454 pre-schoolers aged 4-5 years enrolled in 63 Day Care Centers in the city. Last year, we had only 2,109 students, 61 day care centers and 70 day care workers.

Following are the other significant accomplishments posted during the first 6 months of this year:

- The amount of P255,864.15 has been appropriated to 1,322 indigent residents who availed of crises situation services which consist of burial, medical, food, transportation, laboratory, and emergency assistance.
- A total of 35 cases of victims of violence to women and children have been acted on and referred to line GOs and NGOs for further intervention.
- Twenty-Six (26) rescued streetchildren had been reconciled with their biological families either from the city or neighboring municipalities.
- 118 disabled persons were assisted through IEC on disability prevention and referral services. One hundred of them were provided with assistive devices thru the Wheels for Humanity Association of Mr. David Richard. Another 6 beneficiaries were assisted through the city's internal funds.
- Thirty-Eight (38) SOMECAP beneficiaries availed of "Lingap Para Sa Mahirap" financial assistance in the total amount of P24,280.47. Seventy-three other indigent families were beneficiaries of additional P54,404.57 fund assistance. We also assisted 200 indigent patients requiring tertiary medical care.

During the period, we saw the completion and inauguration of P6.1 million Naga City Social Development Center, with funding support from AusAID and minimal spending from the national government. This modern edifice, which is the latest addition to Naga City Hall Complex's landscape, serves as training and halfway house for street and urban working children in Naga.

AusAID. The City Social Welfare and Development Office, in partnership with the AusAID, also pursued the Street and Urban Working Children Program which gives out one-year school supplies and rice ration to qualified parents and children recipients.

2,487 street and urban working children as of June 2002, or 48% higher than last year's 1,679, have benefited or are recipient of the following forms of assistance:

1. Rice allocation for participating children and their parents totaled 1,230 bags amounting to P1.04 million;
2. School supplies amounting to P291,958.85 were distributed to 1,230 schoolchildren beneficiaries of the project;
3. A total of P75,000 were given out to 25 parent-beneficiaries as capital to start income-generating projects, and;
4. Some 3,643 parents were given sessions on responsible parenthood to enhance parenting skill and prevent child-abuse.

Environment and Solid Waste Management

Solid Waste. Not only our residents but our visitors as well have taken notice of the efficient garbage collection that the city has been implementing during the past 6 months.

On a regular basis, the City Environment Office has collected approximately 26,640 cubic meters of solid waste during the period January to June, 2002. The acquisition of 3 new dumptrucks has enhanced the city's capacity to improve coverage, reliability and frequency of garbage collection services with garbage collected from households at least every other day. Our dumpsite in Balatas is regularly being sprayed with deodorizing chemicals.

The visibility of our streetsweepers in major streets has encouraged the residents themselves to keep their surroundings clean, particularly in busy sections of the city.

Environment. Our strong advocacy for clean environment has earned for the city the 2002 Saringaya Award. Our environmental battlecry for “cleaner air, cleaner river, cleaner city” continues to draw positive results. Naga’s air ambient quality rating from fair in the first quarter improved to satisfactory in the 2nd quarter of this year.

During the period, the city’s anti-smoke belching task force has apprehended a total of 428 fume-emitting diesel-fed jeepneys, vans and trucks. Fines collected from anti-smoke belching violators amounted to P75,150.00. Soon, there will be a closer watch against polluters as we intend to put up our own permanent smoke testing center so that we shall not be borrowing equipment from the DENR regional office in Legazpi City everytime we launch a stepped-up campaign against polluting vehicles.

On the Naga River watch, our task force has been undertaking the cleaning and greening of the riverbanks and monitoring of the river, in cooperation with the Ladies in Green, the Barangay Council of Dinaga, and students rendering community service under the National Service Training Program.

For our efforts, the Development Watch project of the Department of Interior and Local Government and the Australian Agency for International Development has identified Naga City as the pilot city for Region 5 (Bicol).

Transport and Traffic Management

Guided by the amended City Traffic and Public Safety Ordinance plus innovations here and there, we have seen positive results in the strict implementation of parking, no parking, and pedestrian zones in major thoroughfares. This was coupled by the relocation of sidewalk vendors, in exchange for loan and technical assistance while providing them with a more secure opportunity to earn a living without fear of being summoned for violation of the Sidewalk Vending Ordinance.

Due to efficient traffic management by the city’s Traffic & Transportation Management Office, pedestrians, shoppers and motorists have been inconvenienced by the smooth traffic flow in what used to be vehicle-heavy thoroughfares in downtown district such as Gen. Luna Street, J. Hernandez Avenue towards the Naga City Public Market, corner Abella Street, and Elias Angeles Street. About 30 traffic aides are regularly deployed in strategic points to augment the PNP traffic force.

The Metro Naga Chamber of Commerce and Industry has in fact commended and favorably endorsed our new traffic scheme, which they said has restored order and discipline, and revitalized business activities in the old business district. They wanted to be assured, however, that there must be consistent and fair enforcement of traffic rules and the ordinance regulating sidewalk vendors.

Except for some still busy intersections of the city where right-of-way negotiations are still underway, we have widened narrow corners which used to be the traditional chokepoints during busy hours. These newly-widened areas include the Liboton Extension entrance and the M. Castro-Misericordia intersection. Widening of other bottlenecks within the year will soon follow. These are the Colgante Bridge entrance; Sta. Cruz to P. Santos Avenue; Manga Road to Ateneo Avenue; and the Delfin Rosales Bridge approach.

Urban traffic will further improve when the on-going works on the remaining sections of the city’s circumferential road have been finally completed.

Peace and Order and War Against Drugs

Per report by the Naga City Police Station, crime volume for the period January to June 2002 decreased to 90 as compared to 1,557 cases during the same period in 1990. Crime solution efficiency was recorded at 85.6% during the first 6 months of this year, which, along with other satisfactory ratings in peace and order efficiency earned for the Naga PNP the citation as the Most Outstanding Police Station in Bicol.

On illegal gambling, 42 arrests were made during the same period. As in the past, our campaign against jueteng is not for show.

Our campaign to bring the war against drugs into the homes paid off. To date, we have covered 3,900 households in eight (8) barangays for our anti-drug stickering campaign. We intend to pursue the campaign with more vigor in the next months. Despite some controversies on our stickering campaign, we felt vindicated when public consciousness against drugs was heightened which significantly contributed to the apprehension of 21 drug pushers, including suspected big-time suppliers, who are now facing charges in court. Seized were an accumulated 138.8 grams of shabu and 2,797.20 grams of marijuana during the 6-month period of relentless campaign.

Apparently, there was a substantial reduction in supply of and demand for illegal drugs following the launching of our stepped up campaign when I took office middle of last year wherein we netted 33 suspected drug pushers.

We shall not rest on our laurels, however. The arrests will continue for as long as there are peddlers and users of marijuana and shabu anywhere in the four corners of our city -- and even beyond our territories -- if only to thwart prospective suppliers from entering the city. The stepped-up campaign ends when Naga finally becomes a drug-free city.

Complementing the Naga City Police are the 27 barangay tanod units who receive honorarium, insurance coverage and other auxiliary support both from the barangay council and the city government. The city's extensive communication network expedites coordination between barangays, law enforcement agencies, and the emergency rescue and disaster teams.

Metro Naga Development Council

The Metro Naga Development Council was established in 1992 to address the widening gap in the level of development between Naga City and its neighboring municipalities. It has made significant gains since then particularly in bringing about accelerated, equitable and sustainable growth and development within Metro Naga through resource complementation and role definition of its 14 other member towns.

Last May 30, 2002, the MNDC commenced the mobilization of its 9-month project funded by the Australian Agency for International Development (AusAID) through its Philippine Australia Governance Facility Program. The project will enhance the capabilities of Metro Naga planners on area-wide program planning that will provide essential skills and knowledge in crafting plans and programs that are responsive to the needs of each municipality and at the same time address common concerns affecting Metro Naga as a whole.

Early this year, the Japan Bank for International Cooperation has chosen Metro Naga as one of the two pilot areas for an ecological solid waste management study for local government units in the Philippines.

The study will address Naga's and the member-municipalities' problem on solid waste disposal.

The MNDC has also installed its own website to bring the Council and its 14 other member-municipalities into the cutting-edge technology of the World Wide Web, in step with the city's electronic networking program.

Accelerating economic activities

The first six months of the year was not a difficult period for us. The triumphs and gains that we achieved augur well for more accomplishments in the coming months and onwards.

Now, the renewed challenge is upon us to enhance those gains, without prejudice, however, to our primordial task of establishing and maintaining a proper balance between prosperity and social responsibility. All our efforts as mentioned earlier must redound to the total upliftment of our less privileged citizens who need stronger government intervention so

that they may stand on their own two feet and become productive partners themselves in the whole development process.

Enhancing competitiveness of Naga City

Given the positive indicators that we have achieved thru years of painstaking hardwork and expectations matched by strong political will and determination, Naga City is now very much ripe for heightened economic activities. The only way up is to further enhance our competitiveness as Bicol's premier city and investment haven in this part of Southern Luzon.

Let me highlight the following facts:

1. Because of its strategic location, Naga City's immediate market includes a fast-growing population of nearly 5 million scattered in the six provinces and 7 cities of the Bicol Region.
2. The city is a significant market by itself. According to the Asian Development Bank, the average family income of our households is 42% higher than the national average and 126% higher than the Bicol regional average. This means that the disposable income and the spending power of Nagueños are higher than our counterpart in, say, Legaspi City or Sorsogon City and are comparable with the other highly-urbanized cities in the Philippines such as Bacolod, Baguio and Cebu. Where there are strong disposable incomes, more banks, more service companies, resorts and restaurants will naturally follow.
3. Because of our unique position in the market, beefed up by our reputation as a model for efficient governance, Naga City easily becomes the launching pad for new enterprises that hope to make their presence felt in the region. Thus, we have the Nissan, Mitsubishi, and Kia sales and service center whose immediate market spans the whole of the Bicol region. I had formally invited both the Toyota and Honda Motors to put up their sales and service center in Naga City whose operations shall cover the entire Bicol Region. Sooner or later, one or two of the popular Manila-based shopping malls will be branching out in Naga due to our vibrant economy and the high spending power of our local consumers.

The following growth indicators further confirm the above-highlighted facts:

- For a period of six (6) months this year, Naga City realized total investments worth P523.7 million compared to P776.37 million posted during the whole year of 2001;
- Of these investments, Education posted the highest increase of 34% from a measly 4% in 2001 due to expansion plans by the Ateneo de Naga University, the Universidad de Sta. Isabel, and the St. Joseph School;
- Closely second was trade and services at 33%, upped by as much as 12% from last year's 21%;
- Real estate development fell from 74% last year to 35% during the first 6 months this year.

This is not surprising though, considering the bleak performance of the capital-intensive real estate sector all over the country, and in the entire Asian region for that matter. The bright side, however, is that real estate developers have laid down the basic infrastructures for housing, especially those in upscale locations, so that we will all stand ready and able when the right time comes for a more robust private housing and real estate development.

Still on growth indicators, we have posted 547 new business licenses during the past six months compared to the Year 2001 total of 596.

New building permits were issued to 47 new commercial and industrial constructions, which figure is at par with the same number of permits issued last year.

Competitiveness enhancement

Naga City's edge as a new investment haven in South Luzon is built on the following key competitiveness factors: cost competitiveness, infrastructure, linkages and accessibility, dynamism of the local economy, quality of human resources, quality of life, and responsiveness of the local government.

Cost Competitiveness

Contrary to wrong perceptions, Naga City has the lowest business and property taxes compared to other cities in Bicol and even in some cities in the Metro Manila area.

For instance, our business tax for manufacturers and repackers with annual gross income of P5 million will have to pay only P31,687.50 compared to Legazpi City's P36,000.00, or Iriga City's P34,125.00.

On assessment level on property taxes, Naga collects only 30% for commercial while Legazpi City collects 40%. Our tax rate is 1.25% for commercial while Legazpi City's is 2.00%, and Iriga's is 1.75%. We are even lower than Makati's which is 1.50%.

Urban infrastructure

CBD II. To bring in more investors to Central Business District II and speed up its transformation into a bustling new business and trading enclave, more roads and support infrastructures need to be put in place. For these road projects, Senators Drilon and Pimentel have committed financial assistance in the combined amount of P13 million. The city government will provide the additional amounts needed while we are still sourcing for additional funds for the completion of the Naga City Coliseum which will become an important landmark in the site.

You will notice that CBD II has to date accommodated more terminals for both eastbound, southbound and westbound jeepneys and provincial buses, as well as terminals for airconditioned Pilcab vans that service all the routes leading to all directions outward of the city proper and vice-versa.

With the new bus terminal as the nerve center for all types of public road transport, Naga's intercity and intracity transport network has brought about invaluable amount of accessibility and mobility to both commuters and traders. In a few months ahead, I foresee a more dynamic and efficiently-run Central Bus Terminal at CBD II which will be comparable with other terminals in bigger cities.

Another satellite market aside from the existing one will soon rise in the site. Closer maintenance of peace and order has been assured with the establishment of a fully-manned police outpost whose permanent building has been donated by Robertson.

Before the end of my term, I foresee the charging up of economic activities in the area with more establishments and facilities sprouting thereat. Only recently, a popular fastfood chain has relayed its intention to put up a branch there. The Central Bank of the Philippines will soon construct its modern regional clearing office in the new business district. Likewise, a modern P5-million edifice of the DepEd's Naga City Division Office will rise in the site. We shall provide incentives for establishment of anchor projects within CBD II and consolidate properties to hasten its development.

The city government will likewise expedite the completion of more roads linking Panaganiban Avenue to Diversion Road for added mobility and access.

Almeda Highway. Pending completion of documentary and other preparatory works, actual construction of the proposed 4.5-km Almeda/DMCI Highway may soon start. This is a by-pass road linking Roxas Avenue to Bgy. Del Rosario. When completed, it will ease traffic at Diversion Road and open up new frontiers for development in the affected areas

Asphalted highway. Before the year ends, we shall have the whole stretch of the Naga section of the Maharlika Highway from Mabulo to the Pili boundary fully asphalted as

promised by the DPWH and the contractor of the asphalt overlay. I have personally sought the DPWH and the contractor to hasten construction works along the highway. I also demanded and held the contractor responsible in observing proper preventive measures in the on-going re-blocking works to ensure the safety of motorists and commuters who have complained against the lack of pre-cautionary signages and personnel to man the obstructed traffic flow.

Uptown development. Many may not have noticed that infrastructural activities and the groundworks for new businesses and services are taking place in the upland section of the city, notably San Felipe, Pacol, Del Rosario, Cararayan, and Panicuason.

Simultaneous construction works are on-going in the area for new road networks, installation of sewerage and drainage systems, and power, telephone and cable TV lines to cater to the increasing number of housing, recreational and institutional facilities in the aforementioned upland barangays. Langon, Cararayan will soon be connected to the Urban Poor Resettlement Site in Pacol. The unpaved portion of the 3.4-kilometer San Isidro-Carolina Road will likewise be concreted in the soonest possible time.

Through facilitation by the city government, Casureco II restored power service at the sitio of Yabo-Carolina after its power supply was cut-off by a private mini-hydro plant during the past six months.

Dynamism of the Local Economy

As mentioned earlier, Naga City is on an upswing unprecedented in its history.

Its central location as the Heart of Bicolandia gives the city a natural advantage of having short and convenient access to practically all the northern and southern parts of the Bicol region.

It has a higher spending power compared to other Bicol cities and provinces. Almost 50% of the total investments registered in the entire province of Camarines Sur are generated in Naga City.

The number of registered business establishments in Naga City is over 4,898 while Legazpi City has only 1,486 despite the location of government regional offices there.

Our high fastfood chain-to-population ratio is another indicator of our economic dynamism. We have more telephone lines than our counterpart in other areas of the country. Our telephone-to-household density is far ahead of the national average. As another indicator of our competitiveness, the annual growth rate in Internet connections in the city is 91%, one of the highest in the country surpassing even some of the highly urbanized cities.

Naga City has also made significant investments maximizing information technology. Its own website has been cited by the National Computer Center as one of the most impressive among LGUs and has been nominated for CyberCity Award in the Asia Pacific Region.

Convention and Tourism Hub

In order to take advantage of its dynamism and potential for faster growth, there must be an increased effort to turn Naga into a convention and tourism hub, in partnership with the business and private sector.

Early this year, we have created the Naga City Visitors Center to enhance tourism promotion and design packages that will make Naga an attractive proposition for group tours, conventions and events. This is coupled with my personal invitations to LGUs, government agencies, and national civic organizations to hold their conferences and conventions in the city by assuring them of our assistance and the availability of our facilities.

Our initial efforts paid off. We surpassed our initial goal of hosting at least one big regional or national event every quarter.

From January to June, this year, Naga City hosted at least 9 major events, or an average of 1.5 events per month. Some of these important events are:

- Advocacy Strategy and Capacity Techniques Development and Internship Project for NGOs. Scholars and NGO workers from Southeast Asian countries such as Thailand, Cambodia, Burma, and Indonesia, and representatives from the Institute of Popular Democracy, participated in this program. They stayed in Naga for observation tour and interaction with city officials and barangay leaders for 4 days.
- Rotary South Luzon Presidents-Elect Training Seminar. A one-day seminar for all newly-elected presidents from various Rotary Clubs in the country.
- Lions Club Sub-District Convention. Officers and members of Lions Clubs from Southern Manila to Southern Luzon, including Palawan held their 3-day convention at Villa Caceres Hotel.
- DOH National Staff Meeting. For the first time in Bicol, the Department of Health held its 3-day 4th national staff meeting in Naga City. This was participated in by about 200 participants headed by DOH Secretary Manuel Dayrit, his undersecretaries, national and regional directors, and chiefs of hospitals from all over the country.
- UNCRD Action Learning Field Study Visit. About 18 officials led by a deputy governor of Phnom Penh, Cambodia and two Japanese observers came to the city to observe and study Naga City's innovative programs in local governance.
- Palarong Pambansa 2002. This year's edition of the national sports competition for elementary and secondary levels was hailed as one of the successful Palaro ever held in recent years. Approximately 8,000 delegates, coaches and athletes came to participate in the games.

These events brought fresh revenues to the city whose immediate impact were to boost occupancy in local hotels, increase sales receipts for food and catering services, novelty items, and transport. They also stirred up the banking community's services and money transfer transactions.

For the Palarong Pambansa alone, it is estimated that the visitors brought to the city an added income of at least P30 million during their stay here. For its part, the Naga City Government realized a net income of P6 million out of savings from fund solicitations and from lease of the site for food and souvenir shops within and outside the complex.

It is estimated that a regular visitor or tourist spends an average of P700 a day for food, lodging and inexpensive novelties and souvenir items. That does not include fare and gasoline expenses, and provisions for recreation and nightlife.

For the above events, Naga was home to an estimated 9,529 invited visitors, excluding those tourists and transient businessmen who registered directly in hotels or stayed as guests of private homes.

On October 10-12, Naga will again play host to the 54th Jaycees National Convention, one of the biggest annual gatherings of the country's prominent young businessmen and professionals. About one thousand delegates are expected to attend, excluding their accompanying spouses, children, and personal drivers.

To further enhance tourism promotion, tour packaging and marketing, the Naga City Visitors' Center has entered into partnership efforts with the Partido Development Authority, the Ateneo de Naga Institute of Tourism, the Department of Tourism, and hotel, restaurant, and tour operators.

Quality of Human Resources

One of Naga's more significant competitive advantages is its undisputed title as the educational center of Bicol. Its number of quality educational institutions even surpasses those in other cities in Southern Luzon and the Visayas. It has three (3) universities, 9 colleges and vocational schools, and a host of secondary and elementary schools and pre-schools.

The universities are CHED-acknowledged centers of excellence in business, health-related and information technology education and training.

This school year, the Universidad de Sta. Isabel opened its own College of Medicine while the Ateneo de Naga University established its Institute of Tourism. Saint Joseph School has expanded its pre-school campus and facilities anticipating its growing enrolment.

Concededly, Naga City with its complete educational facilities, excellent standards for higher learning, and availability of various academic disciplines that cater to the needs of the times has virtually turned itself into a university town in this part of the region.

Naga City is also the site of the Bicol Science Centrum, the only LGU-operated science and technology center in the region, and one among only 8 of its kind in the whole country. It is an important landmark for students, pre-schoolers the general public from various schools and places in Bicol. The visitors number an average of 4,500 each month to view its interactive exhibits and science-oriented galleries an facilities such as cubbyhole, travel centrum, planetarium system, and computer services.

Several national and multi-national companies with businesses here attest to the fact that the workforce in Naga is not only inexpensive, but also highly trainable and very productive on account of its standard of education and young professionals who, after seeking higher educational training in Metro Manila, opted to come back to practice their profession here.

Quality of Life

The quality of life in the city is best reflected in its residents' comparatively higher family incomes, the support services that the city provides them as highlighted by its responsiveness in addressing the needs of the every resident, particularly the urban poor, sustenance and protection of its ecological balance, and its decreasing crime volume.

Naga City has 38 subdivisions, including newly-established resettlement sites for the urban poor. It has six (6) hospitals and its bed-to-population ratio is 1:195 which is way above the national average. Its doctor-to-population ratio is 1:580, compared to World Health Organization standard of 1:20,000

As viewed by outsiders, scholars and socio-political and economic observers who have been to our city for learning studies and research, Naga's success as a dynamic and yet livable community hinges on these three (3) key factors:

- Innovative governance
- Empowered citizenry, and
- Active non-government sector

Good Governance

Good Governance is one area where Naga has been recognized worldwide. Such eminent recognition, however, does not stop us from striving further towards a culture of excellence.

i-Governance. Early this year, we formally launched the concept of i-governance which is the next level in bringing participatory mechanism to the individual citizen. It seeks to include the faceless, voiceless and unorganized segment of the community, who, for one reason or another, has not availed himself of the privilege of being a member of an organized group or institution which had been federated into the Naga City People's Council as partners in participatory government.

It has two key components:

- **Naga City Citizens Charter** – This is a step-by-step guidebook on key services of the city government. Its final copy will soon be out for printing, to be distributed to every household in the city. This printed publication, which is handy, is the newest tool aimed at empowering the individual citizen by promoting accessibility, transparency and accountability in government service delivery.

- **naga.gov. website** – Our revitalized and re-engineered website has continued to provide accurate, relevant and engaging information about Naga, not only to the web-enabled Naga residents but to the whole global Internet community.

Among other features, it has a NetServe component which provides an extensive catalog of the wide array of services being provided by the city government, including procedures, response time, and responsible City hall personnel for each type of service. Equally important, it also features downloadable forms commonly used in transacting business with various offices of the city government. As a tool for transparency and openness, the annual city budget, public biddings and their results, procurement, and current and significant legislation from the Sangguniang Panglunsod are updated and found in the website.

Here's how the *Infonet*, the official publication of the National Computer Center describes our website: *"Browsing through Naga City's historical background and cultural characteristics would make a Nagueño pretty proud of his ancestry. The city's web site is full of information, one can easily do research on almost anything about the city."*

CONCLUSION

The gains that we have achieved during the past six months are only half-way of the directions I lined up for this year. There are still many things to do. Our confidence to break more grounds has been inspired by the sincerity of our people and other stakeholders whose common wish is that we shall do better each time.

On this note, I would like to extend my grateful appreciation to them. I have been impressed by how our people supported our every move, how both the barangay leadership and the private sector complemented our programs and initiatives that helped create the city's business-friendly environment. The church, the academe, the NGOs, GOs, and line agencies, whose forward-looking advocacies on issues guided our policies and strengthened our resolve to make efficient local governance responsive to our people, deserve as much our commendation.

I am also grateful to every staff and personnel at City Hall, whose improved productivity made us hit our targets. My warm congratulations also to the Naga City People's Council and the Honorable Members of the Sangguniang Panglunsod whose participatory partnership in legislation in favor of the people's general welfare has made our tasks less harder.

Without losing our strategic direction, we shall now put forward our priorities to focus on in the next remaining months of the year. I am confident that if we go step-by-step, phase-by-phase, and systematically forward, as we have been doing, we shall continue to make a difference in bringing about a better quality of life for our people.

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