

Policy Directions of the Roco Administration

Strengthening the Foundation for “Maogmang Lugar”

In retrospect

In my inaugural address to this body last July, we were hamstrung by severe budgetary limitations arising from the 10-percent reduction in our Internal Revenue Allotment (IRA) and the draining effect of the May elections on our financial resources.

Further, the dark clouds of economic uncertainty have engulfed the Southeast Asian region and have cast serious doubts on our country’s future.

Today, although the crisis is very much around us, I believe we have weathered its worst part. In this regard, I share the guarded optimism of many that having hit rock bottom, we are certainly on our way up and out of the pit.

I am particularly proud to report that we have husbanded our meager resources well through the past six months. Through prudent and innovative management of our limited finances, coupled by the understanding and sacrifice of our people, the City Government did not have to do away with those who have depended upon us for their livelihood.

The Challenges of 1999

This brings us to the challenges we should confront this year and in the years to come. As a community, we are fortunate to have developed a sense of direction manifested by the common vision for “Maogmang Lugar.”

And we had a leadership that dedicated itself to “Uswag Naga” which, by and large, brought economic progress to our city.

For our common vision to become meaningful, we have to bring progress down to the level of the Nagueño household. The simplest measure of genuine development is when every family has access to food, shelter, and education. At the end of the day, Naga can only be a “maogmang lugar” if every Nagueño household has enough food on their table, a decent house to live in, and are able to send their children to school.

The key here is *providing quality jobs* that will make all these possible. “Give a man a fish,” it is said, “and he will live for a day. But teach him how to fish and he will live for a lifetime.” In this regard, the Roco administration shall focus on its electoral commitment: quality employment for all.

The 1999 Budget

It is precisely for this reason that the 1999 budget I have proposed, which you have approved, has adopted "livelihood and employment" as its flagship program. In this regard, let me underscore the following points:

- ♣ **We are better off today resources wise.** At P270 million, this is our biggest budget so far. An important implication is that unlike last year, we are better off this year insofar as financing of job-creating initiatives are concerned.
- ♣ **The budget as a tool.** We shall use the budget as a tool to achieve important strategic objectives in livelihood and employment-creation. They generally fall into three areas: (a) the multi-service approach of the Metro PESO project; (b) infrastructure spending; and (c) environmental protection and management.

On the surface, some might say they are addressing three disparate concerns. But viewed in a holistic manner, all will contribute to job creation. For instance, infrastructure projects not only provide employment; in the case of the new circumferential road—our own C-2—they will open up growth areas that will engender economic opportunities and create jobs along the way. Tree planting is a traditional strategy for greening and revitalization of degraded watershed areas. But under the auspices of our newly created ENRO, contract reforestation and community-based approach for forest management will also generate livelihood opportunities for local communities.

- ♣ **Growth shall be private sector-led.** The rationale behind this three-fold thrust is to create and sustain an environment conducive to private sector-led growth. Government, by itself, cannot create and provide the required quality jobs for our people. With vast resources at its disposal, the private sector is in a better position to complement our efforts. An environment conducive to private investment therefore plays a critical role in our success. The 1999 budget and the Investment Incentive Code crafted and approved by the previous Sanggunian are tools at our disposal, and we intend to use them well.
- ♣ **Strengthening the foundation for job creation.** A proper perspective of things is essential in this pursuit. This might disappoint some, but we should bear in mind that even Rome was never built in a day. In like manner, we shall use our 1999 budget primarily to strengthen the foundation left behind by the previous administration. This is a logical and realistic approach to a process that takes time. But even then, we shall not lose focus of our goal towards creation of quality employment at the end of the day.

Policy Support

These initiatives however need to be firmed up with corresponding policy support that is the province of the local legislature in our city. In this regard, may I submit the following items for your consideration:

- ♣ **Livelihood and employment.** I believe economic growth lies at the heart of any successful initiative for quality job creation. And it should be sector-neutral— meant to benefit all, not just a specific sector of society. In this regard, may I request approval of our *livelihood development master plan* which is currently being finalized by Metro PESO as lead agency.

Consistent with the holistic approach to job creation discussed above, may I also submit for your review our city land use plan to update designated growth areas in the context of our current infrastructure spending program, particularly the new circumferential road.

- ♣ **Bond flotation for local ecozone projects.** While we have a substantial budget at our disposal this year, we must also contend with the principle of scarcity of resources which limits the activities we can do and pursue to what have been programmed under that budget.

In this connection, there is a need to look beyond the budget in financing our development program, projects and activities. One formidable alternative made very feasible by the high interest regime in our country today is the *flotation of Naga bonds* intended mainly for Nagueños living in the U.S. The significant disparity in interest earnings alone can guarantee its viability.

Of course, we should make sure that projects to be funded by the proposed bonds are economically viable enough to guarantee repayment upon maturation. Consistent with our thrust towards quality job creation, I have in mind the development of two local ecozone projects: an *industrial estate in the Cararayan-Del Rosario area*, and an *ecotourism estate at the Malabsay Falls in Panicuason*.

In this regard, may I request action on the following:

1. **The need to revisit existing legislation on bond flotation.** We have these on file when Mayor Robredo initially toyed with bond float as means of financing for the Integrated Terminal project. It would be wise to familiarize ourselves with the mechanics of this financing scheme.
2. **Authorization to engage external support and expertise needed for technical studies** that would determine viability and feasibility of the ecozone projects.

3. The **establishment of a city government-owned and controlled corporation** which can take the lead in financing, implementing, marketing and managing these ecozone projects in partnership with the private sector. Contingent on overall project viability and feasibility, this city GOCC should lessen the risks that the city government will have to take on this initiative.

Finally, this would also be a good time for us to *review, revisit and strengthen our existing sister city relationships abroad*. I am sure the presence of Nagueño communities in our sister cities has been one of the bases for these relationships. They can be additional market for the proposed Naga bonds. Further, this can spark renewed and more vibrant exchanges between us and our sister cities.

- ♠ **Environment.** Sustainability is a cornerstone of the program of government of the Roco administration. Time and again, we have underscored our commitment to protect the future, to ensure that development today will not come at the expense of tomorrow's generations.

The establishment and—thanks to our 1999 budget—operationalization of the City ENRO is a critical first step towards this direction. But because this is a new agency, it will necessarily undergo a period of transition. The unqualified support and cooperation of the various bodies performing environmental functions—including ad hoc organizations headed by members of the City Council—is therefore essential to its success. This kind of support and cooperation, I therefore ask of you.

At the same time, we can also manifest our support through funding of tree planting initiatives and other doable activities spelled out under the Naga City River Watershed Strategic Management Plan developed with technical assistance under the GOLD Project. For the long term, the establishment of a biodiversity park, where more focused planting of various tree species, which can host all forms of tropical flora and fauna has both environmental and ecotourism potentials. The 1999 Economic Development Fund of the city can be one of the fund sources for these environment initiatives, consistent with human and ecological security (HES) mandate of government.

- ♠ **Agriculture development.** Finally, under the theme of employment and livelihood development, we should not forget the agriculture sector. On this, we have to grapple with the economies of scale working against the small landholdings of our farmers.

In this regard, we should develop a set of policies that promotes integration or collectivization of farmlands to achieve ideal economies of scale essential to agricultural viability. I believe a system of incentives should be piloted whereby substantial government support and subsidies will be made available to farmers groups or organizations who agree to pool their farmlands and resources together.

Of course, to ensure success, these policies should be complemented by efforts toward modernization. Implemented successfully, we can use these as leverage for bigger

financial assistance from the national government, particularly in the light of its focus towards food security.

Conclusion

I am confident that with the foregoing, we have set the tone for a more focused executive-legislative partnership within this administration. This partnership must be committed to bringing about a meaningful “maogmang lugar”—a city where every Nagueño household proudly enjoys the benefits of being a productive member of their community.

This direction-setting document is meant to begin a process—one that fosters close cooperation and partnership between these two branches of government consistent with our common belief that there is always a better way.

At the same time, this document is dynamic. This is because that partnership is intended to encourage meaningful exchanges of perspective and points-of-view which, upon mutual consent, can form part of our evolving agenda for governance.

Later this month, we shall conduct a two-day strategic planning workshop meant to further flesh out our directions and detail our course of action. I look forward to seeing each and everyone of you in that important gathering.