

# **Strengthening Local Government Capability: The Case of the Provincial Development Assistance Project**

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*The Provincial Development Assistance Project (PDAP) as a development strategy was examined to identify the problems and issues relative to strengthening the capability of local governments to plan and manage development programs and projects. Focusing on the PDAP experience in Pangasinan, the project's implementation was analyzed in terms of: (1) improving organizational and management processes; (2) developing a group of competent managerial and technical personnel; (3) increasing financial resources and improving the allocation process; and (4) increasing engineering/infrastructure capability. Factors were identified which influence the implementation of PDAP, namely: (1) the political leadership, (2) the technical/administrative leadership; and (3) the presence of a technically qualified full-time staff.*

## **Introduction**

One of the central concerns of development administration revolves on the issue of the appropriate role of subnational levels, especially local governments, in planning and implementing development programs and projects. Decentralization and local participation becomes cogent issues in the agenda for national development. Postwar experience in developing countries like the Philippines exemplifies this continuing search for the most appropriate and effective role in development planning and implementation for both political subdivisions of the country (e.g., provinces, cities, municipalities and barangays) and for administrative and developmental levels (e.g., creation of regions as the focus of administrative decentralization in the mid-fifties and early '70s). This period (1970s) has also adopted integrated area development (IAD) approaches as part of the overall strategy to decentralize planning and implementation.

At the core of these changing patterns and approaches employed in decentralizing administrative and development functions and responsibility to subnational levels are two interrelated questions:

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- (1) What requisite conditions and capabilities should obtain at these levels to ensure adequate and effective performance of delegated tasks?
- (2) What strategies may be adopted to promote these conditions and capabilities?

Other relevant questions are concerned with determining the nature of the sharing of functions between the national and local levels and the need to define the grant of authority commensurate to the responsibility being delegated.

It is the thesis of this study that issues on decentralization and local autonomy acquire more meaning and relevance if these are examined empirically in their actual contexts. To say *a priori* that decentralization and local autonomy conduce to effective administration merely asserts a theoretical preference since actual cases, over time, would reflect varying degrees of functional division of tasks and grant authority between the center and the subnational levels. The Philippine case illustrates the difficulty of establishing with precision decentralization and local autonomy in historical terms.

The Philippine case looks at the implementation of a program — the Provincial Development Assistance Project (PDAP) — designed, among other things, to strengthen the capability of provinces in administering local development programs and projects. Although this paper examines the historical evolution and implementation of PDAP in the Philippines, the case study itself focuses on the implementation of the PDAP in a specific local government area — the province of Pangasinan.

The selection of the case province is arbitrary. The main consideration was the view of many informants that it is a fairly successful PDAP province. This serves the main purpose of the study of illuminating the process and dynamics of technology transfer designed to enhance local government technical and managerial capability for managing development programs and projects. Physical and research access to the province was another factor in selecting Pangasinan as case province. There is no attempt towards comparative analysis; that is, comparing the case with a non-PDAP province. However, findings of other studies will be cited.

Since PDAP assistance to the provinces covered a wide range of activities in training, infrastructure, finance, commodity, equipment and other development projects, the study will focus mainly on selected infrastructure projects in examining the capability of the province for managing infrastructure projects: for example, the rural roads project (RRP). Another PDAP project designed to increase local capability was the Real Property Tax Administration (RPTA) project, an important strategy in enlarging the financial base of the province. Complementary activities to improve the alloca-

tion of resources will also be highlighted.

Finally, a key strategy to improve local capability for administering programs and projects were the structural changes designed to enhance the capability of the provincial government and its chief executive to make decisions based on rational and technically sound premises and criteria. Invariably, the role of the Governor and the Provincial Development Staff (PDS) will be stressed. Since the creation of the PDS is one of the requirements imposed before a province can join the PDAP, the dynamics involved in the process of creating the PDS and the evolution of this unit as a factor in the provincial development process will be highlighted. The development of a highly-trained provincial staff through technical and management training is viewed as the key factor in increasing provincial management capability.

### The Project: Genesis and Evolution

The Provincial Development Assistance Project (PDAP) started in 1968 as a joint project of the National Economic Council (NEC), now the National Economic and Development Authority (NEDA), and the United States Agency for International Development (USAID) to develop the capability of the provincial governments to plan and implement development programs and projects. Use of provincial resources and the concept of joint planning, local implementation and joint monitoring by the national government and USAID are key elements in the PDAP approach. Initially, the PDAP sought to assist provincial governments in improving (a) agricultural production and marketing, (b) rural infrastructure and (c) local fiscal administration, particularly in tapping funds for real property taxes.

Provincial governments do not have sufficient capability for planning and managing local development programs and projects despite the increasing grant of responsibility and authority through various decentralization policies in the fifties culminating in the enactment of the Decentralization Act of 1967. Against this backdrop, the PDAP strategy was anchored on the assumption that decentralization becomes more meaningful if the local governments acquire the requisite technical and managerial capability for planning and implementing local development projects. In specific terms, lack of local capability actually translates into shortage of trained manpower, lack of financial resources, and the fact that the major development tasks for local development were the responsibility of agents of national ministries. These circumstances did not conduce to the emergence of many strong local executives nor did it help develop a core of technically-trained managers and staff to support the provincial executives.

### Aspects of Decentralization Strategy: Regionalization

Briefly, regionalization through administrative deconcentration (i.e., creation of regional offices with power to decide retained by the center) merely added additional layers of red tape and failed to actually bring decision making closer to the people. Governmental reforms after the declaration of Martial Law in 1972 saw the strengthening of the planning function through the creation of the National Economic and Development Authority (NEDA) at the center and of the Regional Development Council (RDC) as the coordinator of planning and implementation at the regional level.

Initially, the RDC suffered serious structural, managerial and resource deficiencies to really affect the planning of sectoral ministries at the regional level. Subsequently, the RDC was strengthened through policies regionalizing the budget and establishing the regional development fund in 1976, the grant of additional powers to the Chairman over the budgetary allocation process of sectoral ministries and the adoption of the Regional Development Investment Program (PDIP) as inputs. Some RDCs, especially those under strong political leadership, have increased their influence over the formulation of the regional development plan. A number of RDCs, however, remained weak despite the existence of policies increasingly devolving functions and authority of national ministries to regional offices. There are cases where decisions by regional officials have been reversed by the ministers and other headquarters officials.

### Decentralization and Local Governments

Although there had been a number of legislations granting more local autonomy in the fifties (Barrio Charter in 1959) and sixties (Decentralization Act of 1967), it is contentious as to whether the pendulum has swung more towards greater decentralization. Post-martial law developments seem to suggest an increasing pattern of centralization, central control being most evident in fiscal matters, although the recent Executive Order (No. 803 of 21 May 1982) gave local governments, especially provincial governors, more responsibility and the corresponding authority over the operations of national agencies concerned with agriculture services and inputs within the province.

As the planning and implementation capability of the regional and local government levels increased in the late seventies, the pendulum shift to local autonomy may be observed with the issuance of Executive Order No. 803 and the enactment of the Local Government Code in 1983.

Clearly, the state of local governments in the late sixties served as

serious constraints to their development and despite the laudable objectives of the Decentralization Act of 1967, "planning and implementation were centralized in governmental agencies in Manila."<sup>1</sup> According to a World Bank study, "the shortage of trained personnel in local and municipal government, their lack of financial resources and their limited expenditure powers have been important constraints to development."<sup>2</sup> In the 1960s, it was not so much the local government's lack of power in taxation and financing which made them dependent on the national government but the general technical and managerial weaknesses of local government administration. This situation further strengthened central control and provided an apt excuse for delaying further grant of local autonomy. The plight of local governments has been succinctly presented by an evaluation group as follows:

Before 1968, provinces and municipalities did possess both legal status and some measure of formal autonomy, but they were quite inadequate agencies of governance. Their administrative systems were primitive and ineffectual. They possessed very little technical competence; their revenue sources were severely limited; and they were dominated by centralized departments which legislated projects and priorities without regard for local need or local capacity — a practice that continues today.<sup>3</sup>

Against this background, the Provincial Development Assistance Project had its job cut out.

### The Provincial Development Assistance Project

#### *Historical Overview*

The conceptual and historical antecedent of PDAP was a joint program of the National Economic Council (NEC), the forerunner of the present National Economic and Development Authority (NEDA) and the United States Agency for International Development (USAID) project called "Operation SPREAD" (Systematic Program for Rural Economic Assistance and Development) which showed the importance of active local participation in rural development projects. The importance of the successful implementation of operation SPREAD to the evolution of PDAP is apparent from this account:

The story of Laguna and Tarlac is a story of provincial governments who working with their constituents and local representatives of the national agencies and using local resources, were able to improve and accelerate agricultural production, improve infrastructure such as feeder roads, irrigation and flood control and assist in the development of agri-business and related industries in the two pilot provinces. With assistance from the National Economic Council (NEC) and the USAID Mission, these two provinces were able to establish provincial planning bodies, collect basic information, improve

their equipment pools, increase revenues from tax improvements and develop the other inputs and incentives necessary for increased agricultural production and rural development.<sup>4</sup>

### *Purpose and Objectives*

In a sense, PDAP was an attempt to expand to more provinces (actually 28 provinces eventually became PDAP members) an approach or methodology successfully tested in the two pilot provinces under Operation SPREAD. However, unlike Operation SPREAD where USAID assistance (e.g., technical advisers, commodity and training) to develop local government capability was given directly to the provinces, PDAP became the government's central mechanism to which this assistance was channelled.

PDAP was designed to provide technical advice and financial and material resources "on a matching basis as well as demonstration or seed capital" so that provincial governments included in the project could achieve specified objectives. These objectives are:

- (1) Organization of a Provincial Development Committee, chaired by the Governor, to provide active leadership and coordination of the development program for the province;
- (2) Creation of a realistic four-year development plan which identifies urgent provincial needs, establishes priorities among these needs, makes recommendations as to resources required to implement project activities and specifies the actions to be taken and targets to be attained during the first and second years of implementation;
- (3) Development of a provincial capital and operating budget system which effectively relates anticipated revenues to recommend expenditures considering the priorities listed in the provincial development plan;
- (4) Improvement of real property tax assessment and collections in order to generate additional revenues to finance the additional activities as recommended in the provincial development plan;
- (5) Improvement of the provincial equipment pool so that it can build and maintain adequate farm-to-market roads, irrigation systems, and similar public works projects which support agricultural and rural economic development;
- (6) Encouragement of self-help projects by local governments or private organizations through provision of financial, technical, or other assistance; and
- (7) Evaluation and improvement of facilities for training of provincial citizens in the skills needed for agricultural and economic development projects.<sup>5</sup>

### *Program Elements*

It should be noted that since PDAP's inception in 1968 new develop-

ment concerns and areas had been added to its original program of improving agricultural production and marketing, infrastructure and improved motor pool management and fiscal administration. By 1972, "rural electrification, rural industries, family planning, and nutrition" were added as "new areas of emphasis in development."<sup>6</sup> After 1976, USAID's Special Projects were added and placed under the PDAP umbrella. These were the Rural Roads Program (RRP), the Barangay Water Program (BWP), the Real Property Tax Administration (RPTA), and the Rural Service Center (RSC).<sup>7</sup> Some of these special projects trace their origins in projects undertaken during the earlier phase (1968-72) of PDAP; for example, the RRP evolved from farm-to-market roads infrastructure projects and the RPTA from the real property tax assessment and collection project.

*Rural Roads Program (RRP).* This was designed to provide all weather roads and bridges to agricultural areas of predominantly small farmers; develop local government capability to plan, design, implement, monitor; and evaluate rural roads and bridges that will bring about lower transportation costs, increased productivity and accessibility to social and government services.

*Barangay Water Program (BWP).* Geared towards the improvement of the general health of the residents serviced by the barangay water system, this program institutionalizes local government capability to identify, plan, organize, implement the construction of water supply systems and install a functional cooperative water system that will create better health, greater productivity and wider employment opportunities.

*Real Property Tax Administration (RPTA).* This is a nationwide undertaking established in line with the national objective of developing self-reliant local government units. It aims to install an efficient and effective RPTA System through its four interrelated phases: tax mapping, tax assessment, tax records management and tax collection, envisioned to generate more revenues from the real property tax, thereby strengthening the local government's fiscal capabilities to undertake development programs.

*Rural Service Center (RSC).* Directed towards the improvement of the socioeconomic life of the poor people in the intermediate cities, the RSC develops local government capability to plan, organize, design and implement a working administrative capacity to serve the basic social and human needs of the poor, through an active involvement of the poor people in decision-making on poverty issues, and the increase of infrastructure and social services to benefit them.

### *Selection of PDAP Provinces*

In the initial period after the inception of PDAP in 1968, the procedure and process of screening and eventually selecting provinces for inclusion into PDAP involved the fulfillment of certain criteria and required steps. The Technical Staff<sup>8</sup> (referred to as the Special Staff in the original agreement) "will provide assistance only to those provincial governments who have made serious effort to identify the most urgent needs of their provinces and who are prepared to utilize or develop local resources to implement an effective development program." Another requirement is a written request for assistance "accompanied by a resolution from the Provincial Board" that the province is willing to comply with certain conditions for entry, that is, willingness of the province to:<sup>9</sup>

- (1) create a Provincial Development Committee and Planning Staff which can devote a significant portion of their time to developing a realistic strategy and action program for development of the province;
- (2) be willing to provide the personnel necessary to implement special and long-term projects being undertaken in cooperation with the Special Staff, such as the improvement of taxation, the motor pool, performance budgeting and special development projects; and
- (3) agree to finance the costs of equipment, special or other training expenses required to carry out development activities to the fullest extent possible with local funds.

The stringent procedures and criteria imposed<sup>1</sup> were used by NEC (NEDA) as a leverage to resist the clamor of non-first class provinces to join the program. However, the transfer of PDAP to the Office of the President made it more difficult to limit membership to well-off provinces and those with strong local executives. Provinces with large voting population or those with peace and order problems in Mindanao and the Bicol region exerted pressure on the Office of the President to intercede in their behalf. On the other hand, PDAP former Executive Director, Col. Gregorio Vigilar, had a different perception when he said that provinces were "admitted to the program on the basis of need; it was a pilot program. Provinces selected had peace and order and stability."<sup>10</sup>

Provinces need not comply with all the criteria before technical assistance and financial support could be extended although commitment and leadership qualities of the Provincial Governor and financial capacity of the province appeared to be the most common criteria used over the years. Commitment and leadership of the local executive are reflected in the efforts to set up a separate planning staff called the Provincial Development Staff (PDS) and allocate provincial resources to pay part of the cost of training



the technical staff and other provincial officials, and in initially shouldering the cost of some projects under the Fixed Amount Reimbursement (FAR) scheme.<sup>1 1</sup>

Once a province is selected, PDAP technical assistance would concentrate initially in the setting up of the PDS, and in the creation or strengthening of the Provincial Development Committee (PDC) which would serve as the apex organization for development planning and implementation in the province. Although the PDC already existed in the provinces, they are generally weak and unwieldy organizations. With the Governor as Chairman, the PDC could serve as the highest policy and planning body in the province since all the major actors in local development would be represented in that body: heads of national departments (later ministries) assigned in the province, heads of provincial offices, and selected representatives of the private sector. Thus, strengthening the PDC, together with the development of a technically trained planning unit like the PDS are key elements in the PDAP strategy for strengthening local government capability.

### PDAP Organization and Management

#### *The Formative Years: 1968-1972*

The growth of PDAP may be divided into three periods. The first phase from 1968 to 1972, initially included five and then nine provinces as "pilot provinces." As noted earlier, PDAP focused on three critical areas of development because of limited resources: "(1) improvement of provincial fiscal resources, (2) improvement of agricultural production and marketing, and (3) improvement of infrastructure (particularly roads and irrigation) and equipment management." A study by de Guzman *et al.* summarizes some of the early work done by the specialists from the Central Technical Staff drawn from various agencies.

PDAP depended upon the work of these specialists. The specialists conducted research, reviewed provincial plans and projects, provided technical assistance to provinces . . . They also determined the capacities of provinces in developing and implementing workable provincial development programs.<sup>1 2</sup>

This phase involved organizational and development work, especially in setting up the Provincial Development Council and the Provincial Development Staff, in providing equipment as part of commodity assistance, such as typewriters, duplicating and copying machines and slide projectors, and in actually helping the provincial staff in planning and development work. Spe-

cialists from the Manila Technical Staff were sent to the pilot provinces as special field advisors, often in tandem with the USAID specialists who resided in the province.

The provincial level, field advisors, composed of resident and special field advisors acted as economic development advisers to the provincial governor. They also assisted the provincial development coordinators and acted as liaison men for the PDAP. The special field advisors provided expertise in equipment management and motor pool, public works, fiscal management, agriculture, marketing and credit.<sup>13</sup>

The type of work of the specialists from the Technical Staff as visiting special field advisors can be gleaned from this February 1969 report.<sup>14</sup>

#### *Bulacan*

- (1) Undertook the integration and definition of functions and responsibilities of each functional group of the Development Organization leading to the compilation of the Bulacan Development Organization Operations Manual;
- (2) Analyzed provincial financial conditions to determine the sources of funds that could be tapped — increase tax collection, tax mapping for reassessment;
- (3) Completed the processing of statistics from the formulation of the provincial economic development program.

#### *Leyte*

- (1) Assisted in the revision of the provincial general fund budget;
- (2) Suggested communications system between the Office of the Governor and provincial fiscal agencies after pinpointing and identifying bottlenecks;
- (3) Identified problems in the real property tax campaign;
- (4) Prepared statistical projects on coconut production and harvest.

#### *Palawan*

- (1) Established the sampling frame on the socioeconomic surveys to be conducted in the different areas of the province;
- (2) Forwarded suggestions as well as advice to the Technical Staff on agricultural development of the province;
- (3) Formulated plans and programs for improving tax collection.

Although the specialists from central office and their counterpart in the province were generally part-time detailed personnel, "it was during this period that many of the key management and planning tools currently utilized by PDAP provinces were developed, e.g., the Five Year Capital Improvement Plan (CIP), the Annual Provincial Action Budget, the Provincial Equipment Pool Development Plan and the Provincial Equipment Pool Operations Manual.<sup>15</sup> And, as noted earlier, it was also during this period that the government, in reaffirmation of one of the PDAP activities to

strengthen provincial development planning, issued Executive Order No. 121 requiring the creation of a Provincial Development Committee in all provinces. In reality, these committees already existed but they have been moribund. Another important development during this period was, of course, the creation of the Provincial Development Staff initially drawn from part-time detailed personnel paid for from provincial funds. Aside from the Provincial Development Coordinator who headed the PDS, the staff usually included the agricultural analyst, project analyst, fiscal analyst, statistician, and administrative support staff.

*From Experimentation to Operationalization: 1972-1976*

The second phase, coinciding with the declaration of martial law in 1972, up to 1976, was characterized as the "most active" period of PDAP, with 19 provinces joining PDAP bringing the number to 28 provinces, the maximum number attained. In November 1972, PDAP was transferred from NEDA (successor of NEC) to the Development Management Staff of the Office of the President. PDAP was placed under the supervision of the Executive Secretary.

The transfer meant that PDAP would be closer to the center of political and administrative power (i.e., President Ferdinand Marcos and Executive Secretary Alejandro Melchor) and would make it more sensitive to political pressures. With the establishment of the Department of Local Government and Community Development (DLGCD), now Ministry of Local Government (MLG), soon after the declaration of Martial Law in September 1972, PDAP's activities were now envisioned to stress the development of "pilot systems for improving the operations of local government." DLGCD will be responsible for "directing and coordinating the extension of improved development program management to every level and agency of local government."<sup>16</sup>

Management of PDAP underwent some significant changes. There was a shift from the management committee (i.e., the Advisory Committee on Policy and Coordination) to a strong single executive with the appointment of a full-time Executive Director, Col. Gregorio Vigilar. Dr. Gaudioso Sosmeña, now Director of the Local Government Supervision of the Ministry of Local Government, served as Executive Officer of PDAP from late 1968 to 1972. The experimentation which characterized the first phase was replaced by more reliance on procedural controls found in manuals, instructions, and guidelines which, together with practical training courses, constituted what Col. Vigilar considered two "tightly-combined features" responsible for "PDAP's repeatedly successful program replications."<sup>17</sup>

This approach is exemplified by the establishment and implementation during 1974 of a uniform recertification procedure, developed in 1972, to all pilot provinces (numbering 19 at this time).

This procedure requires all except the newest member provinces to complete certain requirements (e.g., current CIP and Action Budget, Annual Progress Report, Equipment Pool Operations Manual, Equipment Pool Development Plan, etc.) stipulated in the yearly PDAP/Province Memorandum of Agreement before they can requalify and continue to participate in the full PDAP program.<sup>18</sup>

The annual recertification process was designed to assist and encourage provinces "in updating the various short-range sectoral plans and programs, and building these planning tools and concepts solidly into the provincial governmental framework."<sup>19</sup> Another significant innovation which was introduced in 1974 was the implementation of a Joint PDAP/Province Work Plan procedure, which are one year planning documents prepared by pilot provinces on all PDAP/Province projects to be initiated by either party the following year.

The advantage of the annual joint work plans has been the more rational allocation of inputs into particular projects because of the intensive project evaluation conducted by the province and by PDAP before the work plans are finalized. Provincial Development Assistance Project personnel then monitored the implementation of projects to serve as the basis for evaluating the progress of the province in implementing its work plan.<sup>20</sup>

#### *Period of Uncertainty: 1976-1981*

Several important developments affecting the management of PDAP and its influence over its programs occurred during this period, particularly the Special Projects like the Real Property Tax Administration and the Rural Roads Programs, which were started after 1976. In 1976, PDAP was transferred to the Ministry of Local Government and Community Development and was placed as a special unit under a Deputy Minister (Salvador Socrates).

As noted earlier, the DLGCD was created at the time PDAP was transferred from NEDA to the Office of the President in 1972 and there was tacit assumption among PDAP officials, especially Col. Vigilar, that PDAP would eventually be absorbed by the DLGCD where it would act as an experimental unit for replication later on a nationwide basis. As Col. Vigilar puts it, PDAP would serve "as a nucleus of a DLGCD unit responsible for conceptualizing, designing, planning, programming, installing and field testing pro-

cesses, systems and techniques for improving and strengthening all levels of local government."<sup>21</sup> Although the transfer would have placed PDAP in closer functional relationship with the MLGCD, the status and influence conferred on PDAP because of its attachment to the Office of the President and the influence of the Executive Secretary may have been lost.

This period in PDAP's development may be characterized as a period of organizational uncertainty particularly in terms of the status of its personnel in the central office (PDAP-Central). It was also a period of mixed results: a sharp decline in the ability of PDAP-Central to control and to directly monitor project implementation in the provinces and a sharp departure from its practice of direct involvement in "operational" activities which characterized the preceding period under Vigilar (1972-76).<sup>22</sup> This phase saw the launching of new special projects in 1977 which are directly addressed to the rural poor (the Barangay Water Program and the Rural Service Center) and the continuation of two previous programs in revised forms (the Rural Roads Program in 1976 and the Real Property Tax Administration in 1977). Although PDAP was originally intended to be phased out in 1978 after the end of the three-year Rural Roads Program (1976-78), NEDA, MLGCD and USAID decided to phase it out in 1981.

Presently, PDAP continues to operate, but in more limited scale, with responsibility for the maintenance, at operational levels, of the Special Projects and the management of provincial SDA's (Special Development Accounts). PDAP, since 1976, has entered into more collaborative efforts with national and foreign entities, such as (a) improving local budgeting with the then Ministry of the Budget, (b) improving personnel administration and compensation with the Civil Service Commission and the Joint Commission on Local Government Personnel Administration, (c) forging closer cooperation with and in eventually transferring responsibility for RPTA to the Ministry of Finance in 30 April 1982, and (d) entering into new contracts in 1980 with the USAID for the extension of the BWP (for six years) and the RRP and with the World Bank for the Rural Roads Improvement Program (RRIP) and other projects.<sup>23</sup> Other World Bank projects wherein PDAP and its staff are involved include the Program for Municipal Utilities, Infrastructure and Engineering Development, and the Urban Function Study.<sup>24</sup>

Since the rejection of the proposed merger of PDAP-Central with MLGCD (now Ministry of Local Government or MLG) in 1978, the status of PDAP remains ambiguous. The fact that Deputy Minister Salvador Socrates continues to head PDAP ensures some degree of continuity as well as influence of PDAP in local development. PDAP's current budget is incorporated with the MLG. It receives reduced financial assistance from NEDA.

### **Increasing Administrative Capability: The PDAP Experience in Pangasinan (1972-1982)**

In the presentation and analysis of the implementation of PDAP in the case study province of Pangasinan, four approaches adopted by PDAP in increasing the capability of local governments for planning and implementing local development programs and projects are employed:

- (1) improving organizational structure and management process; for example, through the creation of the Provincial Development Council and Provincial Development Staff and in increasing provincial capability to make rational decisions on reasonable allocation;
- (2) developing a group of competent managerial and technical personnel through technical and managerial/leadership training;
- (3) increasing financial resources and improving the allocation process in the province, for example, through Real Property Tax Administration (RPTA), Annual Action Budget, and Capital Improvement Program (CIP); and
- (4) increasing engineering/infrastructure capability through the rural roads program and the equipment pool development program.

The province of Pangasinan, 170 kilometers north of Manila and considered one of the biggest provinces in the country, has a land area of 5,369 square kilometers which is predominantly rural and agricultural. Eighty-two percent of its 1.6 million population are in the rural areas. The province consists of 46 municipalities, two chartered cities, and 1,347 barangays. Pangasinan is classified as a "first class province by the Ministry of Finance on the basis of its average annual revenue of ₱7 million or more" despite the fact that approximately 70 percent of the provincial households can be classified as least developed in terms of family income, high rate of unemployment, inadequate accessibility to social services and infrastructure facilities."<sup>2 5</sup>

Pangasinan, through its Governor, Aguedo Agbayani, applied for the inclusion of the province under the PDAP program of assistance. On September 7, 1972 it became the 11th province to be accepted into the program. PDAP membership confers tangible advantages through technical assistance and resources for provincial development, such as motor pool and other equipment and counterpart funds for selected infrastructure projects. Governor Agbayani, who just won the election the year before, actively sought membership into the PDAP. He has since then been an exponent of the "PDAP approach of joint planning, local implementation and national monitoring."<sup>2 6</sup> He strongly recommended this PDAP approach in his proposed amendments to the Local Government Code to strengthen capability of local governments to implement national and local programs and to achieve greater autonomy.

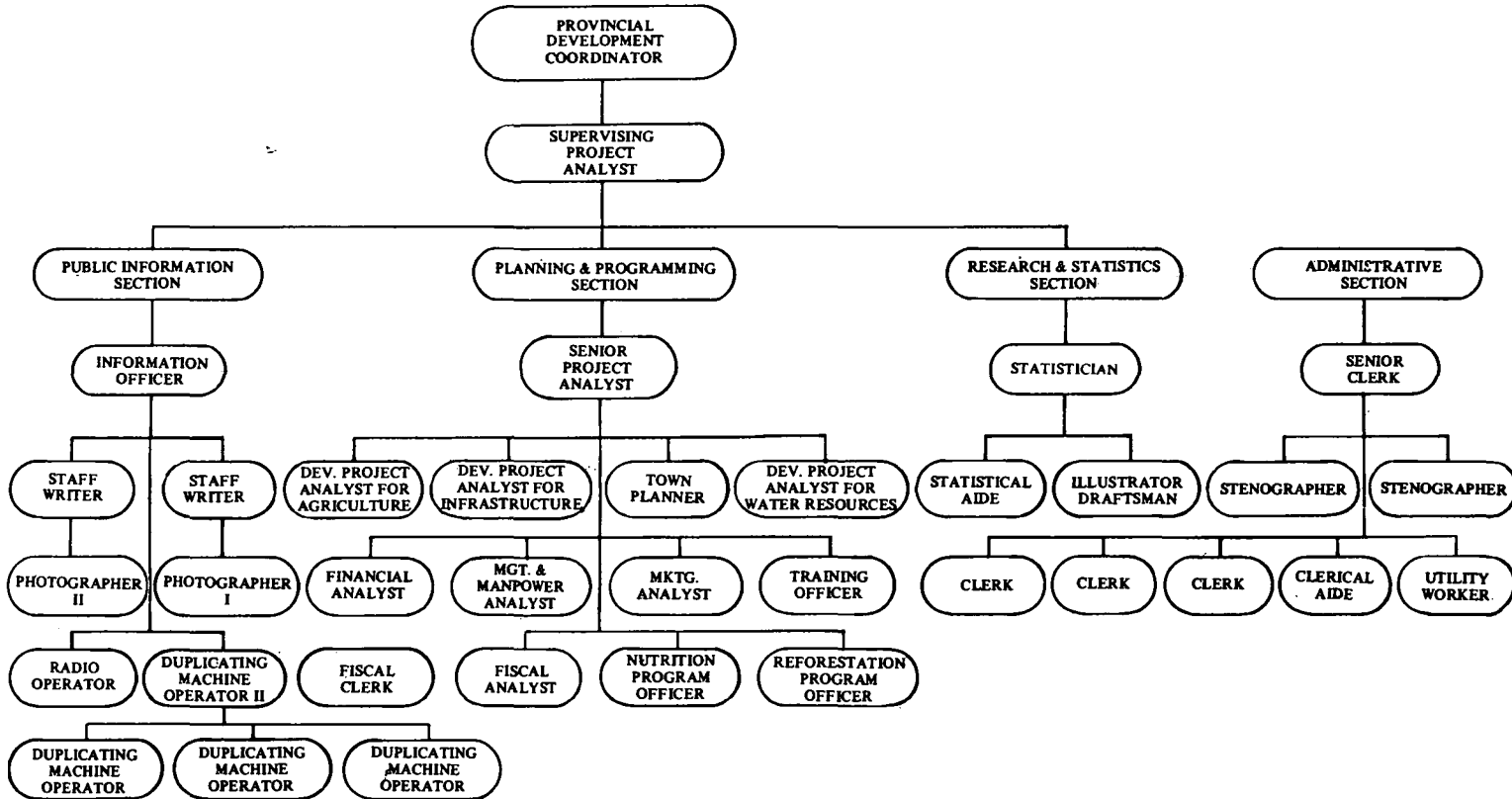
As part of the agreement between the province and PDAP, the Governor appointed in 1972 his Private Secretary, Juan Amor, who was a law graduate from the University of the Philippines, to serve as head of the Provincial Development Staff (PDS). (Other personnel came mostly from various provincial offices on detail with the PDS). Amor was sent to attend the Local Administrators Development Program (LADP) offered at the Local Government Center of the College of Public Administration, University of the Philippines in 1972. In 1973, he also attended the six-month course on Development Administration Training Program (DATP) in Connecticut, U.S.A. Amor served as head of PDS and as Provincial Development Coordinator from 1972 to 1980. Mr. Roberto Ferrer succeeded him as Provincial Development Coordinator for a year until his appointment as Provincial Administrator. Mr. Rafael Baraan, the current coordinator, was formerly project analyst of the PDS who, before his appointment as coordinator, was with a private consulting and accounting firm.

#### *Organizational Structure and Management Processes*

*Provincial Development Staff (PDS).* After the formal entry of the province into the PDAP, full-time staff were recruited. They were augmented with personnel detailed (seconded) from various offices of the provincial government. Although there was a turnover problem because PDS staff became attractive to private sector firms as well as to other government agencies, the province was able to provide the necessary funds to recruit full-time personnel and to defray the cost of their training.<sup>27</sup> According to Amor, the PDS was given its own budget and a package of training programs was prepared for staff training.

Two years after its entry, the province was proud to announce that because of strong, development-minded local leadership in the province, a tangible foundation for development had been established by the end of Fiscal Year 1974.<sup>28</sup> By now the PDS staff numbered 12, with two more infrastructure and marketing analysts being recruited. The budget for the PDS was then ₱95,000. The PDS function is "to provide staff assistance to the provincial government in agriculture, infrastructure, engineering and fiscal management; to coordinate the formulation of socio-economic plans and monitor on-going projects . . . ."<sup>29</sup> Around "122-man days of training outside the province were used to improve technical skills of staff."<sup>30</sup> Three years later, in 1977, the PDS budget was ₱387,000 and the staff (core and detailed) had increased to 35. Nineteen training courses were attended by provincial personnel, including a PDAP Evaluation Conference held in Manila (See Figure 1 showing the Organizational Chart of the PDS).

Figure 1. Organizational Chart: Provincial Development Staff Pangasinan



October



Currently, the PDS has 15 full-time technical staff allocated to the four different sections: 1) Planning and Programming, 2) Research and Statistics, 3) Administration, and 4) Public Information. All the 15 are college degree holders: three majored in Economics, including the Coordinator; two were engineers; three were commerce graduates, two of whom are accountants; two were business administration graduates, and so on. The technical positions include: Provincial Development Coordinator, Supervising Development Project Analyst, Financial Analyst, Development Project Analysts (Waterworks, Infrastructure, and Agriculture), Marketing Analyst, Budget Analyst, Training Officer, Management Analyst, Town Planner, Statistician, Statistical Aide, and Nutrition Officer. The staff averages four technical training courses (both from PDAP and other agencies), ranging from twelve for the Coordinator and one for the Town Planner and Development Project Analyst for infrastructure.

A sample of the courses taken by some of the staff could be very revealing.

*Coordinator*

Road Network Development Planning (PDAP)  
 Provincial Comprehensive Planning (PDAP)  
 Barangay Water Program Orientation Seminar (PDAP/BWP)  
 Socio-Economic Profile Refresher Course (PDAP)  
 Rural Roads Program Evaluation Procedure (PDAP/RRP)

*Supervising Development Project Analyst*

National Workshop on Local Level Planning (ESCAP/NACIAD)  
 Town Planning Formulation Seminar Workshop (MHS)  
 Integrated Development Planning

*Development Project Analyst-Waterworks*

Socio-Economic Survey (BWP)  
 Tabulation and Feasibility Study Training (BWP)  
 Waterworks Design and Feasibility Study Workshop (RWDC)  
 Water Resource Development Planning Seminar (BWP)  
 Construction and Installation of Piped Water System (BWP)

Given a slower rate of turnover, there would have been more technical training reflected above because one of PDAP's key strategies for increasing local capability is through technical and general training. The sharp decline in PDAP activities after 1978 could be another possible explanation. PDAP training is not limited to PDS personnel. Ranking provincial officials attend

both local and foreign training. As mentioned earlier, Amor attended a course in Connecticut in 1973. Governor Agbayani, together with ten other governors, went on a one-month observation tour to Washington, D.C. and Florida in the US and to Puerto Rico in March 1975. Finally, the Provincial Engineer attended a two-month course (July-September 1977) in various States of the United States on various aspects of infrastructure management and general management.

*Provincial Development Committee (PDC).* Another requirement of PDAP which was aimed at strengthening provincial organizational structures and management processes was the creation of the Provincial Development Committees, a PDAP policy which was reaffirmed by Executive Order No. 121 issued on February 26, 1968. The functions of the committee were:

- (1) To formulate an integrated and realistic development plan for the province in accordance with the approved national development plan;
- (2) To set targets, establish priorities, formulate programs and develop projects to satisfy urgent requirements of the province;
- (3) To formulate guidelines for coordination of project implementation; and
- (4) To coordinate and integrate the diverse efforts of the public and private entities engaged in implementing development programs.

Chaired by the Governor, the PDC's membership includes the heads of provincial government offices and national agencies, and private sector representatives. The problem of unmanageability because of large membership ranging "from 50 to 114" were reported during the early years of PDAP<sup>3 1</sup> appear to have persisted even up to the present. In Pangasinan, there were 146 PDC members as of January 1982 broken down as follows:

Governor	1
Vice Governor	1
Members of the Provincial Board (Elected) [Sangguniang Panlalawigan]	10
Heads of Provincial Offices	15
Heads of National Government Agencies and Entities	57
Representatives from private sector	16
Municipal Mayors	46
<b>TOTAL</b>	<b>146</b>

Since the calling of the full committee is not feasible, the Governor has created a more manageable group called the Executive Committee with only 12 members composed mainly of the Chairmen and key members of the Sectoral Task Groups (SECTAGS). The Pangasinan PDC has seven Sectoral Task Groups out of the eleven originally created, namely: (1) Agriculture and Natural Resources, (2) Infrastructure, (3) Industry, Trade and Tourism, (4) Health, Nutrition and Family Planning, (5) Social Services and Development, (6) Education, Culture and Manpower Development, and (7) General Welfare. The PDS serves as the Secretariat of the PDC with the Provincial Development Coordinator as Executive Secretary. One analyst from the PDS is assigned to the different SECTAGS to serve as technical staff.

The PDC, particularly the SECTAGS, had been increasingly involved in the provincial planning process to a point that the PDC and the PDS could be considered as the provincial equivalent of the Regional Development Council (RDC) and the NEDA Regional Office, respectively, the latter also serving as the Secretariat and technical staff of the RDC.

The PDC's Executive Committee and the SECTAGS are useful instruments in coordinating the development of the provincial plans and the Provincial Development Investment Program (PDIP), the latter is input to the Regional Development Investment Program (RDIP). The PDC provides an effective mechanism for coordinating the efforts of national representatives in the province with that of the different provincial offices as well as linking the provincial planning and implementation processes with the region. The fact that Governor Agbayani is also the Chairman of the Regional Development Council (RDC) for Region I was an added advantage.

#### *Infrastructure Programs: Focus on the Rural Roads Program*

This section will discuss one of the key programs of the PDAP, the infrastructure program, which aims not only to achieve increased agricultural productivity, incomes, and welfare through farm-to-market and other rural roads and bridges but also to increase the province's technical and managerial capability in the construction and maintenance of roads and bridges. There are other components of the strategy using infrastructure programs to achieve planning and management capability, particularly increasing engineering capability: one is the establishment of the Equipment Pool which is essential in supporting engineering projects, and, two, the training of provincial staff (PDS and Provincial Engineering Office — PEO) in certain planning, management and control techniques. The PDS is principally responsible in conducting feasibility studies and benefit-cost analysis for infrastructure projects in the province.

Since Pangasinan also suffered from the disastrous flood in Central Luzon in 1972, PDAP/USAID assistance went immediately to the construction of damaged roads and bridges under the Flood Rehabilitation program. Soon after the signing of the agreement between PDAP and the province, several Filipino and American technical experts were sent to the province "to assist in public administration, infrastructure planning, motor pool operations, fiscal management, tax mapping and others."<sup>3 2</sup> For the first two years (1972-74), PDS and other provincial personnel developed and updated the five-year Capital Improvement Program (CIP) and the Equipment Pool Development Plan (EPDP) and formulated three new plans: the Provincial Road Network Development Plan (PRNDP), the Quality Control Development Plan (QCDP) and the FY 74-75 Action Budget. The CIP, approved in April 1974, was a product not only of the efforts of the PDS and the provincial officials but also of national agencies in the province. In addition to technical management and training, other developments during this period which aimed "to develop and institutionalize an effective provincial infrastructure implementation capability"<sup>3 3</sup> included the development of quality control capability with the arrival of testing equipment and the reorganization of the PED with the creation of the Assistant Provincial Engineer positions.

With EPDP completed, Pangasinan started participation in the equipment pool component of PDAP assistance with the purchase of units of construction support equipment (either "as is, where is" types or reconditioned ones). This was done under a Fixed Amount Reimbursement (FAR) scheme where the equipment is part of the rural roads program cost. PDAP/USAID reimburses 75 percent of the expenses incurred by the province after completion of the road or bridge (only materials and direct labor costs are covered). Out of the remaining 25 percent, 10 percent is kept as part of the province's Special Development Account (SDA) which the province can draw upon for various types of development projects, e.g., buy spare parts for equipment in the case of Iloilo province.<sup>3 4</sup>

Among the infrastructure projects accomplished during the first two years as a PDAP member (1972-1974) were: (1) 40 force account projects worth over P3 million within the Flood Rehab program, with 21 contract projects started, (2) preparation of different planning tools directly or indirectly related to infrastructure projects (e.g., CIP, RNDP, EPDP, and QCDP). Out of experience of the eleven local governments in Luzon which participated in the flood rehab program followed the Special Infrastructure Program (SIP) "to maintain the momentum gained in improving the ability of local government to aid in the development efforts of the national government."<sup>3 5</sup> This assessment of the effect on local government capability fits Pangasinan more closely than other provinces because of the high priority given by the Governor on acquisition and maintaining equipment.<sup>3 6</sup>

- (1) Upgrading of engineering planning and implementation capacity;
- (2) Establishment of the Equipment Pool Development Program and initiation of the U.S. Excess Equipment Program;
- (3) Establishment of engineering quality control facilities;
- (4) Compilation of Equipment Pool Operations Manuals; and
- (5) Institutionalization of Fixed-Amount Reimbursement (FAR) procedures.<sup>3 7</sup>

By 1977, the good work of the PDS (which does the feasibility studies and benefit-cost analysis for infrastructure projects) and the engineering personnel since 1972 started to reap dividends. Undersecretary Salvador P. Socrates rated Pangasinan as "Top Performer" in the Rural Roads Program and a World Bank transport economist considered the road network planning "comparable to that of the DPH."<sup>3 8</sup> The Department of Public Highways, or DPH, now MPH (Ministry of Public Highways) is the national government's agency responsible for major road construction projects through the various District Engineer's Office and their expertise would be rated higher than the Provincial Engineer's Offices which generally construct and maintain minor road projects. Other achievements in 1977 were: (1) the PDS published a well-written and designed Socio-Economic Profile of Pangasinan; and (2) Pangasinan was chosen as the pilot province for the Barangay Water Program, Soil Productivity Development Planning and (RAP) RPTA Collection Enforcement.<sup>3 8</sup>

Following the Flood Rehabilitation Program (1972-75) and the Special Infrastructure Program (1975), the Rural Roads Program (RRP) was started as a Special Project from 1976-78 and this was extended into the Rural Roads Program II for 1979-1981. The RRP, one of four Special Projects started in 1976, the others being the BWP, the RPTA, and the Rural Service Center (RSC), aimed at "providing reliable and all weather roads and bridges from rural areas to market centers; facilitating access to government services to benefit the rural poor . . . ."<sup>40</sup>

After a decade of membership with PDAP (1972-1981), the province of Pangasinan has not only achieved "a planning and implementation capability in infrastructure comparable to that of the national government" but there were also physical accomplishments in terms of roads completed with 129,661 kilometers length at the cost of ₱22,672,659.51. Of this amount, ₱16,226,385.69 were reimbursed under the FAR scheme of 75% reimbursement; 10 percent of which was kept in the special Drawing Account (SDA). In the case of bridges, there were 68 projects with a span of 2,126.83 linear meters, costing ₱36,294,373.66, of which ₱26,489,819.27 were reimbursed (see Table 1).

Table 1. Infrastructure Projects (1972-1981)  
(Pangasinan)

Flood Rehabilitation Projects (1972-1975)

A. Roads

No. of Projects	Type	Length (kms.)	Total Cost	Reimbursement Cost
6	Concrete	4.25425	₱ 983,758.46	₱ 764,996.00
15	Asphalt	36.7364	3,756,532.29	2,536,855.10
3	Gravel	24.5267	895,899.84	376,134.59

B. Bridges

No. of Projects	Type	Length (L.M.)	Total Cost	Reimbursement Cost
13	RCDG	370.64	₱ 6,169,549.44	₱ 4,705,713.78
3	Pre-Cast	22.67	129,161.00	94,204.99
3	Pres-stressed	57.62	1,191,809.00	744,828.00
4	Semi-Conc.	127.00	230,135.81	188,858.81
12	Timber	456.00	684,652.98	538,713.69
35		1,033.93	₱ 8,405,308.23	₱ 6,272,319.27

Special Infrastructure Projects (SIP) 1975

No.	Type	Length	Total Cost	Reimbursement Cost
Bridge 1	RCDG	18.99 LM	₱ 326,874.75	₱ 238,000.00
Road 1	Gravel	4.00 KMS	844,684.06	615,000.00
TOTAL			₱ 1,171,558.81	₱ 853,000.00

Rural Roads Program (RRP, 1975-1981)

A. Roads

No.	Type	Length (kms.)	Total Project Cost	Reimbursement Cost
16	Gravel	52.944	₱12,264,494.66	₱ 9,217,400.00
4	Asphalt	9.10	3,927,240.00	2,721,000.00
20		62.044	₱16,191,734.86	₱11,938,400.00

B. Bridges

No.	Type	Length (kms.)	Total Project Cost	Reimbursement Cost
30	RCDG	876.90	₱25,939,571.06	₱18,822,500.00
2	Bailey	198.00	1,622,619.62	1,157,000.00
32		1,074.90	₱27,562,190.68	₱19,979,500.00

Source: "Background Information on PDAP/MLG/USAID Projects in Pangasinan," p. 3-4.

*Financial Resources: Focus on the RPTA*

Improving provincial resource generation (through real property taxation — the largest single source of local revenue — and through more efficient fiscal planning, programming, budgeting and revenue improvement program) had been a key feature even from the very beginning in the PDAP strategy for increasing local capability to accelerate economic and social development of the province. The Real Property Tax Administration (RPTA) project “integrates all essential aspects of property tax administration, beginning with modernized assessment procedures utilizing tax maps based on aerial photos, and proceeding step-by-step through the eventual computerization of essential property tax records and processes.” Whereas in the infrastructure program the provincial officials trained came from the Provincial Engineer’s Office, the target of RPTA were the provincial treasurer’s and provincial assessor’s office.

In 1974, the province was able to claim more than 100 percent increase in collections due to assessment revisions and intensified tax collection campaign. For its tax mapping, preparations were made for the use of aerial photographs and the compilation of existing cadastral surveys. Two municipalities were identified as pilot areas for the tax mapping projects in 1973.<sup>4 1</sup> In 1977, the RPTA became one of the four Special Projects which was a joint collaborative effort of the Department of Local Government and Community Development (DLGCD) and the Ministry of Finance. The project proposed to set up the RPTA system in 576 municipalities and 56 cities “with the aim of generating additional revenue for local governments in order to accelerate their efforts toward development, thus strengthening the province’s capability to finance development projects and capacity for self-reliance and ultimately benefit the poor.”<sup>4 2</sup>

In October 1977, Pangasinan was selected to serve as pilot province for the RPTA Collection Enforcement Project. “All phases of the collection enforcement system were installed and made operational in two municipalities as show windows, namely: Calasiao and San Fabian . . . Recovery of delinquent real estate taxes had grown by as much as 300 percent.”<sup>4 3</sup> Tax mapping in four municipalities was almost completed by 1978. By 1980, the entire province (45 municipalities) had been covered by the RPTA system installation.<sup>4 4</sup>

While the RPTA had expanded the financial resource base, complementary efforts were also directed towards improving the provincial allocation system. One approach was through the adoption of the Provincial Action Budget. Appropriations for personnel were reduced from 54 percent of total budget the previous year to 33 percent. “One-third of the total

budget was earmarked for capital improvement projects. The budget reflects its supportive relationship to the CIP."<sup>4 5</sup> Here, the PDS played an important role in the allocative process through the coordination of the annual provincial budgeting process and in some provinces, the Provincial Development Coordinator acted as Chairman in the absence of the Governor.<sup>4 6</sup> The adoption of the Capital Improvement Program (CIP), the Provincial Comprehensive Plans (PCP) and the Annual Implementation Programming (AIP) were additional instruments in improving the province's financial allocation process.

### Lessons and Insights

The historical evolution and overview of the Provincial Development Assistance Program provide important lessons and insights into the strategies as well as problems and issues related to implementing decentralization policies, especially in strengthening local level capability and in transferring technology from the center to the lower level units. A more telescoped view of this process is seen through the implementation of PDAP in the case province of Pangasinan.

As a development strategy, PDAP touches at the very core of developmental issues and problems, such as the need to develop appropriate strategies for transferring technical and management capability to lower governmental levels, to make decisions based more on rational and technical criteria, and to employ certain technical and management skills to improve local planning and implementation processes of selected types (mainly infrastructure) of development programs and projects. Two questions seem relevant at this point in any attempt to understand the developmental experience derived from PDAP. First, what lessons can we learn from PDAP as a strategy of strengthening local government capability for managing development programs and projects? Second, based on the experience of the case province and of the other provinces, what factors contribute to the PDAP strategy of transferring technical and management capability from the center to the local government level? Related to these two questions are the limitations and dysfunctions — often unintended — regarding the PDAP strategy itself and to the methods and approaches used in achieving this strategy.

#### *Political Leadership*

The case study reveals the decisive role of the top political leader in the province in searching out for opportunities, in nurturing various projects up to their completion and in developing and supporting the PDS staff and the Provincial Development Coordinator by giving them non-PDAP work



which will force them to use the knowledge acquired through PDAP training and experience. It should be noted that commitment and quality of local leadership was one of the criteria informally used for admission of provinces to PDAP.

Governor Agbayani, formerly a congressman, won the Governorship of Pangasinan in the 1971 elections. When he heard about PDAP, he started subtle inquiries from other local executives and when he was convinced of the advantages of joining, he immediately wrote a letter of application to PDAP.

The Governor is not only a good executive; he is also a shrewd politician who saw the potential benefits which will accrue to the province through PDAP membership. Aside from easily winning reelection in 1980 (according to Landau, many governors claimed that PDAP contributed to their election), Agbayani could show that PDAP contributed directly or indirectly, a major share to the development of the province since it became member in 1972.

PDAP's most evident contribution in physical infrastructure has already been noted (See Table 1). The increased capability of the Provincial Engineer's Office for road network planning and for other aspects of infrastructure management had received recognition from World Bank and national officials.

Because of the Governor's personal commitment and interest, PDAP frequently selected Pangasinan as one of the provinces used to "pilot" or field test certain concepts or approaches, e.g., tax collection for RPTA, pilot area for BWP, etc. He was able to provide good and attractive pay to the Coordinator and PDS staff. Because of the PDAP training and experience of the PDS staff, they became very attractive to other government offices which could pay higher rates and to the private sector. The high rate of turnover among PDS staff in Pangasinan is also true with other PDAP provinces like Iloilo<sup>4 7</sup> and Palawan.<sup>4 8</sup>

#### *Technical/Administrative Leadership*

Whereas the Governor manifested the political aspects of leadership, there were other provincial officials who exercised technical and administrative leadership. These were the people who exercised leadership in translating the Governor's ideas into project proposals, who evaluated proposals coming from both provincial and national offices, and who monitored and assessed the progress of various projects. These officials include the Provincial Administrator who served as the Governor's *alter ego* on general problems of administration, especially political aspects. Another key official was the Provincial Engineer who performed the lead role in planning and imple-

menting PDAP's infrastructure programs and projects as well as in maintaining the Equipment Pool within the standards required by PDAP.<sup>49</sup> The Provincial Treasurer and Provincial Assessor (both national officials) provided the leadership in the Real Property and Tax Administration projects.

The key and important role, however, was performed by the Provincial Development Coordinator who headed the Provincial Development Staff and who is the Governor's alter ego on development matters. Despite the relatively high rate of turnover of the PDS, Pangasinan achieved some degree of success because of minimal changes at the top: three Coordinators having served from 1972 up to the present (1983), the first Coordinator (Juan Amor) serving from 1972 to 1980. The present coordinator, Mr. Rafael Baraan took over from Mr. Roberto Ferrer after the latter was appointed Provincial Administrator. Like Pangasinan, Iloilo had only two Coordinators since it became a member of PDAP in 1969, the current one (Martin Daquilanea) occupying the post since 1973. The previous Coordinator (Alex Umadhay) served from 1969 until his appointment as Regional Director of the National Economic and Development Authority in 1973. Both Amor and Daquilanea gained a reputation for their expertise and leadership capability among Provincial Development Coordinators. Amor was the former President of the League of Provincial Development Coordinators. Mr. Baraan himself, as noted earlier, is eminently qualified, despite his young age, to serve as Coordinator and head of the PDS.

#### *Presence of a Technnically Qualified Full-Time Staff*

While political, technical and administrative leadership is important in galvanizing and sustaining action to achieve the goals of local development, the presence of a core developmental staff highly trained in various planning, monitoring and evaluation techniques is an essential element in reinforcing the above mentioned factors. It is therefore crucial that such a development is not a temporary resource which would disappear as soon as PDAP as a program ends. Although one study found that in terms of institutionalization measures there were "no significant differences between PDAP and non-PDAP provinces",<sup>50</sup> the case of the PDAP in Pangasinan showed a strong evidence that the PDS functions and activities have been institutionalized and the PDS as a unit and staff arm of the Governor recognized. There is no equivocation in Governor Agbayani's view of the value of PDS. "I trust them (i.e., PDS staff) and I rely on them to translate my ideas into specific programs, even non-PDAP ones, such as the out-of-school youth program which they designed and implemented."

The non-PDAP activities of the PDS have been increasingly important in view of the phasing down of PDAP since 1980. The spin-off activities of the PDS from PDAP work are worth mentioning because they provide an

apt example on the development opportunities available to the province since the PDS serves as an expert group for developing and operationalizing projects outside PDAP's concern. For example, the PDS helped prepare a four-volume document on the Pangasinan Integrated Area Development Project (PIADP) in 1980-81 under the leadership of a consultant from the UN Interagency Committee for Integrated Rural Development and the National Council on Integrated Area Development (NACIAD).

Although the project has been completed and Pangasinan has been included by NACIAD as a possible provincial IAD (integrated area development scheme), nothing much came out of the study until the International Fund for Agricultural Development (IFAD) came around looking for underdeveloped upland area under its upland agricultural development project. Benguet Province was identified but IFAD finally decided on Pangasinan (the Western part is upland and underdeveloped) because it already had a completed study for Western Pangasinan out of its PIADP documentation. IFAD will provide \$12 million with 40 percent counterpart from the Philippine government for the project.<sup>51</sup> The PDS also prepared a concept paper for the Agno River Integrated Area Development Project.

The vital role of the PDS in the provincial development process is also exemplified by the Iloilo PDS. Like Pangasinan, Iloilo has one of the most respected and progressive provincial executive, Governor Conrado Norada who, like Governor Agbayani, gave full support to the Provincial Development Staff.<sup>52</sup> "I believe that the PDS should be above partisan politics. Planning is a continuing activity and by separating the PDS from politics, it will have more chances to perform its management functions."<sup>53</sup>

Iloilo is one of the outstanding performers among PDAP provinces and often chosen as pilot area for certain PDAP projects. Because of the expertise of the PDS, Iloilo has been involved in non-PDAP projects; for example, as a pilot area for the World Bank's rural roads project,<sup>54</sup> the Panay United Services for Health (PUSH), the KABSAKA — an agricultural production project in non-irrigated area — and the ESIA-WID evaluation project of the US Agency for International Development to develop research standards to evaluate projects.<sup>55</sup> The PDS in both Pangasinan and Iloilo assist not only in managing provincial development but also in developing provincial plans and inputs for the regional development plans, particularly the Regional Development Investment Program (PDIP). What adds to the status and political clout of both governors is the fact that they also occupy the post of Chairman of the Regional Development Councils for their respective regions: Agbayani for Region I in Luzon and Norada for Region VI in the Visayas.

The important role of the PDS in provincial development in Pangasinan, and to a certain extent in Iloilo, is aptly described in the evaluation that the PDS has enabled governors (and councils) to register their weight with res-

pect to the implementation of national policies at the provincial level, enabled lateral access to the national ministries, and provided the governors with a de facto veto over sectoral operations."<sup>56</sup> Another study confirms this observation. "Provincial bureaucrats are convinced that the PDS have made it possible for the governors to have access to better information, advice, and skills; and they feel that the PDS has generally strengthened the governor's bargaining position with national government agencies."<sup>57</sup>

Mr. Martin Daquilanea, the current President of the Provincial and City Development Coordinators (for 1981-1984) and Provincial Development Coordinator of Iloilo Province since 1974, stated that the "PDS has the technical capability for formulation, appraisal, and evaluation of projects and provides the Governor with different options needed in deciding resource allocation, particularly the provincial budget." He adds that the "PDS exerts a lot of influence in agency policies because almost all seek its assistance in planning since they know the PDS can influence the decision on the Governor's program."<sup>58</sup>

### Contribution of PDAP To Local Development

The value of PDAP to Pangasinan, according to Governor Agbayani, "lies in the many acquired capability of the province, such as motor pool maintenance, seed test laboratory, road construction, and financial capability." Furthermore, he noted "PDAP uses a concept of local government which stressed joint planning between local government and national agencies and PDAP consultants, local implementation and national monitoring."<sup>59</sup> This concept of central-local relations has been endorsed frequently by Governor Agbayani in various forums as the most viable and preferred division of developmental tasks between the national government and local governments.

To Deputy Minister Salvador Socrates of the Ministry of Local Government who concurrently holds the position of Executive Director of PDAP and, has been Governor of Palawan since 1969, there is no doubt at all that PDAP contributed to the development of his province, and to local government as a whole since it joined PDAP in 1969. According to Socrates, "PDAP contributed to the idea of making local governments real partners in development, not just to simply carry out national directions. PDAP not only provided guidance training and technical assistance but also increased capability of local governments to generate local resources as well as manage programs for development."<sup>60</sup>

There is no doubt that many positive gains have accrued to the case province of Pangasinan, benefits which data from Iloilo, Palawan and other provinces tend to confirm. Two broad types of benefits are evident: first, the material, technical, and financial resources which flowed into the prov-

ince as well as benefits from the three major programs of PDAP — infrastructure, agriculture and financial management; and second, the institutionalization of technical and management capability in the province mainly through the PDS, the Provincial Development Coordinator, and the Provincial Development Committee. The first type is evident in the different commodity, mainly motor pool equipment, made available at one-fourth the original acquisition cost for equipment reconditioned by PDAP. Through PDAP, Pangasinan acquired equipment like graders, dump trucks, pneumatic rollers and payloaders, some through PDAP loans payable in ten years. Engineering capability was upgraded through technical and management training in the United States and locally and also through the construction of a Soil Test and Quality Control Laboratory through PDAP-RRP.

In terms of financial assistance, PDAP has reimbursed a total of P2,716,204.96 for roads and bridges from 1972 to 1981 under the Fixed Amount Reimbursement (FAR) scheme wherein the province would initially pay the full cost of the construction but would be reimbursed by PDAP of 75 percent of the cost, 10 percent to be retained by PDAP as a Special Drawing Account (SDA). The provinces could use the funds from the SDA for various purposes; some use the money to buy spare parts for equipment, others to renovate the PDS office. Finally, through the Real Property Tax Administration Project new and additional sources of funds are tapped and through improved budgeting and planning capability, decisions on resource allocation are based more on technical and rational grounds.

The second type of contribution of PDAP in strengthening provincial development capability was achieved through the institutionalization of technical, planning and management capability. Training programs were conducted by PDAP to teach certain methods and techniques in planning, monitoring, and evaluation. Pangasinan, for example, had gone through the gamut of preparing a Provincial Comprehensive Plan (PCP), a Socio-Economic Profile (SEP), a Capital Improvement Plan (CIP) and a Road Network Development Planning (RNDP). Although the outputs of such activities may have doubtful usefulness given the time and resources spent in their preparation they nonetheless provided a mechanism for applying techniques learned during training and in stimulating greater discussion and cooperation among provincial officials over development concerns.

These planning requirements also gave the PDS an opportunity to prove their usefulness to provincial as well as sectoral ministries. The major contribution of PDAP is the institutionalization of the PDS as a vital cog and linkage mechanism in the provincial — and to a certain extent regional — development process. While it is possible that the emergence of the PDS-like structure and the strengthening of planning and management capability could have occurred without PDAP, the fact remains that PDAP served a felt need

at a particular point in time and may have served as a stimulus for modernization and change. One study aptly noted that PDAP may have caused "the emergence of a provincial governmental system that possesses the administrative, technical, and political resource necessary for the governance of its jurisdiction. It is this condition, not a CIP or an RNDP, that permits sustained development efforts."<sup>61</sup>

### The Other Viewpoint

The Provincial Development Assistance Project, like most complex efforts to introduce change and innovation, cannot be fully measured in terms of its total contribution to the growth of local development in the Philippines. Its contributions, particularly at the provincial level, have been presented earlier. Key officials in the case province of Pangasinan, Iloilo and Palawan held the view that PDAP had contributed much to the development of their local areas and their capability to influence local development.

If it is true that some Governors owed "victory in the last election (1980) to PDAP/USAID Special Projects"<sup>62</sup>, it is possible that the political opponents of these Governors have criticisms on the use of PDAP and other special projects to enhance partisan political interests. The PDAP strategy or approach itself had been subjected to this; for example, the emphasis on selectivity both in terms of criteria used in selecting member provinces and the stress on infrastructure projects. In the first instance, the critics charged that the criteria used in selecting PDAP provinces are biased against poorer but deserving provinces (and the poor population therein) who were not allowed to participate in the PDAP. The institution of the Special Projects, however, somewhat redressed this problem since it included provinces not belonging to the First Class category. There was also more flexibility since PDAP and the provinces could select which special project (i.e., rural roads, barangay water, real property tax administration, rural service center) would be appropriate for a particular province.

The over-emphasis on infrastructure projects reflects a bias towards a more finite, manageable, and familiar development strategy shared in common with other assistance agencies like the World Bank. The use of economic and engineering models and techniques in planning and feasibility analysis as well as the need to dispose of excess US properties and equipment (especially after the Vietnam War) seem to provide the technical and motivational bases for this particular development preference for infrastructure projects. Although provinces were able to acquire second-hand equipment at favorable terms, it seems that PDAP gave inordinate importance on equipment pool requirements. For example, it denied membership to Benguet Province because being mountainous, "the province could not find the

stated number of acres in the form required for membership."<sup>6 3</sup> As noted earlier, failure of a province to adhere to PDAP standards in motor pool maintenance could lead to its expulsion.

A somewhat related issue is the view that PDAP has not given sufficient attention to the problems of the rural poor or that the methodology and techniques used in planning and feasibility studies were according to the Landau report, unwittingly biased against the poor. Infrastructure projects favored capital intensive equipment, thus precluding more labor-intensive methods. It has been observed that planning tends to involve more the upper classes in the determination of economic projects, particularly in the preparation of the Capital Improvement Program (CIP).<sup>6 4</sup>

Landau also notes that "the feasibility indicators which are required by PDAP (Benefit-Cost Ratio, Net Present Value, and Internal Rate of Return) favor high density areas, disadvantage socially-oriented projects and tend to exclude remote areas with high development potential. The preference functions employed by PDAP to establish priorities work against 'reaching the poor'".<sup>6 5</sup>

There are conflicting evaluations on the contributions of PDAP with the Landau reports generally favorable, and the Williams study being skeptical, although conceding some benefits. The De Guzman study came up with a favorable assessment. On balance, it would appear that PDAP based on the experience of Pangasinan, Iloilo and Palawan, contributed more positively in enhancing local capability for determining and managing their own development. The increased capability of non-PDAP provinces in development planning, in having their own PDS, and in developing more self-conscious efforts towards using more technical and rational bases for making decisions could have been influenced by PDAP and the Special Projects.

### Endnotes

<sup>1</sup> SEADAG, Urban Development Panel Seminar on "Imperatives and Models for Integrative Area Planning and the Rural Poor," August 18-20, 1975, Manila, p. 8, Col. Gregorio Vigilar's presentation.

<sup>2</sup> Russell Cheetham, *The Philippines: Priorities and Prospects for Development*, World Bank Country Economic Report, 1976, p. 91.

<sup>3</sup> Martin Landau *et al*, *Final Report: Provincial Development Assistance Program - Philippines*, August 1980, pp. 33-34.

<sup>4</sup> "Agreement on Provincial Development Assistance Project," Counterpart Project No. 68165, dated December 26, 1967, mimeo., p. 1.

<sup>5</sup> *Ibid.*, pp. 3-4.

<sup>6</sup>"4th Project Evaluation Confab Held," *Local Development Forum*, Vol. II, No. 2, p. 11.

<sup>7</sup>*Provincial Development Assistance Project, Annual Report, 1980*, p. 6.

<sup>8</sup>Members were drawn from co-opted specialists from NEC, Civil Service Commission, Bureau of Public Highways, Local Government Center, UP College of Public Administration and other government agencies. American specialists joined their counterpart from the Technical Staff in providing technical assistance to pilot provinces (Iloilo, Leyte, Oriental Mindoro, Palawan and Cotabato) initially selected to join PDAP.

<sup>9</sup>"Agreement . . .," p. 5.

<sup>10</sup>SEADAG, *op. cit.*, p. 9.

<sup>11</sup>Under the FAR scheme, provinces are reimbursed 75 percent of the cost by PDAP. Ten percent of the 25 percent is kept by PDAP for the province to use under the Special Development Account (SDA).

<sup>12</sup>Raul P. de Guzman *et al.*, "Increasing the Administrative Capacity of Provincial Governments for Development: A Study of the Provincial Development Assistance Project in the Philippines," *Philippine Journal of Public Administration*, Vol. 17, No. 3, July 1973, p. 358.

<sup>13</sup>*Ibid.*

<sup>14</sup>"Memorandum: Progress Report on the Project," submitted by the Deputy Project Director to the Chairman, NEC, and Director, PDAP, February 5, 1969, pp. 6-9.

<sup>15</sup>Martin Landau *et al.*, "PDAP, Report No. 2," April 1980, p. 60.

<sup>16</sup>*Ibid.*, p. 61.

<sup>17</sup>*Ibid.*, p. 62.

<sup>18</sup>*Provincial Development Assistance Project, Annual Report, FY 1974*, p. 8.

<sup>19</sup>*Ibid.*, p. 8.

<sup>20</sup>*Ibid.*, p. 9.

<sup>21</sup>Gregorio R. Vigilar, "The Provincial Development Assistance Project," prepared for the SEADAG Urban Development Seminar, Manila, August 18-20, 1975, p. 5.

<sup>22</sup>PDAP Annual Progress Report, CY 1977, pp. 9-10.

<sup>23</sup>PDAP Annual Report 1980, p. 4.

<sup>24</sup>Juan Edberto Villegas, "A Study of the Provincial Development Assistance Project," paper submitted to a doctoral class, College of Public Administration, University of the Philippines, p. 4.

<sup>25</sup>Pangasinan Integrated Area Development Project, Final Report, Vol. I, Main Report, February 1981, p. 59.

<sup>26</sup>Gov. Aguedo Agbayani, "Proposed Amendments, Comments and Observation, Title V, The Provincial Law, Local Government Code," July 15, 1981.

<sup>27</sup>Interview with Juan Amor, Provincial Development Coordinator, 1972-1980.



- <sup>28</sup> PDAP Annual Report, 1974, p. 21.
- <sup>29</sup> *Pangasinan: Socio-Economic Profile*, 1977, p. 6.
- <sup>30</sup> PDAP Annual Report, 1974, p. 21.
- <sup>31</sup> de Guzman, *op. cit.*, p. 366.
- <sup>32</sup> Socio-economic Profile, p.6.
- <sup>33</sup> Unless otherwise indicated, the source for this section is the PDAP Annual Report, FY 1974, pp. 21-23.
- <sup>34</sup> Interview with Eusebia Valliota, PDAP Central Administrative Office, June 2, 1982.
- <sup>35</sup> Rural Roads Project II: FY 79-81, *Project Paper*, Office of Provincial Development, USAID/Philippines, August 1977, p. 18.
- <sup>36</sup> Interview with Mr. Federico Ignacio, Assistant Provincial Engineer for Equipment, 25 May 1982.
- <sup>37</sup> Rural Road Project II, *op. cit.*, p. 18.
- <sup>38</sup> PDAP Annual Report, 1977, p. 33.
- <sup>39</sup> *Ibid.*
- <sup>40</sup> PDAP Annual Report, 1978, p. 9.
- <sup>41</sup> PDAP Annual Report, 1974, p. 22.
- <sup>42</sup> PDAP Annual Report, 1977, p. 10.
- <sup>43</sup> PDAP Annual Report, 1978, p. 32.
- <sup>44</sup> PDAP Annual Report, 1980, p. 39.
- <sup>45</sup> PDAP Annual Report, 1974, p. 23.
- <sup>46</sup> Landau *et al*, p. 92.
- <sup>47</sup> Interview with Mr. Martin Daquilanea, Provincial Development Coordinator, Iloilo Province, 28 April 1982, in Iloilo City.
- <sup>48</sup> Interview with Deputy Minister of Local Government and Governor, Province of Palawan, 5 January 1982, in Manila.
- <sup>49</sup> Villegas, *op. cit.*, p. 2, noted that "failure to meet certain equipment pool criteria set by AID-PDAP can disqualify a province from being granted further loans and even from PDAP membership itself."
- <sup>50</sup> Williams, *op. cit.*, p. 11.
- <sup>51</sup> Interview with Rafael Baraan, Provincial Development Coordinator, Province of Pangasinan, 24 May 1982, in Lingayen, Pangasinan.
- <sup>52</sup> Alex Umadhay, Regional Director, Region VI, National Economic and Development Authority (NEDA), April 27, 1982, in Iloilo City.
- <sup>53</sup> Interview with Governor Conrado Norada, Province of Iloilo, April 28, 1982, in Iloilo City.

- <sup>54</sup> Interview with Eusebia Valliota, January 2, 1982, Manila.
- <sup>55</sup> Interview with Martin Daquilanea.
- <sup>56</sup> Landau *et al.*, *op. cit.*, p. 51.
- <sup>57</sup> Williams, *op. cit.*, p. 14.
- <sup>58</sup> Interview, April 28, 1982.
- <sup>59</sup> Agbayani, January 9, 1982.
- <sup>60</sup> Interview, June 2, 1982.
- <sup>61</sup> Landau, *op. cit.*, p. 15.
- <sup>61</sup> Landau, *op. cit.*, p. 15.
- <sup>62</sup> *Ibid.*, p. 13.
- <sup>63</sup> Villegas, *op. cit.*, p. 8.
- <sup>64</sup> Landau, *op. cit.*, p. 22.
- <sup>65</sup> *Local Development Project Evaluation*, USAID, Evaluation Team, April 1975, p. 114.