

REPORT ON SITE SELECTION IN THE PHILIPPINES
FOR THE OFFICE OF URBAN DEVELOPMENT'S
LAND USE PROGRAMMING IN AN
INTERMEDIATE-SIZED CITY PROJECT

Report of the Field Survey Team:

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Foreword

Following a research study into the feasibility of land use programming in small- and intermediate-sized cities in developing countries, which Rivkin/Carson, Inc., conducted under contract, the Office of Urban Development in the Bureau for Technical Assistance (TA/UD) in the U.S. Agency for International Development (AID/W) designed a project to demonstrate the application of the conclusions of the research study report.

Potential sites were selected initially with the cooperation of the regional bureaus in AID/W, and the field missions were consulted. On the basis of the nomination of site cities by the host countries and the field missions, an AID/W field survey team was organized for each of three regions -- Latin America, East Asia, and Africa. The teams visited the countries and the prospective site cities, and in cooperation with local host government and AID officials selected a site city in each region.

The field survey team for East Asia was led by Eric Chetwynd, Jr., Urban Development Advisor, TA/UD, and included Jerry G. Goss, an urban planning expert, and Alan B. Jacobs, Urban, Environmental, and Aviation Affairs Officer, Office of Capital and Commercial Development, Bureau for East Asia.

The team went to the Philippines and Thailand. Herewith is a report of the team's visit to the Philippines.

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INTRODUCTION AND CONCLUSIONS

The survey team was invited to the Philippines to examine the City of Naga as a potential site for a demonstration of the TA/UD Land Use Programming project. The team did not anticipate the rapid progress the Philippines has made in the urban development field in recent years. The national prerequisites for the project -- interest in decentralized development, interest in developing local capacity, political climate favorable for same, and investment programs geared to development of intermediate-sized cities -- were clearly in evidence. Local conditions were also favorable; e.g., rapid growth and modernization, good potential for future growth, and readiness at local level for decentralized development and land use programming.

However, we found the Philippines Government well advanced in establishing a national program at the local level for land use programming and development. As such, we concluded, and the GOP agreed, that the TA/UD land use project would only duplicate what already is underway on a fairly large scale in the Philippines. This should become evident to the reader in reviewing the material that follows.

As an alternative, we recommended that Naga be considered as a potential site for field application of the TA/UD Urban Functions in Rural Development ^{project}. A draft and partial matrix for such a project, developed with the USAID and Philippines officials, is attached to this report.

DECENTRALIZATION OF DEVELOPMENT

The Philippines appears to be moving steadfastly towards a decentralized approach to national development. Development efforts formerly were concentrated on Central Luzon and were controlled almost exclusively from Manila. Now development programs clearly encompass regions formerly largely neglected and include efforts to develop, strengthen, and involve local governments and institutions. This is not to say that decentralization is being pursued for its own sake. There is a studied effort to focus first on those areas which have the greatest potential for growth. Moreover, long-established traditions are not transformed overnight. Manila is still a dominant primate city in every sense of the term, and the attitudes of officials there still reflect traces of the elitism so readily bred in the primate cities of the world from Paris to Mexico City to Bangkok. Nonetheless, one has to applaud the seemingly determined Philippine efforts to redress the imbalances.

The new Four-Year Development Plan, FY 1974-77, is illustrative of this new thrust. The foreword to the plan, penned by Gerardo P. Sicat, Director General of the National Economic and Development Authority (NEDA), describes the plan as providing for "a wider distribution of the benefits of economic growth by placing greater emphasis on social development and by integrating the approach to regional development." Land and

tax reforms are key components of the social development emphasis while strengthened regional development authorities and programs underlie the attempts to spread the benefits of growth. Both the reforms and the regional thrust are of considerable real and potential consequence for urban development as we shall see.

Land Reform. Concurrent with the declaration of martial law in 1972, the President decreed the entire country a land reform area for purposes of agrarian reform. Implemented by the Agrarian Reform Coordinating Council and the Department of Agrarian Reform, this program sets as a goal the transformation of 650,000 tenant farmers to land owners. Progress in this difficult program, aided by an expanding cooperative movement, generally is regarded as satisfactory, and its continued success is clearly a prerequisite to achieving stated social goals. The significance of the sweeping land reform decree for urban areas is still unclear. It sets the stage for dramatic land use controls for urban areas, but the issue has yet to be studied and developed by the Philippines Government.

Tax Reform. Of more direct relevance to the cities and to the whole issue of spatial income distribution are the new tax reform law affecting real property. Property owners are now required to file a sworn current fair market assessed valuation of their land, including improvements, which is to be the basis for paying real property tax. As real property

taxes are essentially a local government revenue source, this dramatic updating of the tax base should increase significantly the financial resources of local governments if effectively implemented.

Regional and Local Development. The planning and execution of local programs and regional development schemes have been emphasized and strengthened by the creation of locally-based Regional Development Councils attached to NEDA for coordination purposes and backstopped by NEDA's Regional Development Staff. Local development capacity and potential have been strengthened further by the creation in 1972 of the Department of Local Government and Community Development whose extensive vertical organization includes Regional Offices, Provincial Offices, and a single Development Officer at the level of the municipality. This fledgling department is involved in some impressive locally-based programs, two of which -- the Provincial Development Assistance Program (PDAP) and the Urban Community Development Program (UCD) -- will be discussed in the next section.

Among the several new regional development schemes, the Bicol River Basin Development program will be discussed at some length in this paper because the survey team was invited specifically to examine the City of Naga in the Bicol area as a potential demonstration site for the TA/UD Land Use Programming project. The Bicol River Basin is an extremely interesting setting in light of current AID priorities, as it is the

pilot case in the Philippines of integrated rural area planning and development on a basin-wide scale. It is intended that the Bicol Basin scheme will be the precursor to the integrated development of the remaining seven river basins in the Philippines -- a critical strategy in terms of maximizing Philippines food production potential and raising the income level of some of the most economically depressed regions.

The river basin area development approach is typical of the new Philippines emphasis on a comprehensive systems approach to planning which integrates physical development with the economic, social, administrative, and financial aspects of development within a common planning framework for a given area.^{1/} The evolution of this approach will be discussed in the next section.

1/ Regional Development Projects, Supplement to the Four-Year Development Plan FY 1974-77. p. 3.

ORGANIZATION FOR URBAN PLANNING
AND PROGRAMMING IN THE PHILIPPINES

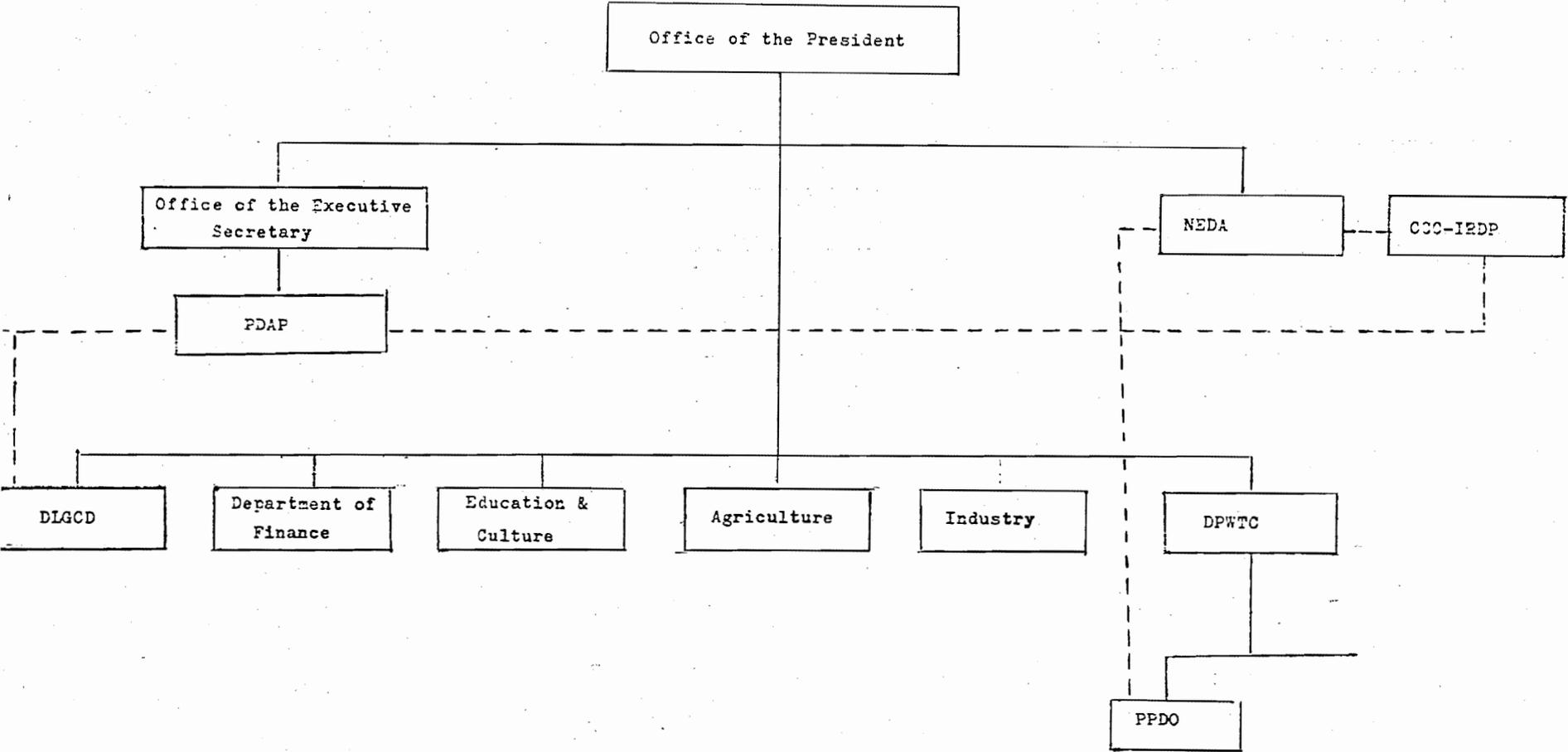
The organizational framework for urban planning and programming in the Philippines is tied closely to the central governmental apparatus, with major decisions emanating from the Office of the President. The major thrust of all the programs and governmental agencies is to increase the local governments' ability to carry out national as well as local objectives, especially in general development planning and programming; in developing the basic infrastructure and its maintenance; and in fiscal management. To this end, a fairly sophisticated governmental organization has been organized and strengthened over the past five years, and considerable progress has been made in establishing the institutional framework for carrying out developmental planning objectives.

Three major governmental bodies have been created to carry out the national objectives. These include: the National Economic and Development Authority (NEDA), the Planning and Project Development Office (PPDO), and the Department of Local Government and Community Development (DLGCD). In addition, the Provincial Development Assistance Project (PDAP), which has been assisted by USAID since 1966 and is located in the Office of the Executive Secretary to the President, the Development Academy of the Philippines (DAP) and the Institute of Planning at the University of the Philippines (UPIP) have played important roles in developmental planning at all levels of government.

Although the lines of authority and specific responsibilities of all of these governmental creations overlap to some degree, there appears to be a high degree of cooperation and coordination among the various bodies. PPDO is linked closely with NEDA, and PDAP, as stated above, with the Office of the Executive Secretary to the President. The DLGCD, established in 1972, is a cabinet-level Department, responsible to the Office of the President. The relationship of these bodies is shown in an organization chart and in a brief description of each of the major agencies.

National Economic and Development Authority (NEDA). In effect, NEDA is the national planning authority and serves as the major linkage between plan implementation and development of the four-year development plan. It is the authority through which all foreign-assisted planning projects or programs are approved. It has a close working relationship with the Planning and Project Development Office (PPDO), and the Department of Local Government and Community Development. (DLGCD).

The Philippines has been divided into eleven regional development areas, and the Presidential aim, through the operations of NEDA, is to decentralize power and authority to each of the eleven regions. As chief overseer of all development projects to insure that national and local objectives are carried out in concert and in accordance with the Office of the President, NEDA coordinates closely with PDAP, PPDO and DLGCD.



The Planning and Project Development Office serves as NEDA's technical secretariat support arm, and provides technical support for the NEDA Cabinet Coordinating Committee for Integrated Rural Development.

Planning and Project Development Office (PPDO). The Planning and Project Development Office -- with a professional staff of approximately 350, of which about 85% are college graduates and 13% hold Master's degrees -- is attached to the Department of Public Works, Transportation and Communications (DPWTC), but maintains direct links with NEDA. The PPDO is organized to focus on regional problems and help carry out regional programs in a basically comprehensive and multidisciplinary fashion. Although it concentrates on development of the country's infrastructure, it has participated actively in a number of other multidisciplinary programs: the Mindoro Integrated Rural Development Project which is under the direct auspices of the Department of Agriculture and National Resources; land reform projects with the Department of Agrarian Reform; a study of the leading tourism areas with the Department of Tourism; development projects in Greater Manila; and interim measures to solve Metropolitan Manila's transportation problems.

In addition, the PPDO has been involved intimately in the organization of the USAID-assisted Bicol River Basin Development Program, a pilot effort at integrated area planning and development.

The existing framework for PPDO and its integrated approach to planning and development was laid in 1970 when a memorandum of agreement was signed between the Department of Public Works, Transportation and Communication (DPWTC), the Presidential Advisory Council on Public Works and Community Development, and the University of Philippines Institute of Planning. This signified a new spirit of cooperation as well as government commitment to integrated development planning. Despite the traditional skepticism towards planning, the trilateral arrangements helped to produce at the local level a complete set of municipal economic atlases and development plans. With assistance from the United Nations Development Programme, the three signatories also developed a national physical planning strategy to the year 2,000, a regional framework plan for the Manila Bay, and multiregional framework plan for the Mindanao Region. Although the Presidential Advisory Council on Public Works and Community Development has been dissolved, the alliance between the DPWTC and the UP Institute of Planning continues.

In July 1972 the Planning and Project Development Office was formally established in DPWTC to conduct the joint planning activities of DPWTC and the UP Institute of Planning. As the formal planning arm of the DPWTC, the Project Planning and Development Office has concentrated its efforts on identifying infrastructure projects which respond to and promote Philippines development and on preparing feasibility studies acceptable to international lending institutions.

Department of Local Government and Community Development (DLGCD).

One of the clear signs that the government is committed to strengthening local government is the establishment (in 1973) of the Department of Local Government and Community Development (DLGCD). There are three bureaus, Community Development, Local Government, and Cooperatives, whose basic task is the development and strengthening of "urban communities and institutions in close cooperation with the cooperatives and local government programs on one hand and with National priority programs on the other."

The goals of the DLGCD are not unlike those of the Planning and Program Development Office of DPWTC, except that PPDO is regional-oriented while the DLGCD and its supportive bureaus are oriented to the community level.

The Bureau of Community Development's programs are primarily aimed at improving, in an integrated manner, the economic, social, political, and environmental aspects of city living by generating activities through an integrated development scheme and with a focus on promoting an active people-government partnership. In an attempt to meet these goals, the Urban Development Division of the Bureau of Community Development, which was established in late 1974, emphasizes a step-by-step developmental scheme geared towards the integrated development of Philippines cities.

This program began operations during FY '75 and eventually is planned to be implemented in all chartered cities regardless of their degree of urbanization. (This operational definition temporarily excludes urban areas which are under the political jurisdiction of municipal districts and municipalities.) The initial operation covered selected development areas or growth points in fourteen pilot cities. Coverage is to be expanded in succeeding years as experience and competence is gained; as planned, all 61 chartered cities in the Philippines will be covered by the program by FY 1978.

The main objective of the program is "the uplift of living conditions in urban communities." Its specific goals are:

1. to assist city governments to organize, reactivate or improve the effectiveness of city planning bodies in all cities;
2. to assist, formulate and develop comprehensive development plans in all cities;
3. to help develop functional community organizations;
4. to assist and implement physical, economic and socio-cultural projects and activities in urban communities through the growth point area approach; and
5. to undertake urban action research projects.

Implementation of this program is being carried out with the fourteen pilot cities and models through the following approach and strategies:

1. organizing city planning bodies and community organizations,
2. doing comprehensive city planning,
3. providing training and information,
4. promoting community development projects, and
5. conducting research and evaluation.

The first stage of this program has been completed, with representatives of all but one of the pilot cities presenting their first-stage results at a week-long training session at Los Banos. The USAID team attended. The results were impressive, especially in view of the limited funds allocated to the program -- about P371,000 in FY 74 and P1.2 million for 1974-75. The total budget for the five-year period, 1974-78, is about P5.5 million (approximately \$800,000).

Previous Urban Planning Efforts. The DLGCD program bears some resemblance to a previous Philippine effort, which was supported by USAID, and by most accounts was judged a failure. In that instance a pilot program was developed to establish urban planning in six selected intermediate-sized cities. After two years of operation, the program was cancelled in 1970. In the view of Philippines and USAID officials involved with the program, these were the factors that contributed to the lack of success in this project:

1. The program was run by a central staff agency, the National Economic Board. NEB was essentially a policy making and review body and did not have either the responsibility or capacity for line operations.
2. The project was managed from Manila, whereas it should have been decentralized to the municipality level.
3. It tended towards a physical, master planning approach. This approach is now widely recognized as grossly inadequate in the face of the dynamic growth of many developing country cities. Planning must be an action-oriented process directly linked with implementation and evaluation.

It would appear that the DLGCD program is structured to avoid these pitfalls.

Provincial Development Assistance Program (PDAP). The Provincial Development Assistance Program (PDAP) is "the agency responsible for developing and field testing the systems, techniques, and procedures needed to improve the management of Local Government (the Province, Municipalities and the Barrios) throughout the Philippines." The goal of PDAP is to improve the effectiveness of the agencies of local government in serving the people and in attaining national and local objectives. Its purpose is to "identify, develop, and field test in pilot areas and ready for Nationwide application the improved systems, procedures and techniques

needed for local government organization, administration, management and development program planning and implementation."

PDAP's beginnings go back to early 1966 when the Government of the Philippines and USAID instituted a pilot development program entitled "Operation Spread" in two provinces of Central Luzon. The program was an attempt to provide direct technical and community support assistance to selected provincial government. The experiment was to gauge the value of a direct, field-assisted provincial development program; to identify the concepts, systems and inputs crucial to the local development process; and to establish a rational basis for the future extension of similar development assistance efforts to other provinces. PDAP was formed in 1968, following the termination of "Operation Spread." This represented a shift of program emphasis, in that a specific counterpart agency was established to coordinate and extend pilot project efforts aimed at improving the functioning of local governments.

Between 1968 and 1973, PDAP pilot development programs were established in nineteen provinces. Primary emphasis was given to increasing the abilities of these provinces to carry out national as well as local objectives, particularly in general development planning and programming, in infrastructure construction and maintenance, and in support of increased agricultural production and family planning. Nutrition, rural electrification, and cottage industry developments were also given special emphasis.

During most of this period (1968-1973), PDAP operated as an adjunct of the National Economic Council. In November 1972 it was placed within the Office of the Executive Secretary of the President. At about the same time the Department of Local Government and Community Development was established to direct and coordinate local government agencies and their development programs throughout the Philippines. Thus, the foundation was laid for the start of a new and productive relationship between PDAP, the agency responsible for developing pilot systems for improving the operation of local government, and the DLGCD, the agency responsible for directing and coordinating the extension of improved development program management to every level and agency of local government.

The Human Settlements Projects Group. In January 1974 the PPDO entered into a Memorandum of Agreement with the four-month old Task Force on Human Settlements, and ad hoc interagency team developed by the Development Academy of the Philippines. The Group was organized with the purpose of hastening the completion of ongoing studies and avoiding duplication in the formulation of the National and the Manila Region Framework Plans, and in the development of projects.

The agreement with the PPDO expired in June 1974 because the working relationship fell short of expectations. The Group is somewhat inactive, although it still is in existence.

INTEGRATED REGIONAL-RURAL DEVELOPMENT IN THE BICOL

The Bicol River Basin Development program is one of the initial programs being fostered by the Philippines Government as a part of an overall effort to stimulate development of low-income or "downward transitional" areas which tend to have a net outflow of migrants due to lack of opportunity locally. The program initially is keyed selectively to areas with good growth potential, and the approach is integrated area development -- a departure from the usual sectoral programs. The government considers the nation's seven river basins as prime target areas. In the case of the Bicol Basin, the effort is being developed consciously along multidisciplinary, cross-sectoral lines and is being implemented through a broadly-based interdepartmental body, the Bicol River Basin Council (BRBC). Integrated area development of this nature is being attempted in relatively few countries and is still in its infancy as an operational concept. As such, the Philippines Bicol project is pioneering in many respects.

According to the national development plan, "(t)he program is built upon the basic premise that development efforts targeted on the rural sector and the small farmer should focus on delimited geographic areas of high growth potential where incremental investments in infrastructure and agriculture will yield maximum benefits to the national economy in both social and economic terms." Despite its relatively low per family

annual income -- P 1,500 (\$221) as compared with a national average of P 2,541 (\$374) -- farmers in the Bicol region have been quick to adopt innovations in agriculture and rank high in the nation in this respect. (For example 90% of Bicol rice lands are in high-yielding varieties contrasted with 45% for the nation.) The relative poverty of the region is due to the frequent occurrence of typhoons, floods, and periodic salt water inundations of large and rich-producing areas. Flood control, irrigation, and other supportive infrastructure is almost non-existent, and it is felt that an integrated program to fill this void, supplemented by programs of a more institutional nature, will greatly enhance and stimulate the growth of the region, in terms of agricultural productivity, employment, more equitable income distribution, and agro-industrial and industrial development.

Many new programs are scheduled for the region, some of which are underway and most of which have passed through the pre-feasibility stage. For example, land reform is scheduled to transform 37,000 rice and corn share tenants or lessee farmers into amortizing owners of the land they now till. In addition to land reform, compact farming, a kind of cooperative farming with indigenous roots, will be fostered throughout the region. The compact farm operates a single management unit and serves as^a cooperative unit for innovative diffusion and adoption, credit, water management, and pooling of mechanized machinery. A number of compact farms already are operative. Other programs in the integrated development scheme include agricultural credit and rural

bank expansion, water resources development, road development, rural electrification, livestock development, fisheries development, program organization and management, and project support services. These latter services include a Technical Assistance Group composed of faculty members from the University of the Philippines (UP) at Los Banos and the UP Institute of Planning, computer services through the Computer Service Center of the Department of Agriculture and Natural Resources, and a social service research capacity embodied in the Social Survey Research Unit (SSRU) of the Bicol River Basin Development Program (BRBDP).

We visited the SSRU, a resource of considerable potential and proven effectiveness. It is attached to the Ateneo de Naga and is run jointly with the Institute of Philippines Culture, Ateneo de Manila. Located in the heart of the Bicol and staffed with professionals from the region, its value to the program is reflected in its goals, namely:

- (1) to conduct exploratory and feasibility studies in the Bicol River Basin Area;
- (2) to assess the impact of BRBDP's activities on the lives of people living in the program target areas;
- (3) to serve as the "people's voice" as they react to the BRBDP's activities and suggest their own alternatives;
- (4) to feed back these findings and others to the BRBDP; and
- (5) to sponsor a graduate training program in applied sociology and anthropology at the Ateneo de Naga.

SSRU is a practical research unit featuring annual household panel surveys, municipality surveys, "quick look" surveys, small studies, and special studies. A number of useful studies have been produced to date under the general guidance of BRBDP, which sets research priorities and authorized the SSRU budget.

Physical and Spatial Development. A Regional Framework Plan has been developed for the Bicol region. This includes the mountainous areas as well as the basin area of 312,000 people and the center of agricultural activity. The plan identifies or designates agricultural land, possible industrial locations, transport network, land physically difficult for development, and an urban hierarchy that includes the regional administrative center, regional trade center, and sub-regional centers. The plan also indicates areas in which urbanization is likely to occur.

The Cities of Naga and Iriga. The largest of the six Bicol Provinces is Camarines Sur. It contains two-thirds of the river basin, is the only rice surplus province in the region, and is the area selected for the first phase of the Bicol program. Within Camarines Sur the key city is Naga. It is the center for a wide range of administrative, banking, medical, commercial, marketing, processing, and entertainment activities serving the region. In a recent SSRU survey of the travel patterns in the

Basin, it was concluded that "among the 33 municipalities in the study area, an easily recognized, functionally effective network of transportation centers exists, with Naga City at its center." It is in this sense the primate city for the region, followed in importance by Iriga City, a solid but distant second. Significantly, the motive for travel was economic in 60% of the cases: marketing (31.7%), business (20.0%), and work-related (8.5%). Because of their relative importance in the region, Naga and Iriga are singled out for attention in this report. This does not negate the importance to the region of its entire system of cities. In a separate BRBDP study the system of cities has been broken down by function into primary, secondary and tertiary centers.

Naga City. Naga is a hustling regional center of about 95,000 people. While it is not an especially attractive city, it does retain a business-like, functional appearance indicative of its important role as regional and agricultural service center. It is growing rapidly at well over 3.0% per year and has almost doubled in population since 1950. As such, it has some of the typical problems of rapidly growing intermediate-sized cities, including pressure on infrastructure, squatting, rapid and uncontrolled land development, and pollution of waterways.

The mayor of the town, in office for about 10 years and known for his dynamism, sees the major problems as the lack of technical and programming skills locally, the need to create more economic opportunities, and the need to improve the city's agricultural services and productivity.

This was a refreshing departure from the usual mayoral complaints over lack of financing and adequate infrastructural services and utilities.

Naga is a chartered city, meaning that the mayor deals directly with central government offices rather than through the provinces. Unchartered cities are under the jurisdiction of the province. The Regional Office of NEDA plays an important role in development projects for chartered cities like Naga, because NEDA approval is required on all development projects. This detracts from municipal autonomy but it does help to integrate municipal and regional development.

Maga is scheduled to participate in the DLGCD pilot urban development program beginning in FY 1976. To this end the city has provided one new planning position for FY 1976 -- under the terms of the program DLGCD will fund the position during the first year -- and some staff members have participated in a preliminary seminar. (The mayor seems to have a very positive view of this program; however, he remains apprehensive about his capacity to retain a planner, since the maximum he is allowed to pay is \$1050 equivalent per year. He suggests training people who are not college graduates for such positions so they will be less inclined to gravitate to Manila. He has already experienced the loss of a good planner which the municipality funded for an M.A. degree. The local development staff consists of an architect who heads the office, several technicians, and a research staff.

Iriga City. The team spent just a short while in Iriga, an important regional city which is secondary in importance to Naga and currently is growing much more slowly. In the 1930's Iriga was larger than Naga and grew rapidly to about 75,000 population in 1960. Since that time it has grown by less than 3%, and would appear to have reached at least a temporary population threshold. Superficially the city seems to be cleaner and more ordered than Naga, perhaps reflecting a decade of slow growth which has helped the city to build up and consolidate its infrastructure. In any event, though similar in function, the dynamics of the two cities are quite different.

Iriga is a first-year participant in the DLGCD urban development project and through the program has developed a framework plan which was being presented to the pilot program plan review seminar being held in Lqs Banos concurrent with our visit. (See section on the DLGCD program above). The city stands out as having an exceptionally well-rounded professional planning and development staff for a city of its size. It includes an urban planner (through the DLGCD program), sociologist, economist, financial analyst, statistician, and a Peace Corps demographer (Alan Levitt).

AN ALTERNATIVE PROJECT PROPOSAL

The project concept we have been exploring in the Philippines these last several days is based on two assumptions:

1. Cities play a crucial supportive role in rural development.
2. Because this role is seldom defined specifically or focused upon in developmental programs, regional cities tend to fall far short of their potential for support of the rural hinterlands they serve.

A coincidence of national, regional and local programs in the Bicol River Basin presents an excellent opportunity to explore the role and functions of two key cities, Naga and Iriga, in the integrated rural development planned for the Bicol River Basin region, including also the identification and programming of projects that would strengthen this role. Specifically, the Bicol River Basin area has been identified by the Philippines Government as a transitional developmental (or lagging) region with a high potential for agricultural growth and development. Its agricultural potential stems from its rich volcanic soils, extensive tablelands, and ample labor supply. Its relative poverty is in part a result of its frequent revisitation by floods and typhoons and relatively low priority in the past as a recipient of national developmental resources.

The Bicol Basin has been designated as the first Philippines integrated area development program. Its people-oriented, multi-disciplinary, interdepartmental approach makes it as pioneering in the international areas as it is nationally.

At the same time, the Philippines Department of Local Government and Community Development has initiated a program to strengthen and develop the local urban planning and development operations of a selected pilot set of Philippines cities. The two key cities in the Bicol region, Naga and Iriga, are designated pilot cities in this program. The central role of these cities in the integrated development of the Basin, their participation in the DLGCD program, and their keen interest in strengthening this role provides an ideal base for the TA/UD urban functions in rural development project. A draft matrix follows.

PROPOSED INTERIM MATRIX

Urban Functions in Rural Development

Naga and Iriga in Bicol River Basin Integrated Rural Development

PURPOSE: Strengthen role of urban centers in rural development.

OUTPUTS:

- Identify urban functions/services supportive of Bicol integrated rural development program.
- Indicate gaps and weaknesses in these functions/services in Naga and Iriga.
- Identify projects to fill gaps and weakness in Naga and Iriga including indication of appropriate scale, nature, timing, requirements and relative priority.
- Program and package projects for implementation integrating with City development framework plans and with Bicol development scheme.
- Develop structure for implementation and initiate action.
- Establish evaluation and feedback system.
- Analyse, document and disseminate project results (internal --PI; external--AID/W).

ASSUMPTIONS ABOUT OUTPUTS:

- Project can be based in Naga and Iriga City governments within framework of DLGCD urban development pilot program.
- Project can be actively integrated with Bicol River Basin Development Program through direct coordination and mutual technical backstopping.
- An effective coordinating mechanism can be established to accommodate the four principal government entities involved in the project, namely: Naga and Iriga City government, DLGCD, BRBC, and NEDA.

INPUTS: PHILIPPINES

- From Naga and Iriga:
 - . Planning/research staffs
 - . Supporting budget, e.g., for operations and research, according to agreed matching formula between city governments, BRBC, DLGCD, NEDA, and AID
- From Bicol RBC
 - . Coordinator/technical counterpart and pesos support
- From DLGCD
 - . Administrative and technical support from/coordination with urban development program and pesos support

UNITED STATES

- AID
 - . Foreign consultant counterpart (size, scope and technical specifications to be developed with GOP)
 - . Local and Foreign training
 - . Technical materials and information
 - . Matching research funds according to agreed formula
 - . Special equipment as needed
 - . Diffusion of project results outside of PI
 - . Capital project support within Bicol River Basin Project context

Budget and Time Frame

- To be worked out with GOP. Estimated time frame of 24 months.