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# THE PROVINCIAL DEVELOPMENT ASSISTANCE PROJECT

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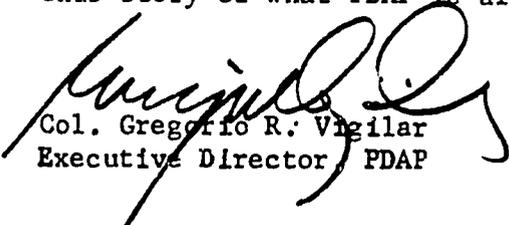
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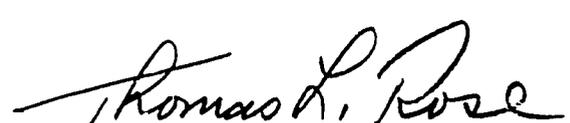
26 February 1974

## INTRODUCTION

Since the inception of the Provincial Development Assistance Project (PDAP) in early 1968, the Project has been faced with a unique problem of being adequately described or defined. A series of PROAG's, PROP's and related documents have been prepared down through the years but, in every case it would appear that the real essence of this Project has somehow eluded adequate description. One of the factors may be that those of us working with the Project are standing so close to the trees that we cannot see the forest. On the other hand it often appeared that critics of the Project are standing so far back that they cannot see the trees.

In another sense, the old story about the seven blind men describing an elephant based upon their holding onto a particular part of the elephant appears relevant to reviews and explanations of PDAP. It is, therefore, fortunate that Dr. Robert G. Johnson, representing the Technical Assistance Bureau, Technology Division, AID/W, took the time and trouble to get acquainted with the Project through extensive field trips to participating provinces and to meet and discuss in depth various aspects of the program with all parties concerned including PDAP, USAID and Provincial Officials during a three-week visit to the Philippines in early 1974. This brochure presents Dr. Johnson's report exactly as it was submitted to this office. Although primarily intended for an American audience, it has equal application within the Philippines. The USAID Mission and PDAP are indebted to Bob Johnson for preparing this story of what PDAP is all about.

  
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Executive Director, PDAP

  
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## Provincial Development in the Philippines

In recent years foreign aid donors and recipients alike have emphasized more direct assistance to people in order to improve the quality of life at the local level. Typical of the expression from AID in this regard, is a 1973 statement from then-Administrator John Hannah:

"AID resources will be programmed on a sector basis and will be directed at basic human needs rather than primarily for overall country growth objectives."

The U.S. Congress, starting with ear-marked funds for population, is now appropriating funds by sector, or function, and directed at improving the lot of the less fortunate individuals in developing countries.

In the Philippines, President Marcos has labelled his administration as one aimed at developing "a new society." That society is 80% rural, and the vast majority of its citizens are not far above the subsistence level.

The AID Mission in the Philippines, since about 1970, has been refocussing its assistance along the lines of two broad endeavors: Population and Rural Development.

These statements converge in activity form in the Provincial Development Assistance Project (PDAP), now operating in 20 provinces (out of a total of 71).

The purpose of this paper is to take a look at the project. What is it supposed to do? How does it work? What resources does it use? What methods are used? What is there to be learned from the project? The paper is based on observation, discussions with Americans and Filipinos,

and the reading of documents concerned with the activity. It is based on a month-long study in the Philippines (February 1974). This paper is essentially a summary. For those inclined to read more about the project, there is, for instance, a 70-paged PROF (including 20 pages of appendices) plus several thousand pages of reports, and official and semi-official documents of wide description. For those who would learn in some detail how the process of provincial development actually functions, a visit to the Philippines is a suggestion.

What is it supposed to do?

I In the language of the most recent project agreement (September 28, 1973):

"The goal of this project is to improve the quality of rural life by speeding development of those services and service-related incentives, forms of institutional cooperation, and planning and implementing capabilities which are responsible to rural needs."

The goal, in operational terms, covers at least three broad areas that are aimed at improving the quality of rural life. They are:

1. Planning.

This involves a restructuring of the governor's office. A staff is assembled (either through re-assignment or new hiring) that has the function of planning, organizing and coordinating social and economic development plans for the province. Such plans are made consistent with the resources available to the province.

2. Infrastructure.

Essentially, this includes the activities of a provincial engineer's office, that may grow to more than 400 employees. Most of the

construction work relates to the building and maintenance of provincial roads and bridges. Feeder roads that benefit the small farmer are generally at the focus of this activity. Implementation of construction activity is based upon the planning mentioned above.

### 3. Fiscal Management.

Tax assessment, collection, and allocation of funds consistent with careful planning comprise the major responsibilities of this area.

The above three can be extended by the fairly recent inclusion of family planning, nutrition, and rural electrification through local initiative. Agriculture has been at the core of the planning function since its inception.

Further discussion of the above has to be qualified by several observations. The brief description of goals, and the later description of organization, applies on the most general basis to all PDAP provinces. What really happens in a province, however, has more aspects of uniqueness than commonality with any established pattern. At the operational level, the functions are decentralized. At the policy level, guidelines are firmly established at the national level. Some understanding of Filipino culture and historical patterns of local administration are almost essential to understanding what the project is accomplishing.

Essentially, since independence there has been a trend toward more delegation of authority to the provinces. More than that, however, is the fact that the provinces are learning, through the project, to do what they could have been doing all along.

So while the project is supposed to improve the quality of life in the rural areas (some of these aspects will be discussed later - abundant

documented, visual, and impressionistic evidence exists to indicate much has been done), a complex organizational pattern, with diverse functions, and skills has had to emerge. To categorize PDAP as public administration project would probably describe it best. However, it would be far from a complete description. The livelihood of the farmer is based on the land, and so PDAP's principal concern is with matters related to agriculture. AID's major contribution is for vehicles, and most of the local currency goes for roads and bridges. So it is an engineering project - and health, nutrition, etc.

As a matter of fact, PDAP is made up of those pieces that relate to living in a rural area. Since AID has no backstop code to fit such an endeavor, and since the project has added on pieces and functions as needs have appeared, there is no way such a project could (and perhaps should) be approved in its present form. It got to where it is by evolving to meet particular needs. What now exists is a project that combines large doses of both imagination and disciplined planning by both Americans and Filipinos.

In addition to the functions already described, other tasks have been assigned the PDAP structure. Most significant in size is the PDAP/USAID flood rehabilitation program. This is part of the \$50 million flood disaster relief provided the Philippines in 1972. Involved in this has been the rehabilitation of approximately 1,000 kilometers of roads, bridges, and the rehabilitation of about 7,500 acres of communal irrigation systems. The flood rehabilitation activity has made necessary strengthened provincial engineering performance, plus better planning and administration.

Another recent addition to the program has been a Special Infrastructure Program (SIP). This is being applied to the seven original PDAP provinces, since their capability is the most advanced. This addition will involve a \$4M plus contribution by the Government of the Philippines. The provinces, from local resources, will contribute the equivalent of \$1.2M. These funds will cover the total cost of implementing agriculture-related projects such as feeder road and bridge construction, irrigation systems, and agricultural engineering development projects.

Still in keeping with the overall objectives, has been the addition of a municipal program. Municipalities operate fairly independently of the provincial administrative structure. To provide services to rural people, however, the possibilities of the municipal government are considerable. In effect, a collection of municipal boundaries comprise a province. Given the historic independence of the municipality, and the relative weakness of the province, efforts to coordinate a better relationship between the two can well result in better services to the citizens of a given area. This portion of PDAP is limited in scope and funding, but represents an extension of government services with implications for the future. In essence, in terms of technical assistance, the goal is to relate the municipality to the Provincial Staff as the Provincial Staff has been related to PDAP.

#### How does it work?

The genesis of the activity goes back to 1966, when the AID Mission began work more or less directly with two provinces in the rice region

of the Philippines. It had an acronym of "Operation SPREAD" and was concerned almost exclusively with problems of agriculture, more particularly rice. The national government was dissatisfied with the progress being made in rice yields and felt some decentralization might accelerate production. The project illustrated the feasibility of working at the local level.

In 1968 PDAP was created at the national level, with the National Economic Council (NEC) serving as the counterpart to AID. From a strictly agricultural activity, the project started to encompass such other functions as tax administration and infrastructure (mentioned above). The major impetus given the project, and perhaps the single most important facet in moving it toward what it is today, was the introduction of excess property. This ingredient became significant in 1969, and did a number of things. To begin with, the provinces were able to hire their own engineer in 1968 (and that individual was beholden to the governor rather than Manila). The visibility of the equipment - and the things that could be done in road building and bridge building - had political benefit to the governor, and real benefit to the farmer in terms of access roads. It is interesting to note that no PDAP governor was defeated for re-election in 1971. While the statistical level of significance has not been calculated for this phenomenon, nor a thorough search made for other possible factors influencing the elections in these provinces, it was worth noting that all the governors interviewed ascribed the 1971 election results to PDAP. This is not meant to imply that the success of an AID project should be measured by how well it assists incumbents to hold their seats. However, what happened is worth reporting.

As the project continued, PDAP came more and more to the attention of President Marcos. After the floods of the summer of 1972, he assigned added responsibilities to the 11 provinces suffering the greatest losses. The major function here related to infrastructure rehabilitation. By November, 1972, PDAP was transferred to the Office of the Executive Secretary to the President (akin to first among equals in the cabinet). Since then, it has been under the vigorous direction of a highly competent, and well placed, Filipino executive director.

By the end of 1972, there was a clamor from nearly all the provinces to be included in the project. In a December 8, 1972 letter from the Executive Secretary (Alejandro Melchor) to the AID Mission Director (Thomas Niblock) it was noted that:

"It seems as though the Provincial Development Assistance Project (PDAP) is catching fire all over the country. This Office continues to receive requests from local governments to the effect that they be made participants of the PDAP. With the experience accumulated over the past years in the Project and with the new thrust the government is giving to the acceleration of local development, we feel that it is time for the project to be given more attention, particularly now that we have evolved a well defined approach to achieve the desired results from the project's as well as from the country's counterpart resources."

The Government of the Philippines plans to extend PDAP operational procedures throughout the provinces, and to institutionalize the functions under the recently created Department of Local Government and Community Development. An Undersecretary for Local Government was appointed in early 1974. With the apt name of Socrates, the Undersecretary is simultaneously governor of one of the PDAP provinces. He sees his first task as that of incorporating improved administrative practices and procedures to the non-PDAP provinces.

So the PDAP program works under the guidance of an Executive Director who in turn works for the Executive Secretary in the President's Office. A steady flow of directives and requirements flow to the governors from that office. But the governors maintain their end of the dialogue by making their needs known. The Department of Local Government and Community Development is just now becoming a significant factor, though the Department has already performed an important service function - particularly in the form of training. Added on to these two sources is practically every Department of the National Government. The officers in the provinces in the fields of health, education, finance, etc., report back to their Departments in Manila (Quezon City to be more precise). So the governors have limited authority over many of those working in the provinces.

Of all the Departments having representatives in the provinces, the strongest is Finance. The treasurer exercises principal control over revenue collection and disbursement. Under PDAP, the governors are becoming interested - and knowledgeable - about the functions of this office. Their increased understanding about the financial mechanism has made it possible for PDAP provinces to acquire large planning staffs, analysts, and, as noted a 400+ man provincial engineer's office in South Cotabato, with no real additional operating expense revenue from the central government. A more comprehensive knowledge of financial resources, and how to make sound allocations, along with the considerable equipment increments, are the major appeals to a governor to belong to PDAP. If the project did no more than to sharpen this attention on planning and

construction in the rural areas, it would be a solid contribution to local government.

There is more to PDAP than motor pools and finances, however. When the governors claim the organized planning concept and training are important to them, they obviously mean it, and demonstrate their commitment in observable ways. A week-long seminar-workshop was held in Manila in early February on real property tax administration. The governors were invited for the opening session. Four days later, when the workshop was visited, one governor was still there. "More training" is an almost constant request from the provinces. And much of the training takes place in the provinces and increasingly by Filipinos.

#### Excess Property

This is worth special mention. It is the major dollar cost of the project. Through June 30, 1973, \$2.4 million had been obligated. Of this amount, the allocation has been for equipment (nearly two-thirds), technician costs (one-third), and a relatively small amount for specialized training abroad.

Investing large sums of money in excess property has been found to be hazardous business in AID. It frequently creates more problems than it solves. In the case of PDAP, the investment has been a resounding success. The equipment is used. It is maintained. It is employed as a basic implementation tool to meet particular and pre-planned objectives. Just this aspect of the project could be a story by itself.

While nothing should detract from the courage of the Mission to invest in excess property, two observations might be in order. First,

it is possible to see 25-year-old jeeps still operating all over Manila. That, in itself, is a tribute to mechanical wizardry. When it comes to mechanics, Filipinos have no need to apologize. They are quite possibly the leaders among developing countries. Second, and related to the first point, is that general educational levels are high for a developing country. High even for a developed country. The considerable expenditures, and commensurate results, in the manpower development sector, make it possible to teach vocational and technical skills quite easily and rapidly. This benefits not only the use of excess property in PDAP, but the whole project, and beyond that, total national development.

In terms of project cost to the province, it should be noted that local currency is used for rehabilitation, in-country transportation, and continuing maintenance of the equipment. This last item can be a long-term cost of some consequence to a province.

#### Training

To date, 18 provincial coordinators have received special six-month training in administration at the University of Connecticut. Local Administration is very much a new concept in the Philippines, but out-of-country training has been kept to a minimum. Within two years, it is anticipated that the University of Connecticut training will be transferred to the University of the Philippines.

Other training is now being handled by the University of the Philippines' Local Government Center, Departments of Government, and USAID technicians. A sample of training session titles includes "Capital Improvement Program Seminar," "Local Development Program Administration,"

"Budget and Action Plan Preparation," "Seminar in Basic Research Techniques," "Seminar in Conduct of Feasibility Studies," "Road Network Development Plan Seminar," and others on taxes, equipment pool, and data processing.

The records of the project on training are complete, and details are available. The demand for training appears to be almost insatiable. One seminar-workshop (on real property tax administration) was observed during its fourth day of operation. Provincial governors were invited for the opening day, but one governor had stayed on for the rest of the week. In this case the lecturer was an American project technician.

#### At the Grass Roots

PDAP is a project where the multiplier effect is focused at the rural areas of the country, as opposed to the capital. As such, the distance from the provincial decision maker to the "little man" is short, and the results of change become visible rather quickly. When the results are clearly visible, this type of aid has obvious political benefits to government leaders, as well as social and economic benefits to the people.

Though the project is new, and other projects that are tied to it are new, it is possible to see what is happening. Of the four provinces visited, Misamis Oriental (on Northern Mindanao) has been in the project the longest. Sorsogon (on the southeastern tip of Luzon) was the newest. In Misamis, the governor has integrated nine functions into PDAP, i.e., the Equipment Pool, Rural Electrification, Infrastructure, Family Planning, Nutrition, Fiscal Management, Agricultural Production and Marketing,

Telecommunications, and Training. The pieces are combined into an inter-related whole. In terms of travel in the province, there is high visibility of the project in action. Thus, it was possible to stop at a Health Clinic (with a large identifying sign), located in a rural area serving approximately 10,000 people, and learn what was happening in family planning. The doctor in charge considered this to be a major function of her work, and she also considered herself to be part of PDAP. She was quite proud that there were over 700 acceptors in the population of 10,000, and the growth rate was about 30 acceptors a month. The nearby feeder roads made it possible for the people to come to the clinic for all kinds of health care, and it made it easier for health workers to get to the people.

In talking with a midwife (attached to the clinic), she indicated her work had slackened off noticeably over the past year or so. This unscientific poll was confirmed by the Doctor-in-charge, and was further corroborated by a midwife encountered down the next road. So, at least people in Misamis think the birth rate is down, it is easier to get health care, and simpler to get from one spot to another by virtue of the new roads.

A USAID-assisted rural electrification activity, Misamis Oriental Rural Electric Service Cooperative (MORESCO), is also a part of the province. As noted above, the governor has now included this in PDAP. Change here is clearly evident. It was possible to stop at a store that hadn't been built when the observer visited Mindanao in October 1973. The concrete structure did not have only lights, but two refrigerators,

and a receiver with two speakers that had more power than was perhaps necessary. Similar structures were being built in the village. In talking with young people, they all planned to stay in the province. Some explanation for this was found in the MORESCO office. Recent changes as a result of electrification, included:

Loans to four farmer coops to irrigate 1,000 hectares (2,500 acres) of land.

Several garment coops, with 300 women trained to do sewing at home.

Air-conditioned cinemas, barber shops, and massage parlors.

Electric motors used for making blocks, aerating fish ponds, making bowling pins, wooden boxes, sawmills, and feed mixing.

Appliance stores were also in evidence.

In the case of Misamis province, most roads improved transportation between towns, improved accessibility to markets, and had a generally favorable economic impact on farmers already settled. The overall population growth attributable to migration, was related to agro business or industry. In a less developed province, such as Davao del Norte (also in Mindanao), feeder roads were sometimes built through uninhabited areas and the result was an inward migration of settlers from other parts of the Philippines (mostly from the Visayas - a depressed areas of the country).

Other aspects, such as school lunch programs (part of which includes an AID-assisted project in providing nutribuns - a 500-calorie large hamburgers shaped bun, with significant protein content) have developed in the PDAP provinces.

PDAP, as a project by itself, cannot claim credit for all the things that happen under its banner. It did provide a mechanism for planning, organizing, and coordinating that helped make better sense out of a number of things already going on, and some of which were also supported by AID through other projects. Leadership is the real measure as to how successful PDAP is at the grass roots, and leadership begins with the governor of the province.

#### Discussion of the Method

At present, there are 20 provinces in PDAP, and four new provinces are planned for each FY until 1974. As already noted, the Government of the Philippines has created a new Department, with Local Government as one of its major functions. So the continuation of close attention and support to provincial government has already been assured, and the Department is now working closely with the PDAP office and American technicians.

Provinces that are joined to PDAP receive office equipment and jeeps, somewhat in excess of \$20,000 in value. There are also significant opportunities in the procurement of excess property (through pesos have to be used from provincial sources for personnel costs, maintenance, and operation), and considerable training almost all in-country.

In turn, the provinces are expected to have an active Development Council and a Development Staff, usually of 10 members (Analysts in Project, Fiscal, Engineering and Agriculture, a Statistician, Researcher, Draftsman, Information Writer, and Family Planning/Nutrition Liaison Officer). The head is a Coordinator, who acts as the principal counterpart for the USAID advisor assigned to the province. In practice, each

province operates in a unique fashion, but all must submit certain basic plans, such as a Capital Improvement Plan (CIP), in order to receive the advantages of project membership.

A possible valid criticism might be that the project is too carefully planned. Strangely, perhaps, there is no objection by the Filipinos. They look upon it all as a valuable learning experience, while candidly admitting they will likely dispense with a lot of the paper work when they have the project to themselves. They do insist, however, that the principles of planning and execution they are now learning, will be kept, and simply adapted to Filipino custom.

On the American side, eight (8) advisors are assigned to the project, two of whom are assigned to commodity operations, Tax assessment is the equivalent of a full-time advisor, and one individual works full-time with municipalities. Four new advisors (generalists) are living in the provinces. In addition, two advisors are assigned to project management. The numbers of people have to be tempered with the recognition that flood rehabilitation is a \$15 million responsibility (out of a total of \$50 million for this function) placed on the same office, and not all the specialists are able to devote full time to PDAP.

Inasmuch as provincial administration, on a well-conceived planning and operating basis, was an innovation to the Philippines, and the number of provinces in the project have been considerable, the number of American advisors (present and projected) seems modest. However, there is a rather widespread difference of opinion, or at least questioning, as to where Americans should be stationed, what their specializations should be, and

There are no immutable answers to the issues involved. During the course of a month's study it was possible for the writer to change its mind several times on particular questions. Filipinos and Americans alike, have varying ideas as to how personnel might be used differently and more effectively, but many would repeat the process fairly much the same way it has been done. Certainly, it is a smooth, well operating project, with a high degree of dedication, loyalty, even esprit-de-corps among its members. Considerable success has been obtained at little dollar cost, by AID project terms. Given this set of circumstances, one is tempted to invoke the old adage "If it works, don't fix it." It works.

However, the project is several years old, a number of provinces have received considerable help, a number of Filipinos have been trained, so perhaps there is some legitimacy in raising issues related to personnel.

For the most part, Filipino officials were in agreement that an American "generalist" was valuable in the early stages of a province being a member of PDAP. This was the period when the full range of planning was being formulated and prepared in written form. The local organization was being assembled, and the range of problems confronting a governor, council, and coordinator called for the assistance of an American coordinator, especially since the concept was new and many of the Government forms introduced to the provinces were of American inspiration. Under these conditions, it was helpful to have an American resident in the community, or available on relatively short

notice. At the same time, Filipino expertise had not yet been trained sufficiently to assist the provinces materially. Then, the insights gained by an American living in the rural area where innovation was to take place, was an additional factor. It made him more realistic and effective in his work. An important psychological advantage accompanied the assignment of an American to a rural area. Officials from an AID Mission trying to assist in the decentralization of administration, without having an advisor of its own located outside of Manila, could pose its own problems.

After having a generalist in the beginning stages, provincial officials then wanted the services of specialists, particularly in tax assessment and motor pool management, though personnel management was occasionally mentioned. In each province visited, the governor was still seeking some expertise from an American, though the shift to Philippine resources was steady and growing.

In discussing this point, it is noteworthy to add that the project implementation plans provide for a "generalist" to be assigned to a province for approximately two of the first three years it is in PDAP. After that PDAP and the province agree on an annual joint work plan under which PDAP provides specialists to assist the province with specific problems. This process is clearly described in the FY 1974 ProAg, and it has demonstrated its effectiveness in actual operation.

The assignment of an American advisor to a province was not an unmixed blessing, however. Inevitably, there was some confusion as to what his role was in the province, and his relationship to the community

government officials, and particularly the governor. Diplomatic skills were sometimes required by the advisor, and sometimes they were lacking. For the most part, good relationships were established. And it might be argued that a technician commuting from Manila could also be undiplomatic in approach. This problem should be placed in perspective, however. Overall relationships between Americans and local officials were professionally constructive and personally cordial.

Some of the local officials still have questions concerning the role of an American advisor. One governor expressed (a) there should be one AID area specialist living in each province, (b) what he needed most was an American tax assessor occupying a regular slot (while training a local), but, (c) that the province was already self-reliant, and really needed no further general technical assistance. Sifting through the statements to get a firm assessment as to what was needed - or wanted - was difficult in this instance.

There is evidence that some of the procedures developed under PDAP are being applied generally to Provincial and Local Administration. The recently appointed Undersecretary for Local Government has directed non-PDAP entities (other provinces, and also municipalities and chartered cities) to conform to the basic planning steps already instituted in the pilot provinces. These steps apply specifically to the discretionary development funds administered from Manila (in terms of dollars this was approximately \$20M for the entire country last year). Admittedly, this is only a beginning, but it appears to be the establishment of a trend toward the requirement of more careful planning by local authorities. While this trend represents more centralization

of authority in procedures and form, it permits wide latitude in terms of program substance by the local government units. The imposition of these procedures represents a step toward more thorough planning; it also represents a step aimed directly at the proper use of funds. In a speech before local government officials, the Undersecretary carefully noted that one chartered city had more than 150 people on the payroll in the categories of secret agents, special agents, and technical assistants. The implication was clear that these positions could - and should - be eliminated. When all of this is related to PDAP, it is an indication that the central ideas behind the project and most notably careful planning - are taking effect on a national basis.

Finally, it might be said that if USAID is to have people-to-people type activities, it is going to need to put some of its people where the host country has nearly all of its people - in the rural areas. That is what has happened in PDAP.