

# **Metropolitan Naga: A Continuing Challenge of Local Autonomy and Sustainability**

*Ruben G. Mercado and Victor B. Ubaldo<sup>1</sup>*

## **1. Introduction**

Many people know the place Naga more as a city than a metropolis in the Bicol region. This is understandable inasmuch as Metro Naga is relatively new having been given official recognition only in 1993.

### Composition

Metro Naga is composed of Naga City and the surrounding municipalities of Bombon, Calabanga, Camaligan, Canaman, Gainza, Magarao, Milaor, Minalabac, Pamplona, Pasacao, Pili, and San Fernando. Recently, the municipalities of Bula and Ocampo have been included in this metropolitan composition. The aforementioned municipalities are all in the Province of Camarines Sur.

### Management

Currently, under Executive Order 102, the Metro Naga Development Council (MNDC) is tasked to "formulate, coordinate and monitor programs, projects and activities for the acceleration of the economic and social growth and development" in the areas composing Metro Naga "in coordination with the Governor of the province of Camarines Sur". The MNDC is composed of the mayors of the political units in Metro Naga plus a representative each from the provincial government of Camarines Sur, the departments and agencies represented in the National Economic and Development Authority (NEDA) Board including the Department of Education, Culture and Sports (DECS), and the Department of Social Welfare and Development (DSWD). Representatives from the private sector and non-government organizations compose one-fourth of the fully constituted Council.

Metro Naga is one model of metropolitan arrangements installed by virtue of local initiative and cooperation. This paper attempts to document Metro Naga's experience in metropolitan development and present the challenges it faces as it continues to sustain metro-wide activities in the spirit of local cooperation and autonomy.

---

<sup>1</sup> Research Associate, Philippine Institute for Development Studies (PIDS) and Chief Economic Development Specialist, National Economic and Development Authority (NEDA) Regional Office-V (Bicol Region), respectively.

## 2. Demographic and Land Characteristics

### Demography

Metro Naga's population is only a little over half a million with about 23 percent of it found in Naga City (Table 1). Population growth rate in the whole metropolis is lower than the national average but higher than the regional average. The population in seven component local government units, including Naga City, grew at rates lower than the regional average. However, the rest have registered high growth rates especially the municipalities of Milaor, Pili and San Fernando where growth is close to or over three percent. The rapid population growth of Milaor and San Fernando may be due to their being receptacles of population spillover from Naga City as these areas have extensive potential areas for urban expansion. This is evidenced by the increase in the number of residential and subdivision development in the area. Pili, on the other hand, is a traditional secondary growth center and a hub of agricultural trading activities especially for the Caramoan-Partido area. Recent trends indicate an increase in local economic activities. These may have served as a magnet for the rural population to relocate to this growth node.

**Table 1**  
**Metro Naga Demographic Characteristics**

City/Municipality	Population Level,1990	Population level, 1995	Growth Rate, 1990-1995	Land Area (sq. km)	Population Density,1995 (prs/sqkm)
Naga City	115,329	126972	1.82	84.5	1503
Bombon	10,874	11739	1.44	44.2	266
Calabanga	54,261	59164	1.63	163.8	361
Camaligan	15,436	17411	2.28	4.7	3720
Canaman	20,298	22732	2.14	43.3	525
Gainza	7,095	7743	1.65	14.8	524
Magarao	16,623	18264	1.78	45.0	406
Milaor	18,199	21213	2.91	33.6	630
Minalabac	35,922	37574	0.85	126.1	297
Pamplona	24097	26176	1.56	80.6	325
Pasacao	31960	36070	2.29	149.5	241
Pili	52481	61520	3.02	126.3	487
San Fernando	20608	24196	3.05	71.8	337
Bula	48240	54650	2.37	151.3	361
Ocampo	30876	34898	2.32	118.3	295
<b>Metro Naga</b>	<b>502299</b>	<b>560322</b>	<b>2.19</b>	<b>1257.7</b>	<b>445</b>
<b>Region V</b>	<b>3910001</b>	<b>4325307</b>	<b>1.91</b>	<b>17633.4</b>	<b>249</b>
<b>Philippines</b>	<b>60679725</b>	<b>68616536</b>	<b>2.32</b>	<b>300000.0</b>	<b>229</b>

Population density in Naga City and Camaligan is relatively higher compared with the other areas in the metropolis. The higher population density of Camaligan compared with Naga City deserve an explanation. Camaligan has the smallest land area but has a population bigger than Gainza and Bombon (where land area is 5 and 9 times that of Camaligan). The proximity of the municipality to the central business district of Naga City was major reason

for its high urban development. Due to its proximity to the central business district of Naga City, it has become the primary receiver of Naga City's population spillover. The population magnet was further intensified with the location of the Camaligan Fishing Port complex in the municipality.

### Land Characteristics

The metropolis is located within the heart of Bicol's largest river basin area. Thus, it is dominated by a flat topography. It is only in the foot of Mt. Isarog where a rolling terrain may be found. The area is a part of the traditional rice granary of Bicol. The extent of prime agricultural lands for rice production has become a major constraint in the urban expansion of the component municipalities. In addition to the extensive prime agricultural lands, large tracts in the metropolis is likewise flood-prone being in the lower basin area.

### **3. Historical Antecedents/ The Metro Naga Development Program (MNDP)**

The shortage of oil products during the Gulf War in 1991 gave reason for Naga City and the surrounding municipalities to work together in resolving the issue of gas sourcing and allocation. This initial interlocal discussion on an immediate concern eventually led to more interaction on other broader issues. Naga City spearheaded the conceptualization of a Metropolitan Naga Development Program (MNDP). The MNDP provided the framework for the development of the areas composing Metro Naga and the required organizational machinery to orchestrate the development activities identified.

The MNDP seeks to address the improvement of employment condition, agricultural production and the delivery of basic services in the development area. With these objectives, the MNDP identified the roles of participating LGUs based on their resource endowments and comparative advantage and potentials for future cooperation. The process of identifying these roles is a worthy example of how local governments can meet and decide on issues with due consideration to their external environment. Initially, these roles met stiff resistance from some of the LGUs specially those that perceive that their assigned roles are minimal and running counter to their own local aspirations and development path. It took a long and difficult time to come to terms with each other. But the general welfare of the metropolitan area and the realization of the need for a holistic approach in the solution of the major problems and challenges confronting the metropolitan area have found its place among the local chief executives. Thus, the local chief executives came to agree on their identified roles. The roles for each of the participating LGU are summarized in Table 2.

Naga City and the other municipalities have been informally meeting to discuss how they would operationalize the strategy. Based on the provision of the Local Government Code, particularly in Section 23, a Memorandum of Agreement was signed on 23 April 1993 wherein each member-LGU covenanted on the following:

1. To formulate and implement an equitable and complementary development program;
2. To establish the Metro Naga Common Fund through contributions of the members which shall be no less than 2% of the LGUs Economic Development Fund (or 2% of 20% of their respective IRA);

**Table 2**  
**Area Specific Roles in Metro Naga**

<b>City/Municipality</b>	<b>Resource Endowment/ Comparative Advantage</b>	<b>Potential Development Activity/ Industry</b>
Naga City	Modern urban facilities	Center of trade, financial, educational and professional services/ Convention site
	Surface water in Panicuason	Source of potable water
	Agriculture	Auxilliary food crop supplier
	Historical sites and religious festivities	Tourism
Pili	Airport	Air link to major centers of country
		Trade and commercial center
Bombon	Rich agriculture	Primary food bowl
	Presence of spring water	Source of potable water
Calabanga	Rich agriculture	Primary food bowl
	Fishery	Source of fresh fish and processed fishery products and by-products
Camaligan	Modern fish port, ice plant and cold storage facilities	Expansion of fish processing industry
	Nearness to Naga City	Trading activities Spillover of residential population from Naga City
Canaman	Nearness to Naga City	Trading activities
		Spillover of residential population from Naga City
Gainza	Agriculture	Auxiliary food crop supplier
	Handicraft enterprises	Further development of handicraft industry
Magarao	Rich agriculture	Primary food bowl
Milaor	Nearness to Naga City Lower tax rates	Ideal site for warehouses and bulk storage
Minalabac	Agriculture	Auxiliary food crop supplier
Pamplona	Hilly terrain ideal for grazing	Cattle and dairy industry
Pasacao	Hilly terrain ideal for grazing	Cattle and dairy industry
	Port	Port development to accommodate deep sea vessels and serve as Metro Naga's gateway for domestic and foreign market
	Fishery	Source of fresh fish and processed fishery products
San Fernando	Hilly terrain ideal for grazing	Cattle and dairy industry
	Presence of spring water	Source of potable water

Source of Basic Data: Mendoza, Frank (1997)

3. To participate in the identification, preparation and implementation of development programs, projects and activities;
4. To supervise, implement, assist and/or coordinate programs, projects and activities of the Council within their respective territorial jurisdiction in coordination with the Council; and
5. To extend technical, resource, financial and other forms of assistance to member-LGUs to the extent allowed by the general welfare of their respective constituents.

Realizing the meager resources that it could gather through this partnership to match with the huge financing needed to concretize the vision they have set, they sought a means to access national funds. Initially, they thought they may tap some financial sources such as an annual subsidy from the Philippine Amusement and Gaming Corporation (PAGCOR) or the Philippine Charity Sweepstakes Office (PCSO). To effect this, they sought Malacanang to issue an Executive Order creating the MNDC and providing funds for its programs and operations through these sources. Eventually, Executive Order 102 from the Office of the President was issued on 18 June 1993 creating the MNDC. E.O. 102 also provided an amount of PhP 500,000.00 from the Office of the President as seed money for its operations and mandated the inclusion of the MNDC in the General Appropriations Act (GAA) for the succeeding years in consultation with the Department of Budget and Management.

From 1993 to date, the member LGUs have contributed a total of PhP 1.73 million. It must be noted that due to the relatively well-off financial standing of Naga City, more than half of this was contributed by Naga City. This amount was used to finance the priority activities the council lined up for the member LGUs. The absence of a hiatus in the activities being spearheaded or coordinated by the Council may have contributed to the sustained interest by the member LGUs in the partnership. The internally generated financial resources were augmented by externally generated assistance. Most of these are assistance from the national government. However, some specific activities were financed through the private sector such as the medical and health mission being held yearly.

To date the MNDC received a total of PhP 11.5 million in assistance from the national government through the GAA inclusive of the seed money provided in E.O. 102. It has likewise received a total amount of PhP 1.7 millions in contributions from the members. The appropriations in the GAA were mostly through congressional initiatives of congressmen from the province of Camarines Sur. The collective lobbying with their respective congressmen have netted for the MNDC this amount for its operations.

**Table 3**  
**Financial Sources of the MNDC**

<b>Year\Source</b>	<b>LGU Contributions</b>	<b>GAA/CDF/CIA</b>	<b>Total</b>
1993	539,000*	500,000**	1,039,000
1994	600,000	2,000,000	2,600,000
1995	Nda	0	0
1996	100,000	4,000,000	4,100,000
1997	500,000	5,000,000	5,500,000
<b>Total</b>	<b>1,739,000</b>	<b>11,500,000</b>	<b>13,239,000</b>

*\*Naga City's contribution is PhP 328,000.00 or about 65% of total while the rest is divided among the rest of the member municipalities.*

*\*\*Released from the Office of the President as seed money for operations.*

#### **4. Programs/Accomplishments**

As of June 1997, the Council formulated and implemented the following programs and projects in response to the immediate needs of its member-LGUs:

- (1) Establishment of the Metro Naga Emergency Rescue Network;
- (2) Metro Naga Senior Citizens Program;
- (3) Formation of the Metro Naga Equipment Pool;
- (4) Metro Naga Enterprise Development Program;
- (5) Metro Naga Employment and Placement Assistance Program;
- (6) Metro Naga Water supply enhancement Project;
- (7) Metro Naga Project Assistance Fund;
- (8) Support to Health Services; and
- (9) Resource/Project Accessing

#### Metro Naga Emergency Rescue Network

The need to pool resources for emergency was brought about by the fact that of the 14 member LGUs, only four have fire protection bureaus and only five have ambulances. Moreover, hospitals are located in Naga City. To ensure access of these facilities in times of emergency, an extensive radio network was installed covering all mayors' offices, and ambulance, police and fire stations. Handheld radios were also distributed to key personnel of each LGU. All Metro Naga LGUs were provided with VHF base and portable radios while all ambulances were equipped with mobile base radios. Completing the network were the VHF facilities of the bureau of fire protection. This has since formed the backbone of the MNERN. This communication network proved crucial not only in maintaining coordination among member-LGUs but within each LGU itself as the initial batch of base and portable radios formed the backbone of their own local communications network extending down to the barangay level.

Some noteworthy accomplishments of the MNERN include:

- Conduct of annual Emergency Medical Technician (EMT) course for the paramedics handling the ambulances of the member-LGUs;
- Conduct of one medical mission in one barangay in Calabanga to check the spread of illnesses after Typhoon Rosing;
- Establishment of a coordination center among different emergency units of Metro Naga particularly when there is a need for the assistance of additional ambulance units or of the services of the bureau of fire protection;
- Rescue of trapped residents in flooded areas of Magarao and Naga City during the height of Typhoons Monang and Rosing;
- Distribution of potable water to flooded areas of the municipalities of Minalabac, Milaor, Camaligan, Calabanga, Bombon and Magarao after the typhoons

#### Metro Naga Senior Citizens Program

Initially, the program extended the privileges enjoyed by Naga City senior citizens under the city's own senior citizens program to the other senior citizens within Metro Naga. These consist of discounts in selected stores and establishments within the city and in the use of certain facilities of the city government. Upon the effectivity of the Senior citizens Law,

the program rationalized the grant of privileges to all the senior citizens within Metro Naga particularly discounts in the purchase of medicines.

In addition to the above, the program also organized the Metro Naga Senior Citizens League that serve as an umbrella organization of the different senior citizens federations within the Metro Naga. The League has functioned as a coordinative mechanism among the different federations to facilitate the enjoyment of various privileges by senior citizens as well as the holding of inter-LGU senior citizens activities. Through the League and in cooperation with the Department of Social Welfare and Development (DSWD) and the Camarines Sur Drugstores Association, a total of 13,000 medicine purchase discount booklets were printed and distributed to members. The League also became the venue for the formation of the Metro Naga Senior Citizens Cooperative that now runs its own drugstore. Elderly residents in Metro Naga can avail of discounts while at the same time profit from their own purchase. The drugstore also drew support from the city government of Naga that provided the site and building and the SOLCENTF that added PhP 200,000.00 to its working capital.

#### Metro Naga Equipment Pool

One of the important projects undertaken by the MNDC is the pooling of engineering equipment for use by the MNDC member LGUs. The Metro Naga Equipment Pool was formed to give member LGUs access to heavy equipment for local infrastructure projects as well as vehicles for transportation purposes. The MNDC assumes the maintenance cost of these equipment while fuel cost is shouldered by the borrowing LGU. Through this scheme, savings have been generated by the LGUs in their construction activities especially in the repair of farm-to-market roads.

Equipment from the pool were utilized for the following:

- Opening of Comaguinking Road, Calabanga
- Opening of Tugayan-Comaguinking Road, Calabanga
- Repair and rehabilitation of Labog-Binanwaan Road, Calabanga
- Repair and rehabilitation of various sugar roads, Pili
- Repair and maintenance of various barangay roads, Pasacao
- Repair and maintenance of various barangay roads, Canaman
- Repair and maintenance of unpassable portions of the Naga-Gainza Road

#### Metro Naga Enterprise Development Program

This program assisted rural entrepreneurs in undertaking micro-enterprises or in augmenting their working capital. Priority is given to disadvantaged sectors such as women and the disabled and to projects that utilize indigenous materials. To date fourteen organizations have benefited from the program.

#### Metro Naga Employment and Placement Assistance Program

This program aims to match the skills of the local labor pool with those needed by domestic and foreign enterprises. In coordination with the Department of Labor and Employment, the MNDC regularly held annual jobs fairs. In addition to job placement, the MNDC established an Overseas Placement Assistance Fund using the prize received by

MNDC from the *Galing Pook* Awards. The OPAF is a source of financial assistance to those who have already secured firm employment contracts abroad and ensure their speedy deployment. To date, about 27 residents of Gainza, Magarao, Pili, Milaor, Pamplona, San Fernando and Naga City have been extended overseas placement assistance.

#### Metro Naga Water Supply Enhancement Project

This project was undertaken in response to the need of distant Metro Naga communities to have access to clean and potable water. Under the program, Level I water systems are distributed to member-LGUs. To date, about 280 units of level I water systems have been deployed throughout the Metro Naga area. Each unit consists of a jetmatic or pitcher pump, 3 to 4 pieces of GI pipe and a bag of cement. Labor for the construction of the water system is provided by either the local government or by the beneficiary groups. Still under this program, the MNDC assisted the Municipal government of Canaman in the expansion of its Level III water services to three barangays adjacent to the poblacion.

#### Metro Naga Project Assistance Fund

In view of the co-hosting by the Council of the Palarong Pambansa in 1997, each member LGU was allotted PhP 100,000.00 for Palaro related projects and activities. This scheme of sub-allotting the Council's resources has now been adopted as a mechanism to augment member-LGU resources for projects deemed priority by the Council.

#### Support for Health Services

With the devolution of provision of health service functions to LGUs in the Local government Code, many municipalities were unable to provide the medical supply requirements of their respective health centers. The inadequate financial resources that accompanied the devolved function have most often been used to pay for personal services. Becoming aware of this predicament, the MNDC aimed to support this function and provided medicines to the Rural Health Units (RHUs) of its member municipalities. In 1996, over PhP 800,000.00 worth of generic drugs were purchased by the Council and distributed to the members.

In furtherance of supporting the health services provision, the Council, in coordination with a foreign-based Bicolano Association, the Bicol Medical Center and the Naga City Hospital, organized a Surgical Mission primarily to address the increasing number of untreated surgical cases in the Metro area. The Council packaged the mission such that both professional services and pre- and post-operative medicines were given free to the patients. A total of 127 patients were treated during the mission.

#### Resource Accessing and Generation Activities

The Council used its collective clout to access resources to finance development projects considered priority by the individual member-LGUs. The financing of the following projects was facilitated through the Council's intermediation: (1) Pili Diversion Road; (2) Cut-off Channel no. 3; (3) Upgrading of the Naga Airport; (4) Increased calamity assistance for member-LGUs; (5) Reconstruction of the Calabanga Municipal Hall; and (6) Concreting of the Naga-Gainza Road.

In addition to public investments, the Council played an important role in the generation of additional private sector investments in the area. Through its collective projection as attractive investment areas, private investors put up businesses in Pili and Calabanga, in Pamplona and in Naga City.

## **5. Future Plans**

To sustain the momentum of the MNDC initiatives, the Council has delved into several long-term activities that include the preparation of a Metro-Naga Development Plan, promotion of ecozone development, and preparation of the Mt. Isarog Watershed Management Program.

### Metro-Naga Development Plan

The preparation of the Metro Naga Development Plan has been on the drawing board for quite some time now. The Council's very limited resources that can be used for planning necessitated the exploration of external financing assistance in the early stages of this proposed activity. Initially, the council tapped a consortium of NGOs to access funding from the Ford Foundation. The consortium initially proposed to prepare a master plan for a pilot area consisting of Naga City's immediate neighboring municipalities of Gainza, Camaligan, Milaor and Canaman. But upon presentation to the Council, the other member-LGUs requested inclusion in the master planning activities. The revised proposal was submitted by the consortium to the Ford Foundation.

While waiting for a feedback from the Ford Foundation on the revised proposal, the Council was able to access additional funding from the national government to be able to proceed with the proposed master plan preparation. The Council's increased budget in 1997 enabled it to be in a position to start up the activities. The Council shall engage the services of a consultancy firm to prepare the Metro Naga Master Plan. It has requested assistance from the National Economic and Development Authority Regional Office V for the preparation of the Terms of Reference and related documents preparatory to the bidding and the hiring of the consultancy firm. The council hopes to commission the study before next set of local executives take their oath.

### Promotion of Ecozone Development

At the moment, the Council, in coordination with the provincial office of the Department of Trade and Industry, is laying the groundwork for the entry of an ecozone developer in Pamplona and a self-contained agro-processing community in Magarao. Contacts with investors have been established and all possible assistance are being extended to facilitate their entry.

### Mt. Isarog Watershed Management Program

The council is also in the process of preparing a watershed management program for Mt. Isarog through the assistance of the Asian Institute of Management and jointly with various NGO groups. This was seen important in order to protect its main source of water as well as mitigate the runoff of surface water that causes flash floods in the Bicol River Basin area. Among the participating member-LGUs are Pili, Magarao and Naga City.

## 6. Key Features of Success

### Leadership and Long-Term Development Vision of Mother City

The establishment of the metropolitan arrangement was principally bolstered by the leadership of the mother city, i.e., Naga City. The development strategy of the city anchored on long-term city development and local inter-dependency. Thus, its development goals have been far-sighted and consider a planning perspective beyond political boundaries. The current Naga City leadership viewed the development challenges of the city as not something confined to the city itself. Problems of shortage of space, water, migration, squatting, employment cannot be resolved solely by the city itself but by integrating the development impact of the surrounding areas. Having good relations with neighboring LGUs and integrating each other's concerns will make development efforts more sustainable. Moreover, Naga City has taken seriously its role as the Big Brother in the area and thus initiate programs or activities that will assist other LGUs in the delivery of basic services to their constituents.

Naga City's long-term view of city development together with its resolve to help its neighbors and the political leadership to initiate cooperation are significant hallmarks of MNDC success.

### Development-Driven vs. Politically-Motivated Cooperation

Naga City initiated the creation of the MNDC as an exercise in partnership with a fresh view that *Mayors* are not just political figures but *Investors* in the development business. The solid partnership among the LGUs in the MNDC and their accomplishments so far are manifestations of a cooperative undertaking that ignores partisan considerations in favor of achieving development benefits. Municipal mayors acknowledged being benefited by the arrangement, most claiming to have received more than what they give to the partnership. This is one prime mover for the sustained interest among the members on the activities of the Council.

### Resource Pooling and Service Augmentation

A major feature of the MNDC is the application of maximizing utility of assets and resources. In addition, the pooled resources, either financial or non-financial assets, widens the coverage of its use rather than confined to only one or few local areas. The combination of resources by the member-LGUs increases their capacity to deliver services especially for LGUs which only have meager resources to assume big responsibilities mandated to them by the new LGC.

### Role Identification

A serious exercise of coming up with major development roles for each of the member-LGUs is an important step towards the development of a more workable and sound integrated development for the area. LGUs can therefore find basis upon which their local socioeconomic and physical development plans shall be formulated or revised. The roles that they have agreed upon under the MNDC will serve as the guiding framework for the detailed master plan that will be developed for Metro Naga. It is opined that this master plan will

surely be operational and useful compared to those master plans formulated by professional organizations or consultants only on the basis of formal regional development theories and approaches. It is hoped that the consultants that will eventually be hired to formulate the Metro Naga Development Plan will build upon and or enhance the development concept and the area specific roles that the MNDC has envisioned.

## **7. Future Challenges**

There are three major challenges that MNDC will face hereon. First is to beef up its organizational machinery. Second, to address financial sustainability. Third, to manage the transition of leadership and sustain the partnership.

The first challenge stems from the fact that the development activities of the MNDC are mounting and the current one-man technical support may no longer be sufficient. The expansion of management support may be inevitable in order to achieve higher pursuits in the future. A greater number of accomplishments can be achieved and more innovations can be introduced if technical planning and administrative support for MNDC will be in place.

LGU contribution and national government support to MNDC may not be sufficient if MNDC will further expand its management capability as it takes on more tasks and responsibilities in the future. MNDC has to be more creative in fund sourcing especially in times that the national government tightens its belt.

Finally, the most critical to MNDC's sustainability is leadership. Naga City will have a new mayor and so will most of the MNDC member-municipalities. Given that the strength of the MNDC largely lies in its leader and the strong partnership forged among the current members, it is hoped that the vision will continue and the development-oriented perspective as well as the established camaraderie of the incumbent leaders will be carried on.

### **References:**

Mendoza, Frank (1997). *Metro Naga: A Model in Integrated Area Development*, Unpublished Paper.

Naga City Government (1996). *1996 Annual Report: Naga City*

Naga City Mayor's Office (undated). A Briefing Paper on the Metro Naga Development Council, Unpublished Material.