

Improving the Delivery of Urban Services through Inter-LGU Cooperation: The Case of Solid Waste Management

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Policy Questions

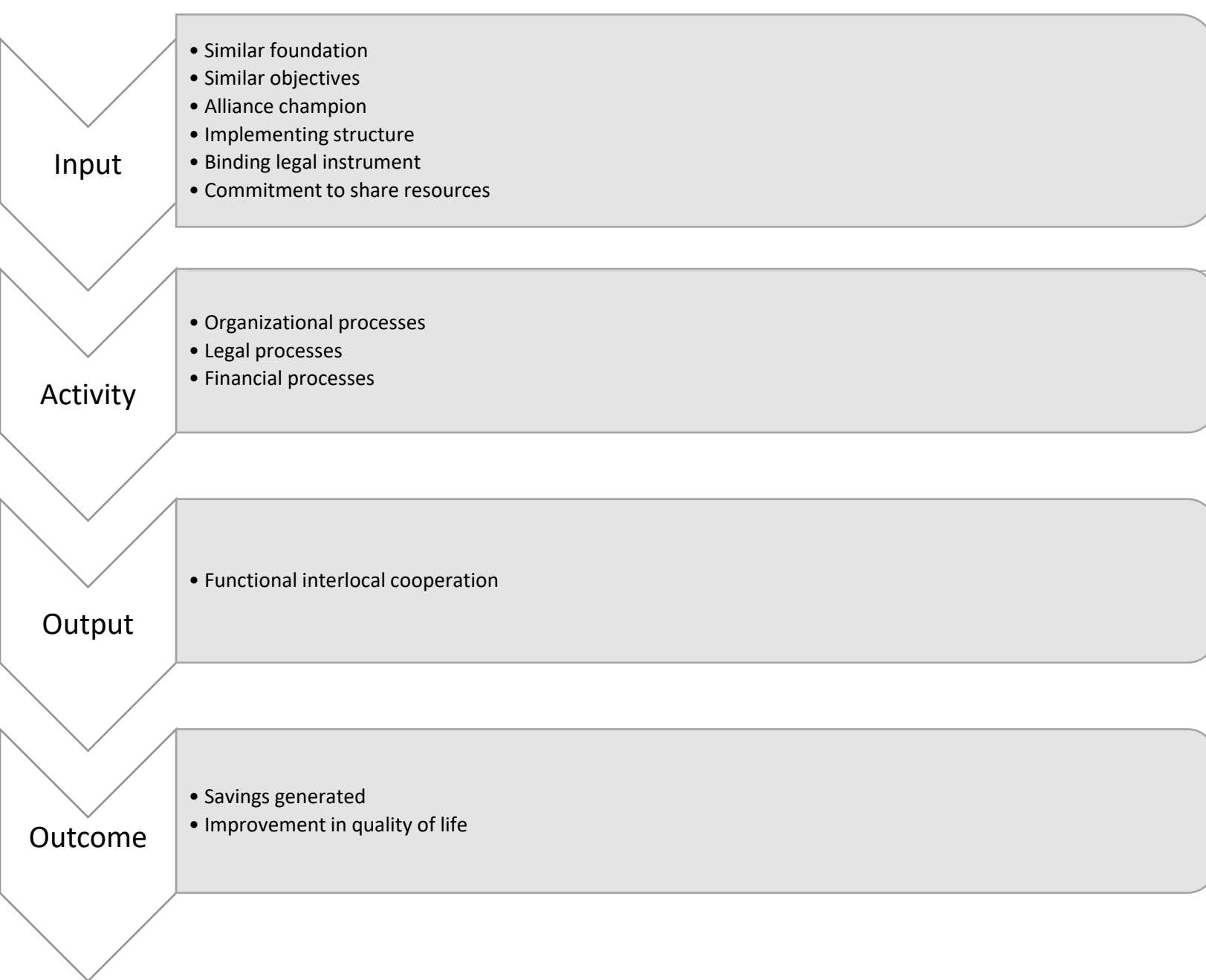
What forms of interlocal cooperation have been utilized in the delivery of urban services?

How has interlocal cooperation improved the delivery of urban services?

How can interlocal cooperation work better and be sustained given the decentralized nature of local politics?

Objectives

- ❑ Investigate models of LGU cooperation in the delivery of critical urban services
- ❑ Identify existing functional programs/projects of interlocal cooperation for at least three cooperating LGUs
- ❑ Evaluate the management structure, financing strategy, sustainability, and the issues and challenges of the inter-LGU arrangement in relation with the operationalization of the program/project
- ❑ Evaluate the service provided as to its coverage and benefits
- ❑ Propose reforms to improve the effectiveness of interlocal cooperation for an efficient delivery of urban services



Conceptual Framework on Interlocal Cooperation

Metrogovernance and Interlocal Arrangements

ARRANGEMENT	DESCRIPTION
Natural Alliance	<ul style="list-style-type: none">• All local government units
All-Local Government Unit Alliance with New Juridical Entity	<ul style="list-style-type: none">• Similar with natural alliance but with new juridical entity
All-Government Alliance	<ul style="list-style-type: none">• Local government units and national government agencies
Public-Private Sector Alliance	<ul style="list-style-type: none">• Public and private stakeholders

Solid Waste Management Cluster Case Study

Background

- ❑ **LGC (RA 7160) and Ecological Solid Waste Management Act (RA 9003) mandates:** “consolidate” or “cluster” to jointly address common SWM problems or common disposal facility.

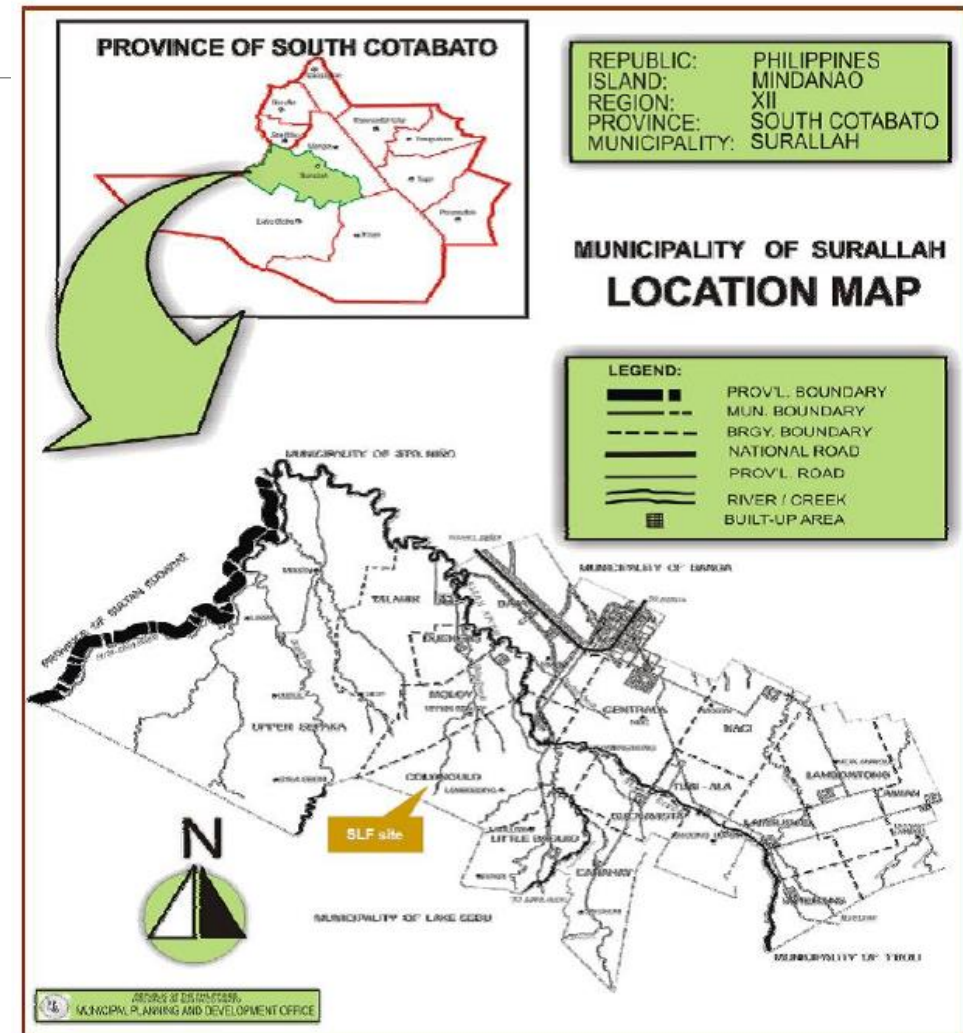
- ❑ **Typology of common/cluster SWM service arrangements:**
 - LGU-managed
 - Private sector-operated (enterprise)
 - PPP (joint venture agreement or contract)

- ❑ **Common SWM issues and problems**
 - non-availability of lot/land for the facility;
 - lack of funds; (PhP 15m-200m)
 - insufficient equipment;
 - lack of manpower; technical knowhow and capacity
 - absence of a permanent environment officer specifically tasked with addressing environmental issues caused by improper waste disposal
 - **Social and community acceptability**

The Case of Surallah

Location	Sitio Columbasinong, Barangay Colongolo, Surallah
Land Area	6 hectares
Landfill Category	2
Number of Cells	2 (Cell No. 2 under construction)
Total Area of Cell 1	1.1 hectares
Design Capacity (Cell 1)	75,000 cu.m./ 23.5 tons per day
Start of Operations	2011
Estimated Lifespan (Cell 1)	14 years
Investment Cost (Cell 1)	Php 12 million (includes cost of lot, treatment pond, and other support structures)
Member LGUs	Surallah, Banga, Sto Nino, T'boli, Lake Sebu, Norala, Tantangan
Member Industries	DOLE Philippines, SUMIFRU Phils., STANFILCO – Lambontong, STANFILCO – Upper Sepaka, IPEMC
Distance of Member LGUs from Host Municipality	10 – 31 kms

Surallah Cluster SLF Profile



Key Elements in Establishment and Operation of SLF

- MOA among member LGUs;
formulation of guidelines and fees
- updated once since inception
- Joint design and construction
team (province and LGU with
technical consultants)
- Standards for landfill
administration established



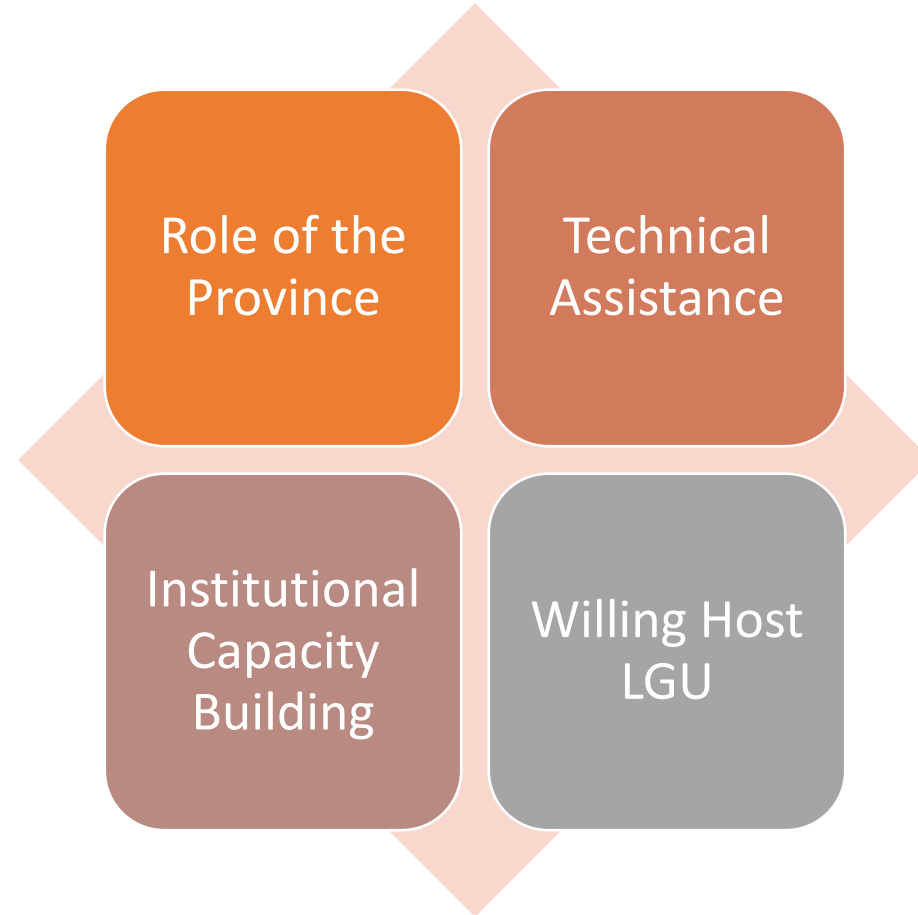
2005	Province and component LGUs start cooperation for formulation of 10-year SWM plans
2006	Signing of partnership MOA for SWM plan updating; selection of Surallah as host and dialogue with LGUs
2007	Creation of Provincial Environment Office for continuing technical assistance to LGUs; Consultative meeting results in proposed cluster SLF approach
2008	Six LGUs sign a MOA with provincial LGU to establish SLF
2009	Start of SLF construction; scaling up of provincial technical assistance to other municipalities on SWM planning
2011	Start of SLF operations
2014	Surallah SLF receives Galing Pook Award for Environmental Initiatives
2019	Cluster MOA renewed; tipping rates updated
2020	Start of construction Cell No. 2
2021	Tipping fees of P650/cu.m for LGUs and P1,500/ cu.m for industries imposed in March 2021
2022	Projected start of operation of Cell No. 2



South Cotabato Sanitary Landfill Sites

History

Key Enabling Factors in Interlocal Cooperation for SLF



Role of the Province (*South Cotabato*)

Facilitator/ Organizer

- *Initially established a partnership with LGUs to update their SWM plans; and later a MOA to establish the interlocal cooperation for the SLF*

Technical Assistance Provider

- *Provided SWM planning assistance via USAID Ecogov project*

Advocate

- *Highlighted the need and pushed for the establishment of a common SLF*

Planner

- *Together with the LGU, planned out the common SLF (design, cost and revenue analysis, operational guidelines)*

Funder

- *Provided funding for cell construction (Php 6.5M)*

Technical Assistance

Six-year assistance via the Philippine Environmental Governance 2 project funded by USAID (2005 – 2011)

Assistance on SWM Planning, Implementation, Waste Disposal Management, SLF Design, Operation and Maintenance, SWM Cost and Revenue Analysis

Initially assisted five municipalities then added 10 more

Resulted in all component LGUs updating their SWM plans

Facilitated sharing of information and experiences and built up inter LGU cooperation through synchronized planning

Several engineers from Province and Surallah LGU underwent training on SLF design, and coached by external Consultant

Joint TWGs did the Cost and Revenue Analysis and Operations and Maintenance Manual, and Financial Guidelines for the SLF

Institutional Capacity Building

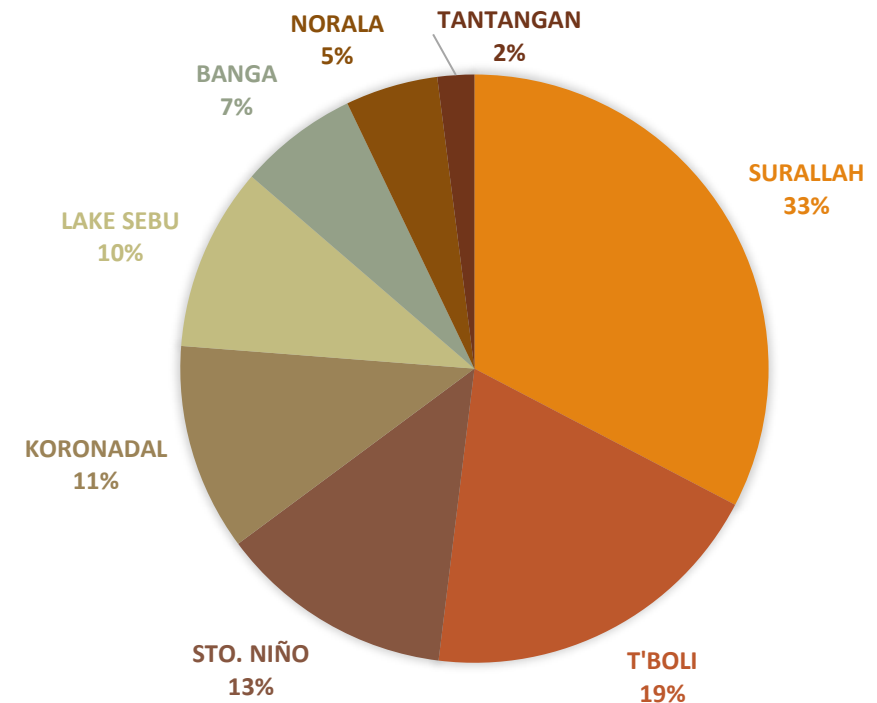
- Establishment of the **Provincial Environmental Management Office (PEMO)**
- **Environmental Management Division** under PEMO to handle SWM, air and water quality and health care waste
- **Strong leadership** – biologist and environmental management specialist as head
- **Permanent staff and yearly budget** for SWM advocacy
- **Focused on IEC and maintaining awareness** on good practices in SWM, providing incentives and awards
- PEMO also **manages the province's health care waste management facility**, earning as an economic enterprise

Willing Host LGU (Surallah)

- Mayor of Surallah **agreed to host SLF**
- Actively **looked for alternative suitable site** when first site was not socially acceptable
- **Conduct of IEC campaign** to ensure social acceptability
- Facilitated **lot acquisition**
- LGU engineers **designed and constructed landfill** together with the province
- **Contributed Php5.7 million** to SLF construction
- In charge of **operating the landfill**

Key Benefits from Inter Local Cooperation

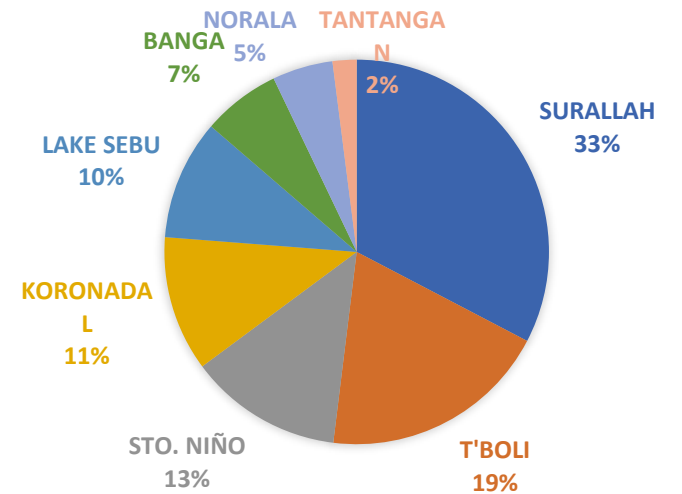
- **Compliance to RA 9003**
 - Disposal site
 - Proper management of residual wastes, emissions and leachate
 - Promotion of waste segregation and diversion at source
- **Savings from investment costs; economies of scale; use of land for other services**
- **Prestige from Surallah Cluster SLF as learning site**
- **Easier monitoring**
- **Improved relations among member LGUs**



Percent of Waste Delivered to Surallah SLF 2011-2022 by Member LGUs

Key Issues and Challenges

- Lower than projected waste disposal
- Delayed payment of fees and non-imposition of penalties
- Low priority and budget allocation for SWM services
- Challenges in waste collection, low garbage fees and collection rate

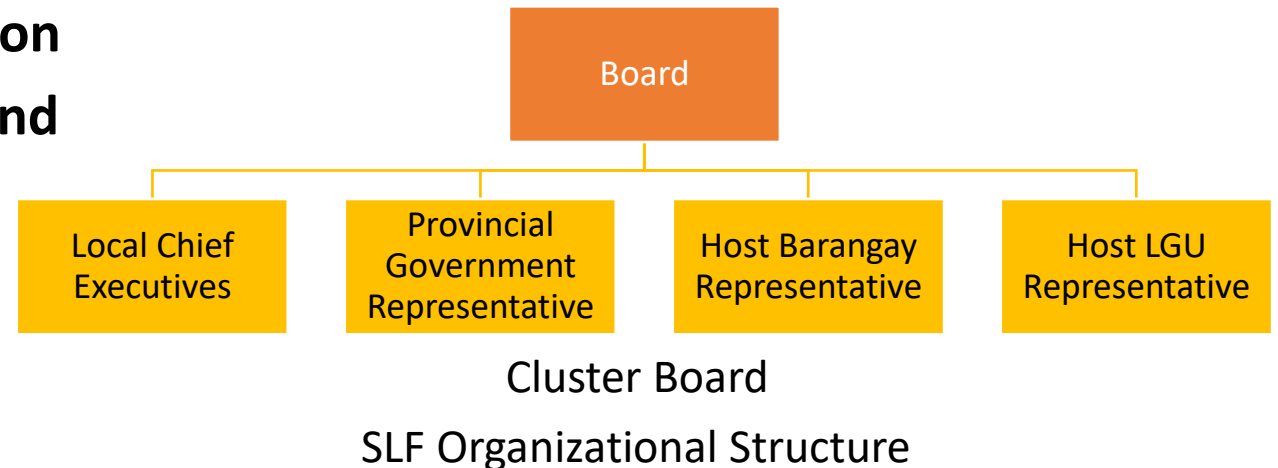


COMPARISON OF PROJECTED 5-YEAR WASTE DISPOSAL VOLUME AND ACTUAL WASTE DELIVERIES, 2012 -2015 (CU.M)

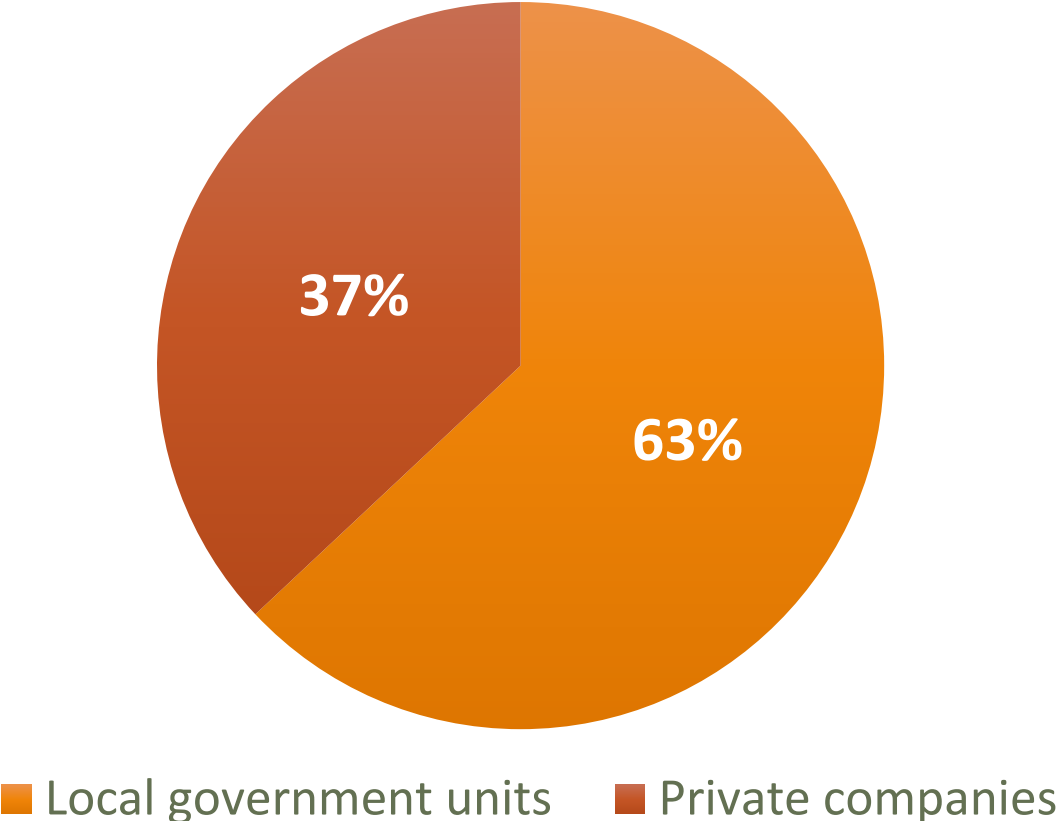
LGU / Year	1	2012	2	2013	3	2014	4	2015	5	2016	Total Projected (5 Years)	Total (Waste Deliveries 2012 - 2015)
Banga	1,642.50	143.43	1,724.60	78.69	1,810.90	168.14	1,901.40	211.66	1,996.50	279.22	9,075.80	881.14
Lake Sebu	748.5	18.24	785.9	50.96	825.2	57.74	866.5	241.15	909.8	360.8	4,135.90	728.89
Noralla	1,550.00	57.13	1,627.50	70.76	1,708.90	103.37	1,794.30	104.91	1,884.00	175.41	8,564.70	511.58
Sto. Nino	1,550.00	81.21	1,627.50	83.08	1,708.90	129.47	1,794.30	56.84	1,884.00	168.94	8,564.70	519.54
T'boli	2,190.00	337.33	2,299.50	723.1	2,414.50	856.81	2,535.20	700.95	2,662.00	777.71	12,101.10	3395.9
Surallah	1,825.00	548.18	1,916.30	887.42	2,012.10	1,904.57	2,112.70	824.65	2,218.30	757.1	10,084.30	4921.92
Tantangan	310	0	325.5			66.73		36.66		83.47	635.5	186.86
Koronadal	5,475.00	0.00	5,748.80								11,223.80	0
Plantations	90	379.66	94.5	445.99	99.2	1614.73	104.2	2470.1	109.4	1362.31	497.3	6272.79
Total	15,381.00	1,565.18	16,150.10	2,340.00	10,579.60	4,901.56	11,108.60	4,646.92	11,664.00	3,964.96	64,883.20	17,418.62

Key Issues and Challenges

- **Inadequate personnel and equipment for landfill operation**
- **Compliance to environmental monitoring standards**
- **Long process of alliance forming and landfill establishment**
- **Social acceptability and land acquisition**
- **Lack of experience in landfill design and construction**
- **Cluster SLF management as a cooperation – not a business – arrangement**



Surallah Percent of Waste Deliveries by LGU and Private Sector, 2011 -2022



The Case of Passi

Passi Integrated Solid Waste Management Facility (PIWWMF)

- ❑ 9.6 hectares, Bgy Aglalana, 2016 capacity = 250-300 tons/day;
- ❑ Php 350 million estimated cost as SLF 4;
- ❑ Initial LGU cluster members = 29
- ❑ Current LGU cluster members with MoA = 39 (Iloilo province) + 1 (Capiz)
- ❑ Two-step process:
 - MoA – Passi and LGU
 - CoS – PICWF (Best, Inc) and LGU (with MoA) – undergo individual LGU procurement/bidding

❑ History of Passi IWMF

- 2012: Passi City decides to ‘transition’ open dumpsite in Bgy Agdayao to SLF; Bgy Aglalana established as SLF 1 (LGU-managed) but actually operates as ‘controlled dumpsite’;
- 2014: Mayor Jesry attended Iloilo LGUs meeting on PPP for SWM; volunteered as pilot (host) LGU for common SWM facility;
- 2014-2015: Pass local PPP ordinance; conducted technical studies/review of PPP and SLF design; and clustering discussions with other LGUs (as facilitated by Province and DENR)
- 2016-2019 – technical, legal, financial, policy, institutional discussions and review on feasibility of common SLF (cat 4); 2019 – unsolicited proposals for PPP-JV submitted; subjected to ‘swiss challenge’ and signing of JVA between Passi and BEST, Inc
- 2020-2021 – Notice to Proceed (NTP) issued; COVID quarantine - construction stopped;
- 09 July 2021 – opening of PIWWMF; Dingle -1st LGU to use PIWWMF

Key initiatives adopted by Passi

- ❑ Created dedicated SWM unit with key staff;
- ❑ Development of technical and management competencies of local LGU SWM staff through training and exchanges;
- ❑ Involvement of key LGU leaders and officials/offices (ENRO, Budget, SB, Legal, General Services, etc.) in the different negotiation and technical proposals (i.e. PPP; operation of SLF; contract/procurement process)
- ❑ Strong technical support by LGU Province and EMB Regional Office; and, other national agencies – PPP Center; and private sector group;
- ❑ Inter-LGU technical sharing and learning exchange; financial and contract/procurement assistance and training

Opportunities and benefits of PPP-approach (1)

- ❑ **Legal compliance and fulfillment of mandate/delivery of service; avoidance of prosecution and penalties for LGU officials and offices;**
 - Stronger enforcement of SWM policies, i.e. segregation, recycling, waste diversion
- ❑ **Financial, technical and manpower savings (between 20-30%); reduced workloads; use for other needs;**
 - Procurement of equipment, goods and construction
- ❑ **Improved and consistent availability and quality of service; technically capable and competent personnel; improved operations and use of equipment**
 - general public acceptance and goodwill;
 - Increased political goodwill and relationship
- ❑ **Improved and increased technical, legal, institutional and operational knowledge, skills and capabilities**
 - Joint LGU-PS technical/operations team

Opportunities and benefits of PPP-approach (2)

- ❑ **Access to and adoption of ‘new’ and better equipment, systems, technologies, tools and service standards; opportunities for training and capacity building**
 - Ticketing systems for waste collection/disposal; garbage fee structure/revenue schemes
 - ‘showcase’/‘learning site’ for other LGUs
- ❑ **Potential for alternative or additional LGU revenue sources**
 - Private sector use/clients; other LGUs and groups
- ❑ **Non-economic benefits**
 - Improved public health and sanitation; public image; quality of life; health costs reduction
 - Economic and dev’t growth potential

Issues and challenges of PPP-approach

- ❑ **Weak compliance or fulfillment on MoA/contract obligations on waste disposal volumes (i.e. reduced or inconsistent; between 65-95% unfulfilled)**
 - Political backlash with cluster members;
 - Civil liabilities and cases
- ❑ **Delays in payments and transmittal of fees; financial viability and sustainability**
 - Disincentive for private sector investments and participation in PPP
- ❑ **Uneven financial, technical and political priorities: demands for other needs**
- ❑ **Subsidized or uneven garbage fee structure and collection systems (i.e. commercial/business vs residential; urban vs rural; CBD vs non-CBD); partial or full cost recovery-based**
 - Politicalization of fees structure and collection;
 - Inefficient and ineffective fee collection system;
- ❑ **Absence of regular technical office and limited LGU staff personnel;**
- ❑ **Limited engagement of LGU cluster members (i.e. officials/staff) in decision-making and operations/management (neutral)**

Key Lessons and Guidance in Inter-Local Cooperation Arrangement for Urban Services (1)

- ❑ **Strong national and local enabling policy environment (complimentary and synergistic); ensure it is implementable and adaptable**
 - Approved or adopted national or local ordinances, policies and plans
 - Issuance of subsequent technical and implementation/operational guidelines, standards and instructions
- ❑ **Continuous and expansive technical support, knowledge sharing, communications, education and guidance to local officials and technical implementors/units of ALL cluster members**
 - Technical design, options, operational standards/metrics, processes, tools;
 - Legal, policy and financial (i.e. PPP, procurement, negotiations, pre/FS) provisions, obligations and commitment

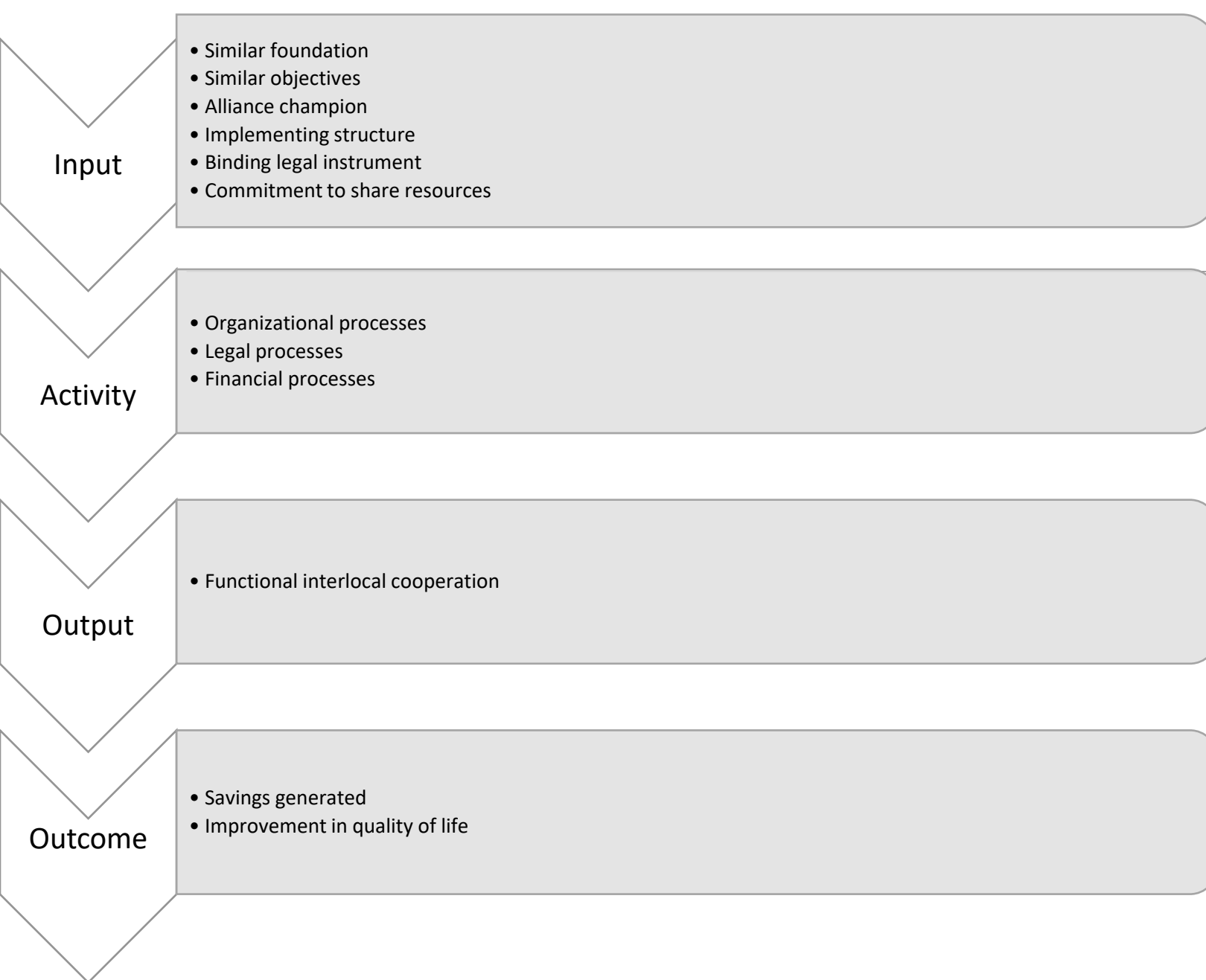
Key Lessons and Guidance in Inter-Local Cooperation Arrangement for Urban Services (2)

- ❑ **Incentivize collaboration with ‘seed funding’ and ‘technical assistance’ commitments from Province and NGA;**
 - Creation of district/sub-district inter-LGU collaboration and learning exchange platforms/network

- ❑ **Incentivize (fiscal and tax) and relax private sector investments (i.e. local fees, charges and taxes) and LGU investments (specially in its contribution to national goals/outcomes) to delivery of key urban services**

Key Lessons and Guidance in Inter-Local Cooperation Arrangement for Urban Services (3)

- ❑ **Ensure transparent, accurate, up-to-date and easily understandable technical and operational standards, measurements, metrics, monitoring and reporting systems**
 - Use and adoption of digital, mobile and computer-aided technology (i.e. GPS/GIS or geo-spatial based applications and tools)
- ❑ **Need for strong political capital and goodwill (host LGU) from within and others;**
 - local champions and inspired leadership (i.e. Province or LGU)
- ❑ **Need for consolidation of commonly-identified critical urban services through a higher-mandated authority or body**
- ❑ **Delivery of SWM services and other urban services will remain costly and financial burden to urban LGUs (with in-migration and population growth, uneven growth and development opportunities, weak institutional and governance structures and capacities, over-ambitious policies, and, limited visionary leadership)**



Conceptual Framework on Interlocal Cooperation

Entrypoints for policy action and intervention

❑ **Local Government Code (RA 7160)**

- Expand grant of fiscal/tax and IRA incentives to LGUs entering inter-LGU collaboration for delivery of identified critical common urban services;
- Regularise position of local environment and natural resources officer (ENRO);
- Amend provision on limitation of LGU regular positions given new laws passed after RA 7160 with specific service mandates – RA 9003, DRRM Act,

❑ **Ecological Solid Waste Management Act (RA 9003)**

- **Enhanced provision on “LGU clustering” to include provisions for incentives for LGUs and private sector engagement in cluster facilities;**
- **Institutionalise position of SWM unit/officer in LGU**

❑ **NSWMC Guidelines for LGU clustering**

- Revise and expand NSWMC guidelines for LGU clustering to include different management and operational modalities – LGU-managed and PPP arrangements (e.g. JV, BOT, O&M);
- Establish joint technical and assistance program with PPP Center for LGU-PPP modalities for SWM services;
- Review and simplify technical standards and requirements for common SWM services and facilities operated/managed by cluster LGUs (regardless of management arrangements, i.e. LGU-managed or PPP mode)



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