

Why Naga SMILES to the world

January 1, 2011-June 30, 2012

I am honored to report to you the state of our city for the last two years since my administration assumed office in 2010. The key question it will answer is: are we getting to where Naga wants to go?

In February 2011, I outlined my initiatives for my first six months in office, using the H²ELP your CiTy development agenda that Team Naga offered to the city electorate, which you approved with a solid mandate.

To ensure continuity, consistency and measurability – hallmarks of evidence-based governance in our city – allow me to use the same framework, which is fully compatible with the Millennium Development Goals (MDGs) set by the United Nations for all countries, including the Philippines, in reporting to you where the city stands vis-a-vis our commitments.

The emphasis on the MDGs is a deliberate decision on my part to report on *outcomes and impact* on the lives of our people, *not just outputs* which is what most other localities often do. It is doubly important because the United Nations Children’s Fund (UNICEF) has recently chosen to partner with us in scaling up Naga’s experience in monitoring MDG indicators to key towns in Bicol and the Autonomous Region for Muslim Mindanao (ARMM).

HEALTH AND NUTRITION

Indicators	Bicol		Naga		Remarks
	Target	Progress	2010	2011	
Infant Mortality (No. of cases)	8.4	10.2	14.7 (62)	7.62 (33)	Better than both regional target, progress. ↓47% year on year
Under-five Mortality (No. of cases)	15.9	16.7	17.8 (75)	11.1 (48)	Better than both regional target, progress. ↓36% year on year
Maternal Mortality (No. of cases)	31.6	71.5	27.4 (3)	37.2 (4)	Lower than regional target, better than regional progress. ↑33% year on year
Proportion of fully immunized children	100.0	84.8	93.4	91.0	Lower than regional target, better than regional progress. ↓3% year on year
Prevalence of underweight children under 5	63.8	34.2	4.8	4.6	Better than regional target, progress. ↑4% year on year

For the health sector, we registered a 47% reduction in the incidence of infant death between 2010 and 2011, thereby reducing our infant mortality rate from 14.7 to 7.62 per 1,000 live births. By comparison, the regional average as of August 2011 stands at 10.2.

Our 2011 under-five mortality rate of 11.1 per 1,000 live births is also significantly better than the regional average of 16.7, and it is 36% lower than the 2010 level of 17.8.

For maternal health, we registered a maternal mortality ratio of 37.2 in 2011, higher than the 27.4 registered in 2010, but still much better than Bicol’s 71.5.

The proportion of fully immunized children slipped from 93.4% in 2010 to 91.0% in 2011, but they are still better than the region’s 84.8%. This nonetheless means we continue to recover lost ground when the city’s performance went down to the neighborhood of 80% several years back.

During the same period, we have also made significant gains in nutrition. The 4.8% rate of malnourished preschool children registered in 2009 and 2010 was further reduced to 4.6%. (Bicol, by comparison, only managed 16%.) The in-school malnutrition rate of 26.2% in 2009, which already went down to 19.8% in 2010, was further trimmed down to 15.9% in 2011 – thanks to the Nutri-Dunong program being funded by the Naga City School Board (NSCB) and implemented in collaboration with the City Population and Nutrition Office. And the number of mothers exclusively breastfeeding their children shot up by 73%, from 1,774 in 2010 to 3,064 in 2011.

What do these numbers mean? **They underscore the fact that we continue to have a very strong public health system** – thanks to the efforts of our health agencies led by the City Health Office, the City Population and Nutrition Office, the Naga City Hospital and indirectly, the City Social Welfare and Development Office. To build on our institutional strengths, we are partnering with the regional office of the Department of Health in offering health related training courses through the newly minted Naga City Community College, whose interim Board of Trustees is being led by Dr. Vito Borja II, and the establishment of the Naga City Center for Health Development and Nutrition. The latter will house the first ever Institute for Health Development and Nutrition Studies in the country.

This is also evident in the way we proactively responded to the ongoing dengue outbreak that has raised now alarm bells at central level of the Department of Health. While we have to contend with the fact that the city suffered an unfortunate casualty thus far, the situation could have been worse if we did not declare a local “state of calamity” early on; this allowed the CHO in partnership with the Liga ng Mga Barangays to implement necessary containment and preventive measures against dengue-carrying mosquitoes.

Because we anticipate that this ongoing episode will most probably recur in the coming years, we are also organizing Barangay Anti-Dengue Councils in partnership with the Liga that will serve as our community-based institutional support in mounting what the National Epidemiology Center calls as “search-and-destroy” operations against these mosquitoes and their breeding grounds.

HOUSING AND THE URBAN POOR

Indicators	2010	2011	Remarks
KsK project sites	53	68	15 new sites. ↑28% year on year
KsK beneficiaries	9,191	9,375	↑2% year on year
No. of TCTs issued	439	492	Rose by 53. ↑12% year on year
Collections	P6.59 million	P11.46 million	↑74% year on year

For the social housing sector, we have added 15 additional project sites to the Kaantabay sa Kauswagan (KsK) Program, raising the total to 68 as of June 2012 from only 53 in 2010. These new additions – representing a 28% expansion of our portfolio – will benefit no less than 453 urban poor families who have been waitlisted by the Housing and Settlements Development

Office (HSDO). As a result, the total number of KsK beneficiaries also increased by 2%, from 9,191 in 2011 to 9,375 as of the first semester of 2012.

But while these are solid numbers we should be proud of, there is a downside to it: clearly, the KsK has grown massively – remember that 20 years ago, it only catered to around 4,000 urban poor families – to the point that it has overtaken the institutional capacities of city government agencies in charge of the program. Clearly, we need to review the program, as I pointed out my last State of the City report, to address emerging problems and ensure the continuing sustainability of this flagship poverty program.

This should complement existing efforts to professionalize the HSDO, including the development of its own technical division. This enabled the city to take advantage of Republic Act No. 10023 or the Residential Free Patent Law, which is now being implemented in four project sites in Bagumbayan Sur, Peñafrancia, Sabang and Concepcion Grande. This strategy helped raise the total of TCTs issued under the program to 492 in 2011, a 12% increase. At the same time, we are undertaking proactive landbanking through the ongoing acquisition of three new sites in Mabolo, Cararayan and Concepcion Pequeña. We are also pursuing rebranding of various settlements under the KsK – for instance, Green Valley for Pacol Urban, Starville Subdivision for CLUPA, etc – to erase the stigma of urban poverty and bring pride and dignity to social housing development.

Outside of the program, the HSDO is also taking the lead in the development of a City Hall employees’ housing project that optimizes utilization of the city government property hosting the Naga City Abattoir and the Bureau of Jail Management and Penology (BJMP) facility. This project, which is being supported by the Home Mutual Development Fund (HMDF), more popularly known as the Pag-IBIG Fund, is expected to benefit around 150 employees of the city.

EDUCATION, ARTS, CULTURE AND SPORTS DEVELOPMENT

Indicators	Bicol		Naga		Remarks
	Target	Progress	2010	2011	
Net enrolment ratio in primary education	100	90.1	97.9	98.2	Lower than regional target, better than regional progress. 0.3 percentage points rise. ↑0.3% year on year
Proportion of pupils starting Grade I who reach Grade VI	100	79.5	76.2	76.9	Lower than regional target, progress. 0.7 percentage points rise. ↑0.9% year on year
NAT mean performance score (Elementary)	At least 75		69.7	59.3	10.4 percentage points drop. ↓15% year on year
Participation rate in secondary education			87.7	88.6	0.9 percentage points rise. ↑1% year on year
Cohort survival rate in secondary education			60.5	51.8	8.7 percentage points drop. ↓14% year on year
NAT mean performance score (Secondary)	At least 75		47.3	51.8	4.5 percentage points rise. ↑10% year on year

For the basic education sector, we have registered modest gains across the board, with two exceptions: completion rate among high school students and National Achievement Test (NAT) results among public elementary students.

For elementary, access to public education in Naga remains within reach, as the city registered a 98.2% participation rate for 2011, which is an improvement over the 2010 level of 97.9% -- both higher than the regional performance of 90.1%. Our ability to hold on to enrolled pupils until graduation also inched up, from 76.2% in 2010 to 76.9% in 2011; but this is an area we need to work on as we are not only lower than Bicol's 79.5% but remains far away from the 2015 target of 100%.

In the same breath, we also continue to have problems with academic achievement; for 2011, our NAT scores among elementary pupils again went down to 59.3% from 69.7% in 2010. This continues Naga's uneven performance over the last six years, which saw NAT scores going up one year and then going down the next. **The challenge to DepEd-Naga, especially among its 29 elementary schools, is crystal clear: we need to do better and be consistent with it.** We owe it to our children, their parents, and ourselves as a society.

For secondary schools on the other hand, gains were made in terms of access (with participation rate going up from 87.7% in 2010 to 88.6% in 2011) and academic achievement (with NAT scores again rising from 47.3% to 51.8%). But notwithstanding our continuing investments in the QUEEN program, the system continues to have problems in holding on to its students (with completion rate going down from 60.5% to 51.8%).

Reiterating my earlier directive last year to the NCSB during my State of the Children report, I am again enjoining our new superintendent Dr. Emma Cornejo to revisit and reassess its plans, programs and strategies in the context of this continuing uneven performance. I believe we can take a leaf from the fact that small, peripheral schools in the city, which have smaller class sizes and better physical environment, are doing better than bigger, overcrowded central schools. Also worth looking at are a workbook method of teaching; conduct of Division-wide Achievement Tests which will help us monitor student performance at all grade levels; and specialized trainings for Math and Science teachers. Barangay-based literacy workers can likewise help in a drop-out reduction program.

A good input can further come from the study published by the University of Nueva Caceres Graduate School in the December 2011 issue of its *Sed Vitae* research journal that explored impacts of the learning environment on learning achievement of public elementary school pupils in Naga. The negative effects of computer gaming shops on the one hand, and the need for better financial management among public school teachers on the other are just some of the issues that stood out in that study.

Nonetheless, we have focused on effective support programs, including the conversion of Sabang High School into the Naga City School of Arts and Trades and the strengthening of Alternative Learning System (ALS) to provide second-chance learning to out-of-school youth. While we do not tolerate pupils and students dropping out of the formal school system as a policy, we are making sure they will get education in other ways – such as a system of e-Eskwela Centers at the

barangay and city levels, including the core facility at the Naga City Youth Center now nearing completion. We have also remodelled the system and expanded the modalities of its delivery using local government funds, bringing about a 41% increase in the ALS accreditation and equivalency (A&E) passers in 2011 and a 50% increase in enrollees for this year. In the process, it earned for DepEd-Naga national recognition as the 4th best ALS program in the entire country, and the best in the Bicol region.

To complete the picture, we have also supported the schooling of 457 college students under Iskolar kan Ciudad, helped by a P10 million annual funding allocation pursuant to the ordinance institutionalizing said program. The challenge for the tertiary education subsector is to create more synergy between our scholarship program and the strengthening of the Naga City Community College to address the need for improved access to post-high school education – especially in the context of the new K+12 policy of the Department of Education. The newly issued Executive Order creating the local community college positions it to specialize on tech-voc training, bringing under its wings existing manpower development units of the city.

In addition, we have also engaged 153 locally-funded public elementary and secondary teachers under the 2012 School Board budget, for which P8.5 million was allocated. This is on top of 87 Educare teachers we also hired for 2012, three more than last year's, which helped increase enrolment from 2,956 to 3,040, including the newly opened SEED Montessori 2 at the City Hall compound.

The creation of the Arts, Culture and Tourism Office (ACTO) has enhanced our efforts to promote culture and arts. It has been at the forefront of the city's observance of all events with historic-cultural significance. Under the CIDA-funded Local Governance Support Program, we are currently doing cultural mapping which will serve to enhance awareness of our cultural heritage and as input to the promotion of heritage tours that will boost our tourism efforts.

We have partnered with various groups to establish the first-ever Naga City Art Gallery at the Coliseum (with the Salingoy Art Group), and improve Plaza Barlin (through Executive Order No. 2011-005) and the Bagumbayan Triangle.

Finally, through Executive Order No. 2012-004, we have created the "Harong Kan Literatura asin Mga Tataramon Bikolnon (HLTB)" -- soon to be operationalized at the Raul S. Roco Library -- to promote the development of Bikol literature in its various forms; serve as repository of all Bikol works; support the documentation, publication and distribution of new literary works; and spearhead programs, projects and activities that will promote literacy and develop a culture of reading in the region.

We have taken a big leap in sports development with the creation of the Educations, Sports and Scholarships Office (ESSO) under Ordinance No. 2011-001; and the introduction of sports scholarships and incentives under Executive Orders 2012-003 and 2012-003A. We have put in place enhanced training programs for athletes; purchased more sports equipment; strengthened sports associations; sustained subsidies for swimming and other sports; implemented regular tournaments; and have seen the full utilization of sports facilities like the Metro Naga Sports Complex, Naga City Coliseum and the Naga City Civic Center.

LIVELIHOOD, EMPLOYMENT AND HUMAN DEVELOPMENT

Indicators	2010	2011	2012 (Jan-Jun)	2010-2011 Comparison	2012 (Jan-Jun) Performance vs. 2011 (Jan-Dec) Levels
Volume, new Investments					
- Enterprises	907	944	786	↑4% year on year	83%
- Construction (except residential)	95	107	83	↑13% year on year	78%
- Subdivisions	9	4	3	↓55% year on year	75%
Value, new investments					
- Enterprises	P287M	P194M	P332M	↓27% year on year	171%
- Construction (except residential)	P602M	P749M	P 695M	↑24% year on year	93%
- Subdivision	P493M	P358M	P 87M	↓27% year on year	24%
Total	P1,382M	P1,301M	P1,114M	↓6% year on year	86%

For the economic sector, the city continues to produce mixed bag of indicators, undoubtedly influenced by the continuing weakness in the global economy as a result of the crises plaguing US and the Eurozone.

In terms of volume, the number of new registered enterprises increased by 4%, from 907 in 2010 to 944 in 2011. New constructions (excluding residential) grew at a faster clip both in terms of number (from 95 to 107, or a 12.6% improvement) and value (from P602 to P749 million, or a 24.4% growth) during the same period. But the number of new subdivision development again reversed course and went down from 9 to 4, and the total value of investments further contracted from P1.38 to P1.30 billion.

We are hopeful, however, that 2012 will be a much better year, in line with the country's unexpectedly strong first-quarter performance. This optimism is indicated by the fact that during the first semester alone (ending June 2012), we have already attained 86% of total investments relative to the 2011 level.

Helping realize this are big-ticket investments such as the GMA TV Network regional headquarters for Bicol, a solar panel plant facility in Pacol-Carolina, and several hotel development projects that are boosting our tourism capacity. We are enhancing the environment for such investments, as well as those from small enterprises, through initiatives such as continuing improvement of infrastructure and institutionalization of the city's streamlined business one-stop shop services (BOSS).

The tourism subsector, on the other hand, continues to produce solid results, as tourist arrivals in the Naga-Camarines Sur area increased by 31.7%, from 1.9 million in 2010 to 2.5 million in 2011. We can look forward to better numbers, especially in the context of an ongoing CIDA-funded tourism development project for the Metro Naga area that will promote Mt. Isarog, Bicol River, San Miguel Bay and Ragay Gulf as key resource base, coupled by efforts by the Arts, Culture and Tourism Office (ACTO) in facilitating events and developing local capacity among local tourism staff and operators.

Industry development under the GROW Negosyo program started under my term also made up for the 39% decrease in lending to the micro and small enterprise development subsector after posting a 229% increase in the number of new products and industries developed, from only 7 in 2010 to 23 in 2011. A significant chunk of these improvements revolve around the Pilimania initiative that seeks to develop the value chain and ensure sufficient supply of inputs for pili nut processing.

With employment as a major concern, the city government's employment facilitation services registered a 38% increase in number of workers placed locally by the Metro PESO (from 2,768 in 2010 to 3,825 in 2011), and an even higher 92% increase in foreign placements (from 79 to 152, including those hired by an Australian firm from a human resource pool trained in slaughtering by the city government and TESDA) over the same period.

Similar to education, we need more consistency from the agriculture subsector. Between 2010 and 2011, input assistance registered a meager 2.7% increase (from 1,168 to 1,200), while technical assistance went down by 2.2% (from 150 to 123). With the Sustainable Agriculture for Rural Income Growth (SARIG Naga) program, I believe we have a good roadmap in place to generate better outcomes from agriculture. Our challenge is to further strengthen the City Agriculturist's Office.

A stronger agriculture office will enable us to implement ongoing agri-business initiatives like Pilimania; develop demonstration farms for high-value crops like cocoa, especially in idle lands that we intend to make more productive; spearhead the rehabilitation of existing irrigation facilities and farm-to-market roads; and accelerate institution-building and promote partnerships with community-based institutions like vegetable farmers groups, irrigators associations, and agriculture and fisheries councils.

Finally, we have pursued strategic initiatives to promote human development, like the enactment of the city's own Youth Code; the continuing upgrading of the Naga City Youth Center and its facilities; and the expansion and strengthening of our programs for vulnerable sectors like women (like the Common Service Facility under the CIDA-funded Great WOMEN Project), senior citizens (who have been availing of free movies at SM Cinemas) and persons with disabilities (who, together with senior citizens, now have access to a predictable and regular funding allotment in the city budget).

PEACE AND ORDER AND PUBLIC SAFETY

Indicators	1st Sem 2011	1st Sem 2012	Remarks
Crime volume	723	523	Dropped by 200. ↓21% year on year
- Index crimes	481	400	Dropped by 81. ↓17% year on year
- Non-index crimes	242	123	Dropped by 119. ↓29% year on year
Crime trends			
- Theft	277	216	Dropped by 61. ↓22% year on year
- Robbery	110	75	Dropped by 35. ↓32% year on year
- Riding-in-tandem	28	8	Dropped by 20. ↓29% year on year
Crime solution efficiency	30%	63%	Rose by 33 percentage points. ↑110% year on year
- Crimes solved	227	352	Rose by 125. ↑55% year on year

In the field of peace and order, the city registered significant gains across the board.

Crime volume went down by 21%, from 723 in the first semester of 2011 to only 523 over the first six months of 2012. Index crimes was also 17% lower (from 481 to 400), and non-index crimes similarly went down by 29% (from 242 to 123) during the same period.

These improvements also extended to the leading types of crime committed in the city. During the same period, cases of theft went down by 22% (from 277 to 216), robbery by 32% (from 110 to 75), and riding-in-tandem plummeted by 71% (from 28 to only 8).

Side by side these reductions in crime volume – thanks to stronger coordination between the Naga City Philippine National Police (PNP) Office and Public Safety Office (PSO) -- crime solution efficiency (CSE) more than doubled, improving by 33 percentage points between 2011 and 2012. From January to June 2011 (when PNP Naga solved 227 of the 723 crimes committed or a CSE of 30%), it rose to 63% (when it solved 352 of the 573 crimes committed) during the first semester of 2012.

Through the PSO, which also functions as the City Disaster Risk Reduction and Management Office (CDRRMO), we have invested in installing the first traffic light system in Naga, expanded our CCTVs and other necessary equipment and systems, reconfigured existing services and institutional arrangements, and enhanced our emergency response capabilities, built around stronger partnerships with national government agencies (like the PNP, Bureau of Fire Protection and the Philippine Coast Guard) and private volunteer groups (like Chin Po Tong and Naga White). Consequently, we can guarantee 24-7 multi-agency response to emergencies within 10 minutes, as demonstrated by a recent incident in Pacol where 6 rescue vehicles attended to 8 casualties, thereby ensuring all victims were brought to the hospital simultaneously.

Every month, the PSO-CDRRMO Emergency Rescue Unit has been responding to an average of 28 trauma incidents, 30 medical emergencies, 5 OB emergencies and up to 60 transport services of patients from one health facility to another per month.

Of course, we should not rest on our laurels, especially because any crime – especially when magnified over the media – tends to create a different picture in the minds of our people. Furthermore, society at large (especially the stakeholders we consulted) expects a crime rate of 2% and at least a 95% CSE, which means a significant uncovered ground in front of us. The challenge therefore is not just sustain but further improve on these gains: which is the rationale behind newly minted programs and advocacies like APRUB, which stands for “Aratubangon, Panirimbagon, Ralamagon, Uruntukon, Baraguhon,” and the Alex Lacson-inspired “Ten Little Things A Proud Nagueño Should Do.” Both aims to mobilize our citizenry and drive home the message that public safety is not just the business of the police, the PSO, or the barangay officials and their volunteers but of every Nagueño.

CLEANLINESS AND ENVIRONMENT PROTECTION

For the environment sector, we have accomplished important gains in several fronts:

- Under “Clean Air,” we have conducted intensified local campaigns against smoke belching and regular air quality monitoring after investing in the needed equipment to carry out this task.
- Under “Clean Water,” we have completed the CDIA-funded Pre-Feasibility Study for the Integrated Naga River Revitalization Project (iNRRP), which drew up a P2.2-billion package to carry out the project. While the task to mobilize financing is formidable, we have made significant strides: already, we have secured P20 million to fund the Naga River transport system from the Local Government Support Fund (LGSF) of the DILG, and P27 million from the National Disaster Risk Reduction and Management Council (NDRRMC) in what we envision will be the first phase in a series of funding allocations for flood protection. The newly-created Naga City Flood Mitigation Board established through Executive Order No. 2012-014 will take the lead in this endeavor.

The CDIA management has committed in principle to help us arrange additional financing for the flood control and sanitation components of the project, which includes the establishment of a sewerage system in the city (which would put us among the few Philippine cities with such a system). And UNESCO has recently expressed interest in supporting the capability building component of the project, centered on an expanded Project Steering Committee which intends to showcase its “Learning Alliance” strategy.

And while these are all in the drawing boards, I am proud to report that using local funds, we have completed a total of P63.7 million worth of infrastructure projects in 2011, another P9.7 million in the first half of 2012, and have bid another P34.8 million for the remaining part of the year. This P110-million infrastructure package includes two major storm drainage projects from Sta. Cruz to San Francisco (amounting to P9.6 million) and along Mayon Avenue (amounting to around P11.2 million) – plus several millions more of smaller drainage lines all over the city – which will help ease flooding in these areas, especially with the rainy season now upon us.

Institutionally, the recent creation and operationalization of the Naga City Natural Waterways Management Council (through EO No. 2012-013) and the Naga City Flood Mitigation Board will ensure greater accountability and broadbased stakeholdership in the continuing effort to manage this problem, especially for a city whose central business district lies at the flood plains of the Bicol River Basin system.

- And under “Clean Surroundings,” we have raised back our daily garbage collection from 58.3 tons per day during the first semester of 2011 to 70.3 this year, representing a 20% increase. This was made possible after we acquired additional garbage trucks and introduced railroad-based garbage collection services in Barangays Concepcion Pequeña, Lerma, Tabuco and Mabulo starting last March 2012. Moreover, it puts us in a better position to meet the daily requirements of the CJ Global Waste-to-Energy facility if and when it comes on stream two years from now.

These initiatives, coupled with the continuing effort to upgrade Centro Naga -- anchored on a more vibrant, pleasing and competitive Naga City People's Mall, and more orderly parks and public places – has engendered a visibly cleaner, better lighted and more orderly Central Business District I, thereby making sure that the historic urban core of the city will not be left behind even as we continue to urbanize and modernize.

TRANSPARENCY, ACCOUNTABILITY AND GOOD GOVERNANCE

Finally, we have maintained momentum in ensuring that Naga sustains its reputation and tradition for good governance. This is indicated by the following recognitions we received after I rendered my maiden State of the City Report:

- **Seal of Good Housekeeping for Local Governments.** This primary recognition from the DILG recognized Naga's exemplary performance in internal housekeeping for CY 2011 in the areas of Good Planning, Sound Fiscal Management, Transparency and Accountability, and Valuing Performance Management. The Seal was given at the La Piazza Convention Center in Legazpi City on June 1, 2012. This achievement earned us that P20 million grant from the LGSF facility of the DILG.
- **Award of Excellence** in recognition of the unparalleled leadership, dedication and service in Health Emergency Management being the first to establish the Inter-Agency Communication Center given by the Department of Health - Center for Health Development during the 2nd Salud Bikolnon Awards 2011 in Legazpi City on September 1, 2011.
- The **2nd Salud Bikolnon Awards "Dugong Bicol" for Local Government Unit Category** for exemplary initiative to promote and uphold the National Voluntary Blood Service Program (NVBSP) given by the Department of Health – Center for Health Development (Bicol), Legazpi City on September 1, 2011.
- Two consecutive **Outstanding Local Project Monitoring Committee Awards for 2010 and 2011** given by the Regional Project Monitoring Committee (RPMC) of the Bicol Regional Development Council at the Estevez Hall, NEDA Region V, Legazpi City.
- **3rd Place City Category – 2011 Gawad Pamana ng Lahi Award** for demonstrating exemplary performance in administrative governance, social governance and environmental governance that greatly contributed to national prosperity and consistent with the constitutional objective of "Quality Life for All" worthy of emulation given by the Department of Interior of Local Government (Region V) at the DILG Training Center, Legazpi City on the occasion of the 20th anniversary of Local Government Code of 1991 on October 7, 2011
- **Highest Local Revenue per Capita among cities in Region V and the Lowest Dependence on the Internal Revenue Allotment among cities in Region V** given by the Bureau of Local Government Finance at the Tanchuling International Hotel, Legazpi City on May 23, 2011. This, of course, was made possible by having the best managed city treasury and economic enterprises like the Naga City People's Mall that contribute to our local incomes.

In fact, we have already collected 62% of the 2012 target as of end of June, thanks to the efforts of our finance agencies.

- **Plaque of Recognition** for its commitment to good governance, having successfully demonstrated constructive engagement and performance monitoring through its implementation of the Edukasyon sa Naga, Salmingan Ta! (a joint citizen-government monitoring program on the education of Naga) given by the Ateneo de Manila School of Government thru the DILG and the Delegation of the European Union to the Philippines at the Crowne Plaza Galleria, Quezon City on April 26, 2012.
- **Certificate of Recognition** for sustained good performance, through the Solid Waste Management Office (SWMO), in the implementation of RA 9003, the Ecological Solid Waste Management Act of 2000 through segregation at source, segregated collection and establishment and operationalization of materials recovery facilities given during the 11th year anniversary of the enactment of said at DENR-EMB Region V Office, Rawis, Legazpi City on January 30, 2012, and
- **The 2011 Pabasa sa Nutrisyon Exemplary Award** conferred by the Philippine Nutrition and Dietetics Council and the National Nutrition Council at the Dusit Hotel, Makati City on July 10, 2012.
- **The 2011 Panata ko sa Bayan GAPAS Award** as model LGU implementing Day Care Services given by the Department of Social Welfare and Development (DSWD) on the occasion of their 60th Anniversary on January 26, 2011.

On top of these recognitions, we also finally forged a mutually acceptable solution to the long standing issue of the city government's unpaid obligations to Casureco II, which is one of the key thrusts identified in my previous report.

This decision was driven mainly by the principles of accountability and good citizenship. Without sacrificing our rightful claims, which is now the subject of an ongoing judicial proceeding, we have initiated a participative solution to this problem and hammered out an agreement that finally settled what a court-mandated joint City Hall-Casureco II panel identified as payables of the city government.

Endorsed by the City Development Council (CDC) and approved by the Sangguniang Panlungsod, this undertaking – while bringing closure to one unfinished business – does not mean that we are shying away from our bounden duty to bring much needed reforms to Casureco II. When its system recently broke down due to inefficiency and mismanagement, to our great inconvenience and suffering, the city government (as one of the biggest power consumers) led the continuing effort to introduce changes in the way the electric cooperative is being managed.

But for the long term, I believe the best solution to this persistent problem is to introduce competition in the distribution of electricity in Naga, which accounts for 65% of Casureco II's entire market. We all saw what happened when President Ramos dismantled the PLDT monopoly and introduced competition in the telecommunications industry in the '90s. If we do

the same with the local electric power industry, Casureco II will have no other choice but to shape up. In this regard, we shall secure the assistance of the Department of Energy (DOE) and the Energy Regulatory Commission (ERC) in encouraging investors to take advantage of the EPIRA Law's policy promoting competition at the distribution level and compete with Casureco II. And with the power of choice, empowered consumers in Naga will end up winners.

This is the policy direction spelled out under the 2011-20 Comprehensive Development Plan of the city that the CDC recently approved and endorsed to the Sanggunian for adoption. In this regard, I am encouraging the city council to adopt this 10-year plan and authorize the immediate implementation of this particularly policy.

Finally, we have sustained and strengthened our existing transparency initiatives, such as the publication of the SMILES magazine and the city's Official Gazette; continuing enhancement of the city website (Naga is the top local government website in the Philippines in terms of traffic and is ranked 158th among all Philippine sites by topphilippinewebsites.com); the installation of on-site and off-site Transparency Boards to engender fuller disclosure; the ongoing review of the Citizen's Charter; the conduct of regular "Meet the Press" sessions; and the revitalization of the Naga City Governance Institute (NCGI).

CONCLUSION

Allow me to close this report by emphasizing three key messages for our people:

One, **we are moving closer to the goals we have set for ourselves.** Guided by the MDG-compliant H²ELP your CiTy development agenda of Team Naga, we have seen mostly positive indicators in the continuing battle to reduce the multiple dimensions of poverty – although there are distinct continuing challenges we still need to overcome.

Two, **we continue to have many reasons to SMILE to the world.** The foregoing report has demonstrated that Naga remains at the forefront of many good practices and innovations in local governance, especially when enabled and empowered by the fundamental principle of stakeholderism – that only by working together as a team, with every citizen pitching in his share, can we build a happier Naga, a truly "maogmang lugar."

And thirdly, **we have kept our promise.** When I assumed the rein of governance, I committed Team Naga to a consultative, transparent, responsible and accountable government. And we have remained true to that promise that

Ten Little Things a Proud Nagueño Should Do

1. I think positive and say positive things about Naga.
2. I keep my surroundings clean and green.
3. I respect the elderly and my fellow men at all times.
4. I am on time, and I work hard and save for my future.
5. I am honest in my dealings with others.
6. I stay away from drugs.
7. I obey traffic rules and regulations and city ordinances.
8. I report illegal activities to protect my family and my community.
9. I pay my taxes promptly and correctly.
10. I buy locally made products and patronize the Naga City People's Mall.

in my administration, “what you see is what you get.”

At the end of the day, the goal of “Maogmang Lugar” we all want Naga to be is a “maogmang Naga” we shall all feel and enjoy. We, your city officials and our co-employees at City Hall, are only instruments of change we want for ourselves, our people and our place. Together with all of you, we should continue partaking in this challenge on a day-to-day basis.

Pagmakolgan ta an satong ciudad. I encourage you to be the proud Nagueño each one of us should be.

In closing, let us recite and put to heart the “Ten Little Things A Proud Nagueño Should Do.” As we wake up each morning, let us think about and practise these little things that will not only make us proud, but will make our city great.