



# CASE STUDY: LOCAL ECONOMIC DEVELOPMENT IN THE CITY OF ESCALANTE, PHILIPPINES

MUNICIPAL PARTNERS FOR ECONOMIC DEVELOPMENT PROGRAM

## Insights from an international City-to-City cooperation project, 10 years later

### 1. THE CITY OF ESCALANTE: ITS STRENGTHS AND HOPES FOR THE FUTURE

In November 2002, the Town of Amherst commenced a development cooperation program with the City of Escalante in the Philippines. The first series of visits and consultations were conducted in the months that followed to determine the areas of intervention for this collaboration and an agreement was reached in mid-2003 to focus the project on supporting Escalante in preparing a local economic development (LED) strategy looking at business attraction, business expansion and investment.

The City of Escalante is located in the province of Negros Occidental. It consists of 21 Barangays (political and administrative subdivisions) and has a population of approximately 82,000 inhabitants (2002). Agriculture, fishing and the city's five seaports are the main sources of revenue. Two-holiday beach resorts also employ residents. In the future, Escalante hopes to become a food growth center for the province, a gateway for commerce, trade and industry, and a major tourist destination on Negros Island. Despite its strengths, the City also faces many challenges, which include the mono-crop economy characteristic of the area, low agricultural productivity, inadequate infrastructure

facilities, an insufficient water supply system, and limited capacity of the local authority to deliver basic services.

City officials wanted to better understand their overall role in economic development and to develop and institutionalize the necessary systems and tools to

From 2002 to 2009, the Town of Amherst, Canada, and the City of Escalante, Philippines, worked together through a cooperation program of the Federation of Canadian Municipalities (FCM) to develop the local economy of Escalante. Ten years later, in the autumn of 2013, Roger MacIsaac – technical team leader for the Town of Amherst – had the opportunity to visit his former partners again to review the outcomes of their cooperation. This case study highlights some of the key outcomes and the persisting value of the planning process, thanks to the commitment from the outset to broad community and stakeholder participation in design and implementation.

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support entrepreneurs and investors. The City of Escalante was also eager to better understand the roles and responsibilities of the Mayor, the *Sangguniang Panlungsod* (local legislative branch), local government unit staff and barangay captains in working together, and with other stakeholders, to be more effective and efficient at creating the environment necessary to attract investors and keep investments in the city.

The Mayor of Escalante, along with business and community leaders, wanted to ensure that citizens could experience positive change with more opportunities



for employment and new development. The Mayor's agenda clearly emphasized this goal. There was a need to increase the capacity of the municipality to facilitate business attraction, expansion and investment through well-defined objectives, strategies and actions.

The Town of Amherst (population 9,470) is located in the province of Nova Scotia, the geographic center of Canada's Maritime Provinces. The semi-rural setting of the town provides a healthy and safe environment for residents and offers plenty of outdoor activities. For businesses and industries of all sizes, Amherst has proven that it provides an environment that is conducive to global success. A number of world-class international manufacturing, industrial and high-tech companies have chosen to grow and expand in Amherst.

## 2. LOCAL ECONOMIC DEVELOPMENT: A TOOL FOR OVERCOMING ESCALANTE'S CHALLENGES

In June 2003, the City of Escalante completed and formally adopted a LED Strategy. The Office of the Mayor and the *Sangguniang Panlungsod* formally adopted the strategy through a resolution and continued to refer to it during meetings and discussions related to economic development within the City. A review of this document during the project evaluation held in 2009 confirmed that changes and updates to the plan were being undertaken and it continued to be a living "road map" for economic development within the city.

The key objective was to increase the capacity of City staff to facilitate an enabling environment for economic development investment and enterprise development to occur by:

- better defining existing resources and what level of development the City is capable of sustaining;
- increasing understanding among staff and politicians of the role of the City as a facilitator of LED (and not as a 'doer');
- increasing the skillsets of local government unit staff to make them better prepared to meet the needs of potential investors and entrepreneurs, making it easier for them to do business in Escalante;
- developing a LED Strategy and Action Plan to identify and mobilize existing resources;
- putting in place desirable project structures, systems and procedures that would be conducive to micro-enterprise development, investment and ecotourism; and
- projecting Escalante as an investment- and tourism-ready destination.

The Mayor of Escalante promoted an inclusive process for planning LED in his municipality. Rather than just appointing someone to move the process forward, he met with City leaders, school boards, barangay leaders, business leaders and anyone he could find to let them know how important it would be for them to be involved in planning the City's future. He sought out partners for planning from other levels of government and from donor agencies, including the partnership with the Town of Amherst in Canada. He recognized that he had the skills within the City Planning and Development Department to complete the planning process, so he delegated this work as a key priority of that department.

LED strategic planning processes need to be as simple as possible. To plan for the future, you need to understand fully where you are today as a community and build a common vision among stakeholders of where you want to be in the future.

The City of Escalante, like many Cities and Municipalities in the Philippines, has excellent planners. As with any plan, there is a need to engage the full community in the process and to keep them informed of each step being taken. Internally, staff researched existing plans including but not limited to the Municipal Planning and Land Use Strategy, the Mayor's City Agenda, budget documents, current agreements for power and water services and existing infrastructure development plans. Focus group meetings were held with business groups, youth groups, school boards, market representatives, transportation groups, and others to complete a SWOT (strengths, weaknesses, opportunities, threats) analysis. This process gave planning staff the ability to identify realistic opportunities for the future.

During interviews with City Department Heads, it was suggested that involving the Department Heads more in driving the various activities identified within the Strategy would help to ensure greater acceptance of the plan at the bureaucratic level and that the plan could survive any political changes that might occur in future years. Significant political changes have indeed taken place, with a new Mayor elected in 2007, along with changes in the makeup of the *Sangguniang Panlungsod*. While there were substantial differences between the former Mayor and the new Mayor, both embraced the final LED Strategy even though key priorities for each Mayor differed.

The planning process identified a number of common goals and objectives. Upon analyzing the information gathered, planning staff was able to identify some strategies that would support these goals. While the City of Escalante was exceptional in planning, they were weaker in implementation.

### 3. THE PARTNERSHIP WITH THE TOWN OF AMHERST: A TOOL TO MOVE FROM PLAN TO ACTION

Working in partnership with the Town of Amherst, action plans that would be pivotal to implementing the strategies were drawn up. The action plans not only described the activities required to help support each strategy but also included details on the financial resources required, the time frame within which the action should be completed and who was responsible for ensuring that the operation was carried out.

Before the *Sangguniang Panlungsod* adopted the policy, the Mayor wanted to ensure that the findings were presented to the stakeholders in the community who contributed to the planning process and that they concurred with the overall plan. At the invitation of the Mayor, meetings were arranged with the various groups in the community who were vital to the success of the plan. The Mayor apparently fully believed in the planning process and was a strong advocate for positive change in the City. At most meetings, he took the lead role in presenting and explaining the various goals and strategies that were being recommended. The Mayor wanted to ensure that those in attendance knew that everyone in the city owned this plan and that he was going to ensure that the actions needed to implement the strategies would be fully carried out.

The *Sangguniang Panlungsod* and the Office of the Mayor approved two key resolutions that formalized and institutionalized the LED Strategy and its implementation. On June 26, 2003, a resolution accepting and adopting the strategy was passed and a further resolution on August 4, 2006 that accepted and approved the five-year tourism development plan for the City of Escalante.

Each of the 21 Barangays of the City of Escalante has a travel representative responsible for tourism activities at the Barangay level. These officials met collectively from time to time under the auspices of the Office of the Mayor and formulated a **Tourism Strategy and Implementation Plan** for the City of Escalante. As a result of this initiative, Barangay Tourism Officials and City staff launched the **Escalante Interpretive Program** which, over the next three to five years, provided illustrations and narratives for local residents and tourists about 21 city sites of historical, cultural or tourism touristic significance. The City also budgeted for the initial three travel sites to be completed during the first fiscal year of the Program.

An Escalante City renovation project created additional space for various departments and the addition of a

**“One Stop Business Service Center”.** This center is used to process business license applications and to provide information and guidance to new businesses intending to set up in Escalante. The Business Center has streamlined the application process so that it is less intimidating to new entrants and is client focused. To complement this Center, the City has sponsored a number of “passporting days” during which representatives from the National Government work with residents to process passport applications. Normally residents would have to travel to a major center in the Philippines such as Manila or Cebu to obtain a passport, which is impractical and often unaffordable for residents.

Other services planned for the Center included a computer terminal along with a trained “navigator” to assist business clients in researching data for business planning or to assist residents in identifying employment opportunities either in Escalante, other parts of the Philippines or other parts of the world. The creation of the **One Stop Business Service Center** and the streamlining of processes for residents have helped make Escalante more receptive to the needs of business.

Directly linked to the Business Service Center are the vendors at the **City Market**.

Funding for the redevelopment of the City Market was disbursed in 2004 and renovations were almost complete at the time of the Evaluation Mission. These included individual stalls that could be rented by merchants for a slight increase in rental fees. These cubicles are serviced with power and provide greater security for the entrepreneurs who use them. A number of cubicles also now have a direct water supply, ensuring

higher hygienic standards for merchants involved in food processing.

On June 26, 2003, Resolution number 03-134, approving the LED Plan jointly prepared by the City of Escalante and the Town of Amherst, was passed by the *Sangguniang Panlungsod* and accepted by the City Mayor. On August 5, 2004, the *Sangguniang Panlungsod* passed resolution number 04-123, adopting the five-year tourism development plan (2004–2008) of the City of Escalante.

A new **Office for the Environment and Natural Resources** was created within the local government structure to address various issues associated with planning and to implement a series of restoration initiatives identified in the eco-tourism plan including:

- relocation of illegal squatters trying to make a living using fishing structures on the Danao River;
- negotiation and creation of a river navigational channel, with enforcement of regulations to deal with infractions in a fair and equitable fashion;
- creation of an appropriate buffer along the Danao River to prevent the accumulation of silt in the river, stabilize the riverbank and improve the habitat for fish; and
- dredging of the riverbed, with the creation and reclamation of two strategic river access points to facilitate eco-tourism activities identified in the eco-tourism strategy.

The City completed a new building in the City Plaza to house the **City Library** and the **Office for Senior Citizens**, including research facilities for those seeking reference materials on city history before and after the notorious 1985 Escalante Massacre and into which senior citizens can “weave” their personal stories and knowledge. The building complements the architecture of the City Plaza and there is sufficient space for the City Tourism Office as well. Its proximity to the “Massacre Monument” ensures that this unusual tourism asset is properly showcased.



**One Stop Business Center**



**Business Permit**



**Renovated City Market**

#### 4. TEN YEARS LATER: A CANADIAN MUNICIPAL EXPERT REFLECTS ON THE LONG-TERM OUTCOMES



**By Roger MacIsaac**  
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While the process of Strategic Planning was not new to Escalante, the inclusion or engagement of the community in all parts of the process was a new approach and it took some time for city officials to see its full value.

I often reflect on two specific stakeholder meetings that we held. The first was with a group of farmers who grew high-value crops and worked together to market their goods. They spoke of issues related to selling their products and improvements that were needed on roadways to help them get their products to market. This practice was happening for many years and they had developed an exquisite reputation for high-quality products. But each week they would drive nearly 100 km to the capital City of Bacolod to sell their products to restaurants and resorts in the city. This was a quite costly and time-consuming thing to do.

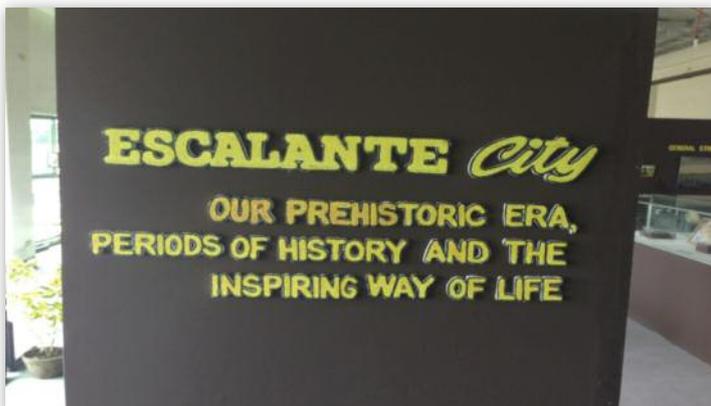
The next day we met with a group of restaurant and resort owners and operators from the various Barangays in the City. They also spoke about the current condition of roadways and how improved roads would increase the number of visits to the various restaurants and resorts in the city. They noted that each week they needed to travel to the capital City of Bacolod to purchase fresh vegetables and other products for their operations. Interestingly, neither group was aware of what the other group's uses and needs were. So the consultations organized by the City made it possible to connect them together. Soon after, a number of the restaurant and hotel operators started to take advantage

of the local farm products they didn't know existed. A nice win for both groups.

There have been many changes in the local political leadership at the City of Escalante but most of the key city directors are still in place 10 years after our collaboration. There have been problems of peace and security: an increase in the activities of some quasi-military insurgents over the past five years has raised concerns among local citizens and national leaders. Despite this, I was pleased to see the positive changes in the City of Escalante over the past ten years since the LED Strategy was completed. Many of the long-term actions that were identified in the Strategy have been accomplished. There is a new modern market and a transportation terminal that has reduced congestion in the city center. The new transportation terminal is well organized and provides a safe atmosphere for visitors arriving in the City and for citizens taking trips elsewhere in the province. The City has established the new City Investment, Trade Promotion and Public Economic Enterprise Management Office which oversees the operation of the city markets, abattoir and the one stop business service center, and ensures that the city is investment-ready and open for new business growth.



**New Transportation Terminal**



**City Museum**

During my mission to Asia, I continued the reflection with our partners on the benefits of LED Strategic Planning. In Vietnam and Cambodia, where FCM is also implementing projects with the municipal sector, I see that one key innovation is that “strategic planning” is different from their historical and current “state planning” practice. A key element is that “strategic” means some kind of Strengths, Weaknesses, Opportunities and Threats (SWOT) exercise and some level of engagement with local stakeholders, in particular with the private sector. And I observe that “LED” means identifying local assets and looking at them from a different lens than usual. I also see that

inter-departmental cooperation is a challenge. From that perspective, we could say that “strategic planning” is a way to approach planning more “softly”, avoiding some of the pitfalls of “silo plans” (i.e. plans driven by administrative units). A crucial element, too, is that the strategic planning exercise provides an opportunity to train people on LED and to build consensus.

I also observed that the LED planning process has helped to generate new leadership styles, formulate different types of objective, and identify the need for policy changes, among other benefits.



*City Investment, Trade Promotion and Public Economic Enterprise Management Office*



*New Coliseum*