

**Fiscal Decentralisation and Local
level Gender Responsive Budgeting
In The Philippines:
An Empirical Analysis**

Lekha S Chakraborty

Fiscal Decentralisation and Local level Gender Responsive Budgeting in the Philippines: An Empirical Analysis

Lekha S Chakraborty*

Introduction

The Nation-State of the Philippines is an archipelago of 7100 islands and home to people speaking as many as 87 dialects. This probably explains why historically, the political structure of the Philippines had been of a very decentralised nature - each *barangay* or village was ruled by its own chieftain, spoke its own dialect and formulated its own laws based on tradition and needs. These rudiments of the decentralised system in the Philippines was strongly affected by the period of colonial domination. Centralised ruling structure has been the prominent characteristic legacy of Spaniards, the Americans and the Japanese conquest of this country. However, since independence in

* The author is Senior Economist at National Institute of Public Finance and Policy, New Delhi, India (email: lekha@nipfp.org.in). This paper is a part of UNIFEM-European Commission study carried out for selected countries by the author with M. Govinda Rao and Amaresh Bagchi at the National Institute of Public Finance and Policy. Special thanks are due to M. Govinda Rao for the valuable discussions at various stages of the paper. The author is also grateful to Amaresh Bagchi and the anonymous referee for their helpful comments. The author had benefited from the discussions in the Philippines with Department of Interior and Local Government (DILG), National Commission on the Role of Filipino Women (NCRFW), Department of Finance, UNIFEM East Asia, GAD office of Quezon City, LIKAS (Sorsogon), participants of the meeting in City Health Office at Sorsogon and Mayors' Office at Hilongos. Special thanks are also due to Rosario Manasan for sending the relevant data and Oyen for organising the meetings in the Philippines. The author is also grateful to Darshy Sinha and Samik Chowdhury for diligent research assistance and Amita Padhwal and Kavita Issar for formatting the draft. Special thanks are due to Rita Pandey for facilitating the review process, Rita Wadhwa for editing the paper, and Pinaki Chakraborty for very constructive suggestions. The usual disclaimer applies.

1946, the Philippines has been gravitating more towards decentralisation. In the period of *Third Republic* (1946-1972), many laws related to the local autonomy were enacted, viz., *Local Autonomy Act of 1959* and the *Decentralisation Act of 1967*, to grant fiscal and regulatory powers to the local governments.¹ The 1973 Constitution also made it mandatory for the state to “guarantee and promote the autonomy of the local governments to ensure their fullest development as self-reliant communities”. However, twenty years of authoritarianism in the form of martial rule acted as a barrier to the attempts towards decentralisation. Termination of this era saw the re-emergence of democracy through people’s empowerment.

Substantive process of fiscal decentralisation started in the Philippines with the enactment of Local Government Code (LGC) in 1991. The LGC institutionalised systematic allocation of powers and responsibilities between the national and local governments.² Though fifteen years into the implementation of the Code, integrating gender in the planning and budgetary policies at the local government is however relatively a new approach in the Philippines.

At the national level, gender responsive budgeting policy initiatives started in the Philippines with the GAD (Gender and Development) budget in 1995. The GAD budget made a provision for earmarking at least 5 percent of all departmental expenditure on programmes for women in national and subnational budgets. However, fixing the floor limits for spending on gender resulted in the misallocation of resources in various departments. It also resulted in the marginalisation of gender issues in the mainstream budgeting, as floor limits have been taken as ceiling in various departments. In this context, it needs to be highlighted that earmarking a specific proportion of budgetary allocation for women is only a *second best principle of gender budgeting* and may not be the most appropriate tool to sensitise budget through gender lens.

It is interesting to note that under the *quota-based gender budgeting*, money was earmarked even for ballroom dancing in certain departments. Also, as there was no penalty for not utilising the GAD budget fully and efficiently, many of the departments ended up with unspent surplus in the GAD budget. Ideally, differential targeting of expenditure emanating from the identification of appropriate programmes for women in various sectors or reprioritising the expenditure based on a

generic list of appropriate programmes and policies for women might be more effective than uniform targeting at 5 percent across sectors.

However, with the strengthening of the fiscal decentralisation process in the Philippines, local government units (LGUs) were provided with more opportunities in terms of local level gender responsive budgeting (hereafter LLGRB) and challenges as well. The devolution of basic functions like health, social welfare, and agricultural extension to the LGUs, created more space for the local government units (LGUs) to incorporate the gender needs at the local level. Some of the LGUs have indeed used this opportunity to initiate gender responsive policies at local level. However, as devolved functions were largely *unfunded mandates* and the intergovernmental transfers and budgetary process at the local level were largely *politically determined*, they posed serious challenges for effective decentralisation and in turn LLGRB initiatives.

LLGRB initiative in the Philippines can be found in a few *barangays*, particularly in Sorsogon and Hilongos, where selective attempts were made to identify specific gender needs before budgeting. These initiatives, which came from the Department of Interior and Local Government (DILG) and National Commission on the Role of Filipino Women (NCRFW) along with the UNIFEM in the year 2004, moved ahead from *quota-based* gender budgeting to the identification of entry points for *results-oriented* gender responsive budgeting. However, LLGRB has been highly a sectoral process in the Philippines. In Sorsogon, the initiative is in the health sector; where gender related MDG health goals has been identified and budgeted. In Hilongos, the initiative has been in the agriculture sector. *Prima facie*, agriculture sector appears to be a gender-neutral sector. But it was identified that strengthening the agricultural sector has clear gender differential impacts in terms of reducing the forced migration of women and also in enhancing their income earning opportunities.

Given this brief background of recently introduced fiscal decentralisation and LLGRB initiatives in the Philippines, this paper analyses the process and the interface between the two through a gender lens, with special reference to the experiences of LLGRB in health and agricultural sectors respectively in Sorsogon and Hilongos. Apart from introduction, section 2 deals with the process of fiscal decentralisation through a gender lens, while section 3 and 4 deal with the LLGRB experiences of health and agricultural sectors, highlighting

the budgetary process and governance issues related to gender in the context of fiscal decentralisation. Section 5 summarises and concludes.

II. Fiscal Decentralisation through a Gender Lens

The Philippines has a unitary form of government with a multi-tiered structure. The local governments in the Philippines comprise 42,000 *barangays*, 115 cities, 1,492 municipalities and 80 provinces.³ The local government expenditure as a percentage of GDP constituted 3.91 percent in 2004, while in terms of revenue mobilisation, local government revenue constituted 1.50 percent of GDP in 2004 (*Table 1*).

Table 1: Fiscal Decentralisation in the Philippines

	1985	1990	1995	2001	2004
Shares of National and Local Governments to Total Revenue⁴					
National	92.77	94.67	93.67	92.75	91.90
Local	7.23	5.33	6.33	7.25	8.10
National and Local Revenue (as percent of GDP)					
National	13.47	17.66	18.95	15.35	17.03
Local	0.94	0.95	1.28	1.20	1.50
Shares of National and Local Governments to Total Expenditure (%)					
National	88.68	90.7	81.17	79.19	79.52
Local	11.31	9.3	18.83	20.81	20.48
National and Local Expenditure (as percent of GDP)					
National	12.79	13.72	14.56	14.59	15.20
Local	1.46	1.41	3.38	3.74	3.91
Fiscal Autonomy Ratio (Ratio of Own Revenue to Own Expenditure)⁵					
National	129.8	152.2	161.0	146.8	119.4
Local	67.5	42.6	37.9	41.5	38.8

Source:(Basic data), Statistical Bulletin, Department of Finance,(various issues).

The asymmetry in functions and finance of LGUs are corrected through intergovernmental transfers and borrowings. However, borrowing powers are limited and total borrowing constitutes a negligible

share of total receipts of the LGUs. Even with fiscal transfers from the central government, the asymmetry between revenue and expenditure assignments continued. Prior to fiscal devolution, 7.23 percent of total revenues was generated by LGUs in 1985, while their expenditures accounted for 11.31 percent of the total. However, in 2004, the expenditure of LGUs constituted 20.48 percent of total, but their revenues accounted for only 8.10 percent of the total. The *fiscal autonomy ratio* (ratio of own revenue to own expenditure) of local governments in the Philippines has been 38.33 percent as per the recent estimates (*Table 1*).

2.1 *Expenditure Assignment*

In the Philippines, LGUs are entrusted with expenditure functions other than foreign affairs, national defence, postal services, fiscal and monetary policy, administration of justice, quarantine, citizenship and foreign trade, which are exercised by the national governments. The regional governments are responsible for the implementation of programmes and projects on agriculture, agrarian reform, education, environment and natural resources, health, tourism, trade and industry, social welfare, industrial peace, protection of workers' welfare and promotion of employment, promotion of cooperatives, provision of assistance to LGUs and development and regulation of cooperatives (Manasan, 2004).

The structure of expenditure of the LGUs revealed that it is heavily skewed towards *general services*, with little less than half of the total expenditure of LGUs. However, the share of social service expenditures (comprise health services, social welfare services, education and other related services) has shown a steady increase between 2004 and 2006 (estimated) from 19.99 percent to 22.87 percent (*Table 2*). The share of economic service expenditures (of which, the major expenditure component is agricultural extension services) constituted around 18 percent of the total expenditure during this period.

Table 2: Distribution (%) of Expenditure of LGUs (percent)

Particulars	2004	2005	2006
General services	48.42	47.32	47.49
Economic services	18.80	17.94	17.39
Social services	19.99	21.75	22.87
Others	12.79	12.99	12.25
TOTAL expenditure	100	100	100
	(168724.97)	(181281.85)	(192808.68)

Source: Budget of Expenditures and Sources of Financing, Republic of the Philippines, Fiscal Year 2006.

It is also to be noted that the devolution of functions to LGUs was accompanied by transfer of over 70,000 personnel from selected national government agencies. The national government agencies that were heavily affected by this kind of massive transfer of personnel were departments of agriculture, health, social welfare and development, and budget and management (Manasan, 2004). It is interesting to note that the devolution of functions and functionaries that occurred in the Philippines with the LGC of 1991 and the nature of functions devolved down to the LGUs broadly confirm to the *decentralisation theorem*.⁶ However, unless appropriate finances are not devolved to local level, these devolved functions may remain largely as *unfunded mandates*.

2.2 Sources of Revenue

The sources of local revenue can be classified into three: (i) internal (taxes, fees, charges, others); (ii) external (internal revenue allotment, share from national wealth, direct share from national taxes, grants-in-aid) and (iii) others (borrowings, public-private partnership). The structure of the local government revenue is given in *Table 3*. Out of all sources of revenue, tax transfers in the form of internal revenue allotment (IRA) constitute the bulk of the total revenue, at around 64 percent during 2004-2006.

During the same period, own tax revenue from property tax and other local taxes forms only around 20 percent of total revenue resources of the local governments of the Philippines. Non-tax revenue constituted 10.78 percent of the total revenues and its share increased to 13.56 percent in the year 2006. Non-tax revenues also include capital receipts which are non-debt creating. The share of borrowing in total

revenues of LGUs is negligible, and its share declined from 2.25 to 0.50 percent during the period from 2004 to 2006.

Table 3: Consolidated Statement of Receipts of Local Governments in the Philippines (percent)

Items	2004	2005	2006
I. Revenues (1+2+3)	97.75	98.45	99.50
1. Tax revenue; of which	86.6	86.94	85.64
<i>Tax transfer: Internal revenue</i>			
<i>allotment</i>	64.76	64.36	63.98
<i>Own tax: Property tax</i>	8.37	9.05	8.88
<i>Own tax: other Local tax</i>	13.84	13.53	13.08
2. Non-tax revenue; of which	10.78	11.50	13.56
<i>Operating and miscellaneous</i>			
<i>revenue</i>	7.11	7.57	6.97
<i>Capital revenue</i>	0.61	0.48	0.47
<i>Grants</i>	0.77	0.77	3.01
<i>Extraordinary income</i>	0.14	0.14	0.55
<i>Interfund transfers</i>	0.27	0.21	0.22
3. <i>Other receipts</i>	1.89	2.33	2.33
II. BORROWINGS	2.25	1.55	0.50
Total Receipts (I+II)	100	100	100
	76186.51	(190476.82)	(210171.99)

Source: Budget of Expenditures and Sources of Financing, Republic of the Philippines, Fiscal Year 2006.

The LGUs are vested with the power to identify their own revenue sources and levy taxes, fees and charges provided they are tenable and bear no semblance to national taxes like income tax, VAT, excise and customs. Tax assignment by different tiers of LGUs is given in *Table 4*. Among others, major taxes at local level are the property tax and business tax. Out of these taxes, a specified share is given to municipalities and *barangays*.

Municipalities receive 40 percent of provincial collection of real property taxes and *barangays* receive 25 percent of the provincial or 30 percent of the city collection of property taxes (*Table 4*). The distributional share of various other taxes is also given in *Table 4*. Local governments also have revenue-raising powers in the form of collection of fees and user charges from local public services.

Table 4: Tax Assignment (percent)

Revenue Source	Provinces	Cities	Municipalities	Barangays
Real property tax	*	*	*[40 of provincial collections]	*[25 of provincial or 30 of city collections]
Transfer of real property	*	*		
Sand, gravel and other quarry resources	*	*	* [30 of provincial collections]	* [40 of provincial collections]
Amusement tax	*	*		* [50 of provincial collections]
Business taxes		*	*	*
Franchise tax	*	*		
Community tax		*	*	* [50 of collections by Barangay]

Source: Local Government Code, 1991

2.2.1 Intergovernmental transfers

Although the LGUs are permitted to generate their own revenues, the relatively buoyant revenue sources are with the central government. The Internal Revenue Allotment (IRA) mechanism intends to address this relative vertical disparity in revenue sources. In fact, 40 percent of central government collection of internal revenue is allocated to the LGUs. The devolution has a lag of three years in the sense that the basis of allotment is the amount of internal revenue collected three years back. The vertical pool of resources is allocated in the proportions as shown in *Table 5*. As evident from the table, both provinces and cities receive 23 percent of the total revenue, while municipalities and *barangays* receive 34 and 20 percent respectively.

Table 5: Vertical Assignment of Fiscal Transfers (percent)

Local Government Unit	Share
Provinces	23
Cities	23
Municipalities	34
Barangays	20

The horizontal distribution of resources is done on the basis of population (50 percent), area (25 percent) and *equal sharing* (25 percent). In other words, 50 percent of the total is distributed on the basis of need criteria, that is, population⁷ (*Table 6*). However, the horizontal distribution formula does not take care of the relative differences in fiscal capacities and differential needs of the receiving units arising from cost disabilities in the provision of public services across jurisdictions.

Table 6: Criteria for Intra-LGU allocation (percent)

Criteria	Share
Population	50
Land area	25
Equal sharing	25

Apart from this, the LGUs receive 40 percent of the collection of the national government from royalties, forestry and fishing charges. Also, it is mandatory for the government corporations to share one percent of gross proceeds from the utilisation of national wealth such as mines and forests, with the LGU, where the resource is located.

2.3 *Credit Financing*

Opting for *soft budget constraints* at the lowest tier of government has its own potential dangers. However, the Local Government Code of 1991 permits a LGU to

“contract loans, credit and other forms of indebtedness with any government or domestic private bank and other leading institutions to finance the construction, installation, improvement, expansion, operation, or maintenance of public facilities, housing projects, the acquisition of real property, and the implementation of other capital

investment projects – subject to such terms and conditions as may be agreed upon by the local government unit and the lender. The proceeds from such transactions shall accrue directly to the local government unit concerned’ (Sec 297).

The *LGU Financing Framework* was formulated by the Department of Finance in 1996 in response to Code. This framework recommended that necessary steps to be taken to achieve seven forward-looking reform objectives, *viz.*,

1. Increase LGU use of BOT (build-operate-transfer) arrangements;
2. Develop the LGU bond market;
3. Promote LGU access to private banks;
4. Optimise the involvement of GFIs in LGU financing;
5. Restructure and reorient the Municipal Development Fund (MDF);
6. Improve the capacity of LGUs to raise their own revenues; and
7. Tap Official Development Assistance (ODA), technical assistance and financing.

BOT schemes are mechanisms for bringing private finance and private management to the operation of infrastructure and other public facilities. The advantage of this method is that the LGUs are required to make very little upfront investment. Also, risks that were traditionally borne by the government are shifted to the builder in the private sector. However, only little progress has been made in the involvement of the private sector in LGU infrastructure investments.

The LGUs are also vested with the power of issuing *bonds* to finance components of local development plans or public investment programmes, subject to the approval of the local legislative council. However the LGU bond market is still in its infancy.⁸ The *Local Government Unit Guarantee Corporation* (LGUGC) has been created in 1998 to facilitate the LGU bond flotations by providing guarantees to loans and credits. LGUGC is created basically to neutralise the risks faced by financial institutions for lending to local governments. An internal LGU *credit rating system* is also in the offing.

The Philippine experience with credit financing of LGUs is mixed. Initially the macro-environment was hostile marked by investment in projects with low cost recovery. Thereafter credit financing has been reduced to an instrument for LGUs to tap government finance institutions

(GFIs) as sources of borrowed funds. The *LGU Financing Framework* favours the idea that better off LGUs should graduate from financing by GFIs to financing by private sources. However, there has been some progress in the development of the private bond market, but no progress in lending to LGUs by private banks. Some private banks have been purchasers of LGU bonds, but there has been negligible direct lending. As private banks do not have a depository relationship with LGUs, they have no opportunity of becoming familiar with the management and finances of the LGU.⁹

The point to be noted here is that there exist an adverse link between low fiscal autonomy and the development of credit markets. As IRA constitutes the significant share of LGU revenues, financial institutions might make credit decisions based on the reliability of the IRA pledge rather than the underlying credit worthiness of the LGU and the viability of the project being financed (Pellegrini, Anthony J, Ma Cecilia, and G. Soriano, 2002). The solution lies in the mobilisation of internal sources of revenue.

2.4 *Gender in Fiscal Decentralisation: An Aggregate Analysis*

There is no direct attempt so far to incorporate gender concerns in the intergovernmental fiscal relations in the Philippines. However, the survey of fiscal decentralisation of the country gave some insights into the plausible gender fringes of the process so far. Given the asymmetries in the assignment of functions and finance, a significant prerequisite of gender budgeting is to abridge the *unfunded mandates*. It is also important to gender sensitise the transfer system, as majority share of local government revenue is fiscal transfers.

Intergovernmental fiscal transfers in the Philippines have conflicting aspects. On the one hand, there is well-defined formula-based transfer system of IRA. On the other, there are arbitrary fiscal transfers of *pork barrel funds*, distributed through political patronage, which are regressive and inconsistent with the principles of devolution. In spite of the institutional reforms in fiscal devolution attempted through the Local Government Code 1991, the existence of *politically determined* fiscal transfers led to the continuation of dismal central-local sharing of finances. The gender sensitive utilisation of these politically determined fiscal transfers remains unfolded, unless there is an effective *feminisation of governance* at local level with effective *voice* in public

expenditure decisions. Though the inclusion of the legal and institutional mechanism for the participation of sectoral representatives and civil society in local governance has been one of the remarkable features of LGC 1991, the gender balance of these structures is not satisfactory.

It is noted that even the formula-based Internal Revenue Allotments (IRA) were distributed on an arbitrary basis, resulting to a highly politicised system that reinforced greater control over local governments instead of enhancing local autonomy (Bahl and Schroder, 1983). Yet another important question at this juncture is whether the fiscal transfer system in the Philippines is equalising. Equalisation transfers improves the capacity of the poorer regions to deliver standards of social and economic services. Though these transfers are not specifically targeted to the poor, the poor — in particular women — will benefit from the general capacity increase in the region. However, in the Philippines, though *equal sharing* was one of the criteria of IRA with 25 percent weightage (along with population (50 percent) and area (25 percent)), IRA was also not equitable. In other words, IRA cannot be expected to be an *equaliser* as 25 percent of the total is distributed on an *equal sharing* basis.¹⁰ Similarly, 50 percent of the fiscal transfers is distributed on the basis of population, which is usually perceived as an *equity neutral index*. Given the systemic differences between the sexes in relation to the economy, this neutrality should not allow the fiscal transfers to ignore gender specific needs.

A centrally determined '*one size fits all*' gender policies through GAD budgeting cannot be a solution to redress gender inequities in a country with 42,000 *barangays*, 115 cities, 1,492 municipalities and 80 provinces. Given the heterogeneity in the efficiency of public service provisioning across jurisdictions, Guevara (2003) noted that it may be timely to consider the scope of *asymmetric federalism*¹¹ in the context of the Philippines and one way of looking at this is the process of accreditation where LGUs who pass minimum standards in service and product delivery and specific attributes of governance could be given greater autonomy in functions and finance. This requires benchmarking the governance of local governments, which may catalyse horizontal competition among LGUs. It can ensure gains in efficiency and increase in productivity through the *Salmon mechanism* in which intergovernmental competition is activated by benchmarking the performances of other governments in terms of levels and qualities of services, of levels of taxes or more general economic and social

indicators (Salmon, 1987).¹² The voters and opposition parties compare the supply performance of their governments with the benchmark performance and influence supply decisions.¹³

In most developing countries, the institutions required for benchmarking intergovernmental competition do not exist; however, in the context of the democratic decentralisation in the Philippines, where there is heightened level of public consciousness on local governments through participatory governance, benchmarking of local governance can be relatively easy.¹⁴ It could be all the more appropriate in terms of gender perspective, as LGUs are used as the entry point for implementing programmes that promote gender equity along with poverty reduction; and agencies are involved in ranking the performance of local governments in terms of public service delivery. For instance, the UNDP ranks LGUs relative to an index that measures efforts of communities to improve the life of the poor. The UNICEF evaluates the efforts of LGUs in making their communities child and women friendly.¹⁵ This gender sensitive benchmarking of local governance can empower women to compare the relative performance of their governments in terms of the tightness of *wicksellian connections*¹⁶ and influence supply decisions of their jurisdictions to design and implement appropriate policies and programmes to ensure gender equity.

Yet another point to be noted here is that the benefits of decentralised public service delivery can critically depend on the *elite capture*.¹⁷ The risk of fiscal decentralisation is the dominance of elite groups within the jurisdiction and their influence in control over resources and in the decision-making related to investment in public goods and governance (Prud'homme, 1995). There is growing evidence that power at local level is more concentrated, more elitist, and applied more ruthlessly against poor than at the centre (Griffith, 1981). A study noted that local governments in the Philippines are not consistently responsive to local preferences; and information flow to constituents tends to be limited at the discretion of local leadership. When leaders limit the available information, the potential for *elite capture* of local government is enhanced (Meagher, 2000). This may explain the apparent weakness of local accountability. In such context, the 'voice' of women may get neutralised by pressure groups. In addition, if the women in governance are comparatively less empowered, with minimum/no education and basic capabilities, their *ad hoc* decisions on the systems of public goods and services will not have any major impact on poor and needy women.

If local elite captures the benefits of decentralised socio-economic programmes, it will in turn result in under investment in public goods and services for poor women. This is particularly true in the context of heterogeneous communities and underdeveloped rural economies.¹⁸

The above analysis of gender in fiscal decentralisation in an *eclectic paradigm* confines to the aggregate level. However, to understand the nuances of gender in fiscal decentralisation better, it is important to go beyond the aggregate analysis of intergovernmental fiscal relations through a gender lens. The local government code of 1991 has transferred broadly five basic functions from the national government agencies to LGUs, *viz.*, agriculture, health, social welfare and development, environment and natural resources, public works, and highways.¹⁹ A close look at the decentralisation process of a few sectors from a gender perspective would throw more light into the effectiveness of fiscal decentralisation in conducting gender budgeting. To understand how the process of decentralisation has affected the functioning of the LLGRB initiative in health and agricultural sectors, a brief investigation of two LGU units, *viz.* Sorsogon and Hilongos, is undertaken in the next two sections. Though these two units are small in number in the spectrum of LGUs, the process of LLGRB initiated by them help to understand the pitch of the process of LLGRB in the context of fiscal decentralisation in the Philippines.

III. Local level Gender Responsive Budgeting in Health Sector

Theoretically decentralising health care can be beneficial; reasons are fivefold, *via* (a) increasing local ownership and accountability; (b) improving community participation and responsiveness to local needs; (c) strengthening integration of services at the local level; (d) enhancing the streamlining of services; and (e) promoting innovation and experimentation (Aitken, 1999). However, the early phase of the Philippines experience indicates that decentralisation *per se* does not always improve efficiency, equity and effectiveness of the health sector; instead it could exacerbate inequities, weaken local commitment to priority health issues and decrease the efficiency and

effectiveness of service delivery by disrupting the *referral chain* (Lakshminarayanan, 2003).

Table 7: Financing of Health Sector in the Philippines, 2004

Source of Funds	2004
Government	30.33
National	15.92
Local	14.41
Social insurance	9.50
Medicare	9.38
Employees' compensation	0.12
Private sources	59.02
Out-of-pocket	46.91
Private insurance	2.48
HMOs	4.84
Employer-based plans	3.57
Private schemes	1.21
All sources	100

Source: National Health Accounts, National Statistical Coordination Board, Republic of the Philippines, 2004.

The effectiveness of fiscal decentralisation gets further bound when financing of health sector in the Philippines by national and local governments is confined to only 30 percent; and more alarming fact is that 47 percent of health sector financing is through *out-of-pocket expenditure* of households (*Table 7*).

Given that health care utilisation is responsive to pricing, the implication of disproportionately high reliance on *out-of-pocket payments* is that poor households are likely to be pre-empted from the facility-based care due to price barriers. With the increasing *feminisation of poverty*, the regressive nature of *out-of-pocket payments* has adverse impact on poor women in their access and utilisation of health care system. Women are also constrained by non-price barriers in utilising the health care, which include knowledge and information, attitudes and values, distance and time.²⁰

In terms of pricing and location advantage, the network of public health care including provincial and district hospitals and *barangay*

health stations are considered to be most accessible to the poor households, especially the rural Filipino women. Given that significant health care responsibilities are devolved to LGUs after the 1991 Code (*Table 8*) and LGUs thereafter are mainly responsible for operating a network of public health facilities in the country, the financing and management of health care through LGUs is crucial in terms of access and utilisation of health care by poor, especially women.

Table 8: Devolution of Health Functions Across Tiers of Government

Level of Government	Functions
National and Regional Department of Health	Health policy Regulation and quality assurance Training and technical supervision Tertiary referral care (aid and technical assistance for retained hospitals) National Disease Control (Aid and Technical Assistance)
Provinces	Monitoring the performance of LGU Provincial and district hospital services (primary and secondary referral care)
Cities	Hospitals in highly urbanised areas, Excluding National Capital Region (secondary referral care)
Municipalities	Primary health care functions, service delivery of National Disease Control, supervision of <i>barangay</i> health stations
Barangays	Outreach functions, <i>viz.</i> , service delivery at <i>Barangay</i> health stations

Source: LGC 1991

The survey on the impact of devolution on health service delivery — including prenatal and postnatal services, deliveries, family planning, sputum examinations, oral dehydration therapy, immunisations and pneumonia — during the early phase (1991-1996), based on records at the RHUs and *barangay* health stations revealed that devolution had mixed influence on service delivery.²¹ The major reasons for the less positive impact of devolution include lack of fiscal autonomy at the local level, institutional capacity constraints, disruption of referral chain, lack of co-ordination between stakeholders to respond to the local needs. In terms of gender, the negative effects of devolution on health service delivery have serious implications; serious threat to the access and

utilisation of emergency obstetric care, respiratory and acute gastroenteritis (AGE) related child mortality and HIV-related deaths might be a few instances.

With the strengthening of fiscal decentralisation and GAD budget initiative in 1995, a revamping of health sector became imminent to overcome the initial disequilibrium of devolution on health service delivery at the local level. In this context, it needs to be highlighted that Sorsogon has attempted a scientific approach to prepare an *ex-ante* local level gender responsive budgeting in the health sector through identifying the health needs across gender at the local level. A brief analysis of the LLGRB initiative in Sorsogon is discussed in the following subsection.

3.1 Sorsogon Initiative

The LLGRB initiative in health sector of Sorsogon needs to be looked within the overall framework of revenue and expenditure profile of the city.²² Given that the major share of revenue comes from fiscal transfers (IRA) in Sorsogon, which constituted 88 percent in 2004 (*Table 9*), the scope of LLGRB depends much on the flexibility of the finances at the local level.

Table 9: Structure of Revenue, City of Sorsogon

	Percentage (%)
1 Local Sources	
1.1 Tax Revenue	
1.1.1 Real property taxes	1.52
1.1.2 Business taxes	3.96
1.1.3 Misc. taxes	0.41
1.2 Non-Tax Revenue	
1.2.1 Fees and charges	1.15
1.2.2 Economic enterprises.	
1.2.2.1 Public market	0.84
1.2.2.2 Slaughterhouse	0.36
1.2.2.3 Bus terminal	0.00
1.2.2.4 Sorsogon shopping centre	0.08
1.2.2.5 Other eco. Enterprise	0.02
1.2.2.6 Receipts from cemeteries	0.00

Table 9: Structure of Revenue, City of Sorsogon (contd.)

	Percentage (%)
1.2.3 Others	
1.2.3.1 Interest in bank	0.21
2 External Sources	
2.1 Internal revenue allotment	87.55
2.2 Share from national wealth	3.84
2.3 Grants and aids	0.05
2.4 Others	
Total Revenue	100.00 (252003568.20 Ph P)

Source: Budget documents, Sorsogon, 2004

The major sources of own revenue in Sorsogon are business tax, which constituted 3.96 percent, and property taxes constituted 1.52 percent of the total revenues (*Table 9*). Non tax revenue constituted 2.66 percent of total revenue, which mainly comprises fees and charges and also revenue from various economic enterprises. On the other hand, break-up of expenditure by economic classification reveals that personal services (including salaries) constitutes 38.87 percent, maintenance and other operating expenses (MOOE) at 34.66 percent while capital outlay constitutes 26.47 percent (*Table 10*).

Table 10: Structure of Expenditure, City of Sorsogon
(by economic classification)

Expenditure By Allotments (By Economic Classification)	
Personal services	38.87
Maintenance and other operating expenses	34.66
Capital outlay	26.47
Total	100.00
	(171773278.07 Ph P)

Source: Budget Documents, Sorsogon, 2004

The expenditure by functional classification shows that general services constituted 30.32 percent of total expenditure, which is lower than that for all LGUs depicted in *Table 2*. Health, nutrition, and population control constituted 8.83 percent; while social welfare

constituted only 1.15 percent. The rest of the expenditures are spread over economic services (21.76 percent), other development services (15.20 percent) and other budgetary obligations (22.75 percent) (*Table 11*). Education is the responsibility of the national government, and therefore no budgetary allocation is kept for education in local level budget, and only a *Special Education Fund* lies with local governments.

Table 11: Structure of Expenditure, City of Sorsogon
(by functional classification)

Expenditure Profile (By Function)	
General public service	30.32
Education	0.00
Health, nutrition, and population control	8.83
Housing and community development	0.00
Social welfare	1.15
Economic services	21.76
Other development services	15.20
Other budgetary obligation	22.75
Total	100.00
	(276943842.46 Ph P)

Source: Budget Documents, Sorsogon, 2004

As mentioned, health budget constitutes around 8 percent of the total in Sorsogon budget. A disaggregated health budget data of Sorsogon shows that personnel services constituted the highest share in 2004 and 2005; while maintenance and other operating expenditure (MOOE) forms the highest share in the estimates of budget year 2006 (*Table 12*).

Table 12: Health Budget of Sorsogon: Structure of Expenditure

Items	2004 (actual)	2005 (estimate)	2006 (estimate)
Personnel services	59.24	72.46	41.66
Maintenance and other operating Expenditure	40.63	23.92	57.09
Capital outlay	0.13	3.62	1.26
Grand total	100	100	100

Source: Budget Documents, Sorsogon, 2004.

LLGRB initiative in Sorsogon identified three programmes in the health sector aimed at child mortality reduction, women's reproductive health and combating HIV. The break-up of the budgetary provision (as percent of total health budget) of these three programmes within MOOE is given in *Table 13*. The objectives of this initiative of *reprioritising the health budget* is to achieve MDG targets with regard to reduction in Child Mortality Rate (CMR) from 19.6 per 1000 to 15 per 1000 live births, Maternal Mortality Rate (MMR) from 3.32 per 1000 to 1.66 per 1000 live births and combating HIV under LLGRB. In other words, these programmes have been identified as part of the GAD budget (FY '06) of health sector in Sorsogon, keeping in mind the MDGs.

The simultaneous budgetary reforms at the local level from *lumpsum provisioning* to *item-wise budgeting* or *line budgeting* appeared as the timely entry point to conduct LLGRB, which further helped in ensuring transparency and accountability of GAD budget. The details of MOOE of the health budget revealed that among the three programmes, highest budgetary allocation was provided for improving women's reproductive health, which is around 16 percent; followed by the allocation for reducing the CMR at around 15 percent of total health budget. However, the budgetary allocation for combating HIV is less than one percent of the health budget of Sorsogon.

Table 13: Details of Maintenance and Other Operating Expenditure (MOOE) of Health Budget of Sorsogon (% of Total Expenditure on Health)

Maintenance And Other Operating Expenses (MOOE)	2006 (estimate)
Travelling expenses	0.12
Training and seminar expenses	
a) Reduction of child mortality	0.38
b) Improve women's reproductive health	2.92
c) Combat HIV, malaria and other diseases	0.40
Supplies and Materials Expenses	
a) Reduction of child mortality	1.12
b) Improve women's reproductive health	1.12
c) Combat, HIV, malaria and other diseases	0.07
c1) Sorsogon city TB eradication programme	0.82
c2) Sorsogon city LEAD project	0.64

Table 13: Details of Maintenance and Other Operating Expenditure (MOOE) of Health Budget of Sorsogon (% of Total Expenditure on Health) (contd.)

Maintenance And Other Operating Expenses (MOOE)	2006 (estimate)
Food Supplies Expenses	
a) Reduction of child mortality	3.55
b) Improve women's reproductive health	
c) Combat, HIV, malaria and other diseases	
Medicines/Medical/Dental and Laboratory/Supplies Expenses	
a) Reduction of child mortality	5.03
b) Improve women's reproductive health	12.49
c) Combat, HIV, malaria and other diseases	
c1) Sorsogon city TB eradication programme	4.60
c2) Sorsogon city LEAD project	0.55
Medical, Dental and Laboratory Supplies Expenses	
Spareparts, gasoline, oil and lubricants	0.71
Water expenses	0.02
Communication expenses	0.07
Repair and maintenance-office equipment	0.05
Repair and maintenance of motor vehicles	0.24
Repair and maintenance-other property, plant and equipment	
Other Expenses	
a) Reduction of child mortality	5.11
b) Improve women's reproductive health	0.35
c) Combat, HIV, malaria and other diseases	
c1) SOL City 18 eradication program'	0.15
c2) Sorsogon city LEAD project	
NTP Drug and other services	7.14
STI Medicine and other services	0.79
Sub-total	14.63
Total maintenance and other operating expenses (MOOE).	57.09

Source: Budget documents, Sorsogon, 2004

The *ex-ante* process by which these three programmes were incorporated in the health budget involves five steps; viz., (i) identifying the gender needs and concerns; (ii) translating the gender concern into

GAD objective and activity; (iii) defining gender targets to achieve; (iv) defining the gender-sensitive performance indicators; and (v) costing it to form GAD budget and subsequently identifying the budget heads. The LLGRB procedure of health sector, based on these steps, for the three gender-related health goals of reduction in CMR, MMR and combating HIV AIDS are given in *Annexure 1*. In brief, the LLGRB process encompasses the identification of gender needs, translating them into GAD medium-term targets and prioritising them for the inclusion in annual budgets. A heterogeneous group consisting of sectoral organisations, civil society, doctors and representatives from community level organisations prepared the GAD plan and budget under LLGRB. The gender balance of these groups was not satisfactory. However, Local Health Board had to approve the GAD plan and the budget before presenting it to City Councillor for approval.

LLGRB dichotomised GAD plan and budget into *organisation focussed projects* (*viz.*, capacity building) and *client-focussed projects* (e.g.; Under Five Clinic (UFC) programmes, nutrition, CDD and ARI Surveillance etc).²³ Under *organisation focussed projects* in the health sector of Sorsogon, capacity building programme has been initiated for the health service providers to enhance gender sensitivity in health service delivery. *The organisation chart* of health sector in Sorsogon has also been revised with more health professionals at the grassroot level to reflect need-based and resource-oriented approach to ensure that gender-related MDG health goals are met (*Annexure 2*).

However, GAD objectives suffered from insufficient funds for *gender and health services* as the committed expenditure within the health budget remain quite high and the massive dependence of local government on fiscal transfers (IRA) as well. For the purposes of resource mobilisation to address these new tasks, GAD has recommended (i) prioritising budgetary needs; (ii) exploring possible funding donors; and (iii) institutionalising cost sharing. However, the translation of these LLGRB initiatives into gender sensitive outcome will be reflected only in the years to come. If properly implemented and physical targets set for each of the objectives is achieved, it would result in sustained reduction in CMR, MMR, and incidence of HIV AIDS. However, confining to the quantitative analysis of the gender bias in the HIV figures should not surpass the specific gender issues related to the special vulnerabilities, stigma, and discrimination against HIV positive women. The analysis of reproductive health issues also should not get

confined to the stereotypical way of relating to pregnancy and motherhood. Going beyond the MDG related health goals, the older women's health needs (*geriatrics through a gender lens*), occupational health needs of women and the special needs of adolescent girls and boys are also matters of grave concern and needs to be incorporated in the process of LLGRB.

The empirical studies on the link between fiscal decentralisation and health outcome are scarce in the context of developing countries; in the context of the Philippines, using panel data on a cohort of 1978 children born in 1983/84 and tracked in the *Cebu Longitudinal Health and Nutritional Survey* (CLHNS), a study was conducted to test whether child health responds to locally controlled public resources using variation driven by the 1991 local government code. The study revealed that children living in localities with higher increases in per capita block grants between 1991 and 1995 exhibited differentially higher growth in body mass index (BMI) and lower hospitalisation than those jurisdictions with lower per capita block grants²⁴ (Maccini, 2006). In the backdrop of GAD budget initiative in 1995, an econometric investigation of the link between fiscal decentralisation in health sector and CMR/MMR could provide some insights whether the money spent is getting translated into better gender sensitive human development.

Yet another point to be noted here is that decentralisation in health sector and the LLGRB initiatives in the Philippines has not paid adequate attention to the development of *Health Human Resources*, especially when the Filipino nurse migrants are alarmingly high, leaving increased *patients to nurse ratio* back home. The 2003 estimates of Filipino nurses by work setting revealed that 85 percent of them are placed internationally. Within the rest 25 percent of locally placed nurses in the Philippines, 10 percent are in government agencies, 4 percent in private and one percent in nursing educational institutions. The profile of nurse medicos further revealed that most of them were practising doctors; a survey of *doctors currently taking nursing courses* revealed that 63 percent of them were practising doctors for more than ten years.²⁵

IV. Local level Gender Responsive Budgeting in Agricultural Sector

Decentralisation in agricultural sector may lead to efficient natural resource management. As the local institutions find themselves closer to the people who are users of the natural resources, it may also enhance the productivity of the resources at the local level. From public finance perspective, it assumes importance in the light of *principle of subsidiarity* which argues that for the most efficient public provisioning of goods and services, government activities should be located at the level of government closest to people (Oates, 1972). However, administrative boundaries often do not coincide with agro-ecological zones (or with socio-economic situations). With the adoption of the *Local Government Code of 1991*, the agricultural functions devolved to LGUs in the Philippines are given in *Table 14*.

Table 14: Devolution of Agriculture Functions Across LGUs

LGU	Agricultural Functions Devolved
Barangay	Agricultural support services which include planting materials distribution system and operation of farm produce collection and buying stations (Section 17 (b) (1)(i))
Municipality	Extension and on-site research services and facilities related to agriculture and fishery activities which include dispersal of livestock and poultry, fingerlings, and other seeding materials for aquaculture; palay, corn, and vegetable seed farms; medicinal plant gardens; fruit tree, coconut, and other kinds of seedling nurseries; demonstration farms; quality control of copra and improvement and development of local distribution channels, preferably through cooperatives; inter- <i>barangay</i> irrigation systems; water and soil resource utilisation and conservation projects; and enforcement of fishery laws in municipal waters including the conservation of mangroves (Section 17 (b) (2)(l))

Table 14: Devolution of Agriculture Functions Across LGUs (contd.)

LGU	Agricultural Functions Devolved
Province	Agricultural extension and on-site research services and facilities which include the prevention and control of plant and animal pests and diseases; dairy farms, livestock markets, animal breeding stations, and artificial insemination centers; and assistance in the organisation of farmers' and fishermen's cooperatives and other collective organisations, as well as the transfer of appropriate technology (Section 17 (b) (3)(i))
City	All the services and facilities of the municipality and province...(Section 17 (b) (4))

Source: LGC, 1991

The gender issues in the decentralisation of agricultural sector are very wide.²⁶ Food security is one of the major areas of concern while discussing decentralisation in the agriculture sector. As women are key contributors to intrahousehold food and nutrition security, the process has implicit gender dimensions. The Philippines has been classified by the FAO as a *food-deficit* country. Moreover, the Philippines might miss the target of meeting the MDG of reducing the proportion of undernourished people by 50 percent by 2015. However, a study conducted for the Bulacan Province in the Philippines on the interrelationship between decentralised governance and food security — based on the randomised experiment with ninety-six farmers and ninety six rural housewives in 2005 from twenty-four *barangays* in eight municipalities—revealed that decentralisation improved the farmers' productivity to increase the supply level of basic food items and their continued availability.²⁷ The study also noted that decentralisation improved the people's livelihood opportunities through the diversity of their income sources which has reduced their dependency on a single resource (farming) and vulnerability to natural hazards and uncertain returns in volatile markets. It showed that devolution has also empowered the local communities to address their own basic needs.

Yet another point to be noted is that stagnation in agriculture sector is one of the reasons behind the *interjurisdictional labour mobility*, especially by women, in the Philippines. Theoretically, citizens who are dissatisfied with the public provisioning of services by one local government can *vote with their feet* by moving to another jurisdiction that

better meets their preferences.²⁸ In practice, there are many constraints on interjurisdictional mobility, especially in case of women. In spite of these constraints, there are evidences of interjurisdictional labour mobility by women for wage employment. A conscious LLGRB in agricultural sector was undertaken in the *barangays* of Hilongos through revamping the irrigation system and strengthening other policies to increase agricultural productivity with an objective to prevent female labour migration to urban areas as domestic workers. This reveals that interjurisdictional labour mobility may be a form of local accountability, when citizens reveal their preferences by strengthening *exit*. A detailed discussion of LLGRB initiative of Hilongos is given in the next subsection.

4.1 *Hilongos Experience*

Hilongos is located in the south-western part of Leyte. It is situated 1147 km. away from Tacloban city. It is a second class municipality with 51 *barangays* under its jurisdiction. As the economy of Hilongos and its land use pattern is diversified in terms of various agriculture produce, LLGRB in the agricultural sector was consciously undertaken with an objective to prevent female labour migration to urban areas as domestic workers. Diversified agriculture and livestock population in Hilongos makes it an appropriate case for local level government intervention to reap the benefits from these sectors. The goal of the annual gender responsive agricultural plan and budget was to improve the delivery of the agricultural programmes and extension services to the people of Hilongos. Under this, various steps were undertaken to achieve this goal, including identifying gender responsive programme within agriculture.

The out migration of women to urban areas for wage employment is identified as a matter of concern in Hilongos.²⁹ In the *activity mapping* of various agriculture produce, it was also found that women participate more than men in the various stages of agricultural production. The primary objective of LLGRB in the agriculture sector in Hilongos was to spread the irrigation facilities at the local level for greater agricultural production and engage female labour in local agriculture to stop forced migration. Apart from revamping the irrigation system, the other broader objectives of LLGRB were economic development through higher agricultural productivity, intrahousehold food and nutrition security, access to markets for agricultural produce, and environment

management. Each of these objectives has a specific target to achieve within a specified timeframe.

In terms of LLGRB, the four goals of GAD budget FY'06 in Hilongos are to: (i) improve the delivery of agricultural programs and services to the people of Hilongos; (ii) restore agricultural productivity; (iii) increase household income; and (iv) restore and protect *Salog* river corridors from quarrying. Like in Sorsogon, the *ex-ante* process of LLGRB in Hilongos translate these four goals into an iterative manner as follows: (i) identifying the gender issues in the agricultural and extension activities including revamping agricultural productivity, irrigation, and quarrying; (ii) translating the gender concern into GAD objectives such as food security, skill enhancement, access to markets, access to credit financing, awareness of ill effects of river quarrying and identifying alternative livelihood programmes; (iii) defining gender targets; (iv) defining the gender sensitive performance indicators; and (v) costing it to form GAD budget and subsequently identifying the budget heads. Gender-related issues are identified for each of these four goals, translated it into GAD objectives, targets and subsequently budgeted (*Annexure 3*).

The effectiveness of LLGRB initiative in agriculture sector of Hilongos can be understood only within a macro analysis of overall revenue and expenditure profile of LGU. As noted in *Table 2*, the expenditure on economic services, of which agricultural extension services is a major component, constitutes only 18 percent of the total expenditure of the LGUs. On the revenue side, the fiscal autonomy of the local government is heavily constrained by the fact that major share of their revenue is intergovernmental transfers (IRA); it was 87 percent of local revenue in Hilongos as per 2003 estimates (*Table 15*). Local taxes constitute only 9 percent of total revenue. Within local taxes, the major sources of revenue in Hilongos are business tax, which constituted 6.15 percent, and property taxes constituted 1.37 percent of the total revenues (*Table 15*). The own non-tax revenue constitutes a negligible share of total revenue, at around 3 percent.

Table 15: Structure of Revenue, Hilongos, 2003

Revenue Categories	2003
Local taxes	
Amusement tax	0.01
Business tax	6.15

Table 15: Structure of Revenue, Hilongos, 2003 (contd.)

Revenue Categories	2003
Community tax	0.79
Franchise tax	0.10
Occupation tax	0.00
Property transfer tax	0.02
Real property tax	1.37
Tax on delivery trucks and vans	0.00
Tax on sand and gravel	0.61
Other local taxes	0.00
Fines and penalties	0.01
Total tax revenue	9.06
Permits and licenses	0.71
Service income	0.96
Business income	1.49
Interest income	0.59
Internal revenue allotment (IRA)	87.18
Total non-tax revenue	90.94
Total	100 (47766433 Ph P)

Source: Local Budget Documents, Municipality of Hilongos, 2005.

The structure of expenditure by economic classification reveals that personal services (including salaries) constitutes 65.78 percent, maintenance and other operating expenses (MOOE) at 29.26 percent while capital outlay constitutes 4.96 percent (*Table 16*). Unlike Sorsogon, the capital budget is very negligible in the municipality of Hilongos.

Table 16: Structure of Expenditure, Hilongos, 2003

Expenditure	2003
1 Current Operating Expenses	
1A Personal Services ; of which	
Salaries	38.99
Others	26.79
Total	65.78
1B Maintenance and Other Operating Expenses	29.26
2 Capital Outlay	4.96
Total	100 (39889659 Ph P)

Source: Local Budget Documents, Municipality of Hilongos, 2005

The structure of revenue expenditure in the agricultural sector of Hilongos revealed that 90.26 percent of total current operating expenses went for personal services, of which salaries alone constituted 59.18 percent. Within the negligible MOOE at around 10 percent, *agricultural supplies expenses* constitute only 1.92 percent of total revenue budget of agricultural sector of Hilongos (*Table 17*).

Table 17: Structure of Revenue Expenditure in Agriculture Sector, Hilongos, 2003

1	Current Operating Expenses	
1A	Personal Services ; of which	
	Salaries	59.18
	Others	31.08
	Total	90.26
1B	Maintenance and Other Operating Expenses (MOOE)	
	Travelling expenses	3.38
	Training expenses	1.04
	Office supplies expenses	2.84
	Agricultural supplies expenses	1.92
	Other supply expenses	0.57
	Total	9.74
Total		100

(1997376 Ph P)

Source: Local Budget Documents, Municipality of Hilongos, 2005.

Given that a significant part of revenue of Hilongos is the Internal Revenue Allotment (IRA) and most of the expenditure of the municipality is of non-discretionary nature with no exception to the agricultural sector, the critical issue is to what extent the LLGRB sectoral initiatives could create leverage in terms of gender equity. However, the LLGRB initiatives of agricultural sector in Hilongos is commendable in terms of identifying the relevant gender issues in a *prima facie gender neutral sector*, like agriculture. The *interface between gender and environment* has been clearly mapped out in the identification of GAD objectives like revamping irrigation facilities to lessen female outmigration and also against river quarrying to lessen the environmental hazards.

The point to be flagged here is that gender disaggregated information is required to carry out the environmental and gender

differential analysis of agricultural sector; which in turn can feed in to the budgeting process. The statistical invisibility of women's work in agricultural sector often results in sub-optimal policies in achieving the distributive as well as the output goals of agricultural development. Methodologies to lift the veil of statistical invisibility needs to be strengthened.³⁰

The *Community-Based Monitoring System (CBMS)*³⁴ the method of collecting local level information³⁴ can be an effective method to provide data to local governments, which in turn could be used for designing gender responsive budgetary policies and programs.³¹ The CBMS can also monitor the outcomes of LLGRB initiatives.

V. Conclusion

With the strengthening of the process of fiscal decentralisation, the Philippines has moved ahead from *quota-based* gender budgeting to the identification of entry points for *results-oriented* gender responsive budgeting at the local level. This has been a conscious shift as the GAD budget (earmarking at least 5 percent of all departments for programmes for women in national and subnational budgets) resulted in misallocation of resources and also marginalisation of gender issues in the mainstream budgeting, as floor limits of GAD has been taken as ceilings in various sectors. Accepting that *quota-budgeting* for gender has always been a *second best principle* of gender budgeting, the Philippines ³⁴ though selective and sectoral initiatives ³⁴ has moved forward to differential targeting of expenditure, emanating from the identification of appropriate programmes for women in various sectors or reprioritising the expenditure based on a generic list of right programmes and policies for women. In Sorsogon, the initiative on LLGRB is in health sector, though confined to the gender issues related to MDG health goals. In Hilongos, the LLGRB initiative has been in the agriculture sector with the prime objective to prevent women from forced migration. However, the flexibility of finances at the local level determines the success of these initiatives to a great extent.

The lack of gender disaggregated data at all levels of local government thwarts the analysis to a considerable extent. It is

recommended that data base of gender disaggregated indicators be built up. In addition, the paucity of fiscal data at *barangay* levels is also a serious limitation in examining the fiscal decentralisation process through the gender lens. Working with the available data on fiscal variables at the local level, it is found that a large share of the budget is utilised for *input purchases* (as evident in proportionately higher share on personnel services) than *output purchases*, which has serious implications in terms of translating the public policies into better gender sensitive human development. It is further constrained by the fact that the fiscal autonomy at the local level is negligible.

In terms of governance, as considerable part of fiscal transfers are *politically determined*, adequate checks and balances need to be build-into the system. The existing institutional mechanisms including *Municipal Development Committee* is inadequate, as the composition of committee is skewed towards *barangay* captains and other officials (75 percent) than representatives from civil society (25 percent). The gender balance of these committees is also dismal. Effective *feminisation of governance* at the local level could be a solution to change the public expenditure decisions towards gender equity.

Annexure 1: LLGRB in Health Sector, Sorsogon: An Illustration

Target: Reduce Under 5 Children Mortality from 19.6 to 15 per 1000 livebirths (MDG 4)

Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator	GAD Budget
Client Focussed Under Five Clinic (Ufc) (EPI, OPT, ARI, CDD and nutrition)	No Involvement of Fathers/male caregivers to UFC activities. No gender segregation of UFC data.	Awareness of female and male on shared parenting and gender sensitive child care. To establish a gender sensitive data banking system for UFC.	Review, revise and improve modules for the mothers'/ fathers' class. Incorporate gender sensitivity in counseling to parents of UFC.	20 fathers/male and mothers/ female caregivers with children aged five years and below, per <i>barangay</i> , in 64 <i>barangays</i> .	No. of fathers/male and mothers/female care givers who attended the Father's/Mother's class and became gender sensitive in UFC activities.	Budget for training materials and meeting expenses
Nutrition		To prevent iron deficiency/ anaemia and Vit. A deficiency related diseases to UFC. To improve nutritional status of UFC.	Provision of micro nutrient supplementation (Vit. A, Ferrous Sulfate) to UFC. OPT and regular weighing (growth monitoring). Provide supplementary feeding for 120 days.	12-71 months boys/ girls Under Five Children	Number of boys/girls 12- 71 months given micronutrients. Number of boys/girls weighed. Number of boys and girls UF with poor nutritional status identified and given supplementary feeding.	Budget for micronutrient supplementation, weighing scale, food supplements etc

Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator	GAD Budget
CDD and ARI Surveillance: Surveillance of diarrhea cases		To provide preventive and curative measures to UFC. To prevent diarrhea among UFC.	Regular deworming. Diagnosis and treatment of UFC afflicted with CDD/ ARI. Provision of ORS among UFC. Water sample collection of water sources. Chlorinating contaminated water. Construction of sanitary toilet.	Under Five Children All doubtful sources. Identified contaminated water sources. 15% of total household without toilets All doubtful sources identified. Safe water. Households provided with toilets.	No. of UFC dewormed. No. of boys/girls diagnosed. No. of boys/girls provided with ORS. No. of functional ORT corners/Barangay IV fluids/sets (Bacon area)	Budget for cotrimoxazole, paracetamol, oresol, IVF fluids/sets, PHC media, chlorinator/chlorine, toilet bowls/cement/steel bars.

Reduce IMR from 4.11 to 3 per 1000 livebirths	To provide routine immunisation (BCG,OPV,DPT, measles, Hepa B) to under 1 year old. To prevent Vit. A deficiency related diseases among infants	Conduct routine immunisation to under/equal 1-year-old child.	Infants	Number of children immunised.	Budget for OPV /BCG / AMV ,
EPI	Provision of newborn screening.	Provision for regular supply of vaccines and other EPI supplies.		Availability of vaccines and other EPI supplies (syringes), etc.	DPT/ Hepa B, disposable syringes with needle,
Nutrition	Vit. A supplementation (micronutrient) and Vit. A to sick infants measles).OPT and regular weighing (growth monitoring).	New born 6-11 months 6-11 months 0-11 months		Number of new born screened No. of male/female given Vit. A No. of sick infants given Vit. A No. of male/female weighed	paracetamol 80mg. tablets, Vit. A, weighing scales etc

Target : Reduce MMR from 3.32 to 1.66 per 1000 livebirths by 2006 (MDG 5)

Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator	GAD Budget
Client Focused	1.Non-participation of husbands during prenatal visits.	1.To involve the husbands in prenatal activities.	1.IEC (information, education and communication) for couples.	1. 1.7% of total population (TP).	1.Number of male and female given IEC.	Budgeting for IEC materials,
Maternal and Child Health Care	2.Non-conducive facilities for prenatal check-ups.	2.To provide gender sensitive facilities conducive for prenatal check-ups.	If single parent, identify support person for IEC. 2a.Ocular inspection of physical structure of examination rooms and do some renovations to make it women friendly. 2b.Submit reports and recommendations to concerned department.	2.Identified BHS (Behavioural Health Services). 3.5% of total population 3.5% of total population 3.5% of total population 3.5% of total population 3.5% of total population	2. Submitted reports and recommendations. 3. No. of pregnant women given supplementation. No. of pregnant women given immunisation. No. of additional lying in clinics established in remote areas.	gasoline, drabkin's reagent, urine strips, Typing Sera-15 bot, HBMR
	3.Reduce unmet needs of				No. of pregnant women	

3. High unmet needs of pregnant and postpartum women. No lying in clinics to far flung/ remote areas.	pregnant and postpartum women. To establish lying in clinics to far flung areas.	3.Provision of multiple micronutrient supplementation to pregnant women. Provision of complete TT immunisation. Submission of proposal to City LGU for the establishment of lying in clinics to far flung areas. Provision of urine examination. Provision of blood typing and HgB determination. Provision of at least one prenatal consultation per trimester or more.	with urinalysis. No. of pregnant women with BT and HgB record. No. of pregnant women given prenatal consult and number of consultations done. 4. No. of pregnant women with thorough evaluation etc.
---	--	--	--

Target : Reduce MMR from 3.32 to 1.66 per 1000 livebirths by 2006 (MDG 5)

Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator	GAD Budget
Reproductive Health Services	1.Lack of Participation of male Counterparts in family planning activities. 2. Lack of access to reproductive health (RH) services.	1.To involve male in family planning activities and incorporate gender sensitivity orientation. 2.Increase access to RH/FP programmes and services.		1. 24 pilot <i>barangays</i> (15 Couples / <i>barangays</i> .) 9 pilot <i>barangays</i> 2. 24 pilot <i>barangays</i> (15 couples / <i>barangays</i> .) 3 possible youth organisation. 3,000 women (for pills). 3,000 men (for condom).	No. of high risk cases properly referred. No. of women with proper postpartum follow-up and care . No. of organised parents' class. No. of TAKUSA members. 2. No. of male and female with adequate information	Budget for Risk code guide, referral forms, IEC materials, pills, condoms/vasectomy, injectables, accommodation charges, medicines, mefenamic acid, licodine 2% band acid etc.

400 women (for injectables).
75 female and 75 male.

on RH and FP.
No. of male and female adolescents with adequate information on RH.
No. of male and female provided with FP supplies.
No. of male and female provided with NSV/BTL.

Target : Reduce MMR from 3.32 to 1.66 per 1000 livebirths by 2006 (MDG 5)

Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator Budget	GAD
Organisation- focused Capability Building for Health Service Providers	1. Gender insensitive approach of health personnel towards clients. 2. Unmet needs on RH. Lack of knowledge on GAD 3. Conflict on state vs. church point	1. To increase gender awareness among health staff and volunteers. 2. To enhance capacity of health staff on providing RH services. 2. To facilitate an agreement between the local church	1. Training on GST, GAD and RH of health staff and volunteers. 2. Training of health staff on NSV and BTL c/o LEAD. 3. Dialogue between local church authorities. 4. Preparation of FS.	1 and 2. All health personnels (140) and volunteers (340). 3. Local church authorities and LGU representatives.	1. No. of male and female who participated in the training on GST, GAD, RH. 3. No. of meetings and resolutions by church and the LGU 4. FS Rocs.	Budgeting for training etc.

of view concerning RH 4. No facility to intensify RH services.	and LGU authorities to provide a more culturally sensitive, high quality RH services.
--	---

Target: Combat HIV.AIDS, Malaria and other Diseases (MDG 6)

Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator	GAD Budget
---	----------------------------------	----------------------	------------------------------------	---------------	--------------------------------------	-------------------

Target: Combat HIV/AIDS, Malaria and other Diseases (MDG 6)

Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator	GAD Budget
HIV/AIDS –STIs	<p>1.No gender segregation of data on HIV/AIDS/STI cases.</p> <p>2.Low awareness of community and specific clients on HIV/AIDS - STIs</p> <p>3.Sex education for men and women in schools, mass media and the workplace.</p> <p>4. No coordination/ collaboration with private clinics and hospitals regarding STI cases.</p>	<p>1.To improve, upgrade and ensure utilisation of MIS for HIV/AIDS/STIs, malaria and other diseases.</p> <p>2.Increase awareness of community and specific clients on HIV/AIDS – STIs.</p> <p>4. To establish and strengthen coordination with private clinics and hospital for statistical surveillance and for monitoring and planning purposes.</p>	<p>1.Review, revise and improve existing Information system</p> <p>Identification and orientation of MSMs (Men Having Sex with Men) on HIV/AIDS STIs and other related topics.</p> <p>Revival of father's class.</p> <p>Encourage more males in health education campaign through peer counseling groups.</p> <p>Encourage suspected male and female clients to seek treatment and counseling</p> <p>Identify % encourage more male/female OFWs to undergo HIV/AIDS/STIs</p>	<p>1.City health personnel.</p> <p>MSMs.</p> <p>64 <i>barangays</i></p> <p>2). 40% male; 50% female.</p> <p>Peer educators.</p> <p>50% of suspected clients.</p> <p>175 OFWs.</p> <p>Male/female (350-baseline).</p> <p>10 secondary schools, 8 colleges.</p> <p>64 <i>barangays</i></p> <p>Through RHM/BHWs.</p> <p>Session/qtr.</p> <p>CSWs.</p> <p>Mothers, youths.</p> <p>Bar owners, food handlers in Sorsogon City.</p> <p><i>Barangays</i></p> <p>Officials.</p> <p>SHC/community.</p> <p>All private clinics and hospitals.</p>	<p>1.Gender sensitive information system on HIV/AIDS/STIs, malaria and other diseases.</p> <p>2.100% MSM identified and oriented 64 <i>Barangays</i> conducted father's class.</p> <p>Male/female participated in health education campaigns.</p> <p>Male/female clients sought treatment and counseling at the health centers.</p> <p>At least 85% undergone consultation.</p> <p>18 schools (secondary/colleges).</p> <p>Conducted HIV/AIDS orientation.</p> <p>Level of awareness of the community.</p> <p>Radio/TV guestings.</p> <p>Feminine care class conducted. Lectures conducted.</p> <p>Celebration of activities conducted.IEC to <i>barangays</i>. Officials conducted.</p>	Budgeting for data systems, courses, IEC materials etc.

Target: Combat HIV/AIDS, Malaria and other Diseases (MDG 6)

Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator	GAD Budget
			orientation. 2. Conduct adolescence sexuality classes among secondary and collegiate schools. Reproduction and dissemination of IEC materials. Radio programme and TV guestings. Conduct of feminine care class to entertainers' establishments. Conduct of lectures to mothers, youths, food handlers and bar owners. Commemoration of World AIDS Day/International Candle lighting ceremonies. Conduct of community health education to barangay officials		Telephone and text hotlines installed. VCT promoted. Accurate data on STI/HIV/AIDS. Gender responsive and results oriented monitoring and planning for HIV/AIDS/STI cases.	

Target: Combat HIV/AIDS, Malaria and other Diseases (MDG 6)

Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator	GAD Budget
			Installation of HOTLINES (telephones and cell phones) at the CHO – SHC. Coordination with Sangguniang panglunsod regarding the drafting of city resolution and ordinance requiring all private clinics and hospitals to submit report to the CHO to monitor cases of STI – HIV/AIDS in Sorsogon city.			
Limited knowledge and awareness on other communicable diseases/progr ammemes.	1. National Tuberculosis Programme (Tuberculosis)	1.To increase knowledge of community on community diseases, to reduce mortality and morbidity.	Conduct of information and education campaigns on TB and other communicable diseases through	Community.	Increase male participation.	Budgeting for IEC materials.

Target: Combat HIV/AIDS, Malaria and other Diseases (MDG 6)

Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator	GAD Budget
			community assemblies.			
	2.Control respiratory infections (ARI) a. pneumonia b. asthma c. bronchitis d. tonsillitis Mostly children/young ones are affected	To increase participation of males in community assemblies and other IEC activities. To establish a comprehensive and gender sensitive information systems for TB and other communicable diseases. Early detection and recognition of signs and Symptoms to decrease morbidity.	Conduct of gender sensitive counseling during clinic consultations. Organise TB task force. dentification, detection and management of TB patients. Follow-up of patients undergoing treatment. (follow-up sputum exam). National lung month Celebration. World TB day.	30 <i>barangays</i> (male and female) Suspected patients. Positive patients. Community. TB patients.	30 TB taskforce organised Number of patients examined. Number of PTs with sputum (+) undergoing treatment.	Budgeting for treatment

Target: Combat HIV/AIDS, Malaria and other Diseases (MDG 6)

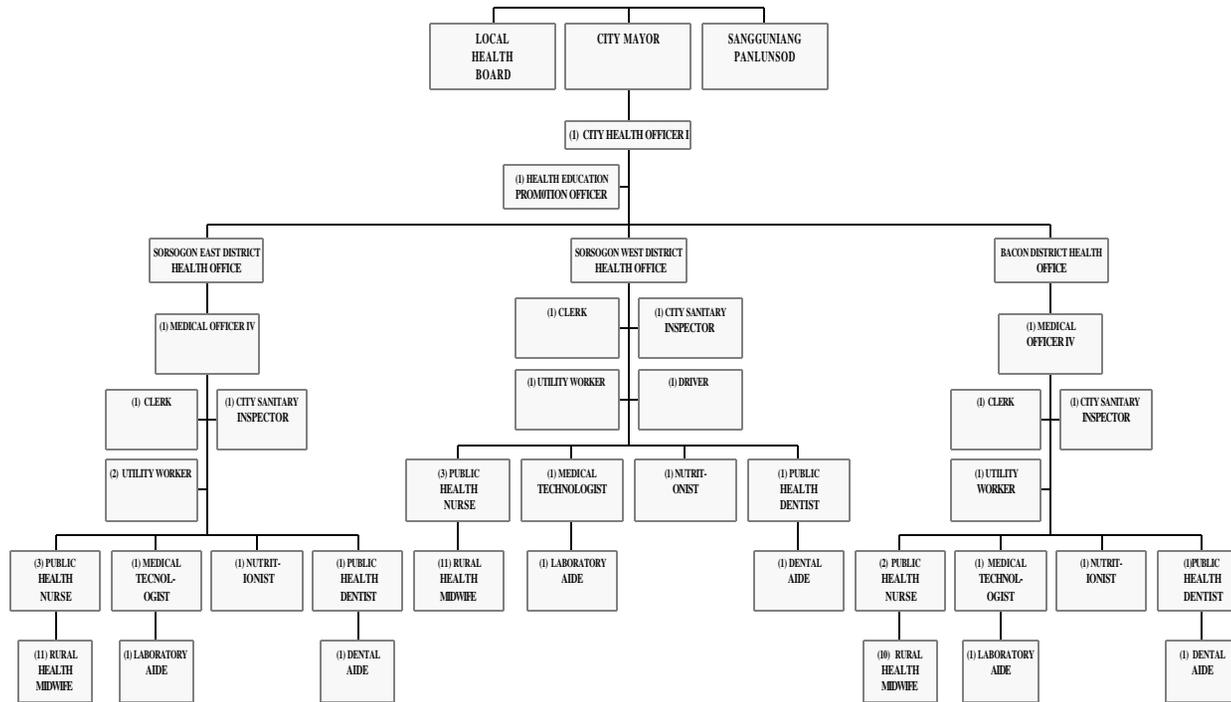
Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator	GAD Budget
	3Control of Diarrhea Diseases (CDD) a.Diarrhea b.Parasitism c.Amoebiasis d.Typhoid e.Cholera f.Food poisoning *mostly children/young ones are affected. No gender segregation of data for TB cases and other communicable diseases. No data on the cause of tuberculosis and other communi-cable diseases.	Prevent mortality or complications. Establishments of Rehydration unit at the RHUs.	Provision of medicines. Treatment of cases. Conduct of food handlers class. Provision of toilet bowls to remote areas. Installation of potable water sources. Conduct of parents' Class.	UFC, 5 above, adults (male and female). AC	Number of male/female attended the health education and counseling sessions. Number of food handlers' class conducted. Number of toilet bowls distributed. Number of potable water installed, examined and chlorinated. Rehydration units established in 3 RHUs.	Budget for medicines, Class, Toilet bowls/ cement/ steel bars etc.
Other Non-communicable A. Malnutrition		To decrease no. of children (UFC) with malnutrition. Increase	Early detection and recognition of signs and symptoms through close monitoring.	UFC, 5 above, adults (male and female) 7-9 <i>barangays</i> per quarter.	No. of boys/girls with malnutrition were treated/rehabilitated. Number of parents and/or caregivers including	Budgeting for treatment and campaign.

Target: Combat HIV/AIDS, Malaria and other Diseases (MDG 6)

Activity/ Programme/ Project	Gender Issue/ Concern	GAD Objective	Identified GAD Activity	Target	GAD Performance Indicator	GAD Budget
		awareness and knowledge of the community. Prevent mortality/morbidity or complication.	Conduct of parents' class/health education to caregivers. Conduct of gender sensitive counseling during clinic consultations.		caregivers attended the health education campaign.	

Source: Excerpts from Meeting Documents, City Health Office, Sorsogon

Annexure 2: Organisational Structure for Sorsogon City Health Unit



Annexure 3: LLGRB in Agriculture Sector, Hilongos: An Illustration

Goal (I): To improve the delivery of agricultural programmes and services to the people of Hilongos.						
Programme/ Activity/ Project (1)	Gender Issue/ Concern (2)	GAD Objectives (3)	Identified GAD Activity (4)	Target (5)	GAD Performance Indicator (6)	GAD Budget (7)
Organisation Focused	Lack of sex disaggregated data.	To establish disaggregated data	Organisation and orientation of enumerators.	51 teams of barangays Enumerators	51 barangays have gender based info system on agriculture.	Budget for data systems, forms, orientation courses.
Establishment of a gender responsive monitoring information system	Reporting forms do not show disaggregated data.	To develop forms that are gender responsive.	Conduct gender analysis data gathering. Review and revise existing forms for agriculture. Conduct orientation on gender- responsive forms. Seek technical assistance. Establish tie-ups with LSU-ISRDS. Procurement of new computer.	organised and oriented. 51 <i>barangays</i> . 4 women ATs, 4 men ATs, 1 Admin Staff and 1 MAO	Data analysed. 5women and 5 men OMA personnel attended. Gender- responsive forms developed. New computer with MIS installed.	
Capability building of all LGU officials and staff.	Not all LGU officials and personnel are gender responsive	To regularly monitor and evaluate the programme/projects. Organisation of a council that focuses on agricultural concerns.	Installation of MIS Programme. Hands on training of Computer. Conduct of regular M and E.	ATs. 4 women ATs, 4 men ATs, 1 Admin Staff and 1 MAO. LCE and SBs.	ATs are computer literate. Monthly monitoring and semi-annual evaluation conducted.	Budgeting for Capacity Building

Programme/ Activity/ Project (1)	Gender Issue/ Concern (2)	GAD Objectives 3)	Identified GAD Activity (4)	Target (5)	GAD Performance Indicator 6)	GAD Budget (7)
		To raise the gender awareness of the LGU officials and personnel.	Seek approval from the LCE on the creation of MAC and SB resolution recognising its creation. Creation of municipal agricultural council. Conduct gender sensitivity training to all elected officials and personnel. Conduct of in-depth gender session.	<i>Barangay Kagawads</i> on agriculture, SB, NGOs and POs. 55 women and 70 men officials and personnel. 55 women and 70 men officials and personnel.	Resolution passed by SB recognising the local municipal agricultural council. MAC formed, 5 meetings conducted in a year. 50% of women and men officials and personnel attended. 50% of women and men officials and personnel attended in-depth training.	
		To enhance extension works of agricultural technicians	Technical training on agricultural technology Procurement of extension kits for soil analysis	All (9) OMA personnel 4 women ATs and 4 men ATs	4 women ATs and 4 men ATs and 1 MAO attended the trainings No. of trainings conducted No. of kits for soil analysis procured	Budgeting for training, procurement of extension kits for soil analysis

**Goals (II): 1. To restore agricultural productivity
2. To provide access to the 2 *barangays* and 3 other *barangays* that are rich in *abaca, copra* and other products.**

Programme/ Activity/ Project (1)	Gender Issue/Concern (2)	GAD Objectives (3)	Identified GAD Activity (4)	Target (5)	GAD Performance Indicator (6)	GAD Budget (7)
Client-Focused						
1. Rehabilitation of <i>Tagbaoto</i> Irrigation System	742 ha. of farm land being tilled by 1,892 households are no longer productive due to non-availability of irrigation water	To raise funds for the rehabilitation of the irrigation system	Prepare project proposal for presentation to funding donors	1 Project proposal completed	1 Project proposal submitted to FA's	Budget for rehabilitation of irrigation.
2. Rehabilitation of farm to market road.	Agriculture products cannot reach the market due to impassable roads	To search for funds for the project roads	Prepare project proposals for presentation to funding donors	Project proposal completed	Proposal submitted to FAs	Budget for project roads

Goal (III): Increase Household Income						
Programme/ Activity/Project (1)	Gender Issue/Concern (2)	GAD Objectives (3)	Identified GAD Activity (4)	Target (5)	GAD Performance Indicator (6)	GAD Budget (7)
Alternative Livelihood Programme	Out migration of youths and women due to growing unemployment	To provide opportunities for alternative livelihood to affected families.	Conduct skills training on:-- Farmers field school on vegetable (HVCC), - Cut flower production - Food trades	50% of 90% of women engaged in off farm activities	No. of women and men attended the skills training per topic	Budget for skill training
		To ensure food availability in every household	Lobby with SB and <i>Barangay Council</i> on the enactment of ordinances related to vegetable production.	SB and <i>Barangay Councils</i>	1 Municipal ordinance and 51 <i>Barangay Ordinances</i> enacted	
			Provision of vegetables, seeds and access to credit and financial institutions.	10,700 households in 51 <i>Barangays</i>	@ least 70% of the total households per <i>Barangay</i>	Budget for credit finance
Lowland hybrid rice commercialisation	1. Women are not considered as farmers.	To enhance skills of women in their off- farm activities.	Awarding of most vegetables productive <i>barangay</i>	51 <i>barangays</i>	10 <i>Barangays</i> awardees	Budget for skill training, livelihood activities etc.

Goal (III): Increase Household Income						
Programme/Activity/Project (1)	Gender Issue/Concern (2)	GAD Objectives (3)	Identified GAD Activity (4)	Target (5)	GAD Performance Indicator (6)	GAD Budget (7)
	2. Women farmers are multiple burdened - for capital sourcing - caring of children - household chores	To include women as direct beneficiaries of the programme. To raise the level of gender consciousness of farmers. To educate parents on the basic rights of the children	Provision of seed capital and marketing assistance. Conduct orientation seminar on Hybrid rice commercialisation	No. of women and men who attended the skills training. 160 women-farmers in 20 identified <i>barangays</i>	No. of on-going livelihood activities 25% increase of income	
	3. Incidence of child abuses in 20 <i>barangays</i> : Child labor (162 girls and 243 boys) Physical abuse-4 4. Only five incidents of wife battering are reported	To minimise violence against women To introduce cassava production as other means of income. To ensure marketing of cassava products.	Inclusion of hybrid rice seeds under subsidy programme Conduct gender orientation to farmers Conduct Seminar on children's rights and on parent effectiveness service and/or ERPAT	325 farmers 165 male and 160 female farmers	80% of 160 women attended the orientation No. of women and men availed and benefited	
3. Upland cassava production	1. Farmers earning below poverty threshold	To increase access to economic opportunities and provide skills training	Conduct seminar on VAW (Violence against Women) and legal literacy	325 couples	60% of 165 male and 80% female farmers	

Programme/Activity/Project (1)	Gender Issue/Concern (2)	GAD Objectives (3)	Identified GAD Activity (4)	Target (5)	GAD Performance Indicator (6)	GAD Budget (7)
4. Techno demo on oysters and mussels	1. Lack of economic opportunities of men and women 2 in coastal barangays.		Orientation and recruitment of more farmers to plant cassava	325 couples	No. of women and men attended decrease of no. of abuses by 50%	
			Conduct agri-entrepreneurship to farmers		No. of women and men attended increase no. of reported cases	
			Conduct trainings on cassava processing	83 upland farmers	90% of 83 farmers engaged in cassava production	
			Provide financial assistance		80% of 83 upland farmers attended	
			Established techno demo on mussels and oysters culture	-do-	-do-	
				-do-		
			-do-	No. of men and women availed/ benefited		
			837 HH fishfolks in 9 coastal <i>barangays</i>		5 demos on mussels and 5 demos on oyster established No. of women involved in the establishment	

Programme/Activity/Project (1)	Gender Issue/Concern (2)	GAD Objectives (3)	Identified GAD Activity (4)	Target (5)	GAD Performance Indicator (6)	GAD Budget (7)
	2. Unvalued women's Work in fishing communities (837 HH)	To increase awareness on the role of women	Conduct of GST	No. of HH in 11 <i>barangays</i>	No. of men and women attended per <i>barangay</i>	Budget for information campaign
	3. 70 children are hired to work in fishing boats	To stop the hiring of children in fishing operation.	Information drive and enforcement of child labour law	No. of HH in 11 <i>barangays</i>	Decrease by 80% of 70 Children hired to work on fishing boats	

Goal (IV): To restore and protect Salog River corridors						
Programme/ Activity/Project (1)	Gender Issue/Concern (2)	GAD Objectives (3)	Identified GAD Activity (4)	Target (5)	GAD Performance Indicator (6)	GAD Budget (7)
Advocacy Programme against quarrying	Men and women in the seven <i>barangays</i> are involved in river quarrying.	To raise the level of awareness on the ill-effects of quarrying	Conduct info-campaign on the importance of protecting the environment	7 <i>Barangays</i> affected areas	No. of men and women attended per <i>barangay</i>	Budget for info-campaign
			Lobby at the provincial level to stop renewing/ issuing quarrying permits	Governor and SP	1 Resolution passed and supported by the provincial govt.	
					No renewal / issuance of quarrying permits.	
					Regulation of illegal activities	
			Mobilise and strengthen CSOs	7 CSOs in the affected <i>barangays</i>	CSOs organise sectors mobilised and vigilant to quarrying activities	
			Organise multi-sectoral coalition against quarrying	Existing CSOs (NGOs, POs, church)	Multi-sectoral coalition formed	Budget for advocacy
			Link with media			

Programme/ Activity/Project (1)	Gender Issue/Concern (2)	GAD Objectives (3)	Identified GAD Activity (4)	Target (5)	GAD Performance Indicator (6)	GAD Budget (7)
			(GMA, ABS-CB, investigative journalism) church and environment lawyers	Local and national tri-media, parish priests and ELAC	3 Local and national tri-media tapped	

Source: Excerpts from Meeting Documents, Municipality of Hilongos, Leyte.

References

- Aitken, I. 1999. "Implementation and integration of reproductive health services in a decentralized system", in (ed.) Kolehmainen-Aitken R. *Myths and Realities about the Decentralization of Health Systems*. Boston: Management Sciences for Health; 111–36.
- Alabastro-Quimbo, S. 2001. *Correlation Study of Basic Social Services*, Task Force 20/20, Development Academy of the Philippines.
- Bahl, Roy and Larry Schroder, 1983. *Intergovernmental Relations in Local Government Finance in the Third World*. Praeger Publications.
- Bardhan, Pranab 2002. 'Decentralization of Governance and Development', *Journal of Economic Perspectives*, 16; 185-205.
- Bardhan, Pranab and Dilip Mookherjee, 1999. "Relative Capture of Local and Central Governments: An Essay in the Political Economy of Decentralization," Boston University - Institute for Economic Development 97, Boston University.
- Breton, Albert 1996. *Competitive Governments. An Economic Theory of Politics and Public Finance*. New York: Cambridge University Press.
- Breton, Albert and Angela Frascini, 2004. '*Intergovernmental equalization grants: some fundamental principles*', Department of Public Policy and Public Choice – POLIS, Working Paper No. 42, Alexandria, Italy.
- Department of Budget and Management, National Commission on the Role of Filipino Women (NCRFW) and Canadian International Development Authority (CIDA), 2002. *Gender Mainstreaming and Institutionalization in the Budgeting Process*, Department of Budget and Management, The Philippines.
- Department of Finance, 2004. *Battling The Odds*, Annual Report, Department of Finance, Republic of the Philippines.
- Department of the Interior and Local Government (DILG), National Commission on the Role of Filipino Women (NCRFW) and

- Canadian International Development Authority (CIDA), 2002. *Gender Responsive Local Planning and Budgeting, A Guidebook for Beginners*, Department of the Interior and Local Government, The Philippines.
- Elegado, Marilyn Fely 2005. *Philippine Case Study on Nursing Migration*, Institute of Health Policy and Development Studies, The Philippines.
- Edralin, Josefa S. and Cristino M. Collado, 2005. *Decentralized Governance And Food Security: Perceptions From Rural Local Governments And Communities in Bulacan Province*, United Nations Centre for Regional Development (UNCRD).
- Griffith, K. 1981. "Economic Development in a Changed World," *World Development*, 9(3); 5.
- Guevara Milwida M. 2003. "The Fiscal Decentralization Process in the Philippines; Lessons From Experience", International Symposium on **Fiscal Decentralization** in Asia Revisited, Hitotsubashi University, Tokyo.
- Lakshminarayanan R. 2003. "Decentralization and its Implications for Reproductive Health: The Philippine Experience," *Reproductive Health Matters*, 11, May 2003; 96-107
- Lindahl, Erik 1964. 'Just Taxation – A Positive Solution', in (eds.) Musgrave Richard A. and Alan T. Peacock, *Classics in the Theory of Public Finance*. London: Macmillan: 168-176.
- Maccini, Sharon L. 2006. "Do Local Government Resources Affect Child Health? Evidence from the Philippine Fiscal Devolution." Gerald R. Ford School of Public Policy, University of Michigan (mimeo).
- Manasan Rosario, G and Eden, C. Villanueva 2005. "The Impact of Fiscal Restraint on Budgetary Allocations For Women's Programs", National Commission on the Role of Filipino Women (NCRFW).
- Manasan, G Rosario 2004. "Local Public Finance in the Philippines: In Search of Autonomy with Accountability", Philippine Institute for Development Studies, Discussion Paper Series, No. 2004-02, The Philippines.
- Meagher, Patrick 2000. "Decentralization, Quality of Governance, and Corruption." The World Bank Group.

- National Commission on the Role of Filipino Women (NCRFW), 2004a. Report on the State of Filipino Women; 2001-2003, Executive Summary, National Commission on the Role of Filipino Women.
- National Commission on the Role of Filipino Women (NCRFW), 2004b. Anti-Trafficking in Persons Act of 2003; Implementing Rules and Regulations, National Commission on the Role of Filipino Women.
- National Commission on the Role of Filipino Women (NCRFW), 2004c. Sustaining the Momentum for Women's Empowerment and Gender Equality, A Term Report, National Commission on the Role of Filipino Women.
- National Commission on the Role of Filipino Women (NCRFW), 2005a. Anti-Violence Against Women And Their Children Act of 2004; Implementing Rules and Regulations, NCRFW, and United Nations Population Fund (UNFPA).
- National Commission on the Role of Filipino Women (NCRFW), 2005b. *Moving Forward with GAD*, A Handbook on Gender and Development for the Sanggunian Committee on Women and Family", NCRFW, UNICEF.
- Oates, W. 1972. *Fiscal Federalism*. New York: Harcourt Brace Jovanovich.
- Pellegrini, Anthony J., Ma Cecilia, and G. Soriano, 2002. A Study to Revisit the LGU Financing Framework and Its Implementations, Department of Finance, The Philippines.
- Plan Framework of the Philippine Plan for Gender-Responsive Development; 1995-2025.
- Prud'homme, Remy 1995. "On the Dangers of Decentralization". *The World Bank Research Observer*, 10 (2); 201-20.
- Rao, M. Govinda 2006. "Gender Responsive Budgetary Policies and Fiscal Decentralization: Conceptual Issues, Paper presented at NIPFP-IFES-USAID Conference on **Gender Budgeting**, NIPFP, February 2, 2006.
- Rao, M. Govinda and Nirvikar Singh, 2004. Asymmetric Federalism in India, National Institute of Public Finance and Policy Working Paper 06, NIPFP, New Delhi, India.

- Republic of the Philippines, 2004. *National Health Accounts*, National Statistical Coordination Board, The Philippines.
- Republic of the Philippines, 2005. *Budget of Expenditures and Sources of Financing: Fiscal Year 2006*, Republic of the Philippines.
- Reyes, C.M. 1998. "Institutionalising a Poverty Monitoring System in the Philippines," MIMAP-Research Paper No. 40.
- Salmon, Pierre 1987. 'Decentralisation as an Incentive Scheme', *Oxford Review of Economic Policy*, 3(2); 24-43.
- Solon, O. *et. al.*, 2001. UHNP End of Project Evaluation study, Department of Health, Republic of the Philippines.
- Solon.O *et. al.*, 2003. Financing Health Care For Poor Filipinos, Working Paper No. 2004-8, University of The Philippines School Of Economics.
- Tiebout, Charles M. 1956. A Pure Theory of Local Expenditures. *The Journal of Political Economy*, 64(5); 416-424.
- United Nations Statistical Division, 1993. *Systems of National Accounts 1993*. New York: United Nations.
- Valdeavilla Ermelita V, Fe C. Manapat 2001. "Breaking New Grounds for Women's Empowerment and Gender Equality; Experiences and Insights in Implementing the GAD Budget Policy," NCRFW, and United Nations Development Programme (UNDP).
- Wicksell, Knut 1964. A New Principle of Just Taxation, in (ed.) Richard Musgrave and Alan T. Peacock, *Classics in the Theory of Public Finance*. London: Macmillan; 72-118.
- World Bank 2002. *World Development Indicators*. Washington D.C.: The World Bank.

Endnotes

¹ For details, refer Guevara, 2003.

² Section 17 ©, Republic Act 7160, Local Government Code of 1991.

³ The local government unit (LGU) is generically applied to all levels of subnational governments in the Philippines; the term refers to provinces, cities, municipalities and *barangays*. However, as data on *barangays* is not available, the calculations related to LGU revenue and expenditure refers only to provinces, cities, and municipalities.

⁴ Local sources exclude transfers received from national government.

⁵ Expenditures of the national government are net of debt service.

⁶ *Decentralisation theorem* states that “each public service should be provided by the jurisdiction having control over the minimum geographic area that would internalise the benefits and cost of such provisions”, Oates (1972).

⁷ The intra-*barangay* allocation is slightly different. First the net *barangay* share is calculated as,

net *barangay* share = total *barangay* share – *barangays* with 100 population.

This net *barangay* share is then distributed on the basis of population (60%) and equal sharing (40%). (excerpts from the interview with Department of Interior and Local Government (DILG), The Philippines).

⁸ Theoretically, bond markets are an important element of a developed financing framework because bond markets are efficient mechanisms for mobilising resources from a variety of private and semi-private financial institutions, including insurance companies, pension funds, mutual funds, companies, and wealthy individuals. In the USA, *municipal bond* securities are the most significant way for state and local governments to borrow money to finance their capital investment and cash flow needs. An unusual feature of the US market is that holders of municipal bonds are exempt from federal tax on interest payments. However, in the Philippines, because private investors have limited knowledge of LGUs as borrowers, and because the domestic bond market is not well developed, this may not yet be the case. (For details, refer Pellegrini, Anthony J. and Ma Cecilia. G. Soriano, 2002).

⁹ *Municipal Development Fund* (MDF) was created to target the financing of less creditworthy LGUs and to social/environmental projects. It was created as a *revolving fund*, available to local governments as loans and capitalised and funded by proceeds of foreign loans, assistance or grants. It is also to promote more direct access of LGUs to ODA sources. Though many LGUs had expressed the desire to be able to borrow directly from multilateral banks and other development agencies, this was not yet possible for various reasons (For details, refer Pellegrini, Anthony J., Ma Cecilia, and G. Soriano, 2002).

¹⁰ Guevara (2003) noted that Congress had a *literal meaning of equity*, that is, giving each local government the same share regardless of its needs and resources; but there was nothing in the grants system that can equalise resources of LGUs with their expenditure functions or any factor that can equalise disparities in resource capabilities of LGUs. It is also noted that owing to the absence of factors in the distribution formula that can equalise tax capacities and expenditure needs, grants have failed to be an *equaliser*. They have been *counter-equalising* as LGUs with more revenues, higher taxable capacity, and more expenditure outlays receive

more grants. It is also noted that it has even introduced *perverse incentives* for an LGU to split itself to receive additional IRA. The IRA formula provided an incentive for the conversion of a municipality into a city. As per the vertical assignment of IRA, 23 percent of the IRA is shared by 115 cities as compared to 1492 municipalities that share 34 percent.

¹¹ “Asymmetric federalism” refers to federalism based on unequal powers and relationships in political, administrative and fiscal arrangement spheres between the units constituting a federation. Asymmetry in the arrangements in a federation can be viewed in both vertically (between centre and states) and horizontally (among the states). If federations are seen as *indestructible union of indestructible states*, and center and states are seen to exist on the basis of equality; neither has the power to make inroads into the defined authority and functions of the other unilaterally (Rao and Singh, 2004).

¹² as cited by Albert Breton and Angela Frascini, 2004; and Rao, 2006.

¹³ Breton, 1996; Salmon, 1987; as cited by Rao, 2006.

¹⁴ The Philippine Center for Policy Studies, Galing Pook awards Foundation and Synergeia Foundation are among the organisations in the Philippines that benchmark governance of local governments (Guevara, 2003).

¹⁵ Asian Institute of Management ranks cities in terms of their competitiveness, e.g., adequacy of infrastructure, transparency in dealing with the local bureaucracy (Guevara, 2003).

¹⁶ A *wicksellian connection* is a link between the quantity of a particular good or service supplied by centers of power and the taxprice that citizens pay for that good or service. Knut Wicksell (1896) and Erik Lindahl (1919) showed that if decisions regarding public expenditures and their financing were taken simultaneously and under a rule of (quasi) unanimity, a perfectly tight nexus between the two variables would emerge. Breton (1996) argued that competition between centres of power, if it was perfect and not distorted by informational problems, would also generate completely tight wicksellian connections. In the real world, competition is, of course, never perfect and informational problems abound and, as a consequence, wicksellian connections are less than perfectly tight. Still, as long as some competition exists, there will be wicksellian connections (Albert Breton and Angela Frascini, 2004).

¹⁷ Bardhan, Pranab 2002; and Bardhan and Mookherjee, 1998.

¹⁸ For details, refer Bardhan and Mookherjee, 1999.

¹⁹ Local Government Code, Section 17 (b).

²⁰ However, on the other hand, the intrahousehold factors such as the mothers' education, water and sanitation have basic influences on health. In the context of the Philippines, a study noted that a child whose mother has only had elementary education is 2.1 percent more likely to have been ill during a six-month period. Similarly, a child belonging to a household with its own piped water source is 2 percent less likely to be ill (S. Alabastro-Quimbo, 2001).

²¹ For details, refer Solon.O *et. al.* (2003).

²² Sorsogon is one of the Provinces in the Bikol Region (the home to world famous perfect-cone *Mayan* volcano) of the Philippines with 541 *barangays*. The city of Sorsogon was newly created through the *Republic Act 8806*, also known as the Cityhood Law and it was ratified by a plebiscite in December 2000. The new city is the product of merger of

municipalities of Bacon and Sorsogon. The merger has resulted in creating a political unit of 64 *barangays* under three districts: Bacon (with 28 *barangays*), Sorsogon West (with 22 *barangays*) and Sorsogon East (with 14 *barangays*). The total population of the new city is 134,678 as per census 2000; with male (67,662) outnumbering the female (67,016) by a slight margin. The Human Development Index of Sorsogon is 0.569 (www.nscb.gov.in).

²³ For details, refer *Annexure 1*.

²⁴ The study presented evidence that the block grants were partly spent on sanitation projects, although improvements in sanitation are likely to be only one of several channels linking public resources and child health. The study also find that the return to per capita block grants is higher in jurisdictions with fewer pre-existing community institutions.

²⁵ For details, refer Elegado, Marilyn Fely (2005).

²⁶ The gender issues in the decentralisation of agricultural sector are manifold; which range from statistical invisibility of women's unpaid labour in agricultural sector; food security; gender differences in access to resources, including land, water, credit financing and technologies; time used budgets and the division of labour; patterns of outmigration and land use planning; loss of indigenous knowledge and technology with no appropriate substitutes; competition for land, water and other resources, and between food and non-food crops; use of toxic agro-chemicals; seasonality in cropping and economic access to available food, pricing policies; items qualifying for subsidy — cash vs. food crops, public policies related to the access to credit and marketing; interface between gender and environment, viz., the resettlement and transmigration programmes to environmental issues.

²⁷ Edralin, Josefa S. and Cristino M. Collado (2005).

²⁸ This is referred in the literature as 'Tiebout's hypothesis.'

²⁹ Unlike Sorsogon, LLGRB initiative in Hilongos is not in the health sector. As the maternal mortality rate is negligible in Hilongos, health related gender issues have not been an urgent concern in the region. The point to be noted here is that the formation of *inter-barangay consultation committees* to disseminate the best practices in LLGRB of health and agriculture sectors to other *barangays* in the Philippines is a point worth to reckon.

³⁰ The attempt of United Nations Statistical Division in extending the production boundary of the Systems of National Accounts (SNA), 1993, has led to the inclusion of the activities of unpaid work into the national accounting system as satellite accounts. This extended production boundary of SNA 1993 provides a better understanding of women's contribution to the economy. Time-budget data, in this context, are increasingly getting important as they capture the burden of unpaid work in addition to the market economy, which in turn has significant macro policy implications, in particular public investment in agricultural sector.

³¹ For details on CBMS, refer Reyes, C.M. (1998).