

A seminar by Sekiguchi Global Research Association of the **Atsumi International Foundation** in collaboration with College of Public Affairs and Development of the University of the Philippines Los Baños **Faculty of Management and Development Studies** of the University of the Philippines Open University









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## INTRODUCTION

The Sustainable Shared Growth Seminars are also known as the KKK seminars. KKK stands for Kahusayan (Efficiency), Katarungan (Equity), and Kalikasan (Environment), which represents the economic goals of sustainable shared growth. It is also the name of the revolutionary organization that fought for the independence of the Philippines from Spain. Unlike in Western or Asian (Japanese) context, for the Philippines, therefore, KKK stands for what is noble in her traditions, and is very much against repression. We feel that the Philippines is in dire need of sustainable shared growth, and requires nothing short of a revolution, albeit peaceful, in our way of thinking and acting on these issues.

This seminar series is organized by the Sekiguchi Global Research Association of the Atsumi International Foundation, based in Sekiguchi, Bunkyo-ku, Tokyo, Japan. The Nihongo equivalent for KKK are kouritsu (efficiency), kouhei (equity), and kankyou (environment), for which the Japanese characters are 効率, 公平, 環境, respectively.

**FEBRUARY 2, 2023** 

# Building the Next Singapore(s) in the Regions: Case of Butuan

**KKK SEMINAR #35** 

### INTRODUCTION

**FEBRUARY 2, 2023** 

# Building the Next Singapore(s) in the Regions: Case of Butuan

KKK SEMINAR #35

The Philippines suffers from a severe case of inequitable distribution of income or wealth. This inequity is reflected in the skewed concentration of economic activities to just a few geographical areas, most noticeably to the National Capital Region (NCR). Towards achieving a broader base of economic development, the principle of decentralization is a powerful one.

One thrust that was taken by the previous administration is the Master Plan for Sustainable Urban Infrastructure Development (MPSUID) implemented through the National Economic Development Authority (NEDA). In this KKK seminar, we will be focusing on the MPSUID of Butuan City, as a good case study of promoting growth poles away from the NCR. The presentations and discussions will be made and facilitated by those involved in the Butuan City MPSUID, in the hope of getting insights on this initiative, including the opportunities and challenges confronted.

This seminar should be of relevance not only to those in the Butuan City region, but also to those concerned about how to further push our decentralization efforts.

# **PROGRAM**

#### OPENING REMARKS

#### DR. JOANE SERRANO

Dean, Faculty of Management and Development Studies University of the Philippines Open University

#### JUNKO IMANISHI

Chief Representative, Sekiguchi Global Research Association Atsumi International Foundation

#### **PRESENTATIONS**

#### PRESENTATION #1 | INTRODUCTION TO THE MPSUID AND LESSONS LEARNED

Arch/EnP Mike Tomeldan, College of Architecture, University of the Philippines Diliman

# PRESENTATION #2 | A SUSTAINABLE SHARED GROWTH PERSPECTIVE OF THE MPSUID

Dr. Max Maquito, CPAf/UPLB and SGRA/AISF

#### DISCUSSIONS

Ms. Melanie A. Maur, Chief Economic Development Specialist of the Project Monitoring and Evaluation Division of NEDA Caraga

Ms Cristina Romarate-Arcillas, President of Butuan Chamber of Commerce

CHAIR | CES LUNA, FMDS/UPOU

## **OPENING REMARKS:**

### DR. JOANE SERRANO DEAN, FMDS/UPOU

Director Junko Imanishi, Chief Representative of Sekiguchi Global Research Association (SGRA) and the Managing Director of Atsumi International Foundation: Architect and Environmental Planner Mike Tomeldan, who is one of our presenters and is a faculty member of the UP College of Architecture; Dr. Max C. Maquito, who is our other presenter today and who teaches at the UPLB College of Public Affairs and Development (CPAfD); Ms. Melanie A. Maur, our discussant who is the Chief Economic Development Specialist of the Project Monitoring and Evaluation Division of **NEDA** Caraga; our discussant Cristina Romarate-Arcillas, who is the President of the Chamber of Commerce of Butuan; our participants who are physically present with us here in the headquarters of the UPOU; our online participants; ladies and gentlemen. Welcome to the 35th Sustainable Growth Seminar entitled. "Building the Next Singapore(s) in the Regions: The Case of Butuan".

We in the UPOU's Faculty of Management and Development Studies are pleased to once again partner with SGRA and CPAf in organizing a seminar on a topic within the realm of sustainable development.

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# **OPENING REMARKS:**

### DR. JOANE SERRANO DEAN, FMDS/UPOU

As many of you know, the UPOU is committed to actively contributing to the achievement of the United Nation's Sustainable Development Goals (SDGs). We strive towards awareness and active pursuit of SDGs in our research and in our online academic programs, particularly in our diploma and masters programs in Environment and Natural Resources Management, International Health, Land Valuation and Management, Research and Development Management, Land Use Planning, Public Management, Social Work, and Women and Development. In addition, we are in the late stages of obtaining approval from the University of the Philippines System to offer a PhD program on Sustainability. We also publish the Journal of Management and Development Studies (JMDS), an online, open access and peer-reviewed journal, to promote scholarly work on sustainable development.

Today's seminar is of interest to our faculty, research staff and students, particularly to those in the fields of land use planning, environment and natural resources management, and public management, among others. We hope that our presenters will consider publishing their research in Butuan City in the JMDS. We are also eager to develop learning materials—for example, videos—from this seminar as well as from future seminars that we hope to again jointly organize with SGRA and CPAfD. Thus, I wish to once again thank our collaborators the SGRA and CPAfD. Our partnership is indeed fruitful.

And to all the participants of this seminar—both to those physically present here and those who are online—my hope is that you will take full advantage of the knowledge that will be shared by our presenters and that you will actively participate in the ensuing discussions. Thank you.

# OPENING REMARKS: JUNKO IMANISHI CHIEF REPRESENTATIVE, SGRA

Ohayou gozaimasu! Good morning from Tokyo!

We would like to thank first of all the University of the Philippines Open University (UPOU), through Prof. Cesar Luna for inviting us today to hold the 35th Sustainable Shared Growth Seminar jointly at UPOU and ZOOM. It is also nice to see again Architect Mike Tomeldan, who is also a long time supporter of this seminar series

Today's seminar actually focuses on a project organized by Architect Mike, who kindly involved Dr. Max Maquito in 2019-2020. As Dr. Max will point out this is actually a case of decentralization, which I understand is a major policy thrust of the Philippine government. You might be interested to note that before our modernization from the Meiji Restoration, Japan was essentially a decentralized nation. This phase was most likely important in contributing to what Japan is today.

I hope you will enjoy today's seminar, and get some takeaways that would be useful to your respective regions. Thank you! Before our modernization from the Meiji Restoration, Japan was essentially a decentralized nation



# OPENING REMARKS: JUNKO IMANISHI

CHIEF REPRESENTATIVE, SGRA







A very warm welcome in wintry Tokyo after coming back from a visit to my daughter and her new-born in a beautitul Swiss town

We thank you for your continued support of the KKK seminars!

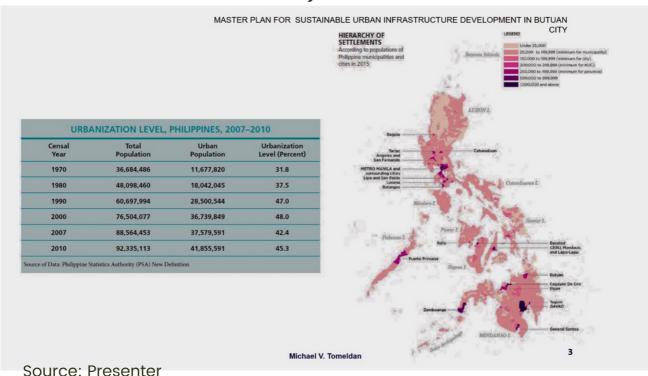
PRESENTATION #1 | INTRODUCTION TO THE MPSUID AND LESSONS LEARNED

Arch/Enp Mike Tomeldan, College of Architecture,

University of the Philippines Diliman

### **Background**

- Urbanization of the Philippines has steadily advanced
- Now, about 50% of the country's population reside in cities (this is about the same in the rest of the world)





- Growth has been centered in only a few cities
- · Need to distribute growth centers
- The government has identified cities where infrastructure projects will be focused

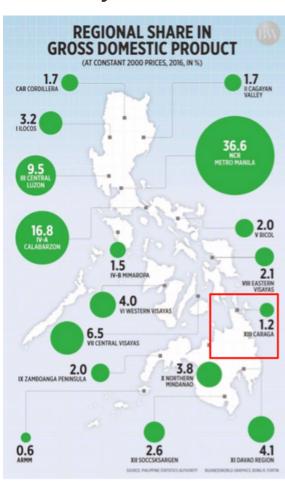
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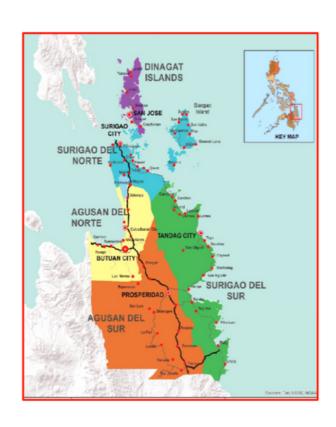
Arch/Enp Mike Tomeldan, College of Architecture,

University of the Philippines Diliman

### **Butuan City in Caraga Region**

The subject of Seminar #35





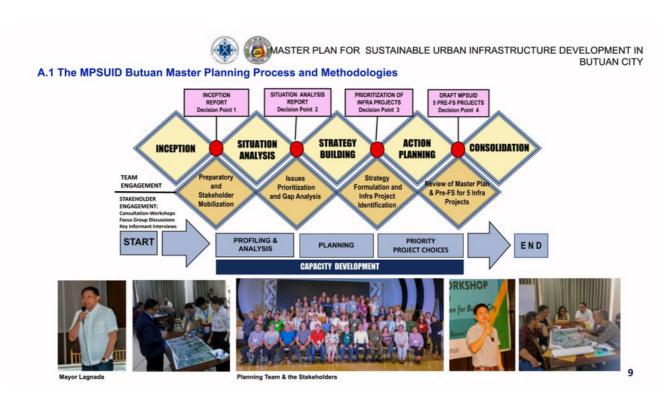


- This seminar focuses on the City of Butuan in the Caraga Region (Region 13), located in Southern Philippines
- Max and I were involved in the Master Plan for Sustainable Urban Infrastructure Development (MPSUID) for Butuan City

PRESENTATION #1 | INTRODUCTION TO THE MPSUID AND LESSONS LEARNED Arch/Enp Mike Tomeldan, College of Architecture, University of the Philippines Diliman

# The planning process was participatory

starting from consultations with the stakeholders





- MPSUID-Butuan was very consultative and participatory
- involves the capacity building of the regional National Economic Development Authority (NEDA) and the Local Government Unit (LGU)

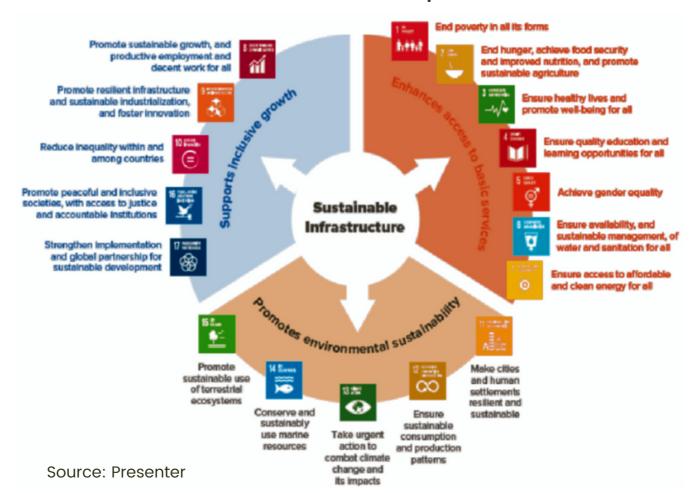
PRESENTATION #1 | INTRODUCTION TO THE MPSUID AND LESSONS LEARNED

Arch/EnP Mike Tomeldan, College of Architecture,

University of the Philippines Diliman

# MPSUID-Butuan planning was aligned to other goals

such as the Sustainable Development Goals





- Sustainable Infrastructure
  - o enhances SDGs 1, 2, 3, 4, 5, 7
  - o supports SDGs 8, 9, 10, 16, 17
  - o promotes SDGs 11, 12, 13, 14, 15

PRESENTATION #1 | INTRODUCTION TO THE MPSUID AND LESSONS LEARNED

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# MPSUID-Butuan planning was aligned to other goals

such as the Sustainable Development Goals





- Sustainable Development was first formulated by the Brundtland Commission in 1987
- A few years later, the definition expanded to cover social and economic aspects
- Similar to the sustainable shared growth vision of SGRA/AISF

PRESENTATION #1 | INTRODUCTION TO THE MPSUID AND LESSONS LEARNED Arch/Enp Mike Tomeldan, College of Architecture, University of the Philippines Diliman

# MPSUID-Butuan planning was aligned to other goals

such as Butuan City's goals

#### Butuan Citys Goal: SUSTAINABLE GROWTH & DEVELOPMENT + RESILIENT CITY

#### **SUSTAINABILITY**

#### SUSTAINABILITY:

Butuan as a gateway, regional center and as a hub; as an agricultural city needs to secure its agricultural land use and green spaces for economic and food security

### SOCIO-ECONOMIC DEVELOPMENT

Poverty alleviation through addressing gap on the provision of BASIC SOCIAL SERVICES: WATER, HEALTH, EDUCATION, Affordble Mass Transportation, Eco-Tourism & Heritage Conservation Economic Dev. = Job generation

#### **RESILIENCY**

#### RESILIENCY:

Butuan is HIGHLY
VULNERABLE to sea-level
rising, flooding, storm
surge/tsunami and other
extrement weather
condition, strengthen
adaptation and resilient
capacity of the City



- Resiliency was initially about preparing against climate-change threats, since the project started before the COVID-19 outbreak
- It now includes preparations for a pandemic

PRESENTATION #1 | INTRODUCTION TO THE MPSUID AND LESSONS LEARNED

Arch/Enp Mike Tomeldan, College of Architecture,

University of the Philippines Diliman

# MPSUID-Butuan consultations pointed to doing pre-Feasibility studies

for 5 infrastructure projects

MASTER PLAN FOR SUSTAINABLE URBAN INFRASTRUCTURE DEVELOPMENT IN BUTUAN

C.2 Five Priority Projects for Pre-feasibility Studies

Five Priority Projects and the Sustainable Development Goals

Sustainable Development Goals 2015 - 2030	1. Solid Waste Management	4. Urban Traffic Management System	9. Bood Promontory Ecopark	13. Regional Government Center	17/25 Business Information Technology Park
No Poverty					Ĭ.
2. Zero Hunger					
Good Health & Well-being					
Good Quality Education					
Gender Equality					
6. Clean Water & Sanitation		1			
7. Affordable & Clean Energy					
Decent Work & Economic Growth					
Industry, Innovation, & Infrastructure					
10. Reduced Inequality					
11. Sustainable Cities & Communities					
12. Responsible Consumption & Production					
13. Climate Action					



- 5 Infrastructure projects
  - solid waste management
  - o urban traffic management system
  - Bood promontory Ecopark
  - Regional Government Center
  - Business Information Technology Park
- aligned nicely with the SDGs

PRESENTATION #1 | INTRODUCTION TO THE MPSUID AND LESSONS LEARNED

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#### Reference



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#### **Arch/EnP Michael Tomeldan**





Michael V. Tomeldan graduated from the University of the Philippine College of Architecture in 1982. He earned his Master's in Urban and Regional Planning degree from the University of the Philippines School of Urban and Regional Planning in 1986. He has also taken post graduate courses at the Royal Danish Academy of Fine Arts (1993) in Copenhagen, the East West Center (2005) in Hawaii, USA, and Lund University (2008) in Sweden. His professional experience includes specialized fields in Urban Planning, Land Use Planning, Tourism Planning, Urban Design, Environmental Management, and Master Planning. Michael V. Tomeldan has been a faculty member at the College of Architecture, University of the Philippines since 1986. He is a partner in the planning firm Tomeldan, Alli, and Molina (TAM) Planners Co., which is noted for its formulation of Comprehensive Land Use Plans (CLUP) for the cities of Taguig (2001), Pasay (2016, 2022), Pasig (2015), and Makati (2018, 2021). TAM Planners Co. was also involved in the preparation of Master Plans for Sustainable Urban Infrastructure Development (MPSUID) for Calapan City and Butuan City (2020), Transforming Communities Towards Resilient, Inclusive, and Sustainable Tourism (2021), Updating of Land Use Plan for New Clark City, and Master Plan for the Philippine Space Agency (2022). Michael V. Tomeldan was conferred the Philippines' "Outstanding Professional of the Year" Award in the field of Environmental Planning by the Professional Regulation Commission in 2014.

E-Mail: michaeltomeldan@gmail.com

PRESENTATION #2 | MPSIUID-BUTUAN FROM A SHARED GROWTH PERSPECTIVE Dr. Max Maquito, CPAf/UPLB and SGRA/AISF

### Singapore as a Goal





- in the mid-term report, it is clearly indicated that one of the goals and objectives of MPSUID-BUTUAN was "to be the next "Singapore"
- this objective was confirmed with the local leadership

PRESENTATION #2 | MPSIUID-BUTUAN FROM A SHARED GROWTH PERSPECTIVE Dr. Max Maquito, CPAf/UPLB and SGRA/AISF

### **Reality Checking**

01

The land area of Butuan City (817.3 sq km) is just a little bigger than Singapore's (728.6 sq km) -- over 400 Singapores could fit in the Philippine archipelago



02

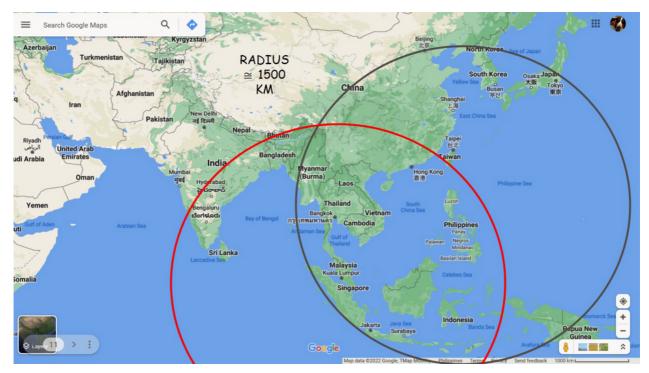
The fledgling Singapore was hardly as developed as it is now. "When Singapore became independent in 1965, we were a city filled with slums, choked with congestion, where rivers became open sewers, and we were struggling to find decent jobs for our people. We had limited land and no natural resources." (Kolczak 2017)

PRESENTATION #2 | MPSIUID-BUTUAN FROM A SHARED GROWTH PERSPECTIVE Dr. Max Maquito, CPAf/UPLB and SGRA/AISF

### **Reality Checking**

- O3
  Since the pre-colonial times, Butuan has also engaged in entrepot trade, as evidenced by the discovery of large balangay boats in Butuan.
  Entrepot trade has been a strategy of Singapore in its economic development.
- Strategic location: The Philippines (NCR) is the only

  East Asian country which is within a 1500 KM radius
  of all major cities of East Asia



PRESENTATION #2 | MPSIUID-BUTUAN FROM A SHARED GROWTH PERSPECTIVE

Dr. Max Maquito, CPAf/UPLB and SGRA/AISF

# Reality Checking: Butuan has certain advantages over the fledgling Singapore

05

In addition to a potentially strategic sea lane, it has land connections to the rest of the Caraga region and Mindanao, which are richer in natural resources than Singapore This recognizes the following strengths of Butuan: accessibility, its being a regional center for trade, commerce and services

06

The advantage of a late comer should allow Butuan to reach present day Singapore status in much less than the 50 years it took for the latter -- in its latest Regional Development Plan, Caraga already intends to be the Fishery, Agro-Forestry, Mineral and Ecotourism (FAME) center of the country by 2022. As a latecomer, Butuan can sidestep the failures that Singapore learned from in their quest for economic development, and, thereby, gain time.

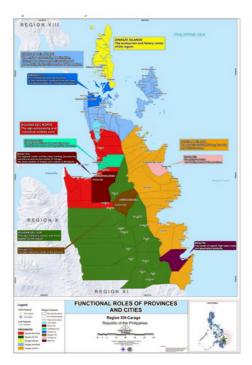
PRESENTATION #2 | MPSIUID-BUTUAN FROM A SHARED GROWTH PERSPECTIVE Dr. Max Maquito, CPAf/UPLB and SGRA/AISF

# Reality Checking: Butuan has certain advantages over the fledgling Singapore

07

Butuan has a richer tradition compared to Singapore, and, therefore, has much more to show for in terms of culture and regional pride.

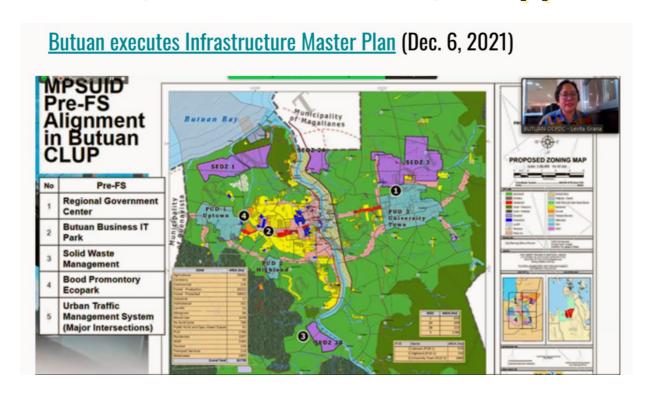
As it is often said: in the beginning there was no Philippines, but there was Butuan. This forms the basis of Butuan's strength in tourism potential



- Dinagat Islands: ecotourism and fishery center
- Surigao del Norte: major ecotourism destination; fishery producer and mineral-based processing industrial center
- Surigao City: Commercial and trading center in the Northeastern seaboard; major processing center for fisheries and minerals
- Agusan del Norte: agro-processing and industrial estate zones
- Cabadbaran City: agricultural processing zone
- Surigao del Norte: agro-industrial, forestry, fishery, and tourism zone.
- Butuan City: the regional center, and major trading, industrial processing, commercial, and service center of Caraga; the show window of history and culture in Mindanao
- Tandag City: agri-processing and trading center
- Agusan del Sur: the agri-forestry center and food basket of the region
- Bayugan City: the agro-industrial center of Agusan del Sur
- Bislig City: the center of organic high-value crops and aquamarine products

PRESENTATION #2 | MPSIUID-BUTUAN FROM A SHARED GROWTH PERSPECTIVE Dr. Max Maquito, CPAf/UPLB and SGRA/AISF

### Forward, Butuan! Forward, Philippines!





PRESENTATION #2 | MPSIUID-BUTUAN FROM A SHARED GROWTH PERSPECTIVE

Dr. Max Maquito, CPAf/UPLB and SGRA/AISF

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### Dr. Max Maquito

PRESENTOR



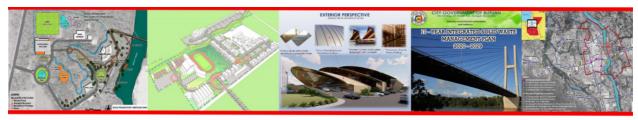
In his "previous life", Dr. Ferdinand C. Maquito (nickname: Max) was a mechanical engineer at a state-owned shipyard, after finishing his BS at the Engineering Department of the University of the Philippines, Diliman. A scholarship enabled him to shift specialization and earn his MS Industrial Economics from the Center of Research of Communication (now within the University of Asia and the Pacific). Right after which, he was able to get into the Japanese Ministry of Education scholarship to get into the PhD in Economics program of the University of Tokyo. A scholarship from the Atsumi International Foundation enabled him to finish his doctorate in Economics. Even while living in Japan, he regularly organized shared growth seminars in the Philippines with the collaboration of various institutions. He was an Adjunct Professor in Temple University Japan campus, before coming back to the Philippines to join CPAf, where he is now an Assistant Professor, hoping to spend, more fully, his remaining professional years for the service of his country. His long stay in Japan, and working with the Sekiguchi Global Research Association of the Atsumi International Foundation have fueled his lifelong research and advocacy on sustainable shared growth.

E-Mail: maquito.uplb@gmail.com

DISCUSSANT #1 | MS. MELANIE A. MAUR

Chief Economic Development Specialist of the Project Monitoring and Evaluation Division of NEDA Caraga

### Updates on the 5 Major Projects with Pre-Feasibility Study and Issues



#### Bood Promontory Heritage Park

- Zoned as Tourism-Heritage Conservation Area
- Ongoing Rehabilitation of Tourism Center Building
- For integration in the Comprehensive Tourism Development Master Plan

#### Regional Government Center

- Concept master plan developed
- Development guidelines instituted
- Ongoing Site
   Development Project

   Ongoing evaluation and
- Ongoing evaluation and processing of issuance of Deed of Usufruct to RLAs

#### Butuan Business IT Park

- Ongoing coordination and evaluation of potential developers and telecommunication companies for the development of the area
- Ongoing construction of support facilities such as access roads and convention center

#### Upgrading of the Solid Waste Management System

- Ongoing upgrading of existing sanitary landfill
- Preparatory documents for the establishment of Waste-to-Energy (WTE), material recovery, and centralized recycling/composting facility projects drafted

#### Urban Traffic Management System

- Ongoing Construction of Fiber Optics ICT Backbone Project (Phase I), Butuan City Command Center, and Data Management Center
- Ongoing evaluation of project proposals for the Integrated Traffic Signalization System

Source: LGU Butuan Official Report

#### Implementation Issues and Challenges



Redirection of development priorities to address increased health risk due to COVID-19



Reduced economic gains due to halted economic activities following community quarantine restrictions



DISCUSSANT #1 | MS. MELANIE A. MAUR

Chief Economic Development Specialist of the Project Monitoring and Evaluation Division of NEDA Caraga

### Ways Forward

#### **MPSUID** in Butuan City

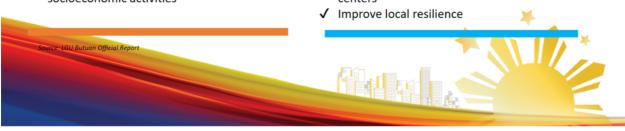
#### Strategies for the implementation of the MPSUID

- ✓ Synergize partnership among the city government, national government agencies, and other development partners
- ✓ Explore access to other financial modes to fund major projects that will boost socioeconomic activities

#### Caraga Regional Development Plan 2023-2028

Spatial strategies to facilitate and sustain socioeconomic growth in regional, sub-regional, provincial, and local centers

- ✓ Enhance condition of cities as centers of agglomeration
- ✓ Enhance connectivity between the Region's growth centers, production areas, and market centers



#### Towards a Prosperous, Inclusive, and Resilient Caraga Region



DISCUSSANT #1 | MS. MELANIE A. MAUR

Chief Economic Development Specialist of the Project Monitoring and Evaluation Division of NEDA Caraga



#### The FAmE Logo

The fish represents the fishery sector. Its blue color represents life for the Caraganons. The fishes are in a standing position representing optimism. Superimposed on the fishes are human figures representing the people of Caraga working side-by-side.

The rice stalks and trees represent the agroforestry sector. Its green color signifies prosperity.

The rig represents the mining sector. Its purple color means wisdom.

The surfer represents the tourism sector. Its orange color means energy and courage.

The wave represents a stream of emotions. Its red color means a passion for driving Caraga towards its goal.

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#### Ms. Lanie Agustin Maur

DISCUSSANT

MELANIE AGUSTIN MAUR is Chief Economic Development Specialist of the National Economic and Development Authority Caraga. She is also involved with the Philippine Sustainable Development Agenda in Caraga during the Sustainable Infrastructure Programme in Asia (SIPA) Inception Workshop for Nature-Based Solutions for Infrastructure Resilience. Took up Master of Professional Studies in Development Communication at UPOU. Studied Communication Arts at UPLB. E-MAIL: mamaur@neda.gov.ph

DISCUSSANT #2 | MS. CRISTINA HEMADY ROMARATE-ARCILLAS

President of the Butuan Chamber of Commerce

- Butuan and Caraga also have housing programs wherein housing units are given to poor families. Most of these units have been sold away by the original beneficiaries, who do not feel that they have benefited from such housing projects.
- Environment is not conducive for industrial development despite all the existing policies. Butuan City has identified only one export company.
- There should be a focus on basic services, in particular, water. Tap water is not potable. This is also not good for businesses especially those in the food business, as they have to meet government health standards.
- Real property tax collection was not gradually implemented because the previous local government administration did not raise land value assessments.
   More study is needed on the land value tax policy.
- With regards to our timber resources, policies should be reviewed. Log bans are not strictly followed. What is the best timber? Is it still falcata? Like in the mineral sector, a lot of the incomes generated by the timber industry here are recorded in other parts of the country

DISCUSSANT #2 | MS. CRISTINA HEMADY ROMARATE-ARCILLAS

President of the Butuan Chamber of Commerce

- The setting up of an industrial zone should not destroy the ecosystem. One of the zones being planned will actually be very near an important water supply, which would be at risk of being polluted by the planned industrial zone.
- There will be important tradeoffs. The mining industry versus tourism, for example, will find it hard to co-exist.
- We need to dream, and plan so that we can build a beautiful and more developed Butuan and Caraga. For the proper implementation of the plan, NEDA's role will be critical.

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#### Ms. Ma. Cristina Hemady "Ched" Romarate-Arcillas

DISCUSSANT



CRISTINA HEMADY ROMARATE-ARCILLAS is the President of the Butuan Chamber of Commerce and the Executive Vice President at GA Romarate Group of Companies. (2007-2016) As local chief executive in government service, l adhere to transparent and participative governance as a framework for good governance. I dream of seeing government service rise to be at par with the private/corporate service in terms of customer service, performance and integrity! To show our sincerity to this endeavor, our LGU has received an award for bronze for The Seal of Good Housekeeping, a program with the Department of Interior and Local Government for transparent governance. Currently, our LGU has been a recipient of grants from the World Bank (DRRM), AECID and UNDP-GEF for biodiversity. E-Mail: c.arcillas@yahoo.com

#### from Mike Tomeldan



The 35th Sustainable Shared Growth Seminar entitled "Building the Next Singapore in the Regions: The Case of Butuan" conducted last February 2, 2023 by the UP Open University afforded a chance to look back at one of several Master Plans for Sustainable Urban Infrastructure Development (MPSUID) formulated for regional cities funded by the National Economic Development Authority (NEDA) from 2019–2020. Urban centers are recognized as economic drivers of provinces and regions and therefore, are supported by vital infrastructure to keep them surging. The previous administration was intent on spreading development to the rest of the Philippines by funding new key infrastructure projects in urban centers. The MPSUIDs for the selected regional centers were funded by NEDA to identify these infrastructure projects which could be funded by National Government, Official Development Assistance (ODAs), and even the private sector through different variants of Public-Private-Partnerships (PPP).

The MPSUID for Butuan City in the Caraga Region was bid out to consulting firms and awarded to the Joint Venture of Philkoei International Inc. (PKII) and TAM Planners Co. (TAM). The Joint Venture of PKII-TAM adopted a highly participatory planning process that involved stakeholders from Butuan City and the NEDA Regional Office to achieve a responsive infrastructure master plan. It was hoped that the MPSUID could bring the build-build-build program of accelerating infrastructure projects to Butuan City but the Covid pandemic from 2020–2021 diverted much of the resources to the pandemic response and recovery. With the economy opening up, the seminar was a good opportunity to review the plan and how it may be implemented. Discussion with the private sector in Butuan City, the NEDA Regional Office, the LGU of Butuan City, and the academe brought forth many insights on the planning process and how the MPSUID for Butuan City may move forward.

#### from Joanne Ricaforte

Decentralization and development go hand in hand. It gives Butuan City a free hand to control and be more productive by initiating programs and projects for growth. It is recognized as a potential solution to various issues. Given flexibility toward change in governance, plans, and policies in providing services, support, public works, infrastructure, workforce development, livelihood, and trade would greatly benefit Butuan constituents.

However, the inadequate dialogue with stakeholders on the implementation of policies prevents the LGU's capacity to address matters with its initiatives. These include issues related to basic needs, capability training, mitigation strategies, continuous monitoring and assessment, accountability, and others.

Based on the reports, Butuan City has started to tread the path towards building expansion for the Pre-Feasibility projects such as logistics, education, a Regional center, and IT Park that exhibits preparedness for smart city development and if the challenges and issues are properly addressed, there is a chance that Butuan City will be the next Singapore.



#### NOTE

Joanne was the resident Butuan Research Assistant during the MPSUID-BUTUAN project, and has been very helpful in putting together this seminar, especially with regards to our two esteemed discussants.

#### from Ces Luna



Because Singapore was once enmeshed in poverty, it can serve as an inspiration for a city like Butuan. As the presenters described, Singapore had the worst slums. The turning point came, it seems, when the political leadership decided to deal with poverty head-on. Essentially, the alleviation of poverty became the fundamental goal, and various initiatives were designed to make specific contributions toward the attainment of this goal. This to me is a key lesson which must not be overlooked. While it is tempting to focus on individual elements of Singapore's strategy to see which of those can be replicated in Butuan, we should not miss a key ingredient of their success, which is giving poverty alleviation the priority that it deserves. Addressing poverty should not be regarded as just one item among a list of to-do's. Instead, poverty alleviation should be the overarching thrust to which all proposed actions should contribute. This should be the thrust when the vast majority are poor, which was the situation of Singapore then and of Butuan now.

Dr. Maquito mentioned in passing how Singapore employed the Land Value Tax (LVT) as a means to finance the provision of housing and other basic needs. Dr. Maquito and his colleagues have dealt with the LVT as a mechanism for sustainable growth in previous seminars. A similar seminar should be conducted for the benefit of decision makers and stakeholders in Butuan so that they could fully consider the option of introducing the LVT in Butuan.

There is considerable literature on the use of multi-criteria decision-making (MCDM) methods with stakeholders to prioritize proposed interventions in the public arena. This was essentially the situation with the prioritization of proposed projects in Butuan. It would be interesting to revisit the planning process to see which MCDM methods, if any, were used and to retrospectively assess the possibilities of employing other methods described in the literature.

#### from Ces Luna



It was interesting to note, however, that Singapore actually utilized land value capture, through taxes, to fund their infrastructure requirements, especially in providing their people basic services such as housing. This is related to my main work at the Faculty of Management and Development Studies in UPOU, where I am Chair of the Land Valuation and Management Program. I have also been involved with Max in pushing our understanding and possible implementation of a land value tax in the Philippines, having been convinced that it is a mechanism to achieve sustainable shared growth.

I was curious about how the Singaporean government could have implemented land value capture when it appears to be the owner of most of the lands in Singapore. On doing a cursory research (Chi-Man Hui, E., Sze-Mun Ho, V. and Kim-Hin Ho, D. (2004), "Land value capture mechanisms in Hong Kong and Singapore: A comparative analysis", Journal of Property Investment & Finance, Vol. 22 No. 1, pp. 76-100. https://doi.org/10.1108/14635780410525153), I found that: 1. Singapore employs a leasehold system where the housing unit is leased to private citizens or corporations; 2. Singapore collects land value tax, which is a major source of income to finance their public infrastructure and social services; 3. Both Singapore and Hong Kong heavily rely on land value tax as a major source of government revenue.

While there were problems identified with property taxes in Butuan and Caraga during the open forum, it would be interesting to see if land value taxation is possible to finance an LGU's dream to be more developed

# ADDITIONAL THOUGHTS

#### from Max Maquito



More than 400 Singapores could fit into the Philippine Archipelago. This is a fact I often share when I hear us comparing ourselves with this "small but terrible" ASEAN member. On reflection, I think the first time I ventured citing this fact was after coming back home full time, about five years ago. I still remember that it was one of my graduate classes, of about 10 students, in the College of Public Affairs and Development at the University of the Philippines Los Baños (UPLB). One of my students raised her hand to point out: "But, sir, we do not have 400 Lee Kwan Yew's". To which I responded, with a hopeful smile: "But I see ten before me now".

Such hope of mine, of course, does not lie solely within UPLB. I discovered its glimmer in a project led by Arch/EnP Mike Tomeldan of the College of Architecture of the University of the Philippines Diliman, who is a long time supporter of the sustainable shared growth seminars series. He was kind enough to invite me to join the project economic team for the Master Plan for Sustainable Urban Infrastructure Development (MPSUID) in Butuan City, Caraga in 2019-2020 commissioned by the National Economic Development Authority (NEDA). Eager to follow up on this project, we made this MPSUID of Butuan City as the subject of the 35th Sustainable Shared Growth Seminar. In the interim report of this project, I noticed that one of the stated goals and objectives was "to be the next 'Singapore', unlike Metro Manila and Cagayan de Oro". When I finally was able to meet with the local executives in Butuan City, I made it a point to inquire that this indeed was their aspiration. The reaction to my inquiry was convincing in its curtness: is it wrong to dream?

The 35th Sustainable Shared Growth Seminar was held on February 2, 2023 hybrid-style at the University of the Philippines Open University (UPOU) and ZOOM, through the kind invitation of Prof. Cesar Luna of UPOU. Mike presented the broad details of the MPSUID-Butuan, while I essentially did a reality check on the Singapore dream. My cursory examination indicated that Butuan City had a lot of similarities to the fledgling Singapore, and in fact enjoys some advantages such as a ready access to richer natural resources, and to the rest of Mindanao, as well as the so-called advantage of the latecomer.

# ADDITIONAL THOUGHTS

#### from Max Maquito



As in the case of Singapore, the Butuan City government will need to formulate and implement a pro-active industrial policy. Industrial policy could range in its degree of intervention in the economy. While known now to be an example of laissez faire economic development, Singapore actually experienced a relatively heavy, albeit pro-market, dose of government intervention that evolved strategically with the times: starting from entrepot trade and (British) military base-reliance in the pre-1960s, import-substitution industrialization in 1960-65, export-oriented industrialization in 1966 to 1978, industrial upgrading in 1979-1990, and the strategic economic plan in 1991 with manufacturing and services as twin engines of growth.

Singapore, however, has enjoyed an efficient and strong government and bureaucracy that present day Butuan might still find hard to match. This only means that it would be more strategic for Butuan City not to depend solely on the local government, but to mobilize all stakeholders not only of the city but of the whole Caraga region when implementing the MPSUID projects. The local government, including NEDA-CARAGA, in close collaboration with the private sector could very well achieve Butuan's clear potential and aspiration to be another Singapore. All five projects that we did a pre-Feasibility Study on had good to very good economic rates of return. NEDA saw this potential when it decided to conduct a MPSUID for Butuan City, out of a total of ten such cities. These all bode well for Butuan achieving its dream.

As Junko Imanishi, Chief Representative of SGRA, noted in her opening remarks, Japan was very much decentralized prior to embarking on her modernization from the Meiji Restoration. This decentralization must have contributed to building what Japan is today. As I have heard in many presentations by Butuan residents: In the beginning there was no Philippines, but there was Butuan. Indeed, it is in building many like Butuan that we could be a flourishing nation.

This seminar was held on February 2, 2023 and was organized by the College of Public Affairs and Development of UPLB, The Faculty of Management and Development Studies of UPOU, and SGRA of Atsumi International Foundation. We are very grateful to the warm hospitality provided to this seminar by Dean Joane Serrano and her staff, as well as to Karen Janiya of CPAf for her untiring logistical support

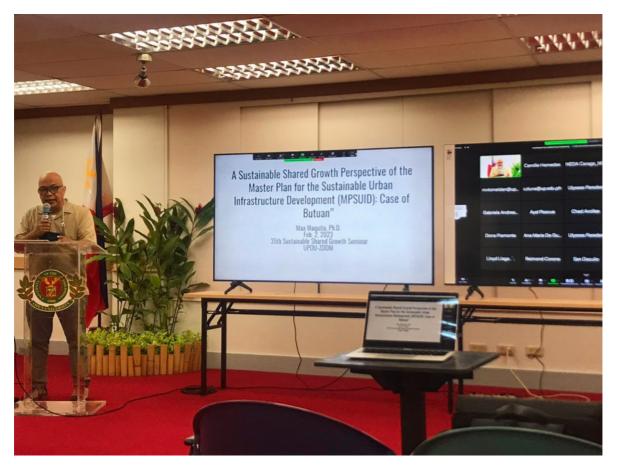




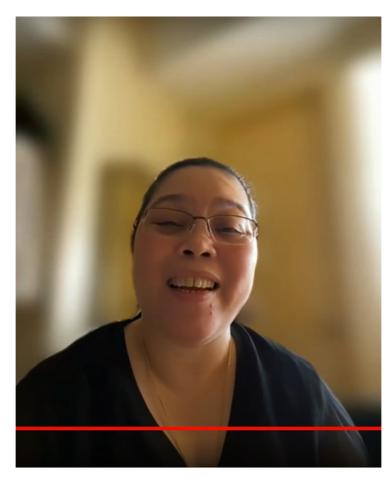


















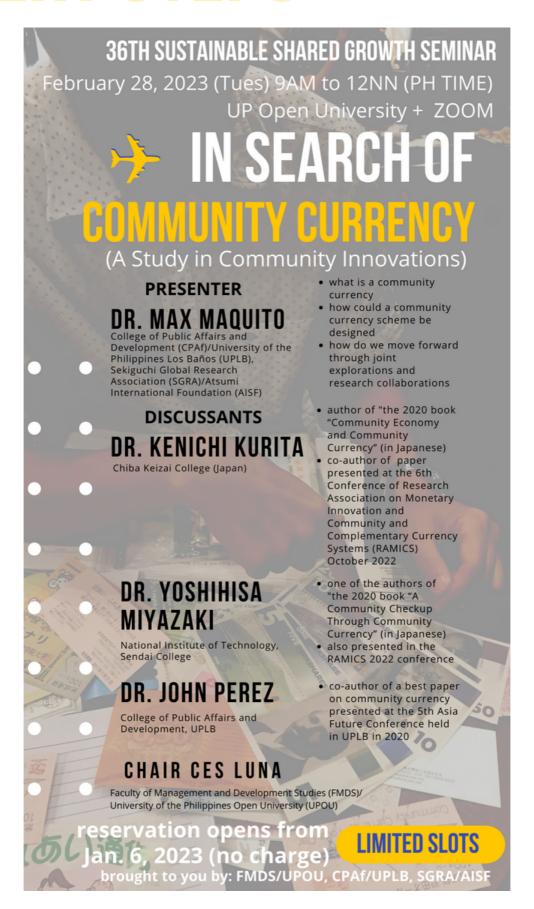






# thank you!

### **NEXT STEPS**



### **NEXT STEPS**









第37回持続可能な共有型成長セミナー

**SUSTAINABLE SHARED GROWTH SEMINAR #37** 

#### **EAST ASIA DYNAMICS**

東アジアのダイナミックス

4月10日

午前10時一午後1時





0900-1200



**Atsumi Foundation + ZOOM** 

We look at how regionalization and decentralization in East Asia leads to both a community of nations and a nation of communities.

東アジアにおいて、地域主義と地方 分権主義は国家によるコミュニティ ーとコミュニティーによる国家をい かに齎すか、検討する。



**Chair: Cesar Luna(UPOU)** 座長セザー・ルナ(フィリピン大学オープン大学)



**Co-Chair: Sonja Dale (SGRA/AISF)** 副座長ソンヤ・デール(関口グローバル研究会・渥美財団)

**Registration Via Form or QR Code** 登録はフォーム又は**QR**コードでお願いします

TBA準備中



Language: English + Japanese, no simultaneous translation 言語: 英語+日本語、同時通訳なし

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We thank you for your continued support in our efforts to contribute to Sustainable Shared Growth.

Be safe!

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SUSTAINABLE SHARED GROWTH SEMINAR #35 REPORT

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