

BEST PRACTICES

NON-STATE ACTORS AND LOCAL AUTHORITIES IN DEVELOPMENT – ACTIONS IN PARTNER COUNTRIES (MULTI-COUNTRY) FOR NON-STATE ACTORS

DELGO'SEA

Partnership for Democratic Local
Governance in Southeast-Asia

Best Practices on Fiscal Management and Investment Planning in Southeast-Asian Local Government

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The project has five partner organizations, running the national offices in their respective countries. DELGOSEA partners are:

- ACVN, Association of Cities of Vietnam, Vietnam
- LOGODEF, Local Government Development Foundation, Philippines
- NLC/S, National League of Communes/Sangkats of the Kingdom of Cambodia, Cambodia
- TEI, Thailand Environment Institute, Thailand
- UCLG ASPAC, United Cities and Local Governments – Asia Pacific, Indonesia





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Thematic Area IV: Fiscal Management and Investment Planning in Southeast Asian Local Government

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About DELGOSEA

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In the first phase of project implementation, intensive research was carried out to determine best practices (BP) in local governance in each of the five participating countries. A consortium of international local governance experts and representatives from the LGAs reviewed and selected 16 BPs out of the submitted 27 BPs.

The project concentrated on the following four thematic areas while selecting best practice examples from the five countries:

1. People's participation in planning and decision-making;
2. Institutional governance;
3. Inclusive urban public services;
4. Fiscal management and investment planning.

Starting in January 2011 through to August 2012, DELGOSEA will continue to collaborate with LGAs and local governments to transfer best practices replication. The pilot cities/municipalities could modify or improve the original best practice to their local context. The LGAs in the five participating countries will closely consult and guide the selected pilot local governments on the transfer and implementation of BP replication.

About this Publication

This publication is the fourth volume of a series of publications on best practices in local government in the five project countries of the DELGOSEA project. The other three volumes are:

- Volume 1: People's participation in planning and decision-making;
- Volume 2: Institutional governance;
- Volume 3: Inclusive urban public services.

These best practices were selected after a long and thorough research procedure, taking place between April and July 2010. Internationally renowned experts on local governance compiled a shortlist of 27 examples out of hundreds of submitted projects. The selection was based on the following key criteria: high transferability potential to other countries, the impact on the living conditions of the local people, institutional and financial viability as well as project sustainability.

From these 27 best practices, 16 were finally chosen for publication by a committee made up of experts and local stakeholders, including local government associations. With the help of external experts as well as resource persons from the cities featured, a detailed description and analysis of all aspects of the projects was developed, with the aim of providing comprehensive information for any other city or commune who is interested in replicating the example.

This particular volume features the three best practice examples in the area of fiscal management and investment planning, one each from Indonesia, Thailand and the Philippines. They all three show that it is possible to make an economic success of schemes which are beneficial for the whole community, be it dealing with street vendors in Solo, restoring the old town of Phuket or introducing mariculture in Bohol. It is impressive to see how concern for the environment and enrichment of a community's way of life can go hand in hand with an improvement in living standards for the local population.

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Introduction to Fiscal Management and Investment Planning

1. The role of local government in the management of local economic development: key concept

This chapter provides a conceptual framework for the thematic area on fiscal management and investment promotion. It focuses on the significant role that local governments can play in managing local economic development. The key concepts are:

- The heightened role of local governments in local government in the context of decentralization;
- Economic and political incentives for local economic development initiatives;
- Creating local development initiatives in overall regional/national development plan;
- Harnessing local stakeholders through a participatory approach;
- Public-private partnership for local economic development.

2. Decentralization and the heightened role of local governments in local economic development

Decentralization has been pursued by a number of developing countries to bring about better accountability and governance, and better delivery of public goods and services at the local level. The responsibility for local development and the delivery of basic public goods and services has shifted from central to sub-national governments, popularly called, local governments.

The thinking was that by being closer to local citizens, sub-local governments are, in principle, better placed to respond to their preferences in term of local public goods, to assess willingness to pay and to target services at the right people. In some decentralized countries, local governments have taken the lead in designing innovative measures to increase public spending effectiveness. In Spain for instance, some regional pilot programs focusing on containing pharmaceutical costs and reducing public hospitals' waiting lists have shown promising results¹.

The five Southeast Asia countries in this Project are in different stages of decentralization but a common denominator is the desire to improve the wellbeing of their respective local communities through better delivery of services and transparent accountability by local governments.

¹ Llanto (2009) citing Joumard and Kongsrud (2003)

In the Philippines, the 1991 Local Government Code has provided local government units the responsibility of delivering local and basic public services and raising local or own-source revenues for financing their expenditure assignment. Decentralization and devolution of power and authority from the central government to local governments have unleashed tremendous opportunities for self-development at the local level quite unlike the period preceding the enactment of the decentralization law when the central or national government exerted control over virtually all aspects of local administration and governance².

Despite the dissimilarities of each of the five countries in geography, culture, political and socio-economic development, decentralization and local governance reforms seem to have a similar rationale: *“reduce people’s dissatisfaction with the government’s centralized system and to bring people’s voice in the governance process aiming to promote responsiveness and accountability of government’s institutions and officials in carrying out their functions”*. In this respect, the common goals of decentralization reforms are to³:

- Create a culture of local participatory democracy, accountable to the citizens;
- Improve public services and infrastructures;
- Bring about social and economic development;
- Contribute to poverty reduction.

Viewed in this light, based on the experience of the five Southeast Asian countries, decentralization has contributed to the following:

- Improvement in local resource allocation;
- Greater accountability of government to constituents;
- Opportunities for greater and improved participation in local administration and governance;
- Introduction of local development initiatives that have the potential of providing employment and business opportunities for constituents;
- Better delivery of public goods and services to constituents.

In general, local governments are now increasingly aware of their significant role in securing the economic wellbeing of their constituents and in providing an environment that is conducive to local growth and development. In many local jurisdictions, the promotion of local investments and local initiatives geared toward greater local output and employment is seen as an important role and

² Gilberto M. Llanto, “Decentralization, Local Finance Reforms and New Challenges: The Philippines,” paper presented at the Third Symposium on “Decentralization and Local Finance” at the Institute for Comparative Studies in Local Governance (COSLOG), National Graduate Institute for Policy Studies, Tokyo, Japan on March 10, 2009.

³ Quotation from Min Muny

responsibility of local governments. This role is on top of the usual role of local governments in local administration, ensuring peace and security, regulating local business activities, and other traditional areas.

3. Economic and Political Incentives for Local Economic Development Initiatives

Decentralization has also been lauded for the potential of aligning peoples' needs and interests with those of government. The theory is that local governments are best suited to identify and formulate interventions such as local development projects that could address local problems and concerns in a more meaningful way. This may be so where local officials are fully accountable to local people, responsive to local needs and aspirations and have the resources and administrative expertise to address local development issues. Fair and transparent processes in local elections help to ensure full accountability and responsiveness to local needs and aspirations. People participation in monitoring and governance also provide incentives for accountable behavior by local officials.

Since local officials can be more easily identified by voters and taxpayers they are expected to be more accountable, especially if the costs of providing public services are borne locally⁴.

A mechanism by which local governments attempt to improve local wellbeing is the formulation and pursuit of local economic development initiatives, which would otherwise not have been started or established without local government initiation or support. Local development initiatives, a form of which is a local economic enterprise, may be a vehicle for catalyzing local economic development, which may help motivate private sector investments in desirable areas.

An argument for the introduction and development of local economic enterprises is the potential of government-owned enterprises to correct for inefficiencies of the market, typically termed as 'market failures.' For example, there may be cases of natural monopoly, underdeveloped capital market and externalities that warrant government's direct involvement in an economic activity. Third, private sector investors may not have the incentive to invest in industries, which benefit other industries without being paid for the service thus provided⁵.

⁴ Llanto (2009) citing Joumard and Kongsrud (2003)

⁵ Chang, Ha-Joon. 2007. *State-Owned Enterprise Reform*. New York: United Nations Department for Economic and Social Affairs

The private sector (business sector) may be reluctant to invest in local projects that may provide very good financial returns in the future but seem to be risky. It may be that in the local economy, even private sources of financing such as private banks may have an obvious bias in favor of short-term and less risky projects with long gestation periods.

Well- designed and implemented local development initiatives or local economic enterprises, e.g., Mariculture Project in Tubigon, Bohol, Philippines; People-Oriented Approach for More Livable City in Solo, Indonesia; and Old Phuket Town Preservation and Development for City Conviviality and Income Generation in Thailand, can help make local governments responsive to local need for employment, source of livelihood or even for a regular business benefiting local people. A well-implemented local economic development project may even raise revenues that will improve the fiscal standing of the local government, enabling it to provide more and better services. For example, the Municipality of Tubigon has been recently classified as a First Class Municipality from Fourth Class during the start of its successful project. The increase in local incomes brought about by the project contributed to the growth of local tax collections of the municipality.

The successful implementation of such local development initiatives would also translate to a better appreciation of what local governments can do and are actually doing to improve local wellbeing. The economic gains arising from successful project implementation may provide high political leverage for accountable local officials in charge of the project. The political benefit conferred by successful local projects accrues to the local politician or official managing or implementing the project or even to those who are merely identified with the successful project but who may not have a direct hand in project management or implementation.

Thus, producing outcomes, e.g., employment, incentives for private investments and participation, from such local development initiatives that are consistent with the people's expectations and aspirations confer immense political benefits to the implementing local officials.

On the other hand, a word of caution is in order. The five Southeast Asian economies have pursued market-oriented policies in their quest for economic growth and development. Their respective governments have painstakingly embraced market reforms, e.g. trade liberalization, fiscal consolidation, promotion of private enterprise. In this regard, there will be policy inconsistency if local governments establish and implement local development initiatives that would supplant private enterprise and market-driven economic strategies. What could be done is to keep an eye on potential public-private partnerships as a strategy to advance local economic development consistent with the market-orientation of government policies.

In addition, local officials must also be able to recognize that markets and governments can fail. There could be market failures as well as government failures. Poorly designed projects, inefficient implementation, poor managerial and technical capacity, or even lack of it, and a host of factors may work against the success of local development initiatives. It will be good for local governments to collaborate and cooperate with local people, civil society and the private sector in project identification, design and implementation. The Asian spirit of collaboration and complementation may be important safeguards against project failure.

4. Creating Local Development Initiatives in Overall Regional/ National Development Plan

It will be important to ensure that local development initiatives are supportive of local development plans. It is noted that a local development plan expresses the aspirations of local constituents and lays down the policy goals, strategies and interventions to be pursued by the local government to realize those aspirations.

Local governments typically fashion local development plans, which are documents providing a framework for local development goals, strategy, policies and measures. A good local development plan is a statement of the local government's vision for stimulating investments that will promote sustained growth in the local community.

To make them a strategic document used as a platform for specific investment expenditures to be pursued by local governments, local development plans must be vetted by local development councils. A good local development plan and a companion investment expenditure program are necessary documents for policy consistency and coordination at the local level. They would need an adequate budget that is appropriated in local development councils.

Overall national policy consistency and coordination would be critical for a developing country in pursuit of growth, development and poverty reduction. This implies that local development plans should be nested in a regional plan, which in turn is part and parcel of a larger national development plan. This no way suggests that development plans are dictated from the central government to local governments. On the contrary, a good national development plan is an expression of the combined aspirations and goals and of the great majority of the population who are actually situated in local areas.

5. Harnessing Local Stakeholders Through A Participatory Approach (Farmers, Fisher Folk, Market Vendors, Local Entrepreneurs/ Businessmen, Civil Society)

Because local development initiatives are 'local', it makes logical sense to involve local stakeholders in the process of formulating them. Local stakeholder ownership of a local development initiative will help ensure widespread support and sustainability. Employing a participatory approach that will engage local constituents such as local entrepreneurs, local consumers, market vendors, small fisherfolk, civil society groups and other organizations will help build trust and encourage stakeholders to suggest ways and means for sustainable implementation of local development initiatives. At the end, a participatory approach, which is a driving means for local cooperation and ownership, will foster social cohesion helping build better local communities. It will also be a strategic instrument of ensuring that local development initiatives connect to national and regional goals and objectives

More concretely, a participatory approach will be useful in the planning process for a local development initiative before implementation occurs:

1. Project identification;
2. Conduct of an environment scan to check on feasibility;
3. Preparation of a feasibility study- technical side;
4. Finding an appropriate financing mechanism;
5. Presentation to the local development council;
6. Implementation of the local development initiative.

6. Public-Private Partnership For Local Economic Development

Public-private partnerships can be a very valuable mechanism for mobilizing local resources and expertise, which may be used for local development initiatives that would serve the goals and interests of the parties concerned: *(a) service to constituents for the local government and (b) profitable undertaking for the private sector partner*. There are many instances of the convergence of these seemingly contrary objectives of the respective parties (that is, government and private sector) in many aspects of public life, e.g., rail transits financed and constructed through Build-Operate-Transfer schemes.

Effective public-private partnerships (PPP) recognize the respective expertise of the parties to the arrangement in performing certain tasks. For example, the local government can provide the necessary policy and regulatory framework and political guarantees while the private partner brings the financial resources and management expertise to a contemplated project.

As described by a donor: the government's contribution to a PPP may take the form of capital for investment, available through tax revenue, a transfer of assets, or other commitments or in-kind contributions that support the partnership. The government also provides social responsibility, environment awareness, local knowledge, and an ability to mobilize political support. The private sector's role in the partnership is to make use of its expertise in commerce, management, operations, and innovation to run the business efficiently. The private partner may also contribute investment capital depending on the form of the contract⁶.

Forging effective partnerships with the private sector in local development initiatives can enhance the local development process. Local governments would typically have some local economic development objectives in mind where there is scope for public-private partnerships.

In some jurisdictions, however, many small businesses have limited business planning and management skills, poor access to markets and market knowledge, and almost no capital for investment. There may be interested individuals or investors but they lack experience and resources. In this scenario, there may be no incentive to seize potential business opportunities. A local economic development strategy that combines the resources of both government and local businessmen may be able to bring together resources from within and outside the community to promote local growth and development⁷.

A reverse situation may also be envisioned, namely, that it is the local government that lacks the expertise and resources for a local economic development project or initiative but there are enterprising local private sector groups who are willing to invest in the local community. Through a public-private partnership the local community may be able to exploit the combined expertise and resources of the local government and the private sector in developing and implementing a local development initiative.

A public-private partnership approach is feasible in many jurisdictions. It has been pointed out that there are numerous business associations or chambers of commerce, trade or industry in many localities, especially the fast growing urban areas. The local government can make use of those local business associations to help define the scope and extent of responsibilities and commitment of the contracting partners, that is, the local government and the private sector, the nature and objectives of the local development initiative, the viability of the contemplated initiative, and other details of a long-term partnership.

⁶ Asian Development Bank, *Public-Private Partnership Handbook*, (no date).

⁷ USAID, "Assessing and starting a local economic development initiative," (no date) www.makingcitieswork.org

Short Summaries of Best Practices on Fiscal Management and Investment Planning

Summary Best Practice 14 BP | 14

People Oriented Approach in Rearranging Traditional Market and Street Vendor towards a Liveable City, Solo, Indonesia

With a four-year empowerment and re-structuring program, Solo managed to solve the very sensitive issue of illegal street vendors and all the effects it had for the public space, like waste, traffic and poor conditions. The relocation and re-arrangement of street vendors in Solo has been done with great consideration of the local culture and humane methods. The mayor convinced street vendors that these efforts will improve their condition, not to eliminate business. The Solo administration provided five major solutions for the street vendors namely: Relocation, Shelter, Tents, Carts and Order.

The street vendor management team was preceded by forming a technical and non-technical team. The technical team was responsible to find alternative good locations for street vendors, blueprint for new constructions, traffic arrangement, etc. The non-technical team was in charge to manage the community response (rejection or acceptance), thus minimize potential horizontal and vertical conflict. In approximately four years of implementation, the Solo street vendors' empowerment and structuring program have achieved:

- The relocated street vendors have experienced improved income. Also important is the upgrading of their status from illegal vendors to legitimate merchants and kiosk owners at the market;
- The areas formerly occupied by street vendors - like at the Monjari area - were transformed into open green spaces for public and became liveable.
- The city government built two new markets - Notoharjo Market and Panggung Rejo Market - as relocation sites for the street vendors;
- Vendors have received 200 tents as selling places, 9 shelters that can accommodate 600 vendors, 240 carts, and temporary sales time-slots available from 6 p.m. to 5 a.m. the following day and from 6 a.m. to 6 p.m.

Summary Best Practice 15 BP | 15

Conservation of the Old Town of Phuket for Activating City Economy and Community Income Generation

Phuket municipality aimed to improve the physical environment of Old Town and downtown Phuket to 1) boost economy in the old Phuket town, 2) conserve architectural environment, 3) strengthen the old way of life, tradition, culture and livelihood of the genuine Phuket, and 4) build awareness on cultural conservation among the people.

The comprehensive program was implemented in close cooperation with the Department of Public Administration, Ministry of Interior, the private sector and the local people living in old Phuket town. The following activities were carried out:

- Database development of architecture, physical environment, and infrastructure of old Phuket town;
- Establishment of administrative bodies: multi-party operational committee, Old Phuket Foundation, Old Town Community;
- Awareness campaign, knowledge and appreciation dissemination towards the Old Town through income generating tourism activities, such as trips “Phuket in the Past”, vocational training on indigenous arts and customs e.g. traditional clothing, recipe, etc;
- Public relations through local media activities in TV programs, leaflets, and physical renovations such as conversion of an old school as museum;
- Improvement of the urban environment, such as solid waste management, green energy, underground power lines, and clean water;
- Investment in communication technology and public relations;
- Long-term investments in a tourist information center, and museums for education and tourism.

The following results could be achieved:

- Communities in the old town and in downtown became proactive and developed interest groups for the conservation of the old town as a cultural attraction of Phuket tourism;
- Strengthened collaboration between the government, the private sector,

and the people for improving the infrastructure of old Phuket town. In 2000, the municipality has been awarded as the “City of Identity” by the Urban Development Fund;

- The old town became a famous tourist attraction, with increasing visitor rates from year to year; higher income for the local economy and the people;
- The return of the young generation to Phuket due to the increase of local economy; average income 100 USD a month;
- Increasing prices for real estate properties due to foreign investments; higher income taxes for the city;
- Improvement of the physical environment, such as footpaths, underground wiring, lighting, flood control, and solid waste management resulting in a higher life quality.

The programme was funded by the German Technical Cooperation (GTZ), Phuket municipality and the Ministry of Science, Technology and Environment. Various stakeholders supported the program, such as the King Mongkut University Ladkrabang. Budgets - infrastructure: 17.1 million Baht; database: 2.1 million Baht; architecture: 1 million Baht per year.

Summary Best Practice 16 (BP | 16)

Tubigon Mariculture Project, Tubigon, Philippines

To better respond to its ecological-economic threats such as low agricultural productivity, destructive and not sustainable fishing, overfishing, coastal pollution and lack of viable employment opportunities, Tubigon implemented a comprehensive mariculture project that targeted both – the local government but also the poor fisheries as the final beneficiaries. The mariculture project had three main components: environmental management and protection, livelihood and employment generation, and local economic development promotion. These components, on the other hand, were closely linked to the overall development of a coastal resource management (CRM) program.

The strategic aspects of this initiative were as follows:

- Building and improving the institutional capacities of Tubigon Municipality;
- Raising sustainable awareness on CRM at community level;
- Developing seafarming projects for different member of seafolk associations as alternative source of livelihood.

A study by Santos, Pader and dela Torre (2003) revealed that the Tubigon CRM endeavour led to the following results:

- There was a dramatic reduction in illegal fishing practices, and people shifted to sustainable forms of fishing, while becoming members of bantay dagat (baywatch) teams. Dynamite fishing, using cyanide in collecting tropical fishes and the use of tubli are only confined to a few areas;
- The local government became more responsive in delivering services related to CRM. For example, the local government unit (LGU) acts as a facilitator of various CRM initiatives in the area;
- Incomes of some fishers have also diversified—with them engaging in fishing and non-fishing related activities as income sources;
- Increased awareness of people's participation in coastal resource management;
- Willingness of the community through the Fisherfolk Associations (FA) to participate in the project proved to be the most essential component in its implementation;

- The institutionalization of the project systems and linkages helped achieved a holistic and a wider stakeholder perspective from the community up to the national level agencies that became involved in the project.

This Best Practice was supported by the Local Government Development Foundation (LOGODEF) and the Konrad-Adenauer-Stiftung (KAS).

Best Practice 14 | BP 14

People Oriented Approach in Rearranging Traditional Market and Street Vendor towards a Liveable City, Solo, Indonesia

Author:

Rusfi Yunairi

with the full support of the United Cities and Local Governments (UCLG-ASPAC)

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Section A. Description of Best Practice

1. An Introduction to the Best Practice Model and its Innovative Elements

Joko Widodo and FX Rudy Rudyatmo were respectively elected mayor and deputy mayor of Solo city (also known as Surakarta) for the term 2005-2010. One of their five key programs as the new leaders of Solo was to address the management of street vendors and illegally built dwellings.

In 2005, the new Mayor Jokowi (nickname of Joko Widodo) introduced innovative approaches to address the street vendor management issues. These approaches were a combination of a cultural, incentive-based, inter-governmental integration approach, and structural components, which enabled street vendor management to be carried out successfully. In addition to inserting Javanese culture into his discussions with street vendors associations (cultural approach), Mayor Jokowi also ensured that the street vendors would receive compensation through housing facilities (incentive-based approach). These approaches will be explained in Section B. Methodology in the Design and Implementation.

As a result of this combination of approaches, the Solo government remarkably facilitated a relocation of 989 street vendors from Monumen Perjuangan '45 Banjarsari to Notoharjo market in 2006, just one year after Mayor Jokowi had laid out the street vendor management strategies. The relocation took place smoothly, without any horizontal conflict between vendors and the community, nor any vertical conflict involving street vendors and the Civil Service Police (Satuan Polisi Pamong Praja or Satpol PP) of Solo and other government apparatuses. The street vendors were so enthusiastic on relocation day that they were all dressed up in Javanese traditional clothing and staged performances as they moved to the new site.

Such a smooth relocation of street vendors from Banjarsari to Notoharjo is rare, if not unprecedented, in street vendor management programming in Indonesia. Most street vendors' relocations in urban or densely populated settings ended with physical altercations involving street vendors, government apparatuses, the police or the army. In 2006, the number of registered street vendors by the Solo city administration was 5,817. This figure was projected to reach more than 6,000 by July 2010. Of the existing vendors, 62% are now under the management of the government by way of various schemes and solutions. The remaining 38%, said the mayor of Solo, will be fully addressed by the end of 2010.

The mayor's achievement did not stop at Notoharjo Market. It became a successful example to other street vendor relocation efforts elsewhere in Solo. To date, around 3,711 street vendors have been successfully relocated to proper sites. When visitors come to Solo now, they will find all street vendor sites in a well-cared-for, clean and orderly state. Other innovative elements are:

- *Around the Clock Operations*

Solo is a "Mecca" for street vendors as they are allowed to operate around the clock. The Solo city administration has established alternating vendor shifts where businesses can continue to serve the customers at any hour of the day or night. According to Subagiyo, Solo's Chief for Market Management Service, this policy reflects the Solo government's acknowledgement that the street vendors are important contributors to economic growth. In other parts of the country, this acknowledgement does not always exist.

- *Facilities for Street Vendors to Relocate*

The option of relocating is in fact quite an attractive one for street vendors as Solo's city administration has promised to continue to deliver assistance pertaining to:

- Guaranteed certainty and sustainability of businesses;
- Availability of appropriate business facilities;
- Official business status by granting free-of-charge licenses by the city administration;
- Housing loans;
- Affordable business credits from one government-operated credit centre (National Madani Venture).

Another unique facility offered to street vendors are housing compounds. Two apartment buildings have been erected around the Semanggi area, in front of the Notoharjo Market, and in the Bengalon area. Street vendors were offered these apartments with rents ranging from IDR 100.000-IDR 200.000 per month, depending on which floor they choose.

However, in reality the majority of occupants of the apartments are not street vendors as the income of most of them has started to exceed the eligibility ceiling for occupying the housing facilities. In general, beneficiaries are those whose income is IDR 1 million or less. The increasing income level of many street vendors (average earning is above IDR 1 million), has herefore enabled them to move to better dwellings. At present, most of the apartments' occupants are members of other marginal community segments such as scavengers, pedicab or bus drivers and labourers.



Pictures 1 and 2: Street vendors in Solo swamped roads and pavements prior to street vendor management.

2. Reasons for Program Development, Shortcomings and Challenges Addressed by Best Practice Model

2.1 Informal Sector Background

Like many cities in Indonesia, Surakarta, or Solo, faces a large number of urban issues, including a high urban poverty rate, slums, conversion of public space into private space, and poor management of the informal business sectors including street vendors. The street vendors in various cities of Indonesia started to grow in 1998, when President Soeharto's regime was toppled by the reform movement.

This transition, however, caused a suspension of law enforcement nationwide. A series of riots and human rights violations spread in many cities including Solo. The situation worsened due to the economic crisis, which led to rising unemployment rates. As a result, many people moved into the informal sector to make a living. One of the most thriving among these sectors after 1998 has been the street vendor sector.

2.2 Street Vendor Issues

Street vendors have been a long-standing problem in Solo due to several reasons, amongst them:

- The vendors practically took over most of the public spaces, such as the sidewalks, parks, the edge of main roads, pedestrian pavements and sport fields;
- The vendors altered the function of preserved areas of the city, such as historical building complexes, and monuments;

- The vendors littered the roads with waste, partly due to the limited number of garbage bins provided by the city administration at the time, as well as an insufficient number of trucks to dispose of the garbage collected from the street vendor centres at the city's dumping site;
- Unorganized street vendors' locations disrupted the city's planning and development;
- Potential social tensions with other stakeholders, such as vehicle drivers, pedestrians, house owners, and area managers.

Attempts at management of street vendors in Solo had already been made since the mid-1990s by three mayors before Joko Widodo.

The initial efforts in street vendor management began during the period of Mayor Imam Soetopo, and Slamet Suryanto. A building intended as a new market place had been constructed at Semanggi, Kliwon Market to accommodate the street vendors' relocation from Monumen Banjarsari. Yet, until the building was falling apart, none of the street vendors was ever willing to be relocated. In fact the number of vendors grew even larger than before at the Monumen Banjarsari site.

When elected as mayor of Solo for the period of 2005-2010, Jokowi and deputy Rudi Rudyatmo put the management of street vendors and illegal dwellings as one of their five key priorities. The pioneering efforts to strengthen public participation were the beginning of more transparency and increased public participation in the development policies of Solo. There were 29 street vendor associations in Solo under the umbrella of 'Pedangkaliso' (Solo Street Vendors) that had been invited to become involved in the regional development planning. These associations would later be invited to a dialogue with the mayor of Solo, Joko Widodo, when he initiated the Street Vendor Management Program in 2005.

2.3 Street Vendors Management Objectives

The Solo city's government, therefore, aimed to achieve the following objectives with regard to street vendor management:

- Improve the quality of living and working in Solo in such a way that it would also be beneficial in terms of income generation for the street vendors;
- Minimize conflicts and strengthen social cohesion among Solo residents through integrated approaches in addressing street vendors' issues;
- Ensure public services and access are maintained for all Solo residents.



Picture 3: The green, comfortable and clean relocation site for street vendors at Notoharjo Market.

3. Results Achieved and Relevance to Public Life

3.1. Increased Income Generation for Street Vendors

The management of street vendors in Solo has resulted in improved living standards for the majority of street vendors that have been relocated or that have participated in the programs. Joko, chair of the Notoharjo Market Vendor Association, for instance, asserted that the status of most of the street vendors that had been relocated from Monumen Banjarsari to Notoharjo Market has been upgraded to that of trader. Their income is now far above that of the average street vendor.

This is also reflected in the small number of Notoharjo Market vendors inhabiting the housing facilities (apartments) provided by Solo's city administration. Their average income is estimated to have increased to above IDR 1 million a month which is beyond the maximum income level to be eligible for receiving housing facilities.

Increased income generation for street vendors has also been supported by transparent and fair management programs including imposed legal fees. The government ensures that street vendors would pay exactly the total value stipulated, with no 'extra' charges. The staff members of the Market Management Service assigned by the Solo city administration have performed their job well, and in accordance with existing regulations.

3.2 Solo City's Increased Revenue

Mayor Joko Widodo explained that ever since the implementation of management schemes for traditional markets and street vendors in early 2006, there has been an increase of local revenue of Solo city generated by the Market Management Service from IDR 7.8 billion in 2006 to IDR 18 billion in 2010.

Following the management, street vendors generated IDR 208 million in revenue for Solo's administration in 2009. The amount is targeted to reach IDR 275 million in 2010. A similar increase also occurred for market revenue — market refers to traditional and modern shopping centers.

"This year's local revenue generated by markets is targeted to reach IDR 19.3 billion, up from last year's contribution of IDR 18.6 billion," he further said.

3.3 Positive Impact on People's Quality of Life

The street vendor management scheme in Solo has generated positive impact for the lives of the people in Solo through:

- The creation of a physically and psychologically healthy society by re-establishing the public spaces where citizens can meet with other members of their community, communicate and develop themselves and their families, and where community members can congregate in a healthy, safe and pleasant city space;
- The improved quality of the urban environment, especially an increase in the quality of air, attributed to the reduced traffic congestions after relocation of the street vendors;
- The return of the citizens' right to public spaces and a safe, healthy and life-supporting city, thereby making Solo a friendly city noticeable for its residents and visitors.

3.4 Indirect Impact on Tourism

Several other urban management programs have also shown promising results during the leadership of Mayor Jokowi, relating to the overall objectives on street vendor management. In tourism, for example, efforts have been made to revitalise the cultural heritage areas that provide the characteristic uniqueness of Solo, for example Laweyan Batik Village, Sriwedari Royal Park, Radya Pustaka Museum, Bale Kambang Gardens, Jurug Park, and the Kasunanan Palace. A study was made which allowed the construction of a city walk for pedestrians along Slamet Riyadi, the main

thoroughfare from Gladag to Gendengan. These extensive efforts in revitalisation have produced a refreshing change to the city's appearance, making it delightfully green, pleasant and friendly for the pedestrians. In the long-term, this city walk should be able to boost the potential and welfare of the public in Solo, as it includes mostly business centres — from the snacks sold by street vendors to the large shops — in a clean and cool atmosphere.

3.5 Occupancy of Empty Stalls Built by Previous Administration

Another problem that will be solved through the management and relocation of street vendors is the occupancy of empty spaces (stalls or shelters) in the traditional markets that had been built by the previous administration for street vendors when they relocate from old locations. Some of these available spaces are located at:

- Jongke Market, around 50 stalls
- Notoharjo Market, 7 shelters
- Penumping Market, 28 stalls
- Hardjodaksino Market, 6 stalls
- Kadipolo Market, on the 2nd floor around 40 stalls
- Jurug Market, 5 shelters

Street vendors currently awaiting their schedule for relocation or other street vendor schemes can be found in the areas of Gilingan, Purwosari, Baron and the Balapan Station (Monginsidi street).



Picture 4: Street Vendor shelter in the surroundings of Manahan Stadium.



Picture 5: Beautiful and peaceful environment in the surroundings of the Banjarsari '45 Struggle Monument. The entire park and inside of the monument were previously fully occupied by street vendors.

4. Description of Solo City

4.1 History

Solo (or Surakarta) is the tenth largest city in Indonesia and the most densely populated city in the province of Central Java. A river passes through the eastern part of the city, which has been immortalized in a famous “keroncong” song, the “Bengawan Solo”. Solo began growing as a city when the Sultan of Mataram moved the seat of the kingdom from Kartasura to Desa Sala (Solo village), on the banks of Bengawan Solo river. As a result of splitting the territory of the kingdom, there were two palaces, making the city have two administrations.

This unusual situation ended when the political powers of both kingdoms were terminated following the proclamation of the Republic of Indonesia in 1945. Solo became the seat of the “Residen”, ruler of “Karesidenan Solo” or Surakarta up to the 1950s. When the “Karesidenan” was dissolved later, Solo status as a city was made equivalent to a district.

With the enactment of the Law on Regional Autonomy in 2001, wide-reaching powers were granted to local governments including Solo. The motto of Solo is “Berseri”, an acronym of “Bersih, Sehat, Rapi, dan Indah,” (“Clean, Healthy, Chic and Beautiful”) as a slogan for describing the city’s appearance. Particularly in the interests of tourism, Solo has adopted a special slogan for the promotion of Solo’s tourism, ‘The Soul of Java’ (Jiwanya Jawa) in an

endeavour to create an image of Solo city as the centre of Javanese culture.



Picture 6 : Map of Solo City

4.2 Economic, Demographic and Administrative Features

According to the Bank of Indonesia, Solo's economy experiences a positive growth. Between 2000 and 2005, it grew by 6.46%, which was only slightly reduced to 4.3% during the next four years. Solo's main economic growth sectors are agriculture, industry, trade, hotels and restaurants. The industry sector has recovered from the previous crisis and currently enjoys an increasing demand for products from abroad. The investment sector has also grown rapidly, as can be seen from the increase of shopping malls and trade activities. This development also reflects the trust of investors in the Solo administration. The strategic location of the city in Central Java and close to the cities of Semarang and Yogyakarta, has been favourable for it to become an important trading partner.

The Solo government also prioritizes a balance between traditional and modern business. While managing street vendors and reviving traditional markets and cultural sites such as the Sultanate Palace, it has also established joint partnerships with investors to build an innovative technology centre (Solo Techno Park) and develop infrastructure plans for the construction of interconnecting highways and an extension of its international airport.

The city's estimated population is currently about 500,000 people. The total number of recorded employees in the Solo city administration was 11,000 people in July 2010. Meanwhile, the staff at the Market Management Service of Solo city, who is assigned to handle the street vendors consists of 434 persons who are civil servants. In addition, the Market Management Service also employs 170 persons on a contractual/outsourced basis and 68 daily workers.

4.3 Social and Political Characteristics

Solo is famous as one of the Java's cultural centres. The prosperity of this region since the 19th century provided an excellent environment which stimulated the growth of Javanese literature, dances, culinary art, fashion, architecture, and various other expressions of culture and arts. As is widely known, there is a cultural "rivalry" between Solo and Yogyakarta, producing what is called the "Solo style" and "Yogyakarta style" in the area of fashion, dance movements, leather carving (wayang), batik making, traditional orchestra (gamelan), and so forth.

Solo is also a city with a high degree of political sensitivity. The city has experienced social unrest several times in the past. Looking at the many factors in the history of conflict and violence in Solo, it is not easy to conclude the conflict as being a racial one between Chinese descent against indigenous Javanese. The broad impact and roots of the conflict has not been limited to Chinese-Javanese clashes only, but rather greater societal factors need to be taken into account.

Nevertheless, the city is also possessing strong cultural bond, known as 'Kirab Budaya' (Cultural Parade), which might seem trivial, but has a tremendous impact on unifying the social energy of Solo residents. Kirab Budaya is a manifestation of the 'unconscious' dreams of the Javanese noblemen regarding the need to have an inclusive party for all community members. This inclusive party is able to accommodate all of Solo community's aspirations, regardless of faith, religion, race, ethnic group and social status. The annual parade is staged in connection with the city's anniversary. The parade enables all 'factions' in Solo's community to unite as one, stripping off their segmented identity attributes which often become the main cause of social tension.

The Solo administration has far-reaching autonomy to manage its own territory and related affairs. The central government, however, still maintains control over various sectors comprising defence and security, religion and foreign relations. Based on national policies, Solo cannot ask for a direct allocation of foreign loans from creditors and can not appoint its own police chief nor a military commander for its territory.

5. Budget for Best Practice Implementation

Since 2006, Solo has allocated local funds for street vendor management which are administered by the Market Management Services. This organizational unit oversees 37 traditional markets and other modern trading centres. In 2009, the Market Service Unit managed a budget for all types of markets, traditional and modern, amounting to IDR 20 billion. The allocated budget increased to IDR 23 billion in 2010.

Nevertheless, the allocation for street vendor management (under the traditional market category) actually experienced a reduction. From Table 1 below it can be seen that in 2010, the street vendor management budget amounted to only IDR 95 million in comparison to much higher figures in the previous years. However, this reduction corresponds to the needs of the street vendors as identified by the Solo city administration since there is no need for costly infrastructure development as it occurred during previous years. The focus for current and future programs shall rather be on activities comprising guidance, information, monitoring and evaluation, and supervision.

Financial Year in APBD	Total Expenditure
(million rupiah) *	
2006	1,304
2007	4,703
2008	1,436
2009	2,705
2010	95

Table 1. Budget of Solo Market Management Service for Street Vendor Management (under Traditional Market Category)

Source: Local Development Budget Plan of Solo City

**) Management of the street vendor budget 2006-2008 was under the Street Vendor Management Office, and as of 2008 has been transferred to the Market Management Services.*

6. Specific Technical Expertise

■ Academics and Consultants

Academics and consultants were required during the data collection and identification of street vendors phase of the project design, and later on during the construction of the market places. Thereafter, the entire process, including the evaluation of the work, was conducted by the staff of the Market Management Service.

- *Technical Staff in Street Vendor Management*

The street vendor management program was preceded by the formation of a technical team and a non-technical team, with all team members coming from relevant government offices. The technical team comprises government or technical service officers that directly deal with the real problems faced by vendors and the public. The technical team is assigned to seek solutions to technical problems such as finding good locations for the street vendors, preparing the blueprint of the project, obtaining approval on the architecture of the buildings, selecting building materials, supervising construction, diverting traffic, and so forth. On the other hand, the non-technical team is seeking solutions regarding social, economic and community problems, such as addressing street vendors' reluctant to move into new locations, therefore minimizing potential horizontal and vertical conflict, and others.

For the relocation of street vendors from Monumen Banjarsari to Notoharjo Market, for example, at least six relevant Regional Government Working Units (SKPD) or government offices were working together to combine the best solutions. These offices were: Market Management Service, Industry and Trade, Cooperatives, Promotion, Civil Service Police (Satpol PP) and Public Works. Each of them worked in their own specific area but at the same time shared an objective to ensure the relocation went smoothly and beneficial to all stakeholders and the people of Solo.

Section B. Methodology in Design and Implementation of Best Practice

1. Brief Description of Best Practice Design Process: Initiator, Main Actor and Driving Forces

When elected in 2005, Mayor Jokowi and deputy Mayor FX Rudi Rudyatmo pledged five major programs for the period 2005-2010:

- Health
- Education
- Community Welfare and Economy
- Balanced Development between North Solo — South Solo
- Management of Street Vendors and Illegal Dwellings

1.1 Street Vendor Management Background

The idea to relocate street vendors is not an original idea of the Mayor Joko Widodo, since it had already been attempted by three mayors before him. However, it is well acknowledged that only Mayor Jokowi has been successful in relocating the street vendors without any horizontal or vertical conflict, using an innovative approach to successfully carry out the relocation and management of street vendors.

The street vendor management program was launched by the mayor in 2005 after he won the election for mayor of Kota Solo. His ideas and suggestions were put forth in the annual program of the Solo administration and submitted to the local council (DPRD) of Solo for endorsement.

The management of street vendors began by establishing a strategic alliance with the street vendors concerned, particularly with the street vendor coordinators from all parts of the city. Invitations to dine at the City Hall (Balai Kota) and at the mayor's official residence in Loji Gandrung were an attempt to form such an alliance and soften the confrontational attitude of the vendors against the plan to relocate them.

The Solo administration's strategic alliance paid off when the coordinators of street vendor associations were willing to accept the city administration's plans to manage the street vendors. This alliance is a 'soft' one, and there are no representatives of the street vendors in any official structure or body designed by the parties involved in street vendor management. This means, that the Solo administration is the official implementer of the plans and executor of the street vendor management program.

1.2 Three Approaches of Street Vendor Management

The design and implementation process of Street Vendor Management are based on the combination of three main approaches: integrated, incentive-based and public participation-cultural. Below are detail descriptions of each approach:

■ *Integrated Approach*

The integrated approach under the leadership of the mayor of Solo can be illustrated by three components:

1. Integration of street vendor objectives and priorities by relevant local government working units or offices (SKPD).

As specified in the design of the street vendor relocation program from Banjarsari to Notoharjo, the whole range of activities starting with data collection and finally with relocating people requires the well coordinated involvement of all essential working units or offices (SKPD).

2. Integration of government resources for the success of the program. The diverse nature of assistance and facilities required cannot be provided by the Market Management Service alone but necessitates the mobilization of relevant organizations in an integrated way.
3. Pre-program socialisation: This was conducted for one and half years before the street vendor management program was officially launched. In the case of relocation from Banjarsari to Notoharjo Market, socialisation began in November 2005 and was done through various channels including mass media.

■ *Incentive-based Approach*

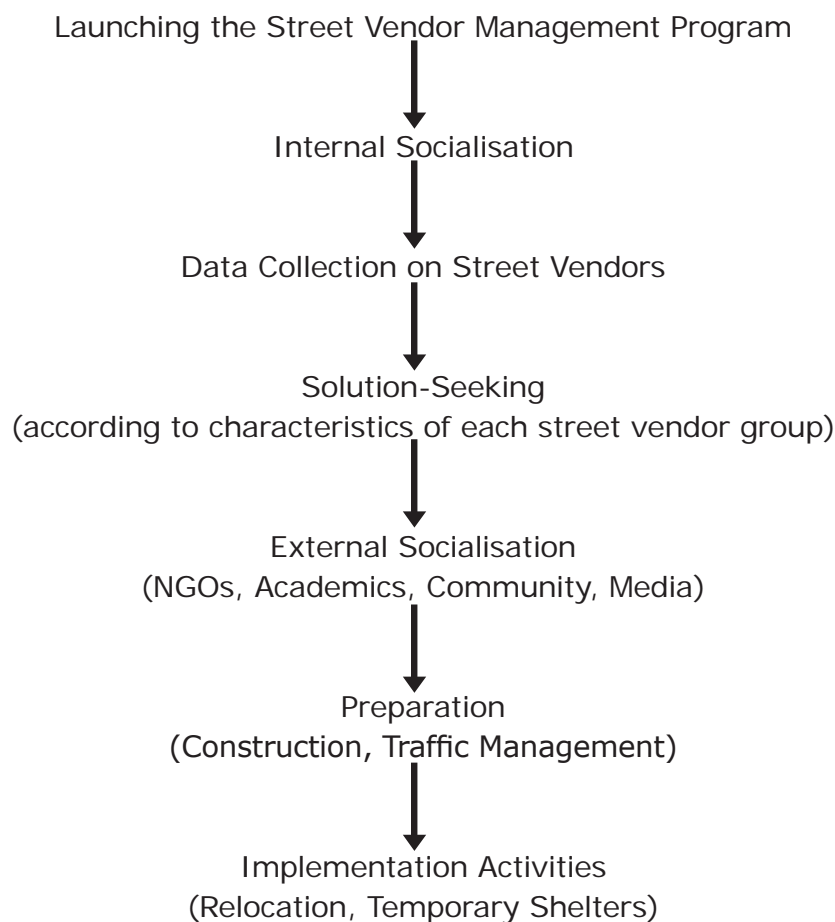
The Solo based Local Regulation No.7 of 2009 on Government Taxes Imposed on the Utilisation of Regional Resources states that the amount of tax imposed on the street vendors ranges from IDR 200/m² /day to IDR 1,000/day for a shelter. This is far lower than the "informal tax" that the vendors usually have to deposit to various parties, the amount of which might reach up to IDR 10,000 to IDR 25,000/day

The street vendors who are voluntarily agreeing to be managed, particularly those who are to be relocated to a new place, are also exempted from licensing costs, and therefore free from the cost of SIUP, TDP, SHP & KTPP. For the relocation from Banjarsari, the city administration had prepared a plot of land in the Semanggi area covering 11,950 m², and

as many as 1,018 kiosks have been built along with other facilities, such as parking space, motorcycle parking space, a corridor, market management office, musholla (prayer facility) and public bathroom and toilets.

When the 989 street vendors were relocated from Banjarsari (Taman Monjari) to Notoharjo Market, they were exempted from credit payments for several months and were able to choose a shop based on an open lottery system. The city administration has provided some tents for the street vendors around Mayor Sunaryo Street, near the north gate of the Solo Palace, until they are able to pay and the tents will be given to them. The city administration provided free transportation to the street vendors to move to their new location.

The Flow of the Street Vendor Management:



Referring to the flowchart above, the following schedule illustrates the major activities carried out within a timeframe of one year.

Schedule for Relocation of Street Vendors from Banjarsari to Notoharjo Market:	
■ September 2005:	Data collection on street vendors
■ October 2005:	Technical design and plan for placement of the traders/ kiosk
■ November 2005:	Socialisation (internally within the city administration, and among the universities, NGOs, community leaders, mass media, and street vendors)
■ January-May 2006:	Preparation and implementation of construction.
■ June 2006:	Relocation (preparing the street vendors, relocation, official opening by the mayor)
■ June-July 2006:	Revitalising the Monumen 45 Banjarsari as public site (back to its original function as a heritage site)
■ 17 August 2006:	Official re-opening of Monumen '45 Banjarsari site
■ Routine activities:	Security and order (regular checks)

■ *Public Participation and Cultural Approach*

The Javanese culture recognizes the saying “hold them on your lap and they’ll die”, meaning that to win over the Javanese, approach them with gentleness and sincerity, and show them your kindness, thus making people feel that they are equal to one another, including their leaders, that they are listened to and their aspirations are looked after.

In Solo, street vendors aspire to be heard by their leaders, but this was rather overlooked by the mayors that preceded Joko Widodo (Jokowi), who therefore had to deal with frequent protests and demonstrations against street vendor relocations; the last two mayors were unable to bring about any relocation.

As a businessman who has traded in furniture for eighteen years, Mayor Jokowi is an expert in conducting lobbies and business negotiations which he calls “dinner table lobbying”. Later on he adopted this strategy as a political communications tool. The target was obvious, namely the relocation of street vendors from Banjarsari, an elite neighbourhood in Solo to Notoharjo Market. The area counted 989 vendors connected with eleven associations. Joko invited the association coordinators to lunch at Loji Gandrung, the mayor’s official residence.

Jokowi is well aware of the fact that a lunch invitation can be an effective way to broker resolutions and to settle issues the Javanese way. He carried on his “from the stomach down to the heart” approach and held fifty-four luncheons at the city hall to win over the street vendors.

In these luncheons, Mayor Joko Widodo expressed the values he shares with the street vendors in that he, as a Solo resident, would like to see a city that is clean, healthy, chic and orderly, and at the same time allows its inhabitants to improve their welfare. While the mayor reinforced this sentiment during the luncheons, he also acknowledged the importance for street vendors to make a living as one of the key government programs. By listening to them, the distance between the leader and subordinates was eliminated.

Mayor Joko Widodo said that meetings with street vendors proceeded transparently and that they were free to ask anything about development plans that are in place for Solo. This transparency convinced the street vendors of his sincere intentions.

1.3 The Driving Force: Mayor of Solo

If we were to ask the staff in the city administration, the academics, NGO activists or news reporters in Kota Solo: who is the main actor behind the successful management of street vendors in Solo, the answer would almost definitely be Mayor Joko Widodo. It is well known that Mayor Joko Widodo has not been the first person with the idea of managing street vendors in Kota Solo. However, it is Mayor Joko Widodo who actually succeeded in managing the street vendors, using methods that had never entered the minds of the previous mayors. It was the mayor who gave the directions for managing the street vendors, including the strategy to provide various facilities and incentives for the street vendors willing to relocate and to be managed for the purpose of creating a pleasant city. The ideas and suggestions of the mayor were then translated into actions by the staff.

Many Solo government officials at City Hall regard Mayor Jokowi as the main figure of the Street Vendor Management scheme due to his leadership quality which has a positive impact on the performance of the service offices of the Solo administration.

A qualitative description of the leadership of Mayor Jokowi provides the following features:

- Trust in the commitment of the mayor because the mayor often personally inspects project implementation conducted by the city administration;
- Admiration of the mayor's track record which is clean, without any trace of corruption, collusion and nepotism;
- Confidence that the mayor will continue to work honestly and remain 'clean' because the mayor has always been transparent, particularly in relation to personal wealth and in spending the local budget;
- The belief that the mayor is working for the welfare of the people of Kota Solo;
- Determination, sound work ethics and an energetic drive to thoroughly monitor a project until completion and success.

1.4 External Actors

Several external actors took part in creating the pre-conditions for street vendor management and have been carrying on their activities prior to and during Joko Widodo's term:

- In 2000, a Research Group on Democratic Community Institutions (KKLDM) was established as the focal point for various NGOs in Solo city and in cooperation with the Village Assistance Office of the Surakarta administration, all sub-district heads and elements of the village community welfare organisations (LKMD), the group organised and held a forum for public assessment with the communities from 51 kelurahan/villages, and were able to produce a consensus for the drafting of regional regulations concerning institutions at the village level replacing the LKMD;
- Around the year 2000, a cooperation program had also been launched between UNDP-Depdagri in the form of the Breakthrough Urban Initiative Local Development (BUILD) program, which focused on the issue of efficiency in public service and community participation. This initiative was supported by the Ford Foundation and UNDP;
- Both Ford Foundation and UNDP also supported the establishment of IPGI (Indonesian Partnership on local Governance Initiative) in Solo in 2001 as a three-city network: Bandung, Dumai and Solo.

Members of IPGI are the non-governmental organisations (NGO) in Solo, whose initiation was supported by the Ford Foundation and who focused on developing a mechanism for participatory development planning, among others a budget based on public participation;

- In 2003, UNDP introduced the City Development Strategy (CDS) program which was specifically oriented towards reinforcing the involvement of sector groups in the process of participatory planning. The Voluntary Work Team (TKS), facilitated by the CDS, developed a scheme for participatory assessment with the base community groups, through a series of training sessions and focus group discussions (FGD) using such methods as Participatory Rural Appraisal (PRA) and Participatory Poverty Assessment (PPA) which can provide a more comprehensive picture of the problems that face the people of Kota Solo. The results of the assessment did not receive any immediate response from the city administration, but later various pro-poor program policies were introduced into the community, such as the management of street vendors.

These various external initiatives contributed to shaping the pre-conditions for changes in the community towards support of good governance implementation in Solo.

Furthermore, the local parliament or council has been playing a decisive role by extending large support to the street vendor management program. It always endorsed the financial proposals submitted by the city administration without significantly reducing the requested budget. The council members realise that the problem of street vendors is a major urban problem in Solo.

2. Function and Roles of National Government

The management of urban problems such as illegal dwellings, street vendors and maintenance of public spaces is fully the responsibility of the city administration, and thus includes programming, budgeting and evaluation.

Other assistance from the central government for the street vendor management program in Solo has been provided by the Ministry of Trade. The assistance is given to:

- Ngarsopuro Market: tents;
- Notoharjo Market: financial assistance of IDR 10.5 billion, exceeding by a large margin the IDR 2.5 billion proposed by the Solo city administration.

3. Brief Description of Best Practice Implementation Process

3.1 Legal-formal Aspects

The local parliament (DPRD) of Solo proposed an initiative for a draft regional regulation on Street Vendor Management. This draft regulation was endorsed as the Solo Local Regulation No.3 of 2008 on Street Vendor Management. It is the only local regulation that directly addresses the issue of street vendors in Solo. Another related regulation is the Solo Local Regulation No.7 of 2009 on Government Taxes Imposed on the Utilisation of Local Resources, which governs the amount of tax to be imposed on users of the local resources, such as land within the city. The Local Regulation No. 3 of 2008 on Street Vendor Management constitutes the formal legal basis for the Solo city administration to design various programs related to street vendor management in Solo.

The regulation is an initiative of the DPRD Solo, and has sparked some rather heated debates, particularly among the NGO activists in Solo. Generally the topic of the debates has been about two major issues. Firstly, the local government was accused of having displayed a discriminating attitude towards street vendors from outside Solo by introducing the rule that any street vendor active in Solo needs to have an identity card of the city. Secondly, the claim of managing the street vendors successfully seems to be debatable.

In response to these criticisms, Mayor Jokowi states that the local regulation concerning street vendors was the initiative of the DPRD members. The Solo city administration is merely implementing the regulation. In any case, the emerging criticism does not hinder the implementation of strategies on street vendor management in a professional manner.

3.2 Qualification, Monitoring and Evaluation

Only street vendors, who sell their goods in locations prohibited by law, shall be included in this street vendor management program. Street vendors who are already selling at proper locations are not included.

Several street vendors in front of the Legi Market place, for example, shall not be relocated, even though they were selling too close to the housing complex, as this particular location has been used since before 1998, i.e. for a very long time. Another consideration is that most vendors are residents of the surrounding area. Up to this day they are still allowed to sell their goods there. However, vendors who are newcomers or started working in Legi Market after 1998 have been relocated to Notoharjo.

The monitoring and evaluation activities are the responsibility of the Market Management Service in the Solo city administration, currently under the leadership of Subagiyo. The Market Management Service is responsible for the management of 5,817 registered street vendors in Solo. This figure was projected to reach more than 6,000 by July 2010. About 62% of these vendors have been included into the street vendor management program. The remaining 38 will be fully addressed by the end of 2010.

4. Civil Society and Community Involvement

The management of street vendors has always involved civil society at all stages of implementation. Since the beginning, the mayor took into account the value of listening to street vendors. As previously described, he invited street vendors concerned, particularly the street vendor coordinators from all parts of the city, to form an alliance and soften their confrontational attitude against relocation plans. Several NGOs have also been involved in the process of coordination and discussions with local parliament's policies. Apart from this, the city administration also encourages public's involvement through:

Hotline number for Street Vendors and Other Public Service Issues

Mayor Joko Widodo and deputy Mayor FX Rudy Hadyatmo have opened a hotline for SMS (short message service):

- Mayor : 0817 44 1111
- Deputy Mayor : 0817 44 2222

This short message service facility is a highly effective means of communication, since many people make use of this service to provide input to the mayor and deputy mayor.

In the beginning, this facility was used to communicate with the public and the street vendors in connection with their planned relocation from Banjarsari to Notoharjo. Later it has been used as a channel for delivering critique and proposing suggestions or recommendations by the citizens regarding public services in Solo city.

Office Opening and Regular Control

At Notoharjo Market, a Market Management Service office is available to accommodate the complaints of the vendors in this new market place and to manage the daily market affairs, such as collecting fees from the vendors, collecting the parking fees and maintaining cleanliness of the market.

5. Role of the Media

The mass media constituted a strategic alliance for the street vendor management program in Solo, as declared by the Mayor Joko Widodo. The role of the media seemed to be neutral when the program was first launched by the mayor some years ago. At that time, around mid 2005, the media would cover the street vendors who refused to be relocated and managed, and record the voices of several NGO activists who opposed the program, as well as the opinion of the mayor who stated the need to improve the livelihood of Solo citizens and to make it more comfortable for its residents.

The media, particularly the print media, began to support the mayor and his street vendor management program when the mayor successfully relocated street vendors from Banjarsari to Notoharjo Market. In the eyes of the reporters the fact that there was no physical conflict was really a “miracle” in itself, since stories about relocating street vendors in almost every city in Indonesia always ended with blood and tears for the vendors as well as the civil service police who were ordered to evacuate them.

The success of the peaceful relocation made Mayor Jokowi a hero for the media. TEMPO magazine chose Jokowi as one among ten most influential government officials in Indonesia in 2008. Many stories and articles in the media praised what Joko Widodo had done for the street vendors and for Kota Solo. The mayor kept his promise that he would continue to promote the new markets for relocation, for example with the placement of advertisement on TATV, promotions for guests of the city administration to visit various new street vendor markets, etc.



Picture 7: Mayor Joko Widodo (far right) during an interview with reporters in Solo

6. Input from International, National and Local experts

According to Mayor Jokowi, the idea and further thoughts of the street vendor management program in Solo were gained from various sources, among others a work visit and comparative study to countries in Eastern Europe to learn about the conservation of historical buildings, to the riverside area of Bangkok for revitalising the river banks, and to Singapore for the building of a city walk and street vendor management. The mayor never directly involved city-planning experts, whether national or international, in the plans for street vendor management in Solo.

7. Types of Implementation Activities

The street vendor management program in Solo is split into two programs, namely the annual and the five year program:

- *Annual Program*
The annual program includes daily operational activities in the field which are carried out by administration offices, such as: relocation; provision of shelters, tents, carts; promotion; opening new routes/diverting old routes for public transport; etc.;
- *Five-Year Program*
The five-year program deals with policy and budgetary issues, the implementation schedule of each annual program during a five years period, the development targets including spatial and street vendors management.

The Solo city administration identified five major program areas for the street vendors management, namely: relocation, shelter, tents, carts and order. These areas are further developed into a framework of activities along certain priorities that reflect participatory approaches:

- Relocation by providing kiosks to the street vendors, as was done in the area of the University (Universitas Negeri Sebelas Maret /UNS) or at Notoharjo Market;
- Relocation by providing shelters to the street vendors, as was done at the location next to Solo Square, around the Griyan area;
- Tents, namely by providing tents in the same colour, design, and land coverage, such as given to the vendors in front of the Batik Market beside the north gate of the Solo Palace;
- Carts, namely by providing carts made from iron or a mixture of wood and boards, as was given to the street vendors at several places along the pedestrian walk of Slamet Riyadi street;

- Assistance by providing equipment, such as chairs;
- Training activities regarding change of business attitudes and management of micro and small-scale businesses;
- Financial assistance;
- Infrastructure to access the new locations, for example the construction of roads, which is coordinated with the Public Works Service;
- Opening public transportation routes to serve the new location of the street vendors, for example a route passing by Notoharjo Market;
- Promotion of vendors and their products which is always done by the mayor of Solo, Joko Widodo, who regularly invites delegations from outside Solo to the relocation places, such as Notoharjo Market which is coordinated by the Communication Service;
- Free loading and unloading costs for the street vendors who are willing to relocate, which is coordinated by the civil service police (Satpol PP);
- Assistance in transportation to the new location, coordinated by the Satpol PP;
- Assistance by providing guards at the old location and the new location during the process of relocating, which is done by the civil service police (Satpol PP).

The Satpol PP Police Chief explained that there is no single solution that can be applied to the street vendors. Usually, it requires a combination of several solutions. Relocation of street vendors to Notoharjo Market, for example, required six collaborative solutions.

8. Steering Body and Coordination Mechanisms

The street vendor management program is regularly controlled by the Solo local parliament (DPRD) through an assessment of the annual report submitted by the Solo mayor. A forum has been established among relevant stakeholders to carry out supervisory and coordinating roles. This forum is organized by Solo administration, Street Vendors Association, NGOs such as Pattiro, SOMPIS, or PLH YAPHI. These civil society groups can submit a request to meet with the Market Management Service or the Solo administration in the event of urgent matters that must be resolved in connection with the street vendors.

Civil society groups are also each year involved in discussions of the draft local budget of Solo which includes a budget component for the street vendors program.

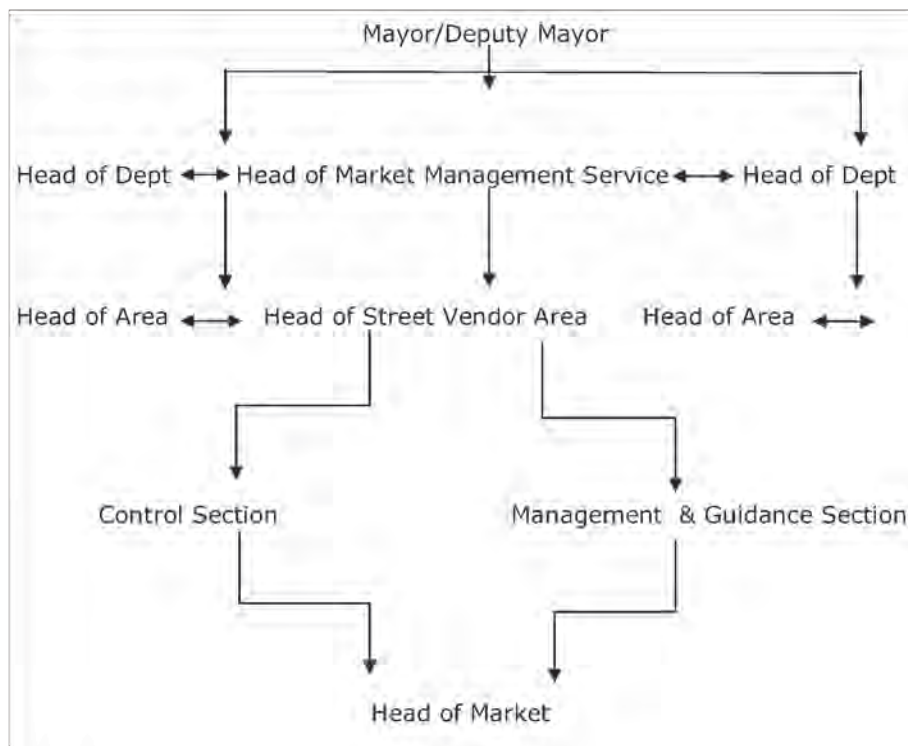
9. Sequence of Activities and Vertical and Horizontal Coordination

One strong trait of street vendors in Solo is the integration of various existing programs on local government institutions. When street vendors were to be relocated from Monumen 45 Banjarsari to Notoharjo, all government institutions made it their priority. The Land Transport Service immediately drew up new transportation lines connecting the new marketplace; the Promotion Service worked hard to prepare promotional material for newspapers, the radio, and local television; the Market Management Service constructed the marketplace; and so on, so that the performance of all services under the city administration was focused towards guaranteeing the relocation's success.

Because of program integration, all the relevant local government units government services focused on achieving one clear program target and proceeded to dedicate human resources, efforts and funding towards that end. Subagiyo, Chief of Market Management Service, explained that government programs were normally socialized several months before being officially implemented. This pre-implementation socialization model is an effort to inform the community and to accept the city administration's program activities, namely the relocation to a new site or other solutions.

The street vendors and illegal dwelling programs are under the responsibility of the Market Management Service. Structurally, the Market Management Service Chief supervises the Street Vendor Area Head who manages the Control Section and the Management and Guidance Section. This coordination structure can be seen below:

Horizontal and Vertical Relations of Market Service Management with Other Government Offices.



Section C. Best Practice Evaluation

1. Sustainability of the Model

The Solo government continues to maintain its activities in street vendor management following relocation. Routine meetings with the street vendors community are held every month on a rotating basis, whereas for the street vendors in Notoharjo Market, as they are now no longer street vendors but market vendors, the meetings are conducted by 'Papatsuta' (Paguyuban Pedagang Pasar Tradisional Solo, or Association of Solo Traditional Market Vendors) once a month.

The Market Management Service also attends these meetings. The complaints often forwarded by the street vendors are usually about the facilities, the lack of capital, marketing problems of their goods, and so forth. The response of the Solo city administration depends on the required assistance. If it does not involve the policy level and there is no need to request approval from the local council, solutions can be quite fast, and any complaint takes on average one week to be handled. If the complaint can be submitted by the street vendors directly to the mayor or deputy mayor, the response can be even more prompt.

The Solo city administration continues to promote the market places for relocation of the street vendors up to this day. For example, Notoharjo and Ngarsopura Markets have been advertised on TATV television and other media. Furthermore the administration always encourages visitors or delegates to shop at the street vendor locations managed by the city.

The medium-term plan 2010-2015 underlines the need of empowering small-scale enterprises, including street vendors. It is also envisaged to issue further regulations and provide adequate infrastructure facilities as well as services to ensure sound development and growth of this important economic sector.

2. Major Success Factors of Solo's Best Practice Model

One factor believed by all stakeholders of Kota Solo to underlie the successful structuring and management of Solo's street vendors has been the leadership of Mayor Joko Widodo. This belief is justified when one looks at the attempts of two earlier mayors who failed to reorganize Solo's street vendors, which ended in either potential horizontal or vertical conflict. The conventional one-way, top-down approach opted for by previous city heads received city-wide a negative response from Solo's street vendors.

The leadership quality of Mayor Jokowi is also determined by the participatory approach taken which has the following three key characteristics:

- **Egalitarian:** All stakeholders are on equal footing; the luncheon invitations at the mayor's official residence are a clear indication of leadership quality;
- **Accessibility:** Street vendors enjoy unrestricted access to the mayor or deputy mayor. The heads of the service units are always prepared to engage in a dialogue with street vendors or citizens, something which has been taking place regularly when discussing local budgets prior to submission to the city council;
- **Transparency:** Reviews of the local council relating to street vendor programming and budget allocations are always accessible by Solo's community. Public announcements of the wealth of the mayor and the deputy mayor further strengthen the community's respect towards the pair.



Another gesture of transparency can be seen at the city hall. The walls of several waiting rooms feature 2 x 3 m whiteboards detailing Solo's development funding for the current year. Complete government programs and their funding as approved by the local council are available for the public (see picture above).

Other factors affecting the success of Solo street vendor management are:

- **Integrated Approach:** There is commitment and willingness of different government offices to collaborate in supporting the street vendor management. Although the street vendor management responsibility is under the Market Service Management, the Solo city administration instructed 13 government offices to collaborate in providing the best possible solutions. In the case of the relocation to Notoharjo Market, the success was largely possible due to the integration of core activities of at least 6 government offices consisting of Market Management Service, Industry and Trade, Cooperatives, Promotion, Civil Service Police (Satpol PP) and Public Works.

- Incentive-Based Approach: All facilities offered to street vendors willing to be relocated were free-of-charge and covered the construction of shelters, distribution of carts, even kiosks in the case of the Notoharjo and Panggungrejo Markets nearby the UNS campus. The issuing of business licenses were free of charge and street vendors were only asked to pay for the market's sanitation and electricity. Another example of incentives provided are the low-income housing facilities.
- The support of the local parliament in the form of endorsing annual budget, policies and regulations.

3. Major Challenges and Obstacles of Solo's Best Practice Model

Based on inputs from Solo based NGOs, the enactment of the Solo Local Regulation Number 3 of 2008 on Street Vendors Management was felt to have had various shortcomings:

- The suggestions of vendors were not accommodated by the government in public hearings;
- The socialization program was not well implemented;
- The lack of public service standards regarding the management of street vendors.

The contents of the Local Regulation of Solo city Number 3 of 2008 concerning the Management of Street Vendors need adjustments to address criticisms from various circles regarding the following issues:

- The approach was discriminative since it only targeted street vendors in possession of the citizen identification card (KTP) of Solo. This regulation limited the freedom to do business for non-Solo citizens.
- The restriction for street vendors to make transactions outside the locations is considered inappropriate. This restriction should actually be eliminated since a small transaction between the buyer and street vendor may take place at any point in time and should not be bound to location, therefore not be considered a violation.

These challenges can be addressed through the issuance of government regulations related to the public service standardization.

Another concern raised is the possibility of the program's terminating in 2015 upon completion of Mayor Joko Widodo's period in office. Therefore, one effective measure is the establishment of standards on service delivery and procedures enacted through local regulations.

The development of a sound legal framework is considered essential to sustain viable street vendors management programs. At present there are different opinions between the executive and legislative branch with regard to several articles of the composed draft bills and it will consume some time to find an acceptable consensus. Mayor Joko Widodo assures that all regulations concerning street vendors will be finalized within the next two years.

4. Why This Model is Viewed as Best Practice

The street vendors management in Solo city is a best practice because it shows good governance focusing on people-based leadership. Mayor Joko Widodo exercised an inclusive approach which made street vendors feel acknowledged and part of the Solo community. The approach is also extended to the way the mayor ensured all government institutions integrated the Street Vendor Management into their priorities. Without the willingness and commitment of all relevant government institutions, which were partly caused by their respect for the mayor's leadership, the street vendor management could not have been fully implemented.

The street vendors management also shows that government can handle sensitive issues such as street vendors' pride and income generation, without creating vertical and horizontal conflicts, as occurred in many street vendors locations in Indonesia.

Furthermore, the street vendor management delivered visible improvement to Solo city's local income obtained from Market Management Service from IDR 7.8 billion in 2006 to IDR 18.2 billion in 2010.

Finally, the street vendor management model generates positive impacts on people's life through re-establishing people's right to public spaces and an improved quality of the urban environment, especially an increase in the quality of air, attributed to the reduced traffic congestions after relocation of the street vendors.



Picture 9 and 10: The public obtains benefit from the availability of a clean and cool pedestrian, which is even equipped with free internet hot spot network.

5. Solo Best Practice Transfer And Replication Adaptability

The street vendors management model of Solo can be replicated at other places based on efforts and actions taken by the city administration. Basic considerations for replicating the Solo experience are as follows:

- The street vendors management should refer to a comprehensive master plan with clear evaluation criteria and benchmarks;
- Processes should be transparent and widely accessible by the street vendors, NGOs and the public, and if necessary, special public relation staff members should be assigned to handle this program as an interface with external parties;
- Socialization to the vendors by using all available approaches, particularly the cultural approach when appropriate but still with a resolute attitude;
- Socialization to the mass media with logical argumentations;
- Socialization to the civil society groups, particularly NGO and Social Foundation activists as well as other relevant stakeholders;
- Focus on the argumentation that street vendors income will certainly improve at the new location;
- Engage all available government institutions while the street vendors program should be part of programs of each government institution.

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Acronyms

APBD	<i>Anggaran Pendapatan dan Belanja Daerah</i> Local Budget
Bappeda	<i>Badan Pembangunan Daerah</i> Local Development Board
BUILD	Breakthrough Urban Initiative Local Development
CDS	City Development Strategy
DPP	<i>Dinas Pengelolaan Pasar</i> Market Management Service
DPRD	Dewan Perwakilan Rakyat Daerah Local Council
FGD	Focus Group Discussion
IMB	<i>Izin Mendirikan Bangunan</i> Building Construction Permit
IPGI	Indonesian Partnership On Local Governance Initiative
KKLDM	<i>Kelompok Kajian Lembaga Demokrasi Masyarakat</i> Research Group on Democratic Community Institutions
KTPP	<i>Kartu Tanda Pengenal PKL</i> Street Vendor Identification Card
LKMD	<i>Lembaga Ketahanan Masyarakat Desa</i> Village Community Welfare Organisation
LSM	<i>Lembaga Swadaya Masyarakat</i> Non-Government Organisation
NGO	Non-Governmental Organization
Pemkot	<i>Pemerintah Kota</i> City Administration
Perda	<i>Peraturan Daerah</i> Local Regulation
Perwali	<i>Peraturan Wali Kota</i> Mayor's Regulation
PKL	<i>Pedagang Kaki Lima</i> Street Vendor
PPA	Participatory Poverty Assessment
PRA	Participatory Rural Approval
Satpol PP	<i>Satuan Polisi Pamong Praja</i> Civil Service Police
SHP	<i>Surat Hak Penempatan</i> Certificate of Placement Right
SIUP	<i>Surat Izin Usaha Perdagangan</i> Trade License
SKPD	<i>Satuan Kerja Perangkat Daerah</i> Local Working Unit
TATV	<i>Terang Abadi Televisi</i> Terang Abadi Television
TDP	<i>Tanda Daftar Perusahaan</i> Company Registration Certificate
TKS	<i>Tim Kerja Sukarela</i> Voluntary Work Team

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Conservation of the Old Town of Phuket for Activating City Economy and Community Income Generation

Author:

Mr. Apiyut Siyapan

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Section A. Description of Best Practice

1. An Introduction to the Best Practice Model and its Innovative Elements

Phuket province, an island in southern Thailand, is famous worldwide for its beautiful beaches. A large number of resorts, hotels and other tourist facilities have emerged along the coastal periphery of Phuket. At the same time, its administrative center, Phuket city, is somewhat different: densely populated by local people, located in the southeast of the island, far away from any beaches and with all administrative offices. The town experienced hardly any growth in tourism.

Compared to the beaches along the coast line, there was not much tourism activity in Phuket. The town was somehow overlooked by visitors, who headed straight to the beach after their plane's arrival, leaving the beach only to depart again for the airport.

In fact, one part of Phuket city is the old town covering 210 Rais (83.03 acre). It is not a large area but in the past it used to be the very center of commerce. Some streets in the area still look genuinely old due to the unique building style. This charm had tourism potential to be developed.

Hence, Phuket municipality made the effort to invest in restoring the old town area, i.e. preserving old buildings with their unique architectural styles known as Sino-Portuguese (a.k.a. Sino-Colonial) and the old tradition of Peranakan (the Malay-Chinese, a.k.a. Straits Chinese). These houses were to become a highlight for cultural tourism in downtown Phuket. Along with the conservation, the investment also promoted local participation, people's awareness, cultural tourism and a boost to the local economy.

Influenced by Phuket city's topography, culture, custom and its livelihood, the administration of Phuket municipality had a vision for Phuket's city development, aiming for Phuket city to always be a happiness-filled city and to remain liveable in a sustainable way. Led by eight policies for people's happiness, one of which is the promotion of better grassroots economic activities, Phuket city developed its tourism and related business by using its genuine identity e.g. unique architecture, way of life, local food, people's generosity, as its selling point.

The old town covers an area of 210 Rais (83.03 acre) where the Sino-Portuguese architecture is attractively prominent. The Ministry of Science, Technology and Environment at that time announced the area to be the "Phuket Old Town conservation zone", including the following streets; Thalang, Phang Nga, Krabi, Yaowaraj, Debkrasattri, Phuket, Ranong, Rassada and Dibuk, aiming to achieve a definite and sustainable development in cultural tourism.

A project called “Phuket Old Town conservation and development” was then launched. The project, coordinated by Phuket municipality, aimed to work with local communities and organizations, with the municipality taking a leading role to promote people’s awareness of the conservation of the old town’s architectural buildings along with the development of the area in an appropriate direction, under a close supervision of Sino-Portuguese architecture experts.

Since then, Phuket municipality has initiated several activities to promote people’s awareness, to love and care for the old town and to promote tourism in Phuket’s downtown area to support economic growth. For instance:

- Phuket’s old town festival. The festival features exhibitions, a forum for old town conservation, light & sound performance, traditional shows and local food shops along the whole of Thalang Street. Each year’s festival has been well attended, with visitors from near and far. The latest, the 11th festival, was organised jointly by all sectors such as the Tourism Authority of Thailand, the Office of the National Culture Commission and organisations from the private sectors, e.g. the Peranakan Foundation and the old town community;
- Indigenous tradition and custom conservation such as animist guardian ritual, moon festival, ancestor ritual, vegetarian festival and Phuket founder ritual. These are well received by the public;
- Other cultural tourism promotion activities such as local recipe and traditional dress conservation. The staff of Phuket municipality is wearing traditional dress every Thursday, which helped increase the popularity of that dress;
- The establishment of “Old Phuket Foundation” by a network of community alliances, aiming for public participation in architecture, culture and livelihood conservation;
- The establishment of “Phuket Scape” bulletin, featuring history, culture and customs of Phuket for the new generation, students, visitors and interested persons;
- Organizing the “Phuket Yester-year” festival to bring more visitors to the downtown area;
- Promoting the traditional wedding ceremony of Phuket to show the identity of Phuket’s way of life and culture;

- Conservation of Nyonya dress (Peranakan traditional dress), which has now again become popular in Phuket. This popularity eventually generates income for people in the community, because Phuket municipality has organized training courses in various kind of handicraft e.g. batik, quilt, artificial flowers, bead craft, etc. and these products are used in traditional weddings or in traditional dress;
- Highlighting more interesting tourist sites in the old town area to attract more visitors.

Furthermore, the municipality has improved the grassroots economy of communities outside the old town area in order to expand the circle of beneficiaries, for instance through:

- Small-scale fishery group establishment at Ban Ko Jan near Sapan Hin for coastal ecotourism activities and additional marketing channels of the catch by members to help generate income and savings;
- Phuket town volunteer guides training and development of local communities' potential to be good hosts with the aim to improve tourism competency amongst local people;
- Support for other tourism related occupations such as photography, by organizing photography contests and then an exhibition in the festival to promote new photographers, or the establishment of a tricycle group for visitors' sightseeing to diversify tourism activities in town.

In addition, Phuket municipality has invested in an urban environment and landscape improvement programs to ensure a beautiful and memorable atmosphere as well as visitor's satisfaction when visiting the clean, convenient and pleasant Phuket town.

These measures include, for example, improvements to the public water works, solid waste management and green energy sources, underground power lines to bring back the charm of Phuket streets, investment in up-to-date communication technology, investment in public relations, education, e.g. foreign language skill training, intercommunication technology, etc.

Phuket municipality has also planned some long-term tourism investment to help Phuket's tourism industry along further, such as:

- Establish more museums for education and tourism, e.g. Ban Kao Museum and Thaihua Museum which used to be an old school;
- Open a tourist information center establishment in the old town area for better access;

- Provision of “walking map” for visitors who appreciate sightseeing by strolling around in the old town.

Phuket municipality has been managing tourism in a sustainable way so that the old Phuket town has become an important tourist site of the province. When visiting Phuket, the old town of Phuket is by now one of the must-see destinations, famous for its Sino-Portuguese architecture, its way of life and local food. The success stimulates the local economy and what can be seen is the return of Phuket’s new generation to the old town area starting or renewing their business, renovating their Sino-Portuguese houses to blend with the old town atmosphere, and increasing the sales of their traditional products.

2. Reasons for Program Development, Shortcomings and Challenges Addressed by Best Practice Model

Sino-Portuguese houses line both sides of Thalang road and adjacent streets in the old town area. It should always have been a picturesque “old town” with splendid architectural features, drawing lots of tourists. However, most of the doors were closed. Some painted stucco chipped off the building. The whole place looked abandoned as the owners live somewhere else while their children plan to go and spend their lives in another big city such as Bangkok. Some of them plan to do business in the beach area out of town.

Without any action, the old Phuket town would have become even more quiet, ignored and sooner or later converted to new high rise buildings. The old town with its beautiful buildings and the stories behind them could have been soon forgotten.

In 1992, Phuket municipality was getting concerned about its old town as shop-houses seemed to be ignored, abandoned and closed down whereas the area had potential for tourism.

The German Agency for Technical Cooperation (GTZ), through the Department of Public Administration, were looking for suitable site for a conservation project on urban environment management through a participatory approach. GTZ therefore got together with Phuket municipality to discuss as a pilot conservation project. They decided to start a program called conservation and development of the architectural environment in the old town of Phuket.

The objectives were 1) to boost the economy in the old town of Phuket, 2) to conserve architectural environment, 3) to conserve the old way of life, tradition, culture and livelihood of genuine Phuket, and 4) to build awareness on cultural conservation issues.

At first, three parties were core players; GTZ, Phuket municipality and architecture lecturer Dr. Yongthanit Pimonsathean, and experts from King Mongkut University Ladkrabang, funded by the Ministry of Science, Technology, and Environment.

Then, some more civil society groups, associations and foundation joined Phuket municipality to contribute to this conservation effort. These groups include Old Phuket Foundation and the Peranakan Association.

Even though the majority of the old shop-houses in Phuket's old town are owner-occupied and the houses are well cared for, the number that is sadly falling into decay is not negligible.

For a good understanding, it is essential to know some brief history before going into the details of the old town's architectural heritage.

2.1 History

Phuket, 'pearl of the Andaman' is more than a beach resort. It has a rich history as a tin-mining island, peopled by Siamese, Chinese, Malays, Indians, Eurasians and sea gypsies. A unique community in Phuket is the 'Baba', with its own way of life, language, dress and food. The core of this community was formed by early unions between Hokkien tin-miners and Siamese women. This distinctive Baba heritage can be seen in old Phuket town.

Since the 16th century, the Europeans have been interested in the tin trade of Phuket. They called the island 'Junk Ceylon' (Ujong Thalang). The Burmese invasion of 1809 devastated the old settlement of Thalang, sparking an exodus of the original inhabitants. From the 1820s onwards, mining in Phuket was in the hands of Chinese adventurers from the British Straits Settlements, particularly Penang. During this period, mining spread from the interior at Kathu to the bay of Tongkah, and around 1850, the town of 'Tongkah' was formed. This settlement forms the historic core of Phuket town today.

The early town of Phuket was linked by a few roads and a network of canals and waterways to Tongkah Bay. Coastal vessels transported tin from Phuket to Penang, and returned with foodstuffs and hardware. In the past, workers flocked to the town to sell their ore, to stock up on provisions and to remit money. In order to forget their hardship and homesickness, they indulged in four pleasures - wine, women, opium and gambling. Thalang Road was the main street where the big traders had their shops. Soi Romanee was the red light district.

In the early 20th century, a measure of civilization was brought to Phuket by Phraya Rassada Nupradit (Khaw Sim Bee na Ranong) during his term as High Commissioner of greater Phuket (1900-1913). He gave a large concession to an Australian-European mining company, Tongkah Harbour Dredging, in

return for funds to develop the public infrastructure. Roads were built, canals were de-silted and a number of public buildings were put up. With Phuket becoming safer, more traders and their families, especially those from Penang, settled down in Phuket. With greater prosperity, more schools and temples were endowed.

Tin from the frontier settlement of Phuket was melted and exported at Penang, the nearest major seaport. In fact, sea travel to Penang was faster and safer than land travel to Bangkok. Once communications were improved, Phuket gradually changed its orientation towards Bangkok, especially after the Second World War. But by that time, Phuket had developed its distinctive local character.

With the inauguration of direct flights between Europe and Bangkok in the early 1970s, Phuket started to become a tourist destination. Ten years later, the tin market collapsed but fortunately the economy was rescued by the growth of tourism. Many former tin mines were converted into luxury resorts. The old town, on the other hand, was until recently largely bypassed by the tourism industry.

2.2 Architectural Heritage

The cultural and architectural heritage of Phuket is a reflection of the settlement's prosperity during the tin boom days. The townscape is unique in Thailand, but resembles that of the British Straits Settlements, which consisted of Penang, Malacca and Singapore. The architectural style is usually referred to as 'Sino-Portuguese'. However, any Portuguese influence would have been rather indirect, via Malacca's historic influence on Straits Settlements architecture. Although Phuket had early contacts with the Portuguese, most of the evidence of European settlement was destroyed during the Burmese invasion.

Phuket town was modelled on British colonial Penang in Malaysia, which was the origin of any European influence on its architecture. Upon close examination, it is evident that Phuket's shop-houses and villas resemble those in Penang in form, materials and design, although the occasional Thai motif reminds us that we are in Thailand. Phuket oral tradition claims that in several cases Penang architects, builders and materials were brought to Phuket for its best mansions. We are waiting for old building plans to be revealed to prove that this was indeed so. Thai architects entered the scene no later than 1930, and from then on, Phuket architecture began to diverge from Penang style.

Phuket town has been modernised along with the rest of the island. In the historic centre, the narrow streets have to accommodate motorised traffic, while the 'five-footways' (footpath along the shop-houses) are impenetrable

in some parts. The streetscapes are largely intact, though broken up in some places by modern blocks and oversized plastic signage. On the whole, the character of the old town of Phuket is distinctive and charming enough to attract both Thai and foreign visitors.

Though the old town is no longer the commercial hub of Phuket, most of the shop-houses are still functioning as shops and residences. Restaurants abound in Phuket and the old town is no exception. The main street, Thalang Road, is still known for certain trades, especially batik textiles. While the older businesses tend to be provisioners, wholesalers, tin dealers, hardware shops and machinery suppliers, today there is a slow but sure gentrification as antique shops, cafes and European restaurants are making their appearances.

Another highlight that must be mentioned is the Phuket shop-house.

The dominant urban form in the old town is the 'shop-house', (from the Hokkien word 'tiam choo', literally, shop + house). Part of a row of houses, each unit has a narrow frontage on a long plot. The side elevation can be described as several pitched roof sections, alternating with internal courtyards (chhim chneh). These internal courtyards, which let air and light into the long, narrow houses, are the focus for lovely atrium spaces. Quite a few Phuket shop-houses still have their original water wells.

If the front portion is used as a shop, the ground facade is usually open to the street, while the rest of the house could be used as a residence or storage area. The more affluent families use the whole 'shop-house' as a residence. In this case, the house would have an elegant facade concealing a private living space with ornate screens and indoor gardens. The upper part of the facade is often articulated with windows in three bays, surrounded by fancy stucco decoration. Fine examples of this can be seen along Dibuk Road.



Whether residential or commercial, the shop-houses are linked by a continuous front arcade known as a 'five-footway', which offer shade, shelter and safety to pedestrians. The old town consists of a gridiron of streets, each flanked by double-storey shop-house rows, producing a dense living pattern. With crossing lines of sight, this close-knit neighbourhood produced a high level of public safety and community networking.



A dozen or so villas survive in the core area, a few with their gardens intact, others with compounds encroached by smaller buildings. Of these, the most attractive and accessible is the Pithak Chinpracha house, maintained by the sprightly 76-year old owner, Khun Pracha. A visit to the house is part of the commercial cultural tours of Phuket. Khun Pracha believes in the 'uniqueness of Phuket' and started showing 98 Krabi Road to visitors years ago, before most Phuket people had even heard of the word 'heritage'.

3. Results Achieved and Relevance to Public Life

- Communities in the old town and the downtown area have become proactive in their efforts to conserve the old town as a cultural attraction for Phuket tourism. The owners or tenants tried to restore the buildings in the old town as close as possible to their original state despite higher costs of construction. In 1990, the Siam Architecture Association awarded the H.R.H. Princess Sirindhorn prize to the tenants for the excellent conservation effort;
- The people in the old town formed groups to take part in the building conservation and in activities designed to preserve old traditions, for example, dress, food, wedding ceremony, religious ceremony, etc., which are highly attractive to visitors and thus generate more income. The group

has been well-organized with transparent administration. In 1997, this group of people was praised by the Thai Heritage Conservation Committee for their architectural conservation work;

- Collaboration between government, private sector and people in conservation and development of the old town to preserve its identity and pride from one generation to another. In 2000, the municipality won a prize from the Urban Development Fund as City of Identity;
- The return of the young generation to Phuket. In the past, after leaving to study elsewhere, those young people would never come back to Phuket to make their living. But after the old town had been developed, young people began to come back to work with their parents on extending the family business or to start up their own tourism-related business such as restaurants, hostels, photo-shops, etc. The average income in Phuket is now 1000 USD a month;
- Price of real estate has been rising fast. Investors from outside, both Thai and foreign, have become interested in investing in the developed area and the municipality can have better income from tax in the future.

Regarding local people, the development has increased their satisfaction of living in the city in return of what they have done for the sake of old town conservation.

- The physical environment has been well developed, e.g. footpaths, underground wiring, lighting, flood control and solid waste management have been improved, leading to a better quality of life for local people;
- The old town has become a famous tourist attraction, drawing many more visitors than in the past when only beachfronts were crowded. Local people can generate more income and the overall economic situation has improved.

The program is continuing up to the present, coordinated by Phuket municipality, Old Town Foundation and the local communities. There are activities such as capacity building for young people and other people from the community to become voluntary local guides, the development of new tourist attractions based on the original way of life. In that way, the town becomes a living museum, with events such as Phuket in the Past and the traditional wedding ceremony.

4. Description of Phuket Municipality

Phuket municipality is located in the southeast of Phuket covering 12 km². There are 20,877 households with a total population of 74,583 (male 34,207 and female 40,367) including non-Thai nationals. Population density is 6,216 persons per km².

In the middle of the municipality is a commercial and business center. The adjacent area is the residential part of the old town. The inner part has a higher population density. Most of the inhabitants are traders. Streets in the municipal area are all narrow and tight.

The municipality has a total of 1,095 employees. In the fiscal year of 2008, the income was 729,164,296.19 Th.B., the expenses 752,414,122.94 Th.B.

5. Budget for Best Practice Implementation

For the old town conservation initiated by GTZ, Phuket municipality was the core organization to carry out a number of interventions, supported by various collaborating parties.

For example, the most recent substantial change was an improvement to the city's appearance, by putting all the wires and cables underground. To achieve this, not only people's consent and participation was needed, but also a big budget. Provincial Electricity Authority, Telephone Organization of Thailand and Phuket municipality invested 10, 2.4 and 4.7 million Baht respectively.

At the beginning of the program, the conservation of Sino-Portuguese architecture started by drawing up an architectural database of each house. On top of a 0.5 million Baht investment from Phuket municipality, Ministry of Science, Technology and Environment at that time funded 1.6 million Baht for such work.

The costs for physical improvement or repair of the buildings are supported by Phuket municipality, 1 million Baht each year at the beginning and 0.8 million Baht per year later on.

A 'walking street' (pedestrianised zone) program was initiated and supported by the Ministry of Culture with 8 million Baht through the provincial office.

All civil society groups made a large financial and non-financial contribution to the old town conservation as well.

6. Specific Technical Expertise

The objective of the Old Phuket Town Preservation and Development project was to investigate the possibility of establishing and providing a fully developed implementation plan. Necessary The technical expertise was needed in areas such as conservation, social well-being, certification and accreditation sustainability of tourism enterprises, indigenous cultures, and environmental education, as well as a great understanding of the political, economic, cultural, social, and environmental elements inherent in the tourism industry.

Section B. Methodology in Design and Implementation of Best Practice

1. Brief Description of Best Practices Design Process: Initiator, Main Actor and Driving Forces

In the last two decades, development agencies, academia and the municipality have slowly but surely set the stage for the revitalization of the old town. The old town has been declared a 'conservation of cultural heritage zone' by the Office of Environmental Policy and Planning (OEPP), of the National Environment Board. In the Development Plan of Muang Phuket Municipality Area published in 2004, the designated conservation area is 19 rai (about 0.5 km²) with a built-up area of 31,069 sq metres.



Development guidelines specify a 12-metre height limit in order to maintain the 2-3 storey building scale of the shop-house neighbourhood. New buildings, filling gaps between existing old ones, conforming to architectural prescriptions are no longer required to be set back for road-widening. Guidelines are disseminated for appropriate signage. Traditional activities, which reflect Phuket's identity are encouraged. Restoration of dilapidated buildings is promoted, but as yet no financial incentives are available.

From the 1980s, Phuket has been developing and modernising its local authority with the support of GTZ's 'Urban Environmental Management at Local Level Project'. The municipality had set aside a budget allocation for the conservation of the old town since 1994. Local authorities were strengthened when the government was restructured and decentralised following the financial crisis in Thailand in 1997.



Thalang Road, with its 141 units of shop-houses, and the smaller Soi Romanee are going to be turned into a permanent 'walking street' or pedestrianised zone, and the street infrastructure is going to be improved. The main objective is the revitalization of Thalang Road, and as such, the authorities and stakeholders alike recognize that pedestrianisation must work for and not against economic vitality. By starting with the Old Phuket Town Festival and graduating to the weekend bazaar, it is hoped that these experiments of closing off the street to traffic will prove economically and not just aesthetically successful.



In preparation for this scheme, the City has already converted an adjacent city block into a green city park and car park. A weekend bazaar is a part of the 'walking street' project. The leaders of the Old Phuket Foundation have held public talks and also conducted a house-to-house survey along Thalang Road.

The intention of the 'walking street' program is to recreate a festive atmosphere in the street, showcasing traditional Baba lifestyle, dress, food as well as crafts and performing arts. The national government is also sponsoring cultural activities to coincide with the street bazaar, with funds specially allocated to boost Phuket's recovering tourism sector.

As part of the revitalization campaign, Thalang Road will be portrayed to tourists as the 'real Phuket'. To the government, the old town is mainly another selling point for Phuket tourism, whereas the shopkeepers hope that the weekend bazaar will be good for business. But those who grew up on Thalang Road dream of bringing back the human bustle and the importance of the main street. Whatever the individual motivations, community ownership of the 'walking street' project will be essential to its success, and the Old Phuket Town Foundation has a key role to play in making this a reality.

During the Old Phuket Town Festival, Thalang Road has been closed off to cars and converted into a 'walking street', bringing back the ambience when the old town bustled with pedestrians instead of cars. An important exhibition and community meeting venue is the hall of Thai Wah School, the oldest Chinese school in Thailand, conveniently located at one end of the main street, on Krabi Road. As the school has moved to new premises in the town outskirts, Thai Wah's Alumni Association now wants to convert their 1934 'Sino-Portuguese' building into a museum for Phuket Baba culture.

Between 1998 and 2002, the Municipality awarded more than 60 certificates of conservation effort to house owners who have restored or maintained their houses. This scheme sped up the process of building local awareness and pride. In addition, it helped ordinary people to differentiate between what was good conservation practice and what was not.

New approaches to conservation have been explored. A motorcycle business had its new showroom, at the corner of Thalang and Phuket Roads, designed and built in sympathetic scale and design. Two very recent examples are worth mentioning. A 1950s shop-house has been adaptively restored with a tasteful interior design employing traditional materials. A historic shop-house has been conserved and exquisitely interpreted as a cafe and gallery.

In 1992, the Department of Public Administration, Ministry of Interior collaborated with the GTZ selected Phuket municipality as a pilot municipality in urban environment management. The work with the GTZ inspired the mayor to realize the importance of the conservation of the old town. He started a pilot program to conserve the old town. The present mayor and administrative

executive, who are the main actors of this model, are in charge of collaborating on activities with the governmental units, e.g. the Tourism Authority of Thailand and the Ministry of Tourism and Culture, as well as private sectors e.g. Old Town Foundation and Peranakan Foundation, old town community and tenants.

In 1993, the Siamese Architects Association recognized this historic area with a conservation award given collectively to 'Shops and houses of Phuket city centre (Ancient Rowhouses)' on Thalang, Krabi, Dibuk, Phangnga, Rasada, Ranong, Yaowarat and Phuket Roads. These eight roads, plus two lanes, namely Soi Romanee and Soi Sun Uthit, form the pre-Second World War town.

The conservation of old Phuket has been furthered through collaborations between the municipality, the academia and local leaders. A special impetus has been provided since 1997 by the work of architecture lecturer Dr. Yongthanit Pimonsathean and his students from Bangkok. With the full support of the authority, Dr. Yongthanit's university team has developed an architectural database, identifying heritage buildings, measuring and drawing them up. They have also assisted the municipality in conducting surveys, providing advice to house owners and sourcing appropriate materials and craftsmen.

The municipality and university team jointly organised exhibitions and facilitated community forums about the future of the old town. A few house owners volunteered or were persuaded to remove the obstructions to the five-footway sections in front of their houses. In celebration of this cooperation between the municipality and residents, the first Old Phuket Town Festival was organised in 1998. This event has been repeated annually since, with allocations from the Phuket government. The festival showcases the Baba lifestyle, food, costumes, performing arts and architectural heritage.

2. Functions and Roles of National Government

Phuket has been very famous for its rich natural resources, which have attracted many tourists. Each year a large number of overseas visitors spend their vacation in Phuket. This makes Phuket well known and brings income to the country.

To make Phuket even more attractive has been a truly vital task for both the tourism sector and the Thai government. Phuket has so far been known mainly for its beautiful beaches. The conservation of old Phuket town, therefore, is adding an element to further increase the attractiveness of the island, resulting in more visitors, possibly more returning visitors, more time and money spent in Phuket, and a better reputation as an outstanding tourist destination.

3. Civil Society and Community Involvement

The effort to start the restoration of the old town of Phuket resulted in the establishment of a group called “Old Phuket Foundation”, consisting of local people who loved and were proud of the old town’s architecture. This process was supervised by Phuket municipality.

Old Phuket Foundation

The special qualities of the old town of Phuket have created an extraordinary sense of belonging for those who grew up there. This is the impression one gets from talking to a number of sons and daughters of Thalang Road-Krabi Road, who have become leading members of the Phuket community. Collectively, they represent a phenomenon, which could be called the 'old town movement'. This flame burns brightly during the annual Old Phuket Town Festival. The movement has several dimensions, including that of cultural identity, but one of its focal points is on the urban strategies pursued in the conservation of buildings and in income generation.

After the tsunami of December 2004, many Phuket people had to rethink the way Phuket has developed. As the economy temporarily slowed down, many busy local leaders finally had the time to turn their attention to something close to their heart - the revitalization of old Phuket.

In 2003, the Old Phuket Foundation had been established to spearhead initiatives that could be jointly supported by government, the business sector and the community. A committee of 15 civic leaders, each serving a four-year term was appointed. Its objectives are to revive, restore and conserve the Phuket way of life, arts, architecture and heritage; to raise awareness among Phuket people about the importance of the old town, and to promote Phuket's cultural life.

The Old Phuket Foundation chose the five-footway as its symbol. It represents the old town, safety, access and the middle ground between the private and the public. For the same reasons, the recovery of the five-footway as public space has great symbolic value for all those involved in the old town revitalization. Currently, the streets are streamlined to one-way traffic and parking is allowed on right and left sides of the street on alternate days of the week, while pedestrians walk on a narrow but nicely made pavement, covering the old drains.

Phuket Old Town Community

One of the most active civil society groups is the ‘Old Town of Phuket Community’, founded by 36 households in June 2007. These are owners or tenants of houses in the old town area. They collaborate well when being asked and their contribution has been substantial, even though they were newly established as a group.

The members raised fund by selling shares, 100 Th.B. per share. There were 435 shareholders, allowing 43,500 Th.B. to start the project. They generated more income from that budget by selling T-shirts, organizing tours, etc. The income generated is divided into 4 parts; 30% goes to house tenants, 30% is earmarked for raw material and tools, 25% for voluntary guides, and 15% go back into the fund.

4. Input from International, National and Local Experts

The Executive Advisory Committee of Phuket municipality represents an international, multi-stakeholder team of experts for steering and supervising the development of this project through a transparent and participatory process.

Furthermore, direct participation from a major certification scheme and the tourism industry was desirable, since the people involved in existing schemes have practical expertise and can help identify where some of the problems lie in running and administering programs, having dealt with some of the obstacles. Therefore, a core consultation and advisory committee with individuals from existing certification schemes was also established and is being consulted on a regular basis. The participants of the certification workshop mentioned above endorsed the project proposal of the old town of Phuket to initiate a study whose outcomes could serve not only cultural tourism, as initially envisioned by the local government unit, but also a larger audience, namely, sustainable tourism certifiers.

5. Types of Implementation Activities

Activities can be categorized into 4 groups:

- 1) *Database development* of architecture, physical environment, and infrastructure of the old town of Phuket;
- 2) *Forming administrative bodies*; multi-party operational committee, Old Phuket Foundation, Old Town community;
- 3) *Raising awareness*, knowledge and appreciation of the old town along with income generating activities such as Phuket in the Past, vocational training of indigenous wisdom, e.g. batik, food, tour guide, etc.;
- 4) *Public relation media production* and additional tourist attraction improvement. The municipality supported by paying for leaflets, a television program, investment in physical development, e.g. converting an old school to a museum.

The Old Phuket Town Project, as the project's coordinating body and with supervision from the Executive Advisory Committee, has a team of specialists from the municipality. This team will also receive support for project specific activities from other specialists around Phuket city. The project's objectives and deliverables have been grouped in the following four clusters:

- *Stakeholder Participation*
Objective: Identify and recruit stakeholders, including representatives from NGO's, multilateral funding agencies, governmental entities and members of the tourism industry to participate in discussions concerning the viability of an urban development. Ensure that the project involves all the stakeholders, maintains a participatory approach and performs the necessary actions to ensure good participation. Documents and reports of recommendations based on the outcomes of stakeholder meetings have to be provided. The involvement of representatives from different geographic regions and with different interests is fundamental for a successful study on the implementation of project.
- *Market Demand*
Objective: Assess the demand for accreditation services and analyze the causes that are affecting the demand. Determine what the various stakeholders need: consumers, tourism operators, certifiers and ultimately the general public.
- *Financial Sustainability*
Objective: Undertake a benchmarking study of other financial models implemented by relevant accreditation agencies. Study the financial feasibility, provide potential scenarios and recommend a financial model for establishing and maintaining an accreditation organization.
- *Organization and Implementation*
Objective: Produce a report on the most effective organizational structure and financial model, with the necessary timing staffing implications, for an accreditation, as well as the steps for its implementation. Study the feasibility of defining minimum international accreditation standards.

6. Steering Body and Coordination Mechanisms

Phuket municipality is the local government managing the city, and Old Phuket Town Community acts as the core body to coordinate amongst stakeholders. It also provides fund and organizes participatory workshops. The municipality therefore serves as a hub to uplink the baseline data, needs and opinions, and at the same time passes programs or interventions to the local people.

Section C. Evaluation of the Best Practice Model

1. Sustainability of the Model

Participation by all stakeholders is the key to sustainability. Government, the private sector and civil society are playmakers, especially the newly established civil society. Old Town Foundation and Phuket Old Town Community are real owners and tenants who live there. They take part in conservation efforts and have from the start helped to invest to actively develop their beloved homes. This development model should be truly sustainable.

2. Major Success Factors of the Best Practice Model

In line with the objectives of the conservation project, one big success is the increasing number of visitors to Phuket town. The old town of Phuket has finally become attractive to visitors and they spend time in the town or even stay in guesthouses, into which some of the shop-houses have been converted.

Not only the visitors wish to come to this place, but also the owners' descendants are returning to the old town. They start setting up businesses in the area, such as guesthouses, galleries, cafes and photographic studios.

Instead of being a quiet town full of closed doors as in the past, nowadays almost all the houses are open and actively contribute to the town's life. Tourism blends well with the revival of Phuket town.

3. Major Challenges and Obstacles of the Best Practice Model

People participation seems to be one of the most important, yet most time-consuming processes of a successful project. It took a long time for Phuket municipality to gain people's trust and participation. Getting people's participation was one of the most challenging aspects of this best practice model. But once that had been achieved, the development proceeded smoothly.

4. Why this Model is Viewed as Best Practice

- Investment from Phuket municipality to improve the buildings and physical environment in the old town of Phuket and downtown by a participatory approach gaining input from the local communities, national and international organizations. It was important that people realized the importance of the conservation efforts and agreed to renovate the old town area in such a way as to preserve the unique architectural value, so that the town attracts more visitors. Income can then be generated by the municipality and residents of downtown Phuket.

- Awareness building through a learning process and through cultural tourism to increase people's participation in the old town conservation. Consequently, the town can reflect Phuket's charming culture for good.
- Sustainability of implementation. Community and foundations collaborate to conserve the old town with an economic incentive i.e. the conservation work has a financial return.

5. Best Practice Transfer and Replication Adaptability

At present, cities in all ASEAN countries are developing rapidly, driven by economic forces and technological advancement. New and modern business centres are being developed, causing old part of town, with more or less historical importance, to be abandoned or even demolished. Furthermore, the new and modern part of towns, without any identity but with good facilities, are so tempting that people leave behind their homes and move into city centers.

This model could be a good example for a local administration that wants to pay more attention to a historical part of town. This will not only help the town to focus on its identity and make the residents proud of their locality, but it also creates a new economic drive through tourism.

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Tubigon Mariculture Project, Philippines

Author:

Dr. Alvin Ang

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Philippines

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Section A. Description of Best Practice

1. An Introduction to the Best Practice Model and its Innovative Elements

The town of Tubigon in the province of Bohol implemented a mariculture (sea farming) project in five (5) pilot barangays (villages). The project was conceptualized with the support and assistance of the Local Government Development Foundation (Logodef) and the Konrad-Adenauer-Stiftung (KAS). The project was developed in the larger context of Coastal Resource Management (CRM) for the town. In line with this, the project was developed with three basic elements, i.e., Environmental Management and Protection, Livelihood and Employment Generation and Local Economic Development Promotion. These three components are interrelated and rely mainly on capacity building activities for the local government to handle the project. Tubigon has a potentially productive natural ecosystem that requires an integrated approach in responding not only to the short-term immediate needs of the population, but also to sustain it for the long-term. This is because of ecological-economic threats such as low agricultural productivity, destructive and unsustainable fishing, overfishing, coastal pollution and lack of viable employment opportunities.

During its inception in 1998, the mariculture project targeted 200 fishermen from Tubigon as original beneficiaries. To ensure partnership and sustainability, the fisherman were organized into fisherfolk associations (FAs). These FAs were organized in each of the target coastal villages which were considered poor and engaged in fishing. Furthermore, members of these FAs must be permanent residents of the villages without any negative record in the community. More importantly, these FAs must not be a recipient of any assistance in any development project funded by the government, non-government organizations and/or donor institutions. Some FAs that have been in existence in the past can also qualify for the project provided that they can show evidence of their good track record.

As mentioned earlier, the project was conceptualized under the context of a larger coastal resource management (CRM) framework. CRM is a broad process that looks into the physical, socio-economic, cultural and political dynamics of the coastal environment. Hence, its outcome is an integrated and coordinated plan to properly manage and sustain the coastal resources. Thus, the CRM framework required the project to conduct some preliminary activities in order to ensure that target participants and other members of the community understand the short and long-term benefits that they can derive from the project. These activities are approximately the first element of the project on Environmental Management and Protection. First among the activities was the conduct of a coastal environment profile of the municipality and the target villages. This activity

required intensive primary and secondary data gathering, involving existing government data on environmental reports, legal documents, maps, satellite images and photographs, among others. It also required a technical analysis of the ecology of the area, socio-economic profile, assessment of the coastal resources and water quality (LOGODEF, 2001).

To support the secondary data collection, CRM also necessitated the conduct of a participatory coastal resource assessment (PCRA). The PCRA was crucial because it involved the fishermen and other stakeholders in the community. It allowed them to participate actively as local coastal resource users and integrated their local and historical knowledge of their communities with the expertise of the government planners and other experts in environmental sustainability. It involved primary data gathering such as interviews, historical timelines and inventory of existing coastal resources such as corals and mangroves. The result was a more pro-active and deeper understanding of how the communities can benefit from a well thought out coastal resource plan. It allowed the participant communities to have better awareness of their environment as well as the current status of their coastal resources, and provided them with alternatives on how to ensure protection of these resources for future use. More importantly, it gave them ownership of the plan. Finally, the main outcome of these data collection and validation activities was the formulation of a municipality and a specific community resource map. The resource map identified the current problems and issues in the community and the appropriate interventions that should be implemented by the stakeholders to address them.

Among the activities conducted in conjunction with PCRA were community organizing, consultations and public hearings. The results of these activities are disseminated into the community for wider public awareness. This is done through a systematic Information Education Campaign (IEC) involving the municipal government, NGOs and active PCRA participants.

With these elements in place, the project proceeded to focus on implementing the other two components on livelihood and local development. The component on livelihood involved the development of mariculture as the capacity building initiative. The strategic aspects of this initiative were as follows: a) building and improving the institutional capacities of the municipal government of Tubigon, b) raising sustainable awareness on Coastal Resource Management (CRM) at the community level, and c) developing sea-farming projects for the different member fisherfolk associations as alternative source of livelihood.

The innovative element of this project was the environmental awareness and people's participation in coastal resource management. This crucial element was indispensable in responding to the poverty and lack of productivity in the municipality. Without an overall understanding of coastal resource management, any livelihood intervention would have become short-lived and unsustainable. In addition, the institutionalization of the project systems and linkages helped

achieved a holistic perspective, from the community up to the national level agencies that became involved in the project. Finally, the willingness of the community through the fisherfolk associations (FA) to participate in the project proved to be the most essential component in its implementation.

The seriousness of the municipal government in this partnership manifests itself in its consistently including a budget for Coastal Resource Management (CRM), mainly for the process of planning. This budget also included a significant portion devoted to law enforcement. This was to help police the coastal areas against illegal fishing. As the communities were able to practice CRM policies and processes on their own, the budgets for the planning activities have slowly declined from PhP 400,000 in 2001 to PhP 250,000 this year. However, enforcement activities have almost doubled from 2001 to the present. A significant proportion of this increase was attributed to the high cost of fuel needed for the patrol boats in the last three (3) years. More importantly, from 2001 to the present, the total budget share for CRM has decreased from 1.15% to 0.5%. This does not necessarily mean that the project has less importance. It signifies that the institutionalization of the CRM process has become effective as less and less government expenditures are needed to implement it.

	CRM	Law	Total	Total	% as of
Year	Budget	Enforcement	CRM	LGU Budget	LGU Budget
2003	400,000	149,500	549,500	47,634,772	1.15
2004	400,000	149,000	549,000	61,876,500	0.89
2005	300,000	180,000	480,000	55,700,000	0.86
2006	280,000	172,935	452,935	66,433,058	0.68
2007	400,000	162,360	562,360	71,148,600	0.79
2008	400,000	247,000	647,000	81,570,500	0.80
2009	400,000	262,080	662,080	94,523,900	0.70
2010	250,000	262,920	512,920	100,350,000	0.51

Table 1: LGU Budget for CRM and Law Enforcement (in Philippine Peso)

With all these components in place, the mariculture sub-components were implemented. These focused on the following:

- Culture of oysters;
- Cage culture of grouper; red snapper and siganids;
- Aquasilviculture of mudcrabs in pens; and
- Pen culture of lobsters.

These were considered non-invasive of coastal resources and were in fact supportive of alternative livelihood. Oysters and mussels culture do not require supplemental feeding. Cage culture is a good alternative for land-based aquaculture and it does not involve the cutting of mangrove trees. Finally, raising mud-crabs in mangrove areas integrates forestry and aquaculture use of the mangrove ecosystem.

They were implemented in the five villages of Macaas, Matabao, Pandan, Panatayon and Batasan with three other areas as extension sites. At present, the project focuses mainly on cage culture of grouper and added milkfish farming as alternative to oysters and lobsters. Meanwhile, crabs continue to be cultured within the mangrove areas of Macaas.

2. Reasons for Program Development, Shortcomings and Challenges Addressed by Best Practice Model

In 1993, the LOGODEF has started working with the municipality of Tubigon under the KAS-assisted project "Local Government Capability Building Project (LGCBP)" to prepare the municipality for the full implementation of the Local Government Code passed in 1991. After four years, in 1997, LOGODEF noted that the municipality was strategically located to develop a sustainable coastal resource livelihood and micro-enterprise program due to its largely coastal topography. This is because, even if the municipality has the potential of an economic hub due to its busy port linking the highly developed and urbanized city of Cebu and the province of Bohol, it remains a fourth class municipality. The town at that time also had a number of business establishments and major utilities to support its growth. However, a large proportion of the populace remained rural with their means of livelihood based on agriculture and fishing. It produces rice, banana and copra together with some swine and cattle. It has mainly backyard oriented fishing industry where its famous local crab called "lambay" is a principal product. Moreover, the agricultural productivity was considered low, leading to destructive and over-fishing of its coastal resource. Coastal pollution had also started to affect the town. For those looking for non-agricultural work, there was a significant lack of viable employment opportunities forcing people back to fishing. This had made a large number of the populace dependent on non-sustainable fishing practices.

This low productivity in the fishery sector was also traced to the lack of a long-term overall coastal resource management program in the municipality. The estimates of the fisheries department showed that the domestic production of the sector was expected to drop significantly to less than 1 million tons in a decade or to just 10.5 kg/year for each member of the population. This was an alarming estimate, considering that a large percentage of Tubigon is coastal in nature.

An overall view of the problem also showed that it was due to a number of factors such as the pressure coming from land-based income-generating activities. This in turn was brought about by population pressure, lack of a regulatory framework to address open access to resources leading to loss of coastal habitats, which are crucial for sustained fish production. These also pushed the population to focus on unsustainable fishing techniques on the overfished areas.

Hence, the lack of coherence of policy directions, lack of awareness among community members, lack of alternative employment and income generating activities, among others, have resulted in a highly fragile coastal resource environment that is seen to push more of the coastal communities further into worsening poverty in the medium to long-term. Thus, there was a serious need to respond to these conditions by developing a model that tied up all the necessary components together into one coherent and sustainable intervention from coastal resource management to sustainable income generation.

Towards these aims, the project was developed with balance and sustainability as crucial parameters. Its main elements are as follows:⁸

- *Environmental Management and Protection*
 - Policy formulation on the protection and management of marine coastal resources;
 - Enactment of a Local Environment Code;
 - Completion of Participatory Coastal Resource Assessment;
 - Identification of coastal protected areas;
 - Formulation of the Municipal Environmental Regulatory Framework;
 - Development of the coastal resource management Plan.
- *Livelihood and Employment Generation*
 - Provision of grants and credit facilities to marginalized fishermen;
 - Employment opportunities in the project office;
 - Local labor requirements on specific project components.
- *Local Economic Development Promotion*
 - Increase of local economic activities among fish sellers, suppliers of fingerlings, fish feeds;
 - Expansion and replication of similar initiative in other coastal communities in nearby towns;
 - Local access to the domestic and international seafood markets.

⁸ Adapted from "Instructive guide in the Replication of the Tubigon-LOGODEF-KAS Mariculture Project, 2001"

The project targeted the fisherfolk associations (FAs) in Tubigon as its main beneficiaries. Ultimately, all the benefits, which accrue from the different activities enumerated above, will be enjoyed by the coastal residents and the fishermen.

To ensure that the target beneficiaries benefit from the project, a strict qualification process in identifying the participating FAs were implemented by the project management team. Initially, the FAs were organized per fishing barangay and selected using the following criteria:

- FA members and their household are poor;
- Engaged in fishing as main source of livelihood;
- Permanent residents of the town;
- Not a previous recipient of similar development assistance;
- With a good track record in credit or financing.

3. Results Achieved and Relevance to Public Life

Looking at the three major project objectives and their specific elements, the project in Tubigon can be considered to have achieved long-term results. Moreover, valuable insights from the project can be used in ensuring that it can be replicated in other areas, regions and even countries.

This municipal wide, systemic approach to mariculture has led to an increase in the allocation of local government budgets for coastal resource management. A group, Reef Check, even got a US\$50,568 grant from the US-based National Fish and Wildlife Foundation (with municipal co-operators providing a counterpart totaling US\$105,610) for Tubigon in an effort to rehabilitate depleted fish populations (NFWF, 2006, in www.nfwf.org).

The Tubigon CRM endeavor has also been cited as a best practice by organizations such as One Ocean and the United States Agency for International Development. Tubigon has also been made a study site for other CRM activities by various groups.

A study by Santos, Pader and dela Torre in 2003 revealed that the Tubigon CRM endeavor led to the following results:

1. There was a dramatic reduction in illegal fishing practices, and people shifted to sustainable forms of fishing, while becoming members of bantay dagat teams. Dynamite fishing, using cyanide when collecting tropical fishes and the use of tubli are only confined to a few areas.
2. The local government became more responsive in delivering services related to CRMM. For example, the LGU acts as a facilitator of various CRM initiatives in the area.

3. Incomes of some fishers have also diversified — with them engaging in fishing and non-fishing related activities as income sources. This diversification also leads to additional income for fishermen, especially since many of them are poor. In some island villages, some fishermen are constructing concrete houses. There is also an estimate that aquaculture projects in Tubigon bring in a net total extra income of P2 million annually. While the amount may be small, there is a “big room for expansion,” say the study authors.
4. Fishermen have become more confident in articulating their needs and present their interests to other stakeholders. This is a major result of the creation of the municipal Fisheries and Aquatic Management Council (FARMC), where 11 of the 17 seats are reserved for fishermen.

These outcomes reflect external views on how the project has improved the lives of the common people in the municipality. However, it is important that these outcomes be traced back to a particular developmental source where it all originated. Along these lines, it must be considered that the main success of the project was its being able to bring together all the different stakeholders in the municipality and to have all of them come up with a coastal resource management plan. This success was beforehand seen as highly improbable due to the differing views and opinions, adding to it the disparity in income and opportunity of the participants. Moreover, at the barangay or village level, such an idea was difficult to bring across. However, the persistence and patience of the municipality’s officials allowed them to penetrate these communities and make the plan highly participatory. This was made possible through the inclusion of social preparatory activities at the village level, giving the communities a more focused understanding of the issues that they faced, leading them to be more engaging in the conduct of coastal resource planning.

Because of these activities, community acceptance of the CRM processes became widespread and a number of the fishermen have gained experiences that would allow them to look into the benefits of implementing CRM in their fishing livelihood activities. The mariculture activities, therefore, have become the centerpiece of their understanding of CRM.

Translating the understanding of the CRM to specific elements of the project, the LOGODEF has analyzed that the following were achieved:

- Alternative sources of income were developed and these alternative sources are linked directly to community efforts to protect coastal resources;
- Rehabilitation of coastal resources such as mangroves, sea-grasses and coral reefs which led to sustained economic productivity in the coastal areas;

- Local government capacity was strengthened and allowed it to offer extension services and community training to different villages on CRM;
- Strengthened regulatory framework and mechanisms in the municipality leading to a reduction in fishing in overfished waters and improving management of protected areas;
- Involvement of other members of the household in CRM mobilization and development of other non-fishing livelihood activities.

Moreover, these activities are embodied in the institutionalization of the Coastal Resource Management (CRM) Plan of the municipality in the passage of the CRM Code of Tubigon passed in 2000. This Code identified the details of the CRM, its components, the limits and boundaries of fishing, benefits of CRM, among others. This is by far the most critical output of the project as this was the product of extensive consultation and participation was wide among the stakeholders.

On the other hand, the success of the project can also be measured by looking at the following aspects:

1. Improvement of Resource Base

The project estimated that fish production in the area were expected to fall significantly to less than 1 million ton by the end of 2010 or a measly 10.5/ kg for every member of the population. This estimate did not materialize as the intervention of the project through its different sub-components helped improve the fish production of the municipality significantly. In particular, the fish production as of end-2009 or eight (8) years after the project was already a total of 1.8 million tons a month⁹ or 21.6 MT a year. This means that production has increased by almost 24 times more than estimated. On a per capita basis, this translates to 44 kg per month. This improvement in the production of fish can be traced to the initial effects of the project on the resource bases.

In particular, the project was able to ensure that mangrove protection and management will be sustainable through the issuance of a Community-Based Forestry Management Agreement (CBFMA) for the coastal barangay of Macaas. A large mangrove forest of approx. 50 hectares lies in front of the coastal village. The villagers assumed management and rehabilitation of the forest and made it into a farm for its mud-crab culture. Other communities in Matabao, Batasan and Pangapasan have also rehabilitated their mangrove areas.

⁹ *Municipal Fisheries Profile 2009, Municipality of Tubigon*

As regards marine sanctuary, the town has been able to ensure that around 160 hectares have been declared as marine sanctuary. Marine sanctuaries are areas where human activities, particularly fishing, are prohibited.¹⁰ This is approx. 1.2% of the total 133 km² of Tubigon's municipal waters. This is still significantly lower than the requirement of 15% under the Fisheries Code but is already enough to ensure that there is the probability of more fish production in the future. Furthermore, it prevents overfishing and disciplines the community on its impact in the long term. By the middle of 2010, the total marine sanctuary areas have doubled to 314 hectares or 3% of the total area, a doubling from a decade ago.

In addition, the declaration of marine sanctuaries led to the creation of a Marine Park Area (MPA) managed by a particular community. The community fishermen in turn owned the protected area and used their own resources and knowledge in the monitoring and preservation of it. Some of the barangays developed their own CRM and MPA plans that adapted the requirements of their community to the plans. More importantly, follow-up activities after the declaration of MPAs have greatly encouraged fishermen, especially after they saw improvement and rehabilitation of the areas affected. The increase of fish caught in areas near these MPAs has supported the idea of further protecting them. This has also encouraged the communities to protect their MPAs by supporting law enforcement and strengthening the process. At present, there are now nine MPAs that are community centered and managed by people's organization. These organizations have led to the significant decline in the illegal fishing activities and have encouraged members of the community to be part of the "bantay dagat" or the sea guard, literally. They patrol the seas, especially the MPAs, to ensure that illegal fishing activities are not carried out in these areas.

2. Local Capabilities in CRM

The key development and policy outcome of this project as discussed earlier is the passage of the CRM Code of Tubigon in 2000. In 2009, this code was revised to include the registration of municipal fishermen and fishing vessels, as well as licensing, to further ensure that the CRM Code passed in 2000 encapsulates all policies necessary for sustainability. Among the salient features of the original CRM code were the institutionalization of the following:

- a. Creation of the CRM section under the municipal Agriculturist Office and the provision of a CRM officer;

¹⁰ Crawford, Balgos and Pagdilao, 2000

- b. Creation of the Municipal Fisheries and Aquatic Management Council (FARMC) to be composed of the Municipal Planning Officer, Chair of the Municipal Legislature Committee on Agriculture/Fisheries, Municipal Environment and Natural Resources Officer, Representatives from the Municipal Development Council, Department of Agriculture, and non-government organizations; 11 fishermen representatives composed of municipal fishermen, fish workers and commercial fishermen;
- c. It also ensured that a regular budget is prepared for CRM that includes activities such as law enforcement, a livelihood program for fishermen, training, research and education.

These provisions showed the political will of the leadership of Tubigon that CRM will not be a temporary but a sustained policy regardless of the political leadership of the town. A decade and three mayors on, the code continues to be implemented and in fact improved further in 2009.

Other relevant components are as follows:

- Regulation on the construction and operation of a fish cage;
- Registration of fish hatcheries and private fishponds;
- Coastal and aquatic pollution, where polluters caught by Tubigon will be responsible for cleaning up the pollution;
- Maintenance of water quality and cleanliness; and
- Navigational route, which is designated to allow ferries and other fishing crafts to ply the bay.

With the extensive institutionalization of the CRM program, it can be seen that the success was brought about mainly by the multi-sectoral approach to planning and implementation of its various activities. Furthermore, the code also allowed the municipal government to focus its activities on supporting rather than leading the different communities. Its understanding of the crucial aspect of ownership has led to the different fishermen associations to work as managers of their programs. The municipal government acts as the development partner. This action has made it a model for local autonomy and also for the development of CRM in the different municipalities of Bohol.

3. Improvement in the Quality of Life

The improvement in resources and governance can be seen in the daily lives of people. In 1997, during the inception of the project, around 70% of the population of Tubigon worked in the agriculture/fishery sector. More than a decade later in 2010, a significant portion of the population continues to be dependent on this sector. However, it should be noted that

from a 4th class municipality in 1997, Tubigon has moved up to become a 1st class municipality with its annual income increasing from PhP32.5Mn (1997 prices) to PhP93.9Mn in 2009. This is a clear indication of the improvement in the financial aspect of the town.

The crucial aspect of the quality of life improvement is seen mainly in the change of behavior, apart from the measurable economic changes. In particular, the most visible improvement can be seen in the unified mindset when it came to ensuring that the CRM plans of their respective villages are implemented. Many of the fishermen who were used to their past way of illegal fishing have now become conscious of the need for a sustainable fishery production. Many of them have become members of the Fisherfolk Associations (FAs) and active in the protection of their mangrove areas and fish sanctuaries. The sea-farming projects, meanwhile, have allowed them to have a more sustainable source of income. This also helped them to move away from loan sharks and from unreliable income sources. The awareness of sustainability and protection is clearly seen in the way the beneficiaries see the outcome of the project.

In a LOGODEF survey in 2001, the beneficiaries claimed that the project has: a) increased income and alternative livelihood options, b) increased awareness on caring for the environment, c) increased unity among households and community, d) increased business skills for the fishermen, e) increased empowerment for the people, and f) developed understanding of the life cycle of fishes as they tend to their fish cages and, thus, understood the importance of a balance marine ecology.

These are immeasurable and yet tangible results that can be seen through the action of the fishermen. Recent data from the project showed that a decade after, the half-yearly sales figures have remained relatively stable over the last two years. This can be seen in the table below:

	December 2008	May 2009	December 2009	May 2010
Sales PhP	141,760	116,440	92,880	196,640
Growth %	-	-18%	-20%	112%

Table 2: Sales of Pangapasan Demo Farm

From these sales, only around 25% are returned to the FAs. The rest are kept as part of capital to be revolved in the future. The average sales for the last two years are around PhP136,930. Only ¼ of this returns to

the FAs or around PhP34,300. Per validation, a Fisherfolk Association may have a total of 30 members or more. With a FA of 30, the return to each member is only around PhP1,200 (US\$25). This may seem small from an urban perspective but this is already enough to dissuade fishermen from engaging in usurious borrowings and/or conduct of dynamite and other illegal fishing. There was indeed a significant change in the way they view their own resources.

The key statement to support the overall change in the quality of life comes from the CRM Officer himself – “Awareness of their own project needs leads to their own understanding and initiatives leading to minimal supervision. Management becomes their own and ultimately translates into their ownership of the project and program.”

Another interesting conclusion of the results of this project is the observation that: “Whatever it is that makes the Tubigon LGU click in terms of implementing programs, [fishermen] ...are united in the perception that it is the government that they can depend on and make suggestions to. The programs implemented in the area would have not been successful if the local government had not supported them.”¹¹

It can also be summarized that Tubigon’s experience in mariculture/aquaculture and coastal resource management provides four key lessons:

1. Sustainable aquaculture practices should be part of a coherent, wider program of intervention in coastal resource management;
2. Participation of resource users in the entire endeavour is key, along with partnerships with relevant organizations;
3. Adequate social preparation and technical support help ensure CRM activities’ success; and
4. CRM programs should invest in embedding a culture of responsible resource governance (resource governance to cover the sets of rules, norms and sanctions that all stakeholders share).

¹¹ Santos, Pader and dela Torre, 2003

4. Description of Tubigon Municipality

The municipality of Tubigon¹², a 1st class coastal municipality established in 1819, is located at the northwestern part of the province of Bohol in the Philippines' Central Visayas region. This municipality is the nearest seaport in Bohol heading to Cebu province. According to the 2007 Census, Tubigon has 44,434 residents. Tubigon is well known for its crabs, called lambay. The name of the town means "place bounding in water", and the town's seaport is the second largest and busiest in Bohol. It is 54 km from the capital city of Tagbilaran along the Tagbilaran North Road and 1 nautical miles south of Cebu City.



The municipality is bounded on the east by the municipality of Clarin, on the south by the municipality of Catigbi-an and San Isidro, on the west by the municipality of Calape and on the north by the Bohol Strait. The municipality has a total land area of 81.8696 km². It has 34 barangays, of which 12 are coastal and six are island barangays. Areas classified for agricultural use comprise the biggest portion of the classification with a total area of 5,139.4 hectares or 62.78% of total. The built-up areas comprise of 423.116 hectares or 5.17%. Other uses are agro-forestry, 1,744.217 ha; industrial use, 347.864 ha; tourism, 17.356 ha; solid waste disposal, 17.356 ha; and mangrove area, 497.603 ha.

The urban center of Tubigon is composed of five barangays with a total land area of 294.3131 ha. The proposed urban land use is predominantly classified as residential as this covers 44.35% of the total urban area. The commercial zone covers 8.58% while the industrial zone is pegged at 40.455 ha or 13.75%.

¹² Adapted mainly from the Tubigon Municipal Profile provided by the Municipal Planning Office

Major economic activities in the municipality, as in other rural communities, are farming and fishing. Trading and commercial activities are very active in the urban area, mainly because of the easy access to Cebu city. Farm and fishery products are traded in the main commercial center, the Tubigon commercial center, for distribution to neighboring municipalities and to Cebu city. The opening of the new Tubigon Commercial Complex has triggered a surge in economic activity in the area. Likewise, commercial goods and hardware products are shipped from Cebu city for distribution to the different areas in the province.

The Bohol Aquamarine Development Corporation is the only major processing industry in Tubigon, processing marine products, mainly tiger prawns, for export. Metal craft is also a striving industry in Tubigon, producing metal products such as ferocraft furniture, steel windows and steel gates for shipment to the different areas in Bohol and the region as well.

The economic activities in Tubigon are largely fuelled and influenced by the port of Tubigon which has 15 trips a day to Cebu city, including three fast craft schedules, the most in the province including Tagbilaran city. The average incoming traffic to the port is recorded at 3,000 passengers a day.

As a major port of entry to the province of Bohol and the number one gateway to Cebu, Tubigon plays a very vital role in the development of not only the province, but the region as well, considering the flow of commerce and people passing through the town. Tubigon and northwestern Bohol could become a major supplier of agricultural and fishery products as well as manpower to Cebu city and also offer an alternative residential retreat from the crowded and densely populated city.

Farming and fishing comprise the majority of labor force with about 30.24% directly or indirectly engaged in the sector. Trade and commerce, services, public service and SMEs cover the major categories of the labour force.

The lack of labour-intensive industries and manufacturing establishments has kept the labour force relying on fishery and farming as the main livelihood opportunities in Tubigon, though there has recently been an increasing trend towards micro-enterprises, trade and commerce. This can be attributed to the emerging status of Tubigon as a major growth centre in the area.

SECTOR	PERCENTAGE
Agriculture and Fisheries	31.13 %
Clerical Admin./Sales	6.64%
Managers	0.33%
Non-Agri Entrepreneurs	16.18%
Non-Agri./Skilled	14.93%
Non-Agri./Unskilled	20.12%
OFW	3.09%
Professional/Technical	5.83%
Others	1.76%

Table 3: Employment Distribution by Sector:

Annual realized income of the municipality of Tubigon for the year 2009 was P93,971,328.59, generated from the following sources:

- Internal revenue 46%
- Business taxes & rentals 12%
- Real property 2%
- Economic enterprises 30%
- Other sources (fees & charges) 10%

The approved annual budget for the year 2010 including the various economic enterprises of the LGU was pegged at PhP106,000,406.00.

5. Budget for Best Practice Implementation

Based on the financial plan and the Memorandum of Agreement of the project, the project financing was planned for a 3-year project life from 1999 to 2001. The project was co-financed by the European Union, the Konrad Adenauer Foundation, a local development organization (the Local Government Development Foundation), the provincial government of Bohol, by the municipal government of Tubigon, Bohol, and by the Beneficiaries as represented by the Fishermen Association.

This kind of co-financing scheme was designed to ensure that everybody, including the beneficiaries, had a direct stake in the project. Below is the project financial co-financing:

Institutions	Amount (PhP)	Percentage Share	Remarks
European Union	10,000,000	66%	
KAS	2,000,000	13%	
LOGODEF	1,500,000	10%	Technical Assistance and Staff Time
Provincial Government of Bohol	750,000	5%	
Municipal Government of Tubigon	600,000	4%	
Fisherfolk Association	200,000	2%	Labor
TOTAL	15,050,000		

Table 4: Co-Financing Between Tubigon Mariculture Partners and Beneficiaries

6. Specific Technical Expertise

The implementation of the mariculture project in Tubigon first required the implementation of a coastal resource management plan. The specific technical expertise needed by the project actually required a lot more capacities and skills other than those of sea farming.

For the whole project, the following expertises were provided through the following agencies:

- Bureau of Fisheries and Aquatic Resources (BFAR) – matters concerning management of coastal resources;
- Provincial Environment and Natural Resource Office (PENRO) – matters relating to the overseeing and management of mangroves, shorelines and protected areas;
- Office of Provincial Agriculturist and Municipal Agricultural Officer – managing various mariculture and other livelihood related activities. It also helps local fisherman associations on production and capture concerns. These technicians also identified viable sea-farming and mariculture projects based on locally available resources, conducted coastal site evaluation and develop feasibility studies.

Section B. Methodology in Design and Implementation of Best Practice

1. Brief Description of Best Practice Design Process: Initiator, Main Actor and Driving Forces

LOGODEF has been working with the municipality of Tubigon since 1993 under the KAS-assisted Local Government Capability Building Project (LGCBP). This project was to help the local government of Tubigon improve its capacity in delivering its programs and projects, particularly those that had been devolved. In 1997, LOGODEF considered the possibility of using the knowledge gained from the capacity building program and transfer it to a more focused intervention designed to improve community-based sea-farming and related enterprises to promote economic growth, environmental protection and reduce poverty, particularly in the coastal areas of the municipality. This proposal was eventually submitted for consideration by the European Union and the KAS. The project was approved for funding and implemented in May 1998.

LOGODEF, KAS and Tubigon, the co-project holders of the EU-funded mariculture project, set up an organizational structure that, in essence, saw inter-sectoral cooperation within the municipality. The provincial government of Bohol played a major role in the implementation of the project, as it was one of the signatories of the project implementation document and also supported five (5) percent of the budget of the project. Basically, the project's co-operators include: KAS, LOGODEF, Tubigon's mayor, legislative council (sangguniang bayan), municipal planning and development officer, municipal fisheries and aquatic resources management officer, municipal agriculture officer, and the coastal resource management section of the office of the municipal agricultural office. Technical staff was also hired for the project's technical team. Meanwhile, beneficiaries such as fishermen's associations and individual fishermen got material and financial assistance (including loans) from the project.

The project also had other co-operators, such as Feed the Children Philippines, Haribon Foundation, the Southeast Asia Fisheries Development Center or Seafdec (all non-government organizations), the Coastal Resource Management project under the national headquarters of the Department of Environment and Natural Resources, and the provincial government of Bohol.

2. Roles and Functions of National Government

The national authorities were supportive of the project. In fact, the project actually flowed from major national policy shifts in the 1990s, the most important one being the devolution of many responsibilities under the Local Government Code of 1991 or Republic Act 7160. Another law that was passed was the Philippine Fisheries Code of 1998 or Republic Act 8550. Under these laws, all local

governments were empowered to manage their own natural resources including the coastal ones. Furthermore, then President Fidel V. Ramos issued Executive Order 240 which mandated the establishment of a Fisheries and Aquatic Resource Management Council (FARMC) in each of the coastal municipalities. Flowing from these mandates, the Tubigon CRM plan was patterned to respond to these and incorporate crucial local aspects and the involvement of the village officials.

3. Brief Description of the Implementation Process

The overall implementation process of the project was crafted following the national design for a Coastal Resource Management (CRM) plan. The Tubigon municipal government established a technical working group (TWG) composed of different sectoral representatives in order to develop an overall coastal and marine resource plan. This TWG served as the clearing-house of all proposals and resolutions before they were submitted to the municipal legislative body for consolidation. The TWG was composed of elected village heads of all coastal villages, personnel of the municipality involved in coastal resources, national line agency personnel, representatives from NGOs and business.

As regards the specific implementers the following stakeholders were involved:

- *The Konrad-Adenauer-Stiftung (KAS)*
KAS was the executing agency of the project, while the European Union (EU) is the principal funding agency. KAS served as the project fund manager, liaising with the EU on financing.
- *The Local Government Development Foundation (LOGODEF)*
LOGODEF served as the review processor of all specific components of the project and recommends their approval, including the actual funding and disbursements. It supervised the project staff and ensured that activities and plans were duly accomplished. It also served as the network hub for cooperation and technical assistance and monitored impact, developing an evaluation system for the project.
- *The Municipal Government of Tubigon*
The municipal government through the mayor provided direct overall supervision and control of the project. The mayor proposed the budget for CRM to the legislative council and ensured that networks for CRM initiatives were established at the different levels. The mayor also spearheaded the network and linkages with other municipalities, especially inter-local agreement in developing wider geographical area management of coastal resources.

Other municipal officers involved were the Municipal Planning and Development Office (MPDO), the Municipal Fishery and Aquatic Resources Management Council, the Office of the Municipal Agricultural Officer (OMAO), CRM Section of the OMAO and the Legislative Council of the municipality. Their different roles included the following:

Approval of the budget, passage of the resolutions and ordinances on CRM, conducting ocular inspections of the projects, monitoring of the progress of the CRM plans, conducting a yearly review of the plans, acting as extension agent of the municipality in the conduct of the Participatory Coastal Resource Assessment (PCRA) in all coastal barangays, facilitating various CRM planning workshops and mariculture activities, providing an information campaign to fishermen on the importance of environmental protection, enforcement of CRM policies, acting as the main coordinating office for mariculture and CRM activities, among others.

- *The Project Management Office (PMO)*

The PMO was the field extension office of LOGODEF and KAS that managed the day-to-day operation of the mariculture project. It provided necessary technical assistance to the fishermen beneficiaries and coordinated with other agencies for the issuance of permits and clearances to ensure that the fisherfolk associations had complied with the existing rules and regulations of CRM. It conducted trainings and facilitated the release of financial grant to fishermen beneficiaries. Prepared the financial and technical reports of the project and provided policy recommendations to further improve the project implementation. The PMO was headed by the Field Director concurrently held by the head of the Municipal Planning and Development Coordinator of the municipality.

Other project staff were: Institutional Development Specialist, Mariculture Technicians, Mangrove Specialist, Local Project Accountant, Clerk and Municipal Counterpart Staff (5).

- *The Project Beneficiaries*

The Fisherfolk Associations (FAs) were the main conduits of assistance for the project. They organized and encouraged their members to participate in environmentally friendly fishing activities. They also recommended potential beneficiaries of the project to the PMO. They assisted in the collection of re-payable grants for future fund use and ensured that members abided by their rules and regulations. Beneficiaries, on the other hand, provided counterpart labor in the construction of sea-farms and provided protection to their own farms. They also had to actively participate in the technical trainings on mariculture and finance.

4. Civil Society and Community Involvement

The role of civil society and the population at large had been crucial in the success of the project. As mentioned earlier, this project's success hinged primarily on the development of the CRM and the MPAs of specific localities. These plans and their implementation could not be a unilateral government-directed activity. They required a significant participation from the population whether potential project beneficiary or not. In specific terms, the participation of civil society and population was seen in the process of the organization of the CRM. All the mechanisms in the CRM required a highly participative nature and needed to be based on the balance between scientific facts and the traditions and practical approaches on coastal resources management and planning. It is also important to mention that the population needed to understand that CRM is a process of balancing current economic needs and that of the future generations. This is why the process of dialogue and participation is crucial in the success of any CRM activity.

From the populace, the primary intervention was that fishermen were organized into fisherfolk associations. This endeavour was followed up by: a) collecting secondary data (e.g. national and local laws related to coastal resource management; scientific documents such as socio-economic profiles, coral reefs assessment, and water quality assessment); b) participatory resource coastal assessment (PRCA), or simply a resource assessment of Tubigon's coastal municipalities; c) formulation of a coastal resource management (CRM) plan; and d) the conduct of an information, education and communication campaign. All these activities contributed to each of the processes required in the formulation of the CRM code of the town. In addition to fisherfolk associations, the people of the village, led by their village head, were actively consulted and were in fact part of the technical working group of the CRM plan.

On the other hand, civil society participation was strong particularly from those that have been providing assistance and support to Tubigon town. The following civil society organizations were active in providing training on CRM and mariculture development, fund support, technical assistance in CRM planning, community organizing, research and facilitating discussions at the village level:

- Feed the Children Philippines, Inc.;
- International Marinelife Alliance;
- Haribon-Foundation;
- Southeast Asia Fisheries Development Center.

The multi-sectoral nature of the CRM required strong civil society and popular participation especially in the implementation of various processes of the plan and the institutionalization of the code.

The Tubigon CRM code formulation process:

- Planning workshop;
- Creation of multi-sectoral technical working group;
- Community/village consultations;
- Consolidation of the community consultations and drafting of the CRM code;
- Presentation of the draft CRM code to multi-sectoral forum and the Fisheries and Aquatic Resources Management Council (FARMC);
- Finalization of CRM code;
- Submission to the Legislative Council;
- Legislative Committee hearings;
- Approval and dissemination;
- Implementation and participatory monitoring and evaluation.

It can be seen that civil society and the community were actively involved in the drafting of the CMR, especially in the steps a. to f., which involved public consultations in all 12 coastal and six island villages of Tubigon. These consultations gave the communities the opportunity to share their views and concerns on the implementation of CRM in their communities. Moreover, even after submission to the Legislative Council, the general public still participated through the hearings. Thus, it can be said that the involvement of civil society and the communities in the project was substantial.

Once the code had been approved, enforcement became a crucial component that needed to be sustained. Fishery laws are difficult to implement due to the cultural and political aspects. Moreover, the lack of scientific knowledge on the state of the marine resources had caused the traditional fishers to continue fishing without understanding the impact on the state of their habitat. With a large area in need of protection, the police and the coast guard alone could not enforce the fishery laws. Hence, the vigorous campaign against illegal fishing led to a volunteer force of around 100 fish wardens. These fish wardens were trained on fishery laws and how to enforce them.

5. Role of the Media

The project was mainly an activity of the municipality and since there is no media entity focused on the municipality, there was no direct media participation in the project. However, the success of the project had been noticed and attempts have been made to replicate it in nearby towns.

6. Input from International, National and Local Experts

As mentioned previously, this project is an outcome of various efforts initiated by the LOGODEF and KAS, supported by various international, national and local organizations. In terms of expertise, the project did not require international

experts, as the project focus was mainly local in nature. More importantly, indigenous understanding of the conditions of the coastal resources played a critical role in the project's success.

Nonetheless, international expertise was shared by cooperating with international organizations in the conduct of baseline assessment and resource inventory of various habitats of fish species, the establishment of research and livelihood center for research on environment friendly mariculture techniques, training and usage of the Geographical Information System (GIS).

For local expertise, the government line agencies were able to provide assistance in terms of crafting the framework for the CRM plan, facilitation and management of workshops and trainings for the Participatory Coastal Resource Assessment (PCRA), identification of marine sanctuaries, training on mariculture development and sea-farming and the planning and integration of CRM and livelihood activities.

7. Types of Implementation Activities

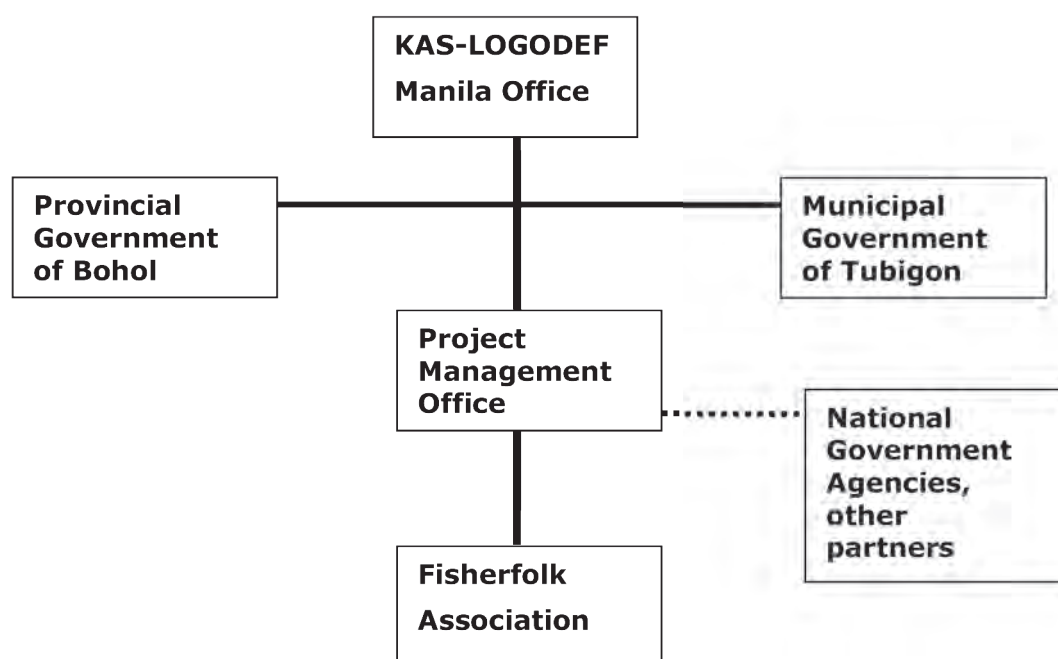
The implementation of the model required a well-planned CRM. This process is dynamic and combines bio-physical, socio-economic, cultural and political aspects of the coastal communities in order to develop a well-coordinated strategy of balancing environmental protection and sustainable marine resources and the economic needs of the population. In order to achieve this, the following activities were organized:

- CRM planning process including the zoning scheme for the coastal areas;
- Defining the programs and roles of the stakeholders;
- Participatory Coastal Resource Assessment (PCRA) which included mapping, historical timelines, interviews, inventory of corals, mangroves, seagrasses and other marine resources;
- Identification of areas for possible mariculture within the town and communities;
- Mangrove management and rehabilitation;
- Marine Protected Areas (MPAs) or Marine sanctuary identification and establishment;
- Capacity building and information, education and communication (IEC);
- Organizing a nationally-mandated advisory body called the Fisheries and Aquatic Resources Management Council (FARMC), with the mariculture project as one of the major agenda points of the FARMC of Tubigon;
- Law enforcement activities to curb illegal fishing in the municipality, such as hiring of coastal policemen (who are under the budget of the municipality), and the arrest of small-scale and commercial purse seines and ring-net boats from neighboring provinces Cebu and Negros Oriental;

- Zoning of the coastal area by identifying areas within Tubigon bay that are under zones, such as protected area zone, eco-tourism zone, rehabilitation zone, NIPAs zone (National Integrated Protected Areas System), trade and navigation zone and sustainable area zone;
- Mariculture sea-farming micro-enterprise development, including identification of beneficiaries, skills determination and training, project site identification, fish cages construction and set up.

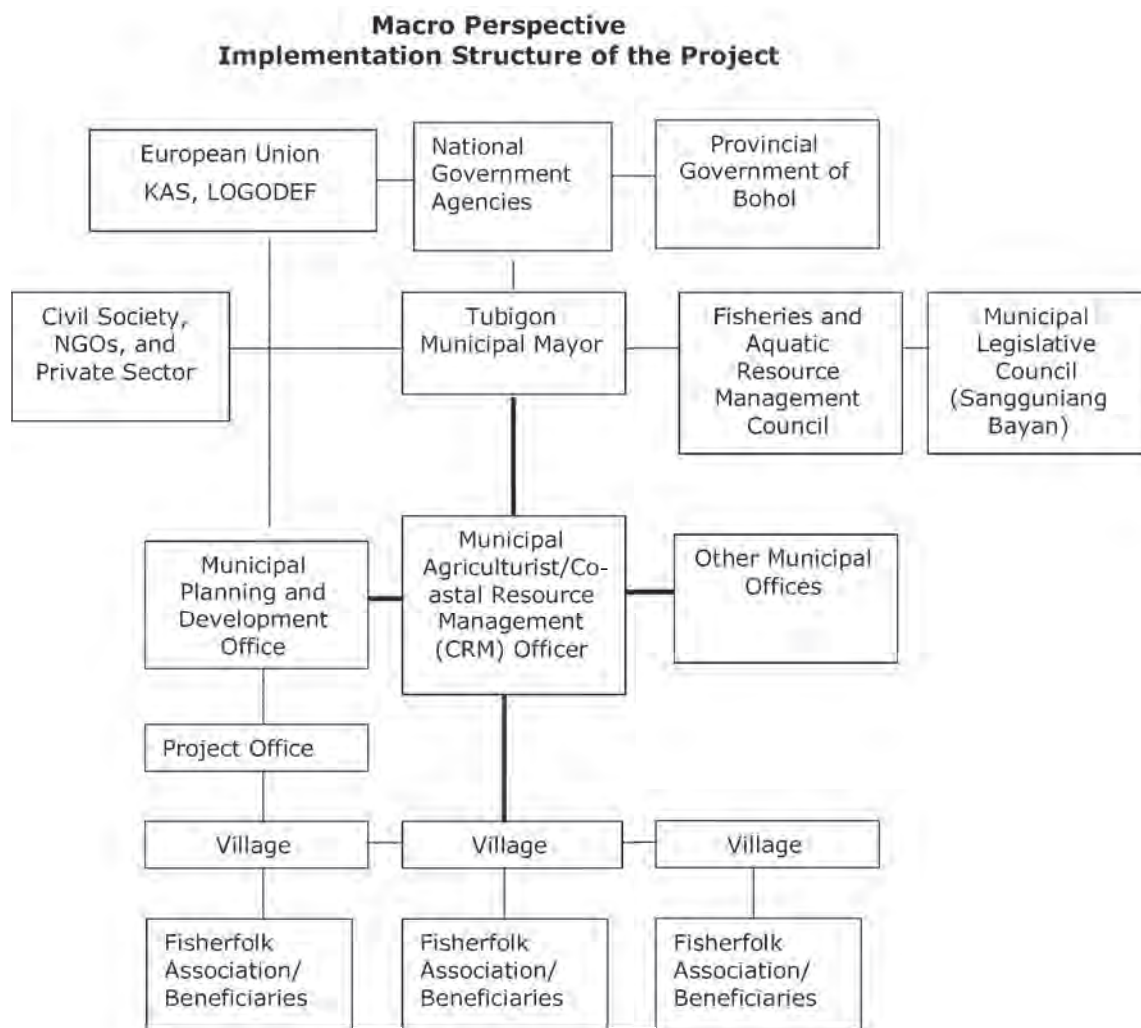
8. Role of the Steering Body and Coordination Mechanisms

The main organizational structure in the Tubigon Mariculture Project was based on the project management structure as proposed by the LOGODEF. The structure is as follows:



The KAS-LOGODEF provided overall project direction, including the coordination of the municipal government of Tubigon and the provincial government of Bohol. Day to day operations of the project were managed by the Project Management Office (PMO). The PMO is headed by the Head of Municipal Planning and Development. The PMO also coordinated linkages with other provider agencies and served as the marketing arm for the produce of the mariculture farms. It conducted trainings and prepared all the reports required for the implementation of the project. The PMO head is assisted by a technical team.

The following flow chart illustrates the project structure:



9. Sequence of Activities and Vertical and Horizontal Coordination

The sequence of activities for the Tubigon Mariculture project was as follows:

1. Development of a coastal environmental profile
 - Secondary data collection on government documents and scientific information on ecology, socio-economic profile, water quality and other coastal resources;
 - Conduct of participatory coastal resource assessment for all the villages leading to the creation of a resource map;
2. Formulation of the Coastal Resource Management Plan

In coordination with various stakeholders and institutions, the plan needed to be institutionalized as an ordinance, a local law or a code for the community to recognize and follow;

3. Information, Education and Communication (IEC) Campaign on the CRM;
4. Identification of mariculture projects and project sites;
5. Organization of the project management office (PMO) and hiring of staff;
6. Networking with project co-operators from other government agencies, international organizations at all levels;
7. Identification of Project Beneficiaries
 - Identification of existing Fisherfolk Association (FA) in every coastal village as potential co-operator;
 - Selection of fishermen beneficiaries through the FAs;
 - Review and approval by PMO of potential beneficiaries for material and financial assistance to start mariculture operations;
8. Monitoring, collection and evaluation of the project.

The project management office (PMO) is the office in charge of documenting activities, monitoring, reporting and updating of implementation plans. The processes are replicated involving all the major stakeholders for feedback and improvement.

Section C. Best Practice Evaluation

1. Sustainability of Best Practice Model

A concern of the people who implemented the project is sustainability after the EU funding, especially on the part of fisherfolk associations handling the sea-farming projects. To address this, the Tubigon government, the Bohol provincial government, and non-government partners provided financial commitments and technical assistance to these enterprises - for as long as the fisherfolk associations would continue to cover production and labor cost. This co-financing mechanism ensured that the project is not a temporary one but a long-term capacity building effort that in the future will require less financial participation, since a significant portion will come from the efforts of the communities.

Sustainability here is a question of community participation and not finance alone. Considering that the project has ended more than eight (8) years ago, the implementation of the mariculture sub-project is still ongoing and the municipal government continues to update the CRM plan regularly. This strongly validates the reality on the ground that the people of Tubigon have understood the project and its long-term implication. It is expected that even under changing situations and conditions, CRM is already a core mandate of the town and its people.

2. Major Success Factors of Tubigon's Best Practice Model

The major success factors for the model are the following:

- *Conducting a participatory coastal resource assessment*

The involvement of the community in the coastal resource mapping of the town contributed immensely to the completion of a coastal resource management plan. By participating in the decisionmaking process, the communities were able to own the project. It was seen not as imposition but as an effort to make the communities plan and decide for their future.
- *Willingness of municipal government*

In a period where the concern of local governments was to assure financing for their annual activities, Tubigon municipality looked beyond short-term funding support and into the future of its constituents. It was willing to invest time, resources and people in an undertaking that has not been fully implemented in a fourth class municipality. The effort in creating a CRM plan in itself has strong political consequences as it could affect both the big commercial fishers, as well as the subsistence fishers. Nonetheless, the willingness of the local government to pass the CRM

code alone shows that political will is crucial in implementing a program even at the cost of future politics. There have been three (3) changes in the leadership of the town, however, the CRM has now become an active component of Tubigon town planning and process.

- *Fund sharing*

The project implemented a co-financing scheme with the provincial and municipal governments, as well as the beneficiaries. This is an approach that not only developed a sense of ownership, but also a sense of responsibility among the beneficiaries. The beneficiaries shared their labor and time, which was enough to ensure that their participation in the project was not for short-term gains. Similarly, enjoining local government support through the budget showed that there was an interest in seeing its long-term implication. The continued funding by the municipal government showed that projects like this one require partnership and support from all stakeholders.

3. Major Challenges and Obstacles of Tubigon's Best Practice Model

This project like any other new idea was received with caution by many of the coastal communities. In particular, opposition was felt among the subsistence fishermen, who depend on daily fishing for their needs, and the commercial fishermen that thrive in the fishing areas of Tubigon. However, this opposition was eventually weakened, as the implementation of the CRM required wide participation and consultation among stakeholders. The perceived opposition to the project was replaced by understanding and enthusiasm, allowing the project stakeholders to widen its coverage and support. Thus, it can be said overall that there is no significant challenge that affected the project during the preparatory stage, particularly during the implementation of the CRM planning.

Nonetheless, challenges remained in the actual mariculture livelihood projects that the beneficiaries operate. Firstly, the eligibility criteria for potential beneficiaries made the project focused on only the needy fishers and their families. The qualification with regard to the scientific knowledge had become secondary. Thus, in the long run, the choice of mariculture project has an impact on its sustainability. For instance, among the original mariculture projects, only the grouper cage farming has remained. Mussels, crab and lobster culture were not sustained. According to the CRM officer, these species are not suitable for the Tubigon sea, therefore the output of the earlier projects were not significant. These resulted in some of the FAs not being able to fully recover their costs. This shows that the PMO need to continue looking at long-term opportunities and matching these with the actual availability of resources in the area. It must also subscribe to the scientific nature of the marine culture that will be developed. At present, the Macaas FA has started another project of growing milkfish or locally known as bangus. This is a popular species and its fingerlings are readily available in the market.

4. Why This Model is Viewed as Best Practice

The project model can be considered as a best practice because of the following:

- *It was able to harmonize different interests and different motivations into one.*

Bringing together various stakeholders in a common vision for protecting the environment is the most important basis for making this model a best practice. It must be understood that these people, particularly those in the communities, do not have a high level of education to understand the scientific implications of the degradation of the environment. The project was able to bring this concern down to the level of ordinary people. More importantly, they were able to balance the short-term and daily subsistence concerns of the people with the long-term implications of the community and the environment. Above all, it was able to solicit the support of the national government, international agencies and the local business in the drive to protect the environment.

- *The passage of the CRM ordinance/code*

The project's main benefit was its success in institutionalizing the process of CRM planning. It must be remembered that Tubigon was a fourth class or basically a financially challenged town. As such its focus mainly was to provide income generating and poverty alleviating efforts for its population. However, despite this major handicap the leaders of this town chose to focus on prioritizing the process of CRM before it implemented any livelihood intervention program. It chose to focus on sustainability rather than short-term gains. For this reason alone, the project is considered a best practice already. The mariculture livelihood project implemented for income generation was a secondary result of a broader perspective brought forth by the CRM plan. Moreover, by putting this plan into an institutional frame, future generations will be able to benefit from the choice made by its leaders a decade ago.

- *Well-recognized experience*

Tubigon received the Konrad-Adenauer-Stiftung Medal of Excellence (KAME) Award in 2002 to highlight its success. The town was also a recipient of other awards such as Reef Check, which got for Tubigon a US\$50,568 grant from the US-based National Fish and Wildlife Foundation (with municipal co-operators providing a counterpart totaling US\$105,610) in an effort to rehabilitate depleted fish populations. Other co-operators were the International Marinelife Alliance (IMA), the Haribon-Foundation and the Southeast Asia Fisheries Development Center (SEAFDEC). These major international agencies on coastal and fisheries management would not have worked with Tubigon if there had been no potential long-term benefits from the efforts of the local government. This is actually an outright recognition that the town is doing the right thing and doing it right.

5. Tubigon's Best Practice Transfer and Replication Adaptability

Looking at the project in detail, it can be seen that there is nothing in the project that required significant costs for implementation. What is actually crucial and replicable are the efforts to bring together and harmonize different objectives, incentives and interests into one – which is protecting the environment. This effort also has a number of short-term and long-term benefits that can be replicated by other municipalities within the Philippines and throughout Southeast Asia. Crucial to this is understanding that the process of CRM is not a process dictated by the government, but a process that involves participatory decisionmaking. This is important in many communities as they need to have a clear understanding of both short and long-term implications of coastal degradation to their income and livelihood and for future generations. The main costs for its implementation are only during the planning process, information and education campaigns. Once the project has been properly disseminated to the different identified stakeholders, it follows a natural course for the community in particular to own it and become the protector and not the destroyer of its own coastal environment.

At present, Tubigon is carefully replicating its experience with the mariculture project to nearby coastal municipalities in Bohol. The Tubigon LGU has also assumed responsibility for ensuring the continued viability of the sea-farming projects through sustained technical assistance, monitoring and management support.

Appendix - Pictures of Mariculture Project



Mayor William Gan and Engr. Noel C. Mendaña, Municipal Planning Officer



Grouper and Bangus Fish Cages near the Mangrove Area of Macaas Village

Acknowledgement - DELGOSEA Management

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DELGOSEA Project would also like to extend gratitude to the government of Phuket in Thailand, Solo in Indonesia, and Tubigon in the Philippines, for their trust and generosity in sharing and documenting the best practices and for their ongoing commitment to support best practices' replication with pilot cities.



Dr. Peter Köppinger
Country Representative of
Konrad-Adenauer-Stiftung
for the Philippines and Project
Director of DELGOSEA



Susanne Stephan
Project Manager

Contact

For more information about the project and contact persons please visit the DELGOSEA website: www.delgosea.eu.



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