

Readiness of LGU Key Personnel on the Implementation of Tourism Projects Under the Mandanas-Garcia Supreme Court Ruling in the Philippines

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ABSTRACT

Full autonomy, transparency, and greater opportunities are purportedly the outcomes of the Mandanas-Garcia Supreme Court (SC) Ruling. The increase in the national tax allocation should have significantly strengthened fiscal decentralization. The study utilized a descriptive-evaluative research design. Primarily, it assessed the implementation of the Mandanas-Garcia Ruling on Tourism projects in LGU-Tinambac, Camarines Sur. It has the following objectives: 1) Identify the Tourism projects proposed by LGU for Fiscal Year 2024; 2) identify issues and challenges of LGUs in implementing Tourism projects under the Mandanas Ruling Reforms, 3) assess the readiness of the key officials on the implementation of the Mandanas-Garcia Ruling. Data were derived from key personnel and staff of the Municipal Government of Tinambac, Camarines Sur using survey questionnaires and interviews aided by document review, thematic-content analyses, and percentages as the data analysis tools. Findings revealed that Tourism projects for the fiscal year 2024 are limited to cultural promotion, celebration of festivals and holidays, and sports development. Personnel structure and budget are two dominant themes regarding issues and constraints in implementing the Mandanas-Garcia Supreme Court Ruling. Although more than 50% of the respondents knew the Supreme Court Ruling, many believed that the same is not a doorway to full autonomy, neither strengthens fiscal decentralization, accountability, and transparency, nor a gateway for greater opportunities to a self-sufficient community. The study recommends augmenting the budget for Tourism projects and implementing community-driven projects. Organizational structure, fiscal management, and capacity building are key to sustainability and community development.

Keywords: Readiness, Local Government Unit, Tourism, Fiscal Decentralization, Mandanas-Garcia Sc Ruling

INTRODUCTION

The Philippine Local Government Code in 1991 was created for the community to become self-sufficient in terms of development projects that contribute to national progress (Bueno & Salapa, 2021). It is a broad legislative policy mandating the grant of comprehensive autonomy to local government units in the Philippines by devolving critical national government functions of delivery of services in agriculture, environment, health, and social services (Reyes, 2016).

Decentralization was adopted by the government to facilitate speedy decision-making by decongesting the central government increasing citizen participation, and empowering a democratic government. (Brillantes, 2003; Reyes 2016).

Nevertheless, many LGUs were not ready for the devolution in terms of financial and human resources. The fiscal capacity of LGUs and the managerial capability of local chief executives (LCEs) were not considered before devolution. Grundy et al. (2003) point out that there was no capacity building for local officials and health personnel before the devolution (Cuenca, 2018).

Several problems limiting central and local government relations in the Philippines were outlined in Reyes, 2016. This includes a 'push and pull' between the national government and local governments – primarily because of the expectation of the national government that LGUs perform as a contribution to national

development. Also, LGUs often raise the issue of their limited absorptive capacity due to scarcity of resources, while balancing the need to exercise autonomy due to context-based nuances in their respective jurisdictions.

Despite Congress enacting more legislations to provide greater decentralization, it was evident however that “financial control...remained very strongly with the national government,” which in a way, perpetuated dependency and control over local units (Tapales, 1995: 396; Reyes, 2016).

Devolution issues were intensified when two separate petitions were filed by Mandanas et al. and Garcia, et al. regarding the perceived errors in the computation of the Internal Revenue Allotment (IRA) or the LGUs’ share in national internal revenue taxes (NIRTs) as mandated by Section 284 of the LGC of 1991. The SC ruled that determining the just share of the LGUs should not be based solely on national internal revenue taxes but on all national taxes. The SC also ruled that any mention of “internal revenue allotment” in the LGC of 1991 shall be understood as the allotment of the LGUs derived from the national taxes. It further ordered the Secretaries of Finance and Budget and Management, Commissioners of Internal Revenue and Customs, as well as the National Treasurer to include all collections of national taxes in the computation of the base of the just share of the LGUs, based on the ratio provided in the now-modified Section 284 of the LGC (dbm.gov.ph). As a result, the IRA in 2022 increased by P225.3 billion relative to what it would have been before the promulgation of the said ruling to reach PHP 1,102.7 billion. (Manasan, 2020).

The implications of the Mandanas-Garcia Ruling are not only on functions already devolved but, on the plans, programs, and activities that were assigned to the LGUs and on the capabilities of the personnel assigned at the local level. (Alampay & De Los Santos, 2021)

Local governments need to improve their organizational capacity for service delivery and implement transparent, accountable, and participatory methods to meet national and local development goals. (Bueno & Salapa, 2021)

This study primarily assessed the implementation of the Mandanas-Garcia Ruling on Tourism projects in LGU-Tinambac, Camarines Sur. Specifically, the study has the following objectives: 1) Identify the Tourism projects proposed by LGU for Fiscal Year 2024; 2) identify issues and challenges of LGUs in implementing Tourism projects relative to Mandanas Ruling Reforms, 3) assess the readiness of the key officials on the implementation of the Mandanas-Garcia Ruling.

Apart from the aforementioned, there are uncertainties about whether officials and employees in local government units are equipped with knowledge about the ruling. How do they feel about it? What are their perceptions about the ruling? These questions prompted the researcher to conduct this research.

LITERATURE REVIEW

This section provides the related literature and studies that help develop a deeper understanding and appreciation of the current study. The pieces of literature are presented according to the variables and objectives of the study.

Mandanas-Garcia Ruling: A Background

The Mandanas-Garcia Ruling is a decision of the Supreme Court with finality as a result of two separate (consolidated October 22, 2013) petitions filed by Mandanas, et al. (G.R. No. 199802) and Garcia (G.R. No. 208488). The petitioners contested that there were perceived errors in the computation of the Internal Revenue Allotment (IRA) or the LGU’s share in the National Internal Revenue Taxes (NIRTs) as mandated under Section 284 of the 1991 Local Government Code (LGC). Specifically, Hermilando Mandanas, et al. contend that collections of the NIRT by the Bureau of Customs (BOC), namely: value-added taxes, excise taxes, and documentary stamps were not included in the base amount for the computations of the IRA. Said taxes collected by the BOC are in reality national internal revenue taxes (NIRTs) and should rightfully form part of the base amount for the computation of the IRA.

On July 3, 2018, the Supreme Court granted the petition declaring the phrase “internal revenues” unconstitutional based on Section 24 of the Local Government Code (LGC) of 1991. As such, the SC ordered the deletion of such a phrase.

The SC granted the petition on two key points, 1) the determination of the just share of the LGUs should not be based solely on national internal revenue taxes but on all national taxes, and 2) any mention of “internal revenue allotment” in the LGC of 1991 shall be understood as about the allotment of the LGUs derived from the national taxes. The same further ordered the Secretaries of Finance and Budget and Management, Commissioners of Internal Revenue and Customs, and the National Treasurer to include all collections of national taxes in the computation of the base of the just share of the LGUs, based on the ratio provided in the now-modified Section 284 of the LGC.

On April 10, 2019, the Supreme Court made the Ruling final and executory. This subsequently resulted in the fiscal implication of approximately Php959.04 Billion, which is equivalent to a 37.89 percent increase or around Php263 billion from the FY 2021 IRA shares of LGUs. Specifically, the SC Ruling allowed the LGU to assume the devolved functions as mandated by the 1991 LGC and other subsequent pertinent laws. These devolved functions are: 1) Agriculture extension and on-site research services, 2) Local infrastructure services, 3) Natural resource management services, 4) Environmental services, 5) Tax information and collection services, 6) Health services, 7) Investment and job placement information systems, 8) Social welfare services, 9) Transportation services, 10) Tourism services, 11) Housing services, and 12) other services.

The Ruling furthermore significantly diminishes the fiscal resources available to the national government (NG) for its key priorities and commitments in reducing poverty, promoting infrastructure and human capital development, and pursuing peace and order in the country, starting in 2022. For fiscal sustainability, the NGAs should gradually and permanently turn over to the LGUs the devolved services as mandated by the 1991 LGC and the former should pursue an institutional development program for the LGU to strengthen the capacities and capabilities to assume the devolved functions (DBM, 2021).

The study at hand dwells on the benefit of the Mandanas-Garcia Ruling on Tourism projects in the local government of Tinambac, Camarines Sur. Likely, it is significant to understand the Tourism Industry. The scope of the same based on existing laws, particularly what is mandated by the local government code on the basic delivery of tourism services must be understood for this study.

Tourism as a Key Contributor to Economic Development

Section 17, 2 (xi) of the 1991 Local Government Code of the Philippines states “A municipality should provide tourism facilities and other tourist attractions, including the acquisition of equipment, regulation and supervision of business concessions, and security services for such facilities.” Section 3(xii) also mandates a province to provide tourism development and promotion programs.

The tourism industry is a key contributor to economic development. Tourism development across the countries from different metropolises, regions, and provinces covers tourism infrastructure to work. Philippine tourism is diverse and its extensive economic activities are contributory to the country’s gross economic products, revenues, and business ventures.

Aside from the structures such as hotels, restaurants, casinos, and entertainment cities to name a few, transport sectors play a vital role in the tourism industry. Territorial assets such as airports, railways, sea ports, and telecommunication lines are important. Nonetheless, the Philippines as a developing country has limitations on the public sector which impedes extensive ventures in the tourism industry (Calinao, 2020).

Tourism also generates employment in various sectors, including hotels, restaurants, retail trade, nightclubs, transport, sports, entertainment, travel agencies, and tour operators. In contrast, indirect employment arises from tourism-related businesses and professions (Vizconde & Felicen, 2012).

The Philippine tourism industry significantly promotes mutual understanding and economic development by alleviating poverty and conserving natural and cultural resources (Vizconde & Felicen, 2012).

Issues and Challenges in Implementing Tourism Projects

Despite the tourism industry's contribution to economic development, issues and constraints are evident in the implementation of infrastructure projects. This was affirmed in the study of Tshehla (2018). Planning, skilled labor force, participation of all parties during the initial stages of the project to enhance decision-making and risk allocation, and practical public-private partnership policies are among the several constraints found in the study. Tshehla further concluded that private sectors have a vital role in the implementation of tourism projects and should not be underestimated.

Khakimova and Fattakhova (2016) cited by Tshehla (2018), identified the following barriers to the active development of domestic tourism namely, poorly developed supporting infrastructure of tourist facilities; poorly developed tourist infrastructure, lack of available credit to potential investors, lack of professional staff and insufficient promotion of tourist product in the domestic tourism market.

Research on heritage management was also conducted by Aggarwal & Suklabaidya (2017; Tshehla, 2018). Other barriers were also found namely, understaffing, simultaneous focus on many projects under one jurisdiction, delays in approvals linked with developmental plans resulting in vandalism, encroachments, and deteriorating condition of the monument, low visitor footfall at the site both for domestic and foreign tourist, non-availability of interpretation material other than signage, resulting in dissatisfaction with the visitors. The reasons for these were due to lack of funding and no appropriate PPP model was selected in managing the risk associated with funding.

Lack of optimal utilization of capacities and failure to provide optimum services sometimes damage a country's tourism. Technologies and current knowledge are important to provide efficient and powerful tourism management. Special attention is on providing establishment, renovation, or improvement of tourist facilities where technical and managerial skills are equally important. The private sector can handle the tasks well because of the capabilities and professionals it possesses (Haddadi & Khodadadpoor, 2015).

METHODOLOGY

The study is descriptive-evaluative. The study's respondents are the Municipal Tourism Officer, key personnel, and staff of the Municipal Government of Tinambac, Camarines Sur, Philippines. Purposive sampling was used in selecting the respondents. The study both used primary and secondary data. Secondary data such as the Tourism Work and Financial Plan, Tourism Action Plan, and Tourism AIP were the secondary sources of data, while, interviews and Likert scale questionnaires were the primary sources of data.

The data-gathering procedure ran for two months. The researcher sought approval from the LCE of LGU-Tinambac to conduct the study. After which, the secondary data namely, the Tourism Work and Financial Plan, Annual Investment Plan, and related documents were requested. These were used in identifying Tourism projects. Furthermore, Likert survey questionnaires were also distributed to the Tourism Officer and key officials/staff to assess their readiness for the implementation of the Mandanas-Garcia Ruling. The KAP model was adopted as a framework both for the survey and interviews. The respondents' knowledge, attitudes, and perceptions were assessed using the Model. Interviews were also conducted to validate the responses from the survey questionnaires. The interviews were also the sources of issues and challenges on the implementation of the SC Ruling.

Document review, content/thematic analysis, and descriptive statistics were used for the data analysis.

RESULTS AND DISCUSSIONS

Tourism projects proposed by LGU for Fiscal Year 2024

Two resorts are primarily government-owned and managed by LGU-Tinambac, Camarines Sur. These are Caglillog and Caloco Beach Resorts. Caglillog is a provincial-owned which is managed by a barangay in Tinambac, while the municipality manages Caloloco Beach Resort. Caloco Beach Resort started as a community-based resort in 2016. Eventually, LGU-Tinambac managed the resort in 2018.

Infrastructure projects and the provision of power supply were implemented sometime in 2016 according to the municipal engineer. The Tourism Office, public comfort rooms, temporary water system, and showers were provided. Cottages were also constructed. Concreting of the road also happened as requested by the barangay council. A wooden footbridge was also constructed, nevertheless, concrete signboards and pathways were not evident in the area. The Engineering Office focused on minor engineering works only. The improvements happened before the devolution in line with the Mandanas-Garcia Ruling.

Other tourism-related activities held in 2022 and 2023 were cultural and festival promotions particularly the Himoragat Festival. This is a yearly celebration named after the bountiful “Himoragat River.” It highlights various cultural and historical heritage portrayed in a cultural showcase, street dancing, merry-making, trade fair, food festival, and the search for Miss Tinambac. These activities are part of the sustainable project on the beautification of the Himoragat River.

Sports activities in 2022 and 2023 are also part of the Tourism activities of the municipality. These strengthen camaraderie and sportsmanship among the youths not only in the municipality but also from other neighboring towns.

All the aforesaid tourism activities are routine. These are not yet part of the devolved services from the national level under the Mandanas-Garcia Ruling.

Economic enterprise is the focus of LGU-Tourism for FY 2024 according to the designated Municipal Tourism Officer. These are the construction of the Satellite Pasalubong Center, training on livelihood, tour guiding, and food and beverage. Included in the 2024 plan is also the celebration of the Agat Festival, cultural promotion and other sports development programs, the celebration of legal holidays and festivals, and the celebration of Civil Service Week (Family Week).

The Tourism office has already started promoting the resort, but they would want to amplify the Tourism Industry through social media, Tri-Media, and word-of-mouth. They also had appearances in a local television show titled “CAMSUR TV-MUSNA.”

In 2021 Caloco Beach Resort has an economic impact on the local revenues. It increased from Php 28,800.00 (FY 2020) to Php 724, 670.00 (FY 2021). However, it decreased to Php 315, 400.00 (FY 2022) while Php 442,200.00 (FY 2023).

On the social aspect, the resort has improved. Restrooms, parking spaces, and cottages were provided. Cultural heritage is also evident in the area such as the church, terminal, Shoe Park, Parola, heritage house, and Talisay Tree. Unfortunately, no improvements were made to the cultural attractions.

An environmental fee of 35.00 pesos is collected monthly from all resort owners in Tinambac. Part of the fee goes to the barangay, Tourism office, and LGU. Wastes from the resort are collected weekly, however, a landfill is not provided by the LGU, but the same has a plan to provide it for fiscal year 2024.

There is a comprehensive Solid Waste Management program in the LGU as revealed by the consultant. The plan was conceptualized in June-August 2023. According to her, currently, there is no regular garbage collection in the resort. The garbage collection as termed was “on-call”—the resort staff requested the garbage collector if there were volumes of garbage to be collected. This has been practiced for the past two years until

now. That is why an expert in Solid Waste Management was hired for this concern. “SWM is not only technical but there should be engagement by the community.” Material Recovery Facilities (MRFs) are already provided, but they are not the ideal MRFs; they should be improved. Profiling of the barangay is also part of the program. A project for the barangay level with an acronym WARM-UP Toolkit will be provided for each barangay in the municipality. WARM UP stands for Waste and Resource Management United and Progressive Tinambaqueño. This project is a multi-stakeholder involvement. All barangays in the municipality regardless if it is a tourist destination or not are involved. The project focuses on the concept that all biodegradable waste will be left in the barangay for resource generation. Monetary incentives are also part of the project to motivate the stakeholders in their engagement. A 5-year capacity-building plan is also part of the SWM program. This includes operating the MRF, documentation and record keeping, community composting, and managing the biodegradable wastes. Provision of promotional materials is also part of the program. These are just some of the comprehensive and ideal plans for SWM that the office is hopeful to realize.

Table 1. Issues and Challenges of LGUs in Implementing Tourism Projects Under Mandanas-Garcia Ruling

Interview Question	Themes	Excerpts from the narrative interview
What are the problems you encounter in the implementation of tourism projects relative to the Mandanas-Garcia Ruling?	Personnel Structure	<p><i>“One problem is the creation of a Tourism Office. There is no separate Tourism Office yet. The existing Tourism Office is under the Local Chief Executive Office. Thus, effective FY 2024, the creation of the Tourism Office is already appropriated.”</i></p> <p><i>“Mandanas Ruling is good, but LGU is not certain if the organization is ready for a big responsibility (devolved services). The Office is understaffed. The current workforce is not fit to implement the devolved services.”</i></p>
	Budget	<p><i>“No budget has been released since the full implementation of the devolution in line with the Mandanas-Garcia Ruling. Engineering projects have not been implemented.”</i></p> <p><i>“National Taxes Allocation was decreased in 2023, but there will be a 6.2% increase of NTA for FY 2024. A huge amount was lost in the 2023 NTA due to COVID-19.”</i></p> <p><i>“Appropriation for engineering equipment is also a problem.”</i></p> <p><i>“Projects in line with the Mandanas Ruling are not yet implemented due to the absence of a budget. School buildings are partially implemented. The source of funds is the 20% LDF but, it is limited.”</i></p>

Personnel structure and Budget are the two themes identified during the interview with key personnel and staff regarding the roadblocks or challenges they encountered in the implementation of the Mandanas-Garcia Ruling.

Similar to the findings above, Fernandez (2023) identified four dominant themes in his study *Agriculture Personnel Readiness in the Implementation of Decentralized City Provincial-Led Agriculture and Fishery Extension Services Under the Mandanas-Garcia Ruling*. These are 1) Budget, Policy, and Ordinances 2. Strategic Actions 3. Personnel structure and 4. Devolution Transition Plan. It was also noted that existing personnel at the City Agriculturist Office is not enough when the full implementation of the devolution starts in CY 2024, a substantial budget has to be allocated to pay the salaries and wages of new additional personnel who will be a subject matter expert in their respective units. Personnel Capability is also needed to make them productive in their respective tasks and responsibilities. These were also affirmed during the interview with some key officials of LGU-Tinambac. The current personnel in the Engineering Office are not adequate to

perform devolved engineering services. The office has currently one Engineer V, two Engineer II, a draftsman, and a job order. There are no personnel for the quality control, survey, and other engineering tasks. The workforce is indeed not enough to implement the devolved services mandated by the Ruling. Equipment must be purchased also. These entail a budget for the realization of local infrastructure services. Unfortunately, the NTA for FY 2024 decreased to 6.2%, based on an interview with one key official.

Table 2. Readiness of the Key Officials About the Mandanas-Garcia Ruling

INDICATORS	% (n=34)		
	Yes	Maybe	No
Knowledge			
K1. The Mandanas-Garcia Supreme Court (SC) ruling refers to the SC's final decision on the two (2) separate petitions filed before the Supreme Court.	59	0	41
K2. The SC ruled that determining the just share of the LGUs should not be based solely on national internal revenue taxes but on all national taxes.	65	3	32
K3. It clarifies the distinction between "national internal revenue taxes" and "national taxes" as a base in the computation of the IRA of LGUs.	65	3	29
K4. The IRA is programmed to increase by 55 percent in the 2022 budget.	18	35	44
K5. The final list of PPAs that will be scaled down/phased out by the NGAs will be based on their respective DTPs submission.	53	0	47
K6. The full assumption of devolved functions and services by the LGUs may require the modification of their organizational structure and competency requirements.	65	0	35
K7. The LGUs are required to absorb/hire the affected NGA personnel.	26	35	38
K8. The LGUs are required to prepare and submit their own DTP.	62	0	38
K9. The DTPs of provinces, cities, and municipalities have six components.	29	9	59
K10. The Local Chief Executive (LCE) concerned shall spearhead the preparation of the LGU DTPs and ensure that this is approved within the timeframe indicated in DBM-DILG JMC 2021-1.	59	3	38

Attitude			
A1. The Mandanas-Garcia Ruling does not fully give LGUs autonomy in implementing programs, projects, and activities (PPAs).	18	32	50
A2. Mandanas-Garcia Ruling is a preparation for Federalism.	12	32	53
A3. The LGU has already implemented capacity building on full devolution.	26	21	50

A4. I strongly believe in the positive outcome of the full devolution.	38	12	53
A5. I strongly support the implementation of the full devolution.	35	18	47

Perception			
P1. The full devolution will significantly strengthen fiscal decentralization in LGUs.	32	18	50
P2. The increase in the NTAs will reduce poverty in LGUs.	24	0	74
P3. The full devolution will add infrastructure development.	44	6	50
P4. Devolved services to LGUs will create more job opportunities.	59	0	41
P5. Mandanas-Garcia Ruling will strengthen transparency and accountability in LGUs.	32	3	65

The KAP Model was used in designing the survey questionnaire to determine the readiness of the key LGU-Tinambac officials to implement the policy (Mandanas- Garcia Ruling). The key officials include the department and section chiefs of LGU-Tinambac.

Knowledge

Table 2 shows the responses in percentage for each indicator from 34 respondents. Fifty-nine percent (59%) of the respondents know the nature of the Mandanas-Garcia Ruling. Forty-four percent (44%) are aware that the NTA shares for FY 2022 are programmed to increase to 34%, not 55%. According to one key official, the budget is limited. Only 6.2% has increased for the 2024 NTA. Thirty-eight percent (38%) know that the LGU is not required to hire or absorb the affected National Government Agency (NGA) personnel. A huge percentage of the respondents also know that LGUs should prepare their own Devolution Transition Plan (DTP). Nonetheless, 59% of the key officials do not know that the DTP has six components. Only 29% know that it has six components as follows: 1) State of devolved functions, services, and facilities, 2) phasing of full assumption of devolved function, structure, and staffing pattern, 3) Capacity development agenda, 4) proposed changes to organizational structure and staffing pattern, 5) local revenue forecast and resource mobilization strategy, and 6) performance targets for devolved functions and services. According to one key official when interviewed, The DTP has four areas namely agriculture, social, health, and engineering. What the interviewee was trying to point out was the sectors to be devolved, not the components. This means that the key official was not so knowledgeable about the components of the Devolution Transition Plans (DTP).

While most of the responses show that the respondents know about the nature of the Ruling, 35% of them are not knowledgeable about the NTA increase in 2022. Likewise, 35% answered “maybe” or they were uncertain regarding the hiring of LGU of affected NGA personnel. This means that they do not know that the LGU is not required to hire or absorb affected NGA personnel.

The findings above are also congruent with the study of Gallanosa and De Castro (2023). The researchers conclude that the level of awareness towards the implementation of E.O. 138 of LGUs indicates that there are still some gray areas in the minds of the local functionaries towards the implementation of Full Devolution, especially in the salient features of E.O. 138, functions to be devolved, and understanding the Devolution Transition Plan.

Attitude

Fifty percent (50%) of the respondents are not certain that the Ruling will give LGUs full autonomy in implementing programs, projects, and activities (PPAs), while only 18% are certain. An interview with some

key officials validated these. One said, *“Mandanas Ruling does not rule the LGU but it’s the Local Government Code (LGC) of 1991.”* Other interviewees also affirmed this. Thus, 53% do not believe that the Ruling is a preparation for federalism. *“The backdoor to federalism is the LGC, not the Mandanas-Ruling. The LGC gives the LGU a chance to govern themselves,”* said another key official. *“The Ruling is not a preparation of Federalism. As I understood when I attended the orientation, the Ruling is focused on collecting taxes from the Bureau of Customs. These should form part of the NTA for each LGU,”* another key official said. Moreover, fifty percent (50%) said that the LGU has not yet implemented capacity building on full devolution. The training is only focused on the preparation of the DTP and the creation of the composition of the DTP Committee at the municipal level. No trainings by external organizations were conducted. Other key officials do not know what the Ruling is all about. This was affirmed by Laurio & Malto (2023) in their study *Capacity Assessment of Lower-Class Municipalities in Agriculture Services Towards Full Devolution*. The study concedes that lower-class municipalities have a low capacity to assume devolved services mandated in Section 17 of RA 7160 and other devolution laws in the sector of Agriculture and Extension Services. There are capacity gaps with the proposed specific capacity development agenda.

Furthermore, fifty-three percent (53%) do not believe in the positive outcome of the full devolution and 47% do not support the implementation of the full devolution. The interviewees believe that the Ruling has no positive outcome. *“It’s just a compliance. The national level complied to devolve other services to the LGUs but it’s not attainable or it can’t be realized,”* said another key official. The interviewee also affirmed despite some DEPED projects being given to the LGUs, the construction of school buildings is at freeze because of insufficient budget. The local chief executive decides what projects should be implemented or prioritized. Additionally, the organic personnel does not support the full implementation of the Ruling because additional personnel are competitors of them. The interviewee even termed it as *“Kabanga”* in spending the appropriation for personnel services. *“There is no implementation of Mandanas-Garcia Supreme Court Ruling. “The DTP is just a compliance but the increase in the NTA as planned and reflected in EO 138 is just written. Yes, in 2022 there was a 17% increase in the NTA, while in 2023 it decreased, then in 2024 it increased to 6.2%. I can’t see the effect of the Ruling, honestly,”* said another key official.

Perception

The respondents do not believe that the Ruling will significantly strengthen the fiscal decentralization of the LGU, 50% of them confirmed. Likewise, 70% said that it will neither reduce poverty in LGUs nor strengthen transparency and accountability in LGUs. They see the Ruling as just a compliance of the national mandate as disclosed in the preceding discussions.

While it is apparent that the Key Officials know the nature of the Ruling based on the survey results using the KAP Model, there are some areas that the majority do not know, such as the NTA increase in 2022, the hiring of devolved personnel, and the components of the DTPs.

Furthermore, more than half of the respondents believe that the Ruling is not a key for the full autonomy of the LGU, neither a preparation for federalism nor even support the full implementation or positive outcome of the same. Capacity development in terms of full devolution has not been implemented in the LGU.

As perceived by the respondents, the Ruling will not significantly strengthen fiscal decentralization and reduce poverty. Neither, will it strengthen transparency and accountability in the LGU.

CONCLUSION

Caloco Beach Resort was identified as the tourism project of the LGU for this study. It has been managed by the LGU since 2018. However, upon perusal of the documents provided to the researcher, no specific plans are intended for the resort. The annual budget of the Municipal Tourism and Cultural Office is focused on cultural promotion, celebration of festivals and holidays, and sports and development activities. The former does not reflect any plans for the improvement of the resort. The impact pathway designed by the researcher was confined to the improvements implemented in the resort before the Mandanas-Garcia Ruling.

Two themes were identified as issues and constraints in implementing Tourism projects in the municipality. These are *personnel structure* and *budget*. Since then, the Tourism Office has been under the Local Chief Executive Office. A separate Tourism Office has to be created this year (2024). There are inadequate personnel to implement the devolved services. There is no sufficient budget for hiring additional personnel to implement devolved services mandated by the Ruling. In conclusion, the LGU still goes the extra mile to implement the Supreme Court Ruling.

The key officials of the LGU know the Mandanas-Garcia Supreme Court Ruling but other officials have a dearth of knowledge in other areas. However, the former do not believe that the Ruling will give full autonomy to the LGU. They neither believe that it has a positive outcome nor will strengthen transparency accountability and fiscal decentralization.

RECOMMENDATION

Based upon this scientific inquiry, it is recommended that the Local Government Units focus on Tourism Projects that would contribute to the community's development. They should not only focus on routine activities but need-based Tourism Projects. Additional employees to perform the devolved services mandated by the National Government under the Mandanas-Garcia Ruling is also crucial. The organizational structure must be well-defined. The LGU should ensure that someone shall man the program, projects, and activities (PPAs) or that each task is efficiently performed. An additional budget must be appropriated to implement Tourism programs, projects, and activities. More capacity-building and awareness activities regarding the implementation of the Mandanas-Garcia SC Ruling must be implemented. The capacity building must not only focus on the Key Personnel but in the grassroots level. Future researchers should also deepen their research focus on the implementation of Mandanas-Garcia SC Ruling. Other research areas such as Agriculture and Health can be dealt with in future research endeavors.

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