

Improving Governance through Local Economic Enterprises: A Case Study in Bongao Tawi-Tawi Government

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Abstract

Problem: Local Government Units play a critical role in a locality's pursuit of all-inclusive growth and self-reliance. It is mandated to protect and empower communities by building an enabling and sustainable environment where the citizenry would thrive and flourish. The same mandate is shared by the Local Government Unit of Bongao Municipality. It plays a key part in building local development linkages at the provincial and regional levels since it is the de-facto municipality of the province of Tawi-Tawi. However, LGU-Bongao is challenged with influences that call for outright solutions. These situations include growing population, proximity to neighboring countries, environmental delineation, devolution conflicts, and poor socio-economic situations. On top of these, the LGU is internally struggling with heavy dependency on Internal Revenue Allotment (IRA) funds. **Approach:** This study adopted a case study approach and utilized the Problem Tree Analysis (PTA), Objective Tree Analysis (OTA), Decision Tree Analysis (DTA), and Stakeholder Analysis (SA) as analytical tools. **Findings:** This study derived three potential development approaches such as Local Development, Product or Service Development, and Organization Development. DTA was used to evaluate the profitability of these approaches. The Organization Development (OD) yielded the highest profitability with over 100M NPV and 511% IRR. As compared to Local Development with over 74M NPV and 384% IRR and Product or Service Development with over 5M NPV and 43% IRR. **Conclusion:** This study concludes that the LGU-Bongao shall employ the Organization Development approach as the primary modality in addressing the overarching issues and problems gauged from the environmental scanning. The adoption of Organization Development approach shall lead the LGU-Bongao to the institutionalization of LEE department and operationalize income generating facilities and service deliveries. Thus, the LGU-Bongao shall will be meeting the needs of the community while improving its financial health as an institution.

Keywords: local governance, local economic enterprises, organizational development, local development, revenue generation, service delivery, facility needs

Introduction

The Local Government Unit (LGU) of the municipality of Bongao, Tawi-Tawi was established in 1958 by virtue of Executive Order No. 355 under the administration of former President Carlos P. Garcia. Bongao is a 2nd class municipality that is governed by the Local Government Code (Republic Act 7160) and the Bangsamoro Autonomous Region in Muslim Mindanao (Republic Act 11054) after it repealed Autonomous Region in Muslim Mindanao (Republic Act 6734) as amended by Republic Act 9054 in 2019.

As governed by R.A. 7160, the local bureaucracy of the LGU-Bongao exercises executive and legislative powers. The executive department is headed by the Municipal Mayor or Local Chief Executive (Mayor or LCE) who administers (7) mandated offices. The legislative department, also known as the Sangguniang Bayan (SB), is composed of the Vice-Mayor, as the head or chairperson and the nine (9)

Municipal Councilors. The LGU-Bongao is a composite of (10) offices with (83) personnel serving over 116,118 (PSA, 2020) people in the municipality.

Due to the complications in the devolution of the (now defunct) ARMM Act (Republic Act 6734), the LGU-Bongao lacks several essential offices such as the Municipal Social Welfare and Development Office (MSWDO), the Municipal Agricultural Office (MAO), and the Municipal Environment and Natural Resources Office (MENRO). Moreover, the LGU has yet to institutionalize some development offices like the Local Environment and Natural Resources Office (LENRO), the Municipal Tourism Office (MTO), and the Local Economic Enterprise which is now known as the Local Economic Development and Investment Promotions Office (LEDIPO) as per the Department of the Interior and Local Government (DILG) Memorandum Circular No. 20-167 issued in 2020. These departments are vital in ensuring inclusive socio-economic growth and environmental protection and conservation in the municipality.

Although the LGU does not have an institutionalized LEDIP Office, it has constructed a municipal public market facility that operates as its major service and business enterprise. The public market facility was placed under the supervision of the Municipal Treasurer's Office (MTO) which head, the Municipal Treasurer, has been designated as the Acting Market Supervisor. The said facility was also created with an adjudicating board to reinforce Municipal Ordinance 191-2010 also known as Market Management Ordinance of 2010.

From 2014 to 2018, LGU-Bongao's average total revenue amounted to Php 167 million. Almost 94.29% or Php 157 million came from its share from the national taxes which is called the Internal Revenue Allotment (IRA). The business and service income accounted for only 3.64% or Php 6 million of the total revenues, including the collections from the operations of the public market facility. The remaining balance of 2.03% comes from tax revenues, shares, grants and donations. Similar to the majority of the LGUs in the country, LGU-Bongao is heavily dependent on IRA funds. The IRA of the municipality of Bongao is typically allotted for key expenditures such as the Personal Services (PS), Maintenance and Other Operating Expenses (MOOE) and Capital Outlay (CO). The MOOE and PS accounted for the highest expenditure allocation at 60% and 33%, respectively. In 2014, the LGU had a total deficit of Php 463,685.00 but, subsequently over the next four years, it has maintained a positive financial performance with a significant increase in 2017.

As indicated in the Comprehensive Land Use Plan (CLUP), the LGU has acknowledged that poor local revenue generation is a constant development constraint over the past years which largely explained the underlying reasons for its dependency on IRA funds. It has pointed out that there is a need to increase awareness on the part of the LGU personnel to maximize its revenue generation capacity. The institutionalization of the LEDIPO serves as one avenue for the LGU of Bongao to head start a substantial revenue-generation from economic enterprising initiatives.

Method

This paper adopted a qualitative method through a Case Study approach that integrated the principles of Problem Tree, Objective Tree, Decision Tree, and Stakeholder analyses as main analytical tools. The Problem Tree Analysis (PTA) was utilized to identify the root problem in the situational analysis, as well as its causes and effects. The Stakeholder Analysis (SA) identified the individuals or organizations that are affected or can highly influence the operationalization of LGU-Bongao with regards to LEDIP operations. It also contributed to determining the interrelatedness of the individuals or organizations in the analytical tools or the level of influence of each factor to the key stakeholders. An Objective Tree Analysis (OTA) was carried-out to ensure that the core problem of the LGU-Bongao is clearly targeted. It also identified organizational approaches that may potentially resolve the issues in the Problem Tree Analysis. The Decision Tree Analysis (DTA) evaluated the most fitted organizational approach to be adopted by the LGU-Bongao. The DTA also incorporates the net present value (NPV) and the internal rate of return (IRR) as key decision criteria in choosing the most appropriate organizational approach that may potentially resolve the internal and external problems of LGU-Bongao.

This study is supported with relevant data and information using the analytical tools and processes. Key informant interviews and discussions with the Municipal Mayor, Administrative Officer,

HR Head, Members of the Public Market Adjudication Board, Market Supervisor, Budget Officer, Treasury Officer, members of the Sangguniang Bayan, and other key personnel were conducted as a supplementary source of data and information.

Results

Situational Analysis

Key factors were identified through the analytical lenses of the PTA to describe the emerging facility needs in the municipality of Bongao that may be addressed by the LGU through enterprise development projects. First, there is a need for management decentralization of the Chinese Pier Facility. Several functions were not devolved by the BARMM administration to the municipal level. This included the regional management of the seaports by the Regional Port Management and Authority (RPMA) which also manages the local docking area called “*Chinese Pier*” that accommodates smaller cargo and passenger motorized vessels or “*lantsa*” from other municipalities of the province. Aside from the *Chinese Pier*, there are also (5) more local docking areas in the municipality that are fully operational without being regulated by the LGU or any agency. These local docking areas served as the ingress and egress point of goods from nearby countries like Malaysia and Indonesia usually transporting rice, oil, gas, and other commodities that are being brought and distributed in the municipality without going through standard regulations.

In addition, there is a lack of overland transport terminal management systems. The ‘tricycles’ or motorcycles with a single-wheeled cab are the primary public transport vehicles in the municipality of Bongao. According to the LGU-Bongao, there are around 1,000 registered tricycle drivers in the area that catered to 35 barangays of the municipality. Since the LGU-Bongao has not yet established overland transport terminals, it utilizes the three parking areas inside the public market facility as terminal points for tricycles and collects a parking fee of Php 2.00 per day for using the parking area as a passenger station. However, it has caused congestion that resulted in traffic inside the public market vicinity. The public market is considered as the most congested area in the municipality.

Furthermore, there is a need for facility support for the major industries in the province. The Province of Tawi-Tawi is an archipelagic province composed of 106 islands and islets. It is known for its rich aquamarine grounds that serve as a home for upscale fishery and aquatic products. Thus, the primary livelihood of the locals is heavily dependent on the ocean. In the Municipality of Bongao alone, there are 9,501 registered fishermen (almost 10% of the municipal population), but according to the LGU, the actual number is far higher than what was listed in the municipal records. However, in the Province of Tawi-Tawi, the population engaged in aquaculture is more dominant than those who are in fish capture. Tawi-Tawi is known as one of the largest producers of raw dried seaweed in the country. This implies that dominant industries in the province are under the fisheries sector and aquaculture production is the most dominant industry and accounts for 73.8% of the total fishery production in the ARMM region (PSA, 2017). Tawi-Tawi contributed a total of 81,196.3 metric tons of fishery products for the third quarter of 2017. However, the municipality does not have enough facility like a seaweed buying station to support the seaweed farmers in the municipality or a major fish port to properly accommodate and regulate fishery products. This leads to dangerous fishery practices that affect both the environment and the consumers. For instance, fish catches are directly being brought by the fishermen to the public market without going through standard inspections or regulations. This practice puts public health in danger and at the same time, delineates environmental resources since fish capture practices are not assessed.

Lastly, the LGU-Bongao has long been heavily dependent on its IRA funds with a total average of 94.29% recorded for the last (5) years. It only has a total average of 3.64% service and business income accounted for from its LEE operations, primarily from operations of the public market facilities inclusive of leasing and parking fees.

Problem Tree Analysis

To ascertain the core problem of the LGU-Bongao that affects the fulfilment of its mandate anchored to developing a self-reliant community and strong financial capacity, this study utilizes the Problem Tree Analysis. According to the European Integrated Office (2011), Problem Tree Analysis includes primarily the identification of the main problem and the cause-and-effect relationships between various issues. Problem Tree Analysis (PTA) is a tool to map out the detailed causes of a complex situation (Glassglow, 2012). Its structure effectively illustrates the relationships between the causes and effects of diverse circumstances. It also aids in identifying which of the factors are viable for solutions as well as factors that cannot be influenced in the present situation. The PTA may help to determine the impact of these factors on the available opportunities for the organization. The Overseas Development Institute (2009) stated several benefits of developing a PTA as an analytical tool in any kind of program

planning, this includes identifying the ‘real and current’ issues of an organization; prioritization of complex problems or issues by defragging them into smaller thus more manageable situations; provides more understanding on the linkages of identified factors; determines political actors; helps to reveal the key resources needed for problem-solving; aids to establish a shared sense of understanding of organizational objectives, as well as identify courses of action that are necessary to achieve the desired situation.

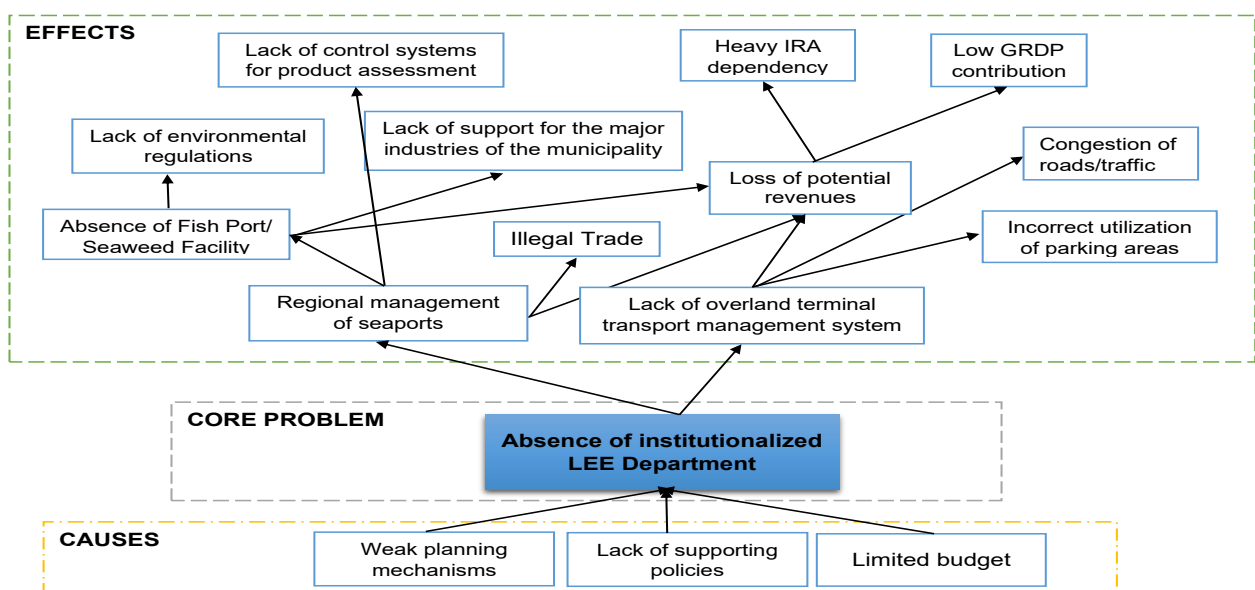
The key purpose of this tool is to warrant that the ‘root cause’ is identified and subsequently addressed in the strategic planning, and not just the symptoms of the problems. Figure 1 below shows that the core problem of revenue generation and lack of service and facility provision of the LGU-Bongao is the absence of an institutionalized local economic enterprise sector from its organizational structure. This results in loss of potential revenues from operating facilities like transport systems and local ports. In the long run, these factors contribute to the low GRDP contribution and poverty incidence rate of the province.

Since the main problem of the enterprising activities and revenue generation of the LGU-Bongao has been identified, it is equally important to identify ‘who’ are mostly affected by the organization’s core problem and can highly influence the achievement of organizational objectives. A stakeholder is defined by Edward Freeman as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. The stakeholder’s roles and interests will be the key information as to how the organization should address the problems in the strategy formulation (European Integration Office, 2011). Stakeholders are individuals, groups, or organizations where participation may depend on the level of interest and understanding of the problems and solutions that may cause a positive or negative impact on a program or organization (Allen&Kilvington, 2010). The SA is also defined as an “approach, a tool or set of tools for generating knowledge about actors – individuals and organizations – to understand their behavior, intentions, interrelation and interests; and for assessing the influence and resources they bring to bear on decision-making or implementation processes” (Brugha&Varvasovszky, 2000). The objective of SA is to make known the stakeholders’ interests to the decision makers – it will make forecasting easier, take hold of the support of the powerful stakeholders, and develop the communication channels towards different user groups that may result in generating more information so that organizations will know and improve their services or products (Chartered Management Institute, 2014).

This study utilizes the Stakeholder Analysis Matrix 1 of the guidelines of the Logical Framework Approach by AusAID (2000) and identified six principal stakeholders of LGU-Bongao based on the internal and external analyses (Table 1).

Table 1

Figure 1 Problem Tree Analysis



Stakeholder Analysis

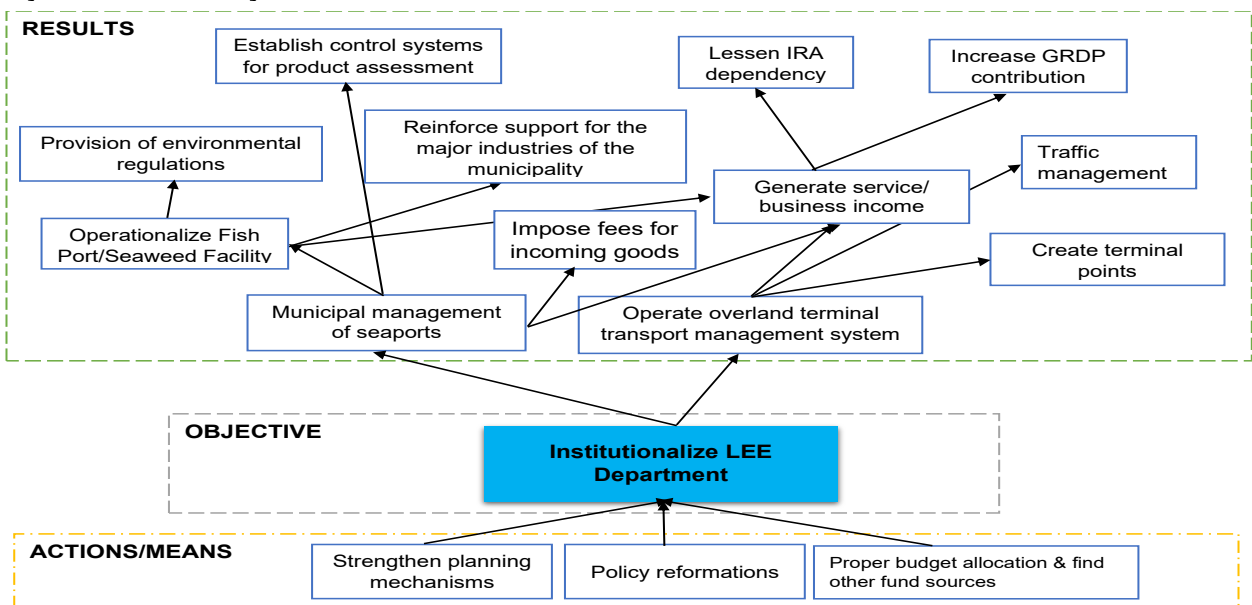
Objective Tree Analysis

Objective Tree Analysis was used to derive a precise and viable solution to the issues and opportunities identified through the Problem Tree Analysis. The Objective Tree Analysis (OTA) or also known as the solution tree is usually developed after the PTA. OTA has an identical structure with the PTA though it contains positive statements converted from the negative statements of the PTA that lead toward the composition of the program’s narrative description (Australian Agency for International Development, 2000). This modification transforms the root causes into root solutions (USAID, 2015) that visualizes a means-end relationship (Asian Development Bank, 2005). According to Burnet Institute (2009), a sound OTA considers the affected stakeholders at every level; outlines priorities among the derived outcomes; gives a better understanding of the situation’s issues, context, and stakeholders; and presents how the organizational change must take place.

Figure 2 shows the OTA which is composed of positive statements converted from the negative statements of the Problem Tree Analysis. The purpose of utilizing this tool is to directly transform the core issue identified in the PTA to become the major objective in the organizational approach proposal. This is to ensure that the core problem is targeted in the overall development program. Through OTA, three developmental approaches were identified, such as Local Development, Product or Service Development, and Organization Development.

Figure 2

Objective Tree Analysis



Decision Tree Analysis

To identify the most accurate organizational process, this study conducted a Decision Tree Analysis (Figure 3). Decision Tree Analysis (DTA) is defined as a graphical illustration of an accurate decision problem that provides a clear representation of the manner the decision was made or will be made (Eriksen & Keller, 2001). Decision trees outline alternatives and determine the benefit or value of each option (Greenwood & White, 2006), one of its most significant characteristics is breaking down a complex decision-making process into easier options thus leading to a more simple or comprehensible method (Safavian, 1991). Moreover, a decision tree is a pictorial illustration that provides a probability for each factor through a procedural identification of actions to be taken logically and sequentially (Marsh, 1993). The use of DTA handles both the categorical and numerical data and it efficiently manages multi-output

problems (Gupta et al., 2017). The decision tree developed in this study was used to evaluate three organizational processes that may potentially address the issues identified in the PTA and carry out the objectives in the OTA, namely: Local Development, Product or Service Development, and Organization Development.

To identify the most profitable organizational approach, the factors in the DTA included an average of 5-year expenses, an average of 5-year projected revenues, Net Present Value (NPV), and Internal Rate of Return (IRR). The computation of NPV and IRR assumed an initial investment of Php 5,000,000.00 and a discount rate of 10%.

Local Development

Local Development (LD) is defined as a process and an outcome. As a process, it integrates different groups of stakeholders (civil society organizations, local communities, LGUs, private sector and national institutions) to work and produce complex stakeholder actions and interactions at the local level. As an outcome, it is defined as a collaborative response to a desired change through the creation of an enabling environment for services and economic opportunities to improve quality of life of the community (UNDP, 2016). The adoption of the LD concept to improve the LGU's planning perspective would enable it to focus its programs in enhancing skills development and building up key resources to achieve inclusive growth through the Local Development framework. In skills development, the LGU shall enjoin community participation in the identification of desired interventions that would capacitate the latter to take part in the livelihood opportunities provided to them which may include taking part in the economic enterprises that will be established by the LGU. To complement skills development, the adoption of the LD concept in development planning would also lead the LGU to develop its local resources that will provide the avenues in ramping up resource-generation activities through increased community participation in livelihood programs resulting from the development of such resources. An immediate outcome of the LD-based planning is expected to result in producing an enabling environment for the local industries such as support facilities for the seaweed or fishery sectors. The LGU shall develop local resources into socio-economic projects and build linkages to generate external support from line agencies.

Product or Service Development

The second development approach is Product or Service Development, which is developing a new product or service delivery by the LGU. The adoption of this strategy will lead the LGU to strengthen its strategic planning mechanisms and create supporting policies to directly establish and operate new LEE mechanisms, similar to operational system of its public market facility. The financial requirements will be ideally charged to the development fund but if it is not sufficient, it can borrow or seek for partnership or donations from other institutions. This will lead the LGU to identify key resources of the municipality and operationalize LEE units that will support the operations of these resources. On the other hand, the LGU may also identify developmental gaps or primary needs of its constituents for service deliverables, and create LEE units to fill and address these needs. The adoption of this approach will enable the LGU to increase its revenue generation capacity through operationalizing LEE channels. However, it must be taken note that this strategy will not lead to establishing the institutionalization of LEE department in the LGU. It will directly create and operationalize LEE units with adjunct committees from current LGU personnel similar to its management of public market facility.

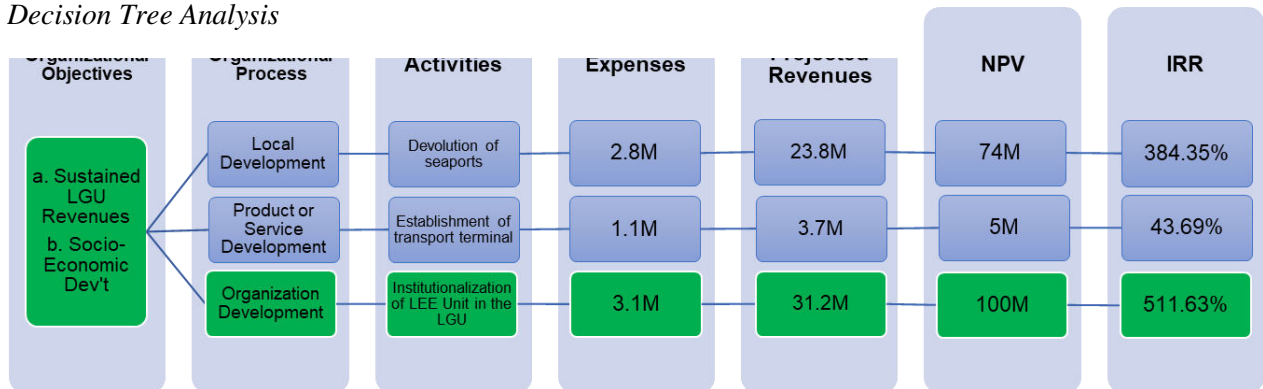
Organization Development

Beckhard (1969) defined OD as an effort, planned, organization wide, and managed from the top, to increase organization effectiveness and health through planned intervention in the organization's "processes", using behavioral-science knowledge." Burke and Bradford (2005), defined OD as: "Based on a set of values, largely humanistic; application of the behavioral sciences; and open systems theory, organization development is a systemwide process of planned change aimed toward improving overall organization effectiveness by way of enhanced congruence of such key organizational dimensions as external environment, mission, strategy, leadership, culture, structure, information and reward systems, and work policies and procedures." The adoption of the OD concept will lead the LGU to optimize the

three stated actions or means from the OTA to achieve the objectives. The LGU will improve its planning process towards organizational objective, create policies to establish LEE department, and appropriate budget to develop its organizational structure by putting up key resources in place to achieve desired organizational goals. More specifically, the expected initial outcome of the OD-based planning will result in the creation of the LEE department to manage the operations of development activities. This pertains to operationalizing viable and required LEE units as channels in addressing organizational and public needs. This department will ensure the effectiveness, coordination, and success of the strategic implementation.

Figure 3

Decision Tree Analysis



Discussion

Since the 1930s, particularly after World War II, Public Enterprises (PEs) or Local Economic Enterprises (LEEs) were primarily established to fill market deficits and address capital shortages, advance economic growth, increase employment, and uphold government control over national economic direction (United Nations, 2008). The Local Government Code (LGC) decentralized the main responsibility of providing priority service deliveries including infrastructures from the national government to the LGUs (SEPO, 2010). The provisions herein decentralize the function of establishing accountable, efficient, and dynamic operations and mechanisms to the LGUs, intended to meet the priority needs and service requirements of its constituents. LEEs are considered as major modalities in driving the local economy so that communities will become self-reliant and attain full potentials economically, socially, and environmentally (DBM, 2016).

LEEs may include public markets, slaughterhouses, health facilities, parking areas, cemeteries, sports, recreational and cultural facilities, water or power supply and distribution utilities, telecommunications, solid waste management, public transport, terminal services, and others. Today, a substantial number of LGUs are venturing in non-traditional types of LEEs like shopping malls, hotels, recreational facilities, state-of-the-art hotels, asphalt batching plants, and tomato processing plants. LGUs are creating and operating LEEs to diversify their local revenue streams and generate greater local economic development through the LGU’s “catalytic” investments. In line with this, LGUs claim that LEEs will push more private sector investments in related sectors (Manasan& Castel, 2010).

As perceived by the Problem Tree Analysis, the priority needs of the locality of Bongao emerges from a spectrum of factors that would require a nudge on the service delivery of the LGU. The need for the decentralization of the seaport management on its Chinese Pier facility is a prerequisite to deploy regulations and sanctions in environment, social, economic, and other areas in the locality. Ports contribute to the economic development in coastal areas as it entails more infrastructures, provisions, and associated services as goods and passengers increase annually (Dwarakish& Salim, 2015). The government may implement port governance structures with clear policy goals to achieve sustainability in its operations (Notteboom, 2021). Devolution is considered as one of the transformations in the port

governance models. It has given port governing bodies broader role, autonomy, and responsibility that expands outside the operations of the port itself (Caldeirinha et.al., 2018).

In addition, establishment of fish port and post-harvest facilities are vital for the full development of the fisheries sector in the Philippines. The dispersed fishing areas including the Sulu Sea need strategic landing ports for storing, selling, processing, or shipping to markets (Mendoza, 1996). The fishery sector accounts for around 5% of GNP that employs about a million people in the country. However, the small-scale fisherfolk belong to the poorest sector of the population. The scarcity of fish port facilities results in substantial losses that affect development in respective areas (JICA, 2003).

Moreover, the province of Tawi-Tawi is one of the major producers of raw dried seaweeds (RDS) in the country, it accounts for about 91% seaweed farmable area in the BARMM region and employs around 120,000 individuals (BFAR, 2018). Processing of RDS usually takes place in Denmark, France, USA, and Philippines to produce three major types: alcohol processed refined carrageenan; potassium chloride processed RCs; and SRC, also known as Philippine Natural Grade (PNG) usually used as binders, stabilizers, or emulsifiers in different industries (DA-BFAR, 2000). However, most of the RDS in the province is brought to Zamboanga and Cebu. It has been the aspirations of the stakeholders to have processing plants or buying stations in the province; they believe that this is the most logical long-term solution for the price fluctuation caused by the complex supply chain which may ease hardships among the seaweed farmers (BFAR, 2018). Another option is the establishment of a seaweed buying station facility that may be regulated by the LGU. It may help in standardizing the quality and regulate the demand and supply of the RDS.

Finally, the primary goals of the transport system are accessibility between and mobility within the islands. Efficient transport is critical for strengthening economic growth (Asian Development Bank, 2012). The country's Transport Vision perceives that mobility is a basic need that must be provided by the government (NEDA, 2017). The regulations and management of this sector are decentralized to the local government units and one of the responsibilities of the LGU is to identify and designate viable routes and terminals of tricycles in the municipality. This is to organize the municipality's transport system, regulate fare pricing, and promote a sound and convenient environment for the public (House Bill 4197 s. 2019).

The role of public participation in planning and policy development processes in the government is definite. The views and needs of different sectors in the society are crucial in the development of all-inclusive programs. To attain this, the public sector must ensure that stakeholders are heard and included in its program processes. A stakeholder is defined as an actor (whether an individual or organization) that has a vested interest in a policy or a program (Schmeer, 2000). Assessing the stakeholders may help to determine the level of their influence and resources that may affect the decision making or implementation process of a program (Brugha&Varvasovszky, 2000). As well as develop a more focused project strategy (Kennon et. al., 2009). In the public sector, the stakeholders are primarily involved in the Participatory Development that envisions to achieve sustainability in poverty relief, and ensure that project implementations are sound (McArthur, 1997).

Three potential approaches were derived as viable methods in addressing the results of this study; these are Local Development, Product or Service Development, and Organization Development. Local Development is intended to address various challenges in the major industries of the municipality. This may primarily lead the LGU to establish a developmental facilities that involves the processing for the decentralization of the management of the local docking port "*Chinese Pier*". Should the LGU choose to deploy this approach, it has an estimated annual cost of 2.8 million which is inclusive to the personal services requirement. Its projected revenue is Php 23.8 million annually as referenced to the financial statements of the RPMA. This investment has a total of Php 74 million NPV and 384.35% IRR for 5 years from initial year of implementation. On the other hand, the Product or Service Development would lead the LGU-Bongao to develop key products or services that will have a significant impact on the social or economic status of the municipality. One potential mechanism is the establishment of an overland transport terminal management system that will address the current need of the municipality for a better transport and traffic system. This modality will require an average of Php 1.1 million expense from the LGU and Php 3.7 million projected revenue annually. It has a Php 5 million NPV and 43.69% IRR.

Finally, the Organization Development approach will enhance the organizational capacity of the LGU to deliver more efficient and effective services to its constituents. The 2017 CLUP of the LGU-Bongao has identified the lack of awareness on the part of its personnel in maximizing its revenue generating capacity as one of the major reasons for its poor local revenues. Organization Development approach may be employed to drive organizational change. This may include the identification of strengths, weaknesses, and potential opportunities to add more value to the organization and develop shared value among its employees (Anderson, 2017). The LGU-Bongao may utilize this approach to capacitate its employees towards the improvement of the LGU's revenue generation practices. It may include the establishment of an LEE department in the organizational structure of the LGU to operate economic enterprises for increasing business and service incomes and at the same time, address diverse socio-economic issues. The estimated expense of Organization Development approach is Php 3.1 million and projected revenues amounts to Php 31.2 million annually. It yielded the highest NPV and IRR with Php 100 million and 511% respectively.

Conclusion

The goal of efficient and effective management is nation building. Since LGUs serve as fortresses of community development, the continuous pursuit of service delivery improvement is significant. As for the LGU-Bongao, since its administrative power poses a great level of influence for both provincial and regional levels, its accomplishments will certainly strengthen organizational and industrial networks towards uplifting the socio-economic status of its constituents and neighboring provinces. Moreover, successful LGUs generally utilizes its dual nature in diversifying income streams and eventually creating a strong financial position through local economic enterprises.

To address the issues and challenges around LGU-Bongao, the LGU-Bongao may adopt the Organizational Development approach to address its internal and external challenges. As per the results of this study, the Organization Development approach is the best option to be adopted by the LGU-Bongao since it yielded the highest financial projection with over Php 100,000,000.00 NPV and 511% IRR; as compared to Local Development Strategy with over Php 74,000,000.00 NPV and 384% IRR and Product or Service Development Strategy with over Php 5,000,000.00 NPV and 43% IRR. In addition, the OTA has identified the institutionalization of the LEE department (LEDIPO) in the organizational structure of the LGU-Bongao as the key action in the development approach. This action can be effectively achieved through the OD approach which is also expected to result in establishing LEE mechanisms that will address sectoral issues and challenges that are expected to improve the socio-economic development of the locality and at the same time, strengthen the financial health of the LGU-Bongao.

Declaration of Ownership This report is my original work.

Conflict of Interest None.

Ethical Clearance This study was approved by my institution.

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