



# DOCUMENTATION

April 2011

## OVERVIEW

Providing water for the poor remains a major challenge for the Philippines. Many local communities in the country are still considered waterless, characterized by lack of quality and safe drinking water, as well as lack of sanitary toilets. The inadequacy in water results to further problems including poor health and sanitation including bad attack of water-borne diseases.

Unfortunately, waterless local communities also do not have sufficient capacity to enable them to have greater access to clean water facilities; opportunities and support for developing water utilities are lacking, and local investments for water utility development are inadequate.

It is for these reasons that the MDG-Fund 1919, in collaboration with the University of the Philippines National College of Public Administration and Governance (UP NCPAG), the Department of Interior and Local Government (DILG), the National Economic and Development Authority (NEDA), and the National Water Resource Board (NWRB), moved toward getting stakeholders together through a series of activities that aimed to identify issues in the water sector and the corresponding policy actions to address such issues.

Local water governance forums were conducted in regions which are under the MDG-Fund 1919. The forums served as a platform for policy discussions which solicited the views of local chief executives, water service providers, local and regional government agencies, members of the academe, and other stakeholders on the issue

of providing greater access to water and sanitation, particularly for the poor. The UP NCPAG held a forum on “*Water for the Poor and Sound Water Resource Management*” on 15 March 2011 which was attended by stakeholders from the national and local levels, as well as from the executive and legislative branches of government and the private sector. The MDG-Fund 1919 and its partners also convened the “*National Executive-Legislative Dialogue on Water Supply and Sanitation*” held at the House of Representatives on 17 March 2011. The dialogue was a mechanism for a wider discussion and identification of pressing policy issues and necessary actions in the water and sanitation sector. The said national dialogue produced a document called “*Declaration of Commitment and Policy Action on Water and Sanitation*” which contained the collective aspirations and commitments of the different stakeholders in the sector.

Finally, the group actively participated in the celebration of *World Water Day* on 22 March 2011 which was graced by President Benigno S. Aquino III himself. The water declaration produced in the national dialogue was presented to the President during the program.

This document integrates the views, opinions, and aspirations of the different stakeholders as well as the recommendations and policy actions that are deemed necessary to provide greater access to water by the poor.

April 2011

## FORUM ON WATER FOR THE POOR AND SOUND WATER RESOURCE MANAGEMENT (UP NCPAG | 15 March 2011)

The forum on “*Water for the Poor and Sound Water Resource Management*” was held at the UP NCPAG on 15 March 2011. As part of a series of activities planned toward the celebration of World Water Day in the Philippines, the forum gathered water advocates from the private sector, government, civil society organizations and the academe to discuss important policy issues relative to water for the poor and sound water resource management, and the proposed House Bill No. 4137 or the Water Regulatory Act of 2011 which was introduced by Rep. Bernadette Herrera-Dy and Rep. Juan Edgardo Angara in the House of Representatives.

The forum was fortunate to have Rep. Herrera-Dy in the forum to present the provisions of HB 4137. Herrera-Dy noted the following as the salient features of the bill:

- It prioritizes universal access to safe, adequate, affordable and sustainable water supply and sanitation through mechanisms such as encouraging leadership of the private sector, creating a transparent regulatory climate to encourage investments in water and sanitation, and providing incentives for potential investors;
- It aims to create a Water Regulatory Commission that will serve as an apex body responsible for integrating the



*Rep. Bernadette Herrera-Dy discussing the proposed Water Regulatory Act of 2011.*

regulatory functions of different government agencies under a currently fragmented water regulatory framework, identifying its powers, responsibilities and functions, and determining its composition and regulatory units;

- It seeks to regulate the activities of all water supply and/or sanitation services by introducing a registration and licensing system, and defines the duties and rights of licensees under the law.

The forum also served as a platform for the presentation of the result of the policy research conducted by a team of researchers headed by Dr. Edna Estifania Co, Dean of the UP NCPAG. The research focused on three aspects which are: Water for the Poor, Water Resource Management in the Philippines, and Economic Regulation of Water Supply in the Philippines, the reports of which were prepared by Ms. Frances Fatima Cabana, Atty. Mark Anthony Gamboa, and Mr. Charlie Cabotaje, respectively. Atty. Gamboa was responsible for the presentation of the findings of the said research; the same findings were also presented by Dr. Co in the “*National Executive-Legislative Dialogue on Water Supply and Sanitation*” (highlights of the presentation were incorporated in the documentation of the national dialogue (see page 11).

After the presentations, participants were engaged in an open discussion to solicit comments, reactions and views on the proposed act and the findings of the research, as well as other issues that are relevant in the water sector. The open forum underscored the following issues and responses:

- It is good that the proposed bill cited the problems on lack of water supply; however, it is lacking in terms of the developmental aspect. There is so much focus on regulation, licensing, etc. but if we really want to “bring” water to those who really need it, there should also be a reflection on the developmental aspect of the issue.
- The private sector is driven by profit and it will never go to the remote areas where it would be too expensive to set up piping systems. There should be

alternatives to Level 3 or household-based water distribution system, such as communal reservoirs or other micro-potable water systems (not piped system).

- Water sector policies should not only focus on the regulatory aspect, but also on the developmental aspect. Therefore, government agencies with developmental focus should be involved in the sector.
- Ms. Aurora Villaluna of the Philippine Ecosan Network shared information on the policy called the President’s Priority Program on Water (P3W) which targets to help the poorest and waterless municipalities in the country. According to her, P3W is “not an investment” but an innovation that sets to fund the operation and maintenance of Level II water facility.
- Ms. Olivia la O’ Castillo shared that the United Nations Secretary-General’s Advisory Board on Water and Sanitation (UNSGAB) will soon launch a program on “wastewater revolution.” She related the information that Korea, Singapore and Japan are into recycling water. Such policy can be adopted (mandated) also in the Philippines particularly in agriculture which is also highly dependent on water. She also noted that there are best practices that can be demonstrated to show that wastewater recycling is possible; the participant called for the researchers to explore on such recommendation.
- Former mayor Mary Jane Ortega of San Fernando City, La Union shared her experience relative to an effort to implement policies on sewerage and drainage. She related that San Fernando



City was borrowing an amount for this purpose, but was advised that LGUs' mandate is on drainage and water regulation. Because sewerage is under the LWUA, a national government agency, San Fernando City was allowed to borrow an amount that can be used only for financing drainage, but not for sewerage.

- Former mayor Ortega shared a case of successful PPP on septage management. USAID provided technical assistance; Rotary International and Global for financing; and the city's counterpart is the land. Very soon the septage treatment facility in San Fernando will be available. She also recounted why septage management is important. *"Whenever you have septage or sludge dislodged from the septic tank, do you know where it goes?"* she asked. In San Fernando City, the nearest septage facility is in Baguio or Lingayen. Are we sure these are brought to Baguio or Lingayen? At night, the septage may have been dislodged in the bay or in the sea. This is where lies the importance of the septage treatment facility, she said.
- The former mayor emphasized that when we talk of water resource, we should also talk about preservation of water as a resource. Therefore, septage management and waste water treatment should also be taken into consideration – these are not alien to water resource management.
- Recognizing that the forum's output shall be transmitted to President Aquino during the World Water Day, Ms. Aurora Villaluna suggested that the members of the group should prioritize what they want to say to the President

and how to effectively say these. She noted that the whole gamut of water resource management is very broad so it is necessary to take this one set at a time. She particularly mentioned that economic regulation is a major piece in this playing field.

- Based on his experience, one participant noted the inefficiency of the government in issuing water permit. For example, there is an assisted-project on water, but the permit has not yet been issued. The NWRB (with office based in Manila) is slow in servicing (issuing permits) in the rural areas according to him. There is a case where the project has been completed even before the permit was issued. The implementation of the project continued even without the permit; otherwise funds / grants would have been forfeited.
- In terms of tariff setting, one participant observed that it is easy to get consumers' signatures or acceptance for increase in rates provided that they are educated properly. With the increase, however, real improvements in service provision and quality of water should be enforced.

# NATIONAL EXECUTIVE-LEGISLATIVE DIALOGUE ON WATER SUPPLY AND SANITATION

(House of Representatives | 17 March 2011)

The National Executive-Legislative dialogue is one of the major activities of the Joint Programme on *“Enhancing Access to and Provision of Water Services with the Active Participation of the Poor”* which is funded by the Millennium Development Goal Achievement Fund 1919 (MDG-F 1919). It is a one-day event organized to convene members of the Senate and House of Representatives who are directly involved in water-related committees, heads of national government agencies who have a role in implementing water resource management and sanitation policies, selected water resource providers and representatives from the academe and civil society.

The National Executive-Legislative dialogue is designed to introduce and incorporate the results of the local water governance forums with the activity outputs (breakout session) of the national dialogue. The activity outputs are categorized under three prevailing themes on water and sanitation namely, water resource management, economic regulation and water supply for the poor. It is envisioned that the national dialogue will provide a venue to ensure a participatory and collaborative process in formulating a clear national policy action on water supply and sanitation that is acceptable to all stakeholders.

## OPENING CEREMONY

### Welcome Remarks

Dr. Edna Estifania A. Co  
Dean, UP-NCPAG



Organizers of this event include the National Economic Development Authority (NEDA), Millennium Development Goal Achievement Fund 1919 (MDG-F 1919), the National Water

Resources Board (NWRB), Department of Interior and Local Government (DILG) and the University of the Philippines National College of Public Administration and Governance (NCPAG).

- The national dialogue is undertaken to reaffirm our commitment to the Millennium Development Goals (MDGs) and reduce the water problem by 50%.
- The national dialogue is in support of the World Water Day celebration on 22 March 2011.
- Prior to the national dialogue, parallel activities have been undertaken at the local level. The results of the local dialogue will be presented at the national level.
- Executive and legislative endeavor to determine the situation in water and identify the appropriate water policy.

- The dialogues aim to capture all the perspectives and viewpoints of involved stakeholders on water supply and sanitation.
- The role of the academe is to convene the dialogue to facilitate the process and to document the results of the dialogue.
- Breakout sessions are intended to thoroughly examine the issues on water and sanitation. The results will be discussed in the plenary.
- The output of these dialogues is a declaration of commitment for policy action on water and sanitation.
- Invited everyone to actively participate in the dialogue.

### **Background of the Millennium Development Goal Achievement Fund (MDG-F) 1919**

Dick J. Borbe

*Outcome Officer, MDGF 1919*



- There was a prior commitment from the Arroyo administration to fulfill the MDG goal number 7: 50% reduction in the inaccessibility to safe, adequate and sustainable water supply. Hence, the 2004-2010 MTPDP targets the provision of potable water throughout the country especially in the 432 waterless municipalities.
- But perennial issues in the water sector persist: institutional fragmentation, lack

of an executive-legislative sector champion, inadequate support for rural water supply, low tariff and cost-recovery level, low performance of water utilities, weak and fragmented regulatory framework, sector investment and financing, lack of water supply sector information.

- Hence, there is a need to strengthen institutions, build alliances and develop capacities.
- The MDG-F 1919 is a 3 year joint programme implemented by NEDA, DILG, NWRB, UNDP and UNICEF.
- MDG-F 1919 aims to create the environment for a sustained infrastructure provision and sustainable water supply systems.
  - Priority on 36 waterless municipalities in 5 regions.
  - Focus to solve the lack of investment and non-readiness of local communities by means of establishing support mechanisms that will facilitate investments in water utility expansions (eg. incentive mechanisms and partnership modalities) and enhance local capacity through mentoring mechanisms and IEC programs.
- Emphasize the value of participation and bottom-up approach in decision-making and planning.
- 4th MDG report reveals: 1 out of 5 Filipinos have no access to safe water supply. There is medium probability to achieve the MDG target on water supply and there is necessity to have a clear national policy on water.

- Research indicates that water supply projects are not prioritized by Local Chief Executives (LCEs), there is passivity of local communities to their inaccessibility to clean potable water.
- The Local Water Governance Forum (LWGF) serves as an opportunity to reassess the local agenda, prioritize water supply in the local agenda, formulate local policies that will address water issues, to create an opportunity for local stakeholders to have influence and ownership of national policies on water supply.
- Executive-legislative dialogue: a venue to find coherence and convergence in policies implemented at the local and national level.
- Expected outcomes of the executive-legislative dialogue:
  - Receive experts' and local inputs and recommendations on key reforms needed.
  - Commitment in implementing agreed policies to improve access.
  - Agreement on specific recommendations to propose for adoption and implementation by the executive and legislative, donor communities and civil society.

## PLENARY 1

### 1. Developments at the Local Level: Presentation of Outputs on Local Water Governance

Before the National Executive Legislative Dialogue on Water Supply and Sanitation was held, an identical program was conducted at the regional level. Five local government units conducted their own water forum in order to gather and consolidate data and suggestions specific to their localities. The results of these regional discussions were presented during the national dialogue as part of the input of the LGUs in the drafting of the "*Declaration of Commitment for Policy Action on Water and Sanitation.*"

#### 1.1 Region 2

Region 2's report highlights the fact that it is endowed with a very abundant water resource. Unfortunately, water resource has been depleted over time as logging activities in the region led to the destruction of watersheds and other water resources. As a result of such depletion, the region is now facing problems on water supply. Other problems/issues identified are the following:

- Poor quality of water supply because of source contamination, leaking distribution systems, lack of appropriate sewerage treatment facilities, inconsistent application of water safety standards, and popularity of open-dug wells.
- Unsustainable access to safe and clean drinking water among Investment Coordination Committee (ICC) and coastal areas because of lack of water resource mapping.



- Lack of intensified and locally-driven Information, Education and Communication (IEC) program on Water and Sanitation (WATSAN) in the region.
- Insufficiency of funds for watershed protection.
- Lack of participation of indigenous peoples (IPs) and other disadvantaged groups on decision making regarding water governance.

Recommendations to address these problems are built around the aspect of information and education, regulation and resource mobilization. Among these recommendations are:

- Capability building on technical requirements for more appropriate water supply design and construction.
- Develop a community-responsive Local Water Code that effectively caters to the unique needs and requirements of localities in Region 2.
- Push for the development of an academic curriculum in all levels of education that includes water conservation and environmental protection.
- Integrate water resource management in Higher Education Institutes (HEIs) priority research agenda.
- Provide technical assistance to LGUs in the formulation of a responsive local water governance policies and capacity building programs.
- Streamline the process of release of funds for watershed protection to fast track the release of funds to end-users.

- Improve the composition of the WATSAN Council through the inclusion of the representatives from the academe, IPs, and other stakeholders in developing and implementing community WATSAN programs, projects and activities.

## 1.2 Region 5

Region 5's presentation focused on the commitments to improve water and sanitation services by different sectors. For the local government unit, these commitments include the following:

- Political will (enactment/enforcement of laws/ordinances orders involving access to safe and clean drinking water).
- Efficient and sustainable operation and management of its system and resources.
- Prioritize budget for water supply and sanitation programs.
- Ensure water and sanitation programs in the Executive Legislative Agenda.
- Inter-LGU and Agency cooperation (technical, operational and financial) to maximize water resource opportunities.

On the part of the Water Service Providers, they pledged to:

- Efficiently manage water facilities and systems.
- Ensure access to safe and potable water.
- Advocate water conservation and sustainable management.

Lastly, the NGOs promised to:

- Actively involved in local development and implementation of water supply and sanitation projects.
- Initiate active and strong advocacy on efficient operation, sustainable use, conservation and protection of water resources.

As a singular body, they also collectively called for the following:

- Elevate to commission level the creation of a regulatory agency for water and sanitation to strengthen the national policy on water and sanitation and the formulation and enforcement of its regulations.
- Continue monitoring the performance of LGUs on water and sanitation programs, development options, conservation and protection and apply best practices and replicate programs.
- Intensify research and Information, Education and Communication advocacy on water supply and sanitation concerns at the LGU level and to take steps in integrating “water values” subjects/courses in school and university curricula.
- Establish the regional “water database” and act as information repository on implementation and monitoring of projects on water and sanitation and the evaluation of water potability.

### 1.3 Region 10

Like the situation in Region 2, water resources in Region 10 are abundant but gravely threatened and compromised by the degradation of watersheds. In relation to this problem, water services are not equally distributed among different communities, specially the poor ones. Problems related to health have also occurred as a result of the inadequacy of water supply and sanitation services. To address these problems, Region 10 has the following proposals to different institutions:

- The National Government to give utmost priority in establishing and improving water and sanitation and; involve stakeholders, including the Indigenous Peoples in the consultation process.
- Academic and research institutions and sustainable water and sanitation alliances to collaborate in finding/developing appropriate technologies on sanitation and water resource management.
- Legislators to give priority in the allocation of funds for water and sanitation projects.
- DILG and Local Water Utilities Administration (LWUA) to intensify efforts in building the capability of local water service providers.
- Department of Environment and Natural Resources (DENR), National Commission on Indigenous Peoples (NCIP) and LGUs to impose policies regulating mining and logging activities in the Region and protect our water sources.

The report also includes the commitments of the local chief executives and the civil society. For the local chief executives, these are:

- Support water and sanitation programs by localizing and implementing policies on solid waste management, sanitation, watershed protection and rehabilitation and enforcing environmental laws.
- Integrate water and sanitation into the Medium Term Philippine Development Plan (MTPDP) and Annual Investment plan (AIP) to ensure the sustainability of the programs implemented.
- Intensify school to school campaign on solid waste management and water and sanitation.

The commitments of the civil society include:

- Support the implementation of the water and sanitation programs, and continue to respond to the call for effective management of our water resources.
- Organize into a multi-stakeholder network that would continue to work for the improvement of water supply services and facilities in Northern Mindanao.

#### 1.4 Region 9

The local water governance forum in Region 9 resulted in a document called the Dapitan Declaration. Dapitan is the name of the city where the forum was held. The Dapitan Declaration contains the following commitments:

- Provide capacity building for Barangay Water and Sanitation Associations (BAWASAs).
- Allocate annually 2%-5% of the development fund for water supply systems.
- Create a local governing body to check compliance to drinking water standards.
- Adoption of a localized customer service code.
- Strictly enforce national laws on the protection of the environment, including watersheds.
- Plant more trees every year.
- Formulate enabling local ordinances for efficient water resource management.
- Conduct IEC to increase awareness on water and environmental concerns.

The report also called for the national government and other agencies to implement the following actions:

- Increase funding support for water programs and projects.
- Review counter-parting scheme for water supply projects.
- Review existing national directives/circulars on environmental protection, and improve implementation/enforcement.
- Repeal the Mining Act.
- Push for bill creating the apex body on water.

- Strengthen institutional, financial and management capacity of LGUs and Water Service Providers (WSPs).
- Establish effective monitoring system for water supply initiatives.

## 2. Developments at the National Level

### 2.1 Highlights of the Policy Research on Water Supply and Sanitation

Dr. Edna Estifania A. Co  
Dean, UP-NCPAG



Dr. Edna Estifania Co presented the highlights of the policy research on water supply and sanitation which is a result of the study conducted by a team of researchers from

the UP-NCPAG. Dr. Co reported that:

- There is a highly fragmented and weak system of water resource management in the country, and more than 30 government agencies have water resource-related responsibilities.
- Current trends indicate that groundwater resources are overutilized.
- Conflict is present in terms of the utilization of water resources by different users, as well as in watershed management itself.
- Implementation of water resource management laws remains wanting.
- Inadequate income of WSPs does not leave room for expansion and

improvement of quality of water services.

- Different methodologies are adopted by different WSPs, but without much transparency due to lack of public information on tariff setting.
- Economic regulations are performed through different institutional arrangements;
- The water sector has been an avenue for politicking through the political maneuvering of tariff setting exercises;
- Majority of poor households do not have formal access to safe water;
- Poor families without connection spend much more than non-poor families do with formal connection to water utilities;
- Significantly low investment in the water supply sector.

In order to address the gaps and challenges in the water sector, the research team recommended the following actions:

- Institutionalization of an Integrated Water Resource Management (IWRM) as a framework for water resource management in the Philippines.
- Harnessing CSO and private sector participation in implementing and monitoring water resources laws.
- Reviewing, and amending if necessary, policies that are related to or in one way affect the environment for water resource management such as the Water Code and the Philippine Clean Water

Act, Sanitation Code, Forestry Code, among others.

- Introducing tariff reforms to reflect full cost of water service provision and ensure legitimacy of tariff setting practices.
- Creating an overall independent regulatory agency that is not influenced by any political agenda.
- Engaging in public-private partnerships (PPPs) to provide greater access for the poor.
- Rationalizing policy framework for the efficient utilization of public resources for the water supply and sanitation sector.
- Creating competition in service delivery and involving informal and small-scale operators.

## 2.2 Response

Hon. Bernadette Herrera-Dy  
*Representative, Bagong Henerasyon  
 Partylist*



On behalf of House Speaker Rep. Feliciano Belmonte, Jr., Rep. Bernadette Herrera-Dy read the response of the House of Representatives to the issues and challenges raised by the stakeholders in the water sector. The major points in the response are as follows:

- The increase of waterless municipalities in the country, from 189 in 2003 to 273 in 2009.
- Increase in water supply coverage through time has been a function of the private sector, but for most part, it has not reached the poor.
- Water shortage is not just a problem of the rural areas, but recently of the urban areas as well. According to experts, there is a 500 million liter shortage per day in Metro Manila, and this is expected to reach 2000 million liters in 2015.
- In the absence of sewerage and sanitation facilities, pollutants are able to penetrate our waterways—this allows the spread of bacteria that causes diseases, and makes water unfit for drinking and other necessity uses.
- A confluence of factors such as population increase (affects social services), climate change (alters the water cycle), and resource retrenchment in infrastructure (including water sector utilities) threaten to worsen problems in water supply and sanitation.
- All these problems will worsen unless the government acts promptly and with decisiveness.
- This called for the prioritization of a bill that would create a Water Regulatory Commission that will be responsible in rationalizing the regulation of water utilities, and in doing away with a fragmented regulatory framework that discourages investments.



For Belmonte, the creation of the Commission is based on the intention to improve the provision of water supply services in the entire country, encourage the private sector to participate in the development of water supply and septage management, and continue developing capacity for water supply services.

## 2.3 Experts' Inputs on Water Governance

### 2.3.1 Water Resource Management in the Philippines: Updates, Issues and Challenges

Ms. Rosario Aurora L. Villaluna  
*President, Philippine Ecosan Network*  
*Chair-elect, Philippine Water Partnership*  
*Executive Secretary, Streams of Knowledge*



The presentation of Ms. Villaluna discussed the present situation of water and water resources in the country, the prevailing issues on water resource management and the existing and

pending legislations related to water which prove instrumental in improving water resource management.

Ms. Villaluna provided an overview of the current water supply situation in the country and highlights on:

- Abundance of water supply but poorly managed.
- Water resources are under pressure due to economic and social developments.

- Population growth translates to higher water consumption.
- Climate change contributes to the problem of water availability.
- Water as a limited resource yet used unsustainably to fulfill personal needs.

Apart from describing the existing water situation in the country, Ms. Villaluna revealed the prevailing water resource management practices which include:

- Lack of coordination results to misuse of water and contamination of water resources.
- Proper treatment and reuse of wastewater is not popularized in the country.
- Unregulated and over-extraction of groundwater resulting to saline water intrusion, land subsidence and soil loss.
- Improvement of 14 rivers, 8 of 19 meet standards on Biochemical Oxygen Demand (BOD) and Dissolved Oxygen (DO) namely, Imus river, Mogpog river, Malaguit river, Panique river, Anayan river, Iloilo river, Luyang river and Sapangduku river. Rivers in Metro Manila exceed the criteria for BOD/ DO.
- Sources of water pollution: agricultural, industrial, solid waste and domestic.
- Based from the 1998 Master Plan Study of the Housing and Land Use Regulatory Board (HLURB), regions 3 and 4 are expected to experience water deficits by 2009 and regions 2 to 5 will have water deficits by 2025.

- The 1998 HLURB Master Plan Study and 2003 Philippine Environment Monitor reveal:
  - Steady decline of per capita water availability.
  - Metro Manila, Metro Cebu, Baguio, Angeles, Iloilo, Bacolod, Zamboanga, Davao and Cagayan de Oro are all vulnerable to water deficits.
  - Need for further treatment to improve water quality.
  - Water shortage due to dry season and contamination of water resources.
- 2010 Philippine Progress Report on the MDG: Improvements on access to sanitation facilities yet decline in water supply coverage.
- Non-regulation of water use by NWRB.
- Large water consumption on irrigation.

As sanitation is directly related to water resource management, Ms. Villaluna described the current situation in sanitation and its impact to water resource management:

- ¼ of the population have no sanitation facilities and open defecation is still practiced in both rural and urban areas.
- Unacceptable to have insufficient sanitary facilities (eg. toilets) given the improvements in technology.
- Open defecation causes contamination and water pollution.

Ms. Villaluna identified the following governance issues resulting to poor water resource management:

- Need to update water related laws.
- Lack of updated, reliable and validated water data and information.
- Need for knowledge sharing to be able to link with other existing databases.
- Conflicting and overlapping functions of regulatory agencies.
- Accountability of regulatory agencies.
- NWRB needs to improve the allocation system to ensure reliability of water supply and minimize water conflicts.
- Need to set a unifying tariff methodology for water service providers to adopt.

She likewise emphasized the role of NWRB and its resource inadequacies:

- NWRB Mandated functions: policy formulation and coordination, resource and economic regulation.
- Problems: Not enough resources to make the system work
  - Insufficient budget to perform functions
  - Limited staff
  - Studies undertaken are outdated to serve purposes of the present water situation

- Needs:
  - Undertake science-based water assessment studies to be able to formulate apt water policies
  - Update and validate data
  - Upgrade the National Water Information Network (NWIN)
  - Link the dam monitoring data
  - Data monitoring stations
  - Update river basin profiles
  - Monitor and review reservoir operation management in major dams

Ms. Villaluna emphasized the need for a sole institution to oversee water resource management. She introduced the Integrated Water Resources Management (IWRM) approach. The approach recognizes that water is a finite resource with different uses. However, its uses are interdependent and as such there is a need to have a comprehensive, holistic and sustainable approach. She highlighted the milestones of the IWRM approach which includes:

- Study on IWRM for poverty alleviation and economic development in the Pampanga River Basin.
- Projections and updating of water resources data and information to improve water allocation and make science-based decisions and policies.
- NWIN and Water and Sanitation (WATSAN) Portal sustainability.
- Monitoring and review of reservoir operation management of major dams in the country.
- Drafting of the revised Water Code of the Philippines.

- Deputation of the DENR regional offices to complement with the existing deputies.

Apart from the IWRM, other initiatives to improve water resource management are also introduced such as the:

- Implementation of the Philippine Water Supply Sector Roadmap (PWSSR)
  - NEDA subcommittee on Water Resources serves as an oversight inter-agency committee to ensure implementation of the PWSSR
  - In line with the MDG-F 1919
  - Partnerships with the Department of Health (DOH)-DILG and NAPC for the President's Priority Program on Water
- Formulation of the MTPDP 2011-2016
  - Participatory process undertaken
  - Water resources management is based on the IWRM plan framework and climate change adaptation strategy

Ms. Villaluna also highlighted the initiatives presently undertaken to improve sanitation. The initiatives are consistent with the PWSSR and have been spearheaded by the DOH. These include:

- Formulation of the National Sustainable Sanitation Plan (NSSP)
- DOH administrative order declaring sanitation as a national priority
- Preparation of the National Sewerage and Septage Management Program (NSSMP)
  - Focuses on highly urbanized cities
  - Requires national and local government budgetary support

Alongside the initiatives discussed, Ms. Villaluna enumerated the priority legislations and actions initiated by the Aquino administration which are:

- Priority legislations:
  - Water regulatory commission: Single economic regulatory agency
  - Water code of the Philippines: Inclusion of the IWRM operationalization and localization
  - National sanitation act
  - Integrated river basin management
- Priority executive actions
  - Presidential appointment of a water and sanitation czar to spearhead the preparation of the water security roadmap plan. It requires political and financial support to achieve 0% open defecation
  - Preparation of an IWRM sensitive water security roadmap plan to review and update the 1998 master plan for water resources and ensure intergenerational equity
  - Budget allocation for increased water supply and sanitation coverage. It calls for the commitment of the LGUs

Ms. Villaluna concludes her presentation by recommending the following:

- Support for a single economic regulatory agency (water regulatory commission)
- Update the Water Code of the Philippines

- National sanitation act
- Integrated river basin management

### 2.3.2 Economic Regulation of Water

Dr. Jocelyn Cuaresma  
UP-NCPAG



Dr. Jocelyn Cuaresma, Associate Professor at the UP-NCPAG, made an expert presentation on the economic regulation of water, particularly focusing on the regulatory framework in the service area of the

Metropolitan Waterworks and Sewerage System (MWSS). She cited information relevant to the areas that are subject to regulation in the water sector. Below are the highlights of the presentation:

- Areas that are subject to regulation include price, water quality, coverage and manner of provision. According to her, regulators of these areas generally assess and regulate the actual performance of service providers vis-à-vis their obligations, which come in the form of water service provision, sewerage service provision, and other customer service obligations.
- In terms of water service provision, the obligations include:
  - Providing water supply connections, including new connections
  - Ensuring continuity of water supply

- Connecting customers to a Water Main
- Complying with national drinking water standards
- Supplying water for public purposes
- Provision of water other than through the Water Main
- Sewerage service obligations include the following:
  - Providing sewerage connections, including new connections
  - Making connections to a Public Sewer
  - Complying with wastewater standards
  - Septic and sanitation cleaning
- Other service obligations include:
  - Prompt customer service
  - Advanced notice to customers in case of planned interruptions
  - Ensuring availability of alternative water supply in cases of interruptions for more than 24 hours
  - Disconnection and reconnection on due grounds
  - Submission of an “Asset Condition Report” to the MWSS Regulatory Office stating the state and condition of facilities in the service area
- Tariff adjustment can be done using three methods:
  - **“C” Factor** which pertains to the annual inflation adjustment and is based on the percentage change in the CPI as published by National Statistics Office (NSO)
  - **“E” Factor** or the Extraordinary Price Adjustment (EPA) which is based on financial consequences as a function of unforeseen events that are beyond control of concessionaires (e.g. change in government policy, amendments of service obligations)
  - **“R” Factor** or Rate Rebasing which is done on a five-year basis and is allowed for the concessionaires to be able to recover from costs
- In the East Service Area (Manila Water), the total target coverage for water supply is at 94.1% and 94.6% for years 2016 and 2021, respectively. In terms of coverage for sewer service, the target is 52% and 55% for years 2016 and 2021, respectively. In terms of sanitation, the target is 24% and 19%, for 2016 and 2021, respectively.
- In the West Service Area (Maynilad), the total target coverage for water supply is at 97.7% and 98.4% for years 2016 and 2021, respectively. In terms of coverage for sewer service, the target is 31% and 66% for years 2016 and 2021, respectively. In terms of sanitation, the target is 39% and 27%, for 2016 and 2021, respectively.

In her presentation, Dr. Cuaresma identified four agencies with regulatory functions, as far as the water sector is concerned. These are the National Water Resource Board (NWRB), Local Water Utilities Administration (LWUA), Local Government Units (LGUs), and the Metropolitan Waterworks and Sewerage System (MWSS). The specific functions of these agencies are as follows:



- NWRB: regulates water service providers including some LGU-managed water utilities in the areas of tariff, coverage and service obligations, water supply system database management.
- LWUA: capacity-building support to WSPs, specifically in terms of financial assistance and technical advice to water districts, as well as institutional support to them.
- LGUs: involved in resource regulation, provision of water supply, economic regulation, implementation of water supply programs.
- MWSS: accounting and notification functions, administration of MWSS loans, asset management, project management, among others. Cuaresma noted that MWSS functions are more of managerial and administrative rather than regulatory in nature.

Dr. Cuaresma argued that the comprehensive economic role of a regulator is to maintain balanced governance interests. In order to achieve this, she identified three categorical objectives of economic regulation which are focus-based: focus on the customer, focus on the service provider and focus on the environment. These foci have the following objectives:

- Customer-focused objectives: to ensure that water services can be availed on the basis of fair and reasonable tariffs; protect the interests of customers; ensure that customers receive the service that is due them; and guarantee water quality.
- Service provider-focused objectives: to ensure the financial viability of service providers, allow an acceptable rate of

investment, and promote the growth of public-private partnerships.

- Environment-focused objectives: towards conservation of water resources and ensure environmental sustainability.

### 2.3.3 Water Supply for the Poor

Hon. Ferdinand Marcos, Jr.

*Senate of the Philippines*



Senator Marcos briefly emphasized in his speech the extreme importance of water being a primordial human need. After this short introduction, he went on to present his assessment of the state of water and sanitation services in the country. According to him, one of the major causes of water problem is that Filipinos tend to assume that the supply of water is abundant enough to survive wastage and pollution. He explained that because of this attitude, we are now facing the following problems:

- Water resources have been so depleted that only 1/3 of the country's river basins can be classified as source of public water.
- Many areas now suffer water shortages even during rainy season.
- The discharge of domestic and industrial runoff has caused extensive pollution of receiving water bodies.
- There is remarkable spread of water-borne diseases.

To address these problems, Marcos recommends a comprehensive infrastructure program. To this end, he proposes the following programs and activities:

- Building of reservoirs for raw water supply, transmission pipelines, water treatment plants and distribution network.
- Appropriation of funds for water infrastructure by both the government and the private sector.
- Encourage or see to it that water users faithfully pay their bills.
- Upgrade the capacities of different government agencies involved in water resource management and regulation.

Marcos concluded his speech by acknowledging several positive measures taken by the government to address the water and sanitation needs of the country. He explains, however, that the rate at which these steps have been taken must be accelerated to keep pace with the growth in population and industries and to remain globally competitive.

## BREAKOUT SESSIONS

There were three topics for the breakout session namely *water resource management*, *economic regulation* and *water supply for the poor*. These topics are the prevailing themes encompassing water supply and sanitation in the country. Simultaneous with the breakout session is the media conference.

Each group has an assigned facilitator and rapporteur to document the discussion.

Based on the assigned topic, group members were given a total of 45 minutes to discuss and identify the top concerns in the water sector: three (3) guiding principles on water supply and sanitation, three (3) issues and challenges and; three (3) policy actions to address the problems identified. Representatives from each group presented their output in the plenary. The results of the breakout session are as follows:

### 1. Water Resource Management

Facilitator: Dr. Maria Faina L. Diola

Assistant Professor, UP-NCPAG

#### Guiding Principles



- **Sustainable management.**

The participants recognized that water is a finite resource with innumerable uses. Given its value, the participants

share the idea that water requires sustainable management.

- **Integrated and holistic alignment of actions.** The participants agreed that water resource management require participation and support of various stakeholders. Hence, the approach to its management should be integrated and coherent. The initiatives of different stakeholders should be aligned with the mandated functions of water regulatory agencies. However, the participants underscored the need focus on river basin management which includes watershed.

- **Participation.** The participants emphasized the value of participation especially in formulating and undertaking initiatives on water resource management. Within this context, gender sensitivity and equal representation of various stakeholders in planning, decision-making, management and implementation should be practiced.

### Issues

- **Declining water quality.** The participants explained that one of the pressing issues on water resource management is declining water quality. The discussion led to the conclusion that the decline in water quality is caused by improper sanitation and poor sewerage.
- **Degradation of watersheds.** The participants identified that the degradation of watershed areas results to the deterioration of water quantity and quality of ground water and surface water. The main causes include over exploitation of water (ground water resources) and watersheds, mismanagement of water resources and continuous mining activities. The participants also discussed the ambiguity of watersheds as being a protected area.
- **Unplanned urban development and increasing demand for water.** The participants agree that the steady growth in population alongside unplanned urban development results to a higher demand for water.
- **Fragmented, conflicting, non-integrated and non-convergence on water governance at the river basin level.** The participants agree that the absence of a unifying water governance unit at the river basin level creates

institutional fragmentation. It also results to conflicting functions, non-convergence and non-integration of regulatory water agencies which leads to short and long-term discrepancies on land use planning. However, there is an unresolved discussion regarding the necessity to create a separate water governance unit or the need to strengthen and re-organize NWRB to resolve problems on non-integration, non-convergence, coordination and institutional fragmentation on water resource management.

### Policy Actions

- Strict enforcement of Clean Water Act, and monitoring and compliance with standards on water quality (emphasis on sanitation: sewerage and septage)
- Immediate rehabilitation and restoration of water sheds and strict implementation of environmental laws
- Strengthening the institutional capacity of NWRB on water resource management and regulation
- Strengthening of inter-agency and multi-sectoral convergent action including monitoring, regulation and evaluation of existing water resources within a short-term and long-term frame
- Revisit and update of the Philippine Water Code
- Utilization of 5% GAD budget of line agencies and LGUs to implement gender sensitive action on water resource management action

## 2. Economic Regulation

Facilitator: Mr. Herisadel Flores

*Center for Local and Regional Governance (CLRG), NCPAG*



### Guiding Principles

- **Sustainability of water facility.** Participants in this session agreed that it is not sufficient to just install a water facility in a certain area. An important principle is the sustainability of the project by being able to ensure continuity of the service in providing water supply. Participants argued that setting up the facility without ensuring its sustainability will not help as it will just leave people to be waterless again.
- **Affordability.** Water services should be affordable, but such affordability must be twinned with effective economic regulation. Members of the group believed that affordability that is subject to regulation will ensure protection of all stakeholders. The envisioned affordability in this sense is one which will allow the poor to be able to pay for the service, but not hurting the economic viability of investors to continuously provide and improve the quality of water services.
- **Transparency and participation.** In order to enhance social acceptability of the policies of the government and the private sector relative to tariff setting, the public should be engaged through public hearing and consultation. The group emphasized the idea that people tend to accept changes in tariffs if they

understand why changes are necessary and how they can benefit from such changes.

### Issues

- **Sustainability and full cost recovery.** The group identified three modes by which water supply can be sustained. These are 1) pay for service by customers; 2) government subsidy; and 3) assistance from other countries. At that same point, the group determined that real sustainability can be realistically achieved through asking customers pay for the service which is actually what is happening.

Although the group widely acknowledged that ensuring sustainability of water facilities is important, water service providers (WSPs) argued that it may not be possible for them if they are not financially viable to expand their investments. Thus, they suggested that the government should adopt or allow a tariff setting that would entail full cost recovery to ensure financial viability of the investors subject to economic regulation.

- **Tariff setting subject to participation and transparency.** Tariff setting for sustainability is one issue; tariff setting with participation and transparency is another. The group argued that tariff setting should be subject to transparency and participation through mechanisms such as public hearing and consultation. Participants also highlighted the idea that public hearing should be done by engaging people from the beginning, which means even before the “new” tariff is set. A public hearing should be

one that seeks to discuss whether people would accept price increases and make them understand the benefits and costs of such action, and not just to inform the people about an increase that has already been adopted and decided upon.

Another issue that came out is the issue of linking public participation to the agenda of political leaders. Water districts, for example, cannot increase tariff when a political leader promises the public that no increase shall be imposed during his term. Such promise is upheld even if there is a need to increase tariff (such as the need to increase for the water districts to cope with increasing costs).

As additional information, WSPs indicated that recent rate adjustments have not actually affected the poor people as the increase was only due to commercial establishments, and not to the residential group. In effect, the commercial sector is actually subsidizing the water needs and usage of residential consumers.

- **People's capacity to pay.** That the poor people (in the urban area) cannot pay for water is now just a myth according to the WSPs. WSPs argued that poor people in certain areas of Metro Manila pay higher tariff because they rely on a water facility that is owned by someone else. WSPs also emphasized that the poor could pay less if they decide to be connected to a formal water facility. The poor in the urban area can afford water services if they opt to be connected.

In the case of the water district, it was noted that a socialized pricing approach has been implemented, and such

approach is considered to be successful in the provincial areas.

- **Monitoring the use of groundwater.** The government issues permits to the public and allows them to extract and use groundwater. However, it was noted that there is no mechanism for monitoring the use of groundwater despite the idea that monitoring is important to avoid the depletion of such resource. Given the absence of a monitoring mechanism, the government does not have data on the amount of groundwater being extracted by the public. In order to have data on extent of groundwater extraction, participants suggested that the government should monitor use of groundwater, in addition to its task of issuing permits for the use of the resource.

One of the participants explored the possibility of introducing tax on the use of groundwater. However, WSPs indicated that taxing groundwater will result in the increase of price of water in general.

- **Fragmented and weak regulation.** Participants agreed to the obvious idea that regulation of water resources in the country is based on a fragmented framework and weak system. To address such issue, some members of the group recommended that an overall regulatory body should be put in place in order to establish a holistic approach to water resource management, including regulation, monitoring, etc., and such body must be created through a legislative-backed policy (law). However, some members disagreed with the proposal because it will take time to realize it due to the long process of legislation. Their proposed alternative is



to create a joint oversight committee (Senate, House of Representatives, and Executive) which shall look into the matter, assess the overall gamut of the water sector (including tariff regulation), and codify a “book” that will serve as a standard in dealing with water sector issues. It was argued that the joint oversight committee will be effective in addressing the short-term pressing issues, without sacrificing the long-term goals of the sector.

### Policy Actions

- **Create a joint oversight committee** that will review the water sector, provide recommendations, and support the creation of an overall regulatory agency in the long term. This is the encompassing suggestion that will take note of all the issues raised in the session.
- The private sector should **continuously provide water supply to the public**. In order to allow the sustainability of water facilities, WSPs request that they be allowed to fully recover from costs under an effective regulatory framework.

### 3. Water Supply for the Poor

Facilitator: Atty. Marilyn Barrua-Yap  
*Secretary-General, House of Representatives*



#### Guiding Principles

- **Water and sanitation as basic human right.** At the onset, the group forged a consensus to consider water and sanitation as always in tandem as they are very much interrelated.
- **Universal accessibility, providing for availability, affordability and sufficiency of supply.**
- **Pro-poor bias.** Someone raised the idea that water and sanitation services should be biased in favor of the poor. Another argued, however, that this will be inconsistent with the idea of universal access which recognizes the rights of people regardless of economic background. Still, another pointed that there are evidences showing that targeting the poor population will accelerate the achievement of the MDGs. The group agreed that the term universal accessibility already encompasses the poor and acknowledges a commitment that water and sanitation should be pro-poor.
- **Integrated approach managing water and sanitation development.** The group agreed that the issue of water and sanitation is connected to other economic and social challenges. They reached the conclusion that for any water

and sanitation program to be successful and really meaningful, it has to be integrated in the overall development program like anti-poverty.

### Issues

- **Gaps in awareness and prioritization due to lack of baseline information and technology, and the lack of ability to bring down information to the LGUs for their appropriate policy determination and action.** Participants cited the lack data on service providers and access, among others. This situation has impinged on a lot of initiatives to improve water and sanitation services by many community-based organizations. Successful projects and practices have not been documented and disseminated. Similarly, this situation did not help in encouraging local executives to draft and implement policies and programs related to water and sanitation
- **Lack of financial resources to provide adequate infrastructure development.** Investments on water and sanitation are very low. WSPs don't expand to reach poor communities because it is not profitable. National government support is also lacking. A participant suggested that there has to be an agency which will decide where to expand water services. There has to be a high level agency to have power to prioritize water expansion to poor areas.
- **Fragmented and sporadic action in managing water and sanitation issues.** The group unanimously concluded that the functions related to water and sanitation services are too thinly distributed to several government agencies. The lack of coordination

among agencies results in a confusion regarding their functions.

### Policy Actions

- Institutionalizing a comprehensive integrated policy framework to manage water and sanitation issues
- Public-private partnerships in providing affordable, sufficient and available water and sanitation services to build their support and involvement. Private partners shall include members of the civil society and the communities
- Integration of water and sanitation concern in the anti-poverty initiatives
- Review of the role and function of the LWUA
- Passage of legislation or promulgation of regulation that will require service providers to extend their services to missionary areas as part of their franchises

### PLENARY II

The second plenary covers the presentation of group outputs prepared during the breakout session. A total of five (5) minutes was allotted for each group to present their output. The moderator was Dr. Maria Faina L. Diola of UP-NCPAG. The summary of each group output is presented in **Annex 1**. The breakout session outputs were utilized as inputs in the preparation of the draft *"Declaration of Commitment and Policy Action on Water and Sanitation."* The draft

declaration was read during this plenary and comments were solicited from the participants. The comments are as follows:

- “... to affirm our commitment to the **Millennium Development Goals Fund 1919 (MDG-F 1919)** and...” The Millennium Development Goals Fund 1919 (MDG-F 1919) should be replaced by the Millennium Development Goals (MDG).
- Prioritize the water supply and sanitation for the poor
- Budget support water and sanitation services
- Prioritize pending legislations such as the National Sanitation Act and Water Regulatory Commission,
- Include the Indigenous Peoples (IPs) as stakeholders in the water declaration.
- Identify and specify the role of the Senate and House of Representatives in the proposed joint oversight committee on water and sanitation management.
- Highlight the role of the Local Government Units (LGUs) in enhancing the sustainability of local water resources, sanitation and management.
- Empower the LGUs and local communities
- There is an oversight committee in NEDA that suggested for the WRC Bill
- Create a provision that will indicate that the joint congressional committee should be in the interim until the creation of the Water Regulatory Commission

These comments were reflected in the final version of the declaration. The finalized declaration was presented to President Benigno S. Aquino III during the World Water Day celebration. Please see **Annex 2** for the *Declaration of Commitment for Policy Action on Water and Sanitation*.

## WORLD WATER DAY

(SM Mall of Asia | 22 March 2011)

The World Water Day was celebrated in Manila on 22 March 2011 at the SM Mall of Asia. The event began with a solidarity walk from the SM Mall of Asia front yard up to the Music Hall where the formal program was held. Highlight of the program was the turnover/presentation of the *"Declaration of Commitment to Policy Action on Water and Sanitation"* to President Benigno S. Aquino III. UP NCPAG Dean Edna Estifania Co read to the audience the Declaration before presenting it to the President together with DILG Secretary Jesse Robredo, DENR Secretary Ramon Paje and NEDA Deputy Director-General Rolando Tungpalan.

The Declaration was signed by government officials, legislators, community leaders and representatives from the private sector. The declaration underscores the urgency of providing water and sanitation services for the poor and the strengthening of legislative and executive actions to improve policies related to economic regulation and water resource management. In his speech, President Aquino acknowledged the importance of the recommendations presented. He said that, with these recommendations, LGUs and key officials in government will be equipped with the knowledge they need to combat water scarcity, specifically developing, operating, and managing their own potable water utilities. He emphasized that problems in water supply hinders overall national development. Pledges of commitment on the part of the government to improve water and sanitation services were also enumerated by President Aquino.

While this significant event was being celebrated in Manila, two simultaneous programs celebrating the same cause were held in Bicol and Cagayan de Oro.

The program started with the welcome messages from heads of government agencies and the academe.

### Welcome Remarks

Dr. Edna Estifania A. Co  
Dean, UP-NCPAG



Dean Edna Co greeted the audience with delight as President Benigno S. Aquino III himself was present in the celebration. She particularly stressed that the people who participated in the event were fortunate not

only because of the participation of the President, but also because of his commitment to the challenge of providing water for the poor.

She acknowledged the organizer of the events, which are as follows: DILG, NEDA, MDG-F 1919, NWRB, UP NCPAG, and DENR.

She mentioned the activities undertaken prior to the world water celebration which include dialogues at the local and national levels, and with representatives from both the legislative and executive branches of the government. She also mentioned that such activities were a collaborative action of the government, private sector, academe and community to address the issues in the water sector.

#### Message

Mr. Rolando Tungpalan  
Deputy Director General, NEDA



After welcoming everyone to the World Water Celebration, Deputy Director General Tungpalan said the event is a very good opportunity to discuss the issues confronting the Filipino people in the goal of attaining greater access to water. He recognized the

persistent problem of lack of water supply in the country. According to him, 16 million Filipinos have no access to safe drinking water.

Citing this issue, he declared the commitment of the government to address the problem and one way of doing that is the incorporation of the roadmap on water supply and sanitation in the 2011-2016 Medium-Term Philippine Development Plan (MTPDP). He further said that President Aquino aims to address the water and sanitation problem in the country. He also announced that the donor communities, private sector, the academe and the Aquino administration affirm to the commitment for policy action on water supply and sanitation.

#### Message

Hon. Jesse Robredo  
Secretary, DILG



Secretary Robredo stated in his message that around 230 towns in the country are waterless to date. To him, the gauge of development is not only based on what is seen in the metropolitan, but also on the ability of every citizen in the community to be able to meet his needs on a daily basis, including the need for a safe

drinking water. He mentioned that President Aquino is committed to implementing a program aimed at making safe drinking water facility available in every place in the country. His message also indicated that the government targets to provide water facility to 100 towns per year, which means that after three years, it is expected that there will be no more waterless town in the Philippines, where every household in every town will have access to safe drinking water.



## Message

Hon. Ramon Paje

Secretary, DENR



For Secretary Paje, water is not a problem per se in the Philippines because we have water resources. However, he reflected on the issue why water becomes a problem in this country. Based on an assessment conducted by the DENR, he mentioned that this problem is due to three major reasons. First, he said

that we are not able to manage our water resources properly. Such mismanagement happens because of the destruction of watersheds as catch basins for water resources, among others. Second, he mentioned that we have poor infrastructure and this is known to everyone. Third, he pointed out that water pollution destroys water resources that are supposedly source of drinking water. He cited the Pasig River which is used as a “septic tank” by the people. These are the same challenges that the Aquino administration tasked the concerned government agencies to address.



*President Benigno S. Aquino III posed as he held the Water Declaration handled by UP NCPAG Dean Edna Co. In the photo are (from left to right): DILG Secretary Jesse Robredo, DENR Secretary Ramon Paje, President Benigno S. Aquino III, NEDA Deputy Director General Rolando Tungcalan, and UP NCPAG Dean Edna Co.*



*At this young age, these kids are aware of the importance of water in human life. As their poster writes, “every single drop of water is important.”*

**Speech delivered by**

His Excellency Benigno S. Aquino III  
*President of the Republic of the Philippines*



*For a country surrounded by water, it is quite ironic for the Philippines to be threatened by water scarcity. About 16 million Filipinos still do not have access to safe, sustainable supplies of water. Needless to say, this lack of water is a threat to national development. The shortfalls in the quantity and quality of infrastructure, including water supply and sanitation facilities, are critical constraints to our economic growth and poverty alleviation measures. Despite fund allocations for water, the number of waterless municipalities outside Metro Manila has increased. Furthermore, throwing of garbage and pouring of sewage into our bodies of water—which pollute our waterways and facilitate the spread of fatal and infectious diseases—remain prevalent, especially in highly urbanized areas.*

*([Coughs] Excuse me. That's why I need water also [applause] ... let me take a little more ... .)*

*The results: polluted bodies of water, environmental degradation, malnutrition, and sometimes, death. In short, despite being an archipelago, we are a nation thirsty for clean, potable water, and a nation thirsty for change.*

*Today, as we celebrate World Water Day 2011, we have, for the moment, quenched this thirst. Through the joint efforts of the National Economic and Development Authority (NEDA), the National Water Resources Board (NWRB), and the Department of Interior and Local Government (DILG), we have inched closer to fulfilling the advocacies of the Millennium Development Goal Achievement Program (MDG F-1919).*

*As we worked to enhance the delivery of water to 36 waterless municipalities in 12 provinces, we did not only increase the projected investments in water supply for waterless communities, we ultimately improved their health and sanitation. These recommendations that have been gathered are important. Our LGUs and key officials in government will be equipped with the knowledge they need to combat water scarcity, specifically in developing, operating, and managing their own potable water utilities. In short, despite the many challenges, we are consolidating efforts to reach our common goal of allowing each and every Filipino access to safe and clean drinking water.*

*You have also raised public awareness on water supply, sanitation and environmental issues through activities such as the Water is Life to Me Student Digital Short Film Festival and the Ripples of Hope Postcard Campaign. This is an equally important endeavor on your part since we also need the help of the public as we respond to these concerns.*

*On behalf of the Filipino people, thank you. Your efforts show how your projects run parallel to the government's commitment to provide clean and safe drinking water to around 16 million Filipinos. You have given this administration the strength to initiate policy reforms and to build local capacities, encouraging investments and improving water facilities.*

*But difficult as it may be, this is only the beginning. In order to fast-track the implementation of Public-Private Partnership (PPP) programs and projects, we have created the PPP Center by virtue of Executive Order No. 8. Some of you may not be aware that aside from our airport and highway projects, we also have a number of PPP projects that are geared toward improving our water mechanisms. We have the Balog-Balog Multipurpose Project Phase II in Tarlac and the Jalaur River Multipurpose Project Stage II in Panay, among others. But again, as this is only the beginning, we hope to come up with more water-related projects that we can put up for bidding.*

*More than what we have already mentioned, however, we must also focus on the protection and regulation of water for present and future needs. This is why we have supported the Integrated Water Resources Management (IWRM) program. Aside from a technical assistance program to improve water service provision, a study on the IWRM has also been conducted in an effort to alleviate poverty and develop the economy of the Pampanga River Basin. The NRB is also reviewing the Water Code of the Philippines and finalizing its amendments to make it more responsive to the changing needs of Filipinos. All these tasks need to be considered as high priority issues so that we can provide our children the healthy future they deserve.*

*The NEDA and NWRB are also developing an adjusted tariff setting methodology for small water service providers to ensure adequate tariffs that will lead to cost recovery and improved services. Another critical success factor is the development of a cost recovery system that not only recovers the costs of service provisions, but one that also generates profits. This can take time to develop. It requires a careful mix of tariffs, taxes, and budget transfers together with some form of social tariff to assist the poorest communities.*

*At the bottom line of all of this is allowing the people access to what is rightfully theirs. That is what our government has committed to do from the beginning, and that is what we will seek to do in the next five years and three months: to rebuild this nation into one where every Filipino can live a dignified life, where no one is left behind. Your government looks forward to empowering responsible people, who will drive the reforms necessary to enhance water services in the country, as well as ensure that targets and plans are met and that critical policies are strictly implemented. Most importantly, we look forward to a future where every Filipino's necessity—not only water, but healthcare, education, jobs and livelihood opportunities—is provided for. I am grateful to our citizens for being part of the solution, and for giving their support to government programs to bring about this future that we all deserve.*

*Thank you and good day.*

Source:

<http://www.gov.ph/2011/03/22/speech-of-president-aquino-celebrating-world-water-day-march-22-2011/>



## SIGNING OF THE WATER DECLARATION

(SM Mall of Asia | 22 March 2011)

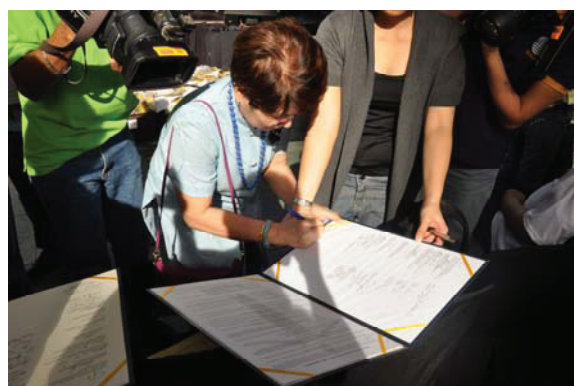


*Secretary Jesse Robredo, Department of the Interior and Local Government*

*“We solemnly affirm that we will seek to realize our aspirations for an equitable and sustainable policy action to improve the access to water supply and sanitation.” –  
Water Declaration, March 2011*



*Rep. Bernadette Herrera-Dy, Bagong Henerasyon Partylist*



*Ms. Olivia la O'Castillo, Member, UN Secretary General's Advisory Board on Water and Sanitation*



*Dean Edna Estifania A. Co, National College of Public Administration and Governance, University of the Philippines*



*Ms. Rosario Aurora Villaluna, President, Philippine Ecosan Network*

## Annex 1: Summary of Outputs of the Breakout Session

Topic	Guiding Principles	Issues and Challenges	Policy Actions
<b>Water Resource Management</b>	<ul style="list-style-type: none"> <li>Sustainable management</li> <li>Integrated and holistic alignment of actions</li> <li>Participation</li> </ul>	<ul style="list-style-type: none"> <li>Declining water quality</li> <li>Degradation of watersheds</li> <li>Unplanned urban development and increasing demand for water</li> <li>Fragmented, conflicting, non-integrated and non-convergence on water governance at the river basin level</li> </ul>	<ul style="list-style-type: none"> <li>Strictly enforce Clean Water Act, ensure monitoring and compliance to standards on water quality (emphasis on sanitation: sewerage and septage)</li> <li>Immediate rehabilitation and restoration of water sheds and strict implementation of environmental laws</li> <li>Strengthen the institutional capacity of NWRB on water resource management and regulation</li> <li>Strengthening of inter-agency and multi-sectoral convergent action including monitoring, regulation and evaluation of existing water resources within a short-term and long-term frame</li> <li>Revisit and update the Philippine Water Code</li> <li>Utilization of 5% GAD budget of line agencies and LGUs to implement gender sensitive action on water resource management action</li> </ul>
<b>Economic Regulation</b>	<ul style="list-style-type: none"> <li>Sustainability of water facility</li> <li>Affordability</li> <li>Transparency and</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and full cost recovery</li> <li>Tariff setting subject to participation and</li> </ul>	<ul style="list-style-type: none"> <li>Create a joint oversight committee that will review the water sector, provide recommendations, and support the creation of an overall</li> </ul>



Topic	Guiding Principles	Issues and Challenges	Policy Actions
	participation	<ul style="list-style-type: none"> <li>transparency</li> <li>People's capacity to pay</li> <li>Monitoring the use of groundwater</li> <li>Fragmented and weak regulation</li> </ul>	<ul style="list-style-type: none"> <li>regulatory agency in the long term</li> <li>The private sector should continuously provide water supply to the public provided that full cost recovery is subject to regulation</li> </ul>
<b>Water Supply for the Poor</b>	<ul style="list-style-type: none"> <li>Water and sanitation as basic human right</li> <li>Universal accessibility, providing for availability, affordability and sufficiency of supply</li> <li>Pro-poor bias</li> <li>Integrated approach managing water and sanitation development</li> </ul>	<ul style="list-style-type: none"> <li>Gaps in awareness and prioritization due to lack of baseline information and technology, ability to bring down information to the LGUs for their appropriate policy determination and action</li> <li>Lack of financial resources to provide adequate infrastructure development</li> <li>Fragmented and sporadic action in managing water and sanitation issues</li> </ul>	<ul style="list-style-type: none"> <li>Institutionalizing a comprehensive integrated policy framework to manage water and sanitation issues.</li> <li>Public-private partnerships in providing affordable, sufficient and available water and sanitation services to build their support and involvement. Private partners shall include members of the civil society, community, NGO</li> <li>Integration of water and sanitation concern in the anti-poverty initiatives</li> <li>Review of the role and function of the LWUA</li> <li>Passage of legislation or promulgation of regulation that will require service providers to extend their services to missionary areas as part of their franchises</li> </ul>

## Annex 2. Declaration of Commitment to Policy Action on Water and Sanitation

1. We, the members of the executive and legislative branches of the Philippine government, local government units, stakeholders from the private sector and members of the community, have gathered at the House of Representatives, Constitution Hills, Quezon City, Philippines on 17 March 2011, to affirm our commitment to the Millennium Development Goals and to the global effort to realize-Sustainable Sanitation: The Five-Year-Drive to 2015" and assure the Filipino people of equitable and sustainable access to water resources and sanitation.
2. We acknowledge that access to water and sanitation is a basic human right that is unevenly shared. Thus, only through broad and shared efforts can we attain the universal and equitable access to water supply and sanitation services.
3. We recognize that water is a natural finite resource which calls for the need to safeguard the environment. Yet, we are encumbered by the decline in water quality and degradation of watershed areas.
4. We uphold the principles of equality, intergenerational equity, alignment, harmonization, transparency, mutual accountability, sustainability affordability and participation. Thereby, we have the imperative duty to the Filipino people especially the most vulnerable, in particular, women and children of the informal sector and the Indigenous Peoples (IPs) who have been constantly overlooked and marginalized.
5. We commit to a collaborative effort in achieving the following goals:
  - a. Provision of potable water supply and sanitation services to all areas in the country;
  - b. Improvement of the regulation and management of water and sanitation services;
  - c. Improvement of the quality of services offered by Water Service Providers (WSPs); and
  - d. Equitable and sustainable distribution of water resources and sanitation services.
6. We resolve to translate these shared principles and goals into policy actions with a steadfast commitment and expediency for their realization:
  - a. On Water Resource Management:
    1. For the executive, we commit to:
      - Strict enforcement and implementation of legislations related to water, sanitation and the protection of the environment such as, the "The Philippine Clean Water Act of 2004" (RA No 9275) and "An Act Providing for the Construction of Water Wells, Rainwater Collectors, Development of Springs and Rehabilitation of Existing Water Wells in all Barangays in the Philippines" (RA6716);
      - Ensure monitoring and compliance to water quality standards;
      - Ensure the protection and immediate rehabilitation and restoration of watersheds;
      - Strengthen the institutional capacity of the National Water Resources Board (NWRB) on water resource management and regulation;
      - Streamline and consolidate overlapping and fragmented functions of involved agencies;
      - Ensure a sustainable budget allocation and provide support to the enactment of pending legislation which advocate improvements in water supply accessibility and sanitation services;
      - Ensure public accountability of WSPs and involved agencies in performing their respective functions related to the delivery of water and sanitation services;
      - To support, empower and strengthen alliances with all local government units (LGUs), urban and rural communities and WSPs in accordance with the principles cited in this declaration; and
      - Strengthen the inter-agency and multi-sectoral initiatives including monitoring, regulation and evaluation of existing water resources and sanitation services within a short-term and long-term time frame.
    2. For the legislative, we commit to:
      - Review and update the Water Code of the Philippines;
      - Ensure funding for the implementation of enacted laws and policies on water and sanitation services and other relevant laws; and
      - Introduce a water-pricing policy that complements the need for recovering realistic economic costs while ensuring the equitable access to water services.

b. On Economic Regulation:

1. For the executive, we commit to:
  - Explore various schemes on setting consumer prices and tariffs on water and sanitation services such as socialized payment options, and
  - Practice transparency through public information and consultation especially on activities involving tariff setting.
2. For the legislative, we commit to:
  - Form a joint oversight committee of the Senate, the House of Representatives and the Executive Branch to examine the various dimensions of the water and sanitation sector. In the long term, an apex body should be created through legislation to ensure effective leadership over the water and sanitation sector.
3. For the private sector, we commit to:
  - A balanced partnership with the government in ensuring the sustainable provision of water and sanitation services, and
  - Subscribe to public accountability.

c. On Water Supply for the Poor:

1. For the executive, we commit to:
    - Integrate water and sanitation concerns in anti-poverty initiatives and start up piloting in areas toward a five-year drive for sustainable sanitation, and
    - Re-examine and improve the enabling environment for Public-Private Partnership
  2. For the legislative, we commit to:
    - Pass legislations that will require service providers to extend their services to poor areas.
  3. For the private sector and community, we commit to:
    - Initiate partnerships with the government aimed at providing affordable, and available water and sanitation services, and
    - Expand the coverage of water supply and sanitation services in poor areas.
7. We solemnly affirm that we will seek to realize our aspirations for an equitable and sustainable policy action to improve the access to water supply and sanitation. We therefore pledge our unwavering support for these shared principles and initiatives and our resolve to achieve them.





**Water Resource Management and Water Supply for the Poor**

NATIONAL ECONOMIC DEVELOPMENT AUTHORITY  
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT  
NATIONAL WATER RESOURCES BOARD  
UP NATIONAL COLLEGE OF PUBLIC ADMINISTRATION AND GOVERNANCE

UNITED NATIONS DEVELOPMENT PROGRAMME  
UNITED NATIONS CHILDREN'S FUND





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NATIONAL EXECUTIVE-LEGISLATIVE  
DOCUMENTATION

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