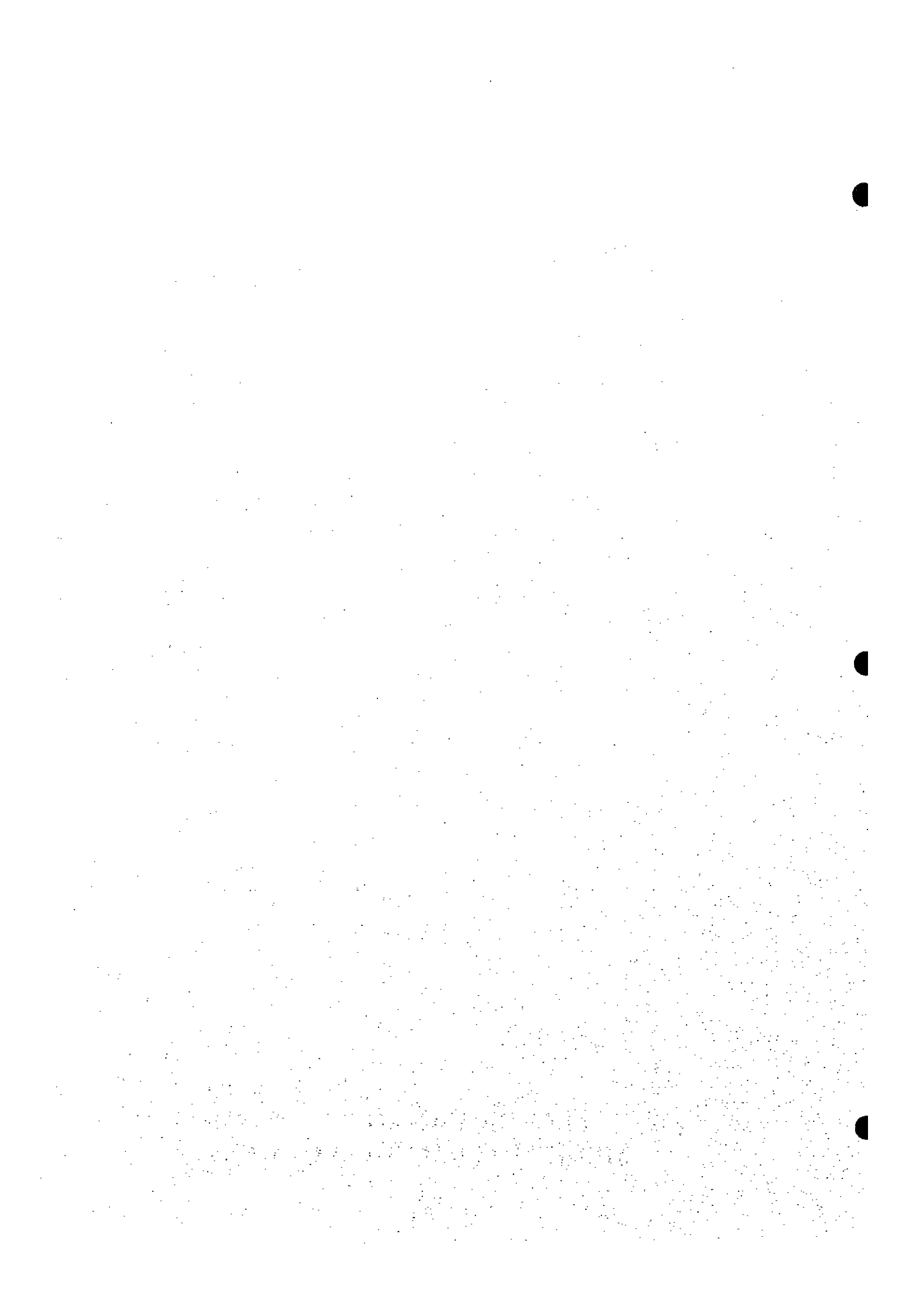


Chapter

9

**SECTOR MANAGEMENT FOR
MEDIUM-TERM DEVELOPMENT**



9. Sector Management for Medium-Term Development

9.1 General

In order to manage the water and sanitation sector effectively, the provincial and municipal governments of Aklan will have to make some adjustments in their current policies and structures.

9.1.1 Purpose of Policy and Structural Adjustment

The adjustments should be aimed at coordinating these local policies and structures more closely with the overall policies, institutional and regulatory frameworks, and resource-sharing systems of the water sector, so that the Province and its municipalities would be in the best position to realize available opportunities to improve water services, specifically:

- (1) to effect immediate improvements in the physical infrastructure for water, sanitation, and related environmental services; and
- (2) to acquire permanent capabilities to (a) plan, manage and institutionalize gains in sector services, (b) to nurture constructive partnerships with the private sector, and (c) to set in place and maintain the mechanisms for sustainability.

To the extent that additional resources are provided by programs like the World Bank-assisted LGU Urban Water and Sanitation Sector Project; and to the extent that the national government has instituted facilitative mechanisms to improve the sector, the provincial and municipal governments must seize the opportunities that, for the present, are available in order to achieve and expand current sectoral targets, and to ensure the long-term sustainability of sectoral gains.

9.1.2 Perspectives

In making the needed adjustments, the LGUs will do well to keep the following realities in clear perspective:

- (1) That the nature of public accountability dictates certain rigidities and procedural constraints in all governmental systems. Thus, while government must fulfill its mandate as the necessary and enabling institution for the provision of basic services, it is not the most responsive, efficient, and cost-effective agent for directly implementing these services. For this reason, local governments must clearly define their role in the investment, operation, and maintenance of water service utilities;

- (2) That the public -- and even many local officials -- still lack a deep realization of the importance of institutionalizing water services. This lack of realization reflects the transitional stage of most of Philippine society, to which the pervasive effects of urbanization (effects that extend even to the rural areas) and their demands on social participation in sustaining basic services are very recent and unfamiliar experiences. For this reason, the sector's social marketing endeavor must include a primary thrust of helping the community and all LGU officials understand the fundamental role of safe water and sanitation in the actualization of their most cherished of aspirations -- that is, to secure a better future for their children.
- (3) That large sectors in many communities, as well as some entire communities, do not have the capacity to shoulder the full cost of institutionalized water and sanitation services. LGUs are especially challenged to devise ways and means to ensure their disadvantaged constituents basic access to safe water and related services -- even as they seek fair participation from those who can afford to pay, and as they continue to exert efforts to establish these services on a permanent, self-sustaining basis.

This Chapter proposes the mechanisms, processes and structures needed in the medium-term to achieve the coverage targets with sustainability. Not all recommendations can be laid out with the same level of detail at this time as some are dependent on further policy guidelines being formulated at the national level. These include the on-going study on access of LGUs to external financing assistance and the sector devolution process.

9.2 Sector Management

9.2.1 Development of the Vision

One glaring institutional need at the local level is a common vision that could focus and mobilize the water sector's resources and the efforts of the different shareholders within a practical structure that delivers the desired services effectively in a sustainable manner. Such a common, shared vision can only be achieved if all the shareholders realize the importance of managing water as a basic economic commodity and place value on their family's access to safe water within the framework of their own needs and aspiration.

Both the policy makers and the officials at all levels of governance and public service and a critical mass of the consumers themselves must internalize and share in the vision so that their efforts and resources could be mobilized for project implementation. Local planners need to focus on the long-term requirements i.e., beyond the technical requirements of forming users' associations, drilling wells, distributing bowls, etc. They need to work as "change agents" to

prepare themselves and their constituents to participate in ensuring that basic services like water and sanitation become available and are placed on a sustainable basis in their respective communities. With these considerations, and based on a realistic assessment of constraints, opportunities and demand, the province has set its vision and mission for the sector.

Initial vision statement: The province will adopt a two-phased plan which will dramatically improve the provision of water supply and sanitation. In the medium-term (2001-2005) plan, the province seeks to increase water supply coverage in urban areas to 76% and in rural areas to 60%. On the other hand, household toilets will be made available to 90% of the urban population and 78% of the rural population; 70% of the students in public schools will have adequate sanitary toilet facilities; 100% of public utilities will have sanitary toilets; and 80% of the urban population will be covered by solid waste collection services. For its long-term (2006-2010) plan, the province will pursue a more vigorous program to increase water supply coverage in urban areas to 95% and in rural areas to 93%. For the sanitation sub-sector, individual household toilets will increase up to 93% in urban areas and 90% in rural areas; public school toilets will rise up to 90%; public utilities will have 100% sanitary toilet coverage; while sewerage service will cover 50% of the urban population.

9.2.2 Sector Management

Figure 9.2.1 presents a model for sector management and project development. It is envisaged that this PW4SP will be used as a basis for the Annual Sector Plan and/or as input into Loan or Grant Negotiations in the future. The Annual Sector Plan, together with the budgets, will be reviewed by the Governor and passed upon by the legislature as part of the provincial budget approval process.

The sector level implementation activities consist principally of three broad areas: social marketing; technical assistance; and monitoring. Project selection follows from a self-selection process. The identification of a responsible community-based association and technical studies, as needed, will be done. Construction or rehabilitation will take place only after the institutional, financial and technical studies have been done. Operation and maintenance, including arrangements for finances of the system, will be the responsibility of the community organizations. The Monitoring Function, on the other hand, will be augmented with water quality surveillance by the Provincial Health Office (PHO) and operational audits done by the LGU.

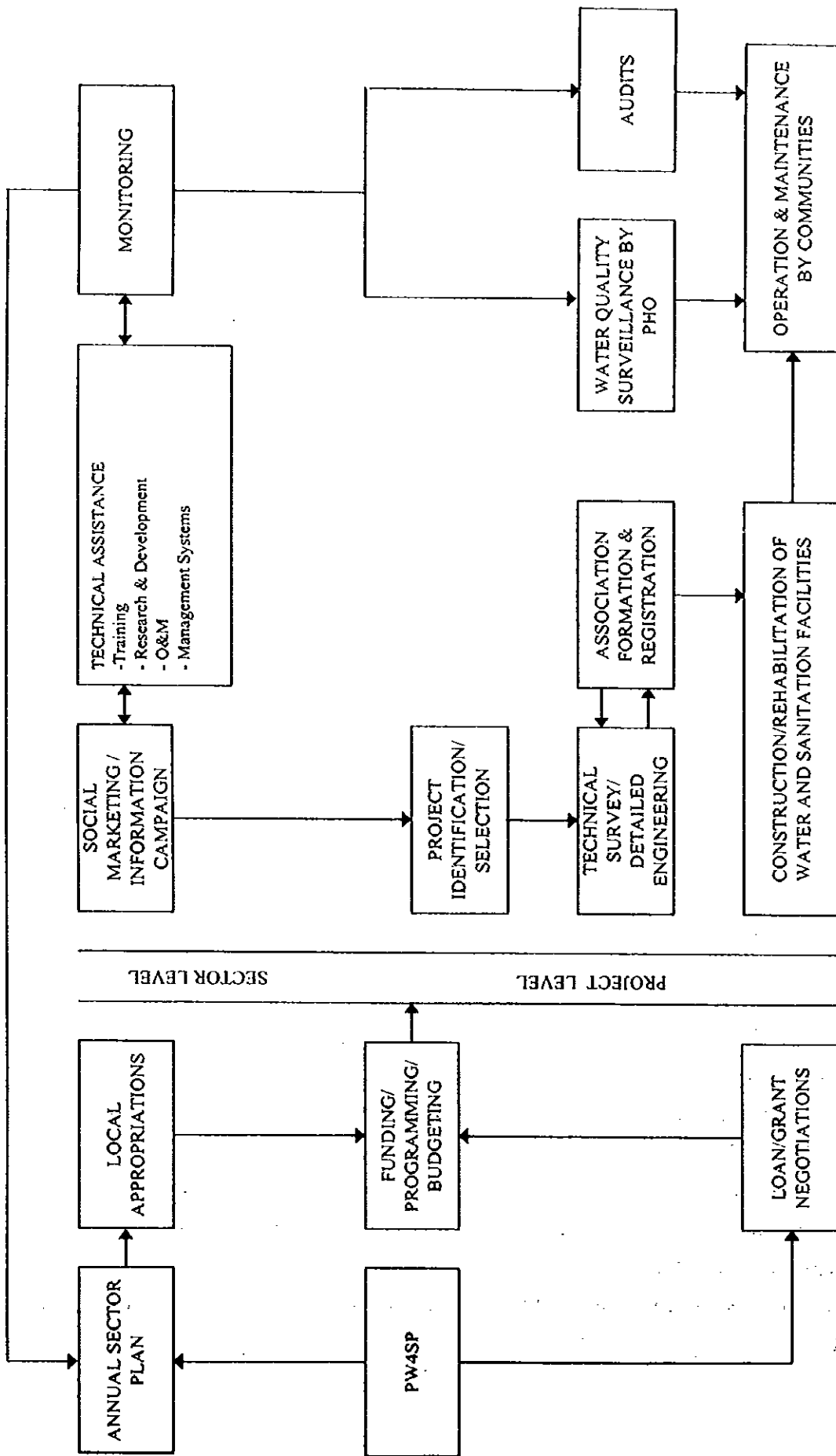


Figure 9.2.1 Sector Management Model

9.2.3 Service Provision Policies and Objectives

The LGU seeks to provide an adequate level of water and sanitation facilities defined as follows:

- Level I facilities serve at most 15 (fifteen) households per source; Level II public taps serve 5 (five) households per faucet; and Level III systems provide individual household connections.
- Water supply provision will be at least 20 lpcd for Level I; 60 lpcd for Level II; and 100 lpcd for Level III.
- A critical mass of 90% of the individual households in every barangay has sanitary toilet facilities.
- All schools shall have adequate water supply and at least one sanitary toilet facility for every 40 students.

9.2.4 Operating Policies

The following policy and strategy statements are adopted by the Provincial Government. These may be reviewed and revised from time to time by the Provincial Government. The key policy statements include the following:

- (1) Sustainability shall be promoted by increasing community responsibility for management of facilities. Unless potential users demonstrate initiative and commitment (beyond making request for assistance) to maintain the systems, no support shall be provided by the LGUs. To the extent possible, the LGUs should utilize existing local resources to promote self-reliance.
- (2) Selection and prioritization of projects shall be based on demonstrated commitment of the beneficiaries to participate in the project and their willingness to pay; the current water, sanitation and overall health conditions; potentials for growth; and cost implications.
- (3) Technology to be used for the projects shall be appropriate to the local conditions and resources. However, construction of economical facilities shall be pursued not necessarily insisting on low-cost. Phased upward integration and future upgrading of systems and facilities shall also be promoted utilizing to the extent possible previously constructed facilities. In urban centers, a range of technologies may be adopted for wastewater collection and treatment, as well as for drainage.

- (4) An integrated approach to the provision of potable water supply, sanitation and hygiene education shall be promoted. All projects to be developed by the LGU must involve these three elements.
- (5) As part of the overall social marketing efforts for the sector, the Province shall implement an "Information, Education and Communication Program" with the primary thrust of promoting safe water and sanitation values. A nationwide IEC Program to Create "Safe Water" Value among communities is described in the Supporting Report. At the provincial level, the IEC Program shall start with the orientation of all local government officials down to the barangay level, and be coordinated with and draw the participation of other agencies, NGOs, and civic groups throughout the province, particularly those involved in community development, social projects, and health and education services. The program shall include, among others, a component to train individuals selected from the LGUs, participating agencies and organizations, and volunteers from the communities themselves as communicators/change agents for safe water values. Figure 9.2.2 shows the schematic design of the IEC Program.

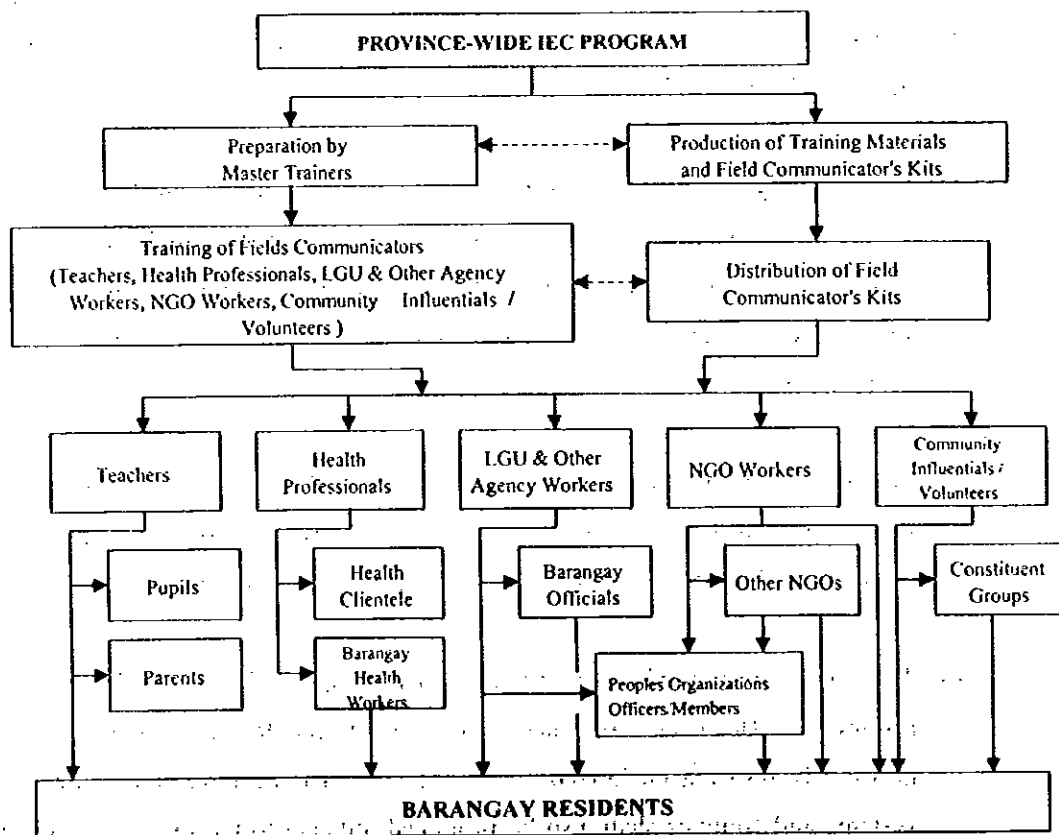


Figure 9.2.2 IEC Program Implementation Flow (Provincial Level)

- (6) The LGU shall seek to provide water and sanitation services in an equitable manner between rural or urban areas, and between better off and depressed areas.
- (7) Cost Recovery and Cost Sharing (Subsidy Policies): The LGU shall enforce a rational and consistent policy on the application of subsidies and loans for water supply and sanitation. In May 1996, the Investment Coordination Committee (ICC) of the NEDA adopted a policy "to support the financing of devolved activities with social and/or environmental objectives" based on three considerations, namely: Equity, Externalities and Economics of Scale. Accordingly, NEDA advised DILG of the revised cost-sharing arrangement which clearly limited the national government subsidy to Level I water supply systems for 5th and 6th class municipalities up to a maximum 50% of the total project cost. No subsidy from GOP will be provided for Level II and III. For sanitation facilities, the national government subsidy for the 3rd to 6th class municipalities shall be from 50% to 70% of the total project cost.
- (8) Private Sector Participation: The government shall give the private sector a substantial and preferential role in the attainment of the PW4SP objectives. In harnessing their participation, less government intervention shall be exercised in areas where the private sector is or can be a key player. An environment designed to empower them to absorb new social responsibilities and proactively convey to the government their aspirations and interests shall be established. The formation of private sector groups, NGOs, community organizations, cooperatives and people's organizations shall be encouraged. The implementation of programs to develop their capabilities in the sector development programs shall be promoted.
- (9) The province's fiscal management, in terms of capital funds generation capability, budget and disbursement, shall be improved. The assistance of the legislative branch in the enactment of the proposed revenue-generating measures shall be sought. Financing through the private sector will also be encouraged.
- (10) Sector development shall be consistent with broader concerns for environmental protection and management. Pollution control, conservation and proper utilization of water and land resources are critical issues to be considered in development plans at all levels, including municipal land use plans. Among the specific concerns in relation to water resources that the LGUs shall address through a proactive, environmentally responsive management approach to resource use, are the preservation and enhancement

of watersheds, the prevention of pollution of streams and groundwater resources, and the protection of riverbanks and natural hydro-geological formations.

- (11) Disaster Response and Emergency Coordination: The LGU shall formulate, as part of its contingency plans, a program to address emergency conditions. The program shall include maintenance of stocks of chlorine, organization and training of local communities on restoration of water supplies, and provision of emergency sanitary facilities. The LGU should coordinate closely and regularly with the local officials of the Regional Disaster Coordinating Council (RDCC).

9.2.5 Regulatory Policies

In coordination with appropriate national and local agencies, the LGU shall endeavor to set up an effective regulatory framework considering the following:

- (1) Water allocation and water rights policies: These are within the mandate of the National Water Resources Board. The LGUs or the concerned water utility shall apply for water rights from the Board, prior to implementing a project that would require extraction of water.
- (2) Water Rate Review: While the rate setting and approval functions largely remain a concern of the associations or the Water Districts (and LWUA), a vehicle for resolving grievances against unrealistic tariffs (or other practices) can be instituted by the LGUs. The court system, of course, remains as the final arbiter in conflicts.
- (3) Association Registration: The LGUs shall likewise adopt a registration and franchising system for associations responsible for water supply facilities outside the WD franchise areas. Annual reporting requirements will have to be established for monitoring and possibly, auditing purposes.
- (4) Water Quality: The National Drinking Water Standards have been established. The LGUs will have to establish a viable mechanism, including water testing and standards enforcement, to ensure that water delivered meets the potability standards. The DOH currently has the responsibility and the regulatory power to stop the operations of water systems not delivering potable water.

9.2.6 Financing System

(1) Water supply investment financing

In financing water supply investments, the LGUs may tap their Internal Revenue Allotment (or IRA) and/or locally generated revenues, or leverage these resources to borrow from government and private financial institutions. Overall, it is the LGU's responsibility to raise funds to support capital development sector projects and to ensure that adequate O&M reserves are raised by the beneficiary communities.

In the medium-term, the primary sources of funds are envisaged to be provincial and local taxes, allocation from the IRA 20% Development Funds, and the Municipal Development Fund. Also, in the medium-term, it is envisaged that national and external funds will continue to be channeled through local offices of central agencies.

Studies are underway to look into the feasibility of direct access of LGUs to external funds. The LGU will continue to monitor the developments and policy decisions to be established, as these will invariably affect local financing mechanisms. (For reference, "Accessing the ODA Funds" is presented in the Supporting Report.)

(2) Financing for sanitation activities

To support sanitation activities, housing improvement loans for installing in-house sanitary facilities should be studied and instituted by the LGU. Such a mechanism can be organized with the rural banks or the existing credit cooperatives. Seed funding for this revolving fund also needs to be raised. Upon agreement by the parties, the enabling local legislation establishing the sanitation revolving fund will have to be enacted.

The total resources for the above purpose could be augmented by establishing formal linkages with the home improvement loan facilities available through the Social Security Service (SSS), the Government Service Insurance System (GSIS), and the Pag Ibig Fund.

(3) Project owners should be fully responsible for providing sufficient funds for the sewerage, waste treatment and disposal, and sanitation requirements of their projects. Through their Municipal Engineering Office (MEO) and Health Office (MHO), and in coordination with the DENR, municipalities should strictly enforce the sanitation and sewerage requirements of the Building Code and environmental laws in issuing building permits, approving subdivision plans, and inspecting buildings and constructions.

9.2.7 Other Available Financial Arrangements

As previously mentioned, provincial and municipal leaders should monitor developments relative to the studies that are underway on the feasibility of giving LGUs direct access to external funds. Policy decisions on this would provide additional opportunities to accelerate improvements in the water sector.

In the meantime, LGUs should consider tapping existing programs that support the sector, particularly two major programs that are underway.

(1) ADB-assisted Rural Water Supply and Sanitation Sector Project

The RW3SP is a 5-year project that supports the provision of Level I facilities in rural communities. It covers 20 provinces, including Antique in Region VI, and is expected to phase out in the Year 2001.

1) Eligible Communities

The project is aimed at communities that:

- are deficient in water supply and have poor sanitation conditions;
- are willing to establish a BWSA; and,
- demonstrate willingness to be responsible for operation and maintenance costs, including depreciation, and to contribute labor for the construction of the facilities.

2) Implementing Agencies

The lead implementing agency is the DPWH, which manages and coordinates the project with other national agencies, particularly the DILG and the DOH.

The DILG coordinates and implements capacity building and community management training programs and, through NGOs, initiates community and LGU participation. DILG also carries out the socioeconomic surveys and community participation activities for the water projects, through its own and NGO resources and with the assistance of consultants.

The DOH, with technical assistance from the DPWH, assists the LGUs and the communities in the construction of public and household toilet facilities. It also implements training for health, hygiene education, and water quality control and surveillance programs. The DOH is also involved in the establishment and operation under the project of 50 Water Analysis Laboratories in the 20 provinces covered.

3) LGU participation

The mayor, as chief executive of the municipal LGU, will be responsible for initiating projects with the assistance of the DILG. He/she will manage project activities at the municipal level, particularly the selection and formulation of water project proposals, project implementation, and training, in coordination with the DEO, the DOH office, and the DILG and NGOs.

At the provincial level, the governor will have overall responsibility for a provincial board, which will appraise (through the PPDO) and approve project proposals submitted by the mayors.

4) Project opportunities for LGUs

This ADB-assisted project opens up for eligible LGUs a very wide range of opportunities that include the following, among others:

- Funding of up to 90% of the total cost of water and sanitation facilities (with labor contributions being eligible for the 10% counterpart).
- Technical assistance for overall community education, organization, skills training, and other types of capability development.
- Development of specific capabilities in relation to rural water projects, such as organizing BWSAs, community-based operation and maintenance, carrying out sanitary inspection of WSS facilities, collection and analysis of water samples, and implementing water projects.

(2) World Bank Assisted LGU-Urban Water Supply and Sanitation Project

The Local Government Unit – Urban Water Supply and Sanitation Project (LGU-UWSSP) is a World Bank-assisted lending facility administered by the DILG with the Development Bank of the Philippines (DBP) as the depository institution, that local governments can tap to provide, expand or rehabilitate Level III water systems, as well as sanitation, drainage and other environmental services for their urban populations. This facility is most practical for municipalities whose urban population have expanded to create a demand level of at least 1,000 households. Where the water source is more than 7 km from the distribution area, a larger base of household users would be needed to make the project viable.

1) Eligible municipalities/cities

The lending facility is intended to support small and medium sized municipalities/cities, regardless of income class, which:

- have not formed a water district;

- have a water district but are not in LWUA's current program of assistance.

2) Basic Project Rules

- a) The project promotes full cost recovery; that is, the tariff to be paid by the consumers should cover the cost of operation and maintenance and the repayment of the LGU DBP loan, and to the extent possible, the reimbursement of LGU equity; and
- b) The system shall be operated by a private operator under long-term lease contract with the LGU.

3) Description of loan facility

- a) Debt/equity: The LGUWSP can finance from 75%-90% of the project cost, with the municipality/ city putting up from 25% to as little as 10% of the equity.
- b) Eligible cost:
 - Feasibility study
 - Technical design
 - Construction of the water facility
- c) Interest, project duration: 15% per annum, 15 years (with 3-year grace period)

4) Availment procedures

- a) Submission to the WSS-PMO-DILG of the following:
 - Letter of Intent/Interest to participate in the project (duly signed by the Mayor)
 - Supporting Sangguniang Bayan resolution expressing interest and willingness to secure loan from the DBP to fund the water project cost
 - LGU financial data
- b) Initial screening by DILG / DBP / WB technical group
 - Validation and analysis of financial data
 - Initial determination of LGU financial capability / borrowing capacity
- c) Preparation of feasibility study and detailed engineering design
 - Study to review scope of proposed water project, check availability / adequacy of source of water supply
 - Review of bases for population growth projections and consumer demand
 - Formulation/ recommendation of LGU's technical options
 - Presentation to the community prospective end users of the technical option approved by the SB
- d) Passage of SB resolution authorizing

- Inclusion of the proposed project in the local development plan and public investment program (Section 296, LGC)
 - Loan for the proposed project
 - Appropriation of equity requirement
- e) Perfection of Loan Agreement between the LGU and DBP
 - f) Construction of the facility
 - g) Start of operation of the facility

5) Project opportunities

While the main thrust of the LGU-UWSSP is to provide financing to cover the eligible cost items indicated under "Description of Loan Facility" (Item #2), it also covers other non-loan project components to assist the LGUs build up their capabilities to handle water sector projects.

The complete project components of the LGU-UWSSP are as follows:

- a) Water and sanitation facilities component:
 - Construction/improvement/rehabilitation of Level III water facilities
 - Provision / improvement of sanitation facilities
 - Construction /improvement of urban drainage
- b) Institutional development components
 - Training of LGUs in decentralized planning, implementation and management of water facilities applying the following commercial principles:
 - Demand driven approach
 - Private sector participation
 - Full cost recovery
- c) Technical assistance component
 - Feasibility study
 - Detailed engineering

9.3 Institutional Arrangements

This section of the report discusses both existing and proposed roles and responsibilities of agencies involved in WATSAN sector projects. Agencies that are presently involved include national government offices precisely because the devolution of functions related to WATSAN activities is not yet complete. As the province's capability to implement WATSAN projects is enhanced in the medium-term, there will be a need for a unit that will coordinate WATSAN project implementation activities between and among national and local

office. This coordinating body is the proposed PWSU (Provincial Water Supply and Sanitation Unit: tentative name).

9.3.1 Roles and Responsibilities of Agencies Concerned

In the implementation of WATSAN sector projects, respective governmental agencies from national to barangay levels shall play their roles as described below.

(1) National government Agencies

1) Department of the Interior and Local Government

The DILG, through its Water Supply and Sanitation Program Management Office or WSS-PMO shall coordinate with the funding agency, LGUs and other national government agencies involved in the project implementation. It shall be responsible for the following:

- a) development of the capacity of PWSU and MSLT members in planning, training and organizing, WATSAN technologies, health and hygiene education, gender responsiveness, implementing, monitoring and evaluation of water and sanitation projects. The formation and tasks of PWSU and MSLT are discussed in the following section (9.3.2).
- b) providing staff and administrative support, and development cost for the project. A Coordinator in each province shall be assigned to ensure project coordination at the provincial level. Its field personnel at the regional, provincial and municipal offices shall be utilized to assist in the capability building programs for LGUs. Monitoring of WATSAN projects shall be integrated in their regular functions.
- c) execution of a Memorandum of Agreement (MOA) with the concerned LGUs. MOA shall include cost sharing arrangements with concerned province/s and municipality/ies, utilization of vehicle and equipment support, and possible allocation of LGU's amount out of their internal revenue allotment for future operation, repair and maintenance.
- d) selection of NGOs to assist its capability building and community management programs for the LGUs and project beneficiaries to improve the delivery of project services and ensure sustainability.
- e) conduct of orientation and information dissemination for the provincial officials on the project including requirements and strategies to obtain their support and commitment in pursuing the project;
- f) coordination and utilization of the technologies of DPWH and DOH; including equipment and existing facilities; and

- g) procurement of vehicles, well rehabilitation equipment, maintenance tools, and water quality testing kits by means of bulk contract.

The other national government support agencies concerned and their respective functions in the project are:

2) Department of Public Works and Highways

It shall be the responsibility of the DPWH to:

- a) set and/or update, as and when necessary, technical standards for engineering surveys, design, construction, operation and maintenance of water supply system.
- b) upon agreement with the LGUs, assist in the conduct of engineering surveys and in the preparation of plans, specifications and programs of work, through its District Offices.
- c) upon agreement with the LGUs, assist in construction management, through its District Offices.
- d) conduct technical researches in coordination with the LGUs
- e) in the light of present-day directions in health management, emerging habits in water use, concerns arising from urbanization, environmental degradation, and the overall increase in pollutive activities, it is recommended that the DPWH conduct, on a priority basis, a thorough review to update existing technical standards in relation to water supply and sanitation systems.

3) Department of Health

The DOH shall be responsible to:

- a) set and/or update, as and when necessary, standards on water quality testing, treatment and surveillance, and sanitary practice.
- b) provide technical assistance to the LGUs in the conduct of periodic water quality control (once in every three months as stipulated in the Philippine National Standards for Drinking Water) and surveillance-related activities.
- c) monitor and evaluate, on a regular basis, health and hygiene education programs implemented by local health officers, particularly in areas where waterworks systems are expected to be constructed.

4) National Water Resource Board

The NWRB shall be responsible to:

- a) regulate the use of water resources through the issuance of water rights (for the Level I water supply projects, water right permit shall be confirmed when the site selection is completed); and
- b) establish and manage a user-friendly water resources data management system.

(2) Local Government Units

1) Provincial Government

The province, through its PWSU that is to be newly organized, shall handle all activities related to the development of the sector in the province. As the WSS technical group at the provincial level, the PWSU shall provide the overall planning framework, technical support, and monitoring to enable the province to fulfill its sectoral targets.

The PWSU shall have combined functions of PPDO, PEO and PHO in the implementation of the sector projects. The role and responsibility of each member as well as the joint tasks to be undertaken among them shall be clearly defined. The head of the unit decides on WATSAN project issues and problems arising therein. The team member shall work hand-in-hand with the CO/NGO supervisor who shall be primarily responsible for the coordination of project activities at the municipal level. A focal person shall be designated from the PWSU members to serve as understudy of the CO/NGO to ensure social technology transfer before the phase out of the NGO intermediary. The PWSU, together with MSLT shall be primarily responsible for:

- a) annually updating the PW4SP;
- b) preparing the program of work and implementation schedule;
- c) conducting information dissemination and consultation with the municipal and barangay officials;
- d) selecting and prioritizing project sites using the selection criteria developed for the project;
- e) assisting in organizing BWSAs for Level I water supply and RWSAs for Level II, and skills training for the BOD/officers, bookkeeper and caretakers of the operating body on operation, maintenance and repair;
- f) periodically apprising for the Governor of the project developments;
- g) managing and monitoring the utilization of vehicle and equipment procured under the project;

- h) monitoring, evaluating and preparing reports on the progress of project implementation for submission to WSS-PMO for ODA assisted projects; and
- i) providing continuing technical and institutional assistance to the MSLT and project beneficiaries.

A priority concern of the PWSU as soon as it is organized is to launch a province-wide IEC Program (as discussed in 9.2.4 item no. 5) to create strong awareness and active support for the sector's targets, based on the creation of safe water and sanitation values.

2) Municipal Government

Each municipality shall create a Municipal Sector Liaison Team (MSLT) from MPDO, MEO and MHO. The role and responsibility of each member as well as the joint tasks to be undertaken among them shall be clearly defined. A focal person shall be designated among them, preferable from MPDO, to serve as understudy of the CO/NGO to ensure social technology transfer before the phase out of CO/NGO intermediary. The MSLT shall work hand-in-hand with the CO/NGO and with the PWSU support. It shall be responsible to:

- a) select the priority sites/barangays in close coordination with the Municipal Development Council;
- b) conduct consultation meetings with the barangay officials/development councils and community members;
- c) facilitate the barangay water and sanitation survey and spot map, and prepare the survey summary report and spot map;
- d) organize BWSAs for Level I water supply and RWSAs for Level II, if necessary, and conduct skills training for the BOD/officers, bookkeeper and caretakers of the operating body on operation, repair and maintenance;
- e) assist the operating body in the establishment of proper systems and procedures for the collection of water charges, sanction for delay and non-payment, opening and operating bank accounts and budget allocation for the operation, repair and maintenance and cost recovery of the facilities;
- f) through its MHO/RHU and its network of barangay health workers and volunteers, conduct information campaign on proper health and hygiene education in the community;
- g) periodically apprise the Mayor of the project development;
- h) manage and monitor the maintenance tools and water quality testing kits procured under the project;

- i) monitor and prepare report on the status of project implementation for submission to the PWSU; and
- j) provide continuing technical and institutional assistance to the project beneficiaries.

3) Barangay

The barangay acts as a basic unit for the development. Barangay officials and development councils serve as the entry point for all development activities in the community.

The barangay officials will play an important role in planning and implementation of WATSAN projects. They shall collaborate with the PWSU/MSLT in gathering data/information and in undertaking various activities in the barangay such as in conducting survey and spot mapping by men and women volunteers, general assembly meetings and mobilization of resources in the community. The barangay officials/development council shall serve as advisor/facilitator of the operating body and community members.

(3) Communities

1) Barangay water association

Upon completion of Level I water supply project, the facilities shall be turned-over to the operation body. A certificate of acceptance serves as a document of ownership of the beneficiaries and acceptance of their responsibility in the project. Upon decision of the community members, existing people's/community-based organization, or a new water association (BWSA) shall be formed as an operating body.

The operating body shall own the project and shall undertake the responsibility for the operation, repair, maintenance and cost recovery of the facilities. Specifically, it shall be responsible for:

- a) regular collection of contributions from member-users for the operation, repair, maintenance and cost recovery of the facilities;
- b) maintenance of proper and updated financial records and transactions of funds;
- c) undertaking minor repair of the facilities for Level I and II water supply facilities and in case of major repair, requesting assistance from the MSLT/PWSU members;
- d) encouraging members to attend meetings and training activities mainly for Level I water supply;
- e) implementing policies and procedures approved by the BOD/officers; and
- f) encouraging members to observe proper health and sanitation practices.

2) Member-users

The duties and responsibilities of member-users will include the following:

- a) payment of monthly water charge contribution to the operating body;
- b) attendance in meetings and training activities designed for members;
- c) observance of rules and regulations and policies approved by the BOD/officers;
- d) reminding other water users to use the facility properly, especially for Level I and II water supply;
- e) keeping the premises of the water facility clean, sanitary and free from excess water which may cause contamination of the water source; and
- f) adopting proper health and sanitation practices.

9.3.2 Institutional Arrangements

(1) Provincial Level - PWSU

In the medium-term, it is recommended that a full-time Provincial Water Supply and Sanitation Unit (PWSU) shall be operational. This is because of the expected large volume of work that will be required by the PW4SP and other ODA – and locally-funded WATSAN projects. The main functions of the PWSU will be:

- 1) to coordinate the planning and implementation activities related to the PW4SP, among the concerned national, provincial and municipal agencies; and
- 2) to continue to implement, assist and monitor all water supply and sanitation services in the province in coordination with the municipalities.

Over the long-term, the PWSU may be elevated to the same level as the PPDO to underscore the importance of the WATSAN sector in the development of the province.

The provincial government should ensure that the unit should be provided adequate logistical and financial support. The DILG-WSS/PMO should also continue providing technical and managerial assistance to the unit. Upon agreement with the LGU concerned, the DPWH – DEO should also continue to lend its water supply facility development capability to the province.

The initial professional-level staffing of the proposed PWSU will be as follows:

Provincial Water Supply & Sanitation Coordinator	1
Assistant Provincial Water Supply & Sanitation Coordinator	1
Community Development & Training Specialist	2
Water Supply & Sanitation Engineer	2
Monitoring Specialist	1
Total Personnel Required	7

- 1) The Provincial Water Supply & Sanitation Coordinator (PWSC) will lead an interdisciplinary PWSU. The PWSC will ensure timely preparation, implementation and reporting of sector and project progress based on the annual sector plan. For day-to-day operations, the PWSC will report to the Governor. The PWSC will also liaise with all project implementors at the municipal level. The PWSC shall be the key contact person of the DILG-WSS/PMO. Specific duties include:
 - a) Preparing guidelines, work plans and schedules for project implementation work at the municipal level; coordinate the work of consultants and NGOs in their various tasks.
 - b) Preparing a detailed work plan and program of activities for project implementation at the provincial level (including technical, financial and organizational aspects) and ensure regular reports on the progress of activities.
 - c) Guiding the conduct of sector and project management and the supervision, and coordination of the PWSU; ensure the quality and timeliness of the outputs of the other agencies and consultants.
 - d) Assessing all future inputs required for project planning, design, supervision of construction and monitoring in subsequent phases of project implementation.
 - e) Taking steps to ensure that adequate financing is available to support the sector capital development requirements.
 - f) Assisting in the negotiations for external grants and loans.
 - g) Recommending policy and policy revisions to govern sector and project management activities.
- 2) An Assistant Provincial Water Supply and Sanitation Coordinator will likewise be appointed to assist the PWSC in discharge of his/her duties and responsibilities of PWSU.
- 3) The Community Development and Training Specialist (CDTS) will be particularly responsible for implementing the community development and involvement aspects of the project. His/her task will include frequent contact with the municipal liaison staff and barangays to ensure that all project activities are demand-driven and sustainable. The CDTS will report to the PWSC. Specific duties include:
 - a) Identifying initial areas and developing implementation arrangements for launching the project in the various municipalities.
 - b) Conducting regular dialogue and disseminate information among local leaders on water, sanitation and health issues.
 - c) Assisting municipalities in overseeing the organization (or accreditation) of associations which will be responsible for water supply and sanitation facilities.

- d) Coordinating the health and hygiene education program province-wide.
 - e) Reviewing past training programs for water supply and sanitation, hygiene and sanitation education, and community organization and development, including any manuals or other training materials used.
 - f) Guiding municipal liaison staff in developing/adapting a community training strategy and methodologies based on the principles of participation, adult education, experiential learning and task specific activities, including the review and development of training materials.
 - g) Preparing the overall provincial training plan enhancing management skills, institutional strengthening, improving technical skills, and community promotion, awareness and development. This should include: training methodologies; types and numbers of training events for staff and communities; training of trainers; training packages, manuals and audio visuals; management aspects of training programs; and staff requirements and cost estimates for all categories of training including equipment and materials.
 - h) Assisting municipal staff in identifying and selecting target communities and sites based on agreed upon criteria; developing methodologies and coordinating preliminary village surveys and gender analysis.
 - i) Assisting in coordinating activities of the municipal liaison.
- 4) The Water Supply and Sanitation Engineer (WSSE) will be responsible for all technical aspects of the project including feasibility studies, design, construction, operation and maintenance. WSSE will report to PWSC. Specific duties include:
- a) Reviewing the existing technical and environmental situation relating to water supply and sanitation facilities and assessing the needs for new facilities and rehabilitation.
 - b) Preparing and updating criteria and process for the selection of water supply and sanitation facilities appropriate to the conditions prevailing in the project areas focusing on systems that can be operated and maintained by the community.
 - c) Reviewing design standards for water supply and for on-site sanitation (human excreta disposal) facilities for individual households, communal and school latrines.
 - d) Establishing appropriate design standards and technical specifications for water and sanitation materials and equipment applicable to systems proposed in the project. Establishing quality control mechanisms for the procurement of materials and equipment as appropriate.

- e) Preparing standard contract documents, specifications and cost estimates for civil works and procurement.
 - f) Ensuring proper construction supervision and monitoring in coordination with the municipal liaison. Ensuring timely transport of LGU-provided materials to project sites.
 - g) Providing for adequate maintenance of LGUs equipment and tools for water and sanitation facilities, including drilling rigs and vehicles.
 - h) Supervising major repair or rehabilitation work beyond the capacity of communities to undertake.
 - i) Implementing, in coordination with the PHO, the water quality surveillance system. Assisting the PHO in enforcing sanctions or remedial measures in controlling drinking water quality.
- 5) The Monitoring Specialist (MS) will be responsible for ensuring that the status of sector projects and outputs are properly reported and fed back to management. His/her task will include frequent contact with the municipalities to ensure that all project activities are demand-driven and sustainable. The MS will report to the PWSC and liaise closely with the PPDO who has the responsibility for monitoring all development activities and needs in the province. Specific duties include:
- a) Drafting all project reports and documents including the quarterly and annual sector report.
 - b) Maintaining the registry of associations responsible for water and sanitation in their respective communities.
 - c) Coordinating and developing indicators for monitoring and evaluating the achievement of project objectives.
 - d) Monitoring actual costs for typical water supply and sanitation systems.

(2) Municipal Level - MSLT

At the municipal level, the municipal development coordinator, the municipal engineer, the municipal health officer or any other qualified staff selected by the mayor may be appointed as a member of the MSLT.

The role of the MSLT will be very critical at all stages of sector and project management. The MSLT should ensure that the activities guided by PWSU are implemented at the barangay level, particularly information dissemination about funding opportunities. The MSLT receives all requests for water and sanitation facilities including the commitment of the barangays to provide counterpart funds or labor for the projects. The MSLT also

recommends the programming of municipal funds (from municipal IRA allocation or other sources) to provide counterpart support or to fully finance the projects.

Supported by the PWSU, the MSLT ensures that a viable organization is set up or appointed to handle the operation, maintenance and fee collection for the water system. The MSLT also reviews the detailed project plan and design. During implementation, the MSLT monitors the construction and drilling activities. The activities of the MSLT will be closely coordinated and reported to the PWSU. If warranted, the mayor should establish a municipal water and sanitation office in the long-term future to handle all the above functions when the level of activities shall have become substantial.

(3) Barangay Level

At the barangay level, the barangay government, through its Committee on Health, and the Rural Health Unit (RHU) plays a major role in concretizing the community aspiration for improved water and sanitation services.

The barangay government is the entry point for all development activities in the community. Particularly, it will play an important role in preparatory stage before the association is set-up (or a responsible group is appointed). The BC prepares the request for assistance and assembles available local resources (funds, manpower, materials) to serve as the community's initial counterpart which demonstrates the barangay's commitment.

The RHUs and their network of barangay health workers (volunteers), on the other hand, have established an effective primary health care delivery system in the province. The system will continue to provide, among others, health and hygiene education services focusing on the interdependence of safe water supplies and sanitary toilet facilities to achieve overall health and environmental benefits. The RHUs will be the principal data collectors to monitor the conditions in access and coverage of water supply and sanitation services.

(4) National Level – DPWH, DOH, DILG

At the national level, DPWH, DOH and DILG will continue to provide technical assistance to LGUs per NEDA Resolution No.4 (series of 1994), either directly or through their local field offices. In addition, mandated government agencies, such as LWUA, will continue to provide technical and managerial services and loans to duly-organized water districts and RWSAs. Through the DOF and DBM, the IRA allocations will continue, from which a portion can be allocated for sector projects. Since this IRA allocation for

water and sanitation projects will likely be very limited, the LGU will have to coordinate with appropriate national agencies to gain access to external funds. Regulations, promulgated and enforced by national regulatory bodies, like the NWRB, will have to be complied with by the LGU.

9.4 Project Management Arrangements

In implementing specific WATSAN projects, there are several approaches / strategies which are recommended that will increase the likelihood for success and sustainability over the long term. These general approaches/strategies should be treated as minimum project requirements, which can be enhanced or improved upon to further ensure the project's success and sustainability.

9.4.1 Project Approach/Strategy

(1) Capacity Enhancement

- a) Creation of support structure at the provincial and municipal levels (PWSU and MSLT, respectively) with clearly delineated roles and responsibilities of each member as well as the joint tasks to be undertaken by them.
- b) Improving information dissemination to and consultation with local officials at the provincial, municipal, and barangay levels to secure full support and cooperation in the execution of the project.
- c) Tapping NGO intermediaries to assist in the capability building and community management programs for the LGUs and project beneficiaries.
- d) Capability building shall be undertaken at various levels, from the national to the beneficiary levels. A Consultant shall develop the capacity of the WSS-PMO and NGOs, who in turn shall be responsible to develop the capacity of LGUs (PWSU, MSLT) and CO/NGOs. Finally, LGUs shall develop the capacity of the project beneficiaries who are to operate and manage the projects.
- e) Consultancy services shall be availed of to assist the executing and implementing agencies' capabilities in the successful implementation of the project.

(2) Service Level Determination

- a). The appropriate service level for a geographical area shall be determined in the following manner:

- at the initial stage of the project, the public will already be consulted regarding their needs, desires, and willingness to pay;
 - before construction begins, all parties will sign an agreement acknowledging their respective roles and responsibilities;
- b) Communities with no existing water system will be encouraged to adopt Level II systems instead of Level I systems, subject to a validation of the technical feasibility and the prospective users' willingness to participate in the construction, operation and maintenance of the system.
 - c) Existing Level III systems will be encouraged to expand their coverage to the fringe areas, subject to the results of studies on prospective demand, technical feasibility, and financial feasibility.
 - d) Existing Level III systems that are in close geographical proximity to other existing Level III systems will be encouraged to merge in order to achieve economies of scale.

(3) Community Participation

- a) The selection criteria for the priority sites will be the community demand for the level of service. Demand assessment shall be made through participatory beneficiary assessment prior to construction of facilities in the barangays.
- b) Tapping existing people's/community-based organizations as operating body of the project. Merger or consolidation with the existing water association in the barangay shall be considered before forming a new one.
- c) Community participation shall be incorporated in all phases of the project - from planning to evaluation. Community participation shall be achieved through consultation and interactions with the community members.
- d) A greater participation of women shall be required in the planning, implementation, management, and monitoring of WATSAN projects.
- e) Integration of water supply, sanitation and hygiene education and provision of information, education and communication materials to the community members.

(4) Cost Recovery

- a) LGUs shall adopt commercial principles in the operation and management of water utilities in order to provide cost effective and reliable services to consumers.
- b) Community equity contributions and LGU counterpart shall be required and will serve as an indication of willingness and commitment to participate in the project.
- c) Cost recovery through regular water charge collection from the end-users shall be a requisite of the project.

- d) Funds collected from the end-users shall be utilized for operation and maintenance and future rehabilitation and reconstruction. The funds shall not be included in the general account of LGUs, even if the waterworks is owned by the LGU.
- e) Merging of operating bodies may be studied to save on O&M cost and maximized the utilization of limited manpower resources.

(5) Feedback Mechanism

- a) A participatory monitoring and evaluation system shall be installed in partnership between the LGUs and beneficiaries.
- b) Monitoring and evaluation shall start during the project implementation. The system must have clear objectives and the right indicators - sustainability, effective use, and replicability.

The success of water and sanitation projects in most cases depends on the strength of the institutional arrangement and mechanism. Therefore, it is imperative that each institution as well as those personnel involved in the project should have a clear grasp of their respective responsibilities in the various stages of project implementation. Figure 9.4.1 and 9.4.2 in the Supporting Report shows in detail the project implementation arrangement and procedure for Level I water supply and sanitation from the national to barangay levels. These have been designed to encourage active participation of implementers and beneficiaries in undertaking the project.

9.4.2 Project Implementation Arrangements

(1) Level I

Figure 9.4.3 depicts the Activity Process Flow for Level I Facilities. The following key requirements should be noted:

- 1) **Project Selection:** The basis for selecting projects should be self-selection and local initiative. All barangays should be well-informed about sector opportunities and policies. The barangays should take the first step by assessing their needs, deciding that they want to improve their water and sanitation above all other needs and expressing their aspiration. The initial tasks of LGUs will be social marketing and information dissemination. The barangay should also decide desired service level/s, with a full understanding of the cost-recovery aspects and other responsibilities.

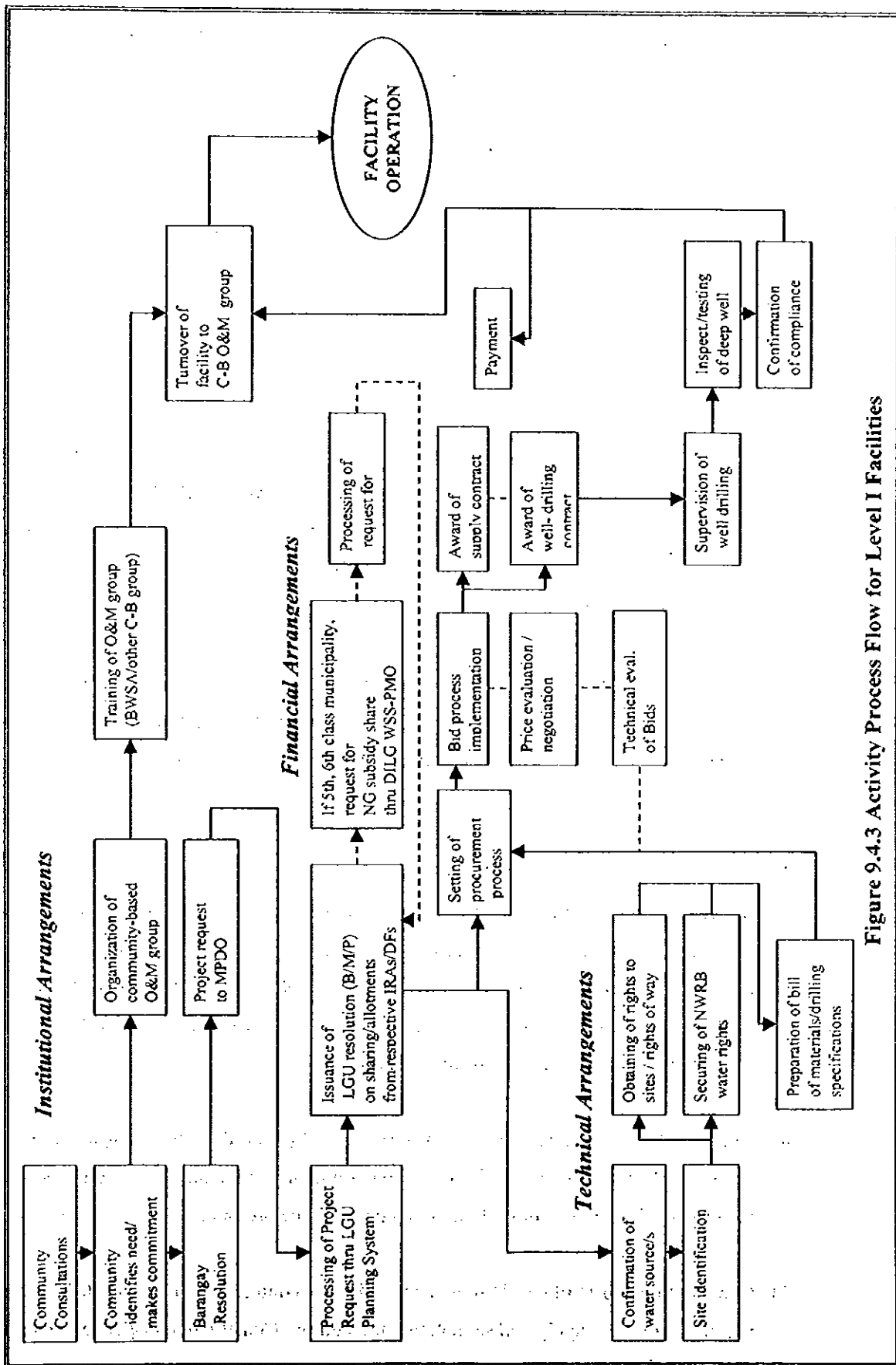


Figure 9.4.3 Activity Process Flow for Level I Facilities

- 2) **Organization of associations:** More flexibility is needed in order to tap local community resources. The issue of the necessity of forming BWSAs has been raised on several occasions. The proliferation of single-purpose associations for every government-sponsored project tends to divide barangay resources and complicate barangay structures. Many socio-civic groups have in fact "adopted" facilities and are looking after their maintenance voluntarily. Actual success rate seems to be higher in areas where water supply is extremely difficult regardless of whether there is monitoring or not.

The basic principle is that the community agrees that a particular group at the local level will be responsible. Existing local groups with other socio-civic objectives, with an active track record, and which are ready, willing and able to take on the BWSA functions may be tasked with the responsibility for the facilities. LGUs will assess the situation and, if justified, approve alternative non-BWSA arrangements. BWSA formation, of course, remains an option. An "institutional accreditation" system can be organized. If the association fails to live up to its responsibilities, it can lose its accreditation to another group.

The association can decide how to organize itself internally in coordination with the municipal sector liaison. The important condition is that all functions have to be attended to. Thus, an association may subdivide itself by "puroks" or it may choose to operate as one institution.

- 3) **Technology and Technical Design Standards:** The former Rural Waterworks Development Corporation (whose functions were absorbed by LWUA) and the DPWH have developed a simplified procedure for conducting the initial data gathering. The formats, which are appended (Table 9.4.1 Supporting Report), may be adopted and used by the LGUs. If necessary, these forms can be revised to suit the specific needs of the barangay or municipality.
- 4) **Bidding of works and procurement of services and materials** should follow provision of PD 1594 and other appropriate government policies and practices. Where possible, major capital procurement shall be sourced within the province.
- 5) **Construction and Drilling:** Drillers and civil work contractors will be needed for any major rural water supply and sanitation undertaking. Construction inspection shall be done with the municipal sector liaison.

- 6) Right of Way Acquisition: Deed of Donation (or written permits to grant use of land) for proposed facility sites should be executed in favor of the municipal government/ barangay prior to project approval.
- 7) Major rehabilitation work, beyond the capacity of the associations, shall be referred to the municipality for action. Clear definition of "major rehabilitation work" is needed. All costs incident to the rehabilitation shall be for the account of the association O&M reserve fund. The municipality (supported by PWSU) may assist the association in securing soft loans, if the reserve funds are inadequate.
- 8) Operation & Maintenance will generally be the responsibility of the association. To support the caretakers, a franchising system for major O&M activities may be instituted by the municipality (through a private firm, a major Water District in the area or any other competent group). Mechanics and plumbers can organize well-equipped "mobile service centers" which visits all the facilities monthly to check-up facilities and provide technical advice on behalf of the LGUs.

With standardization, local hardware stores will find it more profitable to stock up on needed spare parts. The LGUs should not maintain spare parts, although it is expected to maintain a ready stock of fast-moving spares.

- 9) Water Rate Setting: Fees and rates shall be established and approved by the community prior to construction. The fees shall be sufficient to cover all monthly operation, maintenance and administration costs, as well as to establish a reserve fund.
- 10) Fees Collection and Funds Management: The association shall collect monthly fees. All funds of the association shall be deposited in a bank to be selected by the association.

(2) Level II

Figure 9.4.4 depicts the Activity Process Flow for Level II Facilities. The following key requirements should be noted:

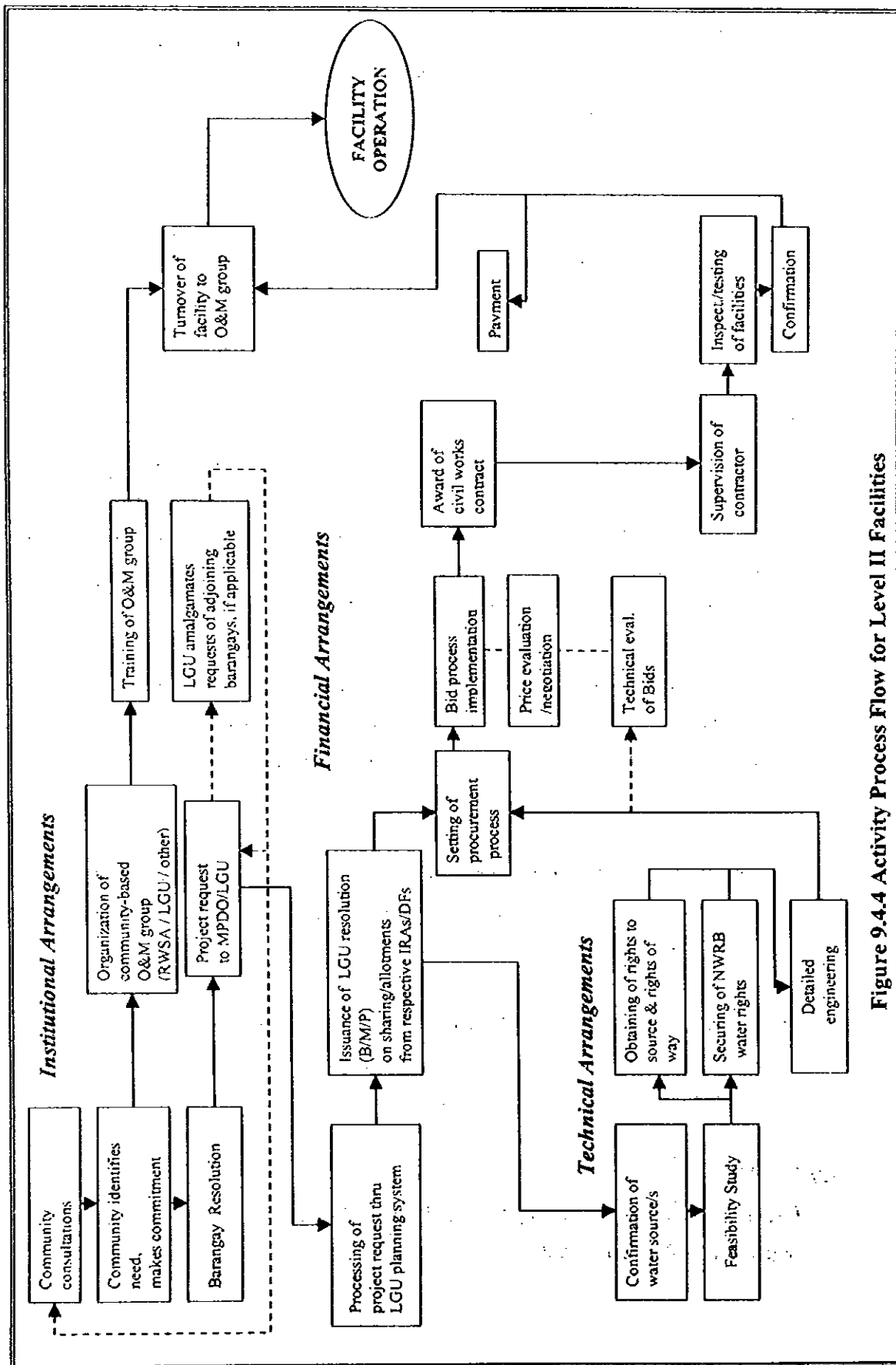


Figure 9.4.4 Activity Process Flow for Level II Facilities

- 1) **Project Selection:** Guidelines similar to that of Level I project selection shall be followed, i.e., self-selection and local initiative. Two or more barangays (or puroks) may agree to have a joint water and sanitation project.
- 2) **Organization:** The RWSA model may be followed by the participating communities. Again, flexibility will be followed and alternative models for managing the system may be considered.
- 3) **Technology and Technical Design Standards:** Technical standards have been in use by LWUA for RWSAs and by DPWH for Level II systems. (refer to Table 9.4.2 with annexes, Supporting Report). As these are considered as national standards, they will be adopted by the LGUs.
- 4) **Bidding of works and procurement of services and materials** should follow provision of PD 1594 and all other applicable national and local legislation on bidding and award of contracts using public funds. LWUA uses standard formats and procedures for this process, which may be adopted by the LGUs.
- 5) **Construction** would usually be done by a contractor: Inspection would be undertaken by the RWSA; by the cooperative or the private developer; or by the LGUs depending on the institutional arrangement adopted.
- 6) **Right of Way Acquisition:** The association shall negotiate for the purchase of land on which facilities will be constructed. Should negotiations fail, the government may exercise the power of eminent domain to secure needed land.
- 7) **Operation & maintenance and rehabilitation** will be the responsibility of the association. It shall ensure that adequate tools and spare parts are available. It shall employ needed staff and caretakers.
- 8) **Water Rate Setting:** All fees shall be subject to public hearing and approval by the appropriate regulatory authority.
- 9) **Fees Collection and Funds Management:** Same policies for Level I shall apply. However, fee computation shall include provision for debt service and possibly a higher reserve requirement.

(3) Level III

Figure 9.4.5 depicts the Activity Process Flow for Level III Facilities. The following key requirements should be noted:

- 1) **Project Selection:** Most Level III systems are to be initiated by the municipal governments. In principle, all communities (including rural areas) may request Level III services provided that they are willing and able to take on the financial and managerial obligations for higher service levels. Viability and affordability are issues, however, so that appropriate studies need to be undertaken to apprise communities of the costs and financial obligations involved. The point is that service level selection is community decisions.
- 2) **Organization:** There are several viable Level III models, which may be adopted: the Water District Concept; a LGU-managed system; a cooperative-run system; or a privately-owned and managed system (refer to 5.2 Data Report). The LWUA water district concept was briefly described in the preceding chapters. For detailed information, the LGUs should contact and coordinate with LWUA. The second option for the LGUs is to maintain operational control over the utility. Current experiences, however, reveal many difficulties because of numerous government controls and restrictions. Preferably a separate economic unit or enterprise may be set up. The private sector may be a viable option. It may use the BOT mechanism or it may invest on a long-term basis in larger systems.
- 3) **Technology and Technical Design Specifications:** Regardless of the type of institutional model adopted, the technical design standards to be enforced should be uniform. Technical standards used by the water districts and LWUA will be adopted and enforced by the LGUs.
- 4) **Bidding of works and procurement of services and materials** shall follow the provision of PD 1594 and all other applicable national and local rules on bidding and award of contracts using public funds. The LWUA uses standard formats and procedures for this process and the LGUs may adopt this.
- 5) **Construction by a private contractor is preferred. Inspection will be conducted by the water district; by the cooperative or the private developer; or by the LGUs depending on the institutional arrangement adopted.**

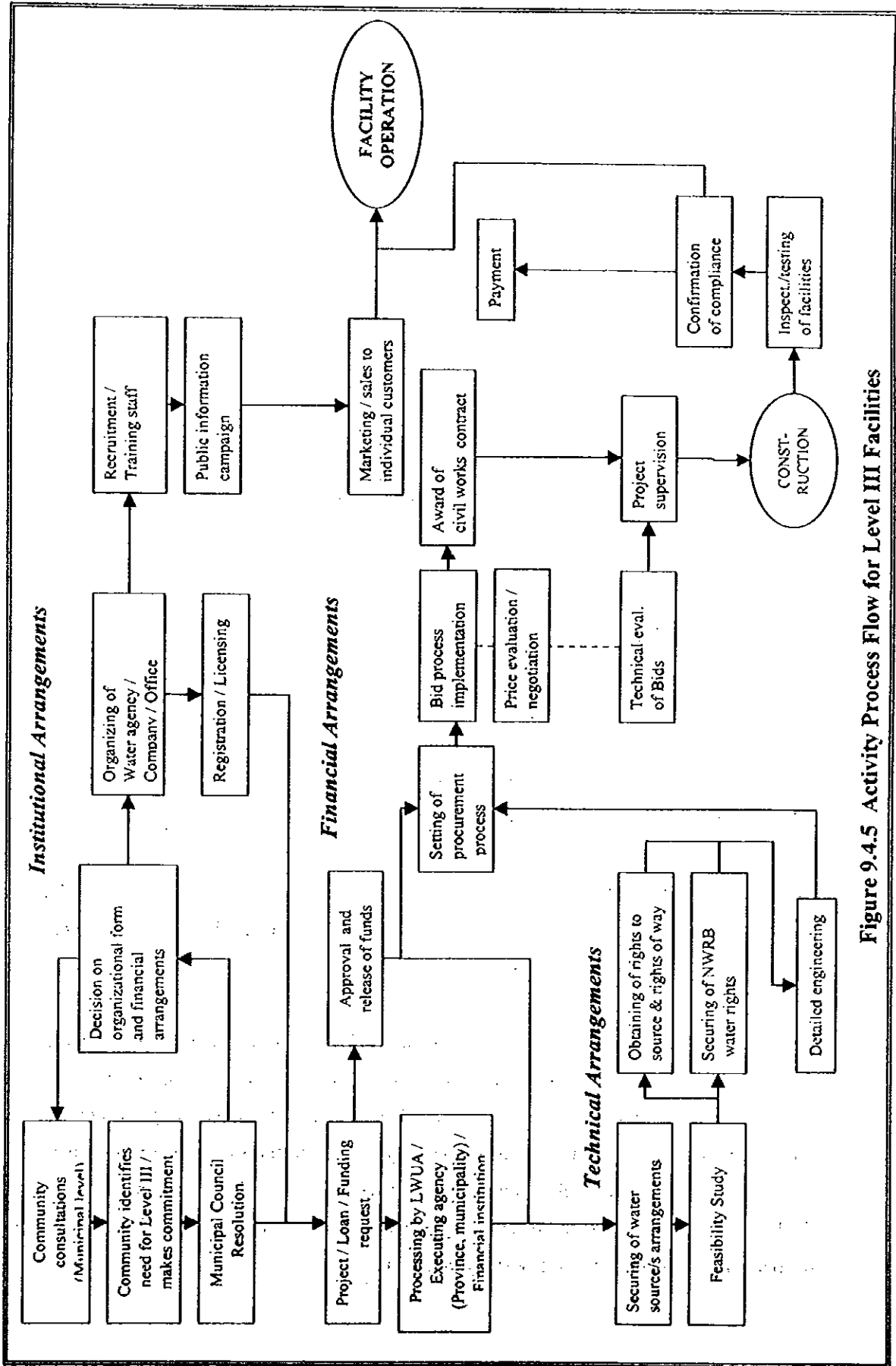


Figure 9.4.5 Activity Process Flow for Level III Facilities

- 6) **Right of Way Acquisition:** The waterworks will have to negotiate for the purchase of land on which facilities will be constructed. Should negotiations fail, the government may exercise the power of eminent domain to secure needed lands.
- 7) **Operation & maintenance and rehabilitation** will be the responsibility of the waterworks. It shall ensure that adequate tools and spare parts are available. It shall employ needed staff and caretakers.
- 8) **Water Rate Setting:** All rates are subject to public hearings and approval by the appropriate regulatory authority.
- 9) The waterworks shall establish a formal billing and collection system and business practice systems shall be adopted. The LWUA has established a comprehensive commercial practice system, which may be adopted by the organization.

9.5 Community Development

9.5.1 General

The success and sustainability of water and sanitation projects largely depend on the active participation of the users and unwavering commitment of the beneficiary community. Past WATSAN projects have failed because government planners and implementors gave only cursory attention to the felt needs and demands of the beneficiary communities. Thus, the lack of involvement and participation of the people led to the steady deterioration and/or non-operation of the WATSAN facilities.

This chapter presents the recommendations on how to harness the participation of the individual members of the beneficiary community in sector projects in order to ensure that the gains derived from WATSAN projects are sustained long after these have been constructed. In proffering these recommendations, it is necessary to take on the side of the project planners/ implementors from the central government, the provincial and local government units, down to the barangay level so as to complete the cycle where both the supply side and demand-side of the planning approach to this sector study is linked.

For the WATSAN sector, greater involvement of both the LGUs and the people shall be promoted not only in service delivery and implementation but also in project identification and in the decision-making process. Their contribution to development efforts shall be in terms of articulating their demands to guide concerned government and private institutions and of initiating community-based activities. In this way, they shall not just be passive recipients of projects and services but shall be harnessed as active partners in the identification and solution of community problems.

9.5.2 CD Structure and Linkage for Sector Projects

Participatory community development is a process that enables the members of the community to become action-oriented and self-reliant. This process is not easy to start, much less complete, because it takes time and resources. It also requires the genuine involvement, participation and collaboration of all the parties involved in sector development – from the national agencies, to the provincial governments, down to the municipal and barangay levels. It is only through having set the proper structures and linkages among these parties that participatory CD can take off as an important part of the entire sector.

(1) National

The Department of the Interior and Local Government (DILG), through its Water Supply and Sanitation Program Management Office (WSS-PMO), shall retain the role as the central government agency that will promote the community development component of water supply and sanitation projects with its regional offices providing close coordination with the LGUs in this fundamental sector activity.

To attain this, DILG shall develop the capacity of the provincial and municipal sector teams in undertaking (1) community development/management programs, particularly in the areas of community mobilizing and organizing and in capacity building; and (2) information, education and communication management programs. It should also be able to identify national NGOs that can assist its capability building and community management programs for the LGUs and project beneficiaries.

The Local Water Utilities Administration shall continue to provide assistance to the LGUs in the formation of LGU-WS into water districts, particularly in community participation on (1) the decision on whether or not to form a water district in the locality; and (2) the nomination of representatives to the five sectors that will compose the WD Board of Directors.

The LWUA shall also continue to provide regular CD assistance to the water districts particularly in consultation with the community on new projects, (called project hearings), the information/approval of new loans, and the approval for adjustments or increases in water rates (called water rate hearings).

(2) Provincial

Since WATSAN projects would be on-going in the long term, it is recommended that a CD Unit should be established within the proposed "Provincial Water Supply and Sanitation Office," discharging functions as important as the technical, financial, administrative units. The CD Unit will serve as the coordinating arm for all CD activities for WATSAN projects in the Province. It will mainly be responsible for establishing an over-all Comprehensive CD Management Plan for the province and implement this together with the LGUs. It will also be equally responsible for the conceptualization or the over-all Comprehensive IEC Plan for province and execute this together with the LGUs. The CD Unit shall also closely coordinate with NGOs/CBOs/POs in the province to augment their manpower and experience in doing community organizing and mobilization work. It will also obtain/furnish the inputs articulated by the people in all the phases of the project – that is, from project planning, implementation, operation and maintenance, monitoring to evaluation – thus contributing significantly in extending the life of the facilities as well as in promoting the health and productivity of the community as a whole.

Appointment of a Provincial CD Specialist

The province shall, within one year, provide for a regular plantilla position for at least one CD Specialist who will be appointed to take charge of the CD Unit. The CD Specialist will plan, implement and/or coordinate CD management programs, IEC programs, and the capacity building activities for sector projects. He/she shall also be responsible for the assisting in the training of municipal CD specialists and barangay CD coordinators. Within two years, or when the specific projects under this sector materialize, another CD Specialist position shall be opened, if resources permit. If not, said NGOs/CBOs/POs can be tapped for the purpose (refer to the Supporting Report for the Responsibilities and Qualifications of a CD Specialist).

(3) Municipal

The municipality is the next link in the delivery of services to the people. There may be a need to establish a more permanent office/unit, such as a "Municipal WATSAN Office" in the long term; but for the medium term, the Municipal Sector Liaison Team (MSLT) concept will do. Among this team's multi-functions is to undertake and/or coordinate all

CD and IEC work for the sector. It shall also collaborate with the water district on their CD-IEC programs, when and where practicable. It shall also coordinate with the NGOs/CBOs/POs that find their presence in the municipality. It will obtain/furnish the inputs articulated by the people in all the phases of the project – that is, from project planning, implementation, operation and maintenance, monitoring to evaluation to be utilized by those concerned.

Assignment of a Municipal CD Specialist

Within the medium term, the municipal government shall endeavor to assign a CD Specialist to the MSLT who shall undertake and/or coordinate actual CD and IEC work, together with the CD Specialist of the province. The CD Specialist shall closely coordinate CD work with NGOs/CBOs/POs and the private sector. He/she will also be responsible for assisting the Province in capacity building/training programs for barangay CD coordinators.

(4) Barangay

Not all barangays have established water supply and sanitation committees. It is recommended, therefore, that each BDC should establish a WATSAN Committee that will undertake and/or coordinate all WATSAN projects in the barangay. The committee, to be headed by the BDC's infrastructure committee chairman, shall have four members, preferably coming from the health, education, socio-civic and NGO sectors of the barangay. They shall be responsible for coordinating all the activities/phases in the project, including community development, such as but not limited to barangay meetings, surveys, mapping, project identification and planning, formation of a suitable WATSAN association/organization and other decisions regarding the acceptance of the water facility and the barangay counterpart in the construction of WATSAN facilities.

Designation of Barangay CD Coordinator

The barangay council should designate one person, preferably a member of the BDC or the WATSAN committee, who can be trained on CD work, particularly community organizing. Once trained, he/she will be the permanent CD coordinator of all CD activities related to WATSAN projects. The Barangay Health Worker can be an ideal candidate since he/she is already familiar with the work and the whole community.

9.5.3 Training on CD

The DILG WSS-PMO should immediately develop a capacity-building program on CD and IEC for LGUs, utilizing existing training institutions such as the Local Government Academy (LGA). While the importance of CD is acknowledged by the LGUs, there is an urgent need to raise the general level of CD awareness of the officials who would be involved in making decisions for the sector. For those who have a direct hand in the planning and implementation of sector projects, there is also a pressing need to upgrade their knowledge on CD-CO processes and approaches because methods being currently applied have been found to be very limited in scope, coverage and effectivity.

In this connection, it is recommended that the following measures be done in the medium term: (1) conduct a training needs assessment to determine the appropriate type of training program suited and relevant to the proposed participants' level of attainment; (2) upgrade the knowledge of the PPDO and PHO staffs, the MPDO and the MHO staffs, as well as the members of the BDC's WATSAN committees of improved CD frameworks available as well as CO approaches developed from the experience gained from other WATSAN projects; and, (3) develop other training programs to enhance CD and IEC as shown from the result of the training needs assessment.

Suggested seminar workshops are the following: (1) Trainors' Training on CD – duration, 4-5 days; to be conducted by the DILG WSS-PMO, with the proposed participants as select PPDO/PHO staff and CD Specialists of the municipalities who belong to the priority list for the medium-term; (2) Seminar Workshop on Community Organizing – duration, 4-5 days; to be conducted by the Province with the assistance of the DILG WSS-PMO, the proposed participants being the barangay CD coordinators; and (3) Seminar Workshop on IEC – duration, 4-5 days; to be conducted by the DILG WSS-PMO with the assistance of the Philippine Information Agency (PIA), the proposed participants being CD Specialists of the LGUs.

These training programs should be conducted on a regular basis until all the municipalities/barangays are covered. Each of the parties/participants to the training will shoulder their own costs, such that the DILG will be financially responsible for its trainors, the instructional materials, and the training venue. The LGUs, on the other hand, will pay for their own participants' expenses such as transportation and room and board. Eventually, when the Province has been fully trained and equipped to be the trainor, it shall conduct said CD/IEC training programs and will charge the LGUs and the barangays their proportionate share in the training costs.

9.5.4 Utilization of NGOs

On the national level, the DILG should screen and select national NGOs, with local networks or offices, that specialize in community management programs and tap these to assist the LGUs in organizing project beneficiaries to be more active partners in sector development.

The province, through the proposed Provincial Water Supply and Sanitation Office, must harness the participation of the private sector in community organizing and training of project beneficiaries. Initially, the provincial CD Specialist should make an updated inventory of all NGOs, CBOs and POs that do work in the province. It must identify and categorize these organizations according to the following: (1) expertise in community organizing and training; (2) sector-related experience in water supply, sanitation, solid waste; (3) expertise in communications planning, information dissemination and education.

9.5.5 Approaches to Participatory Community Development

(1) Manner of Participation in Sector Development

There are three levels of service where both the LGUs and the beneficiaries can participate in sector development. These are the following:

- Level 1 – Participation in (1) planning and implementing sector projects in the province/municipality/barangay; (2) the formation, management, operation and maintenance of the WATSAN association, usually a BWSA.
- Level 2 – Participation in (1) planning and implementing sector projects in the province/municipality/barangay; (2) the formation, management, operation and maintenance of the WATSAN association, usually a RWSA.
- Level 3 – Participation in the formation of water districts or LGU-operated waterworks, and in determining acceptability of new projects and corresponding water rates, among others.

LGU Participation

The LGUs, to be able to participate fully in all the phases of the sector project, should be made to decide on the type of project and its scope to be implemented in the province that would be appropriate to its ability to support in the long term.

To attain this, the LGU must encourage active community participation for the sector and open venues that will allow the beneficiary communities actual involvement in all the phases of project development such as in planning and design, monitoring and evaluation.

These include activities as project identification, site selection, water rate setting, managing the WATSAN association, and the operation and maintenance of the constructed facilities.

It is recommended, therefore, that the LGUs utilize the following approaches to facilitate various levels of community participation:

- a) **Information Sharing.** In community projects where external assistance is provided, project planners and implementors should not only share information with beneficiaries to facilitate collective and individual action but should share information as a means to assess the demand of the beneficiaries as they disclose their felt-needs and experience to the planners and implementors. This arrangement enables both sides come to understand and perform their tasks better. Information sharing/demand assessment can be achieved through formal and informal meetings, house-to-house visits or surveys and/or barangay meetings.
- b) **Consultation.** The LGUs should consult the beneficiaries on key issues during all the stages of a project cycle in order to increase their level of community participation. This also gives the beneficiaries the opportunity to interact freely and provide valuable feedback to the planners and implementors. In WATSAN projects, people should be consulted as early as the planning/study period when level of service, facilities sites, costs and other important data are determined. Consultation will be crucial during the construction of facilities, as it is in this stage that participation is most needed through the provision of free labor and donation of locally available materials.
- c) **Decision-making Role.** The LGUs should give the beneficiaries a genuine decision-making role in planning and implementing sector projects, exclusively by the beneficiaries alone or jointly with others on specific issues or aspects of a project. Decision-making implies greater control or influence on the project and, therefore, a higher level of community participation.
- d) **Initiative or Action.** The LGUs should provide the beneficiaries ample room to take initiative in terms of actions and/or decisions pertaining to a project, such as initiating the organization of a WATSAN association, requesting for training, and upgrading its system from one service level to another.

Beneficiaries Participation

There are many ways that the beneficiaries participate in sector projects. These can be categorized into four ways, namely:

- a) **The Provision of Free Labor and/or Materials.** The beneficiaries should continue to contribute needed labor and materials, as this is one way of increasing the people's identification with the system being built. But, contributing labor or donating materials as a demonstration of participation should not be the only form of participation available because pride of ownership is also dependent on what the people's other priorities might be.
- b) **The Sharing of Costs.** Project beneficiaries should also be made to contribute in cash or in kind in maintaining the system – an indication that they value the service and are committed to keeping the system in good working order. This sharing of costs, through cost recovery schemes or O&M agreements, may not in themselves be a reliable indicator of local commitment, if the average community members and, in particular, women have not been involved in decisions concerning the system. Thus, other forms of participation are recommended to be explored.
- c) **Participation through Contractual Obligation like MOAs.** The participation of the beneficiaries in the project can be detailed in a listing of the roles and responsibilities that apply to each partner in the project, that is, national government with the LGU, and the LGU with the community. To make these requirements more formal and binding, a contract or a Memorandum of Agreement may be drawn. The elements to be considered in the MOA should be the how to solicit the continuous support of the community's leadership, the WATSAN association's leadership, and the maintenance volunteers in order to keep the WATSAN association and its facilities functioning.

It is recommended that the participation of the beneficiary community should, therefore, shall be demonstrated through: (1) the organization of water and sanitation committee in all BDCs that would coordinate and monitor local contributions in the sector; (2) the organization of a WATSAN association that will promote, manage, operate and maintain the system; (3) the training of volunteer mechanics, pump operators and other technicians.

It should be noted, however, that this approach might not sufficiently involve the average person in the community or barangay, since agreements made with the

community leadership and presented at large meetings may not be fully understood by the mass community. So, this must still be augmented by other forms of participation.

- d) Participation through Community Decision-Making. This is the most highly recommended form of participation because it creates a strong sense of local responsibility for using the improved WATSAN resources well and sustaining these in good order. The community's participation, therefore, must evolve and be developed through participatory community development and education processes (explained later in this report) which must involve both the male and women members of the community in decision making right from the start.

The measure of success can be confirmed by: (1) the collective decision to organize the community WATSAN association where the members can articulate what responsibilities they are willing to assume in the general management, operation and maintenance of the WATSAN facilities; (2) the collective decision on matters pertaining revisions in project plans and designs and the type of training required that shall reflect the demands of the people in the community; (3) the collective decision on the type of WATSAN organization and level of service suitable for the community; and (4) the collective decision for the criteria on site selection and water fees to be charged, among others.

(2) The CD-CO Process

For Levels I and II service, it is suggested that the Province should utilize and/or adopt the Community Development Process developed from the recent WATSAN UNDP-PHI assisted project, and modify this to suit local conditions and requirements. The recommended typical CO-CD process or manner for Levels I and II comprises three phases of community activities.

The first phase, called Formation of Organization Phase, consists of activities intended to mobilize the members of the community. The second phase, Development of Organization, involves activities aimed at building the capability of the user's group that includes training. The third phase, Consolidation of Organization, consists of activities that strengthen the capacity of the user's group to sustain the operation of the association. (refer to Supporting Report for the Detailed Community Development Process).

As entry point of all development activities, the BDC is primarily responsible for the identification and prioritization of sector projects/needs. The decision whether to accept

Level I or II facility and the council's counterpart shall emanate from the BDC. In this way, the community demand could be assessed and the support and commitment of the barangay council secured.

Once the BDC decides to undertake the project, the Barangay CD Coordinator, with assistance coming from the provincial and municipal CD Specialists and NGOs hired for the purpose, must undertake a barangay survey to validate the assessment of the BDC as compared with the beneficiaries' demand for the level of service. The survey will also provide the information on the users' willingness to take the responsibility for the O&M of the facilities, willingness to pay and to be trained on O&M as well as the provision of local counterpart. Such discussions will generate a demand assessment from the barangay officials to be validated and/or confirmed against the results of the barangay survey. The survey results, together with the spot map, must be presented to the community for further validation and/or confirmation (refer to the Supporting Report for the Community Organizing Handbook for Water Supply and Sanitation)

In forming the water districts, LWUA, in coordination with the LGUs concerned, conducts a series of sectoral consultations with the community. Since water districts are formed at the option of the LGU, LWUA first consults the people, through a succession of public hearings, to arrive a consensus on whether or not to form the water district. LWUA also encourages the community to participate in the selection of the WD's' five-man board of directors, who are nominated from various sectors. Once formed and operating, the water district conducts regular dialogues with its concessionaires on issues such as water rates formulation and adjustment, expansion program and other matters that may affect the people-WD relationship.

9.5.6 Information, Education, and Communication (IEC)

In the long term, it is the power of information, education and communication programs that would sustain the gains of the sector. Proper attitudes and values towards water and sanitation would be developed only if the LGUs and the users are fully informed of sector developments, opportunities and projects and made thoroughly aware of their responsibilities towards sustaining the operation and management of WATSAN facilities. Thus, IEC should be looked upon as a long-term activity, which should ideally start as a foundation activity even before a project begins.

It is recommended, therefore, that conceptualizing a comprehensive and systematic IEC program be undertaken from the national levels, down to the provincial, municipal and barangays. For the sector planners and implementors, an IEC program would foster interest and support needed from local officials and thus pave the way to a smoother implementation of projects in the national, provincial, municipal and barangay level. On the side of the people, an IEC program would promote better awareness and understanding of the benefits and responsibilities, thus giving them a basis for better decisions for the sector.

(1) National

As an interim measure, the DILG's WSS-PMO should periodically provide information on sector policies, plans, initiatives and programs for regular dissemination to the public, as well as to its regional and provincial offices. It can do so by utilizing the Department's Public Information Office (PIO) and other existing communication linkages with the LGUs, as well as the government information and mass media networks, such as the Philippine Information Agency, Philippine Broadcasting System, and PTV-4.

In the medium term, the DILG's WSS-PMO should work for the creation of a public information unit within the PMO to take care of multifarious IEC tasks, such as, but not limited to: (1) planning and execution of a nationwide comprehensive public information and education program on water supply and sanitation utilizing the print, broadcast and television; and (2) undertaking capability and capacity building programs on IEC for provincial and municipal counterparts.

In the long term, the WSS-PMO should introduce WATSAN education formally into the school system, as an enhancement in both the grade and high school curricula. Simultaneously, it should attract national and local vocational schools to offer courses in support of the operation and maintenance of WATSAN facilities. As such, it should officially come into agreements with the Department of Education, Culture and Sports (DECS) and the Technical Education and Skills Development Authority (TESDA).

In order to maximize existing IEC programs on the national level, it is recommended that the DILG link or tie-up with the Local Water Utilities Administration (LWUA) which already has a nation-wide IEC program on water utilizing all communication media.

(2) Provincial

The proposed Provincial Water Supply and Sanitation Office, through the CD Specialist, shall be responsible for filtering down information on sector developments to the

municipalities, barangays, as well as the general public utilizing all forms and channels of communication. As an interim measure, the CD Specialist shall utilize the provincial public information officer for the purpose of information dissemination only. However, it should slowly develop its own expertise in information and communications planning so that the comprehensive IEC program can be further improved and better executed in the long term.

It is suggested that relevant provincial events (meetings, fora, training programs, etc.) be utilized to discuss sector projects and distribute informational/educational materials. General information, that is, news on current projects, technologies, health and hygiene tips – can be channeled through local radio stations. These strategies should be replicated at the municipal levels. The Province, assisted by the DILG-WSS PMO, should sponsor an IEC seminar workshop among the municipal CD Specialists.

(3) Municipal

It is suggested that the IEC strategies of the province be adopted by the Municipal Sector Liaison Team, particularly the assigned CD Specialist. If broadcast media facilities are absent in the municipality, it is also recommended that the CD Specialist employ the interpersonal approach in communication, such as group discussions, community meetings, dialogues, household visits, and one-on-one talks with the barangay officials and people. Furthermore, the municipality should maximize the use of non-traditional media in disseminating information, such as school exhibits, fiestas, special town events and the local movie houses. The CD Specialist may seek the assistance of the water districts in their respective localities. The water districts generally implement comprehensive IEC programs.

(4) Barangay

Aside from CD work, the barangay CD Coordinator shall also disseminate all sector information to the barangay officials and constituents. Thus, the CD coordinator should endeavor to attend all regular barangay council meetings to discuss relevant sector information. For urgent information, the coordinator can call special dialogues or meeting to announce important messages. He/she can also take advantage of special community gatherings such as civic and religious group meetings, PTA (school) meetings, to distribute informational/educational materials. The coordinator can also print messages on posters that can be placed in strategic places.

9.5.7 Health and Hygiene Education

In the medium term, the proposed Provincial Water Supply and Sanitation Office can adopt the health and hygiene education program of the Department of Health (DOH) which already has a comprehensive program planned at the central level and executed by its local health offices. This Office should ask the assistance of the PHO in the implementation of a province-wide health and hygiene education program, utilizing existing channels and methods as well as available materials. It should also include health education information in its training programs for WATSAN associations.

It was revealed that people learned about health and sanitation mostly from health workers and from the radio/TV. The province can therefore take a cue from this by giving emphasis on the utilization of health personnel to undertake health education and on airing health education materials over the radio.

9.6 Gender

9.6.1 General

The LGUs must recognize and give vital emphasis on the role of gender sensitive participation as critical factors in ensuring the project's success. Sustainability of water supply and sanitation services and hygiene programs depend on responding to the demands of men and women in communities. Use, maintenance and financing of water supplies and sanitation systems require the participation of both the men and women in the planning, implementation and monitoring and evaluation of projects.

This chapter presents the recommendations on how to harness the equal participation of the men and women of the beneficiary community in sector projects in order to ensure that the gains derived from WATSAN projects are sustained long after these have been constructed.

9.6.2 LGUs and Gender

The LGUs should always conduct gender sensitivity analysis when determining water supply and sanitation projects that are appropriate for the men and women members of the beneficiary community. This means that the difference between men's and women's activities, roles and resources will have to be identified in order to determine their development needs.

Through this, the constraints and opportunities of both men and women within the water and sanitation sector can be ascertained, a process that can help in the provision of services that men and women want which are appropriate to their circumstances. Thus, data collected, such as, but not limited to, population, type of participation, morbidity and mortality rates, shall be gender-disaggregated. Among others, the following data shall be collected:

- National-level policies and programs on gender;
- LGU-level policies and programs on gender;
- Local NGOs and their programs in promoting gender and development;
- Experiences of sector agencies in mainstreaming gender in sector projects;
- Actual views of women and men regarding their demands and their perceived roles and responsibilities.

It is important to note that since gender issues are usually localized, all concerned LGU staff be equipped with knowledge of gender and development as well as gender analysis skills prior to making any approaches to the target community. In this connection, to ensure the gender responsiveness of WATSAN projects, the province should be trained through a Trainors' Training Program on Gender, and later on transfer what has been learned to municipal/barangay staff involved in sector projects.

9.6.3 Gender Participation in WATSAN Projects

It is recommended that both the men and women of the beneficiary communities must be given equal opportunity to be appointed in (1) the water supply and sanitation committee in the barangay; (2) the Board of the WATSAN association to be organized; (3) and other committees/task forces that may be formed in order to realize sector projects and goals.

On WATSAN training, both genders should be given equal chances in articulating the type and duration of training they would like to attend. The same should be done in determining the functions that the men and women would like to assume in the WATSAN association, especially in operation and maintenance. In other words, the roles traditionally held by men or women should be made available to the opposite genders as well.

A simple checklist, developed from the OECF-funded Special Assistance for Project Sustainability of the Rural Water Supply Project III, of the issues to be considered for gender responsiveness is presented below:

a) For construction of Level I facilities and sanitary latrines:

- Are the designs (specifications) of Level I facility and sanitary latrines friendly to both sexes and based on their needs?
- Does system/procedures allow both sexes to participate in construction?

b) Capacity enhancement program:

- Are all project personnel aware of gender issues?
- Is gender training incorporated in the capacity enhancement program?

c) Community development program:

- Can both women and men participate in any kind of meeting?
- Can both sexes freely express their opinion in the meeting?
- Is all uncompensated work shared equally among women and men?
- Do both women and men participate in the decision process for determining construction equity (fees and labor)?
- Do both women and men participate in the WATSAN association's formation process?
- Are both sexes represented in WATSAN association as board members?
- Do both sexes participate in a pre-construction/formation training?
- Are all training opportunities shared by both sexes?
- Do both sexes participate in O&M activities?
- Do both sexes participate in monitoring and evaluation activities?
- Will the project effects be shared equally among women and men?

9.7 Human Resources Development and Training

The training is a planned strategy to strengthen individual competencies in relation to attitudes, skills and knowledge, to meet appropriate standards of excellence to achieve the goals of the program. The objectives of training are individual competence, organizational effectiveness and efficiency, and national development. Training helps ensure the availability of qualified and able manpower, the shortage of which is considered as one of the major obstacles to improvements in the water supply and sanitation sector.

In planning and implementing training activities, trainers must keep in mind that there are two processes simultaneously taking place - skill/knowledge acquisition and attitude formation. To illustrate the process, a brief exercise may be conducted during the session to show the two simultaneously occurring processes - those related to task and/or subject on one hand, and those related to attitude formation on the other.

(1) Training Principles

The effective application of teaching and learning principles is vital to achieve optimal learning. Trainers must bear in mind the following principles:

- 1) **Perceived Purpose:** Participants should recognize why a particular topic is being discussed or presented, i.e., the relevance. This is the first element that should be established and agreed upon in any training activity.
- 2) **Graduated Sequence:** The subject matter should be presented in a logical sequence, which can be followed by the trainees.
- 3) **Knowledge of Results:** At every point during a training activity, participants must know how well they are performing, i.e., feed-back.
- 4) **Appropriate Practice:** If the objective of a training effort is to develop specific skills, there must be opportunities to practice and demonstrate these within the training activity.
- 5) **Individual Differentiation:** Attention must be given to the fact that every person learns at a different pace.

(2) The Training Process

- 1) **Needs Assessment:** The first step is to determine the problem for which a training solution is required and will be able to make an impact. A careful analysis is necessary because the training should address and focus on precisely those deficiencies in knowledge, attitudes or skills that hinder reaching certain goals. However, one must bear in mind that not all problems or training alone can solve deficiencies. In most cases, complementing interventions will be needed.
- 2) **Setting Learning Objectives:** In the second step, the learning objectives need to be set. Training designers shall present these objectives in behavioral terms, i.e, what should a participant be able to do at the end of the training period (not what the session will accomplish). It is necessary to formulate them with care because they also serve as criteria for evaluation at the end of the training process.
- 3) **Methods and Techniques:** Different methods of training are appropriate for different types of learning. The methodology should therefore be appropriate with the set learning objectives. Participatory methods, like group exercises, group discussions, role plays, etc. are most effective in attitude formation. The choice of methodology is

mainly based on the learning principles and objectives. Human factors, resources available (time, facilities), and the subject area will also affect the choice.

- 4) Evaluation of Training: Training evaluation assesses whether a course was adequately designed and implemented to meet the set objectives.

(4) The Training Design

Training design is more than simply putting up a schedule. It is a plan of action to be followed by a trainer in implementing his activities. It consists of:

- 1) Rationale: Why set up a training program in the first place, and why would people have an interest in it?
- 2) Learning objectives: Workshops should aim to develop a strong understanding of concepts like: participatory development, demand, etc. An ability to analyze and apply participatory development in their local setting or to articulate water supply and sanitation demand and supply concepts are key capacity building objectives. Methods should be more participative and consultative, i.e., allowing planners to interpret the principles with an awareness of their local conditions.
- 3) Assumptions about the participants' background: Define who will best benefit from the program - the target audience.
- 4) Curriculum: Determine what the potential trainees need to know before they participate in the program; decide on the training methods and materials; draw up session plans and sequence the sessions logically.
- 5) Evaluation: Decide how the program itself and the participants are evaluated.
- 6) Administrative aspects: The budget for the program, the total costs, possible costs to the trainees. Other important administrative concerns are things like housing (for the program itself, for facilitators and trainees), registration of trainees, logistics, etc.

(5) Responsibilities

Needs assessments will be conducted as the basis for the design of the courses. Participants will be selected based on their tasks and responsibilities. The PWSU will establish and maintain a reference library and information/ documentation center, which will include training materials and equipment to service needs of the municipalities. The DILG, in

coordination with the International Training Network (ITN) - Philippines and other agencies and NGOs, will provide inputs to these training activities.

The LGU role is not only to run courses but also to ensure that training programs take place and are effective. As an alternative, training activities may be contracted out to well-functioning water districts. TESDA training centers have been established and can be tapped to provide testing and skill certification for caretakers. TESDA regularly conducts plumbing and pipefitting courses and it administers the national trades certification system. Finally, there are technical and vocational schools which may be tapped to provide technical training and to award diplomas and certificates to those who undergo their programs. These schools, however, do not have any special courses for water and sanitation caretakers at this time. A program can be set up with these institutions.

External training assistance must be viewed as participation within this process. Its purpose is to guide and motivate (not replace) local trainers. Local trainers need to go through the process of designing courses or developing materials, etc. Many learning opportunities are missed when non-local experts replace local trainers in doing need assessments, course designs, materials development, etc.

1) For staff operating Level I systems

- a) Preparatory orientation training activities will be organized leading to the formation of associations. These community-level orientation activities will consist of briefings about the health situation and the relationship between health, water supply and sanitation. The LGU program for water and sanitation improvement will be presented, including policies and procedures for accessing technical and financial support.
- b) Technical training of caretakers will consist of: water source protection (for deep wells, shallow wells, spring boxes and surface water intake structures); water quality protection; operation and maintenance of hardware (pumps, pipes), including simple replacements of parts; plumbing and pipefitting.
- c) Management training will include: fee setting, bookkeeping and financial management, preparation of improvement plans and monitoring and reporting requirements. Detailed policies of the LGU will be discussed.
- d) Current training activities and materials for the BWSAs by the DILG will be reviewed and adopted by the municipalities. UNICEF assisted DILG in updating these materials.

- 2) For staff operating Level II systems
 - a) Preparatory orientation and training activities will be organized leading to the formation of associations. These community-level orientation activities will consist of briefings about the health situation, the relationship between health, water supply and sanitation. The LGU program for water and sanitation improvement will be presented, including policies and procedures for accessing technical and financial support.
 - b) Training of technicians and operators will generally consist of: water source protection (for deep wells, spring boxes and surface water intake structures); water quality protection; water storage; chlorination; operation and maintenance of hardware (pumps, pipes), including simple replacements of parts; plumbing and pipefitting. Pump operation and electrical controls will be a major focus of this program. A topic on metering will also be presented.
 - c) Management training will generally include: organization aspects, operations policy formulation, water rate computation, preparation of bills, bookkeeping and funds management, preparation of improvement plans and monitoring and reporting requirements.
 - d) Training activities for the RWSAs prepared by LWUA will be reviewed and adopted by the municipalities.

- 3) For staff operating Level III systems
 - a) Technical training of engineers, technicians and operators will generally consist of: water resources conservation and protection (for deep wells, spring boxes and surface water intake structures); water quality protection; hydraulics; transmission lines; water storage; treatment and chlorination; construction inspection; and operation and maintenance of facilities. Implementation of a metering program will also be discussed. Methodologies for feasibility analysis for system expansion will be presented.
 - b) Policy and management training will include the full commercial practices system including budgeting and cost controls, bookkeeping and accounting, procurement, maintenance of stock inventories, rate formulation, collection systems, managing customer accounts and records, customer relations, and capital budgeting. The policy formulation process and the various areas of policy for utility operation will be presented in detail. Long-range planning, financial analysis and review, and monitoring with reporting requirements will be discussed.

c) The DPWH, LWUA and MWSS developed a comprehensive set of programs and materials for both technical and management training. Inputs from these three agencies and also from local water districts should be sought.

4) Training of PWSU staff and municipal liaison staff: Based on the task descriptions presented, the following training programs will be required. At least one program has to be conducted annually for each of the workshops and courses. The programs will explain the basic concepts and procedures. Succeeding programs will review the adopted policies and procedures and lay the bases for improving operations at the provincial and municipal levels. Municipal sector liaison staff will participate in these programs. They should be organized by the PWSU; except for the Provincial Coordinators' Workshop, which is best handled nationally by DILG to provide a wider base for sharing of experience among the PWSC. In addition, DILG will provide basic guidelines for the design and implementation of the workshops and courses.

a) The Provincial Coordinators' Workshop will be an annual activity intended to facilitate the exchange of experiences among the coordinators. New national policies, opportunities and constraints will be discussed. Case studies will be presented. Sector management & technical experts will be invited to speak on current issues and trends.

b) The Community Development Course is intended for trainers, community development specialists, and municipal liaison staff. The scope of the course will include: social marketing & public information programs, community organizing skills, training skills (needs assessment, design, implementation & monitoring).

c) The Technical Course seeks to acquaint technical staff at the provincial and municipal levels on the physical aspects of the sector. Its scope will generally include: water resources, overview of water supply systems (source, transmission, treatment, storage, distribution), drilling and source development, water quality protection, feasibility study and design procedures and standards, and operation and maintenance.

d) The Project Monitoring Seminar will provide an overview of the monitoring functions and the sector reporting requirements. The process of sector monitoring and updating the PW4SP will be presented in detail. Project monitoring procedures will also be discussed.

(4) Health and Hygiene Education

1) Policy: The LGUs shall establish hygiene education programs through appropriate methods and channels in consonance with the on-going national program. These shall

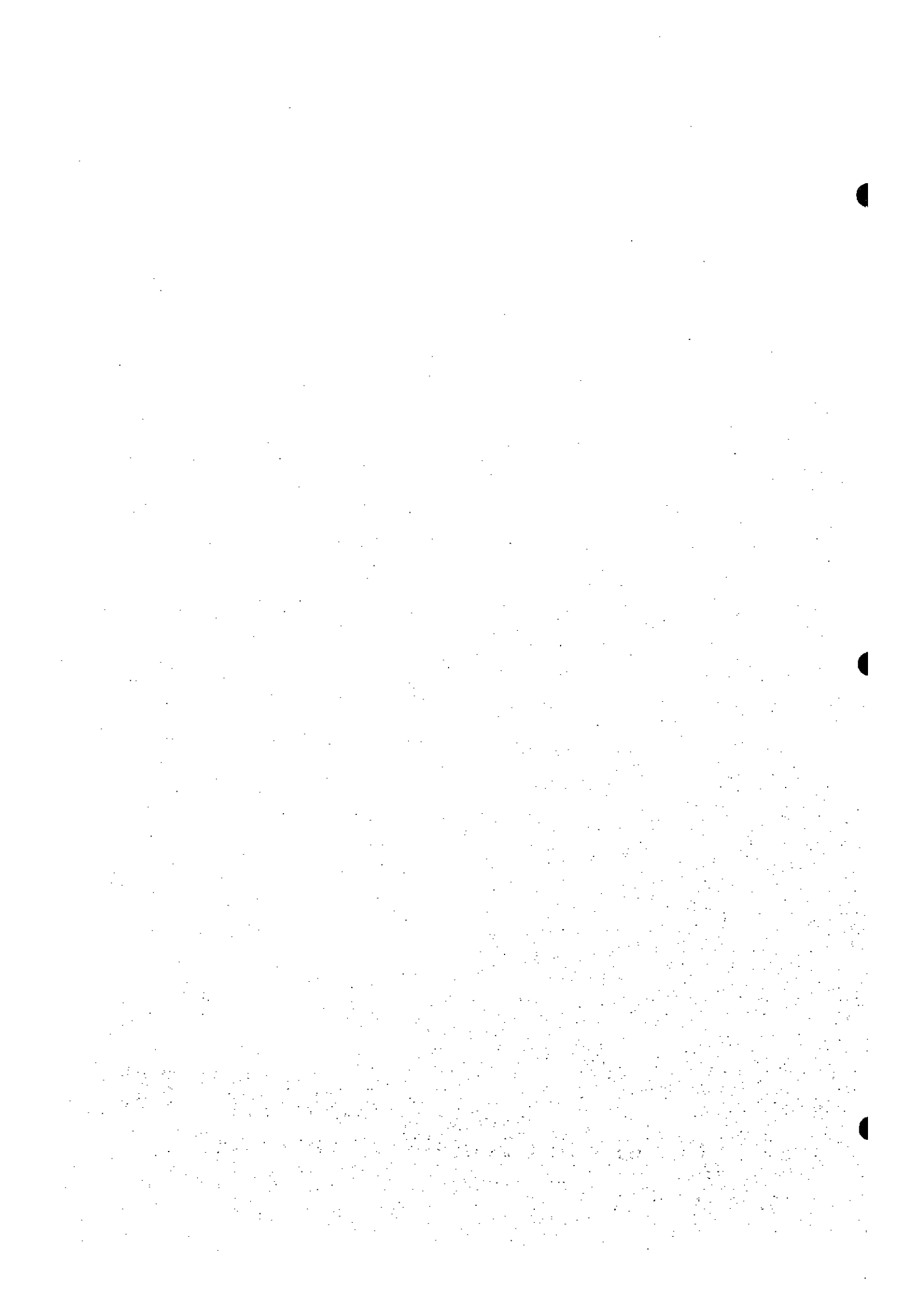
include immediate short-run programs: information campaigns; and long-term value formation interventions, possibly through the formal school system. If the LGUs are to attain the full economic benefits of improved water and sanitation services, household behavior and hygiene need to be addressed. Three approaches will be used:

- a) **Community-based Approach:** Direct house-to-house campaigns can be implemented through the Rural Health Units, as part of their current functions. Specialized training of the BHWs should be considered. Meetings by house "clusters" to discuss relevant health issues can also be organized. This will also be done through direct person-to-person contact with PHO staff, the municipal health staff, midwives, sanitarians, and the barangay health volunteers. Special presentations can also be done during the regular meetings of community-based socio-civic clubs. Various flip charts and IEC (Information, Education and Communication) materials are already available.
 - b) **School-based Approach:** Students are the main targets of this approach, either directly or through their teachers. Special focus activities, such as Water and Sanitation Week or Nutrition Week can be introduced, with programs or convocations to make the student aware of the issues and solutions. Posters, flip charts, and other audio-visual materials will be required.
 - c) **Media-based Approach:** This approach utilizes radio and print media to introduce and reinforce health messages. Many NGOs and the Philippine Information Agency (in coordination with the DOH) have developed interesting and attractive materials.
- 2) **Responsibility:** The community development and training specialists at both provincial and municipal levels will be responsible for the health and hygiene education function. The CDTs will formulate an action plan and implementation will be done by the municipal liaison staff and other local officials. At the barangay level, its implementation will involve the close coordination among the midwives, the barangay health workers and the Committee on Health of the barangay government. Materials for this efforts have been previously developed and can be found with the various PHOs and RHUs. UNICEF provided strong support in the preparation of these materials.
- 3) A continuous health and hygiene education program will be launched by the LGU. Simple and clear messages and approaches will have to be defined. These messages may include the following: relationship among health, water supply and sanitation; sector opportunities and services available at the rural health units. The relevance of these or other messages will have to be determined by the municipal sector liaison.

Chapter

10

**COST ESTIMATE FOR
FUTURE SECTOR DEVELOPMENT**



10. COST ESTIMATES FOR FUTURE SECTOR DEVELOPMENT

10.1 General

The total investment cost required in the two phases was studied for implementation of the future requirements identified in Chapter 8 and Chapter 9. The investment cost is defined to include direct cost for construction/rehabilitation of required facilities and sector management, as well as physical and price contingencies. Cost requirements for the equipment and vehicle are discussed as a reference to the LGUs and considered in the long-term development. In addition, recurrent cost is estimated for the operation and maintenance of facilities.

Conditions and assumptions to come up with investment cost were established covering all sub-sector components referring to the National Sector Master Plan and current standards of relevant sector agencies (DPWH, DOH and LWUA). Of the total investment cost required, only construction cost for sector components by municipality was included in this Chapter. The total investment cost is presented in Chapter 11 as a total requirement of the province.

With regard to construction cost, unit construction cost per person/household/facility was first prepared under contract-out basis for respective sub-sector component facilities in 1998 price level (refer to Supporting Report).

Recurrent cost was also included in this Chapter taking into account of regular operation, spare parts and equipment replacement for sector components concerned.

10.2 Assumptions for Cost Estimates

(1) Unit Construction Cost

Unit construction cost per person (household or facility) of each sector component was estimated based on the current standard unit cost of relevant sector agencies and typical standards developed for previous PW4SP as contract-out basis in 1995 price level. Referred cost data are urban water supply of LWUA, rural water supply of DPWH and sanitation of DOH. For price adjustment of construction materials, the NSO price index of 1995 to 1998 was referred to.

Unit construction cost consists of, in general, direct cost (mobilization/demobilization, material and labor), indirect cost (profit and VAT of contractor) and government expense (detailed engineering, institutional development and water quality analysis-when deemed necessary).

Freight cost of construction materials excluding indigenous materials, i.e., sand and gravel, was counted for sanitation and rural water supply in consideration of the distance from Manila. The cost is estimated at fixed percentage (8%) based on the standard practice being adopted by sector agencies.

Table 10.2.1 shows a summary of unit construction cost and their descriptions are given below (details are referred to Supporting Report).

Urban water supply:

- Unit cost for three different sizes of Level III system covering served population of 5,000, 10,000 and 15,000.
- Unit cost for Level III system shall be applicable to both systems utilizing spring source and deep well. However, especially in case of utilization of spring source, it is desirable to confirm by surveying in the implementation stage, since the location (distance/elevation) of untapped spring might affect the construction cost.

Rural water supply:

- Unit cost for four types of Level I wells (shallow well at 18m in depth and deep wells at 40, 80 and 120m in depth).
- Unit cost for deep well was estimated in combination of open hole with gravel packed well and natural gravel packed well based on water source study results. The profile of the two kinds of wells, gravel packed and natural gravel packed wells is assumed to be 95% and 5%. Required costs for iron removal facility shall be included as required for deep wells at high iron contained area (details are referred to Table 7.3.1, Main Report).
- Unit cost for deep well using anti-corrosive materials (PVC casing and stainless screen, riser pipe and sucker rod) was considered additional 7% to the unit cost of ordinary deep well. Of the total number of gravel packed well, 5% shall be applied based on groundwater quality study results.
- Unit cost for Level I spring development was estimated considering system upgrading to Level II adopting 63mm diameter of transmission line.
- Unit cost for Level II system to cover 600 served population.

Sanitation:

- Household toilet: (Construction cost is not considered since it is out of public works; unit cost is a reference for financial study in terms of affordability.)
 - Unit cost for four types of sanitary toilets (flush, pour-flush, VIP and Sanitary Pit Latrine) to cover one served household in urban or rural areas. Cost of flush toilet includes costs for demolition, water closet and water line.

Table 10.2.1 Unit Cost of Facilities by Type and Service Level

Sector Service Level	Unit Construction Cost per Facility (Pesos)	Service Coverage		Unit Cost		Rehabilitation Cost of Level I Deep Well (Pesos/Well)
		Served Population	Served Households	Pesos/ Person	Pesos/ Household	
Urban Water Supply	<i>New System</i>					
	For 5,000 population	5,000	N/A	5,100	N/A	
	For 10,000 population	10,000	N/A	3,800	N/A	
	For 15,000 population	15,000	N/A	3,600	N/A	
	<i>Expansion</i>					
	For 5,000 population	5,000	N/A	4,700	N/A	
Urban Water Supply	For 10,000 population	10,000	N/A	3,600	N/A	
	For 15,000 population	15,000	N/A	3,500	N/A	
	Level II	600	120	2,290	11,500	
Rural Water Supply	Level I					
	<i>Deep Well</i>					
	40 meter depth	N/A	15	N/A	24,470	78,400
	80 meter depth	N/A	15	N/A	36,200	
	120 meter depth	N/A	15	N/A	47,340	
	<i>Shallow Well</i>					
	84,300	N/A	15	N/A	5,620	
	<i>Spring Development</i>					
	737,600	N/A	15	N/A	49,180	
	Sanitation	<i>Household Toilet</i>				
Flush		N/A	1	N/A	23,000	
Pour Flush		N/A	1	N/A	14,100	
VIP Latrine		N/A	1	N/A	7,100	
<i>Public School Toilet</i>		233,500	250	N/A	1,000	N/A
<i>Public Toilet</i>		361,600	N/A	N/A	N/A	N/A
<i>Urban Sewerage</i>						
7,300						
Disinfection of Level I Wells						
	70					

- Public school toilet:
Unit cost for public school toilet was estimated in combination of toilet facility with 5 toilet bowls and 5 units of classroom toilet to cover 200 served students. The profile of the two kinds of toilet facility is assumed to be 50% each.
- Public toilet:
Unit cost for one facility with 6 toilet bowls.
- Well disinfection:
Unit disinfection cost per well based on DOH standard cost. The unit cost shall be applied to all existing and new wells once a year.

Urban Sewerage:

- Unit cost per served population. Preliminary estimates derived from the Philippine National Urban Sewerage and Sanitation Strategy and Feasibility Studies report.

(2) Unit Cost of Equipment

Unit cost of equipment shown in Table 10.2.2 was prepared based on the standard unit cost and recent procurement experience of the relevant sector agencies (details are referred to Supporting Report).

Table 10.2.2 Unit Cost of Equipment and Vehicle

Name of Equipment	Unit Cost (Peso 1,000)
Truck-mounted rotary drilling rig	32,314
Truck-mounted percussion drilling rig	25,582
Well rehabilitation equipment	280
Service truck with crane	1,200
Support vehicle (Pick-up with winch)	590
Refuse collection truck	2,057
Maintenance tools	11
Water quality testing kit	16

(3) Sector Management Cost

Sector management cost consists of:

- Engineering studies (F/S, D/D and construction supervision) for water supply, public toilet and school toilet facilities.
- Community development and training including health & hygiene education and logistic support.

Cost of engineering studies was estimated based on the fixed percentages to the total construction cost; 9% for F/S and D/D and 4% for construction supervision.

Community development and training with logistic support was also estimated on the same manner; 12% of respective construction costs for rural water supply and sanitation, and 3% of construction cost for urban water supply.

(4) Recurrent cost

Recurrent cost was estimated for water supply and sanitation (school and public toilets) facilities to cover the regular operating cost and the cost for spare parts and equipment replacement based on the following cost assumptions, while household toilet is assumed to be maintained by the owner.

Regular operating cost normally includes salaries of operation staff, electricity, fuel and chemicals. Due to the nature of this cost, it is only applied to urban water supply (Level III system). As a typical unit cost being applied to preparation of PW4SP referring to LWUA data, 365 Pesos/household/year was employed.

Cost for spare parts and equipment replacement was considered by different service level as described below.

Level III system:

- Mechanical and electrical equipment has normally a life cycle of 8 to 12 years and is considered in depreciation cost, i.e., 10% per annum. Assuming that the equipment cost comprise 10% of construction cost, annual depreciation will be 1% of the construction cost.
- Accordingly, cost of spare parts was assumed to be 10% of the equipment cost or equivalent to 1% of the construction cost.
- As a whole, 2% of the construction cost was applied for the cost of spare parts and equipment replacement.

Level II system:

- Operation and maintenance (O&M) cost of Level II system utilizing spring sources includes minor repair of pipeline and communal faucets (1% of the direct cost) and salaries of maintenance staff.
- A unit cost of 180 Pesos/household/year was assumed for cost estimates.

Level I facility:

- O&M cost of Level I facility simply includes spare parts of hand-pump and caretaker.
- A unit cost of 100 Pesos/household/year was assumed for cost estimates.

School and public toilets:

- O&M cost includes the salaries of maintenance staff, cost of pumping sludge from septic tanks (periodically) and rehabilitation cost (for depreciation).
- For cost estimates, 5% of the construction cost was applied per facility per year.

Management cost:

- Management cost of water supply, sewerage and sanitation sector is part of the cost required for public services of LGUs mainly consisting of salaries of officers and workers and normally included in the annual budget of each LGU. The rest of management cost, such as equipment for information processing and dissemination was considered as part of logistic support under the sector management cost. Owing to the nature of this cost item, the management cost pertaining to salaries of officers/workers depends largely on the population size and institutional set-up of each LGU.
- Management cost was not estimated in this PW4SP considering the above mentioned reasons.

10.3 Cost of Required Facilities and Equipment

10.3.1 Cost of Required Facilities

The construction cost of required facilities as public investment of LGUs was summarized in Table 10.3.1 by sub-sector by municipality for target years. In this regard, the construction cost of household toilets is limited to the procurement and distribution of toilet bowl for pour-flush type toilets as being implemented by DOH under the FW4SP (refer to over-all construction cost requirements, Supporting Report).

During the medium-term development period, a total of 153.0 million Pesos will be required for construction of required facilities. Of the requirements, urban water supply and rural water supply will share 42% and 33%, respectively. While, remaining 25% will be required for urban and rural sanitation. With reference to urban water supply, some cost required would be managed by newly created WD/s, which is out of public investment to be undertaken by LGUs.

Table 10.3.1 Construction Cost of Required Facility by Municipality

Unit: P. 1,000

Name of Municipality	Phase I (2005) Requirements						Phase I (2010) Requirements						Grand Total	
	Urban Area			Rural Area			Urban Area			Rural Area				
	Water Supply	Sanitation	Sub-total	Water Supply	Sanitation	Sub-total	Water Supply	Sanitation	Urban Sewerage	Sub-total	Water Supply	Sanitation		Sub-total
Alibavas	1,744	723	2,467	3,316	1,506	4,822	7,289	763		12,696	11,933	6,485	32,573	45,269
Balete	1,091	723	1,815	3,063	1,250	4,313	6,127	723		8,803	8,079	5,694	42,258	51,060
Banga	1,448	725	2,173	4,667	142	4,809	6,982	760		10,367	9,607	6,197	39,454	49,820
Bataan	945	723	1,668	4,873	1,774	6,647	8,315	1,085		1,668	583	8,048	54,903	56,571
Buruanga	740	723	1,463	506	853	1,359	2,821	739		5,796	5,057	3,239	5,431	11,226
Ibajay	1,622	723	2,345	5,594	1,024	6,619	8,963	756		12,351	11,595	5,793	23,832	36,183
Kalibo (Capital)	33,077	5,675	38,752				38,752	4,670	309,338	457,924	143,917			457,924
Lezo	1,325	362	1,687	2,249	744	2,993	4,680	746		3,979	3,234	3,461	18,454	22,433
Libacao	1,772	723	2,495	1,134	1,627	2,761	5,256	766		14,452	13,686	6,637	12,136	26,588
Madalag	1,095	723	1,818	965	1,410	2,375	4,193	753		6,078	5,325	5,545	18,014	24,092
Makato	2,040	723	2,763	3,833	1,484	5,317	8,080	1,236		9,371	8,136	7,682	38,719	48,090
Malay	6,299	2,345	8,643	3,117	1,674	4,791	13,434	2,543	47,180	88,380	38,658	8,755	34,220	122,600
Malinao	978	723	1,701	3,627	1,492	5,120	6,820	742		948	207	6,644	26,397	27,346
Nabas	2,591	723	3,314	2,211	1,174	3,386	6,700	1,240		18,935	17,696	6,460	16,561	35,496
New Washington	3,499	723	4,222	5,248	1,526	6,774	10,996	1,493		24,913	23,420	8,315	19,560	44,473
Numancia	2,148	723	2,871	4,123	1,378	5,501	8,373	1,254		15,998	14,744	6,073	22,192	38,189
Tangalan	2,020	723	2,743	2,333	135	2,469	5,211	769		15,179	14,410	5,305	25,059	40,238
Provincial Total	64,431	18,508	82,939	50,858	19,196	70,054	152,993	21,036	356,317	707,839	330,286	100,332	429,762	1,137,601

10.3.2 Cost of Required Equipment and Vehicle

The procurement cost of required equipment was estimated as shown in Table 10.3.2 (details are referred to Supporting Report), however, in this PW4SP, one set/unit each of well rehabilitation equipment and support vehicle shall be incorporated in the medium-term investment plan (Phase I). While one set of truck-mounted drilling rig shall be procured by the province in long-term development plan (Phase II) considering budgetary constraints and technical capability at the present time.

Table 10.3.2 Cost of Equipment and Vehicle

Unit: Peso 1,000

Name of Equipment	Unit Cost	Q'ty (set)	Amount
Truck-mounted rotary drilling rig	32,314	NA	0
Truck-mounted percussion drilling rig	25,582	1	25,582
Well rehabilitation equipment	280	1	280
Service truck with crane	1,200	1	1,200
Support vehicle (Pick-up with winch)	590	1	590
Refuse collection truck	2,057	8	16,456
Total Equipment Cost			44,108

Note: Truck-mounted rotary drilling rig is not applicable based on water source study.

N.A: Not applicable

Aside from the above, one set each of maintenance tools and water quality testing kits shall be provided to all municipalities and cities for O&M of Level I facilities (details are referred to Supporting Report).

10.3.3 Cost for Laboratory

Required cost for upgrading of existing laboratory in Aklan is estimated at 478,000 Pesos (details are referred to Supporting Report).

10.4 Recurrent Cost

Recurrent cost is estimated in 1998 price level as a provincial total of each sub-sector covering existing facilities and additional facilities to be constructed during the medium-term development as shown in Table 10.4.1.

In the year 2005, the recurrent cost will increase to 22.4 million Pesos/year from 17.6 million Pesos/year in 1998, which is 27% increase from the base year corresponding to the implementation of the medium-term development.

Table 10.4.1 Recurrent Cost

Unit: P 1,000

Sector Component	Item	Base Year Existing Facilities	2001	2002	2003	2004	2005	Total (2001-2005)
Urban Water Supply	Operating Cost	4,025	4,025	4,243	4,572	4,900	5,119	22,859
	Spare Parts/Equipments	4,006	4,006	4,224	4,551	4,877	5,095	22,753
Rural Water Supply	Spare Parts/Equipments for Level II System	699	830	960	960	960	960	4,670
	Spare Parts/Equipments for Level I Facilities	3,750	3,750	3,819	3,922	4,026	4,094	19,611
Sanitation	Public School Toilets	3,885	3,885	4,164	4,584	5,004	5,284	22,921
	Public Toilets	1,260	1,260	1,371	1,538	1,704	1,815	7,688
Total Recurrent Cost		17,624	17,755	18,782	20,127	21,471	22,368	100,502