

Chapter

5

**EXISTING SECTOR ARRANGEMENT
AND INSTITUTIONAL CAPACITY**

5 EXISTING SECTOR ARRANGEMENT AND INSTITUTIONAL CAPACITY

5.1 General

Much has happened in the sector since 1987 when the national master plan for the sector was initially prepared. Its development targets to be attained for the medium term was renewed in 1996 through the Updated Medium Term Development Plan. The water supply, sewerage and sanitation sector today is still in a transition stage. As a recent development, a national level comprehensive plan, "The Philippine National Development Plan: Directions to the 21st Century," was published in 1998 by the NEDA.

As for the institutional aspect, the Local Government Code (1991) has essentially re-defined the role, relationship and linkages of central, provincial, municipal and barangay institutions in the provision of social basic services, including water and sanitation. Before the issuance of the Code, the responsibilities for water supply and sanitation functions were lodged with various national agencies. The new direction mandates the Local Government Units (LGUs) to play a larger role in planning and implementing water supply and sanitation projects; however this has raised serious institutional capacity and resource reallocation issues.

Chapter Five provides an overview of existing sector policies and arrangements as a basis for formulating modifications and improvements. It identifies current capacity building issues that need to be addressed in the early stages of master plan implementation. More importantly, it assesses the impact of the present devolved delivery system at the local levels.

5.2 Sector Reforms

The GOP has set the future agenda for sector reform. These initiatives followed the completion of the Water Supply Sector Reform Study and the National Urban Sewerage and Sanitation Strategy Study. The GOP has endorsed the major recommendations of these studies through the following NEDA resolutions. Furthermore, these resolutions are reflected in the above mentioned National Development Plan.

(1) NEDA Resolution No. 4 (series of 1994)

In the context of the LGC and related decentralization efforts, LGUs now play a lead role in basic service delivery. NEDA Resolution No.4 allows LGUs to implement all levels of water supply projects and redefines the roles of other sector agencies.

With the purpose of ensuring common interpretation of clause (g) of NEDA Board Resolution No. 4 (series of 1994), the Implementing Rules and Regulations or IRR was

prepared by the DILG and was approved by the NEDA in 1998. It delineates the responsibilities of government agencies involved in the sector and defines the role of LGUs in the provision of water supply and sanitation services, including O&M of the facilities. The new direction mandates the LGUs to play a larger role with an emphasis on institutional strengthening which is needed to adequately perform their devolved functions.

(2) NEDA Resolution No. 5 (series of 1994)

This resolution reaffirms the provision of urban sewerage and sanitation services. It designates LGUs as primary implementors of the sanitation/sewerage programs, also mandates the establishment of a Central Project Support Office (CPSO) at LWUA to assist LGUs in the formulation, preparation and implementation of sewerage/sanitation projects.

(3) NEDA Resolution No.6 (series of 1996)

Providing the national government assistance to LGUs in the implementation of devolved infrastructure activities/facilities under the LGC in support of national priority programs in order to ensure efficiency, effectivity and more focused implementation, it affirms DILG's responsibilities for overseeing and administrating the NG assistance to LGUs in the implementation of devolved infrastructure programs/projects, and institutional capacity and capability building of the LGUs (refer to 5.2, Data Report for the full text of NEDA Resolution No.4, 5 and 6).

5.3 Sector Institutions

(1) Existing Institutional Arrangements

Although the LGC mandates major changes on sector structure and performance within LGUs, the sector is still in transition. The new sector role and respective responsibilities of the LGUs and national agencies are defined in the IRR.

At the national government level, there are three line agencies (DPWH, DILG and DOH) and two government-owned and controlled corporations (MWSS and LWUA) which are responsible for sector project implementation (refer to Figure 5.3.1). A regulatory board, the National Water Resource Board (NWRB) coordinates the overall policy framework for water resources development and management. In addition to these agencies, there are other government agencies but they are concerned with macro planning, natural resources allocation decisions and environmental protection and management.

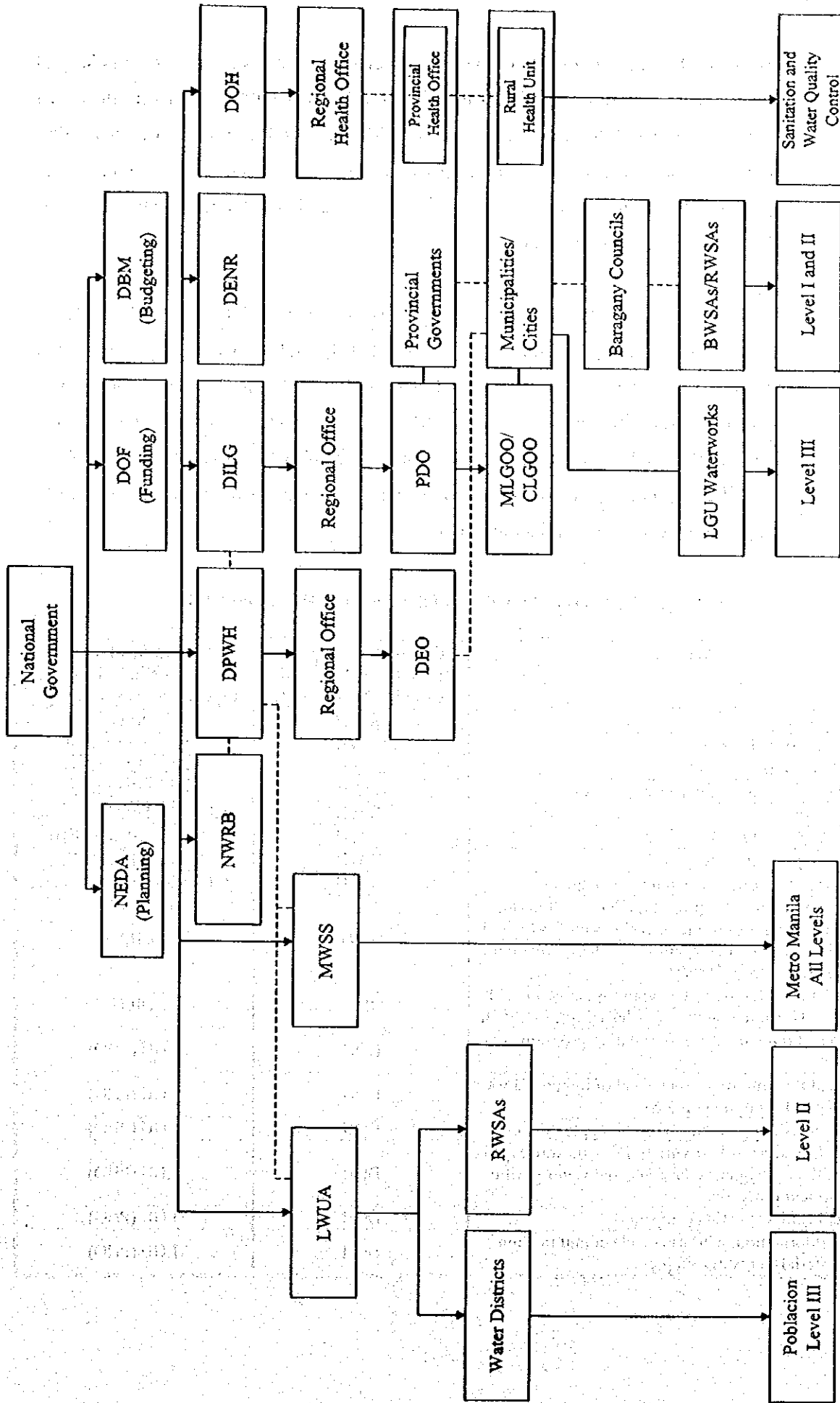


Figure 5.3.1 Functional Relationships

At the local level, field offices of national government agencies are present to guide and assist LGUs. The water districts/waterworks and BWSAs/RWSAs deal with the actual delivery of water in different service levels. Also, some LGUs operate provincial and/or municipal water supply systems by themselves. The private sector, non-government organizations and community-based organizations also undertake water supply and sanitation activities in the rural communities.

With the government decentralization and issuance of the NEDA Board Resolution No.4, drastic changes took place among the DPWH, DILG, DOH and LGUs. The transition functions of these agencies are presented in Table 5.3.1. As shown, the function of implementing water supply projects (which DPWH used to undertake) has now been transferred to the LGUs. The functions of PHO under the DOH have likewise been devolved to the LGUs. The overall coordination function for the implementation of the WATSAN projects is now the responsibility of DILG.

Table 5.3.1 Transition Functions of the DPWH, DILG and DOH

Activity	Previous Involvement (Before NEDA Board Resolution No.4 in 1994)	Present Involvement (After NEDA Board Resolution No.4, s. of 1994)
Identify projects	DPWH	DILG
Design/Construct Level I	DPWH	LGU (PEO/MEO)
Repair/Rehabilitate Level I	DPWH	LGU (PEO/MEO)
Formulate/Evaluate maintenance. Program	DPWH	LGU (PEO/MEO)
Organize BWSA	DPWH	LGUs with DILG assistance
Train BWSAs on O&M	DPWH	LGUs with DILG assistance
Procure/supply materials/spare parts	DPWH	(LGU) PEO/MEO
Sector/Project monitoring and data-management	DPWH	LGUs with DILG assistance
Overall coordination for project implementation (identification of project, training of BWSAs on O&M, and monitoring and data management). These functions were transferred from DPWH.	DILG	DILG
Assist LGUs to identify water supply systems, Level I, II and III. This function was transferred from DPWH.	DILG	DILG
Develop and implement rural sanitation programs nationwide	DOH	LGU (PHO)
Implement the sanitation component of integrated water supply and sanitation projects	DOH	LGU (PHO)
Monitor, inspect and disinfect water supply systems	DOH	LGU (PHO)
Provide its health workers with training on water quality surveillance, hygiene education, and water purification treatment processes	DOH	LGU (PHO)
Conduct health education campaigns	DOH	LGU (PHO)
Produce information, education and communication (IEC) materials on water supply	DOH	LGU (PHO)

(2) Sector Finance

In financing WATSAN activities, LGUs have fund sources as follows:

LGUs may tap their Internal Revenue Allotments (IRAs) which comes from national government regularly, and/or locally generated revenues for leverage. Loans from government or private financing institutions may also be alternative resources.

In addition, grant funds from National Government are provided to LGU under its social infrastructure development. However, availment of these funds are regulated with conditions, e.g., from zero to 50 percent of development costs will be subsidized but limited only to Level I systems for 5th and 6th class municipalities. No subsidy will be provided for Level II and III systems.

LGUs can access ODA loans for devolved activities. However, they must pass through the Municipal Development Fund (MDF) and a Government Financial Institution (GFI). The policy-making bodies of MDF and GFI determine the re-lending/on-lending terms passed on to the LGUs. The policy on accessing loans through the MDF is currently under review by the central government to make the terms and conditions more concessional towards the LGUs.

LGUs may either finance the sector projects directly or involve the participation of the private sector through concession-, management- or service-contracts. (Details on sector finance is given in Chapter 6.)

5.4 Sector Agencies at the National Level

(1) Department of the Interior and Local Government (DILG)

The DILG is responsible, through the promulgation of rules and regulations and by means of technical assistance and training, for facilitating the implementation of the LGC. Accordingly, it is the lead national coordination agency responsible for the supervision and administration of water supply and sanitation projects implemented by LGUs. It is also mandated to strengthen local capacity for delivery of the services.

General administration and institution building support to LGUs entail the following: i) assistance in the formation and training of BWSAs, ii) coordination of master plan preparation, iii) provision of external funds, iv) formulation and installation of sector management systems (including O&M) and BWSA management systems. The DILG also pro-

vides assistance to LGUs in terms of technical support for evaluation of water sources and design of simple water systems (Level I and II).

The Water Supply and Sanitation-Program Management Office (WSS-PMO), a unit within DILG, is primarily responsible for water and sanitation activities in the department. The Provincial Planning and Development Office (PPDO) and the Municipal Planning and Development Office (MPDO) are the immediate links of the DILG at the LGU level. For the purpose of ensuring coordination in implementing projects where there are other agencies involved, DILG facilitates the formation of Task Forces with the PPDO and the MPDO still assuming overall responsibility. Through the PPDO and MPDO, barangays that need improvements in water supply and sanitation are identified. Water supply and sanitation associations are then formed.

Likewise, the DILG is now one of the leading institutions tasked to promote gender-responsive project management. Under the leadership of focal points, gender awareness training seminars have been conducted at the regional and provincial levels.

(2) Department of Public Works and Highways (DPWH)

The Department was responsible for the construction and major repair/rehabilitation of rural water supply systems (Level I) and for the planning and execution of sewerage projects in some cities and larger poblaciones in the country with participation of LGUs. DPWH's responsibility drastically changed with the implementation of NEDA Board Resolution No.4. Based on the new mandate, the functions of DPWH are now limited to setting technical standards and assisting LGUs, upon agreement and in coordination with LGUs, in the conduct of surveys, preparation of plans, specifications, and programs of work, construction management, and technical researches in WATSAN project.

The DPWH maintains about 92 District Engineering Offices (DEOs) nationwide at the field level. The DEOs had a water supply engineer and drilling crews, and equipment. With its diminishing role, most of the staff members have transferred to the private sector.

(3) Department of Health (DOH)

The DOH is the principal health policy-making and implementing agency. Its main function is to develop and implement sanitation programs nationwide. It also administers health education campaigns aimed at reducing morbidity due to waterborne and sanitation-related illnesses, specifically diarrhea, which is the second leading cause of morbidity in the past years.

Under the current sector arrangement, the DOH shall assume the following responsibilities: i) set and/or update standards on water quality testing, treatment and surveillance and sanitary practices; ii) assist LGUs in the conduct of periodic water quality control and surveillance-related activities; iii) and monitor and evaluate health and hygiene education.

Through the Provincial Health Offices and Rural Health Units, the DOH conducts health and hygiene education campaigns that focus on women and children health improvement in rural communities. The DOH has produced and distributed the Information, Education and Communication (IEC) materials on water supply and hygiene behavior nationwide. Through its field health workers, it gives orientation to BWSAs on protection and disinfection of water sources and construction and maintenance of toilets.

(4) Local Water Utilities Administration (LWUA)

Presidential Decree 198 created the LWUA to act as a specialized lending institution for local Water Districts (WDs) and oversee the development of these water utilities based on the twin concepts of financial viability and self-reliance. In 1987, LWUA responsibilities were expanded to include assistance to Level II Rural Waterworks and Sanitation Associations (RWSAs). The provision of Level II and III services and of wastewater disposal systems in communities outside Metropolitan Manila is largely coordinated by the LWUA. However, NEDA Resolution No.4 directed LWUA to focus on its development-banking role to finance only viable WDs.

Financial services include economic and financial analysis, tariff analysis and fund sourcing. Various types of loans are available to finance the following activities: i) construction of water systems; ii) reactivation of non-operating systems; iii) rehabilitation and expansion of facilities; and iv) training. Special loans finance watershed management projects: construction of administration buildings; purchase of service vehicles, communication and computer facilities; restoration of facilities damaged by calamities; and initial or emergency operational needs. Commodity loans support generation of additional service connections.

LWUA maintains and fields a pool of management advisors, trainers, engineers and other professionals to give WDs and RWSAs proper guidance in their operation and administration. In addition, the Central Sewerage and Sanitation Program Support Office (CPSO) was established at LWUA to coordinate the implementation of sewerage and sanitation projects at the national level and to assist LGUs and WDs plan and manage sewerage and sanitation at the local level.

(5) Other National Agencies

There are other national agencies that provide macro planning, funding support, and regulatory guidelines for the water supply and sanitation sector.

The National Economic and Development Authority (NEDA), the country's central planning office, ensures that all agencies' plans and programs are consistent with national priorities in the Medium-Term Public Investment Program and the Priority Sub-Sector Activity Layout. External grants and loan proposals are reviewed and approved at NEDA through the Investment Coordination Committee (ICC). Together with the DILG, NEDA coordinates the establishment of a system for national sector master planning and monitoring system.

The Department of Finance (DOF) is responsible for the generation and management of the financial resources of the government. It reviews and approves all public sector debt, and sets the fiscal deficit of major government corporations (as part of the public sector-borrowing program).

The Department of Budget and Management (DBM) plans the budget allocations for the government agencies, including capital and operating expenditures, equity infusion to public corporations, and grants and subsidies. The budget is sent annually to Congress for approval. DBM also ensures that budget releases conform to approved plans and programs.

The National Water Resources Board (NWRB) coordinates the overall policy framework for water resources development and management. NWRB was created by Presidential Decree No.424 in 1974. The NWRB formulates policies, evaluates and coordinates water resources programs, regulates and controls the utilization, exploration, development, conservation and projection of the country's water resources including the regulation of private and LGU-operated utilities

The Department of Environment and Natural Resources (DENR) formulates and enforces policies and guidelines for environmental protection and pollution control. It is responsible for watershed protection and water resources management. It also checks compliance of major projects with environmental guidelines. DENR works with all environmental management agencies and special regulatory bodies.

The Department of Education, Culture and Sports (DECS) implements hygiene education programs through schools using the Teacher-Child-Parent (TCP) approach. Health and sanitation messages are integrated in the curricula and special activities are designed to make the parents and other family members practice what they learn. A wide range of learning materials is available and prototypes of safe water sources and water sealed toilets are set up in schools. DECS identifies priority schools for the GOP's school toilet project and supports DOH's integrated health information, education and communication campaign using the formal and non-formal educational system.

5.5 Sector Agencies at the Local Level

(1) Provincial Level

The Provincial Governor, as the chief executive of the provincial government, exercises such powers and performs such duties and functions in pursuing general supervision and control over all programs, projects, services, and activities of the provincial government, including ensuring the delivery of basic services and the provision of adequate facilities.

The Sangguniang Panlalawigan (SP), as the legislative body of the province, enacts ordinances, approves resolutions and appropriates funds for the general welfare of the province and its inhabitants. It approves ordinances that ensure the efficient and effective delivery of the basic services and facilities, including those which provide for establishment and maintenance of a waterworks system or a district waterworks for supplying water to inhabitants of component municipalities and city.

The offices of the provincial government involved in WATSAN activities are the Provincial Planning and Development Office (PPDO), the Provincial Engineering Office (PEO), the Provincial Health Office (PHO), the Provincial Treasurer's Office (PTO), the Provincial General Services Office (PGSO), the Provincial Budget Office (PBO), and the Provincial Accountant's Office (PAO).

1) Provincial Planning and Development Office (PPDO)

The PPDO is in-charge of the formulation of comprehensive development plans and policies for the consideration of the provincial government and development council, which is headed by the Governor. It conducts dialogues, studies, researches, as well as training programs to support plan formulation and promote people's participation in its planning activities. It likewise integrates and coordinates sectoral plans and studies undertaken by different functional groups of agencies, monitors and evaluates

the implementation of development programs and projects activities. This office is composed of five (5) divisions (refer to the organization chart in Supporting Report, Figure 5.5.1), details of which are shown below:

- **Administrative Division:** The division's function is to provide efficient administration, and timely and adequate support services. It has ten (10) staff members.
- **Development Administration Division:** The division prepares plans and program/project activity proposals relative to development administration, specifically on organizational development and personnel administration. It integrates and coordinates sectoral plans and studies undertaken by the different functional groups or agencies. It conducts continuing studies, research, and relevant training necessary to evolve plans and programs for implementation, and monitors and evaluates the implementation of development programs and activities relative to the sector. It has four (4) staff members.
- **Social Development Division:** The division is primarily responsible for the formulation of social development plans and programs, including WATSAN related ones. It prepares project proposals and project studies, conducts ocular surveys and investigation, monitoring & evaluation, and prepares recommendations. It also coordinates social preparation in project execution and serves as liaison with concerned national, regional and local government units. It has five (5) staff members.
- **Economic Development Division:** This division is tasked to formulate economic development plans and programs. It also conducts and/or prepares economic studies and researches, project concept papers, proposals and feasibility studies on agriculture, investment, livelihood, cooperatives, trade & industry, and tourism for funding of the national, local and foreign fund sources. Nine (9) regular personnel man it.
- **Infrastructure Development Division:** This division conducts monitoring and evaluation of infrastructure projects funded by the province and the national government. It evaluates infra projects and recommends the same for funding according to priorities. It also prepares project studies, project proposals and feasibility studies for possible funding. It has ten (10) regular staff.

2) Provincial Engineering Office (PEO)

The PEO is responsible for administration, coordination, supervision and control of construction, maintenance, improvement and repair of roads, bridges, waterworks and other engineering and public works projects of the provincial government. It formulates polices, objective, plans and programs, techniques and procedures/ practices in

infrastructure development and provides engineering services such as investigation and surveys, design and project management. The office is structured with two service groups: i) Administrative, Planning and Quality Control Service which has two divisions -- Administrative and Planning & Programming & Quality Control, and ii) Implementation Service which has three divisions -- Maintenance, Construction and Equipment-Pool (refer to the organization chart in Supporting Report, Figure 5.5.2), details of which are shown below:

- **Administrative Division:** This division takes charge of the administrative and clerical services and financial control of the office. Fourteen (14) staff work in the division.
- **Planning, Programming & Quality Control Division:** The division prepares plans, programs of work of all infrastructure projects of the province; monitors and evaluates the implementation accomplishment of the same; and prepares/ submits necessary reports to the provincial engineer through its division chief. It is composed of four engineers and a draftsman. It enforces the compliance of infrastructure projects to plans and specification. It determines whether the concrete mix in roads, bridges, buildings and waterworks comply with standards. The division has eighteen (18) staff members.
- **Construction Division:** The division is mainly responsible for the construction and supervision of all infrastructure projects including water supply systems implemented by the province, which are funded either by the province or national government. It has eight (8) engineers.
- **Maintenance Division:** The function of this division is to provide over-all technical supervision of activities related to the maintenance of roads, bridges, water supply systems and drainage systems along provincial roads. It also prepares estimates and does construction work along road maintenance sections when such structures are deemed necessary. It has a workforce of sixty-one (61) regular members.
- **Equipment Pool Division:** This division maintains heavy equipment, light equipment and other vehicles in running condition. The division also facilitates the dispatch of equipment to respective areas of assignment/ project. There are thirty-six (36) staff members in this division.

3) Provincial Health Office (PHO)

The mandate of the PHO is to provide comprehensive health services to the people of the province. The PHO has two services under its supervision -- the field health service, which is in-charge of the preventive aspects of health service and the hospital

operation that takes care of the curative side of health. The PHO provides technical assistance to all rural health units (RHUs) and barangay health stations (BHSs). The different programs of the Department of Health are coursed through the technical division down to the RHUs and BHSs. The Environmental Sanitation Section spearheads in the promotion and maintenance of public sanitation and water quality monitoring province-wide. There are eight (8) public hospitals in Capiz -- one provincial and seven district medicare and community hospitals (refer to the organization chart - Figure 5.5.3, Supporting Report).

4) Provincial Treasurer's Office (PTO), Provincial Budget Office (PBO), Provincial Accounting Office (PAO), and Provincial General Services Office (PGSO)

The PTO is in-charge of the disbursement of all local government funds. It collects taxes, revenues, fees and other charges that are needed to support the general appropriation ordinance. The office maintains and updates the tax information system and exercises local supervision over all treasury offices of component municipalities. It also conducts periodic tax education information/ collection campaigns and trains barangay treasurers and officials on the methods of collecting real property taxes and other fees and charges.

The PBO administers the fiscal budget of the provincial government. It is responsible for budget preparation, execution, control and accountability. The office reviews and consolidates the budget proposals of different offices of the LGU. It coordinates budget concerns with the treasurer, the accountant, and the planning and development coordinator. It also provides prompt and efficient reviews of municipal budgets.

The PAO is tasked with the recording and review of financial transactions in accordance with government accounting principles, rules and regulations. It summarizes and prepares financial statements for submission to different offices to provide information on the financial condition and operation of the province. The office also conducts internal audit adhering to existing auditing rules and regulations and recommends measures to improve the utilization of government funds and properties. This function has been relegated to this office to ensure quality control.

The PGSO provides effective direction and coordination of the various administrative and support services necessary for the operation of the different provincial offices. It is responsible for the acquisition/procurement of supplies and materials as identified in the overall fiscal plan. It conducts regular bidding of supplies, materials and

equipment, collates and disseminates information on prices and other costs of supplies and other items commonly used by the provincial government including the hospitals.

5) Provincial Development Council (PDC)

The main functions of the PDC are: to formulate long/medium term and annual socio-economic development plans and corresponding policies; to appraise and prioritize development programs and projects; to monitor and evaluate the project implementation and program execution; and to perform such other functions as may be provided by law or competent authority. The PDC is headed by the Governor and is composed of the following: Congressmen or their representatives, all Mayors of the province, the Chairman of SP, the Committee on Appropriation, President of league of municipalities, President of the Provincial League of Barangays, and representatives from NGOs.

(2) Municipal and Barangay Level

1) Municipality

The municipal LGU functions primarily as a general purpose government agency that delivers basic, regular, and direct services and provides effective governance of the inhabitants within its territorial jurisdiction. It has a similar organizational structure and legislative authority as that of the province. The municipal offices that are relevant to the sector are the Municipal Planning & Development Office (MPDO), Municipal Engineer's Office (MEO) and Municipal Health Office (MHO) – Major tasks of these offices are shown below. Other offices such as Accounting and Budget are also involved in the sector projects.

- MPDO is in-charge of municipal planning and development. It is mandated to formulate integrated economic, social and physical development plan and corresponding policies for the Municipal Development Council (MDC).
- MEO is responsible for formulating/ integrating infrastructure plans, programs/projects of the municipal government, and it regularly performs engineering surveys for designs/ layouts and inspects the works of contractors.
- MHO, through Rural Health Units/ Barangay Health Stations (RHUs/BHSs), provides health services to the barangay residents, and also undertakes water quality testing through Rural Sanitary Inspector (RSI).

2) Sangguniang Barangay

The LGC has designated barangays as independent units of local government. The Sangguniang Barangay (SB) acts as a legislative body of the barangay. It receives a share in the IRA from the National Government. The SBs can enact tax and revenue ordinances to raise funds for the discharge of the responsibilities conferred upon them by law and for the promotion of the general welfare of its constituents. They may also solicit funds for the construction of barangay facilities and charge reasonable fees for the use thereof.

(3) Field Offices of Central Sector Agencies

1) DPWH District Engineer's Office (DEO)

There is one (1) District Engineering Office (DEO) of DPWH in the province. The DEO is mandated to undertake and evaluate the planning, design and construction, and work supervision functions for all public works within the district. They coordinate with other departments, agencies, institutions and LGUs within the district in the implementation of infrastructure projects. No water supply projects directly connected to DPWH presently; however, the DEO still provides assistance for barangays in constructing Level I and II water supply systems, which are financed by the Congressional Development Fund.

2) DILG Provincial Director's Office/Municipal/City Local Government Operations Offices (PDO/MLGOO/CLGOO)

The PDO/MLGOO/CLGOO is tasked to provide general administration and institution-building support to the WATSAN implementers to strengthen their capacity to deliver basic services. Training on WATSAN topics is spearheaded by this office in close coordination with the PPDO at the provincial level and MPDC at the municipal level.

3) NEDA Regional Office and Regional Development Council

NEDA Regional Office coordinates with DILG to establish the system for regional sector master planning and the monitoring system. The NEDA Regional Office acts as a secretariat of the Regional Development Council and ensures that sector plans are consistent with regional and national priorities. The office requires project proposals/plans and programs to be approved and endorsed by the Provincial Development Council, whose task is to incorporate, consolidate, and prioritize municipal plans, programs and projects.

The NEDA Regional Office No.6 has already prepared the Regional (Region VI) Master Plan (period: 1999-2004). The PPDO itself was involved in the preparation of this plan, specifically on the part of the province.

(4) Community Institutions and Water Supply System Operation Bodies

1) Barangay Waterworks and Sanitation Association (BWSA)

The BWSA is an organization of water supply and sanitation beneficiaries in a barangay, which owns and manages the water supply system/s that are not covered by Water Districts. RA 6716 requires its formation to ensure the provision of adequate, potable, and accessible water supply to its members through the proper operation and maintenance of Level I and II facilities. However, a few BWSAs are functional presently in the province. The size of the BWSA depends on the number of facilities and the need, culture and situation in a particular barangay. Its structure is simple, consisting of the Board of Directors, a treasurer, bookkeeper, and caretaker/s.

2) Water Districts (WDs)

Water Districts are formed in accordance with Presidential Decree No.198. They are organized for the purpose of serving the water supply requirements of the residents within its franchise area. Technical and financial assistance (loans) are provided by LWUA to WDs. The LWUA also exercises regulatory functions over the districts. To be self-sufficient, a WD is operated in a business-like manner to generate enough revenues from its water services. The income is used to meet operational expenses, debt service, and to provide reasonable reserves for future rehabilitation of facilities and contingencies. The province has six (6) WDs which supply water through Level III systems to their respective franchise areas in the province.

3) LGU Waterworks

In the province, one LGU waterworks is delivering Level III water supply services to residents and establishments in the areas not served by the Water Districts. These waterworks are presently undertaking the operation and maintenance of their respective Level III water supply systems by itself. The fees are collected from water users in order to recover costs of operation and maintenance of facilities.

(5) Private sector and NGO

Many water and sanitation systems are implemented by the private sector, NGOs, and community-based organizations which oftentimes undertake the operation and maintenance of the systems. During the past decade, NGOs and the private sector have been in-

volved in water supply development through investments, technical studies and construction of water supply and sanitation facilities. They have also demonstrated capability to undertake project implementation with community participation.

5.6 External Support Agencies Active in the Sector

(1) Multilateral Agencies

The World Bank supported the First Water Supply, Sewerage and Sanitation Sector Project (FW4SP). This project provided capital funds (US\$58.0M) for rural water supply system in Luzon provinces and sanitation system nationwide based on completed provincial master plans. The project concept called for a community-based approach through BWSAs. The project was implemented from 1991 to 1995 with an extension up to 1997. Subsequently, the Capacity Enhancement Program (CEP) with DILG as implementing agency was conducted until the end of 1997. In addition, the Bank prepared a new loan for DILG implementation - the Local Government Unit Urban Water Supply & Sanitation Project (LGU-UWSSP). This project aims to support the water supply requirement in the urban centers of approximately 250 small and medium-sized municipalities nationwide, benefiting about 6 million people. The project consists of three components, namely: i) Water and Sanitation Facilities Component, ii) Institutional Development Component and iii) Technical Assistance Component. The project is to be implemented from 1999 to 2006 in three phases, and estimated cost is US\$ 250 M. Further information on LGU-UWSSP is described in the Chapter 9.

Asian Development Bank (ADB) support the Rural Water Supply & Sanitation Sector Project (RW3SP) through sector lending approach for the 20 priority provinces of the country. The project area covers about 3,000 rural communities with population ranging from 200 to 5,000 persons in provinces located in Luzon, Visayas and Mindanao. RW3SP will: i) provide capacity-building to local government units (LGUs) to enhance the delivery of social services, ii) improve social infrastructure for basic needs such as water supply and sanitation, and iii) reduce poverty incidence. The project also includes: i) comprehensive institutional capacity-building, ii) community development program, iii) point source water supply systems, and iv) public and household latrine facilities. This will be completed by the year 2001. More information on this project (RW3SP) is shown in the Chapter 9.

UNDP assists the Institution Building for Decentralized Implementation of Community-Managed Water Supply and Sanitation Project or IBWSSP known as UNDP PHI/93/010

Project under the Fifth Country Program (1994-1997). This project directly responds to the government's Poverty Alleviation Program. UNDP provides assistance in strengthening the institution involved in the delivery of water supply and sanitation services with emphasis on support to local government units, NGOs, and communities through the BWSAs. The project will complement earlier efforts by UNDP (through the UNDP/World Bank Water and Sanitation Program) to promote appropriate cost effective technologies in water and sanitation and to improve the training capacity of the sector. The project covered seven (7) provinces; 180 sub-projects were implemented in the objective areas during implementation period 1994-1997.

The United Nations Children's Fund (UNICEF) supports the sector through the Philippines Plan of Action for Children. Apart from hardware support in the priority project site, UNICEF assisted NEDA in updating the national master plan. UNICEF works through the inter-agency committee on environmental health and through NGOs. With the World Health Organization (WHO), UNICEF has been assisting in the preparation of Information, Education and Communication (IEC) materials and in strengthening the sector monitoring system.

(2) Bilateral Agencies

The Japan International Cooperation Agency (JICA) has been extending a grant aid program for the Rural Environmental Sanitation Project, which was jointly implemented by DPWH and DOH. The project covered construction of rural water systems (Level I and Level II) and elementary school toilet facilities. Phase I (pilot project) of the project was implemented from 1985 through 1986 in four (4) provinces in Luzon, Phase II from 1990 through 1992 in eight (8) provinces (including Iloilo, Antique, Capiz and Aklan from Region VI). Phase III covered ten (10) provinces in Region IV, V and X, and the implementation started in 1996 to complete by the end of 1998. With DPWH, rural water supply systems were constructed at the evacuation centers for the Pinatubo refugees. JICA also supported the ground water development study in Cavite province (with LWUA) and the institutional development activities for MWSS. The PW4SPs for nine (9) provinces in Luzon area, ten (10) provinces in Mindanao area and six (6) provinces in Visayas area were completed through previous technical cooperation.

The Overseas Economic Cooperation Fund (OECF), now the Japan Bank for International Cooperation (JBIC), provided financial assistance for the RWS IV Project. It provided a loan of up to Y.5.08B, with a counterpart fund of P.400M. The project covered construction/rehabilitation of Level I systems, construction of workshop building and procurement

of various equipments. JBIC has also been supporting the Provincial Cites Water Supply Project of LWUA and the Angat Water Supply Optimization Project of MWSS. DILG requested OECF last year (1998) to provide a loan for the Rural Water Supply and Sanitation Project V (RWSSP V) for the 6 provinces in Luzon (based on JICA assisted PW4SPs). The project will achieve additional service coverage both for water supply and sanitation as follows: 549,100 persons with water supply, 9,579 households provided with latrines, 18,750 students with 375 school toilets and 72 public toilets.

The Australian International Development Assistance Bureau (AIDAB) supported the Central Visayas Water and Sanitation Project through a \$ 14.65M grant. The LGUs and the Regional Development Council implemented the project. Project components include: planning and monitoring information systems; infrastructure planning and rehabilitation; and institution building with an emphasis on community management based on experience from other AIDAB-funded projects. The project period was extended until 1997.

The terms and conditions, priority areas, programs and projects by donor are shown in Table 5.6.1, Supporting Report.

5.7 Project Management Arrangement, and Issues and Problems

With reference to the project management arrangements within the province, the current vision, policies, and practices in the implementation of WATSAN projects were investigated. The findings are discussed in terms of technical, institutional, financial, and community development aspects. Problems/issues are also discussed by sub-component. Current conditions of the municipalities investigated are referred to. Furthermore, some of the discussion items cover the entire sector management field.

5.7.1 Technical Aspect

(1) Project Identification and Prioritization

1) Project conceptualization and series of procedures to select a project

Annually, the provincial government identifies and prioritizes projects based on expressed needs. The PPDO consolidates WATSAN data extracted from the Barangay and Municipal Development Plans and resolutions. The PPDO conducts fieldwork together with its counterparts at the MPDO in order to validate project needs as expressed by communities through their barangays. The fieldwork involves a series of

meetings with barangay people /officials. The PPDO and its counterparts at the MPDO then conduct the required surveys in the barangays where projects are clearly required.

Sangguniang Barangays regularly submit to the municipality their resolutions regarding priority projects, in addition to their Barangay Development Plan. These project proposals are incorporated in the Municipal Development Plan. Through its four sectoral committees, the Municipal Development Council reviews the plan and gives its recommendations for endorsement to the Sangguniang Bayan for the latter's adoption and approval.

Before incorporating it into the Provincial Development Plan, the PDC through its sectoral committees endorses the municipal development plan for consideration and prioritization. The PDC then endorses the project/s to the Sangguniang Panlalawigan for adoption and approval.

2) Concerned parties/people in the sector and their respective activities

As discussed above, the PPDO and MPDO play a crucial role in determining which projects, from among the many submitted by the barangays, will be implemented. It is also the PPDO and MPDO who encourage the barangays to submit project proposals when they promote awareness regarding the basic need for clean water and hygienic sanitation.

In the final analysis, however, it is the barangay government which will have to express the need for a WATSAN project in the form of a barangay resolution which reflects the clamor of the residents themselves. Alternatively, the barangay government may include the WATSAN project in its annual Barangay Development Plan if only to stress the urgency of the requirement for better water and sanitation facilities.

3) Priority criteria for selection of the projects

Generally, project selection criteria are based on the indicators prepared by the NEDA Regional Office. These criteria were meant to identify the existence of problems constraining the achievement of certain development objectives and/or to determine the need for development projects.

While criteria are adhered to in selecting projects, the only criterion relevant to the people is whether or not government has responded to their aspiration for better

WATSAN facilities which they expressed through their elected representatives in the barangay development council.

4) Technical consideration applied for project identification and prioritization

To further ensure the sustainability of the project, it is essential to involve the people, starting from demand identification during the basic survey stage. This is especially true for Level I water supply systems. A simplified coordination mechanism showing responsibilities/activities required among concerned parties is necessary. Periodic follow-up by LGUs at the barangays is also important ensuring logistics support and manpower requirements of the LGUs.

After the submission of a project request by the barangay, a series of procedures including identification, validation and prioritization is expected by the concerned LGUs. These results in considerable time consumed before funding is finalized. A systematic and coherent project identification and prioritization among concerned parties is required.

With reference to the implementation of the medium-term target plan, review and modification of selection/prioritization criteria shall be made by LGUs taking into account of the said barangay profile. The LGUs together with barangay people shall prepare the requirements (including barangay profile) in a timely manner as part of their annual activities.

(2) Preparation of Feasibility Studies (F/S) and Detailed Design (D/D) of Facilities

1) Water source development experience in survey, planning and design of facilities

The provincial government is able to conduct water source development for both spring and ground water sources. In the case of spring development, technical-related information is collected from the barangay. This involves the location of untapped springs and determining its discharge rate during the dry season. The preliminary topographic survey (elevation and distance) is then conducted to prepare the hydraulic profile of the transmission pipeline. For groundwater development, its technical feasibility is evaluated based on available technical data along with information from the barangay duly supported by field inspection of the existing wells.

2) Feasibility Study of water supply systems

The F/S for developing Level I and II water supply systems is usually done by the PPDO with the support of agencies concerned like PEO, PHO, DILG, DPWH, etc. In

In addition to the preliminary study on water source development, water production and water demand are determined as required by the project. Tentative locations of communal faucets are identified in a Level II system. The hydraulic profile (pipe size, length) and size of the intake box / reservoir are determined using methods learned in the International Training Network (ITN) / DILG training seminar. The BWP design standard is also applied in this case. Finally, a cost estimate of the required facilities is made. The F/S report is submitted to the Provincial Governor for approval. WDs on the other hand submit their F/S report to the LWUA for approval and funding.

3) Detailed Design (D/D) of facilities and tendering

With the F/S report as its basis, the D/D of WATSAN facilities is prepared jointly by the PEO and PPDO in coordination with other concerned agencies. It must also be within the available budget. Design of Level II systems is made using existing manuals and references. Hydraulic calculation is limited to a single pipeline while the design of the spring box/ reservoir is a standard design of the BWP. However, the PEO has no experience in planning and designing large waterworks facilities including pumping stations/ water treatment facilities. The WDs normally utilize consultants in planning and designing their waterworks systems.

Future water supply system/s will require water treatment facilities, particularly for those using surface water sources. Knowledge/practice not only in hydraulic analysis but also in structural calculation and water treatment technology may be necessary. Measures to increase the capacity of LGU technical staff in the area of planning and designing have to be considered. This may also involve training package or consultancy services for the provincial waterworks technical staff.

(3) Procurement of Materials and Equipment, and Facility Construction and Rehabilitation

1) Procurement of materials and equipment

In the water supply sector, the bidding is done to purchase materials (pipes, valves and fittings). The Pre-qualification, Bids and Awards Committee (PBAC) conducts the bidding and prepares bid documents. The PBAC secretariat prepares bid documents for straight contract projects, while the PGSO prepares documents for projects by the Administration. The current practice of bidding in the province is limited to projects for the construction of roads, bridges, school buildings and repair works. During the last five years, there has been no experience in bidding out contracts for the construction of water supply facilities. Although PBAC is tasked to handle the

bidding procedures for water supply sector, its technical capability in preparing bid documents and conducting bid evaluations is minimal.

Because of the large workload required in implementing the Medium-Term Development Plan (which includes the preparation of the required tender documents), there have to be thorough evaluation of pre-qualification documents and the contract procedure. Presently, with the limited volume of work/projects, the procurement procedure already requires a long process, which results in delays in project implementation. The provincial government should examine the current procurement system so that it could handle/manage forthcoming projects more efficiently.

2) Construction, Supervision and Rehabilitation

Construction of WATSAN facilities is usually done by the LGUs (either the municipal or the provincial office, whichever is the funding unit). For shallow well installations, the barangay government and the BWSA undertake the project on a "bayanihan" (free or discounted labor) scheme. The PEO together with the MPDO and MEO, manages Level II projects by hiring skilled laborers. The PEO construction division supervises the construction work, and the planning & programming division monitors and evaluates the progress of the construction.

In spite of the LGUs' efforts, it is apparent that their present implementation capability is limited to a certain number of projects due to insufficiency of manpower resources and the shortage of supporting vehicles/equipment. Contracting-out to the private sector may be practical. It is also necessary to increase the number of experienced water supply engineers to consider and supervise future projects.

(4) Operation and Maintenance (O&M) of Facilities

1) O&M of facilities by service level

For Level I facilities, the BWSAs or beneficiaries are responsible for O & M; however, their performance has not been quite impressive since not all caretakers have been trained and equipped with O&M tools/kits. This is evidenced in the presence of numerous non-functioning/abandoned wells previously constructed by DPWH. Assorted problems such as lack of spare parts, drying up of water sources, and water quality problems such as colored water, salty water, etc, are likewise experienced by beneficiaries. In some cases, the facility malfunctions a few months after turnover; thus, the beneficiaries revert to using their private dug wells or get water from other doubtful sources to meet their water needs.

O&M of Level I facilities is not properly done by BWSAs/beneficiaries due to a lack of sense of ownership. There was a case, however, where the users contributed money to purchase spare parts when pump facilities broke down. It is necessary for the users to consider not only repair/replacement of mechanical parts but also re-development of wells and the future upgrading of the service level.

BWSA/municipal/barangay government manages Level II and/or III systems that are rather small in size. The required staff are designated to operate/maintain the facilities. There have been some cases, however, where expansion of distribution pipelines and additional service connections were undertaken without considering the technical aspects, e.g., capacity of water sources and distribution facilities. F/S and D/D should be prepared on a timely basis by qualified engineer/s to avoid the decrease of supply pressure and quantity. Preventive maintenance of the system cannot be undertaken due to the shortage of major spare parts stored furnished, which is in turn due to budgetary constraints.

2) Communication mechanism practiced in case of facility breakdown.

It was observed that in cases where major repairs were required (non-functioning of hand pump parts, etc. for Level I), the BWSA or barangay government merely passed a resolution to the municipality/DEO - DPWH requesting for immediate repair. However, most BWSAs have inadequate knowledge of the channel of communication with LGUs or the private sector. The request for repair is therefore improperly addressed. A better communication system has to be prepared and put into service.

For major repairs of Level II and III (e.g. burst pipe/leakage), the municipal government facilitates the restoration/repair of the system. When the budget is insufficient, the waterworks submit a funding request to the municipal or provincial government. Under the LGC, the LGUs are responsible for developing a system that will ensure sustainable O&M of water systems.

(5) Water Quality Examination

It is common to find contamination at water sources in rural area. Water quality problems usually occur during floods. This is aggravated by poor sanitary conditions in most villages - e.g. inadequate toilet facilities, improper construction of depositories/ latrines, lack of sludge/sewage disposal management, and absence of drainage facilities.

Currently, water quality examination (i.e. bacteriological index) is carried out at the laboratory of Region VI of DOH at the Western Visayas Medical Center in Iloilo City and the PHO. The laboratory serves for all provinces of Panay Island at the present time. For the province, the required examination equipment has been provided through FW4SP and is expected to be operated in the near future. A bacteriological laboratory at the Roxas Memorial Hospital in Capiz is already functioning but reagents and staff are inadequate.

Existing equipment at the hospital includes: incubator, autoclave, drying oven, water bath, refrigerator, beam balance and analytical balance, etc. The equipment and operation requirements were provided/financed by the DOH. However, physical and chemical examination has not been practiced. Bacteriological examination in use of the PHC bottle is not done regularly due to insufficiency of equipment, required chemicals and manpower due in turn to budgetary constraints.

Majority of the water samples for examination is hand-carried by sanitary inspectors. The laboratory conducts bacteriological examination for free for public samples, while P110/sample is charged to private requests. The laboratory has the capacity to examine only 25 samples a week.

Considering the current condition of water quality examination, the PHO sees the need to establish another provincial laboratory in the district hospital and to provide appropriate equipment and materials, to cover all municipalities/city in the province.

(6) Private Sector Capability for the Sector Project

For the Level I water supply facilities, locally based private contractors have no capability in the construction of deepwells in provision of open-hole gravel packed wells. Qualified contractors from large cities shall be tapped to meet required capacity of the drilling equipment and knowledge.

5.7.2 Institutional Aspect

(1) Implementing Capacity of LGUs

In spite of the LGUs' efforts, it is apparent that their present implementation capability is limited to a certain number of projects due to insufficiency of manpower resources, unclear procedures and the shortage of supporting vehicles/equipment. Contracting-out to the private sector may be practical. It is also necessary to increase the number of experienced water supply engineers and establish clear procedure to plan and supervise future projects.

Implementing capacity of municipal government is also limited, though a larger water supply system is managed by WDs with a higher level expertise. Sanitation projects are under direct responsibilities of municipalities and barangays with the coordination of the province. Commonly, qualified staff members are not adequate in number and training to strengthen capacity building is not sufficient due to budgetary constraints. The assistance from existing WDs to the associations (Level I and II) may be one of the practical arrangements to ensure transfer of technical and management know-how.

(2) Linkages among Concerns

The PPDO is the lead provincial office responsible for the implementation of WATSAN projects. It works either directly or indirectly with the national government's local offices and municipalities as well as other provincial offices. There is, however, no established arrangement and responsibility delineation among the agencies involved in the WATSAN sector implementation in the province where interrelationships/linkages are clearly shown. Administrative and functional linkages are not spelled out, although in the area of PBME the province is adopting the participatory monitoring and feed back mechanism developed through UNDP-assisted project (refer to 5.10.1 Project and Sector Monitoring). Subsequently fragmental planning and implementation of sector projects happens, and a number of agencies and offices had overlapping activities and functions.

For tri-agency programs such as DPWH, DILG and DOH implementing water supply projects, weak coordination had been demonstrated. There was difficulty in synchronizing activities related to: i) the physical construction of facilities (DPWH); ii) training of provincial and municipal water and sanitation task forces and formation of BWSAs where target facilities will be constructed (DILG); and iii) installation of latrines and promotion of health and education programs (DOH). Effective and efficient WATSAN project implementation needs to be an integrated approach with assistance extended by the NG agencies.

(3) Organizational Set-up

LGUs are composed of province, municipality and barangays. These LGUs have respective responsibilities in implementing WATSAN projects. However, to ensure the delivery of water and sanitation services, operating structures at the province, municipality and barangay levels and identified organizational tasks should be established. This will ensure the smooth implementation of the projects.

Previously, the organization of the associations at the barangay level was undertaken by the PWDTF spearheaded by the DPWH. Since locally-funded water supply projects have been devolved to the LGUs, the DPWH no longer initiates the organization of BWSAs. In the existing organization set up of the province, the implementation of the Provincial Water Program is placed under the PPDO and PEO. However, it has been observed that the provincial staff (and also municipal staff) responsible for planning, managing, coordinating, implementing and monitoring the WATSAN projects are unable to devote enough time since staff are given additional assignments to work in other sectors.

(4) Waterworks and Sanitation Association Set-up

In most cases, operating bodies for the Level I facilities are not organized or are non-functioning. A considerable number of public wells are abandoned/non-functional due to lack of O&M, dried-up of wells and other reasons. Most of the beneficiaries are not aware of the manner for O&M of the facilities. Beneficiaries still rely on LGUs even for a simple replacement of parts. Consequently, the barangay government takes care of O&M. Given these conditions, the LGUs should spearhead the formation of associations and require the beneficiaries' participation to ensure sound O&M of the facilities. Information dissemination to beneficiaries is important.

The organization responsible for the O&M of Level II has a complex set-up due to the complexity of water supply systems and more users (compared to that of Level I facility). Most Level II systems (and small Level III systems) in the province are mostly managed by barangay governments. There is a need, however, for a BWSA to be autonomous from the LGUs. Since they are the direct beneficiaries of water system, the autonomous BWSA structure will motivate the people to operate the system effectively and efficiently. Failure to fulfill this function has a direct impact on them. Furthermore, merger or consolidation of these operation bodies can be explored to increase the capacity of BWSAs for more effective and efficient system operation as well as to consider system expansions and new developments. Merger or consolidation of operating entities of Level II (and Level I) will need collaboration and agreement among concerned parties. The LGUs can act as a coordinator and facilitator to effect this arrangement.

(5) Health and Hygiene Education with Typical Program

During the time when the PWDTF was active and performed the job of conducting the IEC campaign in selected barangays in the province. Currently, it is the PHO that undertakes health and hygiene education as part of its regular programs. Due to the lack of financial support and manpower at the PHO, relevant IEC activities are limited at the pres-

ent time. They can only be undertaken if it is a component of a DOH/UNICEF/NGO project/ program. It is recommended that more attention to the needs of LGUs be accorded to ensure its sustainable implementation for the development of the sector.

(6) Training programs

The central government agencies provide technical training for the LGUs staff on a project basis. The DILG-PMO conducted recently the "Trainers Training and Community Organizing Training/Workshop" for the WATSAN sector where some of the topics discussed touched a little on Gender and Development (GAD). Since LGUs have employed the cascade type assistance in implementing WATSAN projects, strengthening LGU's staff capability in technical and institutional training for effective and efficient for the project implementation is important and periodical trainers training program would be necessary.

The provincial government provides technical assistance to the municipalities and barangays on a project basis or when the training is requested. The PPDO, PEO and other departments and national government agencies usually conduct the trainings, which are aimed at strengthening the capability of O&M personnel at the municipal and barangay levels. It covers technical and management matters of a Level I facility before its turnover. Effective training program/s should be continued by the LGUs to ensure demand-responsiveness in community development.

(7) Database management

The major problems concerning database management are: the inadequacy of the facilities and network coverage, scattered data collection responsibilities, lack of continuous data records, and lack of an integrated water resources database. Most data collection efforts are project related and are usually discontinued once the project is terminated. The provision of a good database will contribute toward the effective and efficient sector planning and projects implementation. It is necessary to establish the database management system at both national and local levels.

5.7.3 Financial Aspect

(1) Budgetary Allocation to the Sector

Due to the limited resources of the province, it has to prioritize projects which require capital allocation in the budget. The GOP recently issued an administrative order directing all government agencies, government corporations, and units (including LGUs) to im-

plement austerity measures, i.e. to limit government spending and to cut capital outlays in order to mitigate the negative effects of the peso devaluation.

The province pays for its capital expenditures using the 20% Development Fund (DF). The LGU may allocate more than 20% of its total IRA to capital projects on condition that the income of the LGU from all sources must first be applied to its contractual and statutory obligations. The PDC determines the sectoral allocation of the DF in the province.

(2) Access to External Funds

The Provincial Government is open to sourcing out other means by which the province can access funds other than its IRA, local taxes, and economic enterprises. The limitation that the province encounters is the lack of information by which it could access other financing options.

External assistance experienced by the province for the sector comes from foreign assisted projects in the past. However, participation of the province in projects of foreign funding for the sector was minimal or even nil. But with the devolution of the sector pursuant to the LGC, the participation of the LGUs is increased. Before the devolution of the sector, the province was a beneficiary of foreign assisted projects through central agencies. After the devolution, the province has become a direct recipient of foreign grants.

In addition to its own funds source and foreign assistance, the province can also access funds from other sectors, such as the private sector through any of the Build-Operating - Transfer (BOT) schemes that can provide incentives to the private sector by minimizing the bureaucracy.

(3) Cost Recovery Practices by LGUs and by Users

Since government projects are considered dole-outs by most barangays, cost recovery schemes are difficult to enforce. However, with the partnership of the barangay government and the BWSA, people are beginning to appreciate the scheme but their capability to pay is rather low as compared to the WD. For the meantime, the focus of BWSA operations is preventive maintenance so that disbursements of their meager funds can be minimized. Also, the barangay governments are encouraged to allocate funds for contingency use of the waterworks projects.

Cost recovery in the sector is dependent on how the community perceives its role. If the beneficiaries develop a sense of ownership of the facilities, they will contribute to sustain

the project and practice preventive maintenance and repair of the system when necessary. For financing capital expenditures, the beneficiaries extend free or discounted labor when building the facility.

5.7.4 Institutional Arrangements/Capability of the Municipal Government

(1) General scheme in WATSAN project implementation

The municipalities are responsible for the construction of infrastructure facilities to service the needs of the residents of the municipality. However, generally, technical capability of municipal governments is limited to construction/maintenance work for small-size water supply facilities. It is also common that insufficient qualified staff members are provided for planning and designing in construction/ expansion of the water supply system. Therefore, the role of the provincial government is important in technical assistance/cooperation to/with municipalities and WDs.

(2) Experiences in project implementation

In most cases, Level I and Level II are developed with barangays' counterpart (usually labor). The requests for assistance from province will be made when the municipalities consider such to be beyond their funding capability. In addition to the municipal supporting in water supply system implementation, the provincial government extends direct assistance only upon request of the barangay officials. O&M of Level I and II are the responsibility of the barangay LGUs or communities.

In such cases, the following are pre-requisites: i) formation of the association in the concerned barangays, ii) MOA between barangay and the association, iii) understanding that the association shall collect water charges. Collected amount will be remitted to the municipality/barangay and the rest retained for O&M by the association.

There is an LGU waterworks providing Level III water supply systems besides WDs providing water supply services to their franchise area, because of the low income generation at the initial operation stage. The employees of the municipality are required to work on the waterworks without additional compensation. Bookkeeping and accounting functions are also integrated into the regular municipal accounting function. However, to manage waterworks properly, at least accounts of waterworks shall be segregated from the general account of LGUs.

5.8 Community Development

5.8.1 General

This chapter presents the current status or the existing condition for community development (CD) in the Province of Capiz for the WATSAN sector from the side of the government, on one hand; and the point of view of the people and the communities served, on the other. Thus, it traces the development of CD through policy measures promulgated and/or enacted on the national level and shows how CD has filtered down to the local level.

The discussions are focused on the experience of the LGUs in performing CD work with reference to the typical manner through which the participation of the community is secured for the sector, whether these be Level I, Level II or Level III projects. The experience reveals the degree of readiness of the LGUs in doing CD work by examining the structures and linkages in place in the province that may either enhance or be an obstacle to the successful execution of sector projects. It also provides the true state of information, education and communication (IEC) processes in the province in so far as these relate to supporting sector projects.

The valuable information were taken from the following: (1) The interviews undertaken with LGU officials during the study period; (2) The answers to the CD/GAD Questionnaire distributed to select provincial and municipal officials involved in sector development; (3) The Result of the Barangay Key Informant Survey, a survey administered to the officials of the select local communities (details are referred to the Supporting Report); and (4) Other documents researched on and provided by the national, regional, provincial, municipal and barangay level offices.

The other major part of this chapter presents the different levels of community participation in sector projects as determined by the people or the beneficiaries themselves. As such, it reveals the type and degree of involvement of the people in past sector projects and whether or not this involvement was adequate. It also illustrates the manner through which the beneficiaries want to actively participate in future sector projects, thereby demonstrating the predisposition and willingness of the community to commit themselves to new development projects.

The responses of the beneficiaries to the information desired are gender sensitive and were derived from the following: (1) The Result of the Group Interview Survey (details are referred to the Supporting Report); and (2) The Result of the Barangay Key Informant Survey; and (3) The results of studies conducted on CD by the national/regional/provincial agencies.

Two barangays were made to participate in the group interviews and three barangays in the key informant survey; thus the results of the key informant survey and group interviews are indicative of the situation prevailing in the entire province in so far as participatory community development is concerned on both the government's point of view and the side of the community. The current CD status is not without its share of problems; but this is exactly the purpose of the study, that is, to improve the WATSAN sector's performance by plugging all leaks that may get in the way of the successful implementation of sector projects, CD included.

5.8.2 Provincial CD Structure and Linkages for WATSAN Sector Projects

The 1987 Philippine Constitution recognizes and mandates the participation of every Filipino in attaining overall national development. Thus, community development is utilized as a national strategy and has been adopted in the Medium Term Philippine Development Plan-1993-1998 (MTPDP) and the Updated MTPDP (1996-1998) to address the country's problems of poverty and unemployment. As a general policy, the Plan gives the greater masses of the people a voice in charting and implementing programs in the country while encouraging the collaboration of the private sector, non-government organizations and all other sectors of society in the formulation and implementation of plans, policies and programs supportive of the development goals of the country.

The Philippine National Development Plan: Directions for the 21st Century which was released early 1998 gives more focus to building the capacities of communities for self-reliance. By recognizing the people's self-dignity and inherent capacity to improve their own lives, community-based approaches will be utilized when delivering basic services to the people. Towards this end, a development planning system that institutionalizes the bottom-up planning process was adopted.

In the 1980s up to the mid 1990s, sector projects under the Barangay Water Program (BWP) and those funded out of OECF, WB and ADB were required some level of community participation but this was limited to the provision of free labor by a few beneficiaries during the construction of Level I facilities.

5.8.3 Assignment of CD Specialist to Sector Projects

There is a unit within the Provincial Planning and Development Office (PPDO) and the Provincial Health Office that is responsible for conducting or implementing community development (CD) work. However, both offices reported that there is no permanent staff that fo-

cuses on WATSAN projects because there is no plantilla available as well as a budget for the position of a CD specialist.

Generally, the municipal planning and development offices (MPDO) do not have a CD unit to undertake municipal to barangay-level community development work for the WATSAN sector. This situation was indicated in the municipality of Ivisan. However, the municipal health office (MHO) of Ivisan indicated that it has a CD unit of sorts, as well as a person assigned to undertake CD work for the WATSAN sector, although said staff members are also utilized for other health programs.

Apparently, there is lack of identified major responsible players on CD in the LGUs that creates a serious gap to the critical linkage and support of sector projects, from the provincial to the municipal and as far down as the barangay levels. Firstly, there is no CD framework in place and no permanent structure within the LGUs that serve guideposts in doing CD work, except for the manner/experience done in the past WATSAN projects.

This leads to the second situation. CD work, to be successful, is a continuous and consistent undertaking. Without a CD framework, a permanent structure or identified responsible people for said undertaking, then any CD work started cannot prosper to its successful completion.

The third condition is really a question of whether the provincial and municipal officials are cognizant of and committed to the true importance of CD as a foundation activity for sustainable sector projects. This awareness on the importance of CD must be translated to giving full support – financial, human and material – to sector projects in their entirety. Although there is no existing position for a community development specialist in the province and in the municipalities, the LGU officials are in agreement that there should be better community participation in future WATSAN activities and projects for the facilities to be sustained. However, there is a need to reorient staff who would be involved in sector-related projects in order for them to learn some up-to-date techniques and strategies that are otherwise not present in previous CD processes.

5.8.4 Training on CD

The staff members of the PPDO have received training on community organizing or community development. Mentioned was the Training for Community Development for All Sectors conducted in 1981 and in 1994 by the Department of the Interior and Local Government.

This was augmented by recent projects handled by the PPDO that had a CO-CD component. These are the CPC V implemented by the DILG, DSWD, DECS and IPHO in 1994 and the Ferrocement Water Project implemented by the UNICEF/IDRC and the DILG in 1986 and 1995.

The PHO, on the other hand, reported that the only CD training received was a certain "WATSAN" conducted by the UNDP-DILG. There were no reported projects implemented or handled by the office that may have had a CO-CD component. The most "recent" project on the sector was the FW4SP implemented in 1990. This project, however, was without community development work.

The MPDO of Ivisan indicated that their staff members have received some training on CO-CD such as Community Organizing in 1988 conducted by the NEDA; Project Development and FS in 1989 and 1997, conducted by NEDA and ARMDEV, respectively; Technology of Participation, conducted in 1997 by ARMDEV, and Facilitating Skills Workshop, conducted in 1998 by ARD and Change Consultants. In addition to this were two projects implemented by the MPDO in conjunction with other agencies that had a CO-CD component. These are the WATSAN/PAF II, implemented by the MEO and the DILG in 1998, plus the Solid Waste Management Project, implemented by the MAO and the DENR in 1998.

As for the MHIO of Ivisan, training in CO-CD has been quite recent and emanate from different health projects such as DOTS, Breastfeeding Skills, Reproductive Health and First Water and Sewerage Training, all conducted during the period 1998-1999. There are also five other projects that are presently under implementation which have CO-CD components apart from five other WATSAN-related projects.

The provincial and municipal LGUs showed willingness to facilitate CD training programs that are pertinent to the achievement of the sector plan under preparation as borne out by the discussions with the relevant officials and the Results of the Barangay Key Informant Survey.

Water district personnel also attended various training and seminars conducted by the Local Water Utilities Administration (LWUA) and other private training institutions focused on administrative, financial and technical aspects of level III water supply systems. The varied skills that WD staff learned can also be made applicable to small systems and therefore can be replicated or transferred to BWSA/RWSA personnel.

5.8.5 Utilization of NGOs

The provincial and municipal governments consider non-government organizations or NGOs as partners in development in Capiz. While most of these NGOs' expertise, however, are focused on agriculture, livelihood and rural improvement, they have been able to identify a few NGOs/CBOs that can be tapped to do community development or community organizing work for sector related projects.

Some of the NGOs mentioned by the PPDO were World Vision, Inc., ERDA and Capiz CODE. The MPDO of Ivisan made mention of Ivisan Poverty Group whose expertise is community organizing headed by Angelina Ullegue; FARMC working on coastal protection led by Ruben Rabe; Ivisan Group of Coops and Unirock MPC headed by Susan Villar and Jonathan Agrazada, respectively.

In any case, the NGOs currently working in the province, that have other areas of expertise other than the WATSAN sector, are known to have wide experience in dealing with the grass-roots levels and have knowledge of strategies on how to enter a community and blend with the local people. The provincial officials believe that they can tap the assistance of other NGOs should the need arise. The list of NGOs that have a track record of doing work in the province is updated on a yearly basis. (refer to the Supporting Report for the List of NGOs and CBOs for Capiz).

5.8.6 Existing Community Development Processes

(1) Manner of Participation in Sector Development

The practice of the LGUs in encouraging community participation for sector projects was generally confined to the organization of a BWSA for Level I systems, a RWSA for Level II systems and a water district or LGU waterworks for a Level III system or combination of a Level II and Level III system. Once formed, the organized BWSA, RWSA, LGU-WS and WD became responsible for soliciting the participation and involvement of the users-beneficiaries in ensuring the sustainability of the WATSAN organization and its various projects and activities.

For the BWSA/RWSA, the users' participation was usually in the provision of free labor and in the donation of cash during the construction phase of the sector project. Left to the central and local government planners was the responsibility for the other stages of project development such as planning and design, monitoring and evaluation which included

activities as project identification, site selection, water rate setting, and operation and maintenance. As a result, only a few BWSA/RWSA are presently in operation because WATSAN facilities have not been properly maintained and very few users continue to pay their water fees.

The results of the group interviews show that there has been little participation of the people in sector projects, particularly on the side of the women members of the community. However, these same survey results indicate that the majority of the people are now receptive to playing a more dynamic role in sector projects as well as assume the responsibilities that go with the benefits derived from improvements in their water and sanitation facilities. Both the male and female beneficiaries professed willingness to form themselves into water associations, contribute cash, materials, and even sites for the construction of WATSAN facilities. In addition, they are already primed to assume higher responsibilities in managing, operating and maintaining the self-reliant WATSAN facilities.

Water Districts (WDs), on the other hand, generally practice participatory community development. Users-beneficiaries are consulted on practically all phases of project development, that is, from the start of the water district's operation, before loans to be contracted, and before water rates are set and/or adjusted. Maintenance of the WATSAN facilities before the water meter, however, remains the responsibility of the water district.

(2) Typical CD Work

According to the PPDO, the province does not have a set community development method or process being followed in organizing a water supply and sanitation association in the community/barangay except for the manner it was done in the past. This follows the general guidelines set forth by the government such as project orientation at the barangay level and the conduct of trainings participated in by members of the beneficiary community.

More often than not, the agreement to organize the BWSA/RWSA was reached after one general assembly or organizational meeting of the beneficiary community specifically called for the purpose. The BWSA/RWSA was then tasked to operate and maintain the water supply and sanitation facilities where its members are given different types of training, such as pre-organizational teach-ins, pre-operational and post completion training and operation and maintenance seminars.

“Typical CD work,” according to the PPDO involves social preparation activities, community organizing and mobilization, then soliciting the community’s cooperation. The PIHO, on the other hand, utilizes community assemblies in getting the involvement of community leaders and barangay officials before the “creation of a barangay water supply and sanitation association.”

The result of the Barangay Group Interviews, however, confirmed the lack of CO-CD process, or social preparation along all the major activities of the sector’s projects as perceived by the beneficiaries themselves. The result of the Barangay Key Informant Survey, however, showed the willingness of the barangay councils to participate in sector projects, specifically on the operation and maintenance of WATSAN facilities. The barangay councils were also willing to facilitate and/or pay for the training cost of volunteers who would eventually operate and maintain constructed facilities. The same survey showed the willingness of local residents to contribute cash while others will provide free labor for the repair and maintenance works as a manifestation of their active involvement with the BWSA.

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 series 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 WDs’ 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 various issues such as water rates formulation/adjustment, expansion program and other matters that may affect the people-WD relationship.

5.8.7 Information, Education and Communication (IEC) as Foundation Activities for Community Development

The province does not have an integrated IEC program on sector plans and programs. As such, CD, as the effective tool for getting full support and cooperation of the people toward the sustainability of WATSAN sector projects, is loosely established. The lack of an integrated provincial IEC program creates a gap in linking the municipalities and the barangays, important entities that could help generate the complete flow of community participation on sector projects. The provincial officials have attributed the lack of an IEC program to financial difficulties.

In the municipal level, MPDOs collaborate with MHOs in undertaking comprehensive IEC programs. However, this has been limited in scale, again because of the lack of logistical support for such activities. What is done is the conduct of community assemblies, house-to-house and school visits to discuss health-related matters. Lectures and demonstrations, feedback sessions and consultations are also performed.

On the other hand, the water districts (WDs) generally implement a systematic and comprehensive IEC program. Most WDs produce printed information materials such as newsletters, leaflets and posters that are disseminated to the concessionaires. Regular press releases on WD development issues are submitted to local newspapers. There are some WDs that sponsor radio programs while others conduct regular dialogues with the community. Those that do not possess enough expertise are assisted by bigger WDs within the province/region (the concept of Godfather Water District) or by the Public Affairs Office of LWUA. A region-wide Water Information Network has been established with all WDs as members. This network undertakes regular public information drive and helps smaller WDs to disseminate information.

5.8.8 Health and Hygiene Education

Health and sanitation education is within the area of responsibility of the Provincial Health Office and its municipal counterparts. These offices have their own health and sanitation education programs collaborated in by the Rural Health Units (RHU) and the barangay health workers and other community volunteers.

However, the PPDO and PHO work together in implementing specific projects that have a health and sanitation component in cooperation with other offices such as the PEO, IPHO, DPWH, DILG, the DECS and the barangays concerned.

The key informant survey and barangay group interviews revealed that the people recognize the importance of good health and hygiene practices. Most of them learned about health and sanitation matters mostly from health workers and inspectors, radio/TV, and the NGOs. Some pointed to the health clinics, the school and hospitals as their source of information.

5.9 Gender

5.9.1 General

This chapter presents the current status or the existing condition for gender and development in the Province of Capiz for the WATSAN sector from the side of the government, on one hand; and the point of view of the people and the communities served, on the other. As such, it elucidates on the evolvement of gender policies on the national level and shows how these have filtered down to the local level where gender responsive planning has become a requirement for all development efforts on the WATSAN sector. It also reveals the extent of the awareness that the people and/or beneficiary communities have on gender matters as seen through their participation in past sector projects as well as their perceived participation in future projects.

Gender-related information were taken from the following: (1) The interviews undertaken with LGU officials during the study period; (2) The answers to the CD/GAD Questionnaire distributed to select provincial and municipal officials involved in sector development; (3) The Result of the Barangay Key Informant Survey for Capiz administered to the officials of the select local communities; and (4) The Result of the Group Interviews for Capiz conducted at the barangay level; and (5) Other documents researched on and provided by the national, regional, provincial, municipal and barangay level offices.

5.9.2 The Evolution of Gender and Development

The 1987 Philippine Constitution recognizes and ensures the fundamental equality of women and men before the law and cites their respective roles in nation building. The National Commission on the Role of Filipino Women (NCRFW), established in 1975, ensures the integration of gender concerns in all aspects of the project development. In 1991, Republic Act 7192, better known as "Women in Development and Nation Building" was enacted to strengthen the mandate of the NCRFW. The Act called for the allocation of a substantial portion of the official development assistance funds from foreign governments and multilateral agencies to support programs and activities for women.

The adoption of the Philippine Plan for Gender Responsive Development (1995-2025) paved the way for full participation of women and men in planning and implementation of technology for infrastructure projects, including those in the water supply and sanitation sector. In 1995, the Office of the President issued Memorandum Order No. 282 directing various government training institutions to incorporate "Gender and Development (GAD) Concerns and Programs" in their respective curricula in order to further institutionalize gender and devel-

opment programs. The General Appropriations Act of 1997 mandated all departments, offices and agencies to set aside a minimum amount of 5% out of their 1997 appropriations to be used for projects designed to address gender issues. The Local Government Code includes a provision giving political empowerment to women by creating sectoral seat for women to be elected in every local legislative assembly all over the country. To facilitate the whole process, a gender conscious system of data gathering, processing and generation has been established.

The significance of RA 7192 has started to gradually filter down to the LGU levels. The DILG gives Gender Awareness Orientation and Training to its officials and employees, from the central down to the municipal level. The purpose for this is not only to establish a common awareness on gender, but also to recognize that they are catalysts of growth and development for LGUs. In compliance with the policies enunciated in RA 7192, all government departments and agencies were directed to revise, review all their regulations, circulars, issuance and procedures to remove any gender bias. Thus, recent projects that national government agencies have incorporated gender concepts including the projects from the water and sanitation sector.

The DILG implements gender responsive WATSAN projects. The DPWH implemented in 1991 the First Rural Water Supply and Sanitation Project which adopted the "Women in Development" (WID) approach aimed to create support mechanisms to enable women to surmount problems regarding water and sanitation thereby increasing their productivity efforts and giving them greater participation in decision-making. Most of the water and sanitation projects of the DOH are directed towards the improvement of women's health and physical condition as well as their social status in the community. As such, implementation of most health and sanitation projects, including water supply, utilizes the women's sector in the community.

5.9.3 The LGUs and Gender

While the province of Capiz is aware of gender and development, there has been few instances where gender sensitive approaches to planning and implementing WATSAN projects have been included and/or utilized either by the PPDO or the PHO.

5.9.4 Gender in WATSAN Sector Projects

(1) Gender Participation in Sector Development Projects

One of the objectives of the province-wide group interviews undertaken in this study was to assess gender sensitivity of the intended sector beneficiaries in the roles and modes of participation that they, as men and women, perceive for themselves in WATSAN projects. Another important objective was to identify potential service population and service level desired by the community, to assess the degree of involvement of both men and women in planning, managing, operating and maintaining WATSAN projects, and the willingness and capacity to pay of potential users.

The respondents in the group interviews were composed of 23 females and 22 males, the majority of whom belonged to the 26-45-age bracket. Sixteen interviewees completed their elementary education, with the males outnumbering the females, 10 to six. Having graduated from high school were 12 respondents, seven males and five females. Only three respondents were able to complete college, two females and one male. The occupation of a great majority of the male and female respondents was farming/fishing.

In the two barangays surveyed for the group interviews, the total number of barangay council members was 16. Of this number, 13 were males and three were females. The barangay captains in both barangays were male.

On the formation/composition of the BWSA/RWSA and WD Board:

As manifested by the key informants, only one of the three barangays was serviced by a BWSA/RWSA. Thus, for the other two barangays surveyed, it was the barangay council that provided safe water to the community through its committee on water and sanitation.

There are five sectors represented in the water district's Board of Directors, one of which is the women's sector. More often than not, the educational sector almost always nominates/appoints a female educator.

On participation in WATSAN training:

Fifty-three percent of the respondents attended training programs for the year 1998; while 38% did not respond to the question. Half of the male and female interviewees, however, were aware of any WATSAN-related training such as caretakers' training, finance/collection and repair/O&M trainings. In addition, if given the chance all the male and female respondents indicated their willingness to attend sector training programs.

On participation in health and hygiene:

While all those interviewed recognized the importance of good health and hygiene education, only the females had actual participation in health education and training compared to only two out of the 22 male respondents. On water-related illnesses, the men were equally afflicted as the women with illnesses as diarrhea, gastro-enteritis and skin diseases.

On participation in operation and maintenance:

For future projects, the respondents showed their willingness to participate to the fullest extent possible. All the male and female respondents said that they would participate in operating and maintaining the WATSAN facilities; and such other activities as the formation of a WATSAN association, the formulation of water rates, the selection of sites and levels of service and in the construction of facilities. While the majority of the respondents were uncertain as to who was responsible for minor repairs of the WATSAN facilities, the remaining 20% pointed to "someone in the BWSA" as the one responsible.

(2) Gender in Water Supply and Sanitation Practices

The same survey also indicated gender sensitivity in water supply and sanitation practices, as presented in the following findings:

Responsibility in Fetching Water

It is interesting to note that 42% of the interviewees, 13 females and six males, said that it is the wife who was responsible for fetching water from the source to home. Compare this figure to only 9% of the respondents, one male and three females, which indicated that it was the husband who did the task. The male and female children also shared the burden, according to 11 and four respondents, respectively.

5.10 Existing Project and Sector Monitoring

(1) Sector Monitoring

The primary sources of sector data are the field office and staff of DPWH, DOH, LWUA, DILG and NSO. Other agencies, including NEDA and LGUs, use data from these agencies. Each of these agencies runs its own project and/or activity-monitoring system largely based on required reports of its field offices. Only the NSO gathers and assesses information nationwide on a regular basis as part of its Census on Population and Hous-

ing (CPH). To attain national and provincial targets on WATSAN service coverage, periodical sector monitoring shall be conducted aside from project monitoring.

(2) Project Monitoring

Project monitoring has been conducted by different government levels depending on the characteristics of the project i.e., local funded or foreign assisted projects. However, only projects handled by the local offices of central government agencies are monitored, mainly focusing on physical accomplishments and capital expenditures of projects, by respective central government line agencies.

Monitoring activities under the Regional Development Council cover four components: Economic, Social Development, Infrastructure and Development Administration. Monitoring reports on the foreign assisted infrastructure projects, including water supply projects are submitted by the PPDO to the national government agencies concerned. Agencies to which the reports are submitted and the schedule of submission of reports are defined in the Implementing Guidelines of the projects. The monitoring report is also sent to the NEDA Central Office by the agencies. The central government agencies also report to the foreign assistance agencies such as ADB, WB, etc.

The monitoring for WATSAN related projects are conducted under the Regional Monitoring and Evaluation System. The PPDO/MPDO and the PPMC concerned conducts monitoring from the start until completion of the project. Projects that are getting negative feedback and require validation and verification are closely monitored. The report covers status of implementation, finance, percentage of accomplishment and slippage/problems as well as evaluation and countermeasures.

There are no differences in the current project monitoring systems at LGU level. Aside from local practices, the monitoring reports on foreign assisted projects are submitted to the concerned central government agencies through the regional offices.

In both sector and project monitoring, the exchange of information between concerned agencies is insufficient and not systematic, though there are opportunities to do so, like during the RDC regular meetings. In addition, the absence of a reliable data management system not only adds burden to the monitoring work but also causes wide dissatisfaction among project implementors themselves. The preparation of monitoring reports is seen by some as a nuisance to performing more important tasks; thus the monitoring reports are haphazardly done. When this happens, the reliability of information presented in the reports is compromised. An

effective monitoring mechanism and data management system must be in place and put to work by the concerned agencies.

The monitoring activities will need an appropriate budgetary allocation annually. Participatory monitoring with associations/ barangays and municipalities would be a practical and cost saving method.