



April 22, 2019

Statement on Proposed Reforms for the Philippine Water Sector

We, the following listed Philippine business groups and foreign chambers, strongly commiserate with and share the frustrations of millions of Filipinos who are experiencing hardships associated with the current water shortage in Metro Manila. The megacity's overdependence on the sole Angat Dam for Metro Manila's water supply requirements has proven to be folly, especially in the face of continued economic and population growth, climate change, and disaster risk. Despite 20 years of a largely successful water privatization – the gains of which we hope to preserve – today's crisis is a direct result of the ambiguity of responsibility for developing and managing the country's water resources. This ambiguity bespeaks of the poor and fragmented governance of the water sector in general over the past decade.



Thus we call on our leaders, especially those in the Executive and Congress, to prioritize Water Security and take immediate action, as follows:



1. **Fast-track the construction and development of new water sources for Metro Manila.** To this end, we urge the government to develop new raw water sources in the immediate pipeline as projects of national significance and to fast-track their bureaucratic approvals by obtaining permits, in parallel rather than sequential order, while ensuring proper environmental and social safeguards are adequately put in place. Full implementation of the Ease of Doing Business Act would be very useful in this regard. We also call upon Manila Water to hasten completion of its Cardona Treatment Plant and other water sources. As a long-term solution, steps should already be taken to develop adequate raw water sources to meet the future needs of Metro Manila, including tapping the full potential of Laguna Lake, a vast and nearby water resource.



2. **Introduce water conservation and promote water efficiency.** This includes promotion and adoption of technologies and practices for more efficient water use (e.g. efficient water-consuming appliances, water reuse systems, substitute chemical-based cleaning technologies, and reduced wasting of water by agricultural, commercial, domestic, and industrial consumers). In addition, concessionaires may continue reducing non-revenue water losses and government may consider introducing demand-management policies, such as mandatory labeling requirements and minimum water efficiency standards for water-consuming appliances.



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3. **Develop a Water Security Masterplan for Metro Manila and the entire country based on sound science and strengthen the National Water Resources Board.** With the various water requirements of the metropolis and the larger country across a variety of needs, it is necessary to approach water resource planning through the lens of the globally-recognized principle of Integrated Water Resource Management. To achieve this, governance over the water sector should be rethought. In the short term, via an executive order, the National Water Resources Board may be strengthened and given adequate resources. In this regard, we welcome the news that President Duterte has approved in principle a draft executive order that is being finalized for his signature. In the longer term, legislation should be passed (a) strengthening an apex body for the water sector to act as the single lead agency to oversee and coordinate overall policy and program implementation, (b) creating an



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independent regulator for water supply and sanitation to harmonize regulatory practices and standards, and (3) encouraging private sector participation in the management of water resources and the provision of water services. To shepherd these reforms, we urge the president to appoint a “Water Czar” who can focus on this task of bringing order to the currently directionless water sector.



- 4. **Rehabilitating the country’s wetlands, water bodies, and supporting ecosystems.** Besides continuing efforts to clean Manila Bay, this rehabilitation effort should be expanded to include other major water bodies that can serve as natural sources of water supply, storage, and power, such as Laguna Lake and the Agus and Pulangi rivers. Efforts must also be made to ensure watersheds and wetlands are revitalized and maintained, while putting an end to illegal land conversion around these natural systems, which severely reduces holding capacities of these vital water-capturing and water-holding systems.



Water is too crucial a matter to overlook. Action is needed now to ensure water security for Metro Manila and our country tomorrow.



PAMURI



- Alyansa Agrikultura
- American Chamber of Commerce of the Philippines
- Australia New Zealand Chamber of Commerce
- Canadian Chamber of Commerce of the Philippines
- European Chamber of Commerce of the Philippines
- Japanese Chamber of Commerce and Industry of the Philippines, Inc.
- Korean Chamber of Commerce Philippines
- Makati Business Club
- Management Association of the Philippines
- Philippine Association of Agriculturists, Inc.
- Philippine Association of Multinational Companies Regional Headquarters, Inc.
- Philippine Association of Water Districts
- Philippine Chamber of Commerce and Industry
- Philippine Exporters Confederation, Inc.

