Winning the Water Wars: 
Toward a Watershed-based Approach to Watershed Resources Management: 
A Policy Agenda for Local Government Units

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DISCUSSION PAPER SERIES NO. 2004-25

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July 2004

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Abstract

The following are offered as guiding principles in the involvement of LGUs in water resources management.

- For LGUs to adopt an integrated, holistic approach in addressing the inherently interrelated issues of water supply planning and operation, demand management, pollution control, and watershed and ground water protection.
- For LGUs to manage water not only as a social good but also more importantly as an economic good. As such, water becomes a commodity that is assessed for its scarcity value and whose distribution exists in the context of market processes, even as it is balanced by the view that water is a basic need.
- For LGUs to implement a strategy to operationalize a water-pricing policy that covers the full economic cost of water production and distribution, by taking into account the opportunity cost of water where there are competing users, and the cost of externalities or negative environmental impacts.
- For LGUs to uphold the principles associated with a watershed-based approach by considering the watershed as the basic unit in managing the water resources of the country.

There is a need for the following mechanisms to enable LGUs to be effective managers of their water resources:

- There should be support for the institutionalization of local water bodies.
- There is a need to create a technical capacity and awareness among the LGUs and local communities, particularly in managing watersheds.
- There should be mechanisms to enable the financial viability and sustainability of local initiatives beyond their reliance on official development assistance. This should clearly emphasize the use of market-based instruments in assessing the true value of water that would be levied on users, as well as water-related services or damages.

There is a need to put in place mechanisms that require local governments to involve civil society organizations.

Keywords: Local Government Units, market-based instruments, watershed-based approach, civil society participation, water as an economic good
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A Policy Agenda for Local Government Units

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The Challenge and the Legal Mandate

Water governance in the country is saddled by several problems. The failure to implement laws governing the watershed approach and the absence of institutional mechanisms to operationalize said approach has seriously undermined any effort to mainstream and integrate water and watershed plans and programs into the activities of various agencies involved in water resources management and governance. This is compounded by the lack of appreciation of water as an economic good, which leads to the inability to allow market-based mechanisms to function.

The presence of multiple agencies dealing with water resources, water quality, water resources, irrigation, energy/hydropower, domestic water supply and other water-related concerns, instead of strengthening, has in fact weakened efforts to manage the country’s water resources. The real issue here is not the number of institutions involved, but the lack of legal basis to define a system of leadership, coordination and complementation of the several functions that these agencies perform.

One of the key elements of a watershed-based water resource management is a socio-political framework defined by the need for managers to have wide support from local communities and political/government units. There is a need to obtain this wide support vis-à-vis the LGUs and civil society organizations in water management. This is premised on the fact that local communities are directly involved, and are usually the frontline consumers of environmental goods, even as they are the first to feel the adverse impacts resulting from water resource degradation. As such, it is in the best interest of these local communities to be directly involved in how the water resources should be managed. They should therefore be made partners in such an endeavor and must received training to enhance their capacity to perform this role.

Thus, what is needed is a healthy cooperation between local government units and the national agencies. Here, several problems arise.

First, while local water districts manage the distribution of water at the local level, they do not have direct control of the watersheds that support their water supply. Second, while the Local Government Code of 1991 mandates local government units (LGUs) to manage their own watersheds, in practice this is undermined by the fact that watersheds are still largely managed and controlled by the Department of Environment and Natural Resources (DENR), or in some cases, by the National Power Corporation (NAPOCOR) and the National Irrigation Administration (NIA).
Fortunately, the DENR has recognized the role of LGUs in ecosystems governances, and has implemented several initiatives to involve LGUs in natural resource management. As a result, some watersheds are now managed by LGUs under co-management agreements with the DENR.

Furthermore, the Indigenous People’s Rights Act (IPRA) has also provided a legal mandate, specifically for indigenous communities, to administer the watersheds within their ancestral domains.

**Guiding Principles in LGU involvement in Water Resources Management**

The following are offered as guiding principles in the involvement of LGUs in water resources management.

- For LGUs to adopt an integrated, holistic approach in addressing the inherently interrelated issues of water supply planning and operation, demand management, pollution control, and watershed and ground water protection.
- For LGUs to manage water not only as a social good but also more importantly as an economic good. As such, water becomes a commodity that is assessed for its scarcity value and whose distribution exists in the context of market processes, even as it is balanced by the view that water is a basic need.
- For LGUs to implement a strategy to operationalize a water-pricing policy that covers the full economic cost of water production and distribution, by taking into account the opportunity cost of water where there are competing users, and the cost of externalities or negative environmental impacts.
- For LGUs to uphold the principles associated with a watershed-based approach by considering the watershed as the basic unit in managing the water resources of the country.

**Administrative and Financial Mechanisms to Implement Strategies at the Local Level**

The case studies conducted in the Maasin Watershed in Iloilo, the Manupali Watershed in Bukidnon and the Magat Watershed in Nueva Vizcaya, reveal important lessons. Based on their experiences, there is a need for the following mechanisms to enable LGUs to be effective managers of their water resources.

First, there should be support for the institutionalization of local water bodies such as River Basin or Watershed-based Authorities, following the LLDA model. Action is needed at the LGU level (Province, City, Municipality, Barangay) to establish regional/local bodies such as water councils and river basin authorities. These bodies do not necessarily require national level legislation but may require inter-LGU legislative action, particularly when watersheds cover different municipalities/cities from different
provinces. These bodies may vary in character, charter, or nature. In fact, some of them may even be in the nature of cooperatives or NGO networks, or para-statals.

Second, there is a need to create a technical capacity and awareness among the LGUs and local communities, particularly in managing watersheds. Here, there is a to institutionalize policy research and science-based governance as a way of facilitating the operationalization of watershed principles and concepts in local ordinances and policies. Also required is the capacity to translate technical concepts and principles into forms that could be readily understood by ordinary citizens.

Finally, there should be mechanisms to enable the financial viability and sustainability of local initiatives beyond their reliance on official development assistance. This should clearly emphasize the use of market-based instruments in assessing the true value of water that would be levied on users, as well as water-related services or damages. This may include raising water tariffs and imposing sewerage charges and effluent taxes. A socialized system for water-use fees can be adopted to balance the market-based value with the social nature of water as a public good. This includes setting a threshold value below which water is provided free of charge, then above which water use is progressively valued. Furthermore, a portion of the water use fees should be used for Watershed Rehabilitation and other restorative mechanisms (e.g. reforestation, vegetative and engineering measures to control/minimize erosion and siltation) to enhance the quality of water discharged from natural sources. This amount should be clearly itemized, and earmarked in the relevant budget allocation process.

It is expected that these strategies, particularly those that would involve raising water fees, would entail political will, considering that these may not sit well with local consumers. What is needed is a careful and popularized manner of making citizens and water users aware of their responsibilities in the management of water resources, as well as the adverse implications that a failure in water management may bring.

**The Role of a Strong Civil Society**

LGUs are not always efficient, effective and responsive all of the time. In fact, there are even instances that local politics, as expressed through LGU officials, may impede instead of enhance local management of water resources, as what has been experienced in the case of Balian in Pangil, Laguna.

It is fortunate that R.A. 7160 put in place mechanisms that require local governments to involve civil society organizations. This effectively provides a mechanism to check whatever excesses or failures LGUs may have that would impede the agenda towards an equitable strategy in water resource management.

Furthermore, civil society organizations could become effective technical partners of local government units in water resources governance. In the case of Lantapan in Bukidnon, for instance, farmers served as "volunteers" in monitoring and testing the quality of their water sources and trained accordingly in a scientific/technical manner to
do so. Over the years, the so-called Tigbantay Wahig or Water Watch Group were able to gather extensive data (based on scientific methods) on the status of the quality of their water resources, e.g., rivers and streams, which eventually became the basis for the local governments in their decision making and action regarding the protection of their watersheds and natural resources.

Devolution can indeed provide venues for civil society participation, but only if there are mechanisms that will ensure and protect such participation. To place it as a requirement by law is a good policy move. Hence, NGOs and POs have reserved seats in Local Development Councils, where they can participate in the formulation of development plans and policies.

This brings us to the issue of the strength of civil society. Awareness and vigilance of issues are some of the many characteristics of strength. Others would be the presence of strong social capital (defined as the network of trust which exist among individuals and groups which enable them to launch collective action), strong organizational capacity, high political literacy, and strong capacity for informed and effective advocacy. This was clearly illustrated in Iloilo and in Pangil, Laguna.

These characteristics are needed to really make the process of devolution serve the interests of communities. It will enable civil societies to clearly articulate their needs and demands to the LGUs, even as it will enable them to claim their right and their duty to participate in the formulation of policies, programs and actions that would respond to those needs and demands with regards to the management of water resources. Furthermore, it will ensure that politicians who are not effective and efficient in responding to their needs will, indeed, be held accountable for their failures. Civil society, through voter education and political literacy campaigns, can become effective venues to hold politicians accountable for their acts.

What is apparent in the case studies conducted is the willingness among civil society stakeholders to provide financial and material support, ranging from labor and minimal contributions to monetary pledges. Stakeholders such as private business groups are willing to pay and help in the protection and rehabilitation of the watersheds because they know that they are very dependent on the water resources there. Thus, there is a need to really make people aware and appreciative of the importance of the watersheds and how they play a role in their daily businesses should be very much emphasized.