

Financing Integrated Sanitation

Municipality: Bauang

Province: La Union, Philippines

Applied financing model: Public-Private Partnership

Quick facts:

Population: 72,391 inhabitants with 15,669 households

Intervention area: 7,160 hectares

Municipal GDP: (Note: no data available)

Country GDP: US\$ 2,988.95/capita (2017)

Estimated total required monetary investment without compensation cost: US\$ 380,000.00

Estimated annual sludge treatment cost: US\$ 150,000.00 - US\$ 200,000.00

Estimated annual User Fee Collection from RPU: US\$ 300,000.000

Estimated annual savings from user fee collection: US\$ 100,000.00 - US\$ 150,000.00 (to be used to finance other DEWATS Projects)

Actual monetary investment without compensation cost: not applicable (will hire services from Private Companies with existing FSM Facilities)

Development priority

1. Priority of Municipal Local Government for promotion and implementation of Septage Treatment Facility (STF)
2. DOH, DPWH and DENR-EMB recommend wastewater and septage management in the Municipality

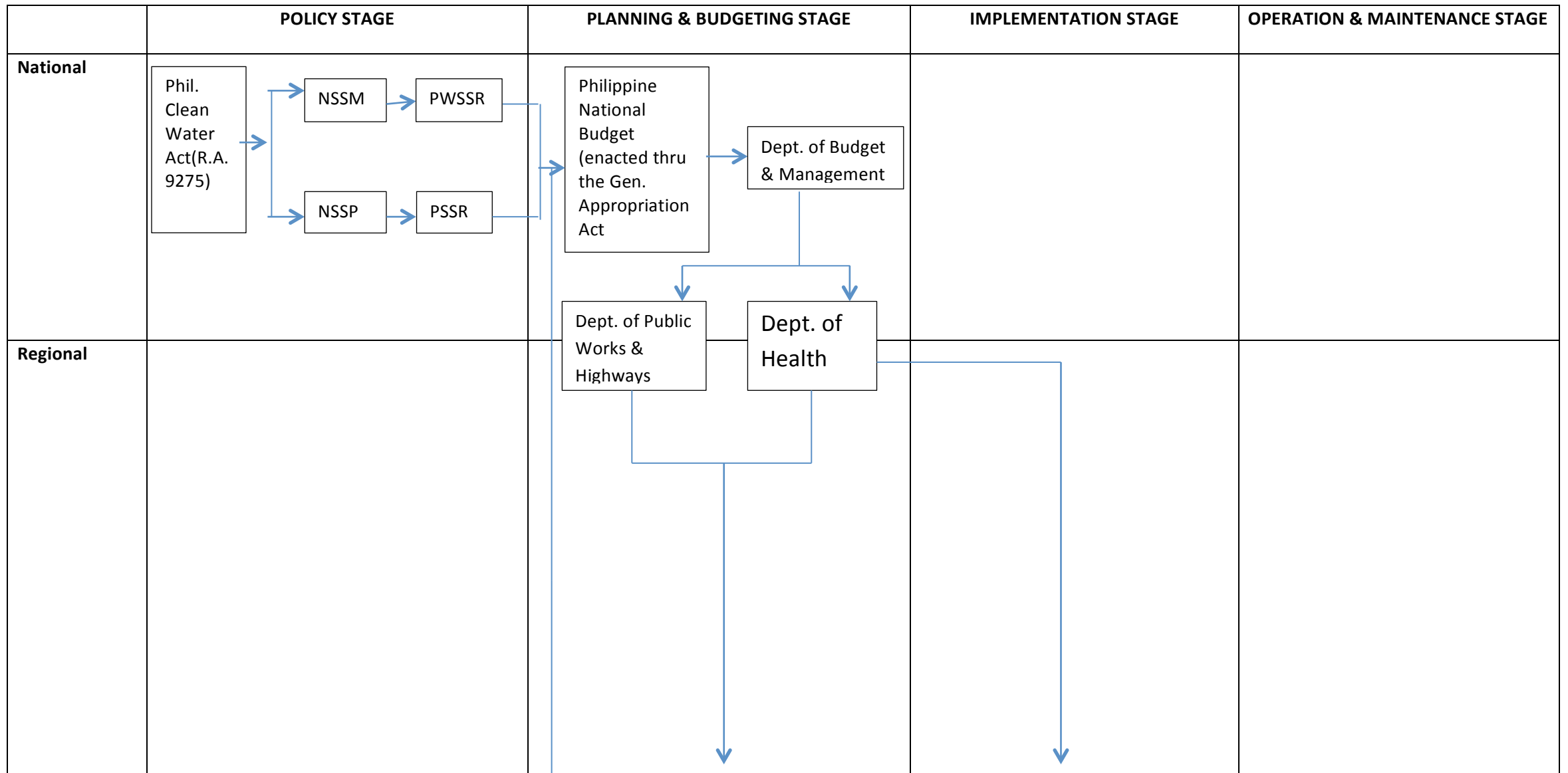
Project outcomes

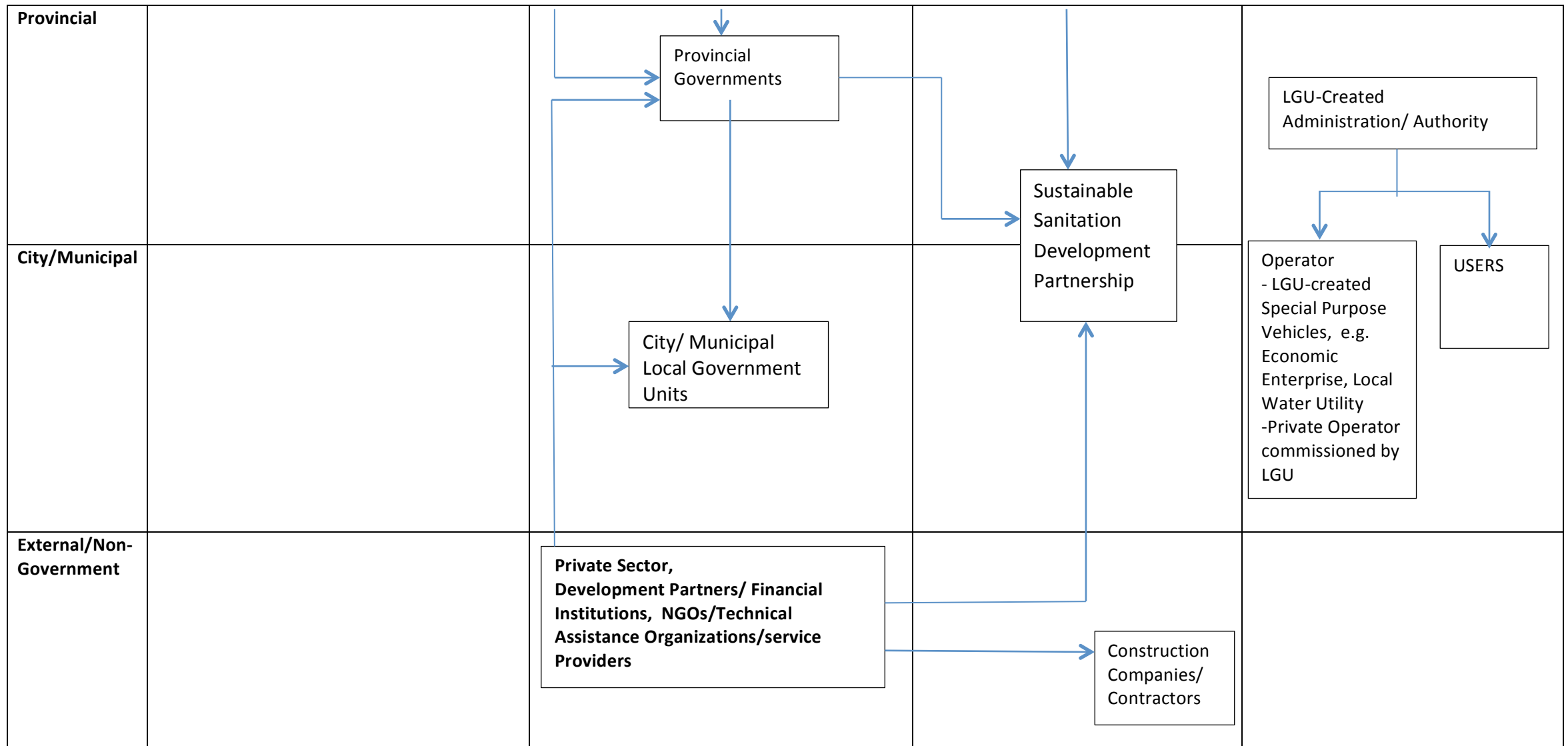
1. Complete collection and treatment of septage and domestic wastewater
2. Sustainable operation and maintenance system for service delivery

Project Interventions

1. Coaching/capacity building and training to provincial and municipal government for planning, design, implementation and operation of decentralized wastewater and septage treatment facilities
2. Develop capacity of the community and local authority for implementation and operation
3. Provide assistance to provincial/municipal authority to develop policies for management of decentralized systems

FINANCING SCHEME





OUTPUTS		Approved plans/programs/Budgets: <ul style="list-style-type: none"> • Provincial, City & Municipal Annual Budgets & Annual Investment Programs • Provincial & City/Municipal LSSMPs, LSSPs; • Feasibility studies & Detailed Engineering Designs for priority sanitation projects 	Signed SSDP Memorandum of Agreement Infrastructure: STF, wastewater treatments/drainage/others	Projected Outcomes: Sustainable service delivery and service expansion using revenues from user fees.
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POLICY STAGE

The Philippine Clean Water Act (RA 9275), together with its related regulations, provides the regulatory framework for sewerage and septage management programs, among others. It provides for the preparation of a **National Sewerage and Septage Management Program** led by the Department of Public Works and Highways. Prepared in 2010, the NSSMP sets short and long term targets for sewerage and septage management provision in urban areas outside Metro Manila. Therefore, by year 2022, all buildings must be connected to existing sewerage systems in highly urbanized cities (HUCs). For non-HUCs, septage management systems shall be employed. The NSSMP also provides for a subsidy from the National Government to fund sewerage and septage management infrastructure projects. Despite the subsidy under the NSSMP, no sewerage projects have been implemented. Thus, the NG directed the development of the **Philippine Water Supply Sector Roadmap (PWSSR)** and **Philippine Sustainable Sanitation Roadmap (PSSR)** to serve as roadmaps in achieving the country's long term targets of universal access by 2025 for water supply and 2028 for sanitation. Nevertheless, achieving universal access to safe drinking water and sanitation continues to be a challenge given the issues faced by the sector

PLANNING AND BUDGETING

In the NSSMP flowchart of planning activities, local implementers (LGUs, Water Districts, etc.) will engage NSSMP to develop sanitation plans and a comprehensive program package for their top priority interventions that may be supported by DPWH through its subsidy for LGUs.

On the other hand, the National Sustainable Sanitation Plan (NSSP) is the basis for all plans and activities on sustainable sanitation, with a vision of “Sustainable Sanitation for All Filipinos.” The Local Sustainable Sanitation Plans (LSSPs) localize the NSSP and ensure that set goals are achieved through effective planning and implementation at the local level. Department of Health **(DOH) is at the forefront of the implementation of the NSSP, together with the DENR.**

To facilitate the implementation of the NSSMP and NSSP in the Province of La Union, a Sustainable Sanitation Development Partnership (SSDP) was forged between/among the Dept. of HealthOp Region I, the Province of La Union and Basic Needs Services (BNS) Philippines, Inc. BNS in partnership with BORDA, has been providing continuous guidance and assistance directly addressing wastewater management issues to various public and private institutions including the Province of La Union and its city/ municipalities, among others. Prompted by strong desire towards application of basic sanitation and hygiene to protect the health and welfare of poor communities, DOH Region 1 aims to bring more assistance using national government subsidy to local governments using the NSSP platform through SSDP. The SSDP was formalized through the signing of a Memorandum of Agreement in 2015.

Using the SSDP Platform, "Sustainable Sanitation and Development Program" gave way towards formulation of the Province of La Union LSSP and translated into the city/ municipalities' LSSP which contain the priority sanitation infrastructure and support activities to achieve the goals of NSSP in these LGUs. This program also provides grant financing and capacity building for the implementation of water sanitation projects in municipalities, specifically in poorest barangays with high level of waterborne diseases, in resettlement areas and other public and private establishments within the Province. For its part, the BNS provides technical assistance and capacity building for the LGUs including preparation of FS and DEDs for priority sanitation projects of the LGUs.

The SSDP has also been the conduit to access national/regional (DOH), provincial and city/municipal sources of funds, as well as BNS in-kind contribution. Significantly, private sector investment was demonstrated in the Municipality of Bauang's DEWATS projects.

Also, at the planning stage, the LGUs are assisted in the crafting of the necessary local ordinances, advocacy and promotion program, to build a buy-in from the communities and users of the facilities. The LGUs are clothed with the power to enact its own local laws, create users fee, wastewater/septage fees and the like to recover the cost and O&M of sanitation facilities.

IMPLEMENTATION STAGE

Even if there are multiple financing sources, the implementing entities are the LGUs themselves following national government procurement procedures (National Procurement Law) for civil works and supplies and materials.

During pre-construction, operator's training and capacity building of the LGU are done by technical assistance organizations, such as the BNS as part of its in-kind counterpart support to the LGUs/projects.

OPERATION & MAINTENANCE STAGE

By virtue of the Local Government Code, LGUs have been granted corporate legal personality and are authorized to engaged in business endeavors supportive of its development goals for the province/city/municipality. It is also empowered to create local administrative bodies, authorities, enterprises and special purpose vehicles to manage its own projects, operate and maintain their facilities, and to collect necessary fees and charges to sustain the operation and maintenance of sanitation and other facilities.