

May 10, 2018

2018 Philippine Water and Sanitation Forum | synthesis

Thursday, May 10th, 2018

Marco Polo Hotel, Ortigas

Manila

9:00am – 5:00pm

Introduction: “Accelerating Impact Through Collaboration”

Water.org's inaugural forum in the Philippines aims to be a collective showcase of best practices from sector leaders to engage stakeholders and to facilitate learning, linkage networking, and cross-sector information sharing, with a focus on specific current issues that impact Water Supply and Sanitation (WSS) financing.

The theme “Accelerating Impact Through Collaboration” places emphasis on the need for cross-sector collaboration to accelerate collective impact and achieve universal access to water and sanitation in the Philippines.

Key objectives of the Forum:

- share knowledge on Water Supply and Sanitation (WSS) initiatives different initiatives from the government, private companies, and NGOs alike in the Philippines;
- learn more about how to achieve universal access to water and sanitation for those living at the base of the economic pyramid through affordable financing;
- identify potential market opportunities, partnerships and projects, all with the common goal of improving the overall Water, Sanitation and Health (WASH) situation in the Philippines.

Welcoming Remarks by Nozomi Witherspoon

- In her opening remarks, Ms. Witherspoon emphasized the theme of collaboration and encouraged the audience to use the Forum as a chance to dive into discussions and create partnerships to accelerate impact on the WASH situation in the Philippines.
- Water.org has found that the key to solving the global crisis is through affordable financing and access to education. Water.org's role is to support and facilitate this enabling ecosystem by connecting donors, advocates, financial institutions, water utilities, and economic powers to accelerate our support.
- Since the introduction of their WaterCredit program, Water.org has seen 10x growth in the last 5 years, growing from 1,000,000 to 10,000,000 people reached. The dollar cost per loan is decreasing, primarily because of scale of WaterCredit operations and opening of new partners in different countries, especially in Southeast Asia.
- By sharing Water.org's evolving programs and models, Ms. Witherspoon highlighted the need for multiple approaches and collaboration of multiple sectors and varied stakeholders to solve the global water crisis.

The State of Water and Sanitation in the Philippines – Eric Planta

- Mr. Planta contrasted the abundance of resources in the Philippines with the country's inability to efficiently harness these resources for development. While he noted that in the past there has been little action done to solve the WASH problems in the Philippines, he was enthusiastic that the government is now determined to change and take concrete action.
- He shared several statistics on the WASH situation in the Philippines. According to the 2015 Family Income and Expenditure by the Philippine Statistical Authority:
 - 12.32% of the population still have no access to safe water supply
 - 4.23% of the population do not have access to sanitation facilities, and are practicing open defecation

- 22 million do not have access to water, 20 million do not have access to sanitation facilities
 - Much of the population is still not connected to on-site or off-site water treatment facilities.
- He also highlighted several issues and challenges for addressing the WASH situation:
 - It's becoming more difficult to tap the water with good quality because of pollution and several violations of the Clean Water Act.
 - The Philippines lacks an overall APEX body that can oversee the planning, implementation, monitoring and evaluation of the WASH sector. The country also has over 32 government agencies that are involved in water and sanitation in the Philippines. Much greater resources and technical expertise are needed for organizing these agencies.
 - The government's annual investment in water and sanitation is only PHP 2-4 Billion per year, but allotment should be PHP 14-16 Billion per year.
- In response to these challenges, the National Economic Development Authority (NEDA) created a Philippine Water Supply and Sanitation Master Plan to help achieve targets in water supply and sanitation, which is expected to be complete by August 2018.
- Mr. Planta concluded his remarks by announcing that collaboration is important to take advantage of the resources that we have because the resources of the government are not enough.

Comment: from Dr. Angelito Bagui from Cooperative Union of Batangas - Their cooperative of farmers admit that they also pollute the water especially through livestock activities but he said that he's one with the government and implementing agencies to reform. They are looking into a plant that would convert wastewater to clear water.

Collaboration: Water.org's Innovative Models in the Philippines – Carlos Ani

- Mr. Ani focused his presentation on Water.org's financial solutions to the water crisis by giving an overview of two of its most successful programs in the Philippines: WaterCredit and WaterConnect.
- WaterCredit brings small, easily repayable loans to those who need access to affordable financing and expert resources to make household water and toilet solutions a reality. Water.org works with large, efficient organizations that have clients all over the Philippines to accelerate impact.
- WaterConnect works with water utilities to connect poor families to the water grid. The team is currently working with 3 partners: Narra, Calasiao and Laguna Water. Water.org provides capacity building (i.e. through improved marketing and training), links them to financing and creates installment plans so clients can have access to water.
- As of March 2018, Water.org partners in the Philippines have disbursed 433,000 loans worth PHP 4.2 Billion and reached more than 1.89 million people.
- Mr. Ani estimated that PHP 15-20 Billion are needed in order for people to be connected to the water grid. He shared that Water.org's 5-year strategy in the Philippines includes a target of 8 million people reached with access to safe water and sanitation.
- Water.org's proposal to the government is to adopt wholesale financing, provide subsidies to indigent families, which MFIs can help to identify these beneficiaries and disbursal of funds.

WaterCredit for Communities: Enhancing Through Engagement

The panel featured voices from 3 of Water.org Philippines' current WaterCredit Program implementers who each took on their own unique styles in their program management. Each panelist presented their WaterCredit Program and discussed how they manage the various aspects of the program. They also shared short videos featuring a beneficiary of their programs.

Presentations:

ASA – Kamrul Tarafder

- 97% of ASA branches have implemented the WaterCredit Program with total of 258,043 loans disbursed amounting to 2.4 Billion pesos.

- ASA believes staff have to “Be With Your Client”, meaning sometimes they have to look for a septic tank with the clients, or build the toilet with the clients. ASA is looking to compliment other WASH initiatives through financing and hygiene education. ASA recently signed an agreement with Water.org to reach out 240,000 beneficiaries in the next 2 years.
- The motto, “Water is Life, Toilet is Dignity,” shows how ASA clients value the dignity over the health benefits of having a toilet for their family.

NWTF – Alejandro Coscolluela

- Negros Women for Tomorrow Foundation (NWTF) joined the WASH program because 3 of the Visayan regions are part of the top 5 regions in open defecation.
- Their WASH loan is a separate product with the same charges as a business loan and a term of up to 36 months. They also charge a WASH fee for sustainability.
- NWTF has a Green Product Staff whose tasks are to educate the clients on WASH concepts. They also allow flexibility in the toilets’ design wherein they allow the clients to design their own toilets.
- NWTF was able to hit their targets without much collaboration with Local Government Units (LGUs) and Water Service Providers (WSPs). They’re excited to continue the project and collaborate with stakeholders to bring more impact. They also plan to serve non-MFI clients and provide septic treatment.

TSPI – Aquilina Onesa

- Tulay sa Pag-unlad, Inc (TSPI) realized that when microfinance clients suffer health problems, their business and repayment also suffers. They partnered with Water.org because they realized that both organizations shared a common mission.
- TSPI operates in 139 branches and has a total outreach of about 210,000 clients as of March 2018. They started offering their Sanitation Loan in 2009 under the Housing Loan Program as an incentive to their best clients, after which they saw that this can be continued and be offered to other clients. Through a quick market survey prior to the program, they saw that 35% of their client base really needs this loan.
- Besides the sanitary toilet and water facilities, they were surprised to see that clients were also willing to invest in water filters through their loans.
- Ms. Onesa shared some best practices from their program:
 - Loans are not disbursed in cash but through construction services
 - Dedicated personnel
 - Mass orientation that helped the staff and the clients appreciate the value in building sanitary toilets and water facility
 - Continuous adjustments in policies as they go along
 - Buy-in of the staff
 - Partnership with other institutions (i.e. Republic Cement, Unilever)
- Key challenges:
 - Convincing clients that WASH is a priority because most of them have accepted their unsanitary practices and situation. Clients feel that the problem is not theirs, but problem of government.
 - Integrating effective WASH marketing in the day-to-day tasks of loan officers
 - Proper monitoring of construction projects
 - Strict compliance of staff and clients in lending process
- Gaps to be addressed:
 - Alignment of strategies with WSPs
 - Availability of local to tube well installers and drillers
 - Simplifying procedures to register in the National Water Resources Board (NWRB)
 - Low cost toilet technology

Moderated Discussions:

- How did you create the buy-in for the staff? Is there some kind of incentive scheme for the staff?
 - NWTF provide cash incentives for the branch level and for the area supervisors. Equally important is how the middle management creates time to go into the field, and ensure that their concerns are being heard.

- **ASA** gives cash incentives but Mr. Tarafder believes this might not be enough for the officers who are taking on additional risk when they approve WASH loans.
 - **TSPI** developed a WASH loan for their staff through the employees' union because the employees claimed that they are selling WASH loans but the toilets in their homes also need repair. More so, they also implement continuous capacity building.
- What changes have you done to improve your WASH loan?
 - **TSPI:** Simplified documentary requirements because the loan size is smaller compared to their regular loan. They also increased the loan size max of PHP 30,000.
 - **ASA:** They focused on the technical matters. They give the loan to the clients, not to the suppliers to provide the maximum satisfaction of their clients. They are trying to improve the technical capacity of the staff so that they can assist the clients more in the construction process.
 - **NWTF:** Initially, they thought that if they go to the masons directly and teach them how to be entrepreneurs, they would be able to actively look for clients who are in need of toilets. However, this was not the case for the masons so instead, they educated the clients on WASH concepts so that the clients will demand and look for masons.
- What are the future plans for your respective WaterCredit program?
 - **ASA:** Offer it to all their clients and no longer as part of their CSR program. They are also thinking of collaborating with LGU and WSPs. For the poorest communities, they are willing to develop the water district together. They want to combine the WASH loan to their home financing loan, and develop it to a PHP 350 million portfolio.
 - **NWTF:** They are developing the sharing of water loans through partnerships with WSPs. They are exploring septage management since they have been helping build sanitary toilets for their clients.
 - **TSPI:** They want to have water-sealed toilets for all their clients who have been members for 2 years. They also want to serve their poor clients that cannot afford toilets.

Q & A:

- Mely Agavin – What efforts have you done to cover the Autonomous Region in Muslim Mindana (ARMM) areas? What are your plans to address the Marawi concerns?
 - They have Zero Open Defecation (ZOD) programs in Mamasapano and Marawi area. They distributed free toilets for the poorest of the poor families, which cost them PHP 9,000-10,000. They provide WASH financing for those who can afford it.
 - Likewise, they will also be giving more toilet bowls in Marawi.
 - They had to write off 8 million accounts for Marawi accounts which they never had to do in the previous tragedies the Philippines experienced. They helped also in relief, psycho-social help, grants, and interest-free lending.
- ASHI – What is more cost-effective: giving out the loans in cash or in materials?
 - They decided to release the cash in materials because the loan is low-cost, they want to see that it's spent on the right purpose, and invest together with the client. This is a more expensive option but the results show that it's effective and successful.
- Ed Jimenez, KMBI – What is the percentage of the WASH loan in comparison to the overall portfolio?
 - NWTF – 10-12%
 - ASA – 8%
 - TSPI – 10% for the housing and 7% for WASH itself

Manila Water Testimonial by Mabelle Amatorio

- Manila Water is partnering Water.org through the WaterConnect program. Leading this project are three experts in the water industry in the Philippines and in the international arena; MWPV, Water.org, and WaterLinks. MWPV is a wholly-owned subsidiary of Manila Water handling water and wastewater services outside Metro Manila.
- Various microfinance institutions are also being tapped to provide financial assistance to families.

- Through this project, low income families will not only be connected to a reliable water supply network but will also have an after-the-meter line to make it more convenient for them to use and enjoy safe and clean water.
- Laguna Water and Calasiao Water are both results of Public Private Partnerships between Manila Water and Laguna Water.
- More than 520 households have been connected in Laguna Water through the program.
- They aspire to be able to replicate the program in all areas where Manila Water operates.

Finance as the Engine for Change: How the Finance and Government Sectors Can Help Bridge the Last Mile Access

This session focused on how different financial institutions can collaborate with both private organizations and public agencies to finance infrastructure that can improve the WASH situation in the Philippines, especially in rural areas. It also featured an existing WASH infrastructure model being built in Palawan.

Presentations:

LBP – Carmeling Espinoza

- Their Program H2OPE – Water Program for Everyone – is Landbank of the Philippines' (LBP) unified program for the water and sanitation sector.
- Through this program they hope to bring safe water and sanitation to at least 85% of the population.
- Project cost sharing: 90% LBP loan, 10% borrower's equity.

DILG – Fe Banluta

- The Department of the Interior and Local Government (DILG) has been mandated to oversee the national program for water and sanitation and to lead the capacity building of the WASH sector.
- DILG also submits budget appropriations to the Department of Budget and Management (DBM) to ensure LGUs have budget for WASH; LGUs are then tasked to deliver water service to the people.
 - Sagana at Ligtas na Tubig sa Lahat Program (SALINTUBIG) is one of the government's main actions in addressing the plight of Filipino households and is a partnership between the National Anti-Poverty Commission (NAPC), Department of Health (DOH), Local Water Utilities Administration (LWUA) and DILG.
 - They are targeting the areas that are waterless, and have identified 4,500 municipalities.
 - Assistance to Disadvantage Municipalities – providing financial subsidy for the implementation of their priority programs.
- LGUs have to comply to the following: good housekeeping of DILG, budget of DBM, functionality of Local Government Council.

DBP – Paul Lazaro

- The Development Bank of the Philippines (DBP) is positioned as an infrastructure bank to support the government's *Build Build Build* Program.
- DBP has 10 umbrella programs but they can support 2 programs that support WASH initiatives – WATER (Water for Every Resident) Program, and Green Financing Program that supports sanitation projects.
- DBP is willing to stretch out the loan term of the loans because they do not want the burden to be passed on to the households.

Provincial Government of Palawan – Angelo Amistad

- The LGU started the I-HELP Program wherein they initiate various infrastructure projects in collaboration with other LGUs and government agencies to address the water concerns of the municipalities.
- Their I-SUPPORT program allows them to support various services that have a relation to water infrastructure services (i.e. environmental impact assessment, infrastructure designs, surveys, etc.)
- 39.6% of households do not have access to water in Palawan.

- They have a sewage treatment plant under construction which is due to be completed by December 2018.
- They receive their funds from DBP and Municipal Development Fund Office, and from other institutions (private companies, DILG, DPWH, other government funds).

Moderated Discussions:

- How could the panelists utilize MFI financing to improve each one's accomplishments in your respective programs?
 - DILG – Their SALINTUBIG programs only require Level 2 water system at the community level and it is the local government's discretion if they want to scale up to a Level 3 system. The DILG has already given the fund to the local government and they can utilize the funds however they wish. If they do, they can create a partnership with the existing MFIs in their area to fund the connection of the community members.
 - LGUs and MFIs are eligible borrowers to get financing from LBP and DBP.
 - DBP can also finance projects of LGU, and LGU can identify where MFIs can support. That way, MFIs do not need to finance the WASH infrastructure.
 - The MFIs can support the LGUs or other government agencies to create the demand for the sanitation projects because of the tripartite agreement.
 - Paul Lazaro mentioned the case of Boracay.
 - Palawan can provide technical assistance (through pro-bono services) as help which can lessen the cost by 30%.
- Are there measures that banks can take to crowd in private funds for WASH projects?
 - Government Financial Institutions (GFIs) used to co-finance projects with commercial banks but it's only now that WASH projects are getting popular, and are getting the attention of the commercial banks.
 - GFIs are focusing on the Level 3 projects.

Q & A:

- Kenneth for World Vision Philippines – Urban Programming Strategy and 5 Year Plan on WASH – would they have a road map for infrastructure in terms of WASH?
 - Ms. Alma Porciuncula mentioned that there is no map that connects them to financing but there are different sources wherein they can get financing like PPP, MDFO, banks, etc.
- Mira from UNICEF – for GFIs, how much of the loan portfolio have been disbursed for WASH? How does this fare from your targets? If it's low, what are the barriers to increase the loan amount?
 - For DBP: 8-10% of the loan portfolio are for WASH projects or around PHP 8-20 billion.
 - LBP: PHP 5.5 billion existing loan portfolio; they don't have any limit as to how much they can disburse for WASH projects. They have already disbursed to 22 LGUs for WASH projects.

A Shared Mission: How Collaboration with Water Service Providers Can Help Capacity Building to Scale WSS

This panel discussed different initiatives related to the training, mentoring, coaching, and other capacity development for planning, implementation and management of Water Service Providers (WSPs). It also featured voices from different organizations to shed light on the gaps that limit WSPs to reach their full scale or put their WSS programs at risk.

Presentations:

WaterLinks & WaterConnect – Yolanda Gomez

- They reach out to WSPs through demand generation, better marketing, business planning, financial forecasting, and technical assistance to connect more people to the water grid.
- They also connect the people to MFIs so they can access loans to have water in their homes. They arrange water installment plans for WSPs to offer to their clients; clients can put a down payment and have a monthly amortization to pay for the water connection fee.

- Traditionally, people in the water district just wait in their office for clients to arrive. On the other hand, they are hesitant to be part of the water grid because of the expensive connection fees.
- People in the barangay can organize themselves so that there will be a systematic approach to construction and to water connection.
- Water district staff are engineers; they are not marketers or community organizers. WaterConnect is able to fulfill the gap of how the water districts can sell to the people.

PAWD – Carlos Santos Jr.

- Local Water Districts (LWD) operate and maintain water districts, operate and maintain sanitation and waste treatment facility, and manage watersheds (if any).
- Local Water Utilities Administration (LWUA) is the regulatory office of the local water districts in the Philippines.
- The Philippine Association of Water Districts (PAWD) provides capacity building by sponsoring seminars. They have an internal pool of chemists, medical technicians, and experts from various water districts.
- LWUA provides water districts training on administrative aspects (i.e. financial management, business planning, etc.).
- PAWD also has industry partners to further advance its mission and vision in the Philippines. They also have international partners for capacity building.

WaterLinks

- They use a peer-to-peer approach to build the capacities of the WSPs in Asia. They have training programs and tool kits on different topics like Non-Revenue Water (NRW) management and climate change adaptation.

Moderated Discussions:

- Many water districts are quite small. What are the challenges they face? Are they same with the challenges the big water districts face? What are the technical challenges of operating water districts?
 - NRW is the biggest problem because every cubic meter lost is lost money. Funding to lower the NRW is another problem.
 - Borrowing money from LWUA already requires many documentary requirements. Accessing a loan from GFIs requires so much more. Besides that, PAWD also needs to get clearance from Bangko Sentral ng Pilipinas (BSP) and from the Department of Budget and Management (DBM).
 - Water.org can help PAWD provide capacity building to some of the water districts.
 - The water districts in SEA, not just in Philippines, tend to be very small in terms of their operations. They are only able to cater to 500 – 1,000 households. Because of this, there is a gap on how to scale the operations of these small districts.
 - Another problem is to design an appropriate financial scheme to fulfill the problems of the water districts.
 - The Asian Development Bank (ADB) likewise provides technical assistance to water districts and have specific training programs on septage management with LWUA.
- How about WaterEquity? Can it fulfill the gap?
 - They are also able to access loan capital.

Q & A:

- Elizabeth Calderon from LWUA said they can set up a meeting with Water.org to create a collaborative effort on how their institution can help with Water.org's WaterConnect program. The capacity building is important so that it can be ensured that water districts are able to utilize the loan efficiently, and they can run the water districts well.
- Louise Maule from UNICEF – One of the mandates of PAWD is to create wastewater collection and treatment plant. How many have actually done this?
 - Unfortunately, it is not substantial. Because of the Clean Water Act of 2004, water districts are required to provide septic treatment facilities in municipalities, and have a septage management by 2020.

- Mely Agavin – There are 28 WDs in Category A, and the rest are in Category B, C, and D. These are the WDs that can't expand because of various reasons (governance, infrastructure). Because of that, they don't have the qualifications and resources to access funds from financial institutions. Would partnering with bigger water districts be possible to scale their operations? Is PAWD open to PPPs for these smaller category WDs?
 - There are WDs in Categories B and C that are operating self-sufficiently. The WD in Category D need help in terms of technical expertise, financing, capacity building because they are the small players based on assets, service coverage, etc. Some of these WDs only have 15 employees. Carlos Ani doesn't believe they will be qualified in terms of credit worthiness. In the end, PAWD hasn't made an official statement/stand about this.

Partnering for Progress: Changing Behaviors around WASH

The panel featured voices from different national and local government agencies in charge of health, social welfare, and education, as well as perspectives of a non-government organization engaged in WASH behavioral change initiatives, to discuss the value of having the behavioral change interventions in place to help solve the Philippine WASH crisis.

Presentations:

DOH – Engr. Rolando Santiago

- The Department of Health (DOH) implemented the National Sustainable Sanitation Plan (NSSP) and part of this includes Zero Open Defecation (ZOD).
- In the past, DOH utilizes lectures to educate the people and donates toilet bowls but this has not been proven effective. The community members also tend to ask for other construction materials to complete the toilet facility.
- DOH utilized the community and lead the community to sanitation through the CLTS (Community Led Total Sanitation) Session which employs questions that trigger the mindset of those who are openly defecating. Such practices include defecation area mapping wherein the implementers ask the community where they defecate and insists that they walk through the area". The approach is not just focused on the feelings of shock, shame and disgust but also to trigger pride and prestige by making them imagine how they might feel when they have their own sanitation facility.
- In conclusion, he said that collaboration with private sector is especially needed to intensify the efforts of the government through sharing of logistical, financial, and technical resources.

UNICEF – Louise Maulé

- The problem occurs every election cycle; the local chief executive is not aware of the poor sanitation situation. And since they are not aware, the sanitation programs are not included in the plans and budget of the local government. When sanitation programs are included, the LGUs do not know how to respond to the program.
- The phased approach identifies where the communities are, and how the different institutions can move to having a sustainable sanitation. It assesses the communities and creates an incremental plan, rather than going straight to the ultimate goal. The first step is to convince officials that sanitation is important by showing the data.
- Creating an inter-agency coordinating body within the Province/Municipality to focus on addressing WASH concerns is crucial so that resources, capacities can be mobilized.
- Proclaiming that a barangay or an area is a ZOD is also important so they are able to maintain this status, and the LGU continuously enforces this status.
- 3 needs: to have investment on WASH (through CSOs, NGOs, MFIs), to look at the LGU's capacity to develop WASH plans, and to have a well-defined management strategy and WASH finance plan.

DSWD – Ernestina Solloso

- The Department of Social Welfare and Development (DSWD) used a cash for work program to create infrastructure projects in the community.
- DSWD focuses on advocacy and awareness raising through Family Development Sessions which happen monthly.

- Recommendations:
 - Tripartite partnerships and agreements among LGUs, DOH and DSWD
 - Participatory analysis to illicit ownership to the issues of WASH in the area

DepEd

- WASH in Schools (WINS): Department of Education (DepEd) Order 10, s. 2016 outlined mandates for the department:
 - Improve hygiene and sanitation practices among learners
 - Ensure that schools also would be kept safe and clean
 - Components: water, sanitation, hygiene, deworming, health education
- When a school reaches certain qualifications, they receive a star. As of SY 2017/2018, 88% have still not gotten a star.
- The challenge is to create a habit of washing hands among students. The policies in place created a springboard to improve the WASH situation, and to create partnerships with different stakeholders. In the end, WASH is multi-sectoral.

Milagros, Masbate LGU – Jessica Madrilejos

- Milgaros has 55km of shoreline which is being used as toilet, and the region is naturally short on their water supply.
- The LGU provides a PHP 2,000 voucher for construction materials to create a toilet facility.
- Several barangays have already achieved ZOD status through this voucher program. Their goal is for every household in their municipality to have a water and sanitation facility by 2020.

Moderated Discussions:

- What are the evident practices in the Philippine culture that need to be changed?
 - Parents in the rural areas do not know how to dispose the feces of their infants.
 - Changing the mindset of the people from dole out mentality to make them accountable for their actions and environment.
- How do you ensure that there is sustained change in their behavior?
 - **DepEd** – The teaching component of the Family Development Session and from there, illicit their own responsibility to create change.
 - 4Ps is heavy on the psycho-social help and motivating people to act on their current situation.
 - Invoke commitment and desire to our beneficiaries
 - **DOH** has rolled out the *Goodbye Dumi, Hello Healthy* campaign.
 - Political will of the leaders – if the constituents see the political will at the barangay level, the constituents will follow the mandate.
- Do you think Zero Defecation is possible? If yes, what is possible?
 - **UNICEF** – Pro-active follow-up from the municipality level – technical assistance, etc.
 - Partnerships with different stakeholders (i.e. LGU, government, families)
 - **DepEd** – Nudges – putting stickers from urinals to the sink, people will wash their hands
 - Charity starts at home. The value of WASH needs to start at home.

National Water Supply and Sanitation Master Plan – Jose Serafin Tecson

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- Mr. Tecson gave shared the preliminary findings of the Philippine Water and Sanitation Master Plan. The plan is being commissioned by NEDA to achieve Water Supply and Sanitation targets and includes strategies, policy reforms, and priority programs (short, medium and long-term).
 - He noted that they have just passed the halfway mark of the 12-month project.
 - He highlighted several sector challenges facing the WASH situation in the Philippines. Among them are: water resources, institutions & governance, regulatory, financing & funding, management, political.
 - Some of the main challenges stem from the disconnect within the government agencies which leads to low prioritization of WASH projects. There are also conflicting reports and data.

- The financing and funding problems, along with the aforementioned issues, are the same issues that were evident and discussed in the previous panel discussions (i.e. no funding for small water districts, stringent measures to access loan, etc.).
- He outlined 8 Areas of Reform that will be included in the Plan:
 1. Balancing water supply and demand – there should be a balancing act between water supply and water demand. People are focused on creating demand for the people but there is little action done towards keeping the supply.
 2. Ensuring climate resiliency – Proposals for climate resilient infrastructures and appropriate, robust infrastructures and redundant systems.
 3. Managing effective water and sanitation services – People are more focused on the L3 water system since it's the more lucrative business but the L1 and L2 are not yet managed. Incremental change is encouraged. We do not aim that everyone should have L3; our aim is to have well managed L1 and L2 water systems.
 4. Regulating water supply and sanitation services – there are too many government agencies that have involvement on WASH but there is no institution that regulates all of these. In the case of Boracay, there are policies in place for water districts and LGUs, but how about the non-WDs like shops and restaurants?
 5. Creating effective water supply and sanitation sector institutions – DOH needs to be the main institution who will mandate the other institutions on other WASH activities. In this case, DOH likewise needs to be capacitated in order to fulfill this role. We don't need to burden all the LGUs to come up with their own plan; they can just adopt one master plan.
 6. Managing data and information – we need to develop a universal tool, especially for NEDA.
 7. Ensuring financial sustainability – how do we loosen up the requirements for LGUs and WDs to encourage them to access loan? Financial assistance is key to scaling up.
 8. Research, development, and innovation – will fuel the sector with constant improvement and a culture of efficiency.

Synthesis

- Ms. Porciuncula highlighted 3 key takeaways from the program:
 - There is a tremendous opportunity to achieve WASH targets and minimize risks on investments if we marry the supply side and demand side with financing options.
 - Financing is a critical component for the reform program, but it cannot be standalone. For it to be effective, it needs to be complemented by capacity building, institutional and regulatory reform, etc.
 - Collaboration can indeed create better synergy.
- The demand for WASH loans is high. In order to create such a loan, MFIs would likewise need financial assistance in order to disburse loans to the household level. Financing for households through MFIs should also be part of the Master Plan.
- There is a lot of capacity building that the sector needs, not just on the technical side but also on the administrative and business side. Likewise, the water districts need financing but the government needs to allow more money to flow in this sector. There are institutions who provide capacity building but there should also be institutions who would work at the ground level.
- There are various financing sources available for this sector targeted to the different sectors in the economy. Besides options discussed, there are still other sources like private and commercial banks, various PPP arrangements, etc.
- Working on behavior is a complex task. The challenge is how to change the seemingly normal behavior of the leaders to take WASH as an urgent problem, as well as the cultural habits at the community level. If we are to revolutionize the mindset of the government officials, there should be investments in place for WASH at the local level.

Closing Remarks

Carlos Ani thanked all attendees and again emphasized the theme of the program. He cannot imagine a day without a toilet or water source and encouraged the stakeholders to continue their impact for the Filipinos who struggle because they don't have access to safe water or sanitation due to a lack of financial resources.