

## **Problematizing Privatization: How Private Takeover of Local Water Districts Impacts Gender Mainstreaming**

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*Since the mid-2010s, more and more local water districts have been entering joint venture agreements as a means to pay off debts, and fund facilities upgrade and service expansion. Water security and sanitation is a development issue recognized in the Sustainable Development Goals (SDGs). The implication of gender in water and sanitation has also been widely written about. As far as the SDGs are concerned, gender equality, while being a goal in itself, also permeates and informs the rest of the goals. Water and sanitation is also largely recognized as a promising entry point for increased women's meaningful participation in decision-making bodies, economic activities, and opportunities for children beneficiaries, especially girls.*

*In the Philippines, local water districts are required to allot at least 5% of their annual corporate operating budget to gender mainstreaming. This GAD budget should finance efforts to provide equitable water and sanitation access to women and men. However, privatization brings with it substantial changes in a local water district's operations, organizational composition, and financial position. This paper attempts to answer the questions: 1) "How does privatization--particularly the JVA model--affect the implementation of the GAD budget policy by local water districts?"; and, 2) "Can the revitalized operations promised by privatization be expected to boost local water districts' capacity to contribute to women's empowerment and gender equality in the context of their mandate?"*

*Looking into publicly available data and documents (GAD Plans and Budgets, GAD Accomplishment Reports, COA Audit Reports), this paper finds that the benefits of privatization have not extended to local water districts' gender mainstreaming efforts. On the contrary, the post-JVA structure (downsized plantilla, lower income, and restricted functions) has made it more difficult for privatized water districts to build gender mainstreaming capacity, much more to offer gender-responsive services to their concessionaires.*

**Keywords:** local water district, gender mainstreaming, privatization, joint venture agreement, GAD plan and budget, GAD budget policy, water, water security, water and sanitation, SDGs

### **Introduction**

The water sector has been attracting public attention for the past few months, owing to President Rodrigo Duterte's pronouncements against Metro Manila's two private concessionaires, Maynilad and Manila Water. As of this writing, the situation has escalated to a presidential threat of a military takeover if the concession agreement is not satisfactorily revised (Padin, December 14, 2019). Taking their cue from the President, people now see the privatization of Metro Manila's water and sanitation operations as oligarchy in action, driven purely by corporate greed.

However, since the mid-2010s, privatization of the water sector has been creeping across the countryside, as more and more local water districts - burdened with debts and lack of capital to fund facilities upgrade and service expansion - are succumbing to privatization. Perhaps the most successful private water concessionaire in terms of local coverage expansion is PrimeWater Infrastructure Corporation, owned by the Villar family. In its website (Where We Are, n.d.), PrimeWater flaunts its presence in 16 regions, 36 provinces, and 124 cities and municipalities. At present, over 70 local water districts have reportedly entered into joint venture

agreements (JVA) with PrimeWater for the financing, development, rehabilitation, expansion, improvement, operation, and maintenance of local water districts' water supply and septage systems (Romero, 2019, November 25). A number of similar JVAs are shown in various stages of review and operations in the Public-Private Partnership Center website (Projects Database, n.d.). Some are under review by the Philippine Competition Commission and concerned local government units.

## **Water, Gender, and Privatization**

Water security and sanitation is a development issue recognized in the Sustainable Development Goals (SDGs). In particular, Goal 6 (Ensure availability and sustainable management of water and sanitation for all) targets, among others, “universal and equitable access to safe and affordable drinking water;” and “access to adequate and equitable sanitation and hygiene for all” by 2030 (UN, 2018, p. 27).

The implication of gender in water and sanitation has been widely written about as well (World Bank, 2002; Sweetman & Medland, 2017; Garcia, 2019). As far as the SDGs are concerned, gender equality, while being a goal in itself, also permeates and informs the rest of the goals (Fukuda-Parr, 2016). For example, in relation to water and sanitation, the sanitation access target of the SDGs specifically imposes “special attention to the needs of women and girls and those in vulnerable situations” (UN, 2018, p. 43).

Water and sanitation is also largely recognized as a promising entry point for increased women's meaningful participation in decision-making bodies, they being the primary users of domestic water and managers of local and household sanitation activities. More importantly, applying the gender perspective in water and sanitation projects has been found to have “multiplier effects” (ADB, 2006, p. 4) in terms of increasing women's economic activities and opening up opportunities for children beneficiaries, especially girls.

In the Philippines, like all other government-owned and controlled corporations (GOCC), local water districts are required to allot at least 5% of their annual corporate operating budget to gender mainstreaming (General Appropriations Act, 1995). In its bid to institutionalize the GAD budget policy among local water districts, the Philippine Commission on Women issued a memorandum circular (2015) providing guidelines for submitting their Gender and Development (GAD) Plan and Budget (GPB) to the Local Water Utilities Administration (LWUA) for review and endorsement. The GPB should sufficiently show, among others, identified gender issues and how the local water district intends to spend its GAD budget to address these. Along with the GPB, agencies are also required to submit an annual GAD Accomplishment Report (AR) detailing the GAD activities, programs, and projects actually implemented.

Ideally, this GAD budget could - and should - finance efforts to provide equitable water and sanitation access, especially to female-headed households, pursuant to the Philippines' commitment as a signatory to the SDGs. By focusing on gender in the process of providing water and sanitation access, the GAD budget can also produce multiplier effects and contribute to women's economic and political empowerment (ADB, 2006).

Privatization, particularly the Joint Venture (JV) model, typically brings with it substantial changes in local water districts' operations, organizational composition, and financial position. This paper inquires into the effect of these consequences on local water districts' gender mainstreaming efforts. The move to privatize is most often a financial decision brought about by lack of funds for service expansion and modernization of facilities. Sorsogon Water District's JVA Primer (n.d.), for example, states that the JVA saves the local water district from having to contract loans to fund service improvements and expansion.

In fact, JVAs consistently state that it is meant for the “financing, development, rehabilitation, expansion, improvement, operation and maintenance” (SCWD Primer, n.d.; MOWD COA Audit Report, 2017; CSFWD COA Audit Report, 2017) of the water district’s water supply and septage system. The JVAs’ avowed purpose is consistent, even for water districts that are financially viable, according to opposing stakeholders, such as San Jose Del Monte Water District (Ofreneo, 2018, June 6).

The PCW defines “gender equality” as the state whereby “women and men enjoy the same status and conditions and have equal opportunity for realizing their potential to contribute to the political, economic, social and cultural development of their countries.” In the context of development, “empowerment” is defined as “individual or collective action by the disadvantaged to overcome the obstacles brought about by structural inequality” (Terms used in Gender and Development, n.d.). In the context of actual or anticipated positive developments arising from JVAs, this paper attempts to answer the questions: 1) “How does privatization - particularly the JVA model - affect the implementation of the GAD budget policy by local water districts?;” and, 2) “Can the revitalized operations promised by privatization be expected to boost local water districts’ capacity to contribute to women’s empowerment and gender equality in the context of their mandate?”

### **Limitations**

For this paper, the author initially coordinated with a local water district in southern Metro Manila, which committed to provide documents, including a copy of the Joint Venture Agreement (JVA). The water district subsequently declined, citing privacy issues.

The major challenge for this paper has been the lack of publicly available copies of JVAs. It appears that inaccessibility of this important document has been a common and consistent challenge for individuals doing research on the subject. For example, a couple of requests for copies of the JVA were lodged with the Public-Private Partnership Center and National Water Resources Board coursed through the FOI website ([foi.gov.ph](http://foi.gov.ph)). These were denied on the grounds that: 1) the responding agencies did not have a copy of the JVAs requested; and, 2) the PPP Center is prohibited from publicizing PPP contracts based on Department of Justice Opinion No. 26 (2017).

Given this major constraint, analyses were based on accessible public documents such as Commission on Audit Reports, GPBs, GAD Accomplishment Reports (ARs) as primary sources, and newspaper articles and reports as secondary sources. The local water districts mentioned here were selected on the basis of available public documents. Attempts were made to contact the water districts for additional insights or validation. However, no response was received.

### **Mandate**

Local water districts exist by virtue of Presidential Decree (PD) No. 198 (1973), otherwise known as the *Provincial Water Utilities Act* of 1973 (Title I) and *Local Water District Law* (Title II), which authorized the formation of local water districts for purposes of: “(a) acquiring, installing, improving, maintaining and operating water supply and distribution systems for domestic, industrial, municipal and agricultural uses for residents and lands within the boundaries of such districts; (b) providing, maintaining and operating wastewater collection, treatment and disposal facilities, and (c) conducting such other functions and operations incidental to water resource development, utilization and disposal within such districts, as are necessary or incidental to said purpose” (Title II, Chapter II, Section 5).

Under the PD 198, local water districts can be formed by any city, municipality or province by enacting a resolution. The resolution then forms the water district as an entity that is separate from the local government unit, and under the supervision of the LWUA. It is also provided under PD 198 (Section 46) that the water district thus created shall have exclusive franchise over domestic water service within the district “unless and except to the extent that the board of directors of said district consents thereto by resolution duly adopted.”

In 1994, Republic Act No. 7718, amending the Republic Act No. 6957, or the Build Operate Transfer Law, was enacted, authorizing government agencies to enter into contracts with the private sector for the financing, construction, operation, and maintenance of infrastructure projects. Pursuant to the BOT Law, Executive Order No. 68 (1999) was issued, prescribing the procedures for review by the LWUA of BOT and similar proposals on water supply projects. In 2005, then president Gloria Arroyo issued Executive Order No. 423, authorizing the National Economic Development Authority (NEDA) to issue guidelines for government agencies entering into JVs with private entities. Finally, in 2013, the National Economic Development Authority issued the revised guidelines. This signaled the start of the privatization of local water supply and sanitation services.

### **Joint Venture Agreement**

“Joint Venture Agreement” is defined by the NEDA Guidelines (2013, 5.4) as “an arrangement whereby a private sector entity or a group of private sector entities on one hand, and a Government Entity or a group of Government Entities on the other hand, contribute money/capital, services, assets (including equipment, land, intellectual property, or anything of value), or a combination of any or all of the foregoing to undertake an investment activity. The investment activity shall be for the purpose of accomplishing a specific goal with the end view of facilitating private sector initiative in a particular industry or sector, and eventually transfer the activity to either the private sector under competitive market conditions or to the government. The JV involves a community or pooling of interests in the performance of the investment activity, and each party shall have the right to direct and govern the policies in connection therewith with the intention to share both profits and risks/losses subject to agreement by the parties. A JV may be a Contractual JV or a Corporate JV (JV Company).”

In all water districts reviewed, the form adopted is contractual, with a 25-year period of effectivity, subject to renewal. Under these JVs, the private partner is granted the exclusive right to use, manage, and operate the water district’s facilities and assets, and the concession rights to supply water and sanitation services is its contribution to the partnership. For its part, the private partner commits to investing a specified amount over the 25-year period and remits to the water district a fixed share of the revenues throughout the contracting period.

### *Drastic Decrease in Gross Income*

Across the local water districts reviewed, three major consequences relevant to the GAD budget policy were observed. First, the drastic decrease in the local water districts’ income, as a result of the JVs’ common provision that the local water district shall receive a fixed revenue share while the private partners shall retain all revenues in excess thereof (Metro Ozamiz Water District (MOWD) COA Audit Report, 2017). For example, in the case of Iriga City Water District (ICWD), whose JVA with PrimeWater took effect on July 1, 2018, the fixed revenue share accruing to ICWD is P13 million annually, increasing by P1 million every five years. Considering ICWD’s net income

of almost P92 million in 2017, the Commission on Audit, in its 2018 Report, questioned the basis for computing ICWD's fixed revenue share in the JVA. In the same vein, the COA (2018) raised as a concern the P18 million fixed revenue share stipulated in the JVA between Quezon Metropolitan Water District and PrimeWater for being unsupported by documents.

Table 1 shows a number of local water districts and their comparative gross incomes for the years before, of, and after the JVA's effectivity.

Note that consistent with the local water districts under JVA that were examined, the gross income substantially decreased from the year prior to the JVA effectivity, when all revenues accrued to the local water district, to the year of effectivity, when the gross income was a mix of fixed share from the private partner and direct revenues, and to the year after the JVA effectivity, when the gross income was composed mostly of the fixed revenue share as stipulated in the JVA. For some local water districts like Cabanatuan City (CCWD COA Audit Report, 2017) and Sorsogon City (SCWD COA Audit Report, 2017), the fixed revenue share setup has resulted in losses at least for the first year because the income was insufficient to cover the water districts' operational expenses.

Self-sustaining agencies like local water districts set a corporate operating budget every year based on their income and expenditures. In turn, the GAD budget is computed based on the annual corporate operating budget. Since a lower income results in a lower corporate operating budget, it follows that this also leads to a dramatic decrease in the GAD budget, which can ultimately impact the type and extent of GAD activities that the water district could fund.

#### *Downsizing and Displacement*

Another observed direct impact of privatization was the reduced number of employees retained by the local water district. In its JVA Primer, Sorsogon Water District explained that following privatization, regular employees had two options: 1) opt for voluntary retirement and receive two months' salary for every year of service; and 2) be absorbed by PrimeWater as a private sector employee, while retaining the retirement benefits already earned. To illustrate, for MOWD, the COA Audit Report (2017) noted the downsizing of the plantilla from 111 employees (combined permanent and casual) in 2016 prior to the effectivity of the JVA to only 10 permanent and two job-order employees in 2017 after its effectivity. By the end of 2013, Tarlac City Water District had a total of 188 employees. After its privatization in 2016, this was reduced to only 10 regular employees.

The displacement of employees after privatization has been raised in House Resolution No. 10 (2019), which seeks the conduct of an investigation into the effect of privatization on the provision of water services and security of tenure of water district employees. The resolution cited reports that some 300 employees of Bacolod City Water District (BACIWA) could be displaced by its highly publicized and widely opposed impending privatization.

The decimation of the regular plantilla items is a major element of the privatization formula. Because the local water district is left with a skeletal team, the creation of the GAD Focal Point System - with a functional Executive Committee, Technical Working Group and Secretariat - as provided for in the Philippine Commission on Women (PCW)-National Economic and Development Authority (NEDA)-Department of Budget and Management (DBM) Memorandum Circular 2012-01 (2012), let alone the implementation of GAD activities, could also be adversely affected.

## *Restricted Functions*

This downsizing post-JVA is a direct consequence of the private partner's assumption of the major functions of the local water district. For example, post-JVA, MOWD's Administrative and Finance, Operations, and Commercial Divisions (COA Audit Report, 2016) were reduced to a Contract Monitoring Unit (COA Audit Report, 2017). Similarly, the CSFWD, with its 12 regular employees now also operate as a Contract Monitoring Unit responsible for validating PrimeWater's reports, and evaluating their performance against targets committed to in the business plan (COA Audit Report, 2017).

Gender mainstreaming is the process of "assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated." (UN, 2002, p.1)

PCW's Memorandum Circular (2015) prescribing the Guidelines for the Review and Endorsement of the Annual GAD Plans and Budgets of local water districts prescribes two tracks for operationalizing gender mainstreaming: 1) developing organization and client-focused GAD programs, activities and projects; and, 2) ensuring the gender responsiveness of regular programs by using the Harmonized Gender and Development Guidelines (HGDG, a tool developed by PCW to measure the gender-responsiveness of a regular program, activity, or project to determine how much of its budget can be attributed to GAD). With the migration of core functions to the private entity, the local water district is also left with fewer possibilities for gender mainstreaming, specifically for making regular programs gender responsive.

## **Impact**

### *Essential Elements of GAD Planning*

The PCW-NEDA-DBM Joint Circular No. 2012-01 (2012, 4.0-4.4) enjoins water districts to prioritize the institutionalization of the essential elements for GAD planning and budgeting in the preparation of their GPB. These essential elements are: "(1) the creation and/or strengthening of the GFPS in accordance with PCW Memorandum Circular 2011-01, (2) capacity building on GAD, (3) conduct of gender audit; and (4) institutionalizing GAD database/sex-disaggregated data."

Despite the observed consequences, water districts under JVA are not exempt from submitting their annual GPB to the LWUA for review and endorsement. However, the significant changes in their functions and organizational structures can also unfavorably affect their capacity to institutionalize the four essential elements of GAD planning and budgeting.

First, with the decimated plantilla items, the creation and strengthening of the GAD Focal Point System (GFPS), with a fully functional Executive Committee, Technical Working Group and Secretariat, now appears to be impractical, if not totally impossible. For example, for a local water district with a plantilla of not more than 15 employees, the GFPS, if constituted in accordance with the guidelines, will most probably involve everyone in the Contract Monitoring Unit. While the local water district suffers from a lack of personnel to implement the GAD budget policy, the bulk of employees are lodged with the private entity, beyond the compelling reach of the GAD budget policy.

Second, the establishment of the GAD database containing quantitative and qualitative sex-disaggregated data and/or gender statistics - or at least its updating, assuming the local water district has managed to develop its GAD database - and using this to inform GAD activities, could also become more challenging than ever. Given the limited human resources, lesser GAD budget, and restricted functions, this could even remain a non-priority.

Third, capacity building on GAD will also most likely be adversely affected, given the drastically reduced budget, and the lack of personnel who can be trained and can discharge the functions of the GFPS. In addition, even in the presence of trainable people, the practical question is, what use would intensive training on GAD serve, considering the local water district's limited functions?

Finally, the lack of financial and human resources could also discourage local water districts from initiating a gender audit in compliance with the guidelines. Even if it is able to successfully surface gender issues in the course of accomplishing their GPBs, the responsibility of implementing programs, activities, and projects that will address these issues will ultimately lie with the private partner, which has assumed the core functions of the local water district. However, being private in nature, it is not covered by the GAD budget policy and cannot be required to allocate a portion of its budget for gender mainstreaming. It also does not appear that the local water district, in its capacity as the Contract Monitoring Unit, can compel it to do so under the JVA. As such, in the absence of institutional mechanisms to enforce the GAD budget policy or exact accountability, local water districts' gender mainstreaming efforts run the risk of becoming a mere "technical exercise without political outcomes" such as institutional changes or improvement in the social position of women (Mukhopadhyay, 2016, p.86).

### **Case Study: Metro Ozamiz Water District**

MOWD was created on August 2, 1974, with the Provincial Board's submission to the LWUA of its Resolution creating the water district, and LWUA's issuance of the Conditional Certificate of Conformance to MOWD. According to its Operations Manual (2017), MOWD currently serves 21,613 service connections in Ozamiz City and the municipalities of Tudela and Clarin.

From 1974 until 2016, MOWD's operations were organized into the following major divisions: 1) Administrative, which was in charge of Human Resources, Procurement, General Services, and Management and Information System; 2) Finance, which supervised Accounting, Budget, and Cashiering; 3) Commercial, which handled Customer Accounts, Customer Services, and Marketing; and 4) Engineering and Operations, which covered Construction and Maintenance, Production, Planning and Design.

On December 16, 2016, MOWD entered into a contractual JVA with PrimeWater, effective for 25 years subject to renewal, for the financing, development, rehabilitation, expansion, improvement, operation, and maintenance of its water supply and septage system. The JVA was to take effect on March 1, 2017 (COA Audit Report, 2017). As previously mentioned, from 111 employees (combined permanent and casual) in 2016 (COA Audit Report, 2016), MOWD downsized to only 10 permanent and two job-order employees in 2017 as a result of PrimeWater's assumption of MOWD's major functions (COA Audit Report, 2017) including those previously discharged by MOWD's Commercial, Engineering, and Production Departments.

MOWD was transformed into a Contract Monitoring Unit that performs 1) strategic planning and policy setting; 2) asset management supervision; 3) customer relations; 4) tariff setting; and 5) performance review and monitoring functions.

Under the JVA, PrimeWater was given the “exclusive right to use the MOWD Facilities and the Concession Rights to provide Water Supply and Septage Management System Services and/or operate the Water Supply System and Septage Management Facilities in the JV Area.” (MOWD Operations Manual, 2017, p.22). For its part, PrimeWater was to infuse capital investment and expertise in the “rehabilitation, expansion, improvement, operation and maintenance of the Water Supply and construction and management of Septage Facilities in the JV Area estimated at One Billion Six Hundred Twenty Four Million Two Hundred Thirty Thousand Pesos (P1,624,230,000.00) over twenty five (25) years term” (MOWD Operations Manual, 2017, p.22).

The JVA also stipulated that for the duration of the contract, MOWD shall receive a fixed revenue share of P15 million while PrimeWater shall retain all revenues in excess thereof (COA Audit Report, 2017). As a result, based on Commission on Audit Records (2015, 2016, 2017, 2018), GAD PBs (2016, 2017), and GAD AR (2015, 2017) MOWD’s financial position declined steadily as shown by Table 2.

In its Audit Report (2018), COA even decried the disadvantageous revenue sharing setup between PrimeWater and MOWD, which led to MOWD’s losses in 2018. COA’s revenue projection until 2041, when the JVA is supposed to end, shows that the income to be generated from the revenue sharing setup will not be enough to support even the Contract Monitoring Unit’s operations. This raises the question, how will MOWD be able to fund its gender mainstreaming efforts in the years to come?

For 2018, COA also made significant observations that point to MOWD’s challenges in gender mainstreaming, particularly in its efforts to institutionalize the essential elements of GAD planning. First, it was not able to create its GFPS, but was only able to appoint a regular employee as a focal person. It was also not able to conduct a gender audit or generate gender statistics to be integrated into its existing database. Additionally, while funds were spent on training, the COA observed major capacity gaps, specifically on ascertaining its level of gender mainstreaming and the gender responsiveness of its programs. Finally, as for the activities stated in its GAD AR, the COA noted that the HGDG was not used in the project identification and implementation of its GAD activities.

#### *Comparative Analysis: Pre- and Post-JV GAD Activities*

To assess the changes in the quality and quantity of MOWD’s GAD activities from prior to post-JVA, we looked into MOWD’s GAD ARs for 2015 and 2017. (The GAD ARs for the years 2016 and 2018 were also not publicly available.)

For the year 2015, MOWD’s total GAD budget amounted to P1,447,000.00, which supposedly represented at least 5% of its corporate operating budget. Of this, MOWD was able to utilize 61.61% or P891,428.10 entirely for GAD projects, activities, and programs (MOWD GAD AR, 2015). Since MOWD has not been capacitated to use the HGDG tool, no portion of the budget for regular programs was attributed to the GAD budget.



The GAD activities in the AR are categorized under either client-focused and organization-focused. In relation to PCW Memorandum Circular No. 2015-03, the PCW-NEDA-DBM Joint Memorandum Circular (2012, Section 5.2) defines client-focused activities as those that “address gender mainstreaming in major programs and other GAD-focused activities for agency clients” and organization-focused activities as those “addressing identified gender issues of the agency and its personnel.”

Of the total GAD budget utilized for 2015, almost 96% was spent on organization-focused GAD activities while only 4% was spent on client-focused GAD activities.

The client-focused gender activities implemented included: 1) feeding of identified malnourished children in a public school; 2) donation of one a sewing machine to a barangay women’s association; 3) information dissemination on the availment of discounts for senior citizens; 4) tree planting; and, 4) radio and TV broadcasting for a bloodletting activity.

For the organization, the GAD activities implemented included: 1) training and seminars on GAD for male employees; 2) GAD-themed team building activities and health lectures; 3) participation in Women’s Month activities, lectures, and LGU-initiated activities; 4) tree planting; 5) sports programs; 6) information dissemination on special leaves.

For 2017, MOWD’s GPB, which was prepared before the JVA took effect on March 1, 2017, indicated a GAD budget allocation of P1,609,250.00. However, the GAD AR, which now reflects activities that were actually implemented, shows that the actual budget allocation was slashed to P750,000.00, of which only P527,186.20 or 70% was utilized. From an initially long list of client-focused GAD activities laid down in the GPB (e.g., supplemental feeding and distribution of school supplies, bloodletting to reduce maternal mortality, livelihood programs, senior citizens welfare programs, barangay clean and green program, educational assistance to increase women’s participation science and technology, capacity building, national women’s month celebration, GAD benchmarking tour, physical fitness and welfare program, family day, monitoring and implementation of special leave benefits), MOWD was only able to construct a temporary lactation station, distribute flyers on violence against women, set up a GAD corner where information on GAD activities could be posted, post GAD information on their website, and conduct field visits to customers to educate them on water conservation. For the organization, MOWD was able to set up a fitness gym, and conduct training on gender sensitivity and gender analysis for its GFPS. Of the budget actually utilized, almost 82% went to organization-focused activities and only 18% was spent on client-focused activities.

The rapid comparison of GAD activities that were actually implemented (2015 vs. 2017; 2017 GPB vs 2017 GAD AR) shows how much of the plan was cut after the JVA took effect. It also appears that the quality of the activities suffered. Following the decrease in GAD budget, downsizing of personnel and restriction of functions, substantial compliance with the budget utilization requirement took precedence over gender mainstreaming, leading to an expenditure of over P218,000.00 for GAD training only.

#### *Comparative Analysis: Levels of Women’s Empowerment*

It is also useful to compare how the GAD activities that were actually implemented in 2015 and 2017 fit into Sarah Longwe’s Women’s Empowerment Framework to see if there were changes

and, if any, whether these changes were improvements or downgrades towards promoting higher levels of women's empowerment beyond access.

The Longwe Framework challenges the traditional perception of development as increased productivity, efficiency, or more effective use of labor (Longwe, 1991). For Longwe (1991), development must ultimately lead to women's empowerment, and interventions must seek to "enable women to take an equal place with men, and to participate equally in the development process in order to achieve control over the factors of production on an equal basis with men" (p.150).

The Longwe Framework provides five "levels of equality" (p.150), which approximate how far women have achieved empowerment. These "levels of equality" are also used to evaluate the extent to which development interventions are expected to promote equality between women and men. These levels are hierarchical, in that targeting the higher levels when planning for interventions is expected to lead to empowerment.

Longwe's (1991) "levels of equality," from lowest to highest, are:

- **Welfare**, which refers to women's access to resources such as food, income, medical care and other items related to women's material welfare
- **Access**, which refers to access to the factors of production, including land, labor, credit, training, marketing facilities, public services and benefits, as well as enabling policies that remove restraints on women
- **Conscientisation**, which is defined as a "conscious understanding of the difference between sex and gender, an awareness that gender roles are cultural and can be changed," and a belief in sexual equality
- **Participation**, which is defined as active and equal involvement of women and men in the process of decision making, policy development, planning and administration, monitoring and evaluation
- **Control**, which refers to a balance of control between women and men over the decision-making process, the factors or production, and the distribution of benefits (pp. 151-152)

To further analyze the quality of the GAD activities implemented in 2015 and 2017, we looked into the nature of the GAD activities and plotted them on the Longwe Framework, based on the level of empowerment that the particular activity appears to respond to.

It appears that between 2015 and 2017, while the budget cut reduced the quantity of activities, the quality, as measured against Longwe's hierarchical levels of equality and women's empowerment, did not change.

Should MOWD's clients look forward to activities that promote higher-level empowerment in the future, given the infusion of fresh capital? If the post-JVA setup is retained, it is highly unlikely, given the lack of human resources, which likely resulted in the one-person GFPS, and which will likely persist for the remaining 23 years; decreased GAD budget, as a result of the decrease in the corporate operating budget; the lack of direct access and control over capital, as a result of PrimeWater's assumption of MOWD's core functions; and, 4) the lack of policy, foresight or commitment to put Primewater within the coverage of the GAD budget policy.

## **Conclusion**

If MOWD's GAD ARs (2015, 2017) and GPBs (2017) are any indication, it appears that it has barely scratched the surface of possibilities for creating the real impact towards gender equality and women's empowerment that ADB (2000) envisioned. Like many other local water districts, based on MOWD's GPB, gender analysis has not been a priority (COA Audit Report, 2018). As a result, GAD activities supposedly funded by its GAD budget, although they may appear to address identified gender issues, do not appear to represent serious efforts to promote equal participation and control of resources among women and men.

The value proposition of privatization is anchored on funding that is supposed to enable water districts to reach unserved customers, some of whom will be inevitably women or female-headed households, with better and consistent water and sanitation services. It appears though, that this positive impact, if any, will be merely an incidental consequence of service expansion, not a deliberate result of promoting equitable access, unless gender mainstreaming is prioritized and enforced in the private partner's functions.

For MOWD, both the previous and reduced GAD budget have not been able to influence the local water district's core mandate of providing access to water and sanitation services, as shown by its GAD ARs (2015 & 2017). The client-focused GAD activities for the years observed address gender issues outside water and sanitation access. Prior to the JVA, this may have been the result of lack of capacity for gender mainstreaming, as pointed out in the COA Audit Reports (2016, 2017, 2018). However, the post-JVA structure (downsized plantilla, lower income, and restricted functions) has undoubtedly made it more difficult for the water district to build gender mainstreaming capacity. For local water districts under JVA, bridging the current disconnect between the GAD budget policy and the entity implementing the mandate, in the restricted context of contract monitoring, is the bigger challenge that lies ahead.

Finance and functions-wise, privatization of local water districts under the JVA model has given rise to a highly unequal arrangement where most of the financial benefits accrue to the corporate partner and the local water district is stripped of its core functions. In MOWD's case, the COA Audit Report went as far as recommending that the water district "reassume discharging all its functions and retract from any involvement in the implementation of the JVA" (2018, p. 3), citing, among others, the undue injury caused to the Government and its grossly disadvantageous nature citing the Anti-Graft and Corrupt Practices Act (RA 3019, Sections 3(e) and (g)).

For local water districts like MOWD, should we expect to see marked improvements in its capacity for gender mainstreaming and in the gender responsiveness of its programs anytime soon? The mandate of providing water and sanitation access is in itself already very daunting. Compounded by the policy on gender mainstreaming, the task can become overwhelming for a 12-person agency serving over 114,000 people (MOWD Operations Manual, 2017) while attempting to expand to more households, but with little funds and power to work with. Unless changes in the current setup between the water district and the corporate partner takes place, it is also unfair to expect the local water district - in its present "bare minimum" state - to lead the process of utilizing access as an entry point for implementing programs, activities, and projects that create the multiplier effects of women's political and economic empowerment.

At present, it appears that the JVA operates like a "GAD shield" that removes considerable amounts of human and financial resources from the ambit of the GAD budget policy and related issuances.

First, the fixed revenue sharing arrangement with the local water district, and the resulting decreased GAD budget, restricts planning and implementation of GAD activities. Second, the downsized organizational structure makes it difficult or impossible to operationalize the GAD budget, even if designed well. Third, the transfer of core functions from the local water district to the private concessionaire reduces the local water district's sphere of influence while also removing the responsibility of mainstreaming gender in core functions. Without the GAD mandate to mediate the private concessionaire's operations, there is no compulsion for business decisions to not be motivated solely by wealth generation but also by the need to address gender inequalities.

The JVA also takes away the element of accountability for noncompliance to the GAD budget policy. As a result, the entity to which the core functions have been devolved, and to which most of the revenue accrues, does not have to worry about spending to make their operations gender-responsive, and for being called out by the COA should they fail to do so.

### **Reclaiming Water Districts**

While the JVA model promises significant value, especially for debt-ridden local water districts struggling to expand and improve their services, it has also resulted in negative experiences for some of the early adapters. From displacement of tenured government employees and losses (Magno, 2019, December 14) resulting from the fixed revenue share scheme, to regulatory issues such as failure to pay the full performance bond (Panti, 2019, July 5) and franchise tax (CSFWD COA Audit Report, 2018), illegal assumption of billing and collection functions and issuing of official receipts (MOWD COA Audit Report, 2018), to water quality issues and higher water rates (Reyes, 2019, July 7), to unmet operational standards such as failure to develop a water safety plan and present a concrete expansion plan, as well as increasing non-revenue water rates beyond the acceptable standards (Daraga City Water District COA Audit Report, 2017), the list appears to be growing along with the number of water districts signing up for JVA.

In fact, these stories have caught the attention of some legislators, leading to the filing of House Resolution No. 10 (2019), urging the House of Representatives to conduct an investigation in aid of legislation into the privatization of local water districts and their impact on the provision of water services and employees' security of tenure.

How do we move forward given the consistently observed consequences and their impact on local water districts' gender mainstreaming efforts?

In the face of the privatization wave, institutional and sectoral interventions need to be put in place so that local water districts can begin to maximize their potential to effect positive changes to structural inequalities using access as entry point. These interventions can be spearheaded by the LWUA, which is mandated to regulate and supervise local water districts' operations, as well as review and endorse their GAD budget.

For MOWD and other local water districts that have been privatized, the Contract Monitoring Unit that is left of the agency has to exhaustively and creatively look at how it can influence or compel contract implementation to be responsive to their concessionaires' gender needs. Policy making and strategic planning functions are generally retained by the local water districts under the JVA. The boundaries of these remaining functions need to be tested to see how the local water

the local water utility's management body can steer the JV towards mainstreaming the gender perspective in its operations, or informing business decisions with equitable access, gender equality, and women's empowerment goals. However, this can only be possible if the people retained have a deep understanding of and commitment to gender mainstreaming.

For water districts that have yet to be privatized, institutional mechanisms that are supposed to promote public participation (e.g. consultations with customers) could be effective platforms for surfacing opposition or negotiating positions. In defense, proponents of the JV have been quick to clarify that the arrangement is not technically privatization. After all, the arrangement is temporary, and is expected to slide back to its original state after 25 years, assuming it is not renewed. But 25 years is only five years short of the SDGs timetable - a long time to not move forward, and a difficult climb back.

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**Table 1. Local Water Districts Comparative Gross Income (Year Before, of and After JVA Effectivity)**

<b>Water District</b>	<b>Date of JVA Effectivity</b>	<b>Income for Previous Year (PhP)</b>	<b>Income for Year of JVA Effectivity (PhP)</b>	<b>Income for Year After (PhP)</b>
San Pedro Water District (SPWD)	February 16, 2015	170,140,989.18	93,473,129.54	60,324,240.04
Camarines Norte Water District (CNWD)	January 14, 2016	169,834,048.20	91,956,776.89	59,066,139.05
Sorsogon City Water District (SCWD)	October 17, 2016	73,748,736.54	69,511,473.69	18,190,581.60
Metro Ozamiz Water District (MOWD)	March 1, 2017	117,041,948.93	52,061,443.88	29,650,303.04
City of San Fernando Water District (CSFWD)	December 16, 2016	289,417,762.55	323,142,604.47	62,173,271.21
Tarlac City Water District (TCWD)	March 11, 2015	236,827,371.43	144,527,331.59	70,092,385.74

**Table 2. MOWD's Income, Expenditure and GAD Budget (2015 to 2018)**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Gross Income (PhP)</b>	106,700,618.67	117,041,948.93	52,061,443.88	29,633,856.00
<b>Expenditures (PhP)</b>	81,889,735.47	97,244,391.01	50,164,015.96	29,664,354.94
<b>Net Income (PhP)</b>	24,810,883.20	19,797,557.90	1,897,427.92	(30,498.94)
<b>GAD Budget (PhP)</b>	1,447,000.00	1,265,000.00	1,609,250.00* 750,000.00**	750,000.00

\* As indicated in GAD PB.

\*\* As indicated in the GAD AR.

**Table 3. GAD Activities' Levels of Empowerment**

Levels of Empowerment	2015		2017	
	Gender Issue/Mandate (per GAD AR)	GAD Activity	Gender Issue/Mandate (per GAD AR)	GAD Activity
<b>Control</b>		None		None
<b>Participation</b>		None		None
<b>Conscientization</b>	<p>Gender-insensitive bureaucracy due to lack of knowledge on gender sensitivity</p> <p>Lack of awareness about the Magna Carta of Women and the Violence Against Women and Children Law</p>	<p>GAD training for employees</p> <p>National Women's Month Celebration</p>	<p>Lack of knowledge and skills on GFPS' role and functions</p>	<p>GAD training for employees</p>
<b>Access</b>	<p>Insufficient income of the solo parents for defraying children's education expenses</p> <p>Maternal mortality</p> <p>Inadequate knowledge and training on GAD</p> <p>There is a need for employees to be kept abreast of CSC policies on special leaves</p>	<p>Donation of sewing machine for women's livelihood</p> <p>Bloodletting</p> <p>Teambuilding and career development training for employees</p> <p>Special leave benefits monitoring and information dissemination</p>	<p>Republic Act 10028 (Expanded Breast-feeding Act of 2009)</p> <p>Concessionaires have inadequate education about Violence Against Women Law</p> <p>Lack of awareness of concessionaires on Gender and Development</p> <p>Lack of awareness of concessionaires on water conservation and MOWD's vision and mission</p>	<p>Temporary lactation room</p> <p>Distribution of VAW flyers</p> <p>GAD Corner</p> <p>Field visits to consumers to educate them on water conservation</p>
<b>Welfare</b>	<p>Malnutrition and lack of enthusiasm for school among children</p> <p>Need to help the elderly</p> <p>Need to promote employee's health and wellbeing</p>	<p>Supplemental feeding and school supplies distribution to malnourished children</p> <p>Information dissemination to senior citizens to avail of discount</p> <p>Physical fitness program for employees</p>	<p>Promote employees' physical and mental health</p>	<p>Physical fitness program for employees</p>