

# THE WATERSHED

Mainstreaming Indigenous Peoples Participation in Environmental Governance (MIPPEG)



## Foundation for the Philippine Environment Spearheads Initiative Pushing for Inclusionary Policy Reform on Controversial Energy Law

The Foundation for the Philippine Environment (FPE), through its Mainstreaming Indigenous Peoples Participation in Environmental Governance (MIPPEG) project, supported by the European Union (EU) and Fundacion Desarrollo Sostenido (Fundeso), staged a two-day event entitled, “National Consultation on ER 1-94 and UC-EC: Redefining Benefits and Revenues Sharing Mechanisms to Host Communities for Sustainable Watershed Management” on March 3 and 4, 2014 at the Sequoia Hotel in Quezon City. The dialogue engaged representatives from indigenous peoples’ (IP) organizations, civil society

The participants of the first day of the National Consultation: ER1-94 as amended and UC-EC



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NCIP COMMISSIONER Dionesia Banua joins the two-day consultation and supports FPE in turning over the draft policy guidelines to the government agencies on the last day.



WORKSHOP participants were grouped to discuss the proposal.



TURN OVER of the proposed guidelines to the different government agencies drafted by the consulting body with the help of FPE’s Expert Advisory Panel (EAP).

groups, the academe, and the concerned agencies of the government to come up with reforms in the administrative guidelines on the utilization of funds generated from the Energy Regulation (ER) 1-94, as amended, and UC-EC (universal charge and environmental charge) provisions of the Electric Power Industry Reform Act of 2001 (EPIRA, or Republic Act No. 9136).

Acting upon the findings of the research study entitled, "Emerging Sustainability Mechanism Initiatives of the Bukidnon-Higaonon Tribe Association, Inc. (BUHITA)," the Foundation is seeking to propose policy amendments that will enable more inclusionary administrative guidelines that address the welfare and due benefits of indigenous communities residing within energy-generating watershed locales. The study, which was commissioned by FPE through its MIPPEG project and carried out with the help of the Tropical Institute for Climate Studies (TropICS) and the Center for Renewable Energy and Alternative Technologies (CREATE) of Ateneo de Davao University, has revealed

that current policy is limiting the distribution of the financial gains promised by the ER 1-94 and UC-EC provisions of the EPIRA to the local government units (LGUs) only within which the energy-generating facilities are hosted.

The lack of a watershed perspective – i.e. recognizing both surrounding upland and lowland territories as part of the same ecological system – in present energy policy discourse, FPE maintains, is also preventing IP communities residing beyond these LGU boundaries from earning their rightful share of financial gains and subsidies, even though it is mostly through their efforts that these water and hydro power resources are protected and sustained.

Through the consultative gathering, FPE was able to present the findings of the research on BUHITA, as well as the initial policy proposals for the administrative guideline amendments. A workshop was held to thoroughly review and critique the proposed guidelines and address additional input of pertinent insights and improvements for the final guideline proposals.

About 60 participants, representing relevant IP (TIPON, ATSM T, LIMPONG and LABATA) and civil society organizations, the academic community, and agencies such as the Department of Energy (DOE), Energy Regulatory Commission (ERC), National Power Corporation (NPC), Power Sector Assets and Liabilities Management, Corp. (PSALM), discussed about the proposed reforms with FPE's Experts Advisory Panel (EAP) and drew out the final draft of the policy proposals.

The proposals for improved administrative guidelines for the EPIRA provisions in question serves merely as the short-term target for FPE's advocacy on sustainable watershed management involving the said law. The Foundation envisions that success in this immediate goal will not only pave the way for IP communities to gain access to their due benefits and resources in light of their role in watershed protection, but also provide substantial input and momentum in the longer-termed pursuit of reforms in legislation dealing with the nation's power resource management.

## ABOUT FPE



The Foundation for the Philippine Environment (FPE) is the first and largest grant facility for the environment in the Philippines dedicated to civil society organizations. Since its establishment in 1992, the Foundation has partnered with more than 1,000 non-profit organizations in conserving biodiversity and sustaining communities in more than 65 critical sites in the country. To date, FPE has funded more than 1,400 projects nationwide.



## GUIDE QUESTIONS



**Q1:** What is the operational definition of watershed for ER 1-94 and UC-EC?

**Q2:** What are the guidelines for approving RWMHEEF projects? (Eg. Environmental profiling, increasing the share of watershed management projects vis a vis infra projects)?

**Q3:** What can we do to ensure implementation on proposed guidelines (Eg. Inter-agency, lobbying, etc)?

**Q4:** What is the role of IPPs in contributing to UC-EC?

**Q5:** Conservation framework, of IPs (ie: exchange of benefits with responsibilities)

**Q6:** Guidelines for ERC approval of UC-EC?

## Workshop Proper: Enhancement of the proposed guidelines and action planning



### GROUP 1 RESULTS

**Q1:** A watershed would mean the topographic and hydrological boundaries and should consider the closing point is the last scheme of water utilization, which is the hydro power plant

**Q2:** Conduct an socio-economic and environmental profiling of the watersheds;

Review and the harmonization of existing sectoral plans;

Formulation of an integrated watershed management plan (basic consideration - time frame)

**Q3:** Create Provincial watershed management councils and NCIP partnership with the LGU

**Q4:** Utilize IPPs corporate social responsibility programs

**Q5:** Family-based participation

Watershed protection and conservation framework and accountability should be included in the guidelines



Representatives from the House Committee on Energy, the NPC and Office of Senator Osmena joined the workshop.

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# GROUP 2 RESULTS

**Q1:** Review existing definitions after EPIRA 2001 (e.g., Climate Change Act, etc.) = harmonize

- FPE as lead in coordination with other agencies
- include ECOSYSTEM perspective

Site specific needs = Environmental profiling/watershed characterization

**Q2 and 3:** Creation of localized Watershed Management Council

- guidelines in creating WMC: multisectoral

Integrated Watershed Management Plan

Integrate with ADSDPP (IPs), CLUP, FLUP, BDPs

LGU to coordinate with IPs on plans

Capacity building of LGUs, GAs on IP rights

Independent Monitoring and Evaluation Body

**Q4:** Review of IPPs contribution to UC-EC = appropriation ratio given to royalty + implications (is it going to be charged still to consumers?)

**Q5:** Highlight accountabilities of both IPs and LGUs

Review of guiding principle = "payment for protection of the environment" NOT recompense for destruction due to facilities development

**Q6:** Time specific approval – for projects to be more appropriate

Technical support for ERC to fast track approvals - funding can be charged to UC-EC

Proposals from non-NPC areas can be submitted to ERC thru NPC

Directly earmark funds for IPs (identify actual percentage)



Representatives from PSALM, DOE, DENR and NEDA also joined the workshop.

This National Consultation is made possible with the support of Fundeso, The European Union, FPE and PAFID.



### short term



#### How do we push forward the proposed guidelines?

What are the proposed activities?

Who will be the lead office/ agency?

What is the timeframe for the activity?

### long term



#### What are the possible next steps

Payment for Environmental Services (resource valuation, cost benefit analysis)

Endowment Fund

Impact evaluation of UC-EC and ER 1-94 projects

EPIRA amendments (expanding the definition of the host communities in terms of the mgmt., areas not management by the NPC)

Policy amendments

### Group 1

Follow through activity – NPC to come up with the guidelines for UC-EC in as far as accepting proposals

Capacity bldg. and awareness raising of IP communities

FPE to convene another forum for PES and endowment fund discussion

Third party impact evaluation of UC-EC and ER 1-94

FPE to submit a position paper backed by the proceedings of the consultation to the Committee on Energy (Congress) by the end of March

### Group 2

Explore PES options  
Impact evaluation of projects funded through ER-194 and UC-EC EPIRA Amendments

Provide specific allocation for watershed management (sharing arrangements with LGUs/lps)

Mandatory share of IPs

Definition of host communities  
Support to ERC for technical review e.g., EMB, FMB, other technical agencies/ organizations + actively participate in hearings

## WHAT IS THE MIPPEG PROJECT?



### MIPPEG or **Mainstreaming Indigenous Peoples**

**Participation** is a 4-year (2010-2014) project with substantial support from the European Union (EU) worth 729,894.00 EURO (67% of the total amount of the project), Fundacion Desarrollo Sostenido (FUNDESO ) and FPE with PAFID as implementing partner. The project aims to empower the IP communities and providing livelihood options and other sustainability mechanisms both at the household and community level. Working in partnership with four IP communities which include the Maeng tribe of Tubo, Abra, Sibuyan Mangyan Tagabukid of Sibuyan, Romblon, the Bukidnon Higaonon tribe in Malaybalay and CAbanglasan, Bukidnon, the Mandaya and Mansaka tribes in Maragusan, Compostela Valley.



# Redefining Benefits and Revenues Sharing Mechanisms to Host Communities for Sustainable Watershed Management

a presentation of Atty. Liza Eisma-Osorio, Secretary of the Board of Trustees, FPE

After laying down the draft of the proposed guidelines and after conducting the workshop to draw out the final comments and suggestions on the presented guidelines, Atty. Rose-Liza Eisma-Osorio, head writer of proposal and Secretary of the Board of Trustees of FPE presented the final draft to the consulting body. This presentation aims to turn over the draft policy to the members of the government agencies present during the two-day consultation.

Atty. Osorio said that the sustainability of the watersheds in the country is critical and that most of the watersheds are located in the ancestral domains of the indigenous people's communities who are the stewards of the sites. Most healthy forests are traditionally managed by the IP communities as well. Section 7a of the Indigenous Peoples Rights Act (RA 8371) or IPRA provides that rights to ownership and possession of ICCs/IPs to their ancestral domain shall be recognized and protected including bodies of water traditionally and actually occupied by ICCs/IPs.

## **WATERSHEDS AND THE INDIGENOUS PEOPLE**

According to Atty. Osorio, findings by the World Bank Independent Review in 2009 showed that 'traditional resource management

practices of ICCs are more effective in protecting the forest than strict protection of government alone.

In 2011, the Center for International Forestry Research found out that low levels of forest destruction occur in areas that had been declared as strict protection parks by the government compared to traditionally protected areas by ICCs'.

## **IMPROVING THE SUSTAINABILITY OF WATERSHEDS**

Watersheds have been the source of energy to many communities in the country. One of the main gaps of ER 1-94 and UC- EC is the lack of

enabling mechanism for IPs to access from these revenues. Only the LGU or barangay hosting the energy facility can tap the funds or the revenues.

As proposed during the workshops, the consulting body seeks to enhance policy guidelines that will enable more inclusionary administrative guidelines that address the due benefits of IPs residing within energy-generating watershed locales

## **EXPANDING THE OPERATIONAL DEFINITION OF HOST COMMUNITIES**

The consulting body also proposes to expand the definition of host

## **POLICY PROPOSALS PRESENTATION**



*Atty. Rose-Liza Eisma-Osorio presents the final proposed guidelines....*



*Ms. Rosalinda Tomas and Mr. Jessie Manuta of FPE facilitated the two-day workshop*





# Government Agencies' Response



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## “WE WELCOME THE PROPOSALS”

The government agencies headed by the Chairperson of the House Committee on Energy Congressman Reynaldo Umali, together with ERC Director Atty. Francis Juan accepted the turned over policy proposals from FPE’s Chairperson Mr. Nestor Carbonera, supported by the NCIP Chairperson Atty. Leonor Quintayo. Among the government agencies present and who joined the two day activity were DOE Representative Mr. Josue Balacuit, Mr. Emmanuel Umali, Manager of the Watershed Management Department, Ms. Lourdes Alzona of PSALM, Mr. Mark Amor of the office of Senator

Osmena and Ms. Rebeca Aguda of the Department of Environment and Natural Resources.

“To immediately address our concern in the watershed, we will coordinate with communities to encourage proposals in maintaining and developing watershed management,” Mr. Josue Balacuit of the DOE said.

Cong. Reynaldo Umali said that he commends the group for coming up with the recommendations. “We can factor this in in the EPIRA amendments. It is important that

we have regulations that are clear and transparent so everyone knows the rules and everyone can participate. With clear and transparent rules, we can better plan and better participate,” Cong. Umali added.



Dr. Lourdes Simpol is presented with a plaque of appreciation by FPE Chairperson Mr. Nestor Carbonera.

## CONTACT US

Mainstreaming Indigenous Peoples Participation in Environmental Governance (MIPPEG)

Foundation for the Philippine Environment (FPE)

Contact Number: 09178145428

Email: [lvida@fpe.ph](mailto:lvida@fpe.ph)

