

**DRAFT**

## **MEETING THE CHALLENGES OF MANAGING THE LAGUNA DE BAY BASIN**

### **1. Introduction:**

The first Laguna de Bay brief took into account the experience and lessons learned by the Laguna Lake Development Authority over three decades of implementing its primary mandate, i.e., to promote and accelerate the development and balanced growth of the Laguna de Bay Region with due regard for environmental management and control. The latter became the primary focus of the agency until the early 2000's wherein LLDA started to seriously consider and implement its developmental mandate along-side its regulatory mandate. Thus, this updated information on the current efforts of LLDA and the situation in the Laguna de Bay Basin covers the period from 2004 to 2009, which also feature the progress in key interventions such as shoreland management, environmental user fee system (EUFS), aquaculture management and information management.

### **2. Trailblazing environmental interventions**

In 2004, two pilot projects were implemented by LLDA, which again reflects the trust of international funding and development institutions on its capability to implement innovative approaches on the protection of the lake, the tributary rivers and the watershed. These are the:

#### **2.1 Laguna de Bay Institutional Strengthening and Community Participation Project or LISCOP**

LISCOP is funded through a loan from the World Bank, a grant from the Royal Dutch Government, and a counterpart fund from the Philippine Government. It aims to improve the environmental quality of the Laguna de Bay, through direct micro-watershed interventions by the Local Government Units (LGUs) and deep stakeholder participation. A complementary objective is to strengthen key institutions such as the LLDA, LGUs, River Councils and other civic society groups in the environmental management of the Lake. Thus LISCOP is being implemented with two components:

A. Component 1 – Co-managed investments for watershed development through sub-projects by the LGUs that is financed through a mix of loan, grant and equity. LGUs with lower income get more of the grant thereby reducing their loan and vice versa. Half of the equity required from the LGUs is shared by LLDA, which is

sourced from its Project Development Fund. Aside from the grant and the lesser equity requirement, the LGU who participates in LISCOP receives other incentives such as capacity building in the form of trainings (project management, financial management, monitoring and evaluation, etc.), feasibility study of their proposed sub-project and detailed architectural and engineering design. Allowable sub-projects are categorized into green/blue sub-projects such as reforestation, forest-related activities, soil conservation, watershed protection and river protection and brown sub-projects such as solid waste management, drainage, sewage and sanitary support facilities.

One of the most important mechanisms of LISCOP is the Laguna de Bay Environmental Action Planning Process or LEAP Process, which is a major step in identifying sub-projects at the LGU level to ensure meaningful community participation and involvement. It is a participative and demand-driven planning tool that involves a step-wise approach to enhance the capability of stakeholders, in each sub-watershed to actively and effectively pursue an environmental agenda in their respective areas. Among the vital components are the conduct of participatory micro-watershed characterization to identify environmental issues and various causes and sources of environmental degradation; the development of micro-watershed vision and the formulation of objectives to attain the vision; the identification of measures to attain the vision through sub-projects that would mitigate the environmental problems in the micro-watershed and the prioritization and identification of a sub-project that will contribute most to the attainment of objectives.

B. Component 2 - Strengthening of institutions and instruments through introduction of innovations to heighten the importance of stakeholders participation and engagement, the establishment of the Laguna de Bay Resource Learning and Resource Center, the enhancement and advancement of the existing modeling tools for informed decision-making, upgrading of permitting, monitoring and enforcement procedures in the regulation of effluent discharges into the receiving waters, the estimation of actual and allowable BOD loading of the lake and the tributary rivers and various capacity building activities for the LLDA and the different partners in lake basin management.

The gains of Component 2 enable the LLDA to improve the regulation of the shoreland, industrial effluent including the expansion of the EUFS, and aquaculture as well as the increasing demand for the use of raw lake water for domestic water supply. It also enables the Authority to reach out to a wider stakeholder base both for environmental awareness and partnership and deepen the involvement of the LGUs and industrial establishments in the basin through the public disclosure program.

## **2.2 Laguna de Bay Community Carbon Finance Project or Carbonshed Project.**

The Carbonshed Project was implemented in parallel with LISCOP from 2004 to 2008 through a grant from the Japan Climate Change Initiative which the World Bank implements. The main objective was to mitigate the emission of greenhouse gases by engaging the cooperation and participation of local government officials and communities with the purpose of enhancing their capacities in environmental governance and in getting benefits from Carbon Finance, through the Clean Development Mechanism (CDM) of the Kyoto Protocol. The project also aimed to build the capacity of the LLDA as an intermediary to enable small-scale environmental projects to result in certifiable emission reductions and to implement carbon emissions reducing interventions that address priority environmental issues such as waste management and erosion reduction.

Most of the LGU projects under LISCOP are on solid waste management specifically on putting up a material recovery facility with composting. The latter help mitigate the emission of harmful greenhouse gas such as methane in the atmosphere through aerobic decomposition of organic waste. In CDM parlance it is called methane avoidance. These CDM-eligible subprojects of the LGUs under LISCOP were included in the Carbonshed Project thus having an additional benefit through Carbon Finance. The Carbon Credits gained from these sub-projects are owned by the LGUs.

One of the milestones of the Carbonshed Project is the registration of the first bundle of methane-avoidance sub-projects of seven (7) LGUs with the UNFCCC-CDM Executive Board on March 16, 2008. This means that these projects are already qualified to earn Carbon Credits.

Another output from the project is a greenhouse gas (GHG) emission inventory in the entire basin that will serve as a tool for better mitigation measures and in planning appropriate climate change adaptation strategies.

## **3. Shoreland management**

The encroachment by informal settlers of certain areas in the 14,000 hectares of shoreland, particularly in areas near the Metropolitan Manila area is not only an ecological, social and economic concern but has also taken prominence in local politics. The settlers are seen as potential votes during election thus, local politicians tolerate the illegal occupancy of shoreland areas. Besides, under the Philippine Law, no individual squatting in a private or public land can be evicted without due process and just compensation or provision of a relocation site.

One intervention that is gaining ground is the proposed development of shoreland areas by lakeshore LGUs into a mixed-use zone with built-in environmental safeguards. The LLDA has also moved to strongly assert its

authority on the shore land by planning to build its permanent headquarters on the lakeshore of the City of Taguig. In the pipeline is the Laguna Lakeshore Recovery and Development Project which is a joint venture partnership between the LLDA and the City of Taguig with financing from the Development Bank of the Philippines. The company that will be formed will shall engage in the following business activities:

- To declare, promote and develop the Taguig City lakeshore area as a low-to medium-density mixed-use development zone
- To entice investment in the zone
- To provide sustainable employment and continuing business opportunities among the local constituents of Taguig

#### **4. Strengthening the LLDA**

A more recent development is the attention given by the Congressman Edgar San Luis of the Province of Laguna on further strengthening the LLDA to enable it to be more responsive to the development pressures within the Laguna de Bay Region and likewise pursue more aggressively its developmental mandate on top of its regulatory mandate. Pursuant to the original mandate of Republic Act No. 4850, the law that created the Laguna Lake Development Authority, it further authorizes, the LLDA to pursue eco-friendly development of the Bay Region. It is tasked to develop a long-term program to attract more private-sector-driven investments into the Bay Region in consonance with a regional master plan, which shall be formulated in consultation with all stakeholders, concerned government agencies, local government units (LGUs), and civil society in the Bay Region.

The proposed Act is known as the “Laguna Lake Development Authority Act of 2008. Other national lawmakers have joined in to sponsor the bill and is now subject to the legislative process of the Philippine Congress.