



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
Tel Nos. (632) 929-66-26/28; 9 29-6635/9 29-3618/929-4028
IP Phone Trunkline No. 988-3367
Website: <http://www.denr.gov.ph> / E-mail: web@denr.gov.ph



MEMORANDUM

TO : The Directors
Environmental Management Bureau
Ecosystems Research and Development Bureau
Legal Affairs Service
Policy and Planning Service

The Executive Director
National Water Resource Board
River Basin Control Office

FROM : The Assistant Secretary
Field Operations-Mindanao and Legislative Affairs

SUBJECT : **REQUEST FOR COMMENTS/RECOMMENDATION ON
HOUSE RESOLUTION NOS. 309 and 557**

DATE : 12 March 2021

This pertains to the letter dated 02 March 2021, received by this Office on 11 March 2021, from Ms. Maria Lourdes C. Centeno, State Auditor IV, Office of the Auditor, Commission on Audit, requesting for comments/recommendations on the above cited House Resolutions.

Kindly submit your comments/recommendations in hard and soft copy at the Legislative Liaison Office, telephone number 8920-1761 and e-mail address denrlegislative@yahoo.com, for consolidation.

Thank you and your preferential attention on the matter is hereby enjoined.


JOAN A. LAGUNDA, DM, DPA

MEMO NO. 2021 - 229

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Republic of the Philippines
COMMISSION ON AUDIT
Office of the Auditor



Department of Environment and Natural Resources
Central Office
DENR Compound, Visayas Ave., Diliman, Quezon City

March 2, 2021

ATTY. ERNESTO D ADOBO, JR. CESO I
Undersecretary for Legal, Administration,
Human Resources and Legislative Affairs
Department of Environment and Natural Resources
Visayas Ave, Diliman, Quezon City

Attention: **ATTY JUAN MIGUEL T. CUNA, CESO I**
Undersecretary for Field Operations and Environment

ATTY. JONAS R. LEONES, CESO I
Undersecretary for Policy, Planning and International Affairs

Subject: A Resolution Urging the Proper Committee of the House of Representatives to Conduct an Investigation in Aid of Legislation on the New Centennial Water Sources-Kaliwa Dam Project (NCWS-KDP) and Its Alleged Anomalous Award To China Energy Engineering Co. Limited

Sir:

In relation to the above-cited subject, we are forwarding the herein proposed House Resolution No. 557 and 309 of Bayan Muna Representative, Carlos T. Zarate and Fidel F. Nograles, respectively, for comments and recommendation.

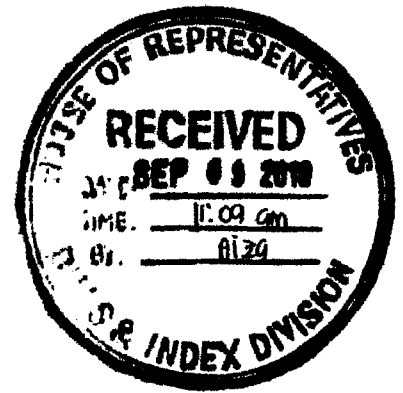
We are hoping to receive your comments within three (3) days upon receipt hereof.

Very truly yours,

MARIA LOURDES C. CENTENO

State Auditor IV
Audit Team Leader

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION No. 309

Introduced by Representatives Fidel F. Nograles

A RESOLUTION
URGING THE PROPER COMMITTEE OF THE HOUSE OF
REPRESENTATIVES TO CONDUCT AN INVESTIGATION IN AID OF
LEGISLATION ON THE NEW CENTENNIAL WATER SOURCE-
KALIWA DAM PROJECT (NCWS-KDP) AND ITS ALLEGED
ANOMALOUS AWARD TO CHINA ENERGY ENGINEERING CO.
LIMITED

Whereas, the New Centennial Water Source Project- Kaliwa Dam Project (NCWSP-KDP) ("the Project") is proposed to be developed in order to address the National Capital Region's need for adequate and reliable water supply;

Whereas, it was revealed in a Commission on Audit (COA) Memorandum dated 10 June 2019 and released to the public on 18 July 2019, that the Metropolitan Waterworks and Sewerage System (MWSS) Technical Working Group (TWG) shortlisted three (3) Chinese contractors for the bidding of the Project even if all of them lacked prequalification requirements;

Whereas, contrary to MWSS protocol, the date of completion for past projects by the firms, including *China Energy Engineering Co. Limited*, the winning contractor, was not specified;

Whereas, *China Energy Engineering Co. Limited* and Consortium of *Guandong Foreign Construction Company Limited*, *Guandong Yuantian Engineering Company* did not indicate the completion date of construction projects they have undertaken;

Whereas, the Notice of Award (NOA) was already issued to *China Energy Engineering Co. Limited* last October 11, 2018, but the Notice to Proceed (NTP) is yet to be issued pending the submission of the required documents;

Whereas, *China Energy Engineering Co. Limited* already conducted preliminary project activities even if the loan agreement had not yet taken effect;

Whereas, aside from the alleged irregularities in the vetting procedure, there also exists various oppositions questioning the Project, including its potential damage to the environment and the displacement of indigenous peoples;

Whereas, the Department of Environment and Natural Resources (DENR) has earlier stated that the Environmental Compliance Certificate (ECC) has not been released due to the lack in documentation requirements, such as the Free, Prior and Informed Consent (FPIC) of Indigenous Peoples occupying the area;

Whereas, it is imperative that an investigation on the *vetting procedure* and the oppositions to the Project be conducted so that the legislature may enact the necessary measures to ensure the integrity of public bidding and faith in public works and infrastructures as respecting human rights and the environment;

NOW THEREFORE, BE IT RESOLVED, as it is hereby resolved by the House of Representatives to direct the proper Committee to conduct an

investigation in aid of legislation on the New Centennial Water Source-Kaliwa Dam Project and the alleged anomalous award to China Energy Engineering Co. Limited.

Adopted,

F. Fidel Nograles
FIDEL F. NOGRALES

Representative, Rizal - Second
District

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SEVENTEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION No. 557

Introduced by **BAYAN MUNA Representative CARLOS ISAGANI T. ZARATE**

**RESOLUTION URGING THE COMMITTEE ON NATURAL RESOURCES TO
CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, ON THE ALLEGED
WATER CRISIS AND THE REVIVAL OF THE CONSTRUCTION OF THE KALIWA
DAM AND LAIBAN DAM PROJECT**

WHEREAS, Maynilad Water Services Inc. is a private water service provider whose 83.96% of shares are owned by a joint venture between Metro Pacific Investments Corporation (MPIC) and DMCI Holdings, Inc. (DMCI);

WHEREAS, during a media briefing last October, Maynilad President and Chief Executive Officer Ramoncito Fernandez warned of an alleged approaching water crisis in Metro Manila, unless the government could find another source of water to supplement the Angat reservoir system;

WHEREAS, the construction of the Kaliwa Dam was floated as the solution to the alleged "looming water crisis" by the Maynilad CEO. The Kaliwa Dam is a project under a Public-Private Partnership project called the New Centennial Water Source (NCWS.) The Kaliwa Dam is projected to increase water supply to Metro Manila by 600 million-liters-a-day (MLD.) Still under the NCWS, the Kaliwa Dam will then be connected and expanded by the construction of a larger Laiban Dam Project, pegged to provide 1,800 more MLD to Metro Manila;

WHEREAS, the dam project and reservoir is located in the uplands of Quezon and Rizal, and will affect some 10,000 indigenous Dumagat and Remontado indigenous peoples and 11,000 farmers. The proposal of a mega dam project in the Sierra Madre Range goes as far back in the 1970s, but was consistently opposed by the Remontado and Dumagat indigenous peoples, peasants and environment activists. The decades-long opposition is a fight of land and life for the indigenous peoples, and was even defended by blood. In 2001, a prominent Remontado leader, Nicanor delos Santos, who was also the Vice Chairperson of Bigkis at Lakas ng Katutubo sa Timog Katagalugan or Balatik, was killed in cold blood in December 9, 2001. Delos Santos, who was then preparing for the Dumagat-Remontado contingent to the Human Rights Day

commemoration in Manila, was gunned down in a marketplace in Antipolo City by alleged members of the Task Force Panther under the 2nd Infantry Division of the Philippine Army. The indigenous peoples viewed this brutal killing as an attempt to silence the indigenous peoples fiercely defending their lands;

WHEREAS, the indigenous peoples assert that their protest versus the dam project is not only an issue of ancestral land rights but resistance against the commercialization of water resources. The Water for the People Network (WPN), a campaign network promoting water-related struggles, supports the claim of the indigenous peoples resisting the Laiban Dam and Kaliwa Dam construction. According to the WPN, there is no need for the construction of additional large dams in Sierra Madre, citing data that 15% to 60% of water from current water sources, the Angat and Umiray dams, are lost to leakages. Maynilad alone loses 1,400 MLD of water in 2010;

WHEREAS, constructing the dam projects will further marginalize the poor water consumers through more exorbitant rates because of provisions for guaranteed profits (whether take-or-pay or other schemes) as stipulated in the proposal of San Miguel Corporation, who is the prime bidder for the Kaliwa Dam Project. An earlier estimate by Maynilad shows that provisions in the Laiban Dam may increase Maynilad rates by an additional P10 per cubic meter or a 37% hike;

WHEREAS, the WPN insists that the privatization of water in the Sierra Madre will exacerbate the basic problem of access to water services by the poor in Metro Manila and nearby provinces, who have already experienced the increase in water rates by as much as 445% (Maynilad) to 845% (Manila Water) since MWSS privatization in 1997;

WHEREAS, there is a clear issue of conflict of interest in the Maynilad's call for the immediate construction of these bulk water projects. The bogey of an unfounded "water crisis," should not be dangled to justify the massive dislocation of indigenous peoples and peasants and enormous environmental damage;

NOW THEREFORE, BE IT RESOLVED that the House of Representatives through the Committee on Natural Resources to conduct an investigation, in aid of legislation, on the alleged water crisis and the revival of the construction of the Kaliwa Dam and Laiban Dam Project.

Adopted,


Rep. CARLOS ISAGANI T. ZARATE
BAYAN MUNA Party-list