

Impact Assessment of
the Lower Agusan
Development Project -
Flood Control
Component (LADP-FCC)

POLICY BRIEF

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Executive summary

This paper outlines the findings and recommendations on the issues identified from the impact assessment of the flood control project.

The impact assessment of the LADP found issues that can be remedied through policies or a revisit to existing policies which could benefit future implementation of a similar project. The major issues were as follows:

- Infrastructure Gaps
 - Dredging
 - East Bank Cut-off Channel
 - West bank urban drainage
 - West bank cut-off channel
 - Extension of East and West bank levees
 - Safety of the floodgates and sluices from theft
- SP Legislative Action
 - SP Resolution declaring the Agusan River Floodway as “No Build Zone” and its enforcement.
 - SP Resolution accepting the project structures and resettlement areas.
- Resettlement
 - Full development of the LADP acquired areas which were turned-over to the LGU.
 - Review of policy regarding units occupied by non-beneficiaries.
- Social Concern
 - Comprehensive evacuation plan of the floodway
 - Resettlement plan for families currently residing in the floodway.
- Other concerns
 - Comprehensive Land Use Plan for the 1,280-hectare floodway area
 - Determination of the development requirements.

Context and importance of the problem

The Lower Agusan Development Program - Flood Control Component (LADP-FCC) was implemented to increase the development potential of the region by protecting Butuan City and its surrounding areas from flooding. Construction of a floodwall and earth embankment levees along banks of the lower Agusan River, dredging work in the Agusan River, resettlement areas for affected families and improvement of the urban drainage system in Butuan City.

The project was implemented by DPWH through a loan agreement from the Overseas Economic Cooperation Fund (OECF) of Japan at 2.5-3% interest rate with a repayment period of 30 years. The grace period is 10 years.

The project was implemented in two major phases with many stages and contract packages. It was completed in 2007, however delays in project implementation exceeded the scheduled time by 187% (143 months to 268 months) and the cost by 172% (P3.237B to 5.553B). Identified causes of the delays were:

1. Rights-of-Way problems (Delayed implementation by 3 years and increased by P161M on FC-1 and P667M for FC-2)
2. Redesigning and Pre-construction works on various phases (P 1,354.8M)
3. Resettlement Issues (during FC-2 construction stage)

Components of the completed projects that were not along the national highway were turned-over in 2007 to the LGU. Due to its limited resources to maintain the structures, the LGU adopted in 2011 SP Resolution No. 209-2011 authorizing the City Mayor to sign a Deed of Transfer accepting from the Major Flood Control and Drainage Project PMO Cluster II of DPWH Caraga, free from all liens and encumbrances, the following heavy equipment for maintenance purposes:

1. Two units Nissan Dump trucks
2. One unit Hitachi Payloader
3. One unit Backhoe Excavator

However, the LGU failed in its obligation to maintain the structures which prompted the OECF to recommend that DPWH take charge in the operation and maintenance, which DPWH did in 2014 up to the present. LADP PMO reported that the two dump trucks were utilized by LGU as garbage collection trucks up to the present. The pay loader and the backhoe units were used by the LGU in the city-

operated sand and gravel quarry operations at Brgy. Santo Niño. The pay loader is out of commission.

Another observation was that the LGU has not allocated a budget for maintenance and operations of the turned-over LADP structures since 2007.

The LADP PMO estimated that the loan package has completed only 80% of the project in 2007 due to factors enumerated above that resulted to infrastructure gaps. DPWH implemented projects addressing some of the unimplemented portions of the LADP design from 2008 to 2019 funded by the GOP. These projects included the completion of the west bank urban drainage system, the on-going extension of the east bank embankment levee, completion of the dredging of the urban drainage canals, and the on-going improvement of the Mandacpan-Bonbon Channel. Despite these implementations, there still remains a gap that the DPWH have to address.

As to the ROW concerns, succeeding land acquisitions could make use of the DPWH issued Department Order No. 124, series of 2017 on October 9, 2017 entitled “Directing the Use of the DPWH Right of Way Acquisition Manual by All Concerned” in accordance with the provisions of RA No. 10752 known as ROW Act and its Implementing Rules and Regulations. The document is called the DPWH ROW Acquisition Manual (DRAM), dated September 12, 2017 could help resolve the ROW problems of future implementations.

Critique of policy options

The floodway, which falls under operations and maintenance, remains an unresolved issue between the DPWH and the LGU. The floodway is designed to be clear from obstructions. It is a declared hazard zone. As such, no one is supposed to be allowed to take up residence and build factories within this area, however there has been a slow but steady influx of people building houses and improving existing structures since 2009. The “build at your own risk” policy of the LGU by not issuing building permits but turns a blind eye when building activities start in the area is proving to be a wrong policy. It ultimately allows people to be exposed to risk and besides, the structures will obstruct the flow of water when flooding occurs creating a water surge that could breach the floodwall.

At the start of the project in 1991, LADP PMO identified or tagged 5,900 households subject for relocation. However, the actual number of resettled families were only 2,606 by 1999.

Currently, the floodway is estimated to be populated with 24,131 persons. There are several large industrial plants, commercial establishments, a school building, houses and other man-made improvements that would obstruct the flow of floodwaters. The uncontrolled and unabated proliferation of man-made structures pose great danger to life and property and increase the risk of the floodwall being over-topped as a result of a water surge. Neither the Sangguniang Panlungsod nor the Local Chief Executive (past or present) has passed a resolution or executive order, respectively declaring the floodway as a No Build Zone or No Dwelling Zone to cease the influx.

For the resettlement of affected families, the project purchased 72 lots in 11 barangays (total area 1,436,452 square meters) in 1996 denominated as Overall Resettlement Area (ORA). The sites were turned-over to the LGU by DPWH through a Deed of Transfer in 2011.

Table 1. Summary of LADP Resettlement Sites as of 2016

No. of Sites	Location	Total Area (sqm)	No. of Lots	Lot Area (sqm)	Awarded Lots	No. of Vacant Lots	Target no. of Relocatees
11	11 barangays	1,166,358	3,674	80-120	2,606	1,068	5,901

Source: City Housing and Development

ORA Tiniwisan (49,999 sqm), ORA Tagabaca (10,775 sqm), and ORA Cabcabon were under a joint venture agreement with the NHA, however area development is yet to start. Acquired lands which were untitled with a total of 262,015 sqm in Brgy. Agusan Pequeño, Babag and Pagatpatan were not yet turned-over to the LGU.

A total of 1,166,358 sqm of land was turned-over to the LGU. The properties could have been designed to produce 8,164 lots at 100 sqm per lot at 70% land development rate, which is enough to resettle the initial target relocatees. However, out of the 3,674 lots currently available, only 2,606 lots were awarded.

According to the CHDO, the terms and conditions were being reviewed by the new administration considering the prevailing issues and problems.

Policy Recommendations

There is a need for Legislative Action on the part of the Sangguniang Panlungsod (SP) of the City of Butuan where it must take into consideration the following:

1. A resolution for the full acceptance of the project including the resettlement areas, and shall include the provision for the

allocation of funds for maintenance purposes, development of relocation areas and livelihood support to resettled families.

2. A resolution declaring the floodway as a “No Build Zone” to stop the proliferation of new structures from being constructed within the area.
3. A resolution to conduct a comprehensive study for the clearing of the floodway with provisions for evacuation and resettlement; and
4. A resolution for a comprehensive land use plan of the 1,280-hectare property in consideration of the fact that some activities may be allowed provided it should neither constrict the floodway nor compromise the flood control structures

This would require the Sangguniang Panlungsod to enact resolutions for the “no build zone” in the floodway and acceptance of the resettlement sites turned-over by LADP as Butuan property to be eligible for City Budget appropriations. Corresponding development costs could then be estimated and included in the City’s Development Program. The City could tap the Local Development Fund and the Local Disaster Risk Reduction Management Fund as source of funding. Other financing windows under the Climate Change Commission are also possible sources.

Should the DPWH pursue the clearing of the floodway from structures and houses, and consider the development of the 1,280-hectare floodway for its utilization, there will be a need for resettlement of the families presently living in the area. DPWH and the LGU should coordinate to properly implement this plan.

Completing the FCC by implementing the remaining project gaps observed should then be planned and undertaken in coordination with the DPWH and Butuan LGU in accordance to RA 7160 and other statutes.

Finally, it is recommended that a cross-sector coordination between the LADP-PMO and LGU Butuan take place to resolve the maintenance and operations issue. It is suggested that this will be facilitated by the RDC Infrastructure Development Committee of NEDA-13 to act as Secretariat.