

JUN 2

MALACAÑANG
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 311

**ENCOURAGING PRIVATE SECTOR PARTICIPATION IN THE
OPERATIONS AND FACILITIES OF THE METROPOLITAN
WATERWORKS AND SEWERAGE SYSTEM**

WHEREAS, there is a need to adopt urgent and effective measures to address the nationwide water crisis;

WHEREAS, the urgency of the adoption of such measures was recognized by Congress thru Republic Act No. 8041, also known as the National Water Crisis Act of 1995, which mandates the Government to address the issues relating to the water crisis;

WHEREAS, R.A. No. 8041 authorizes the President

- (a) to enter into negotiated contracts for projects to be implemented under Build-Operate-Transfer and/or related schemes for a period of one (1) year after the effectivity of R.A. No. 8041, or until 15 July 1996, and
- (b) to revamp the executive leadership and reorganize the Metropolitan Waterworks and Sewerage System (the "MWSS"), including the privatization of any or all of its segments, operations or facilities, if necessary to make them more effective and innovative to address the looming water crisis;

WHEREAS, it is the policy of the State to encourage the private sector, as the nation's main engine for growth and development, to engage or undertake the financing, construction, operation and maintenance of infrastructure and development projects, including those involving water supply and sewerage;

WHEREAS, the reorganization of the MWSS pursuant to Executive Order No. 286 dated 6 December 1995, which was issued pursuant to Republic Act No. 8041, was deemed to be consistent with the Administration's framework for governance, having been designated to streamline and correct dysfunction in the structure and operation of the MWSS to enable the latter to become more effective, efficient, and responsive

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to the country's need for potable water, as well as to prepare the ground work for its eventual privatization, where feasible;

WHEREAS, under E.O. No. 286, series of 1995, the reorganization of the MWSS is to be undertaken in the context of the Administration's framework of governance, with the National Government encouraging the private sector to participate in the delivery of the public goods through franchising, concession, management, privatization, or other arrangements of MWSS' operations or facilities;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by Republic Act No. 8041, otherwise known as the National Water Crisis Act of 1995, do hereby order:

- a. The Metropolitan Waterworks and Sewerage System (MWSS) shall enter into arrangements that will result in the involvement or participation of the private sector in any or all of the segments, operations, and/or facilities of the MWSS.
- b. The involvement or participation of the private sector may include, but shall not be limited to: (i) franchising, concession, management, or other arrangements; (ii) privatization; or (iii) contracts for projects to be implemented under Build-Operate-Transfer (BOT) and/or related schemes for the financing, construction, repair, rehabilitation, improvement, and operation of water facilities and projects related to consumers.

The MWSS may carry out its responsibilities under this Executive Order, subject to approval of the President, pursuant to any of the following:

- (i) The provisions of R.A. No. 8041 (National Water Crisis Act of 1995);
- (ii) Proclamation No. 50, as amended, and its related statutes and implementing rules and regulations, for which purpose the inclusion of the MWSS in the list of government-owned or controlled corporations for retention under Executive Order No. 37 is hereby revoked;



- (iii) Republic Act No. 6957, as amended by Republic Act No. 7718, and its implementing rules and regulations;
- (iv) Such other laws, rules, orders, and/or proclamations as the MWSS may deem appropriate.

All executive issuances, orders, rules and regulations, and/or similar issuances inconsistent with this Executive Order are hereby revoked, amended or modified accordingly.

This Order shall take effect immediately.

DONE in the City of Manila, this 20th day of March in the year of Our Lord, Nineteen Hundred and Ninety-Six.



By the President:



RUBEN D. TORRES
Executive Secretary

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Received

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Date



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