



STAKEHOLDER ASSESSMENT AND FRAMEWORK
Regarding the SN ABOITIZ POWER AMBUKLAO-BINGA PROJECT

July 30, 2008

*Office of the Compliance Advisor/Ombudsman
International Finance Corporation/
Multilateral Investment Guarantee Agency
www.cao-ombudsman.org*

1. Introduction

The Office of Compliance Advisor/Ombudsman (CAO) is the independent recourse mechanism for the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group. The CAO reports directly to the President of the World Bank Group, and its mandate is to assist in addressing complaints from people affected by projects in a manner that is fair, objective, and constructive and to enhance the social and environmental outcomes of projects in which IFC and MIGA play a role. In the first instance, complaints are responded to by the CAO's Ombudsman function.

This document is a preliminary record of the views heard by the CAO team, and suggestions for next steps among the parties. These suggestions are intended to stimulate further ideas and options.

1.1. The request for assistance

A letter of concern was sent to the CAO by project-affected communities on June 20, 2008. It was deemed eligible for assessment by the Ombudsman on July 1, 2008, and a field team sent to the region from 16-23 July, 2008. The letter of request raised the following concerns:

- Complainants, indigenous people of the Iloilo and Ibaloi, had been displaced from the original project site in the late 1950's, and their claims had not been fully settled prior to the planned privatization of the project in 2008;
- There should be appropriate settlement for employees in accordance with labor norms; and
- The project should be monitored to ensure adherence to appropriate standards.

1.2. The project

According to the Summary of Project information provided by IFC's public website, "The Ambuklao and Binga hydroelectric power plants are being privatized as a package through an international tender process, as part of the privatization program under a comprehensive sector reform law, the Electric Power Industry Reform Act (EPIRA). At privatization, expected to occur in June 2008, the plants will be owned by SN Aboitiz Power Benguet, Inc. (SNAPB), a joint-venture between SN Power Invest (SN Power) of Norway and Aboitiz Equity Venture (AEV) of the Philippines. IFC's proposed investment, a loan, will be in parallel with additional financing from Nordic Investment Bank (NIB) and local banks and will support the privatization.

The proposed IFC investment will partly finance the privatization and rehabilitation of the 75 MW Ambuklao hydroelectric power plant and the 100 MW Binga hydroelectric power plant, currently owned by National Power Corporation (NPC). The rehabilitation will re-commission the Ambuklao plant, which has been shut down due to silt problems, upgrade the Binga plant, and increase the combined capacity by 50 MW in total (30 MW for Ambuklao and 20 MW for Binga) from 175 MW to 225 MW. They will operate as peaking plants, supplying power to the Luzon grid for about five hours daily. There are no electric transmission system constraints with regard to the expected higher generation levels.

The project company, SNAPB, took over the hydropower facilities in June 2008, and will put in place new management procedures, address technical issues such as sedimentation and dam safety, and implement the rehabilitation of both plants. SNAPB will also enter into a separate agreement with the Government, for those facilities that will remain under public ownership, to cover the operation and maintenance of the dams and appurtenant structures, formulation of operations manuals, formation of an oversight committee, and maintaining the integrity of the water levels in the reservoirs. Responsibility for the watershed management will remain with the Government.”

2. The CAO Ombudsman’s understanding

Our understanding is based on discussions with community leaders, the Council of Elders, Barangay officials of Bokod and Tinongdan, Municipal Council of Itogon, Provincial officials of Benguet Province, Congressman Dangwa, a family of claimants (the Lampitao Family), community members and senior officials of SNAPB, National Power Corporation (NPC), Power Sector Assets & Liabilities Management Corporation (PSALM), Department of Environment and Natural Resources (DENR), and National Commission on Indigenous Peoples (NCIP). The full list of people we met is presented at the end of this document.

What we understand:

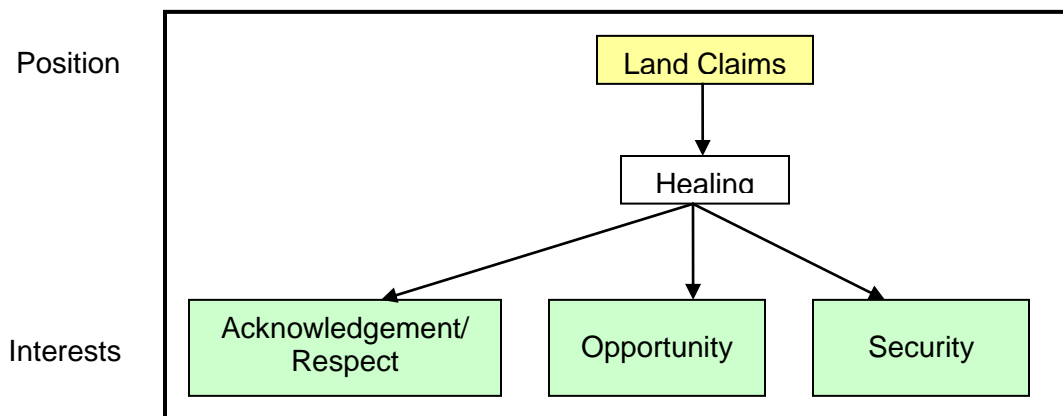
- The parties all want to talk collaboratively;
- All parties support the Ambuklao-Binga rehabilitation project;
- All parties wish to share in the benefits that the project brings, including benefits from economic opportunities and improved livelihoods;
- Everyone would like acknowledgment of their identity, history and culture or acknowledges the identity, history and culture of the indigenous people who originally lived in the land where the project stands;
- Parties would like to build an ongoing relationship;
- Parties want to ensure that the difficulties learned from their experience of history will not be repeated;
- People want closure;
- Parties want to discuss possible opportunities and challenges as a community;
- There are historical claims lodged with NPC;
- Displacement is emotionally powerful and there is a deep attachment to the land;
- The concerns about displacement are widely held amongst community members;
- There are individual claims as well as community concerns;
- There is a strong desire to heal the wounds of the past;
- It is important to improve the tone and direction of communication;
- People want assurances that promises will be kept;
- Legally framed issues may require an adversarial approach – which could result in a win/lose outcome;
- There is a need for the parties to acquire skills, tools and non-adversarial language in order to transform the discussion in a more constructive way;
- Representation in dialogue is very important - decision makers with the authority to speak on behalf of their principals require selection and full participation;
- People are willing to be generous;

- People want to learn how to live together in harmony;
- Transparency of information is essential; and
- The importance of hearing and being heard is recognized.

Upon exploring with the various stakeholders the interests that lie behind their stated positions, we understood that they collectively seek to “heal the wounds of the past” and create a better basis for an on-going relationship. These interests may be categorized under:

1. Acknowledgement/Respect
2. Opportunity
3. Security

Figure 1: Positions and interests expressed by parties in relation to the SNAPB project.



3. The proposed framework

Our understanding leads us to identify the objectives of the various stakeholders to their need to:

- acknowledge the past;
- build a collaborative relationship; and
- help create joint opportunities for the future.

To achieve this, we propose a three stage process which will begin mid-August 2008 and run for an approximate 4-5 month period:

Stage 1: Assist and strengthen community institutions to represent the views of their constituents effectively. (mid August – mid September 2008)

This stage aims to assist the community in understanding and deciding how to create representation for the discussion of individual claims lodged at NPC, as well as broader community interests in relation to the SNAPB project. This recognizes that there are different layers of elected officials (Barangay, Municipal, Provincial

officials), along with tradition leaders (Council of Elders) who may stand for the community's collective interests, as well as individuals and/or families who have claims brought upon the government.

This initial process will ensure that: (a) the views of community members with claims are expressed and understood; and (b) these views are appropriately taken into account in the context of broader community concerns relating to development, identity, and opportunities. A key output of this stage is identification, by the community, of their key issues, and who (and how many) amongst them should represent these issues in a dialogue process, taking into account existing structures, leadership and representation. This first phase will be kicked off with high level representation from NPC, PSALM, SNAPB and the traditional as well as elected representation of the Itogon people.

Stage 2: Joint training to increase skills and capacity for multi-sector collaborative dialogue. (September 2008)

This phase will focus in building capacity amongst representatives nominated by each principal stakeholder (community members, elected local officials, NPC, PSALM, and SNAPB) to equip them with the tools and skills necessary to redirect the engagement between the parties towards an interest-based, non-confrontational and collaborative dialogue.

Stage 3: Convene facilitated dialogues. (October – December 2008)

During this stage, the parties will come together and become engaged in the dialogue process. This should lead to greater clarity about how best to approach the issues that they have raised, build a better relationship, and agree – where appropriate – practical measures that they can take together.

We believe that this process will allow both the issue of individual claims as well as broader community concerns to be discussed effectively, giving all concerned parties a path forwards.

This process will be developed in more detail over the coming weeks through the feedback of the people involved. In developing the dialogue process, we recognize the importance of a set of norms which we have listed below as a Code of Conduct. We encourage parties to build on these principles for good dialogue.

4. Code of Conduct

- Continuous and active participation;
- Decision-making authority;
- Honesty;
- Generosity;
- Mutual respect and acknowledgment;
- Commitment to the process;
- Willingness to listen;

- Safe space where people can say what they want but must be responsible for their impact; and
- Parties agree to be bound by the agreement reached by means of the process.

5. List of stakeholders met in the course of the initial field visit*

Municipal Council/Sangguniang Bayan of Itogon	
Adriano R. Carantes Jr.	Municipal Councilor
Alexander T. Fianza	Municipal Councilor
Cordelo B. Lictag	Municipal Councilor
Bernard S. Waclin	Municipal Councilor
Rock Cariño	Sangguniang Bayan staff
James G. Gergio	Sangguniang Bayan secretary
Annie A. Galiega	Municipal Councilor
Ramon L. Cariño	Municipal Councilor
Noel G. Ngolob	Vice Mayor
Oscar M. Camantiles	Sangguniang Bayan member
Members of the Lampitao family	
Morr Tadeo Pungayan	Grandson of Pedro Lampitao
July P. Lampitao	Grandson of Pedro Lampitao
Alfonso P. Aroco	Grandnephew of Pedro Lampitao
Roy A. Lampitao	Grandson of Pedro Lampitao
Ramil Lampitao	Grandson of Pedro Lampitao
Marcela Lampitao	Granddaughter of Pedro Lampitao
Tinongdan Barangay Officials	
Norberto I. Pacio	Punong Barangay
Ramon T. Capsula	Barangay Kagawad
Benjamin N. Medino	Barangay Kagawad
Maxie D. Pedro	Barangay Kagawad
Anis B. Minong	Barangay Kagawad
George M. Bigues	Barangay Kagawad
Elmer M. Gayasco	Barangay Kagawad
Narcsiso S. Nabaysan	Barangay Treasurer
Carmen A. Luis	Barangay Kagawad
Council of Elders - Tinongdan	
Alvaro Claudio	Lupon
Susan Bias-Lindawan	Displaced Binga Reservoir
Fernando C. Guzman	Senior Citizen Chairman
Marcela L. Mendoza	Senior Citizen ...
Mandy L. Flores	Barangay Janod
Manuela Lampitao	Senior Citizen

Florentino Lictag	Lupon
Jidado Pedro	
Julio Bongang	Lupon
Samuel P. Gayasco	
Rosita T. Guzman	BHW
Lolita Ablen	
Odelia Pedro	Senior Citizen
Sonia Agaton	Senior Citizen
Nida Pedro	
Cathy Botis	
Lucio Copanda	
Joan Pedro	
Juliano Atio	Lupon
Joy Buyeg	
Elarde Guzman	Lupon
Julian Casito	Lupon
Charlie Ablan	
Crispina Abla	
National Commission on Indigenous Peoples	
Eugenio A. Insigne	Chairman
Amador P. Batay-an	CAR Regional Director
Department of Environment and Natural Resources	
Samuel Peñafiel	CAR Regional Executive Director
Office of the Governor of Benguet	
Nestor B. Fongwan	Governor
Crescencio C. Pacalso	Vice Governor
Apolinario C. Bagano	Executive Assistant II
Congressman Dangwa and his wife	
Bokod/Ambuklao Officials	
Mauricio T. Macay	Mayor of Bokod
Thomas Walris	Vice Mayor of Bokod
Pulido Tello	Ambuklao Barangay Captain
SNAPB Officials	
Emmanuel V. Rubio	Chief Executive Officer
Nomer A. Reynaldo	SHEQ Manager
Alberto G Canlas	Market Adviser
Rodolfo Azanza	CSR Officer
Boi (?)	

Romie Montoya	
Ann Rose T. Estorco-Macias	Attorney
Winnie R. Lardizabal	Attorney
NPC Officials	
Cyril C. Del Callar	President
?	Vice President
Gordon	
Fritz	
PSALM Officials	
Helen Tolentino	VP Contract Management & Corporate Services
Chito (?)	Contracts Manager

* We recognize some names may have been omitted by mistake and other names on the list are incomplete or may be misspelled. We apologize for this in advance and request your collaboration in completing the list.