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Second Quarterly Report
January 1, 2002 – March 31, 2002



US-AEP



United States-Asia
Environmental Partnership

Submitted to:
Gordon Weynand, Executive Director
Richard Sheppard, CTO
United States-Asia Environmental Partnership
United States Agency for International Development

Submitted:
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Submitted by:
The Louis Berger Group, Inc.
1819 H Street, N.W. - 7th Floor
Washington DC 20006

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GRANTS MATRIX

Contractor : The Louis Berger Group, Inc. (LBG)
Contract No. : EEE-C-00-01-00020-00
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I. BACKGROUND

Launched as a presidential initiative in 1992, the United States – Asia Environmental Partnership (US-AEP) is a public-private, interagency program of the United States Government, led by the U.S. Agency for International Development (USAID), in collaboration with the Department of Commerce and the U.S. Environmental Protection Agency.

The US-AEP's goal is to promote a "clean revolution" in Asia – aiding in the development and adoption of less-polluting and more-resource efficient products, processes and services in the Asia region. The US-AEP focuses on fostering Asian demand for improved environmental conditions and building Asia's technical capacity to affect such change.

The program is active in a total of 11 Asian countries, including South Korea, Hong Kong, Taiwan, Malaysia, India and Singapore, but primarily focuses on Indonesia, the Philippines, Singapore, Sri Lanka, Thailand and Vietnam. The list of countries may change from time to time. As needs and opportunities dictate, the US-AEP also supports initiatives in other Asian countries eligible for U.S. foreign assistance. For example, an energy program is currently being developed for Bangladesh, and other new activities are being considered for Nepal and Mongolia.

II. EXECUTIVE SUMMARY

Over the course of the second quarter, the overall focus of the TSSC Team switched from Transition to Implementation and Development of technical program activities. Earnest work began on developing planned and new program activities in the urban, industrial, policy and energy areas. Examples include hosting the Winter 2002 Policy Forum and arranging logistics for a number of Thai, Indonesian, Philippine, Vietnamese and Indian activities.

Implementation of several key activities continued including the development and refinement of the Philippines, Indian and Thai industry strategies, the development of the Mayors' Asia Pacific Environmental Summit (MAPES) mayors' conference and water workshop and Eco-Industrial Development activities in Thailand. For example, a tremendous amount of activity and support was devoted by the TSSC Team to MAPES – with weekly planning sessions and coordination with the City of Honolulu, the USAID Water Team, the World Bank, the Asian Development Bank and various other supporting contractors.

The Energy Team provided support to the Corporate Energy Efficiency Champion program and to the development of several energy related grant proposals for India and the Philippines. The TSSC continued to provide some coordination and support for the Technical Transfer and Cooperation Secretariat member.

The number of planned technical activities literally exploded – as projects awaiting approval of a no-cost extension until April 30, 2002 under the SEGIR task order to proceed, planned activities started, and logistics and planning for a series of activities occurring from January through April revived up.

Recruiting continued and Keri Luly was retained as a Senior Policy Advisor. Her responsibilities include working with Secretariat members, key Partners, and other relevant stakeholders to determine the appropriate role for US-AEP's Policy program. Andrew Johnson was retained as an Operations Associate to support two groups - Program Support and Technical Teams – and is already working on cross-cutting issues such as Issues Tracking, Document Management, and Work Plan reviews. Neel Kamath was retained as a Program Associate – Industry to support the Industry activity area.

In addition, the Technical Team continued to support the other TSSC Teams – Results Reporting, Program Support, and Communications – as well as the Field and Secretariat. Finally, the Technical Team supported activities led by other TSSC Teams, including results reporting, providing input and review of periodic reports and updates, and the 6 month work plan review process.

During the quarter, the TSSC became fully operational in its new office with the support of the Internal Support Team. Standard operating procedures were established. Two grants were approved and awarded. The TSSC team began to work more productively as a team once they understood their interconnecting contributions and responsibilities.

Over the January to March timeframe, the Operations Team was able to staff-up, assume and run its principal responsibilities, and is now a productive and going concern. An overview of the various accomplishments of the Operations Team is provided below.

During the reporting period, the Communications Team became fully staffed. The team now consists of a Public Relations Manager, a Communications Manager, and a Senior Communications Manager. The principal accomplishments of the Communications Team included: producing and distributing four issues of the *Update* newsletter; updating key publication materials, including the general US-AEP brochure and the Urban brochure; assisting with report production and editing; providing assistance in the finalization of ADC country briefing notes; and providing public relations coverage for several key events, including the Hawaii MAPES conference and an exchange trip by Bangladeshi officials.

The Partners and Field Support Team is now fully staffed, and consists of an Operations Manager, and two Operations Associates. The principal accomplishments of the team during the period included:

- Organizing the semi-annual country work plan reviews for the Philippines, Sri Lanka and India, and conduction urban sector program work plan reviews for Vietnam and Indonesia.
- Authoring several sections and preparing *Working Together for a Cleaner Environment: US-AEP Program Highlights* for Singapore, Malaysia, Hong Kong, Taiwan and South Korea.
- Distributing and organizing comments on a round of Council for State Government State Environmental Initiative grants.
- Providing ongoing support for updating and maintaining the US-AEP Contact Directory and the US-AEP Activity Calendar.

The Results Reporting Team consists of a Monitoring and Evaluation Specialist, and Database Manager, and a portion of time from the Director of Program Support. The principal accomplishments of the team during the quarter included:

- TSSC collaboration with Fred Fischer to complete the US-AEP FY2001 Annual Performance Report. In addition, the full 12-month data report is currently being completed. As part of this process, the TSSC produced vignettes of success stories, which were included in the Annual Performance Report, and drafted the Global Climate Change annex.
- Production of the FY2001 Partner Expenditure report, which included a summary of funds leveraged.
- Holding an in-house workshop on USAID's Results Reporting planning and monitoring system for all TSSC staff.

Completed activities will be found by sector in the main text of the Quarterly Report.

General Organizational Activities

Several activities were undertaken to facilitate easier retrieval of electronic documents, track emerging environmental, economic, political and social issues in US-AEP countries and increase the TSSC Team's overall productivity and efficiency. These activities were "*cross-cutting*" in that they applied to all activity areas and to support for all US-AEP countries. They included:

The entire TSSC Team participated in half day training on USAID's Results Framework and US-AEP's Intermediate Results reporting. Following the morning's general overview, each of the activity areas (Policy, Urban, and Industry) met one-on-one with David Callihan and Jill Tirnauer of the Results Team to review each activity area's respective data and to begin the process of establishing targets and objectives for FY 2002. This resulted in a better understanding of the TSSC Team's responsibilities to analyze and support the reporting of US-AEP's Intermediate Results.

The entire TSSC Team participated in a full day offsite meeting to review operating procedures, the TSSC mission, and team processes. Afterwards, a follow up meeting was held to develop the TSSC's supporting teams' input into the TSSC Work Plan. These two meetings and the Work Plan will result in a more effective and cohesive TSSC Team with a better understanding of their roles and responsibilities.

The TSSC Team worked with the Operations Team to catalog and review all of the electronic files that were on the common drive at IRG. The "1720 Archive" files are being reorganized, outdated and unnecessary materials are being deleted, and files that may be used again or needed for historical purposes are being filed as per the new document management system. Each subdirectory was assigned to a TSSC Team member and individual meetings were begun with each staff member to examine the contents and importance of each person's files. Meetings will continue with the entire DC

TSSC staff until the Archive has been cleaned up. This activity should facilitate the retrieval of relevant information and documents.

The TSSC Team began the process of tracking issues relevant to US-AEP in the news media. The Issues Tracking Plan includes researching information on appropriate news resources to be tracked. These resources include print periodicals, websites, and email newsletters. Subscriptions to free internet sources were obtained, as required per the Emerging Issues memo delivered to the Secretariat in mid-January 2002. The TSSC Team conferred with the Communications team and drew up a general format for future email news *Updates* to the Secretariat. This activity should result in helping to inform the Secretariat, US-AEP Partners, the TSSC Staff and other stakeholders to current developments in Asia.

III. CURRENT CORE ACTIVITIES

POLICY TEAM

General

The TSSC Team retained Ms. Carol (Keri) Luly as Senior Policy Advisor. Among her initial tasks will be to evaluate US-AEP's past policy activities and recommend its future course, increase use of the Global Reporting Initiative in Asia, support regulatory program development with partners, revitalize the Policy Forum, and assist in program monitoring and reporting. Her official start date was February 1, 2002. Keri's experience in regulatory programs, voluntary environmental excellence initiatives, and public participation innovations will increase the effectiveness and strength of the US-AEP Policy program.

Highlights

As part of the policy program review, Ms. Luly will: 1) raise Policy / Civil Society awareness within US-AEP and with US-AEP's partners; 2) review past US-AEP Policy programs; 3) interview the Secretariat, internal and external partners and other stakeholders about future US-AEP Policy program directions; and 4) make design recommendations for the best fit for the policy and civil society work into US-AEP programs. :

- Began the review of archived Policy program documents and met with Brenda Bateman to discuss past policy work at US-AEP.
- Participated in mid-year report meetings for all country plans to meet partners, learn strategies, and screen for potential policy areas of focus. Received training regarding the Performance Monitoring Plan, results frameworks, intermediate results and other reporting mechanisms.
- Developed/revised interview questions for Secretariat members and a list of partners and others to interview, then conducted interviews with four Secretariat members and one Partner.

- Met with EPA to discuss the Philippines and Vietnam work and to re-establish former working relationships with Asia Foundation staff to learn about the civil society grant program and future opportunities for related policy work.
- Reviewed regulatory dialogue updates and schedule and new CSG projects in Thailand regarding policy aspects and future coordination of efforts.

These steps provided an initial understanding of the current and past policy programs and set the stage to proceed with the in-depth assessment.

Policy Forum: During the period, US-AEP arranged speakers and hosted the following Policy Forum gatherings:

1. January 9 - US-AEP hosted the first Winter 2002 Policy Forum with Harry Kauffman, Director, Energy & Fire Policy Administration, Corporate Engineering Services, Johnson & Johnson Corporation (J&J). He spoke on "Sharing of Energy Practices". The Policy Forum was attended by over 35 people including representatives from USAID ANE, US-AEP, the Alliance to Save Energy, World Wildlife Fund Climate Savers, American Council for Energy Efficiency Economy, US Department of Energy (Office of Fossil Energy), GETF - Center for Energy and Climate Solutions, ETNA, World Resources Institute, and the International Institute for Energy Conservation. This presentation was an indication of the increasingly strong relationship between US-AEP and J&J that will result in J&J becoming a US-AEP "Champion" MNC in Asia for energy and environmental issues.
2. January 23 - The second Policy Forum featured Steve Culbertson, President of Youth Services America (YSA). He spoke about YSA's activities in India, Indonesia, the Philippines, Sri Lanka, Thailand, and Vietnam. There was some interest expressed in continuing to engage youth (approximately 60% of the population) in environmental projects in these countries and developing a partnership with YSA.
3. February 6 - The Policy Forum attracted 42 attendees for speaker Charles Feinstein, Lead Operations Officer, of the World Bank's Energy Sector Management Assistance Program with UNDP. The topic was "Fuel for Thought Turns Two: Tracing the World Bank's Energy and Environment Strategy from Birth to Toddler." Highlights of his talk included a discussion on the 10 hurdles for successful implementation of the Bank's energy strategy and lessons learned.
4. February 20 - The featured speakers were Hillary French and Gary Gardner of Worldwatch Institute, an internationally recognized environmental research organization. Their topic was "State of the World 2002—The UN World Summit on Sustainable Development in Johannesburg, South Africa 2002." This Forum drew a record-breaking crowd of 44, and the speakers offered a look back and forward regarding the condition of our planet as we approach the Rio+10 meeting in September.
5. March 6 - Macol Stewart, a Fellow at USAID's Office of Women in Development presented, "Women, the Environment and Natural Disaster Mitigation in Asia". She discussed the roles of women in their communities, and then the audience learned

how women's roles can assist in environmental and natural disaster damage mitigation.

6. March 20 – The Policy Forum hosted Seth Dunn of Worldwatch Institute who discussed his chapter in *State of the World 2002* entitled “Moving the Climate Change Agenda Forward”. A lively discussion followed Mr. Seth's presentation since the topic of his presentation is much debated on the world scene. The discussion on the State of the World 2002 is important for the Earth Summit in Johannesburg. We revised the method of notifying potential Forum attendees and the Senior Policy Advisor writes the notice; attendance has increased by 250%.

As part of the Policy assessment process, Keri has interviewed some Secretariat members, Partners and other key stakeholders, to determine the success and interest in continuing the Policy Forum. Contacts were made with potential speakers for the Spring Forum series. Overall, the Policy Forum speakers are recognized for their knowledge and bring topics of importance to the world's environment directly to US-AEP for increased learning and discussion.

Global Reporting Initiative (GRI): The GRI is an increasingly important method of making company environmental performance data available to the public in a format that can be compared from year to year and from company to company. The TSSC Team studied the literature on GRI, conducted web-based research and reviewed the planned US-AEP regional activity. In February 2001, the Secretariat reviewed and approved US-AEP's participation in a regional conference in Malaysia in July 2002. For this activity, US-AEP has approved \$40,000 to fund participants from Asia to travel to Malaysia.

There are two components to this regional activity:

- US-AEP contribution of \$10,000 to the funding of a conference venue
- US-AEP cooperation with Asian companies to engender their commitment to prepare GRI-type reports and to announce their commitment to do so at the conference in Malaysia

A PowerPoint presentation was drafted describing GRI and US-AEP's role encouraging Asian companies to commit to prepare GRI reports. This presentation will increase awareness and understanding of GRI, its guidelines and the level of effort. GRI training and on-site presentations must be developed to begin the process of encouraging companies to make GRI commitments. GRI reports can be environmental, social and economic in nature and though initially intended to address corporate level, can be adjusted to fit the site level.

The TSSC Team will meet with companies to create interest in the process. A strategy for recruiting companies was developed and the TSSC Team is leveraging upcoming travel to begin the process of soliciting companies' interest in the initiative. This work will increase environmental dialogues among industry, community and government in Asia.

The Asia Foundation: Chris Plante of The Asia Foundation (TAF) attended the March 13 Partners Meeting to discuss the Civil Society grants program. The Policy Team spent some time with him after the meeting to discuss the coordination of policy and civil society work since the two topics are complementary in their overall goals.

Review of Publication: The TSSC Team reviewed the text and the draft "Forward" of the upcoming joint publication titled *Guidelines for Policy Integration and Action Planning for the Promotion of Cleaner Production* and recommended that the Forward was acceptable for Gordon Weynand's co-signature with the ADB, UNEP and UNIDO.

Country Highlights

Washington, DC

Ms. Luly participated in the quarterly meeting of the Multi-State Working Group (MSWG) on EMS on February 18 and 19 and distributed her position announcement with US-AEP and copies of the newly released *Update* to attendees. (Ms. Luly attended using non-US-AEP funds.) The MSWG is a national multi-stakeholder organization that is tackling important issues related to environmental performance measures and reporting (including an evaluation of GRI and other methods) and the design of a public policy EMS guidance. Ms. Luly is an officer and Board member of MSWG. Her continued involvement in the organization keeps US-AEP on the cutting edge of public policy and EMS innovation for very little financial investment.

Ms. Luly participated in meetings with AWMA, TDA and INECE and attended the public hearing testimony of Dr. David Angel and the Honorable Don Ritter before the Office of the U.S. Trade Representative on the environmental review of the U.S.-Singapore Free Trade Agreement.

These activities increase opportunities for leveraging partnerships and enriching US-AEP's policy program.

Indonesia

The TSSC Team attended an Ambassador's briefing at The Asia Society breakfast. The Honorable Ralph L. Boyce, Ambassador to Indonesia, presented a political and economic *Update* and shared his impressions of developments in Indonesia since he began service in his new post at The Asia Society. Topics covered included: 1) the perception of a current wave of anti-Americanism; 2) the Indonesian economy; 3) regional separatism; and 4) international terrorism. The tone of the Honorable Mr. Boyce's comments indicated that there was reason for optimism that the Indonesian society's social upheaval of the past few years is abating. Minutes from the briefing are available.

Additional Highlights

The TSSC Team attended another session at The Asia Society where the Honorable Andrew Natsios, Administrator, United States Agency for International Development, spoke on the reconstruction of Afghanistan. He highlighted a number of principal issues associated with reconstruction efforts including: 1) the need to incorporate multiple beneficial impacts of any efforts (an action should have positive repercussions in at least

three areas to be considered); 2) the "do not harm" principal that any rebuilding efforts should not do any damage to Afghani society; 3) that the reconstruction effort is not an international effort to rebuild Afghanistan, but rather an Afghani effort to rebuild Afghanistan supported by international resources; 4) that capacity building of local organizations is an important component of rebuilding the Afghanistan; and 5) that international efforts should remember that reconstruction assistance should not be tied to capturing new markets. Of particular interest to US-AEP were Natsios' comments that building local capacity, food security, an economic environment that will allow Afghani's to earn a livelihood, basic health and educational services, access to clean water and stable social conditions will all lead to a stable political situation.

Issues

The Worldwatch Institute requested that US-AEP put a link to their website on the US-AEP website since they are a good information source. This could give US-AEP some additional good exposure from new visitors who might not otherwise know about US-AEP. The request raises the question of who, beyond partners, should have site links with the US-AEP site. How should we screen such requests?

A system will be developed to review options, evaluate requests for links, and assure that US-AEP gains links from other organizations' sites as well.

The US-AEP Policy Forum electronic mailing list needs to be revamped and entered into a contact database that can flag topics of interest. Survey questions were designed during the quarter to ask electronic mailing list recipients about their correct contact information, their Forum topic interests, and their suggestions for improvements.

The Policy Forum is being reviewed to look for methods of potential improvement, better publicity and more varied speakers and topics. This will result in a more thought-provoking group of speakers and topics, a more highly engaged audience, increased visibility for US-AEP's work, and better informed US-AEP staff.

The Policy Advisor is involved in a multi-stakeholder discussion group on the types and effectiveness of measurement and reporting methods for environmental data. The group had its organizing conference call to discuss its mission (to avoid duplication of efforts with other organizations), deliverables, and timeline. They are currently comparing and evaluating nearly 40 emerging methodologies in order to recommend the use of the most effective ones for government, industry and community.

Lastly, the TSSC met to map out reporting needs and target-setting for the Policy program in light of upcoming EPA international program re-evaluation and lessening of ADC involvement in US-AEP's programs. Appropriate measurement methods and target-setting drive quality and accomplishment.

URBAN TEAM

General

Staffing and Organization: The Urban Team held an organizational meeting to discuss support of the Secretariat's urban staff, ensure cooperation with the USAID urban program office and begin development of the 2003 urban strategy. As a result, the Urban Team will examine how to extend and sustain existing partnerships and how to add value to existing partnerships within and between US-AEP program areas. In addition, the Urban Team will begin finding ways to strengthen the role of municipal (local government) associations in national governance, environmental management and professional management.

In February, the Urban Team and the Director of Program Development and Implementation reviewed coverage of the Urban Team by ICMA. Discussion focused on the completion of requirements and deliverables. Additional staffing requirements were also discussed. Another team member will be hired and tasked with some of the activities currently covered by the Urban Program Manager, Jeff Bowyer. ICMA will propose how the two staff personnel will divide the responsibilities.

Logistics were also discussed, including the use of computers, the establishment of email addresses, attendance at weekly staff meetings, completion of weekly reports, management objectives and bio sheets. ICMA suggested several administrative forms that they would share with the TSSC in order to minimize the effort required to complete both US-AEP and ICMA administrative requirements (e.g. time sheets, travel approvals, etc.).

Highlights

Asia Pacific Urban Institute Executive Seminar on Integrated Water Resource Management (IWRM), Honolulu, HI, April 3-6, 2002 (called Mayors' Asia Pacific Economic Summit [MAPES]): Over the course of the quarter, the Urban Team took a leading role in coordinating and planning for the Asia Pacific Urban Institute Executive Seminar on Integrated Water Resource Management (IWRM) which will take place in Honolulu, HI, April 3-6, 2002.

A select team of Mayors, Municipal Commissioners, and Utility Managers from China, India, Indonesia, Philippines, Thailand, Vietnam and Cambodia will participate in this inaugural Seminar for the Asia Pacific Urban Institute (APUI). This event signifies the launching of the Asia Pacific Urban Institute which is located in Honolulu, HI and will provide on-going technical assistance to Cities participating in the bi-annual Mayors Asia Pacific Environmental Summit (MAPES). Participants at last year's Summit cited water resource management and sanitation as pressing issues facing Asian cities today. As a result, the Seminar will focus on integrated water resources management (IWRM). The Seminar is organized into two programs – one targeting local water utility managers and the other city leaders. The goal is to bring together decision-makers and practitioners to

discuss local water resource issues and formulate plans of action for when they return to their cities. The program for water utility managers focuses on the principal components of IWRM including water sector reform, cost recovery and pricing policies, community participation, sanitation for municipal areas, and efficiency improvements and performance monitoring. The program for the city mayors, municipal commissioners and chairmen focuses on examining specific water and sanitation issues in the context of finance including public/private partnerships, infrastructure and service design, technology, operations management, community participation, and political will power.

The primary responsibilities of the Urban Team for the period of January 2002 to March 2002 include:

- Developing the agenda and session format for the Seminar in collaboration with the USAID Water Team and the MAPES planning team lead by Jeremy Hagger. This included identifying topic areas, securing speakers, developing session content and presentations, and identifying relevant case study presentations.
- Organizing weekly planning meetings with the co-organizers including the USAID Water Team, the City of Honolulu, PADCO, ASE and the US-AEP MAPES planning team.
- Levering financial support from and participation of the Asian Development Bank and World Bank.
- Coordinating delegate sponsorship with the Exchange Program for Sustainable Growth, the Asian Development Bank, the World Bank, and the Regional Urban Development Offices in India and Indonesia.
- Developing conference materials including a "Participation Form on Local Water and Sanitation Issues," and conference briefing packets.
- Synthesizing case study materials and responses to the "Participation Form on Local Water and Sanitation Issues."
- Providing regular updates to the US-AEP Secretariat, partners, and field staff on the progress and planning of the Seminar.
- Coordinating with the organizers in the City of Honolulu on logistical details including identifying and inviting participants, interpretation requirements, room arrangements, participant registration, printing and production of conference materials, conference briefing binders, site visits and transportation.

The intended results from the Seminar is that representatives from cities in attendance will make commitments to address water and sanitation issues in their cities, there will be team work between the political and technical personnel from each city, and that there would be a coordinated effort among donors in making sure there were future financial resources pledged to support on-going critical activities.

Asian Association Dialogue Paper and Workshop: A proposal for the Asian Association Dialogue Paper and workshop was distributed to the Secretariat's Urban staff. The workshop is to be held in conjunction with Australia Municipal Managers

Association, the New Zealand Association of Local Officials, and ICMA's Best Practices Symposium, in Sydney, Australia, May 7-11, 2002. This project is funded under the ICMA task order. The project's objective is to bring leaders of Asian municipal leagues and associations in developing countries together with association members from the developed countries in Asia to discuss the results of the Asia Association Dialogue Paper. The ICMA Task Force on International Affiliations will also be holding their mid-year meeting in Sydney and will convene a joint session with the Asian Association leaders. The overall objective is to expose Asian associations to new practices and patterns of support associations can and do play an effective role in local governance worldwide.

Clean Air Team Activities:

The Urban Team completed a comprehensive summary of air-related activities being conducted by US-AEP, USAID, EPA and other donors in an effort to determine US-AEP's role in the various air related initiatives in the Asia region. Some of the activities include:

Clean Air Team: The Asia-Near East Bureau plans to develop new and innovative partnerships to confront air pollution in Asia's cities and has \$5 million that will be obligated over the next two years for this purpose. US-AEP was invited to sit on the "Clean Air Team" to help develop a program (including a results framework), refine selection criteria for grant proposals, and choose specific contractible, manageable, and monitorable projects that are based on strong private sector partnerships. The first meeting of the CAT was held on January 24th and discussed membership, the schedule, and the selection criteria. A second meeting was held on February 7th.

Clean Air Initiative: The Urban Program Manager assisted Gordon Weynand in preparing for his trip to Manila to attend the ADB Vehicular Emissions Workshop in Manila, taking place February 28 – March 1, 2002. Preparations included drafting a presentation and speech for Mr. Weynand on "Air Sector Partnerships and Opportunities in Asia."

Regional Air Quality Management Training Consortium: Meetings were held with Jane Metcalf of the EPA and Mary Zalesny to discuss development of the Training Consortium and the relationship of the Consortium with the World Bank supported Clean Air Initiative (CAI).

Rio+10 World Summit on Sustainable Development (WSSD): Urban Program Manager, Jeff Bowyer, attended the local Government Prepcom for the World Summit on Sustainable Development in Vancouver from February 27 - March 1, 2002. US-AEP sponsored the participation of 10 local government officials from India, Sri Lanka, the Philippines, Thailand, Indonesia and Nepal. These officials identified target groups in their regions to involve in local environmental initiatives and identified specific actions to take in their cities. Finally, the participants identified the type of supporting environment required in order for them to implement local environmental initiatives. This information will be presented on behalf of Local Governments (recognized as a Major Group) at the

WSSD in Johannesburg in the Fall 2002. Following the completion of the APUI Seminar and the Local Government Prepcom, the Urban Team will identify areas of overlap and the potential for continued collaboration between MAPES and the Asia-Pacific Urban Institute, ICLEI's Water Campaign, and the local government input into the World Summit on Sustainable Development.

Country Highlights

India

EMS for Transit: The TSSC Team prepared a press release on the *EMS for Delhi Metro/Transit* project for a publication called Business and the Environment (BATE). This highlighted the activities funded under a SEGIR grant and continued support by the TSSC on a joint activity involving the Delhi Metro System and the New York City Transit Authority.

TSSC Grants: The Urban Team coordinated with Urban Infrastructure Representative, Mr. Asnani, on securing a TSSC grant proposal from the Ahmedabad Management Association (AMA) to support a cities comparison project of 8 cities in India.

Indonesia

The TSSC Team approved a grant for Yayasan Pedidikan dan Laithan Tirta Dharma (YTA), Indonesia for Second Water Enterprise Functional Training Grant (WEFT-2) for \$22,500. The purpose of this grant is to help YTA to prepare functional training modules for mid-and lower-level water enterprise supervisors and to train trainers who will teach these modules in provinces.

Philippines

Clean Cities Center: Jeff Bowyer along with Mayor Ouano of Mandaue City and Mayor Tolentino of Tagaytay participated in a study tour in Seattle, WA. The purpose of the study tour was to meet with Matt Morrison of the Pacific Northwest Economic Region (PNWER) to discuss the next phase of the Clean Cities Center in the Philippines. The delegates also met with local officials who are designing and implementing the Sustainable Seattle program. As a result, the TSSC Team is looking forward to receiving a grant proposal from the League of Cities Philippines (LCP) to support the continuation and expansion of Clean Cities Centers in the Philippines.

Solid Waste Management Association of the Philippines (SWAPP): The TSSC Team continued to make good progress in working with and supporting SWAPP. SWAPP will apply for a TSSC grant to fund solid waste management (SWM) planning for the Pasig River Relocation and compile and distribute a set of best practices in SWM.

City Development Strategies (CSD): The Urban Team worked with Joy Jochico-Abelardo, Urban Representative in the Philippines, and the League of Cities Philippines to develop a grant proposal to support the second phase of CDS in the Philippine. In particular, US-AEP will provide resources to the environmental planning component of CDS.

Environmental Infrastructure Finance for Local Governments: Jochico-Abelardo coordinated with both US-AEP and local Philippines partners to organize and conduct a conference on Environmental Infrastructure Finance for Local Governments. The conference was also attended by Jodi Koviach, TSSC Program Associate. The conference will be follow-up by a study tour to take place in May or June of 2002.

Thailand

Plans for the first *Thai Municipal Management Diploma* training module were developed and the first workshop was held in February.

Issues

Funding commitments from World Bank and ADB for MAPES were firmed up.

The Clean Cities Center is another good area for joint urban/industry projects. The reports from the cities that have established centers need to be reviewed in order to determine the next phase for this project.

Everything MAPES-related has to be completed by March 28th.

INDUSTRY TEAM

General

Staffing and Organization: During initial efforts to retain a Program Associate to support Industry activities, TSSC held discussions with subcontractor, Business for Social Responsibility. Due to the current cost structure of BSR that required additional funding then what was budgeted, Louis Berger was unable to come to an agreement with BSR. During the identification and hiring process for this position, the technical team reviewed over 60 resumes and evaluated them using Louis Berger's system. Neel Kamath was hired as the Industry Program Associate.

In addition, the Ops and Technical team have decided to share the third Ops associate (fully billable to MSI). This person will be responsible for briefing books preparation, document management, tracking emerging issues, etc. Several candidates were interviewed and Andy Johnson was hired as the Operations Associate.

Eco-Industrial Development Technical Assistance: EID-related work continued in Thailand and included support to US-EPA's workshop on data metrics provided to the Industrial Estate Authority of Thailand (IEAT) and the conduct of initial environmental assessments for two companies located at the Northern Regional Industrial Estate. The Team additionally visited an industrial park outside of Chiang Mai and is now assessing the opportunities to promote EID concepts to industrial parks as well as to estates managed by IEAT. EID-related grant proposals from two Indian organizations are currently being reviewed.

New Investment Report: The New Investment Study Synthesis Report was completed and, along with the final versions of the Taiwan and Philippines Investment Case Studies, was provided to the US-AEP Secretariat. The Study findings and recommendations focused on determining the extent that environmental considerations influence governmental policies and private sector investment decisions. In general, the case studies assessed how environmental investment is impacted by such factors as industrial policies, financial community, environmental enforcement, key stakeholders, and certain business characteristics, such as industry, size, location, target markets, and nationality. TSSC plans to work with the Secretariat to determine how best to apply the findings and recommendations of the reports across US-AEP's country programs.

Industry Strategies: As a means to provide guidance to US-AEP on its implementation of industrial activities and programs during the next three to five years, TSSC, in coordination with the US-AEP tech reps, are developing country-specific Industry Strategies. These Strategies will assist US-AEP in optimally and effectively applying its resources to improve industrial environmental conditions in their targeted countries. Industry Strategies are currently being completed for Thailand (near finalization), India, and the Philippines. It is anticipated that a Strategy will be completed for Vietnam in early summer. In addition to TSSC D.C. and field-based staff, key contributors to the Strategies include US-AEP Secretariat members, Judith Barry and Mary Zelesny.

Johnson & Johnson: J&J responded favorably to an invitation to meet with US-AEP to discuss a more formal partnership with US-AEP in the energy and environmental arenas. April 24th has been tentatively scheduled for the meeting.

12-Month Report: The Industry Team participated in 12-month data reviews, including the review of results and establishment of goals. The Team additionally participated in the 6-month country reviews for India, Indonesia, Philippines, Sri Lanka, Thailand, and Vietnam.

Highlights

Country Highlights

Regional

Sustainability Program: In January, Judith Barry and Nick Shufro met with Phil Berry of Nike HQ to discuss Nike's new Sustainability Program.

UNEP Cleaner Production Conference: The TSSC will be providing a grant to the Asia Pacific Roundtable on Cleaner Production to support three representatives from APRCP to attend the UNEP Cleaner Production Conference to be held in Prague in late April 2002. Two additional participants from Sri Lanka will be attending through US-AEP IIE ESPG.

Meeting with Representative from Treasury Department regarding Multi-Lateral Development Banks: Nick Shufro and Jeremy Hagger met with Keith Kozloff, Office of

International Affairs at the U.S. Treasury Department. Keith has been having discussions with multilateral development banks on their future project financing and is interested in getting information that he could use to persuade the MDBs to fund projects relating to environmental industrial management and overall eco-industrial efficiency. He was particularly interested in getting a write-up that summarizes US-AEP's programs that link environmental management with economic performance. One result of the meeting was that Keith would speak at an upcoming Policy Forum. As requested, the TSSC did provide some information, with some "caveats" about appropriate distribution. For instance, Keith was extremely interested in the US-AEP New Investment Study and in work pertaining to eco-efficiency. He was provided with the following information: New Investment Study, Greening the Supplier Chain Study from last year, and information on our activities in the Eco-Industrial Development area - including work with IEAT and the CSG grant to SSEB and IEAT in Thailand. The TSSC also shared some general information about US-AEP, including the US-AEP Annual Report that had been distributed, some issues of the *Update* and the full write-up of Charles Feinstein's (World Bank) presentation at the Policy Forum. He was impressed with our program, cooperation and results.

India

Industry Strategy: Mary Zalesny (Secretariat), Rod Carvajal, Subrata Mazumder, and Nick Shufro (all of the TSSC) completed the India Strategy Scoping trip in February 2002. Meetings concluded included:

- Federation of Indian Chambers of Commerce and Industry – Indian SMEs, Delhi
- Meeting with Suneel Parasnis, US-AEP India Tech Rep Western region, Mumbai
- Principal Secretary, Energy & Environment, Government of Maharashtra, Mumbai
- National Safety Council, Mumbai
- Environmental Resource Center, Companies and consultants, Mumbai
- Center for Resource Education, NGOs, Hyderabad
- Indian Chamber of Commerce, Industry, Kolkata
- CTI, TetraTech, Delhi
- US-AID India Mission, Delhi

The first Strategy draft was prepared by the TSSC on March 26th and forwarded to Judith Barry, Mary Zalesny, Julie Haines, Lori Hatton, and Neel Kamath for their review.

Eco-Industrial Development: The Industry Team is reviewing a proposal submitted by Hyderabad-based Centre for Resource Education (CRE) that focuses on promoting greater awareness on eco-industrial development concepts and practices. The proposal includes documentation and information dissemination; capacity building initiatives; and execution of small pilot projects. The Team has also received request for assistance from the Punjab State Council for Science & Technology (PSCST), which would focus on promoting eco-industrial development concepts amongst industrial enterprises. The proposal includes a request for US-AEP assistance in preparing plans for the development of new industrial parks and the eco-restoration of existing parks; creating

awareness amongst businesses on benefits of EID; creating benchmarks on which to measure and monitor EID actions; and installing demonstration pilot pollution control units.

Philippines

Industry Strategy: The Philippines Industry Strategy was initiated in January with a team consisting of Mary Zalesny, Conchita Silva, and Jodi Koviach conducted numerous meetings in the Philippines in late January/early February. Meetings included those held with the Philippine Economic Zone Authority, Development Bank of the Philippines, United Nations Development Program Environment Office, Management Association of the Philippines, and various private sector entities. A draft of the Philippines Industry Strategy was developed and is currently being circulated internally for initial comments.

Thailand

Industry Strategy: Work continued on refining the Thai Industry Strategy. Additional comments were received from Judith Barry and additional input was solicited from other Secretariat members and Thai team partners. The TSSC provided a draft to Judith Barry on March 26th for final comment from various partners and key stakeholders.

Sustainable Village Concept: Phil Berry (Nike), Judith Barry, and Nick Shufro met to discuss a sustainable village concept for Thailand that Nike has developed. Much of Nike's sustainable development activity centers on specific factories owned by their suppliers. Under the proposal that they shared with US-AEP, the World Bank, the UNEP, and US-EPA, they are focusing their model on sustainable women's footwear products. They have identified a strong internal product champion (which is half the challenge at Nike) and they are feeling out various organizations to understand potential level of interest in co-developing (not necessarily providing monetary funding).

Eco-Industrial Development:

US EPA Workshop on Environmental Metrics and Performance Indicators: Support was provided to representatives from US EPA (Suzanne Giannini-Spohn from US EPA in D.C., Francesca DiCosmo, and Jeff Burke, both from Region 3 in Philadelphia) during the planning and implementation of a two-day environmental metrics workshop. Approximately 20 people from the Industrial Estate Authority of Thailand (IEAT) attended the event that was held at the Siam Cement facilities in Lampang, in Northern Thailand. The workshop covered such topics as US EPA's data collection and analysis; overview of metrics and beneficial uses of data; development and measurement of eco-industrial development performance indicators; and determination of data needs and comparison of desired data and methodologies with current data collection systems. A highlight of the workshop was an exercise that involved teams manufacturing products using Play-Doh Fun Factories and tracking their costs for raw materials, hazardous and non-hazardous waste disposal, and deficient returned products. The exercise was enjoyed by all and clearly demonstrated the costs of inefficient manufacturing and waste management, as well as opportunities for collaboration between industries with regards to

procurement and waste/by-product exchange. The Play-Doh, which was generously donated by Hasbro, was later provided to a local orphanage.

IEAT has requested further assistance from EPA on understanding the economic returns from maintaining and collecting sound environmental data; methodologies of data analysis; and quality assurance and data verification techniques. TSSC is working closely with EPA personnel in the development and coordination of future activities with IEAT.

IEAT Northern Industrial Estate Technical Assistance & Company Walkthroughs:

Following the US EPA workshop, the technical team (Julie Haines, Lori Hatton, Suzanne Giannini-Spohn, Jeff Burke, Francesca DiCosmo, Satit Sanongphan, and Manaskorn Rachakornkij from Chula University) visited IEAT's Northern Industrial Estate in Lamphun for two days of technical assistance to IEAT and two of its estate locators, Innovex Thailand Ltd. and Thai-Nichi Industries. IEAT selected these firms to undergo these environmental reviews due to the firms' current environmental challenges and their willingness to open their doors to the assessment team.

Prior to the company walkthroughs, Julie Haines led a classroom training session for staff from IEAT Northern Estate, as well as from the two companies. Participating IEAT personnel included Khun Valiya Nivatvongs, Northern Region Industrial Estate Manager and Khun Narisa Chainiwes, Manager of Operations. The training seminar provided a solid overview of the elements and framework of Environmental Management Systems, as well as a review of the various components of the Initial Environmental Review (IER). Of particular interest to the audience was the discussion on determining and prioritizing environmental aspects and impacts.

With the approval of the individual companies, personnel from the IEAT Northern Estate also participated in the company walkthroughs. Therefore, in addition to providing assistance to the companies, technical skills and methodologies on how to conduct environmental and energy walkthroughs were transferred to IEAT personnel. A day was spent with each of the two firms selected by IEAT for the environmental walkthroughs. Initial discussions concentrated on the plant's layout, raw material and product processes and flows, and overall environmental management practices. Upon completion of this introduction, the group conducted a thorough walkthrough of the plant's exterior and interior facilities. The latter part of the day was spent reviewing key walkthrough observations, assessing environmental and energy aspects and impacts, and discussing various recommendations. Reports on the Team's findings and recommendations, as well as relevant research material were provided to the companies, to IEAT, and to US-AEP Thailand.

This activity not only provided technical assistance to the companies, but also reinforced training and capacity building provided to IEAT and Chula University, and strengthened US-AEP's relationships with these entities, as well as with US EPA. Based on the success of this activity, as well as the US EPA workshop, TSSC, USEPA, and USAEP

Thailand are strategizing on how best to provide additional assistance to IEAT and its tenants. IEAT northern estate management participated in a walk-through and was extremely interested in continued work. Companies also told IEAT that tours and resulting suggestions were very valuable.

Vietnam

Nike Scrap Leather Recycling Workshop: This workshop took place in Ho Chi Minh City, Vietnam, February 18th-22nd and was led by Texas Tech University, with Ho Chi Minh University and Nike representatives also participating. Nike hosted the event at their new facility and additionally provided a site visit and tour of the new recycling center. The workshop was funded under LBG's US-AEP SEGIR contract; discussions are on-going concerning potential follow-on work through the TSSC.

TRADE & INVESTMENT TEAM

Most of this work was completed by Jack Andre under IRG EPIQ .

General

The TSSC continued to provide modest support to the Secretariat on the Technology Cooperation activity area – due to staffing constraints and the continuing uncertainty regarding this component of the US-AEP program.

ENERGY TEAM

General

During the period the India Energy Efficiency Champions strategy and program development was completed. The Energy Team prepared an article for the *Update* introducing CERF/IIEC.

The Energy Team attended two meetings on Environmental Sound Technologies (ESTs) in Osaka, Japan, March 5-8, sponsored by the UNEP-IETC program. This was not funded by US-AEP but US-AEP gets the benefit of a team member attending. The meetings were:

- The International Seminar on Environmentally Sound Technologies (ESTs) for Energy & Land-based Transportation (March 5-6, 2002)
- The 3rd UNEP DTIE IETC Experts Meeting: Development of Criteria, Guidelines and Methodologies for EST Identification and Selection (March 7-8, 2002)

The first meeting examined the applicability of the Draft EST criteria and guidelines prepared by the UNEP/IETC Experts Group on ESTs with particular focus on ESTs for Energy and Land Based Transportation. The seminar brought together over 50 international organizations from 16 countries represented by senior government officials, multilateral development agencies, NGOs and the academe.

The purpose of the second meeting was to discuss and process the concluding remarks and recommendations from the International Seminar and outline a plan of action, task allocation and activities involving the UNEP-IETC Experts group. This meeting was attended by the IETC EST Experts Group (composed of 15), a subset of the participants attending the International Seminar.

Highlights

The World Wildlife Fund Event: As part of the continued development of the Corporate Energy Efficiency Champions series, the TSSC attended a World Wildlife Fund Climate Savers workshop. WWFCS is a three-year old initiative by WWF to engage corporations to commit to reducing CO2 emissions by undertaking public actions. Current members are J&J, IBM, Nike, The Collins Company, and LaFarge. The workshop included technical presentations on best practices, business trends, emerging technologies, and "making sense of climate policy."

During the conference, US-AEP staff engaged and received favorable feedback from 3M, J&J, Nike, IBM, Alcoa, LaFarge, American Home Products, Seattle City Lights and others about working with US-AEP in Asia. Specifically, 3M would like to initiate a program to celebrate its upcoming 100th Year Anniversary (GSC, Best Practices, Regulatory Compliance and Chemical Industry) and operates in Thailand. Alcoa and LaFarge are interested in exploring waste exchange opportunities with US-AEP assistance in selected Asian countries.

American Home Products has facilities in the Philippines and is interested in talking to US-AEP. IBM, J&J and Nike continue to want to work with US-AEP. Seattle City Lights has committed to encourage demand-side management in its city and would like to participate in the Thai Energy study tour.

Completed Activities: US-AEP strategy and program development with senior CERF-IIEC Draft Outline for India Energy Efficiency Champions was completed.

Country Highlights

Washington, DC

The TSSC Team attended the ENO Transportation Foundation Global Climate Change Luncheon Series with speaker John DeCicco of Environmental Defense, who made a presentation on Fuel Cell Vehicles: Issues on the technology, policies and the market. This excellent speaker was recommended for US-AEP Policy Forum.

The TSSC Team also attended the EPA's launching of the Climate Leaders Program which recognizes companies for voluntary initiatives to reduce their GHG emissions. Like the Climate Wise program under the Clinton Administration, the program strategies are to measure GHG inventory and to create targets to reduce emissions and ACT. The WRI/WBSCD GHG Protocol is recommended as the GHG estimation tool of the program.

India

The TSSC Team organized the first *Corporate Energy Efficiency Program: India Workshop*—the grant was funded under SEGIR to promote energy efficient industrial performance through a series of four workshops to raise awareness about energy efficiency, and corporate energy management practice. Johnson & Johnson, acting as a corporate energy efficiency champion, hosted the first Information Exchange Workshop in Mumbai in January 2002, and provided real examples of energy efficient equipment at work through site visits. An Indian participant reported: "US-AEP through their contract with LBG has initiated a program to promote information exchange on energy efficiency within Indian industries."

J&J took the initiative (as champions) to hold first of the series of proposed information exchange workshops in Mumbai. They invited "Energy Managers" from about 25 process industries from Mumbai and surrounding areas. J&J shared their efforts on EE at the plant level and how they assessed EE potential by conducting detailed energy audits and also shared the actual savings on utilities. J&J shared their own 'energy star guidelines' (methodology) which is followed by the entire group across the globe. Other speakers included a supplier of boiler and heat recovery equipment (Thermax Limited), EE financing agency (MITCON), and Dr. Rangan Banerjee, IIT - Bombay, who covered energy audit methodology. J&J arranged a tour of their facility.

As the next step, US AEP intends to motivate participants of the seminar to hold such "information-sharing" sessions. BASF and Century Rayon have volunteered to host the next two workshops.

The TSSC Team prepared a grant for US Hydropower for International Development to address specific market barriers to hydropower investment in Himachal Pradesh in India and to establish a task force for an on-going dialogue aimed at the resolution of these barriers. The Total Grant Proposal is for \$25,000 but \$15,000 has been obligated for Phase I. Upon satisfactory completion of Phase I, funding for Phases II and III will be obligated.

Philippines

Invictus Grant Proposal (Philippines): The Energy Team reviewed a proposal submitted by Invictus on Power Optimization projects in the Philippines. Although the project had technical merit and was consistent with Philippine Energy Plan (PEP), the TSSC technical team decided to put off the proposal due to concerns raised by Judith Barry, i.e. Invictus is a private sector group and therefore not eligible for the grant. In addition, TSSC grants were maxed out for this fiscal year. Invictus was referred to other funding vehicles such as NASDA. The two main principals of Invictus made a presentation on their business model for financing a hydropower modernization/optimization program for the Asia-Pacific region. They are seeking ways to collaborate with US-AEP including considering a grant to do a market assessment for optimization projects in India and the Philippines.

Issues

In providing assistance to Jeff Bowyer and Jodi Koviach on the MAPES process, the Energy Team contacted the Mayor of Cabuyao, Laguna, Philippines regarding attendance at MAPES.

The Energy Team imported some of the Energy-related project files from the IIEC server to the US-AEP server. This facilitated the process of retrieving information needed for US-AEP TSSC work. The Energy Team has also communicated with Judith Barry regarding how to proceed with the intermediate results tracking and monitoring.

CIVIL SOCIETY TEAM

Issues

Policy-making, to be effective and responsive, must be accomplished "in the bright light of day", i.e., openly and with public scrutiny resulting in appropriate revision. If the potentially impacted public is unable to perform such scrutiny due to inadequate educational opportunities, then policymakers should provide the means to increase their understanding and then heed resulting comments from that public.

The TSSC contract mandates, under knowledge of government structures and civil society to include in our work, "...an understanding of the importance of strong civil society in influencing long-term change in public and private sector policies and behavior; either in-house or (through) contracted experience."

US-AEP's civil society efforts will complement that process through programs that encourage government openness in decision-making, increase business transparency of environmental impact information and increase public understanding and participation. Promotion of and assistance with the Global Reporting Initiative's Sustainability Reporting Guidelines will encourage Asian firms and their communities to open dialogue. We will also work to complement the Asia Foundation work and the Regulatory Dialogues program and to support public participation components of US EPA's work in compliance and enforcement.

The TSSC has been helping to monitor and promote Asia Foundation grants activities, and has coordinated information sharing among partners, but has not become directly involved in supporting US-AEP civil society programming. The Secretariat has requested that the TSSC not initiate any activity within the sector until there is greater clarity as to the appropriate role the TSSC should play. This issue will be discussed in May, when the Secretariat's Civil Society Advisor will be visiting Washington.

Currently the Senior Policy Advisor will focus only on Policy. The draft Scope of Work prepared for Senior Policy Advisor includes a Civil Society component and some clarity will need to be provided on this issue.

The Operations Team began a very preliminary document and information collection effort for the Civil Society part of US-AEP during the last quarter.

OPERATIONS TEAM

General

The TSSC Operations Team consists of the following organizational units: a Communications Team, a Partner and Field Support Team, and a Results Reporting Team. The accomplishments of each of the respective teams are presented below.

Highlights

Communications Team

Communications Survey: A survey is currently in development and will be distributed to the US-AEP family and members of the *Update* and the Policy Forum electronic mailing lists. The survey will help us 1) identify our audience for both; 2) use the results to ensure both mediums continue to be useful and relevant tools for the promotion of US-AEP; and 3) create a database of contacts. Once the results from the survey are tabulated, we'll report on them and develop recommendations for revising the *Update*. These will be submitted to the Secretariat for their review and approval.

The Update Newsletter: During this Quarter, four issues of *Update* have been published. The *Update* has been reformatted and is distributed as PDF file for easier download. The *Update* now includes color photos and focuses on success stories, such as "Improved Medical Waster Treatment Technology Brought to India," "Green Buildings in Kuala Lumpur" and "Blood Lead Levels in Indonesia."

Newsletter Approval Process: Guidelines for *Update* approval and article submission have been developed and are in the process of being refined and approved by the Secretariat. Interim article submission guidelines have been approved by the Secretariat.

US-AEP Website: A redesign of the site will begin on April 15th. In preparation, a Scope of Work is being developed for website designers at AED. The redesign will improve the navigability of the site and update the content. Broken links will also be fixed or removed. Eventually, another redesign will take place; this one will reflect any changes in the organizational structure of US-AEP (e.g. if the project should broaden its geographic mandate from Asia to global).

US-AEP Activity Calendar: A 2nd Quarter Calendar is in development now. The Calendar will be displayed in the US-AEP and USAID offices. Additional calendars will be provided to any interested Partners (for example, IIE or the US-AEP Secretariat).

Communications Library: The Communications Library has been inventoried, organized and labeled. All available communications materials are now displayed and easily identified.

Brochures: The Urban Programs brochure was updated for use at MAPES. It will be revised again before it's made available for general distribution. In addition, planning has begun for the development of Program, Country, and General brochures which can be easily updated and inexpensively produced. A recommendation and budget will be submitted for approval by the end of April.

Public Relations and Events: Public Relations efforts for MAPES included preparing a survey and press kit samples for the mayors. It is anticipated that these kits will be used by the mayors to give weight to their commitments.

The next PR event will be AWMA, at the end of June. In addition, we will be supporting the conference with the US-AEP booth and printed materials.

Two other events will be identified for coverage during the next quarter.

Reports: A cover sheet template has been created to use with Country reports and any other US-AEP reports.

Partner and Field Support Team

US-AEP Country Support

Semi Annual Review of FY 2002 Country Work Plans: At the request of Jeremy Hagger, Operations coordinated the semi annual review of FY 2002 work plans for the Philippines (March 12th), India (March 14th), Sri Lanka (March 18th) and Thailand (March 29th). The process involved developing summary matrices of the work plans, coordination with IIE and NASDA on funding issues, and communication with the field offices on the status of the activity. The meetings were attended by implementing partners and the Secretariat. Operations recorded the issues that arose at the meetings and sent these to the field offices on behalf of Jeremy Hagger. Operations also assisted in a similar process for the Urban PAG review of the Vietnam and Indonesia Work Plans and for the US-AEP Regional Work Plan.

US-AEP Country Highlights: The Operations staff prepared briefing materials titled "*Working Together for a Cleaner Environment: US-AEP Program Highlights*" at the request of Randy Yamada. These documents highlighted US-AEP activities in Hong Kong, Singapore, Malaysia, Taiwan and Korea since 1994. Information received from IIE and past TSSC archives were also incorporated into these briefing materials. The documents were sent to Chan Yiu Kei in Singapore and Vivian How in Malaysia for their review and were approved by Randy Yamada. The Singapore and Taiwan briefing materials were handed over to the US-AEP Evaluation Team per the request of the Secretariat.

Miscellaneous: Operations responded to US-AEP/Kolkata's request to send US-AEP handouts for the AmCham Trade Show in Dhaka, Bangladesh that took place on

February 18-20, 2002. A similar request from US-AEP's office in Delhi, India also received a prompt response.

At the request of US-AEP/India and ETNA, Operations assisted in confirming meeting schedules for Mr. Yogesh Srinivasan, representative of Pradeep Divya Associates, who are responsible for recruiting American companies and officials for Clean Energy Expo 2003. The meetings are scheduled to take place in Bangalore, in February 2003. These meetings took place in Washington, DC on April 8-10, 2002.

Operations is currently working with US-AEP/Kolkata and ETNA to schedule meetings for a marketing team from the Economic Times, a business daily in India that publishes the 'Clean Technology Supplement' on June 5, 2002 (World Environment Day). The team is visiting the US to market advertising space in the Supplement to American companies.

Operations received a request from Deputy Director General, Department of Industrial Works, Thai Ministry of Industry for an invitation letter from US-AEP to Waste Expo 2002 (May 20-23 in Las Vegas). Operations forwarded this request to the Secretariat and US-AEP/Thailand office.

US-AEP Partner Support

State Environmental Initiative (SEI): Operations provided support to Council of State Governments (CSG) during the review process of the proposals received for US-AEP/CSG - State Environmental Initiative (SEI) 2002. Proposals received by CSG were distributed to the Secretariat, Field and TSSC persons for their comments which were then sent over to CSG. CSG sends in monthly updates from the various SEI projects. Operations assists with the distribution of these reports to the respective Country Coordinators and Field Representatives.

Distribution of Partners' Publications

AWMA: Operations has been receiving AWMA's monthly journal as well as EM, its magazine for Environmental Managers. The team has been responsible for sending out copies of both publications to Secretariat members, field offices and to the TSSC staff in Washington and the field.

CSG: Operations also assisted in the distribution of CSG's Quarterly Environmental Communiqué, ECOS to Secretariat, Field and TSSC.

US-AEP Washington Support

US-AEP Events Calendar: Operations team took on the task of creating a calendar of events that promotes upcoming US-AEP events in Washington as well as in the field. This task involved coordination and communication with IIE, US-AEP Partners and the field representatives. The calendar was distributed to all in US-AEP and is also posted to the website. It also contains information on events that though not organized by US-AEP, still promote the same cause and goals of the Partnership.

US-AEP Website: The US-AEP website was Updated during this quarter. Changes included updating contact information of the TSSC and other US-AEP entities; posting of the US-AEP Environment and Civil Society Partnership Program; updating the FY 2002 Work Plans; and adding the Calendar of Events.

Contact Directory: The US-AEP Contact Directory was converted to *Microsoft Outlook*, which is the program most commonly used for distribution of E-mail. The directory is also available as a Microsoft Word Document. The Directory contains contact information of US-AEP Secretariat, Field Offices, TSSC Offices, IIE Offices, USAID Missions, US & FCS Offices and Partner Agencies. Contact Information of USAID Desk officers and State Department Desk officers were also added to the Directory at the request of the Secretariat. Hard copies of the Directory were provided to Gordon Weynand and Rich Sheppard.

World Summit on Sustainable Development (Rio +10): The Operations Division collected information on the Environmental Center for Livestock Waste Management and Greening the Supply Chain Project for the World Summit on Sustainable Development (Rio +10) Survey form, as requested by the Secretariat. This involved extensive research of the archives and coordination with US-AEP partners like IIE and ETNA. The forms were also submitted to the Secretariat along with photographs of some of the events held. The forms were also submitted by the TSSC to Argonne Laboratories, who is responsible for compiling the information for the State Department.

Policy Forum: Operations assisted Nick Shufro and Keri Luly, with the planning and preparation for the US-AEP Policy Forum's 2002 Winter Series. An Operations Team member helped in the preparation and dissemination of the agenda/schedule. Operations will continue to support the Spring Series of US-AEP's Policy Forum.

Trade Shows: AWMA 2002: Operations member has been working in close coordination with NASDA and ETNA during the planning stages for AWMA's upcoming tradeshow in Baltimore, MD (June 23-27, 2002). Operations will continue to provide support to the Secretariat, field and the concerned partners for this activity.

Success Story Confirmation: Confirmation of success stories from Indonesia (FY 2001) and the Philippines (FY 2002) were received and recorded into the Success Story database:

- The Indonesia success which took place in January 2001 was a licensing agreement in Petroleum Refining between UOP LLC in Des Plaines, Illinois and UOP Processes International, Inc of Jakarta, Indonesia with a dollar value of \$20 million.
- The success story reported from the Philippines took place more recently in January 2002 and involved Planning and Development Collaborative International (PADCO) Inc. in Washington DC and the Housing and Urban

Development Coordinating Council in Makati City, the Philippines. The agreement was for consulting services with a dollar value of \$1 million.

Miscellaneous: Operations assisted in the formatting of the *US-AEP New Investment Study* report for Taiwan and the Philippines.

Briefing Books containing information pertaining to US-AEP's activities were prepared for Gordon Weynand's travel to Asia. Similar briefing books were also prepared for the TSSC technical staff travel to the field.

Operations assisted in the collection of data necessary to produce the FY 2001 Annual US-AEP Partner Expenditure Report. This report presented FDY01 program expenditures broken down by country and intermediate result.

Operations responded to Judith Barry's request for FY 2002 country budget information for a report she was preparing for Gordon Weynand.

Operations conducted data analysis of US-AEP Program Funds by Country and Program Area for 2000-2002.

A graph of Cumulative Sales (from inception of program -- 2001) was produced and sent to Randy Yamada for comment is currently being revised accordingly. Data collection for the program expenditure report is currently being finalized.

Operations responds to ETNA's queries on US-AEP Success Stories.

Results Reporting and Monitoring Team

FY2001 Annual Performance Report: Together with assistance from Fred Fischer, the TSSC completed the US-AEP Annual Performance Report, which measures and reports progress against key performance indicators contained in the Results Framework. Included in the report was the following data: number of new partnerships supported; funds leveraged by partners; the number of environmental policies, laws and regulations that were strengthened; the number of local government units and public agencies implementing new or improved urban environmental management practices, policies and infrastructure projects; and the value of environmental technology transferred from the U.S. to Asia. The report also contained vignettes of significant environmental accomplishments across Asia.

FY 2001 Annual US-AEP Partner Expenditure Report: A FY 2001 Annual US-AEP Partner Expenditure Report, organized by intermediate results, was completed and submitted to the Secretariat.

Results Framework and Performance Monitoring Reporting Workshop: A workshop was held for all TSSC staff on understanding USAID's Results Framework planning

process, and reviewing USAID's program performance monitoring system. The workshop included a review of US-AEP's Program Performance Plan.

Global Climate Change Annex to the US-AEP Annual Report for FY01: During the period the Global Climate Change Annex to the US-AEP Annual Report for FY 2001 was completed and submitted. This report provides information on US-AEP's accomplishments in mitigating global climate change during FY 2001.

Performance Targets for FY2002: The start of the process for setting performance targets is planned for early April after the completion of the Annual Performance Report. This information will be used by country Tech Reps to set performance targets for FY 2002.

INTERNAL SUPPORT TEAM (FINANCIAL AND ADMINISTRATION)

General

The Internal Support Team is responsible for the smooth operation of the office, grants and finance.

Highlights

Administrative: During the quarter the new TSSC office was established on the 7th floor of 1819 H Street, N.W. New computers were installed and maintained. All documents continue to be backed up. All staff were given user and software support and "quick tips" training on our new Outlook email software. The team provided basic troubleshooting of the network and workstations. Upgrades and software patches were administered. The former telephone extensions for TSSC personnel who are no longer working on the project were removed and the new personnel set up their voice mail bases. In January, a new TSSC staff phone directory was issued.

During the quarter, the Team rented a copier and made sure all equipment was running properly. The Team also coordinated staff travel with the field, and made arrangements for air tickets, country clearances, approval memos and visas.

The Internal Support Team provided support to the Communications Team by helping to distribute the *Update*, troubleshooting the updating of the information web page in an effort to save money until a redesign can take place, and researching the costs of both a digital camera and a scanner.

During the period, several of the old TSSC printers stopped working. The Internal Support Team researched the capacity and prices of computer printers and purchased one based on amount of use, capacity, cost, and availability.

Grants: The TSSC completed its Simplified Grants Handbook and developed a proposed list of Grantees from the Country Work Plans. This and the proposals that the Technical Teams have received during the quarter were submitted to Gordon Weynand, the Acting

Executive Director and/or the CTO, Richard Sheppard. During this period, two grants were awarded: 1) Yayasan Pendidikan dan Laithan Tirta Dharma (YTD), Indonesia for Second Water Enterprise Functional Training Grant, and, 2) to US Hydropower for International Development to address specific market barriers to hydropower investment in Himachal Pradesh in India. These two grants total \$37,500. An additional grant to APRCP for UNEP's 7th International High-level Seminar on Cleaner Production for five key members has been approved by the Secretariat. The proposal will be forthcoming in the next quarter. In addition, the Team developed Simplified Grants Guidelines as required by the TSSC Contract. The Simplified Grants Guidelines have been circulated to the Secretariat and are awaiting approval. The Guidelines provides instructions on submission of proposals and what should be included in them. It describes the eligibility criteria, types of activities to be funded, and types of activities not to be funded. It also includes a suggested format for proposal submission. US-AEP leveraged its grant capacity through the SEGIR grant mechanism which ends April 30, 2002.

Finance: On the financial side, during the period, three invoices were submitted to USAID for reimbursement. Other work included a review of suppliers' invoices for payment and a review of the sub-contractors' proposed budget for reimbursement.

The total percent of the budget spent through March 2001 is found in the following table:

Line Item No.	Description	% Budget Expended
01	Est. Cost for Professional Services in accordance with Section C and all other terms of the Contract	3.54%
02	Other Direct Costs	5.98%
03	Travel Costs for Pro Bono Services in accordance with Section C.3.b, Creating and Strengthening Partnerships NTE	0.00%
04	Grant Program in accordance with Section C.3.e Grant Program NTE	0.00%
05	Fixed Fee	3.91%
Total Est. Cost Plus Fixed Fee		3.76%

NOTE: The percent expended is for the three year period of the contract effective September 27, 2001 and does not contain the option years.

ESTIMATED UTILIZATION OF CONTRACTOR'S LEVEL OF EFFORT

Under TSSC, the level of effort spent through March is 9,018.50 hours, including all of our subcontractors. The total LOE for the Contract period of three years is 316,161 hours.

Issues

1. The Simplified Grants Guidelines need to be submitted to the Contracting Officer for approval.
2. The telephone system, turned over by the previous TSSC contractor, is more than 10 years old and may need to be replaced.

APPENDIX

TSSC Grants

Dated: 4/4/2002

Log No.	#	Country	In Workplan? Yes/No	Activity	Sector	Grantee	Approved Yes/No	Funds			Task Manager
							Grant Signed Yes/No	Requested	Obligated	Mortgaged	
	1.01	Regional	Yes	Mayors Asia Pacific Economic Summit and Urban Regional Events (was \$50,000 - but revised contingent upon World Bank commitment, \$17,000 to be funded through SEGIR)	Urban	Environmental Foundation	Yes/No	\$10,000	Not being funded		Jodi Koviach
	1.02	Regional	Yes	Clean Air Initiative (was \$40,000 - now eliminated)	Urban	N/A	N/A	\$0			N/A
	1.03	Regional	Yes	GRI - Malaysia	Industry	Environmental Protection Society of Malaysia	Yes/No	\$10,000			Keri Luly
Sub Total for Regional:								\$56,000	\$16,448	\$0	
	2.01	Hong Kong	N/A	N/A		N/A	N/A	N/A	N/A	N/A	
Sub Total for Hong Kong								\$0	\$0	\$0	
	3.01	India	Yes	Associate with infrastructure Development Finance Company Limited	Urban	Ahemadabad Management Association	No/No	\$20,000			Jeff/Subrata
	3.02	India	Yes	10th Anniversary Program	General	TBD	No/No	\$25,000			Julie/Subrata
2002-017	3.03	India	No	Creating a Task Force on Hydropower in India (asked for \$25,000, but reduced to \$15,000 for Phase I & we'll see how they do)	Energy	US Hydro Power	Yes/Yes	\$25,000	15,000	10,000	Anita
	3.04	India	No	Promote Greater Awareness of Principles and Practices of Eco-Industrial Development (multi-phases - \$100,000 requested but US-AEP unlikely to fund this large a grant as other potential funding sources have been identified, EID related work to potentially to take place in Punjab region. FY, Subrata and Von have visited twice with Mr. Jaggi and his officials in Punjab govt that deal with industrial estates. Mr. Jaggi was one of the industrial attendees at Cornell. Subrata said Von interested in doing something with this US-AEP-neglected part of India). Other contributions \$30,000. Will be a phased approach much less than \$100,000 originally requested.	Industry	Center for Resource Education	No/No	\$100,000			Lori/Subrata
Sub Total for India:								\$170,000	\$15,000	\$10,000	
	4.01	Indonesia	Yes	Urban Targets of Opportunity (was \$10,000 - now eliminated)	Urban	N/A	N/A	\$0			N/A
2002-016	4.02	Indonesia	No	Second Water Enterprise Functional Training Grant	Urban	Yayasan Tirta Dharma	Yes/Yes	\$22,500	22,500	\$0	Jeff Bowyer
Sub Total for Indonesia:								\$22,500	\$22,500	\$0	
	5.01	Korea	N/A	N/A		N/A	N/A	N/A	N/A	N/A	
Sub Total for Korea:								\$0	\$0	\$0	
	6.01	Malaysia	N/A	N/A		N/A	N/A	N/A	N/A	N/A	
Sub Total for Malaysia:								\$0	\$0	\$0	
	7.01	Philippines	Yes	Anniversary Event	Policy	TBD	No/No	\$8,200			Julie/C. Silva

Requested: Grant proposal under review by TSSC. \$ Amount subject to change

Obligated: Grant approved, \$ committed, grants being processed

Mortgaged: Expected additional tranches that will be requested

Log No.	#	Country	In Workplan? Yes/No	Activity	Sector	Grantee	Approved Yes/No Grant Signed Yes/No	Funds			
								Requested	Obligated	Mortgaged	Task Manager
7.02		Philippines	Yes	3rd MVIS Roundtable Conference	Tech	TBD	No/No	\$100			Conchita/Jodi
7.03		Philippines	yes	Roundtable Expenses	Tech	TBD	No/No	\$500			Conchita/Jodi
7.04		Philippines	Yes	Environmental Planning for Philippines Cities	Urban	League of Cities, Philippines	No/No	\$25,000			Conchita/Jodi
7.05		Philippines	Yes	Cleaner Production for Cities	Urban	TBD	No/No	\$20,500			Conchita/Jodi
7.06		Philippines	Yes	EMS for Cities (was \$25,000 - now combined with CP for Cities)	Urban	N/A	N/A	\$0			N/A
7.07		Philippines	Yes	Oscar Escobar Clean Air Award (was 3,600 , now eliminated)	Urban	TBD	N/A	\$0			N/A
7.08		Philippines	Yes	US-AEP Solid Waste Management Award for LGUs (was 6,000 now eliminated)	Urban	TBD	No/No	\$0			N/A
7.09		Philippines	Yes	US-AEP Green Banking Management (was 1,600 now eliminated)	Industry	TBD	No/No	\$0			N/A
7.10		Philippines	No	Opportunistic Grants	Industry	TBD	No/No	\$11,200			Lori/Conchita
7.11		Philippines	No	Complete an assessment of the power optimization potential in existing generation facilities in the Republic of the Philippines	Energy	Invictus Energy Group	No/No	\$23,744			Anita/Conchita
Sub Total for Philippines:								\$89,244	\$0	\$0	
8.01		Singapore	N/A	N/A		N/A	N/A	N/A	N/A	N/A	
Sub Total for Singapore:								\$0	\$0	\$0	
9.01		Sri Lanka	No	Conduct an assessment of the power optimization potential of hydroelectric generation facilities	Energy	Invictus Energy Group	No/No	\$15,000	0	0	Anita
Sub Total for Sri Lanka:								\$15,000	\$0	\$0	
10.01		Taiwan	N/A	N/A		N/A	N/A	N/A	N/A	N/A	
Sub Total for Taiwan:								\$0	\$0	\$0	
11.01			Yes	City of Portland	Urban	Thailand Environmental Institute	No/No	\$25,000			Jeff
11.02		Thailand	No	DEDP Study Tour and Conference	Energy	TBD	No/No	\$1,000			Anita
Sub Total for Thailand:								\$26,000	\$0	\$0	
12.01		Vietnam	Yes	Vietnam Clean Air Chapter (was 40,000 now eliminated)	Urban	N/A	N/A				N/A
12.02		Vietnam	No	Texas Tech / HCMC Universities Phase III Nike Scrap Leather Recycling Program	Industry	Texas Tech Vietnam Center	Not yet	\$10,725			Nick
Sub Total for Vietnam:								\$10,725	\$0	\$0	
TOTAL GRANT AMOUNT								\$389,469	\$53,948	\$10,000	

 Awarded
 Approved, grant not awarded

Requested: Grant proposal under review by TSSC. \$ Amount subject to change
 Obligated: Grant approved, \$ committed, grants being processed
 Mortgaged: Expected additional tranches that will be requested

TECHNICAL SUPPORT AND SERVICES CONTRACT
USAID Contract EEE-C-00-01-00020-00

First Quarterly Report

September 27 2002 through January 15 2002



Submitted to:
Gordon Weynand, Executive Director
United States-Asia Environmental Partnership
United States Agency for International Development

Submitted:
January 15, 2002

Submitted by:
The Louis Berger Group, Inc.
1819 H Street, N.W. - 7th Floor
Washington DC 20006

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Contractor : The Louis Berger Group, Inc. (LBG)
Contract No. : EEE-C-00-01-00020-00
Reporting Period : September 27 to December 31, 2001

I. BACKGROUND

Launched as a presidential initiative in 1992, the United States – Asia Environmental Partnership (US-AEP) is a public-private, inter-agency program of the United States Government, led by the U.S. Agency for International Development (USAID), in collaboration with the U.S. Department of Commerce and the U.S. Environmental Protection Agency.

The US-AEP's goal is to promote a "clean revolution" in Asia – the development and adoption of less-polluting and more-resource efficient products, processes and services in the Asia region. The US-AEP focuses on fostering Asian demand for improved environmental conditions and building Asia's technical capacity to affect such change.

The program is currently concentrated in 11 Asian countries: Hong Kong, India, Indonesia, South Korea, Malaysia, the Philippines, Singapore, Sri Lanka, Taiwan, Thailand and – starting in 1999 – Vietnam. The list of countries may change from time to time. As needs and opportunities dictate, the US-AEP also supports initiatives in other Asian countries eligible for U.S. foreign assistance. For example, an energy program is currently being developed for Bangladesh, and other new activities are being considered for Nepal and Mongolia.

II. EXECUTIVE SUMMARY

The USAID contract office awarded the US-AEP Technical Support Services Contract (TSSC) to the Louis Berger Group (LBG) on September 27, 2001. At that time, the Louis Berger team began work immediately to support the program and implement the TSSC. Within five days of the contract signing, USAID received a notice of protest from GAO, who subsequently informed LBG with the issuance of a stop work order. The stop work order was issued on October 10, 2001, but later lifted on November 1, 2001. No work was performed during that time period per written and verbal instructions from the USAID contract office.

The work under contract resumed on November 1, 2001. Since that time, the Berger team has performed all contractual and daily support as instructed via the technical office, the US-AEP Secretariat. In early December, Mr. Peter Kimm, Executive Director of the program and former CTO, announced his retirement. During December, the TSSC supported the transition of Peter Kimm to Gordon Weynand, Acting Director of the US-AEP, and new CTO.

During this busy transition period, the Berger team completed the following major tasks:

- Sponsored a "Cooperation Forum" with the exiting IRG staff resulting in a formal report and influencing procedures,
- Organized introductory Partners Meeting to announce and introduce the new TSSC team,
- Submitted several reports, required under the contract, due during the time period, including but not limited to the: US-AEP Transition Plan, Communication Systems Report, Financial and Administrative Management Controls Report, and Briefing Books (as requested)
- Established new communication, operating and tracking procedures and policies (and continue to do so),
- Staffed the project, in accordance with verbal US-AEP Secretariat guidance, regarding a phased-approach to staffing due to the internal evaluation of the US-AEP program currently underway,
- Continued the daily support functions to the US-AEP Secretariat, participating in hosting partner meetings, weekly staff meetings, and other activities on an as needed basis,
- Moved offices from 1720 Eye Street to 1819 H Street, and took possession of all transferred files, acceptable, non-expendable equipment, and systems.

The Berger team currently has staffed the main functions of the contract, with our main subcontract team including: Management Systems International (MSI); the Academy of Educational Development (AED); the International City/County Management Association (ICMA) and the Civil Engineering Research Foundation/ International Institute of Energy Conservation (CERF/IIEC). We currently have approximately 20 staff in Washington assuming project responsibilities. Several additional positions were

established in the RFP; however, the US-AEP Secretariat has requested that the positions remain unstaffed until further notice (primarily given the status of the internal review currently underway). The positions, called for in the contract/RFP that the technical office has instructed LBG not to fill, include the following: Country Coordinator Positions in Bangkok, and India; several communications team positions; some operational support positions; and, the policy, trade and civil society senior positions in Washington.

The US-AEP TSSC has been organized into three major teams: the support functions, the technical team, and the finance and administration of the program. Under the Director of Program Support, the Operations Team provides a critical link between the Washington technical staff and the technology representatives, field personnel of the program, and partners. The Communications Team also resides under Program Support, and offers publications, media relations, event planning, and information dissemination functions. The Finance and Administration Team provides computer and information support systems to the project, office management, and grants administration.

The TSSC Technical Team provides strategic and technical implementation and support to all activities in the US-AEP country work plans across all US-AEP countries, in five main subject areas: policy, industry, urban, energy, and recently, civil society. Under the contract, the TSSC team is to provide a trade specialist to support ongoing Trade and Investment (technology transfer functions); however, the team has been asked to not staff that position at present. Additionally, the TSSC was instructed to proceed slowly on the full time staffing of the policy position.

This report presents an update by each important US-AEP activity area. As roles and responsibilities continue to be refined on the project, the quarterly reports will accommodate them to provide a full explanation of all major project activities.

III. TRANSITION ACTIVITIES

1. US-AEP COOPERATION FORUM MEETING

The US-AEP Cooperation Forum was a series of roundtable discussions and one-on-one interviews between the Louis Berger Group Team (LBG), current US-AEP Technical Support Service Contractor (TSSC) staff, and related partner organizations. The purpose of the forum was to identify and transfer institutional memory about critical functions, lessons learned, and staffing issues from the current US-AEP TSSC staff to the new TSSC staff, to be headed by LBG. The Forum took place from November 9th to the 21st, 2001. The US-AEP Cooperation Forum had four goals:

1. Establish a transparent process for the orderly transfer of information and introduction of new personnel
2. Capture data on all critical US-AEP functions
3. Ensure knowledge management flow across "stove-piped" sub-groups
4. Provide an opportunity for all participants to share experiences and insights.

The transition activities undertaken under the US-AEP Cooperation Forum proceeded in an orderly fashion. The current TSSC staff was extremely helpful and cooperative in sharing information about past US-AEP project activities with the Louis Berger team, allowing the forum to achieve the four goals stated at the beginning of this report. This report will serve as base material for preparation of a technical implementation transition plan. It is suggested that each of the group team leaders should participate in the preparation of the implementation plan.

Based on the round table discussions and selected individual interviews, the Louis Berger Group TSSC team will determine the feasibility and appropriateness of implementing the following suggestions:

- The US-AEP strategic vision objectives should be reviewed, and modified where necessary, to reflect the present situation
- The communication strategy for the US-AEP partners should be refocused in order to improve these critical institutional relationships
- There should be a systematic marketing effort to identify new US-AEP partners and friends in the public and private sectors
- The existing US-AEP Web site should be updated

- Current data collection and management activities should be upgraded and improved
- The narrative description of success stories should be improved, and these stories should be more widely and effectively disseminated
- There should be systematic efforts to decentralize the US-AEP program by involving more NGOs and civic groups in program activities
- US-AEP/TSSC staff need to have better knowledge of the environmental, urban, economic, trade, and political issues in Asian region countries, as well as the short-term and long-term needs of each country
- US-AEP/TSSC staff should travel more frequently to the Asian region countries in order to improve their understanding of the key institutions and the current situation in each country
- The US-AEP should continue to place a high priority on engaging private sector leaders in the promotion of trade and the exchange of technical information
- The US-AEP should continue to place a high priority on building effective alliances with international partners such as the World Bank and the Asian Development Bank
- US-AEP's recent successes are based on a country-driven planning process and a partnership focus.

2. Development of Transition Implementation Plan

The transition implementation plan (a six month plan) took the place of an Annual Work Plan for the new Technical Support Services Contractor (TSSC) – the Louis Berger Group (LBG) – and its subcontractors as well as the Secretariat. The plan was organized into three major sections which corresponds to the timing of activities: Short-Term Activities, to be completed prior to 12/10/01; Medium-Term Activities, to be completed prior to 2/1/02; and Long-Term Activities, referring to those actions that will be undertaken during the first six months of the new contract until 4/30/01.

The Table below provides an overview of the main activities to be completed by the TSSC in the transition period.

	Strategic Objectives	Tactical Objectives	Operational Objective
Short-Term (by 12/10/01)	<ul style="list-style-type: none">• Review "Message"	<ul style="list-style-type: none">• Knowledge Transfer via Cooperation Forum Working	<ul style="list-style-type: none">• Implement Transition Implementation Plan

		Groups <ul style="list-style-type: none">• Support the Field/Country Workplans	<ul style="list-style-type: none">• Identify and Establish Critical Systems and Staffing
Medium-Term (by 2/01/02)	<ul style="list-style-type: none">• Transfer and Capture Partners' Knowledge• Disseminate new Materials with Refined Message	<ul style="list-style-type: none">• Implement Results Management and Goal Setting	<ul style="list-style-type: none">• Streamline Operations via a "Kaizen" Review/Strategy• Headquarters and Standard Operating Procedures Established
Long-Term (by 4/30/02)	<ul style="list-style-type: none">• TBD by new assignment within USAID	<ul style="list-style-type: none">• Provide High-End, "Real Time" Turn Around Services• Achieve Real Time Results Reporting	<ul style="list-style-type: none">• Deliver Higher Quality Services More Efficiently• Instill Goals- and Results-Driven Culture

Issues and Concerns

The issues and concerns that were in the Transition Implementation Plan Report are listed below. These concerns are strategic as well as logistical, given the current situation of the US-AEP of the US-AEP Program. Each will be addressed in the short term through discussions with the Secretariat and other key partners, and individuals plans of action will be created and mitigate them.

- Department of Commerce Support in ADCs and LDCs: It is likely that the TSSC will designate a trade specialist to work with US-AEP countries to avoid program interruptions.
- Working through the Award Protest: It is likely that some Berger personnel will carry additional duties to work to resolve the award protest. Berger personnel working on the protest activities will not be billing to the project, nor will those activities take place in the TSSC offices.
- Impact of September 11, 2001 attacks on Travel and Programming: US-AEP has already experienced some delays in its programming due to travel restrictions, scheduling, and completion of grants. Berger will continue to provide cohesive programming support and continue to identify high impact programming and additional high-visibility corporate, urban, policy and trade partnerships.

- **New Funding and Strategic Partners:** Given the situation with DOC, TSSC will support the Secretariat in its search to identify new and innovative partnership that may lead to long-term mutually beneficial financial and strategic alliances.
- **Social Unrest:** Potential social unrest in certain countries (e.g., Indonesia) may require special attention to programming and support field personnel. The TSSC will keep a close eye on those existing and emerging situations.
- **US-AEP Reassignment with the Agency:** The TSSC will work closely with the Secretariat to identify the needs and reorganization issues associated with the potential reassignment of the program within the Agency. Support may include special strategic reevaluations, special communications needs, such as publications and briefings, reporting requirements, ad hoc meetings, etc. Berger is sensitive to this situation and poised to provide support as requested.

The Berger Team made it clear that it was ready to address any special concerns as they emerge during this transition and beyond.

IV. CURRENT CORE ACTIVITIES

1. POLICY TEAM

a. Highlights

Members of the Technical Team met with Brenda Bateman and Walter Bollinger to discuss procedures for the Policy Forum. Brenda and Walter shared the former contractor's summary documents including the format, budgets, and prior speakers.

Significant efforts were made to round out the calendar for the upcoming Winter Series Policy Forum (January 9, 2002 through May 29, 2002). Speakers were confirmed for several of six forum meetings (January-March 2002) including Harry Kauffman, Worldwide Director Energy and Fire Protection, Johnson & Johnson ("Sharing Energy Practices" on January 9th, 2002) and Steve Culbertson, President, Youth Services America (YSA) ("Engaging Youth in Environmental Service in Asia" on January 23rd, 2002), to name a few. Procedures for ensuring successful Policy Forums were developed.

In response to a request from the Secretariat and the CTO (Peter Kimm), US-AEP TSSC did not hire a Senior Policy Adviser. We have spoken with some possible candidates to fill the position on a short-term basis and developed a possible deliverable, a policy/civil society inventory and strategic directions paper for US-AEP. In the interim, Nick Shufro

is filling this gap although he has other responsibilities as Director, Program Development & Implementation.

The TSSC Industry Team met with Brenda Bateman and Walter Bollinger regarding US-AEP's plans to participate in the launching of the Global Reporting Initiative-Asia (GRI-Asia) scheduled for July 2002 in Kuala Lumpur, Malaysia. Nick Shufro is leading the initiative to solicit Asian corporate volunteers to publicly commit to publishing GRI reports and to announce these commitments in July. The process will mirror the MAPES mayors' commitments.

The United States and Vietnam signed a joint statement of intent stating collaboration for environmental protection between the two countries. The signing took place December 20th, at the Vietnamese Embassy in Washington, DC. The United States was represented by Judith E. Ayers, Assistant Administrator for International Activities for the US Environmental Protection Agency (US EPA). Vietnam was represented by Dr. Chu Hao, Vice Minister of the Ministry of Science, Technology and the Environment (MOSTE) for Vietnam. The US EPA, MOSTE and the US-AEP spearheaded the collaboration.

b. Reports Submitted

The 12 Month Policy Report was submitted during this quarter by Brenda Bateman to David Callihan. The report was not reviewed by LBG but will be incorporated into the TSSC's 12-month review due February 12, 2002.

c. Issues

The schedule for the Winter Policy Forum series will be completed and emailed no later than C.O.B. on January 3, 2002. We are still trying to plug a few holes before releasing the schedule. We are assuming that a suitable conference room (7th or 9th floor) will be available. The TSSC will be looking for suggestions to expand the distribution list.

Beyond the financial commitment to fund the venue for the GRI event in July and the MAPES-like commitments discussed above, early in 2002 a detailed analysis of US-AEP's involvement in GRI will be conducted. Nick Shufro will be taking the lead on this activity, supported by Lori Hatton, Jodi Koviach and Sheila Ribeiro. (This effort is viewed as a cross functional technical area including policy and industry and will be staffed accordingly.) The TSSC was hoping to involve the Senior Policy Advisor in this analysis, and propose that we hire a short-term specialist to support this activity in the interim.

2. URBAN TEAM

a. Highlights

The Urban Team continued work on finalizing the US-AEP Annual Report focusing on collecting/clarifying accurate performance data from the field and completed the urban program section of the report. Further follow-up with field offices to clarify data and gather additional planned project information is required and will be completed by February 12, 2002.

The Urban Team discussed possible grant activity concepts and potential grantees for initial consideration with field personnel. Additional information about potential grants will be found under the Finance & Administration Team. The Urban Team and the Finance & Administration Team will be working together to facilitate the grants process once it is determined with the Secretariat which grants go forward.

During the quarter, the Urban Team worked with the Tech. Reps. to capture urban intermediate results (IRs) for the full year (October 1, 2000-September 30, 2001). These IRs report US-AEP progress as required by the US-AEP Performance Monitoring Plan. As of December 31, 2001, data had been received from Indonesia, the Philippines, and Vietnam. Due to preparations for the January 2002 by Gov. Todd Whitman to India and Thailand, their IRs will not be available until the end of January 2002. The TSSC Operations Team is working with Fred Fischer to prepare the newly developed replacement for the R4 which is due February 12, 2002.

The Urban Team finalized the US-AEP Urban Annual Report for FY2001, which involved collecting and clarifying accurate performance data from the field and drafting the urban program section of the report.

b. Highlights

The US-AEP/Urban Team, led by The Louis Berger Group, spent an intense three months developing and planning for a number of seminal programs and events to occur at the beginning of 2002. These include MAPES, the International Local Government Preparatory Committee Meeting, the Clean Air Initiative, and the Local Government Association Symposium.

Mayors' Asia-Pacific Environmental Summit (MAPES) Program: The Urban Team spent a good part of the quarter planning the first technical seminar/executive roundtable for the MAPES program, to be held April 2-6 in Honolulu. MAPES is shifting its emphasis from a biannual Summit – held in 1999, 2001, and next in 2003 - to a targeted, ongoing regional capacity-building and mentoring program for mayors and urban practitioners. With the Summit conference continuing as an anchor, the program will have a two-year cycle of activity and will build upon the verbal commitments that mayors

made at the past Summits. The program will have two components: the MAPES Institute and the Mayors' Commitments Program.

The April event will kick-off the MAPES Institute and will focus on managing water and wastewater on the local level using an integrated water resource management approach. This seminar will bring together mayors and senior utility managers from over 20 Asian cities to discuss and develop actions –operationally, technically, and policy-related – to improve their water and wastewater management systems. US-AEP is working closely with the USAID Water Team, the City of Honolulu, the World Bank, the Asian Development Bank, and the International Council of Local Environmental Initiatives on this effort.

In developing the agenda and developing the overall program concept – Institute and Commitment Program – the Urban Team held a number of meetings throughout the quarter, including:

- Biweekly internal meetings to develop the concept and plan the event.
- Periodic conference calls with Mayor Jeremy Harris of Honolulu and the city's planning coordinator for the event, Lynette Char, to discuss logistics in Hawaii.
- Periodic meetings with the USAID Water Team, as principle partner in designing April event, to discuss agenda, speakers, and potential participants.
- Meetings with ADB (1), the World Bank (2), the Water Environment Federation (2) to discuss their involvement. Through these meetings, secured commitments by both ADB (Warren Evans) and World Bank (Keshav Varma and Thomas Zearley) to support event both financially and substantively. The World Bank especially showed interest in funding Chinese participants.
- Meeting with Congressman Blumenauer (Oregon) to discuss his interest in offering keynote speech. Requires follow-up to secure his commitment but showed initial interest.. The meeting also covered other US-AEP activities, such as the Portland/Rayong Resource Cities partnership, in an effort to raise the Congressman's awareness of US-AEP and to further cement a Thailand-Oregon partnership, a key strategy of the US-AEP/Thailand program.
- Discussions with ICLEI about the possibility of developing a commitments program with their organization. Also coordinated event to coincide with the annual ICLEI Executive Committee and biannual Management Committee meeting and secure support of Executive Committee members and senior ICLEI staff to contribute substantively to event.
- Frequent communication with the field to get their input on technical content, case studies, and participants.

International Local Government Preparatory Committee Meeting: US-AEP will send a 10-member Asian mayor delegation to this meeting in Vancouver on Feb 27 – March 1, 2002. The meeting, which is part of the Local Government Preparatory Process facilitated by ICLEI, will assess opportunities and recommend strategies for accelerated

action on sustainable development at the local level to be presented at the World Summit on Sustainable Development in Johannesburg.

The Urban Team led US-AEP's efforts to support this delegation and will participate in the international meeting. In doing so, US-AEP will hope to establish a more active role in engaging local governments in Asia to identify and evaluate concrete, strategic opportunities for the implementation of *Agenda 21* and the Rio Conventions through local-level action. At the same time, US-AEP hopes to help secure the support of the international community for specific strategies and mechanisms to realize these local opportunities.

The Urban Team coordinated closely with ICLEI to choose the Asian delegates and send invitations to those delegates. Meanwhile, at the urging of the Urban Team, the US-AEP field offices prepared the delegates by sharing the meeting objectives and identifying local actions they were taking in support of *Agenda 21*.

Clean Air Initiative: The Urban Team coordinated US-AEP's involvement in the Clean Air Initiative (CAI), which is being led jointly by the World Bank and Asian Development Bank. The initiative seeks to promote and demonstrate innovative ways to improve the air quality of Asian cities through partnerships and sharing experiences. The Urban Team attended the 2nd Coordination Meeting of the Clean Air Initiative for Asian Cities Working Group on September 8th in Hanoi, Vietnam and subsequently developed a report which identified areas in which US-AEP could contribute to the CAI. Two notable activities include:

- The final ADB regional workshops on vehicular emissions action planning. The workshops will focus on Transportation Planning and Traffic Management (Feb 26-28) and Air Quality Action Planning (Feb 29-March 1). The Urban Team coordinated with ADB about participants and speakers to send to these workshops.
- The Asia Regional Air Quality Training Consortium was led by the USEPA. This consortium will consist of a regional network of centers that provide professional development to technical and management personnel in Asian cities through training, hands-on interactions, and professional exchanges. The network will consist of existing academic and training institutions, professional associations, and technical organizations with programs in air quality management-related subject areas. The Urban Team met with USEPA staff planning this consortium and acted as a bridge between the USEPA, World Bank, and ADB to coordinate the consortium as part of the CAI. The Urban Team also communicated with the field offices, especially Indonesia and Vietnam, about coordination activities with the CAI.

Local Government Association Dialogue Paper and Symposium: With the International City/County Management Association in the lead, the Urban Team started planning an activity that will help lead to a strategic plan to more systematically engage local government associations in Asia starting in 2002. This activity includes conducting an

assessment of the impact of local government associations in Asia and organizing a symposium in 2002 to bring together the leaders of local government associations in Asia (i.e. their Executive Directors and Presidents) to discuss their experiences and strategies to achieve sustainability. This event is scheduled for May 7-8, 2002 in Sydney, Australia in conjunction with the ICMA Task Force on International Affiliations/Best Practices Symposium. ICMA and the Urban Team developed a concept paper and spoke with potential partners, including the International Council on Local Environmental Initiatives and the International Union of Local Authorities.

World Bank City Development Strategies: The Urban Team also explored options for US-AEP coordination with the World Bank's City Development Strategies program. While no concrete results can be reported for this quarter, US-AEP will take a lead role in one of the World Bank's City Development Strategies (CDS) Regional Dialogues, a videoconference series that links Asian mayors that participate in CDS. The Urban Team also discussed a proposal from the US-AEP Philippines office about that field office contributing to the environmental planning component of CDS II in the Philippines. The proposal is still under consideration.

c. Completed Activities

- General Program Management: Urban Annual Report and Country Workplans
- Program paper on options for US-AEP involvement in Clean Air Initiative
- Initial agenda, session plans, and initial participant list for MAPES
- Final participant list and briefing materials for participants of International Local Government Preparatory Meeting in Vancouver
- Concept paper for Association Dialogue Paper and Symposium activity

d. Key Events and Meetings

- November 6 – First meeting between US-AEP and USAID Water Team on MAPES
- November 28 – Meeting with Warren Evans of ADB on MAPES
- December 13 - Meeting with Keshav Varma and Tom Zearley on MAPES
- December 18 - MAPES Planning Meeting
- December 19 – Meeting with Congressman Blumunauer

e. Issues

The TSSC will continue to use LBGs old grant guidelines and have potential grantees submit or resubmit grant proposals.

3. INDUSTRY TEAM

a. Highlights

The TSSC worked with Tech. Reps. in India, Indonesia, the Philippines, Sri Lanka, Thailand, and Vietnam to complete the FY 2002 Work Plans. The Six Month Work Plans were approved by the Secretariat and the final six months plan for FY 2002 is

scheduled to be reviewed for approval in late Spring 2002. Currently, US-AEP does not have individual country work plans for the Advanced Developed Countries (ADCs).

During the quarter, the Industry Team worked with the Tech. Reps. to capture industry intermediate results (IRs) for the full year (October 1, 2000-September 30, 2001). These IRs report US-AEP progress as required by the US-AEP Performance Monitoring Plan. As of December 31, 2001, data had been received from Indonesia, Malaysia, the Philippines, Sri Lanka, Singapore, and Vietnam. Due to preparations for the January 2002 by Gov. Todd Whitman to India and Thailand, their IRs will not be available until the end of January 2002. Korea and Taiwan did not submit data, as the Tech. Reps. left the program in September 2001. The TSSC Operations Team is working with Fred Fischer to prepare the newly developed replacement for the R4 which is due February 12, 2002.

In light of September 11 and because the Team had already purchased non-refundable tickets, the TSSC scrambled to conduct stakeholder consultative meetings in Thailand to develop the Thai Industry Strategy and to replace other planned activities. The meetings took place over two weeks in and around Bangkok and included over 100 representatives from over 40 Thai organizations. These included industry, government, NGO, and academic and research institutions. Positive and constructive suggestions were received by all and incorporated the draft Strategy. A key partner in this activity was Chulalongkorn University.

Following on the success of drafting a US-AEP Thai Industry Strategy (scheduled to be released in early 2002), the Industry Team initiated plans to conduct two of the three planned Industry Strategies for India, the Philippines, and Vietnam. The TSSC is sending support to Team Philippines during January 2002 and many of the logistical arrangements (including a Scope Of Work [SOW] and identifying key stateholders in the Philippines) were completed in December 2001. In December, a list of potential key organizations and the type of data to be collected on India environmental activities were generated. The Industry Strategy Scoping Mission is planned for February 2002. At this point, the Vietnamese Industry Strategy is tentatively planned for March 2002.

Following the Joint IRG/LBG New Investment Study field activities (Summer 2001) and report writing and synthesis (Fall 2001), the TSSC continued to hold discussions with EPIQ's Jack Andre about refining the Study. Given the wealth of recommendations, it was decided to prioritize the recommendations based on replicability to other US-AEP countries beyond Taiwan and the Philippines. Jack provided the revised Taiwan portion of the report in late December 2001. The TSSC Technical Team will rewrite the Philippines portion of the report sometime before February 15, 2002. We will add a section to the report addressing links between the two countries and lessons learned/approaches that can be applied across regions.

During the fall (September – November 2001) there were a number of US-AEP supported Eco-Industrial Development (EID) activities including work with the Cornell

Environment and Industrial Works (CEIW) Department, the USEPA, and the Industrial Estate Authority of Thailand (IEAT). US-AEP brought representatives from India, the Philippines, and Thailand to a CEIW-sponsored workshop in Devens, MA and US-AEP sponsored an additional roundtable focused on EID in Asia at Cornell University, Ithaca, NY. During the Thai Industry Strategy Scoping Trip, the Industry Team met with senior management at IEAT and at two separate industrial estates in Thailand. Finally TSSC worked closely with USEPA and IEAT to finalize the USEPA-sponsored metrics workshop to be held in Thailand in late January 2002.

A new program called the Corporate Energy Efficiency Champion Program was developed and our first partner was Johnson & Johnson (J&J). J&J Thailand hosted the first event by inviting 70 individuals from over 35 Thai manufacturing companies to view and learn about J&J's implemented energy best practices. Planning continued for the first J&J India activity, scheduled for January 15, 2002 in Mumbai, India.

The TSSC worked with US-AEP Vietnam, Texas Tech and Ho Chi Minh Universities, and Team Nike Vietnam to initiate a leather recycling pilot project to be funded as a grant under SEGIR. Phase I, a table top analysis was completed by year end; and Phase II is scheduled during early February 2002 in Ho Chi Minh City.

b. Issues

The TSSC needs to work with the Secretariat on the Philippines/Taiwan New Investment Study to determine a potential list of external reviewers for the Investment Synthesis Report. In addition a strategy should be developed to determine a plan for replicating success stories.

4. TRADE & INVESTMENT TEAM

a. Highlights

Nick Shufro met with Jack Andre to understand Jack's current SOW and how best to integrate Jack's efforts on behalf of US-AEP into the other TSSC activities. This is important to enable the TSSC to be aware of trade negotiations that may impact industrial and urban activities in the US-AEP countries. Key decisions were to provide Jack Andre with an office, computer, and access to all TSSC shared files. In addition, Jack will be providing weekly updates to be incorporated into the TSSC weekly report and his activities will be included on the trade and investment program matrix.

The TSSC attended the Asia Society breakfast meeting featuring the USTR Representative John Huntsman meeting who spoke optimistically on Asia and the Post 9/11 Era. Copies of his presentation are available at the TSSC office upon request.

b. Issues

Although the TSSC contract mechanism was budgeted and promised a Trade and Investment Specialist, the Secretariat requested that the TSSC not staff the Trade and Investment position at this time and that existing resources under the PADCO contract be utilized.

5. ENERGY TEAM

a. Highlights

The Energy Team completed draft versions of 10 program task sheets for inclusion in the Industry and Energy Work Plan matrix. These 10 program concepts were vetted with IIEC overseas, IIEC/CERF WDC personnel, and Nick Shufro. In addition these program concepts were vetted in a meeting with Judith Barry of the Secretariat, Nitin Pandit, Denise Knight, Anita Celdran and Bosworth Dewey of CERF/IIEC, Nick Shufro and Ming Freer of TSSC to further discuss, refine for inclusion or mark for exclusion. The meeting resulted in identifying quick start programs, those which require more development and those which should be delayed.

The Team attended a meeting with Karl Hauser and others on the MAPES team to present ideas on potential areas of Energy Efficiency within the agenda. The decisions were incorporated into the final agenda was finalized and topical areas were clarified. A conference call with the Honolulu mayor's office clarified choices for field visits.

The Energy Task Matrix was updated to reflect changes and amendments after meeting with Judith Barry, TSSC, and IIEC/CERF.

b. Issues

The TSSC continues to work with the Alliance to Save Energy (ASE) and IIEC/CERF to identify when and where IIEC/CERF staff and expertise can best be utilized. This is important to leverage our partnership with ASE and to avoid having too many resources associated with any particular activity.

6. CIVIL SOCIETY TEAM

a. Highlights

Civil Society activities have been initiated by the TSSC Team. Currently, David Callihan is leading the process, and has begun a document and information collection effort. This effort will continue into the next quarter, and emphasis will be given to meeting with key partners, synthesizing planned activities, and identifying a strategy for how the TSSC can support the involvement of civil society organizations within the overall US-AEP. A key

components of our efforts will involve close coordination with the activities of the Asia Foundation.

7. OPERATIONS TEAM

Highlights

The Operations Team continued to update work plan program matrices, focussing on adding energy activities to the existing database. Once an initial draft was complete, a work plan review meeting was held with the Energy Team and Judith Barry to review proposed activities in more detail and to make revisions as needed.

An Operations Team meeting was held to clarify roles and responsibilities. This meeting was the first step in producing an annual Operations Team work plan, and addressed a requirement for the Communications Tracking and Follow-Up Report.

A Communications Team Organization and Planning Meeting was held with to begin to structure responsibilities, identify priority activities, and estimate the projected level of effort necessary to complete tasks.

The Operations Team (Ming Freer) is taking on responsibility for helping to coordinate the June 2002 AWMA trade show to be held in Baltimore. Specific responsibilities will be identified once NASDA selects a consultant to lead the coordination effort.

The draft 12-Month Data Report has been completed for the policy, technology transfer and urban program areas. Industry is still awaiting additional information from India and Thailand. This information is being reviewed, and highlights are being added to emphasize the principal accomplishments of the program over fiscal year 2001.

Public directory files have been backed-up on a CD for transfer to the new TSSC computer network.

V. FINANCIAL AND ADMINISTRATIVE TEAM

a. Grants:

The TSSC discussed potential grantees under the Urban Program and prepared grant activity concepts for initial consideration. As part of grant activity, was in communication with Von Millard and Mr. Asnani about a City Monitor possible grant activity, a comparative study of the quality of life in 10 Indian cities to include a best practices study of the 10 cities participating in the City Monitor 2002 Conference.

The TSSC conducted an analysis of grants from the Country Work Plans for FY 2002 and determined that most of the grant activity in the Country Work Plans focused on urban activities. The TSSC will be coming up with a strategy to spread the word about the grants cross all sectors.

b. Expenditures:

The total percent of the budget spent through December 2001 is found in the following table:

Line Item No.	Description	% Budget Expended
01	Est. Cost for Professional Services in accordance with Section C and all other terms of the Contract	0.55%
02	Other Direct Costs	0.012%
03	Travel Costs for Pro Bono Services in accordance with Section C.3.b, Creating and Strengthening Partnerships NTE	0.00%
04	Grant Program in accordance with Section C.3.e Grant Program NTE	0.00%
05	Fixed Fee	0.77%
	Total Est. Cost Plus Fixed Fee	0.43%

NOTE: The percent expended is for the three year period of the contract effective September 27, 2001 and does not contain the option years.

ESTIMATED UTILIZATION OF CONTRACTOR'S LEVEL OF EFFORT

Under TSSC, the level of effort used during the quarter is 1,005 hours. The total LOE for the Contract period of three years is 316,161 hours.

c. Highlights

During the quarter, the Finance and Administration Team spent time working with leasing agents, determining the cost tradeoffs of a move from the 1720 Eye Street location to a new location, taking possession of all usable non-expendable equipment from the former contractor for TSSC, moving, and getting the prices of new computer equipment.

Negotiations with Berger's subcontractors continued during the quarter due to the Secretariat's verbal suggestion that we hold off on some of the staffing.

d. Issues

Old computer equipment and servers and insufficient documentation for the software of the former Core TSSC contractor required the new TSSC contractor to request new computer equipment which will require an expenditure of almost \$80,000.

During December 2001, two calls were put into Contracts to determine how we would submit a request for new computers, servers and peripheral equipment. The TSSC worked through the Secretariat and plans on resolving this issue early in the next quarter.