

ENERGY ENVIRONMENT POLICY AND TRAINING PROGRAM

TERMINAL REPORT

JUNE 10, 2004

MANILA, PHILIPPINES

This Program Terminal Report was put together by the following officers and staff of the EEPTP local management team: Ray Goco, Arlene Donaire, Jo Mangila, Lou Caluag, Rona De la Cruz, Joanne Dulce, Alex Tamayo, MJ Bea, Ava Palmaria, and Laura Mateo.



ENERGY ENVIRONMENT TRAINING PROGRAM

10 June 2004

MS. ROSARIO CALDERON
Cognizant Technical Officer, OEM

MR. WILLIAM REYNOLDS
Contract Officer, ORP

USAID
8/F PNB Financial Center
Roxas Blvd., Manila

Dear Madam and Sir:

Greetings!

We are pleased to submit the *Energy Environment Training Program (EEPTP) Terminal Report*. We are also turning over in print and electronic copies all our program outputs and deliverables. We hope that you will find these materials useful in the ongoing and future projects and plans of the Mission.

On behalf of the Academy for Educational Development (AED), we thank the USAID for its unwavering support throughout EEPTP's implementation. Our partnership has provided us valuable experiences and insights, which we shall be carrying with us in similar involvements in the future.

Thank you very much and we are honored to have rendered assistance in facilitating power sector reforms and promoting cleaner air in the country.

Sincerely,


Renato T. Goco
Chief of Party

Cc: DOE, Usec. Cyril Del Callar



Academy for Educational Development



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ACRONYMS

AED	Academy for Educational Development
CAA	Clean Air Act
CAPRI	Campaigns & Public Relations, Inc.
CARES	Consumer Action for Reforms in the Electricity Sector
CID	Corporate Image Dimensions, Inc
CME	Coco Methyl Ester
CNG	Compressed Natural Gas
CNP	Cebu-Negros-Panay or Visayas Power Grid
COE	Committee on Energy (of the Philippine Congress' House of Representatives & Senate)
CWPO	Consumer Welfare and Promotions Office (of DOE)
DENR	Department of Environment and Natural Resources
DOE	Department of Energy
DOTC	Department of Transportation and Communication
DTI	Department of Trade and Industry
ECs	Electric Cooperatives
EEPTP	Energy Environment Policy & Training Program
EPIMB	Electric Power Industry Management Bureau (of the DOE)
EPIRA	Electric Power Industry Reform Act (Republic Act No. 9136)
ERC	Energy Regulatory Commission
GRP	Government of the Republic of the Philippines
ICB	Institutional Capacity Building
ITS	Interim Technical Secretariat
HOR	House of Representatives (of the Philippine Congress)
IEC	Information, Education, and Communication
LTO	Land Transportation Office (of the DOTC)
MEDP	Missionary Electrification Development Plan
MIRIAM-PEACE	Miriam (College) Public Awareness and Education Campaign for the Environment
MOU	Memorandum of Understanding
MVIS	Motor Vehicle Inspection System
NACTODAP	National Confederation of Tricycle Owners and Drivers Associations of the Philippines
NASECORE	National Association of Electricity Consumers for Reforms
Nat Gas	Natural Gas
NCED	Non-Conventional Energy Division (of DOE)
NEA	National Electrification Administration
NEDA	National Economic and Development Authority
NPC	National Power Corporation
NGV	Natural Gas Vehicle
OD	Organizational Development
OEM	Office of Environmental Management (of USAID)
NGV-OEM	Nat Gas Vehicle - Original Engine Manufacture
ORP	Office of Regional Procurement (of USAID)
PCCMP	Philippines Climate Change Mitigation Program
PDI	Policy Development and Implementation
PGDC	Philippine Grid and Distribution Codes
PETC	Private Emissions Testing Centre
PMT	Program Management Team (of EEPTP/AED)
PSALM	Power Sector Assets and Liabilities Company
RE	Renewable Energy
RoVE	Reduction of Vehicular Emissions
SO4	Strategic Objective #4 (of USAID's Mission Framework)
TA	Technical Assistance

TNA	Technical Needs Assessment
TransCo	National Transmission Corporation
TWG	Technical Working Group
WESM	Wholesale Electricity Spot Market
USAID	United States Agency for International Development

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EXECUTIVE SUMMARY

The EEPTP...

The Energy Environment Training Program (EEPTP) was a positive, direct, and joint response of the USAID and the GRP to both existing and emerging challenges faced by the country in promoting and facilitating policy and structural reforms in the energy-environment sector. The GRP passed two laws to address separate but interdependent concerns of the sector: a) the Clean Air Act (CAA), which was enacted into law in 1999 and b) the Electric Power Industry Reform Act (EPIRA), enacted in 2001. USAID and GRP first responded to these challenges in the sector with the design, development, and delivery of the Philippines Climate Change Mitigation Program (PCCMP, February 1998- September 2002), EEPTP's predecessor. As in the PCCMP, the DOE was the lead government partner implementing agency of EEPTP.

Activities and tasks of the EEPTP involved building individual and institutional capabilities in the sector through organizational development and training, especially in government agencies responsible for implementing policy and structural reforms; adapting the outputs of energy environment expert advisory services and knowledge, experiences, and practices from other sectors and countries in implementing reforms in the local energy environment sector; and developing and implementing communication strategies and plans. It was driven by the same set of issues and concerns, objectives, and strategies that were faced by its predecessor USAID program, the Philippines Climate Change Mitigation Program (PCCMP). The EEPTP focused on facilitating the implementation of power sector reforms promoting the reduction of vehicle emissions, fostering the development of the Philippine natural gas industry, and expanding the use of alternative fuels/energy sources for power and transport. A key strategy of the program was to build on the initiatives and accomplishments of the PCCMP and to make full use of mechanisms, initiatives, and processes that were developed and proven useful during the implementation of PCCMP. The EEPTP was a \$2.9 million, 20-month (October 2002 to June 2004) technical assistance program that was managed and implemented by the Academy for Educational Development

In Retrospect...

The AED effectively managed the full utilization of EEPTP's obligated funds in addressing the requirements of the USAID/DOE to meet the challenges in the energy-environment sector. The EEPTP can be considered as having successfully delivered the energy/environment expert advisory services, trainings, and communications support to the GRP, thus, contributing significantly to the attainment of USAID's SO4 targets and intermediate results. These EEPTP initiatives, totaling 97 technical assistance initiatives in policy development and implementation (PDI), institutional capability building (ICB), and communications and outreach (C&O), have contributed to enhancing the capability of the DOE in implementing the EPIRA; strengthening the ERC supporting the NPC in Change Management establishing the Wholesale Electricity Spot Market; facilitating the Development of the Philippine Natural Gas Industry; reducing Vehicle Emissions under the Clean Air Act; and advancing the utilization of cleaner alternative fuels/renewable energy sources. And inherent in most of EEPTP's initiatives were program innovations which maximized our effectiveness in attaining program goals and objectives. These innovations include *Social Marketing and Energy Communications*, to improve public awareness and support and the *Development of Linkages and Partnerships*, to foster collaboration in developing and implementing activities. The Program's success stories in community-based advocacy for clean air and broad-based consumer awareness campaigns for power reforms also attest to the effectiveness of said innovations.



Overall, the implementation of the EEPTP work program proceeded as planned despite encountering difficulties in conforming with the planned task-level timelines set in both the EEPTP transition plan (October 2002 – January 2003) and the Detailed Work Program (February 2003 – June 2004). Activities needed to be reprogrammed or revalidated for timeliness, relevance and urgency, in order to synchronize with the GRP's evolving schedules, priorities, and preferences and the availability of experts (foreign and local). At the program's start, considerable waiting time was also experienced in completing a budget modification process between January to June 2003, which temporarily slowed down the conduct of major items that were subject to the modification (i.e., EEPTP communications sub-contracts).

While the delivery of most of the required activities and tasks (our "products/services") had been effectively completed, there were major challenges or conversely, opportunities, that had to be sufficiently responded to by AED, as they came up. These included the transition/reorganization of government agencies that essentially contributed to their weak or lack of institutional capabilities to effectively receive, process, adopt, and use the outputs of technical assistance activities. New requirements that emerged or additional activities that were not originally within the approved work plans/budgets and shifts in both GRP and USAID priorities during the program's implementation also regularly presented the AED with management and administrative hurdles.

EEPTP's 20-month run also produced invaluable lessons that could be used as springboard by the next USAID programs. These include the following: a) a technical needs assessment (TNA) is a necessary starting point but it must be a continuous activity and it can be made possible if a monitoring and evaluation system is developed and installed at the start of the project; b) research and academic institutions can greatly assist government agencies in implementing the reform initiatives in the energy environment sector; c) individual and institutional capability development activities in the energy environment community (government agencies, industry players, NGOs, academic institutions) need to be continuously implemented; and d) building activities through informal multi-sector meetings are critical in promoting and facilitating reforms.

The Prospects...

The GRP and USAID must continue to build on the accomplishments of their joint initiatives under PCCMP and EEPTP. Not only will it sustain past initiatives, but it will also address focus areas that remain as priorities of the energy-environment sector, which include the implementation of the EPIRA, improving air quality through reduction of vehicle emissions, developing the country's natural gas industry, and expanding the use of cleaner alternative fuels and energy sources for transport and power. For the next energy and environment/clean air program, AED recommends the following strategies:

**"This is not the end of the partnership. This is just the beginning."
Usec. Cyril C. del Callar, DOE**

- Provide technical assistance to: (a) Promote policy reforms, (b) Build new and strengthen existing institutional capacities, and (c) Reach out more profoundly to sector constituents;
- Nurture old partnerships, build new ones and encourage formation of coalitions that will support the reform process;
- Expand and intensify skills building/training activities for the reform implementers; and
- Intensify communicate with constituents and industry stakeholders to encourage interaction and cooperation.

AED also recommends sustaining Public-Private Partnership strategies - promoting and pursuing formal relationships with partner organizations, starting with task-based collaboration to a progressively more programmatic nature of relationship. Also recommended for



consideration by the succeeding program, are project ideas that have been initiated by EEPTP's academic partners and that require support, in the areas of energy cadetship, power sector reforms monitoring and evaluation, community-based clean air education and advocacy, and intensified use of bio-fuels.

PART ONE PROGRAM BACKGROUND

This section introduces the EEPTP. It provides an overview of the strategies, the program management structure, key result areas and performance indicators, and the highlights of its work plans.

Task Order Title	Energy Environment Policy and Training Program (EEPTP)
Task Order Number	LAG-1-805-98-00011
Country	Philippines
Key Issues	Power Sector Reforms; Natural Gas Industry Development; Vehicle Emissions Reduction; Promotion of Alternative Sources/Fuels for Power and Transportation
Sector	Energy, Environment, and Transportation
Application	Policy Implementation, Training, Organizational Development, Communications & Outreach
Implementer	Academy for Educational Development
Duration	October 1, 2002 to June 4, 2004 (19+ months)
Total Funding	US \$2.9 Million

The **ENERGY ENVIRONMENT POLICY AND TRAINING PROGRAM (EEPTP)** was a technical assistance collaboration of the US Agency for International Development (USAID) Manila Mission and the Government of the Republic of the Philippines (GRP), represented by the Philippine Department of Energy (DOE) as the primary implementing agency.

USAID and the GRP utilized the EEPTP as vehicle for strengthening the capability of Philippine energy environment sector agencies to manage and implement reforms by offering enabling opportunities in policy development and implementation, organizational development, training, and communications & outreach. To provide more focus, the program's technical assistance interventions were designed and implemented in support of four (4) technical areas.

These are the following:

- (1) Implementation of the Electric Power Industry Reform Act**
- (2) Development of the Natural Gas Industry**
- (3) Development of the Renewable Energy Sector & Alternative Fuels**
- (4) Reforms in the Reduction of Vehicular Emissions**

Other GRP partner agencies

- Energy Regulatory Commission
- National Power Corporation
- National Transmission Corporation
- Department of Environment and Natural Resources
- Department of Trade and Industry
- Department of Transportation and Communication
- National Economic and Development Authority

Types of Technical Assistance: EEPTP's life-of-program activities were grouped into three (3) types of technical assistance (TA) that were provided upon the request and concurrence of the GRP partner agencies.

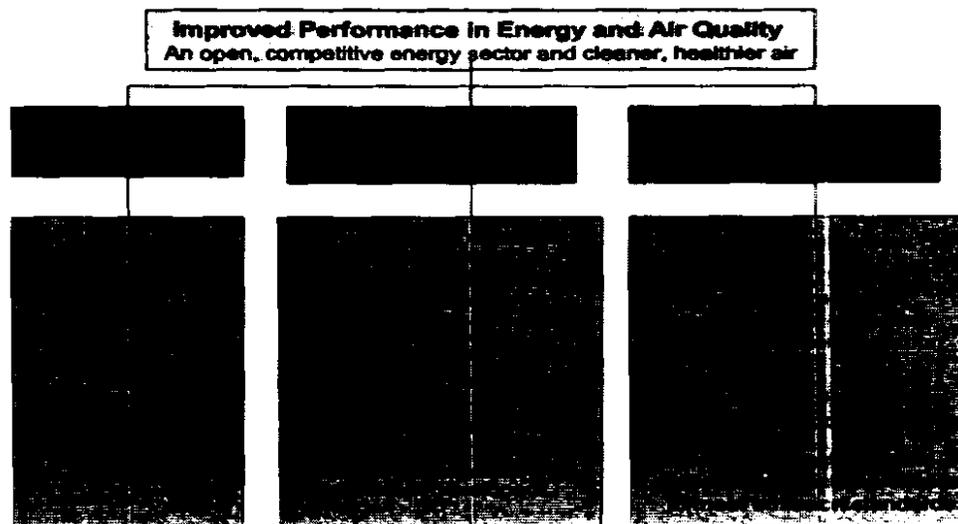
1: Policy Development and Implementation (PDI), where expert advisory services were provided to a government agency in the preparation, revision, promulgation, and/or implementation of policy instrument such as laws, implementing rules and regulations, department circulars and orders, standards, and guidelines. In particular, short-term technical advisors were engaged to undertake research and analysis of policy options and to serve as resource speakers, facilitators or technical analysts in stakeholder consultations, roundtable discussions (RTDs), briefings, and congressional technical working group meetings

2: Institutional Capacity Building (ICB), refers to organizational development and training support. Organizational development included strategic planning and change management assistance for GRP organizations that were undergoing reorganization. Training support addressed GRP's needs for basic and advanced levels of knowledge and skills, supplemental and /or updated tool kits, methods, and analytical approaches, opportunities for actual application of new learning in a practicum setting (e.g. internships); and opportunities for exchange of expertise and experiences in international venues (e.g. conferences and workshops).

3: Communications and Outreach (C&O), aimed to improve knowledge, understanding, and ultimately practices that have an impact on energy policy and regulations in the Philippines. Public meetings and consumer education through participatory strategies constituted one arm of this process while social marketing provided the foundation for behavioral change strategies.

Key Results and Performance Indicators: The program's key result areas and performance indicators were determined in support of two development frameworks: (1) The USAID Mission's Strategic Results Framework (SO4) and Intermediate Results (IRs) in the area of "natural resource management"; and GRP's development goals, as gleaned from the findings of a sector technical needs assessment (TNA) that was undertaken by AED at the start of the program in 2002.

The USAID SO4 Framework



EEPTP Technical Needs Assessment (TNA)

In order to respond effectively to the partners' requirements and to ensure that desired results will be obtained after two years, a TNA was conducted as a necessary first step in the development of EEPTP's work plan. The TNA was designed as a systematic and thorough environmental scanning of the sector. In the end, the TNA provided critical insights on key issues and concerns of the sector, the institutional needs for capacity and competency build-up, and reforms prospects. It also provided a basis for drawing up the elements of practical but lasting solutions to the identified needs including, elements of a sector social marketing plan, future policy and training assistance, and USAID opportunities to assist the sector as differentiated from ongoing or future commitments of other donors.

EEPTP's performance measures are outlined in Table 1 in the context of USAID's strategic and intermediate targets for the energy-environment sector from 2003 to 2007.

Table 1 --EEPTP Key Result Areas and Performance Measures

USAID Mission's SO4 Strategic Framework		EEPTP's Correspondent Performance Measures
Strategic Goals & Targets	Intermediate Results	
<i>Reduced electricity rates</i>	ERC and DOE/ Affiliates strengthened	<ul style="list-style-type: none"> > ERC and DOE/Affiliates trained in WESM > ERC and DOE/affiliates trained in improved customer service & media relations > DOE & Affiliates assisted in change management via strategic planning support > ERC trained on effective regulatory administration and management > Communication campaign conducted to improve public confidence in ERC and IAPC > DOE provided with strategic advice & technical secretariat support in EPIRA implementation
	Power Bill IRR Carried out	<ul style="list-style-type: none"> > Competitive market for electricity initiated via policy & training support for WESM implementation > Monitoring & evaluation system on EPIRA implementation developed and initiated
	Transparent privatization implemented	Communication campaign to raise public awareness on privatization program conducted
	"Power Watch" Groups developed	CARES academic network partners geared up for sustained monitoring of EPIRA implementation
<i>Expanded use of renewable energy sources and clean fuels</i>	Private sector partnerships for RE established	DOE-LGU-NGO partnerships initiated via promotional forum
	RE Bill supported	<ul style="list-style-type: none"> > Review & options analysis of RE Bill conducted > Public forum on RE Bill conducted
	DOE Nat Gas Office created	<ul style="list-style-type: none"> > Review & options analysis in the development of policy on pipeline permitting & standards provided > Intensive training on nat gas industry management fundamentals provided
	Nat Gas regulatory framework developed	Likelihood of Passage of Nat Gas Bill enhanced via policy advisory support and enhancement of DOE's partnership with legislative bodies
<i>Reduced vehicle emissions</i> - 500,000 buses, trucks and other	Emission testing centers established	> Monitoring & Evaluation system for PETCs developed
	Increased civic action in monitoring and enforcing vehicle emission reduction efforts	<ul style="list-style-type: none"> > Civil society participation in monitoring & evaluation for PETCs initiated > Communication program to enhance public vigilance of emissions standards compliance enhanced conducted

USAID Mission's SO4 Strategic Framework		EEPTP's Correspondent Performance Measures
Strategic Goals & Targets	Intermediate Results	
diesel-powered transportation utility vehicles registered in Metro Manila in compliance with emissions standards of the CAA by 2004	Increased use of alternative fuels for transport	<ul style="list-style-type: none"> > Communication program to invitate Philippine Clean Cities Program conducted > Communication program to raise public awareness and acceptance of NGV's conducted > Policy on CNG as transport fuel analyzed via CNG pricing & incentives study
	Capability strengthened to repair and maintain vehicles to meet emission standards	<ul style="list-style-type: none"> > Training to build government capacity for developing vehicle roadworthiness standards: conducted

Program Strategies: AED's implementation strategies in EEPTP were strongly driven by AED's social marketing approach and the technical expertise of its major sub-contractor, PA Consulting, Inc.. While AED recognized that there is a need for the GRP and USAID to be flexible and to provide quick responses to the sector's emerging needs, it also ensured that activities would be pursued with an eye for building the groundwork for future or succeeding energy programs of both GRP and USAID. Inherent in the EEPTP interventions was an effort to install or establish processes and mechanisms that will sustain initiatives and efforts in the reform process.

AED EEPTP made an effort to adopt tried and tested ways of providing technical support to our partners and at same time, introduce innovations in the design, development, and delivery of assistance, including maximizing the use of complementary resources that are made available through collaborative efforts. In order to effectively and efficiently deliver the Program's desired results, AED adopted the following additional implementation strategies:

- **Secure partner acceptance and commitment** - encourage partner-government agencies to assign technical staff that will receive the technical support, work with our advisors, and ensure the "pass-on" of acquired skills or knowledge;
- **Mobilize new and additional resources through unconventional partnerships, e.g. with academe**, which is a rich source of professionals that will hasten external diffusion of information and is also considered a neutral venue for staging initiatives that will heighten civic consciousness and participation in public reforms.
- **Combine foreign and local experts**, as applicable, particularly in policy development and implementation work, to facilitate enrichment of local knowledge and capacity; and
- **Maximize stakeholder consultation** in any policy development and implementation activity to ensure transparency and ownership of the reform process.

Program Management Structure: The institutional setup for the management of the EEPTP was determined by the nature of funding for the technical assistance. EEPTP was funded out of a Training Indefinite Quantity Contract (IQC) that required the AED, as prime contractor, to report directly to the USAID Manila Mission. USAID-Manila's Office of Environmental Management, had both technical and contractual oversight of the program. There was no formal GRP steering or executive committee created to provide strategic policy directions. In its place, the USAID-OEM, through its Cognizant Technical Office, Ms. Rosario Calderon, introduced a Usec's Forum which generally met once a month to provide USAID with advice from the GRP perspective. Regular coordination and progress review meetings were also held by USAID and the AED team with the key government partners to ensure the continuing relevance and effectiveness of the program.

AED's program management team (PMT) in Manila was all-Filipino, with a core complement of 11 technical and administrative staff, led by the Chief of Party, Mr. Renato Goco. It was supported by a parallel AED home office group in Washington, D.C., led by project manager.



Highlights of EEPTP Work Programs: There were two USAID-approved official work plans that served as basis for EEPTP's technical assistance to the GRP partners. These are as follows:

The EEPTP 2002 Transition Plan, which was prepared by AED with a view to effecting a seamless transition from EEPTP's predecessor, the Philippines Climate Change Mitigation Program (PCCMP), was approved by USAID in October 2002. It essentially outlined the "continuing" and bridge activities of the USAID while the EEPTP life-of-program and annual work plan was being developed. See Table 2.

The EEPTP 2003-2004 Work Plan, approved in March 2003 by USAID. This Work Plan was prepared by AED based on three principal references: (1) the findings of a comprehensive technical needs assessment (TNA)¹ that was conducted by EEPTP with various partner government agencies from October to November 2002; (2) the USAID's strategic objectives for the energy, environment and transport sectors; and (3) the USAID-AED contract for EEPTP. See Table 3.

USAID's approval of the EEPTP 2003-2004 Work Plan in March 2003 served as a firm agreement of what USAID expected the AED-PMT to deliver and in turn, what AED was committed to complete in the Program's implementation period. Worth noting is that at the time of the work plan approval, more than six (6) months had already elapsed since EEPTP begun and as such, the program had already completed numerous assignments in the above technical areas, except in RE.

The EEPTP 2003-2004 Work Plan, as approved in March 2003, had nine (9) major activities:

-
- 1 **Technical Support To the DOE In Establishing The Wholesale Electricity Spot Market (WESM)**
 - 2 **Program Management Support To The DOE In Implementing The EPIRA**
 - 3 **Strengthening The Energy Regulatory Commission (ERC)**
 - 4 **Support To NPC In Change Management**
 - 5 **Reduction Of Vehicular Emissions (ROVE)**
 - 6 **Facilitating The Development Of The Philippine Natural Gas Industry**
 - 7 **Technical Support For Advancing The Utilization Of Renewable Energy (RE)**
 - 8 **Strengthening Program Management**
 - 9 **Special Projects**
-

Each activity, in turn, was comprised by a combination of the following standard types of technical assistance components:

- Policy Development and Implementation (PDI)
- Institutional Capacity Building (ICB)
- Communications and Social Marketing (CSM)

Activity # 9, Special Projects Fund, was originally included in the work plan's budget, as a flexibility mechanism, that would enable the program to respond to various GRP requests for tasks that were within our technical scope but were not included in the approved work plan. The strict requirement for funding under Activity #9 was that, the tasks would have to be officially requested by GRP, reviewed and endorsed by the PMT, and deemed acceptable by USAID. Worth noting is that even when the pre-allocated fund ceiling for Activity #8 was exhausted, the PMT was still able to provide flexibility by incorporating innovations in task designs and implementation arrangements within the approved budget items. By November of 2003, the work plan was revised to make it more attuned to emerging needs. Activity # 9 tasks were eventually categorized into their respective groupings in Activity # 1-# 7, thereby



accounting for significant additions or deletions of tasks relative to the March 2003 approved work plan.

Activities # 1 to # 9 are summarized in Table 3. The complete EEPTP Statement of Work, as provided for in the USAID-AED Contract/Task Order, is included in this report as Appendix 1.

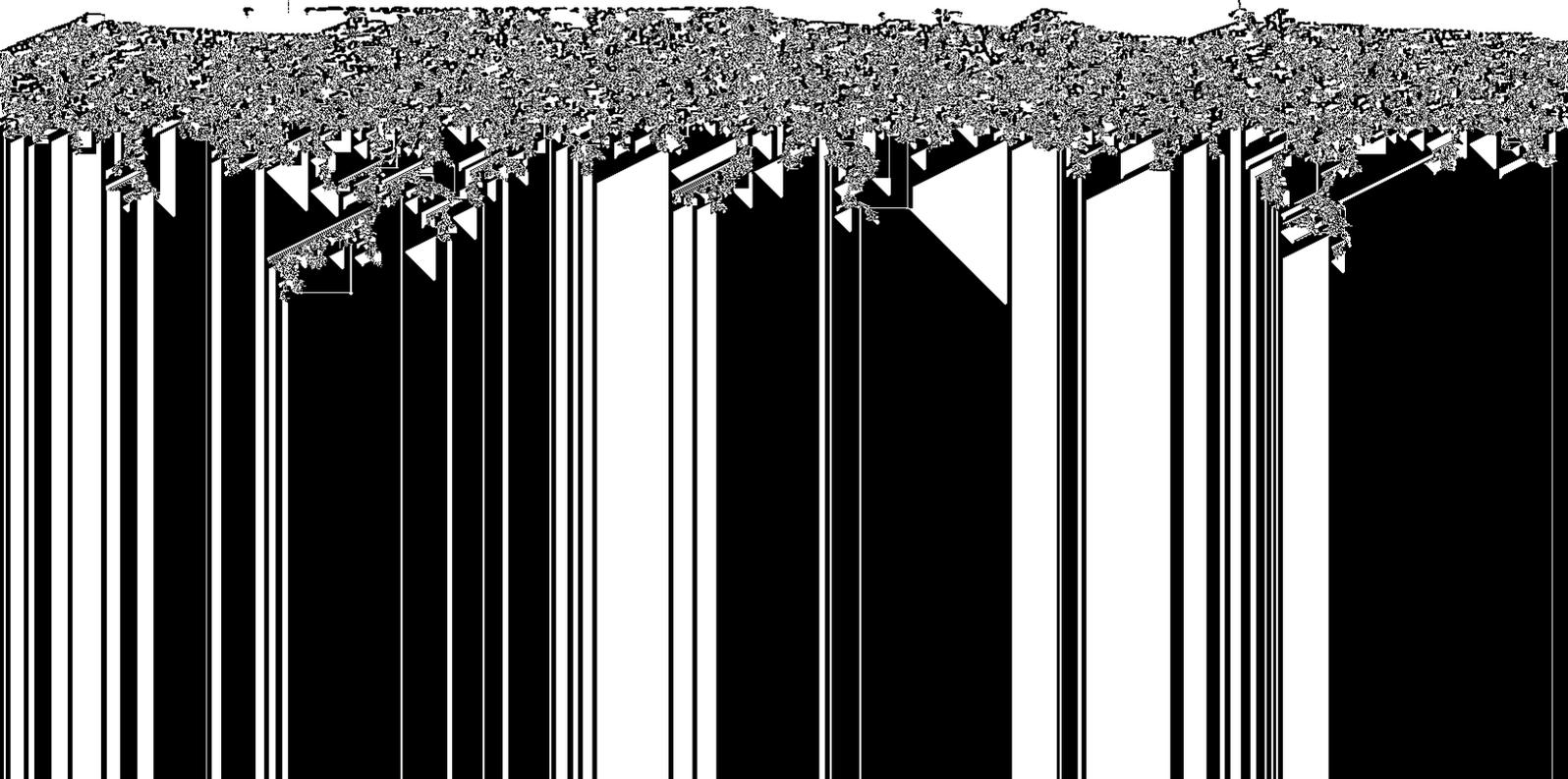
Table 2 – EEPTP 2002 Transition Plan

Activities	Schedule		
	Oct	Nov	Dec
<i>I. Administrative & Management Organizational Tasks</i>			
<i>II. Procurement of program equipment & facilities</i>			
<i>III. Research Audit on Energy-Environment Sector KAP</i>			
<i>IV. 2003-2004 Work Plan Development</i>			
<i>V. Training & Public Affairs Program Activities</i>			
- Technical Needs Assessment of GRP agencies			
- Logistics & planning for training courses & events in 1 st Qtr of 2003, namely:			
o ERC Administrator's Course			
o Consumer Affairs & Consumer Education			
o Journalists Policy Workshop			
o Monitoring & Evaluation for EPIRA Implementation			
- Social Marketing Workshop			
<i>VI. Continuing Technical Assistance to GRP Agencies on:</i>			
- EPIRA Consumer Education & Protection Program			
- Policy Development on Natural Gas			
- Vehicle Emissions Reduction Program			
- Technical Support in Implementing the EPIRA			

Table 3 – EEPTP 2003-2004 Work Plan & Revisions

No.	Activity, Components, and Tasks	Implementation Period	
		Original (As of Feb 2003)	Revised (As of Nov 2003)
1	TECHNICAL SUPPORT TO DOE IN ESTABLISHING THE WESM		
	Policy Development & Implementation		
	<ul style="list-style-type: none"> • Advisory Support for "Harmonizing the WESM Rules and the PGDC" • Donors' Collaboration Meeting • Advisory Support for the Development of WESM Guidelines & Procedures 	Mar – Oct 2003 Mar 2003 Feb– Jun 2003	Mar 2003 – Apr 2004 Dropped Dropped
	Institutional Capacity Building		
	<ul style="list-style-type: none"> • Basic WESM Simulation Training • Trading & Settlement Training • Market Monitoring & Surveillance Training 	Mar-Apr 2003 Apr 2003 Oct 2003	Nov 2003 Dropped Dropped
	Communications & Outreach		
	<ul style="list-style-type: none"> • Consensus-Building on WESM & PGDC Proposed Revisions • Publication of Amendments to WESM & PGDC • Public Launching of Demo WESM • Development of WESM Collaterals • CARES Power Watch on WESM 	Apr 2003 Oct 2003 Apr 2003 Apr-Jun 2003 Nov 2003 – Jun 2004	Apr-May 2003 Dropped Dropped Nov 2003 – Mar 2004 Dropped
2	PROGRAM MANAGEMENT SUPPORT TO THE DOE IN IMPLEMENTING THE EPIRA		
	Policy Development & Implementation		
	<ul style="list-style-type: none"> • Development of a "Power Tracker" (EPIRA Monitoring and Evaluation System) • Creation of a "Strategic Technical Advisory Group" (STAG) • Provision of Interim Technical Secretariat Support (ITS) 	Feb2003– Mar 2004 Feb2003– Mar 2004 Feb2003– Mar 2004	Feb2003– Mar 2004 Dropped Feb2003– Mar 2004
	Institutional Capacity Building		
	<ul style="list-style-type: none"> • Strategic Planning Support for EPIMB • Strategic Planning Support for CWPO • Customer Service Training • Effective Media Communication Training • Energy Cadetship Pilot Program • Power Bureau Workshop on the Missionary Electrification Development Plan • EPIRA Briefings for the Joint Congressional Power Commission 	Feb-Mar 2003 Mar-Apr 2003 Jul 2003 Mar 2003	Feb2003 Dropped Jan 2004 Dec 2003 Nov2003-apr2004 Feb2003 Oct2003-Jan2004
	Communications & Outreach		
	<ul style="list-style-type: none"> • Development of EPIRA Collaterals for Promotion of Investments and Consumer Welfare • CARES Power Watch on Emerging EPIRA Implementation Concerns • Development of EPIRA Communication Plan • Communication Campaign Support to DOE's Unified Power Task Force: Mindanao Power Challenge & Cebu-Negros-Panay (CNP) Power Challenge 	Mar-May 2003 Oct2003 – Mar2004	Nov2003-Mar2004 Mar-Apr2004 Nov2003 -May2004
3	STRENGTHENING THE ENERGY REGULATORY COMMISSION (ERC)		
	Institutional Capacity Building		
	<ul style="list-style-type: none"> • Basic Trainings on: <ul style="list-style-type: none"> - Effective Administration of a Regulatory Agency - Effective Media Communication - Effective Customer Service - Effective Writing and Public Speaking Skills - Market Monitoring and Surveillance - Philippine Grid and Distribution Codes • Seminar on the Philippine Nat Gas Industry • Advisory Support in Strategic Assessment & Planning 	Jul-Sept2003 Apr2003 May-Jul2003 Aug-Sept2003	Dropped Jan2004 Feb2004 Dec2003 Nov-Dec2003 Dec2003 Dec2003-May2004
	Communications & Outreach		
	<ul style="list-style-type: none"> • Campaign to Improve Public Confidence in ERC • CARES Power Watch on EPIRA Regulatory Concerns 	Mar2003-Mar2004 Oct2003-Mar2004	Dropped Dropped
4	SUPPORT TO NPC IN CHANGE MANAGEMENT		

	<i>Institutional Capacity Building</i> <ul style="list-style-type: none"> • Strategic Planning & Implementation Support for NPC 	Mar-Aug2003	Oct-Dec2003
	<i>Communications & Outreach</i> <ul style="list-style-type: none"> • Campaign to Improve Public Confidence in NPC 	Mar2003-Mar2004	Oct-Dec2003
5	REDUCTION OF VEHICULAR EMISSIONS (ROVE)		
	<i>Policy Development & Implementation</i> <ul style="list-style-type: none"> • Advisory Support for the Development & Implementation of Private Emissions Testing Centers (PETC) Monitoring & Evaluation Guidelines 	Mar2003-Mar2004	Mar2003-Mar2004
	<i>Institutional Capacity Building</i> <ul style="list-style-type: none"> • On-the-job Training for the Development of Vehicle Road-worthiness Standards • Training on Guidelines for M&E of PETCs 	Mar-Jun2003	Dropped Jan2004
	<i>Communications & Outreach</i> <ul style="list-style-type: none"> • Integrated Communication Program for ROVE <ul style="list-style-type: none"> - Support for DENR's Public Information Campaign on the Clean Air ActAs - Support for MIRIAM PEACE Advocacy Program on Tricycle Compliance to Emission Standards • Campaign for Promotion of Alternative Transport Fuels • Support to DOE in Promotion of a Philippine Clean Cities Program • Management of the Regular CAA-Usecs' and TWG Meetings 	Mar2003-May2004 Mar2003-May2004 Mar2003-Mar2004 Mar2003-Mar2004	Mar2003-Mar2004 Mar2003-Mar2004 Oct2003-Mar2004 Mar2003-Mar2004
6	FACILITATING THE DEVELOPMENT OF THE PHILIPPINE NATURAL GAS INDUSTRY		
	<i>Policy Development & Implementation</i> <ul style="list-style-type: none"> • Development of Nat Gas Bill • Study on Pricing and Financial Incentives for CNG as Transport Fuel • Advisory Services on the Development of DOE's Procedures & Standards for Nat Gas Pipeline Permitting 	Oct 2002 - Mar 2003	
	<i>Institutional Capacity Building</i> <ul style="list-style-type: none"> • Enhancement of Legislative Knowledge on Fundamentals of Nat Gas 	Oct 2002 - Mar 2003	
	<i>Communications & Social Marketing</i> <ul style="list-style-type: none"> • Support to DOE's Investment Promotion at the World Gas Conference in Tokyo, Japan • Integrated Communication Program on the Nat Gas Industry 	June 2003	
7	TECHNICAL SUPPORT FOR ADVANCING THE UTILIZATION OF RENEWABLE ENERGY (RE)		
	<i>Policy Development & Implementation</i> <ul style="list-style-type: none"> • Review and Analysis of the Draft RE Bill 	Jan - June 2003	
	<i>Communications & Social Marketing</i> <ul style="list-style-type: none"> • CARES Public Forum on the Draft RE Bill • Mindanao Forum on Promotion of LGU/NGO/Private Sector Collaboration in RE Projects 	Jan 2003 - Jun 2003	



PART TWO PROGRAM ACCOMPLISHMENTS

This section provides summary statistics on the program's accomplishments and the general descriptions of EEPTP's completed activities (See Tables 4 – 7). A comprehensive summary listing of the completed tasks, per activity, is also shown as Table 8. Detailed descriptions of each completed task are included as Appendix 2.

SUMMARY STATISTICS ON PROGRAM ACCOMPLISHMENTS

Table 4 - Overall Program Outputs

Technical Area	No. of PDI Tasks	No. of ICB Tasks	No. of C&O Tasks	Total No. of Tasks completed	% Distribution
EPIRA/Power	12	18	16	46	47%
Natural Gas	1	7	4	12	12%
RE	1	1	1	3	3%
ROVE & Alternative Fuels	10	6	21	37	38%
				97	

PDI - Policy Development and Implementation
ICB - Institutional Capacity Building
C&O - Communications and Outreach
EPIRA - Electric Power Industry Reform Act
RE - Renewable Energy
ROVE - Reduction of Vehicular Emissions

Total number of tasks completed was 97, or an average of about 5 tasks per month during the 20-month duration of the program. While the composition of the task count is heavily in favor of the energy component (62%), it did not necessarily mean that clean air/environment efforts were less significant. Succeeding tables will show some details on the various types of technical assistance provided by the program, namely, the:

- PDI Outputs
- ICB Outputs – Training
- Communications Outputs

Table 5 - Policy Development & Implementation Outputs

Technical Area	Policy initiatives assisted	Types of policy tools assisted	Drafted/ Designed	Reviewed/ Assessed	Legislated	Implemented
EPIRA	5 <ul style="list-style-type: none"> • EPIRA-IRR • PGC • PDC • WESM Rules • MEDP 	<ul style="list-style-type: none"> • Implementing Rules & Regulations (IRR) • Technical Codes & Rules • Development Plan 	"Power Tracker" (EPIRA Monitoring & Evaluation System)	Harmonization of WESM Rules and PGDC	N/A	EPIRA provisions on: <ul style="list-style-type: none"> • Role of the DOE • Regulation of the Electric Power Industry • NPC Privatization • Promotion of Rural Electrification • WESM • Education of End-users
Nat Gas	1 Natural Gas Bill	<ul style="list-style-type: none"> • House Bill (HB) 	HB# 5845: Natural Gas Bill (new house version)	HB# 4754: Natural Gas Bill (old house version)	HB# 5845: Natural Gas Bill (new house version)	DOE Nat Gas Circular on Transmission, Distribution & Supply of Nat gas
RE	1 Renewable Energy Bill	<ul style="list-style-type: none"> • House Bill 	N/A	House Bill 5771	N/A	N/A
RoVE & Alternative Fuels	4 <ul style="list-style-type: none"> • CAA • CAA-IRR • Joint Administrative Order No. 1 • Memorandum Circular 55 	<ul style="list-style-type: none"> • Law • Implementing Rules & Regulations (IRR) • Admin Order • Memo Circular 	Joint Administrative Order No. 1 Series of 2003	N/A	N/A	<ul style="list-style-type: none"> • CAA provisions on: <ul style="list-style-type: none"> - Mandatory emissions testing; & - PETC monitoring • Joint Administrative Order No. 1 Series of 2003 • Memorandum Circular No. 55 • Nat Gas Vehicle Program for Public Transport (NGVPPT) • DOE Clean Cities Program

Table 6 - Training Outputs

Technical Area	No. Of Trainings	No. Of Trainees		Gender %		Gov't-Private % Participation		No. Of Trainee Action Plans/Tasks Submitted	No. Of Trainee Action Plans/Tasks Implemented
		M	F	M	F	G	P		
EPIRA	16	210	135	60.86	39.13	68.12	31.88	26	Status of each action plan/task is described below.
NATURAL GAS	8	119	63	65.38	34.61	94.51	5.49	9	Status of each action plan/task is described below.
ROVE & ALT.FUELS & RE	6	157	79	66.52	33.47	60.17	39.83	8	Status of each action plan/task is described below.
TOTAL	30	486	277						

EPIRA:

1. Communications Training for ERC: The participants planned to: a) designate an ERC Spokesperson; b) to develop key messages; and c) to apply the communication skills in dealing with media and the public.
Status: Only c) was immediately applied and implemented.
2. Encare: A Customer Service Training Workshop for ERC: Two action plans: a) 13 Action Plans of the ERC Services; and b) The "Twelve Commandments" of Customer Care.
Status:
a) Majority of the Action Plans indicated are currently being implemented and/or are for implementation.
b) On the "Twelve Commandments", these are the basis for the application of learnings and skills of the participants, especially by the ERC-Consumer Affairs Service Staff (CAS).
CAS Director *Marina Bugayong* has informed EEPTP during the May 4, 2004 debriefing meeting that there was a marked improvement in the customer service skills among the ERC staff- participants.
3. Organizational Communication Training for ERC: ERC's Planning Information Service (PIS) will take the lead in the development of an ERC Communication Flow and Manual which will be part of the ERC Operations Manual.
Status: Ongoing; ERC's PIS is currently developing the ERC Operations Manual.
4. Encare: A Customer Service Training Workshop for EPIRA Agencies: Each EPIRA agency (DOE, PSALM, TRANSCO, NPC, & NEA) committed to several action steps to continue and further improve EPIRA inter-agency relationship critical in effectively performing their respective roles in EPIRA implementation.
Status: On-going
5. Effective Writing & Public Speaking Skills Training: After participating in this skills training program, the ERC and DOE staff have expressed that they will immediately apply the writing and presentation skills they have learned to their work.
Status: During the May 4, 2004 EEPTP debriefing meeting with ERC, *Director Marina Bugayong and Mr. Edwin Ocanar* have given a positive feedback on the staff's improvement in their writing skills as seen in the memos, letters, and reports prepared after attending the training. The same observation was given in the reports they present to the Board.

NATURAL GAS:

1. Briefing on the Nat Gas Industry for GRP technical staff: The major output of the briefing was the consensus in each agency's defined roles in support of the DOE in the development of the nat gas industry.
Status: According to Mr. Jess Tamang, Head of DOE's Nat Gas Office, the defined agency roles are used as reference when these agencies plan and hold meetings with DOE Nat Gas Office and the other concerned agencies regarding nat gas matters.
2. Natural Gas Industry Study Tour for DOE and HOR Committee on Energy: Two sets of Action Plans from DOE and from the Congressmen were evolved.

DOE's action plans are to:

- a. Establish joint cooperation with the Asian Institute of Technology (AIT) in the design of customized training and education programs to build core competency for the administration and development of the downstream natural gas industry in the Philippines.
- b. Develop cooperative programs with the Petroleum Authority of Thailand (PTT) in the establishment of standards for natural gas pipeline and other related facilities.
- c. Technology transfer through the conduct of on-job-training (OJT) with the PTT Pipeline Operations and Rayong Gas Separation Plant.
- d. Organization of trade mission to Thailand and other countries with mature natural gas industries

Status: Proposed action tasks are in the planning stage.

The Congressmen's action plans are:

- a. Legislation Involving the Development of the Downstream Natural Gas Industry
- b. Monitoring of the Downstream Natural Gas Industry
- c. Legislation involving the Development of Renewable Energy Resources

Status: Action step (a) has been accomplished at the HOR through the Committee on Energy. HB 5845 was passed.

3. Briefing on the Natural Gas Industry for ERC: Although ERC's role in the natural gas industry development still has to be defined, the ERC Board and its management team have learned the bases/factors that can help them define the regulator's role, in general, and ERC's role, in particular, through this Briefing.
Status: ERC's role as regulator in the Nat Gas industry still has to be defined.

ROVE/Alternative Fuels/RE:

1. CAA Operational Planning Workshop:
 - a. One output was the "Declaration of Support" of the participants, which reiterated their commitment to continue their support to the policies embodied in Section 4 of the CAA. Status: On-going
 - b. Prioritized action plan for mobile and stationary sources Status: On-going
2. 8th International and 20th National Conference and Exhibition on Natural Gas Vehicles:
 - a. Action plan of the DOE participants is integrating the knowledge and information learned into the DOE's current NGV Program for Public Transport. Status - On-going
 - b. Action plan of California Bus Lines participants is to acquire 100 Units CNG Powered Passenger Buses running in Metro Manila.; Status - Planning stage
3. Conference on Better Air Quality 2002: DOE participants' action steps are integrated into DOE's programs consistent with the ADB/WB project "Metro Manila Air Quality Improvement Sector Development Program (MMAQISDP)". DOE's on-going programs are:
 - a. Alternative Fuels and Technology Program, particularly on the expanded use of natural gas and LPG in the transport sector;
 - b. The Coco-Methyl Ester (CME) Program, which considers the use of the coconut oil product as a blend or additive for diesel fuel, and possibly as lubricating oil for 2-stroke engines of motorcycles and
 - c. DOE's membership in the Technical Committee on Petroleum Products and Additives (TCPPA), an inter-agency, multi-disciplinary body composed of various stakeholders working in partnership towards coming up with a local solution to our air (and water and ground) quality problem, and/or avoidance or minimization of same.
4. Regional Conference on Innovative Approaches to Implementation of Renewable Energy Systems: Promoting Financing, and Capacity-Building for Environmentally Friendly Energy Systems: Participant's Action plan is integrating his learnings from the conference to the current Missionary Electrification Development Plan (MEDP). Status: On-going

Table 7- Communications & Outreach Outputs

<i>Technical Area</i>	<i># of Communication Programs and Plans Developed</i>	<i># of Collateral Materials Developed</i>	<i># of Public Forums and Meetings held</i>	<i>Locations of Campaigns</i>	<i># of Participants in Public Forums and Meetings</i>
EPIRA	4 <ul style="list-style-type: none"> • Cebu, Negros, Panay Demand Side Management Program • Mindanao Public Awareness Campaign • Sustaining Power Reforms • Internal Communication Support to NPC in the Implementation of the NPC Organizational Transformation Program 	4 <p>Brochures on:</p> <ul style="list-style-type: none"> • WESM • Emerging Investment Opportunities in the Philippine Electricity Power Market • Power Comm • The Right Price of Power 	7	5 <ul style="list-style-type: none"> • Cebu • Iloilo • Bacolod • Davao • General Santos 	697
Nat Gas	0	1 <ul style="list-style-type: none"> • The Nat Gas Investment Kit (w/ CD insert) 	3	2 <ul style="list-style-type: none"> • Tokyo, Japan • California, US 	12
RE	0	0	1	1 <ul style="list-style-type: none"> • Taguig City 	40
ROVE & Alternative Fuels	2 <ul style="list-style-type: none"> • "Ang Buhay ng Hanap Buhay" Community-Based Air Watch Strategic Communication Plan • A Communication Plan for Coco Biodiesel 	4 <p>Brochures on</p> <ul style="list-style-type: none"> • "Usapang Trike" (Tricycle Talk) • "Mga Dapat Malaman Tungkol sa Emission Testing (FAQs on Emission Testing) • Alternative Fuels Folder • Coco Biodiesel Brochure 	36	6 <ul style="list-style-type: none"> • Quezon City • Cagayan Valley • Cebu • Davao • Baguio • Cavite 	1253

DESCRIPTION OF ACTIVITIES**ACTIVITY 1:*****Technical Assistance in Establishing the Wholesale Electricity Spot Market (WESM)***

This technical assistance was provided to support and complement efforts of the Department of Energy (DOE) in establishing the Philippine wholesale electricity spot market (WESM). After the enactment of the Electric Power Industry Reform Act (EPIRA) in June 2001 and the promulgation of its implementing rules and regulations (IRR) in February 2002, the DOE had reached the following milestones with regard to the establishment of the WESM:

- June 28, 2002 : Promulgation of the WESM Rules that will govern the operation of the WESM
- July 22, 2002 : Issuance of the DOE Department Order No. 2002-07-010, "Creating a Technical Working Group for the Wholesale Electricity Spot Market (WESM-TWG)"
- August 23, 2002 : First meeting of the WESM-TWG
- November 18, 2003 : Incorporation of the Philippine Electricity Market Corporation (PEMC) with the Security Exchange Commission (SEC).

A key requirement in attaining the objectives set by the EPIRA is the development of related rules, codes, regulations, and guidelines that will specifically govern the technical reforms. The harmonization of such policy documents is critical to ensure clarity, consistency and the absence of overlaps and conflicts. Two vital policy documents currently being implemented under the restructured power industry are the WESM Rules, which will govern the electricity market and the Philippine Grid and Distribution Codes (PGDC), which covers both the Philippine transmission and electric distribution systems.

When the EEPTP started two years ago, it was imperative to harmonize these policy documents, which were developed independently from each other under the support of two donor agencies. Moreover, the harmonization was timely because the relevant committees that would be responsible for initiating the rule change process had already been constituted and mobilized: the (a) WESM-TWG for the WESM Rules, (b) Grid Management Committee (GMC) for the Philippine Grid Code, and (c) Distribution Management Committee (DMC) for the Philippine Distribution Code. EEPTP's response was to engage two technical consultants namely, Professor Rowaldo del Mundo and Mr. Danilo Mercado, who are experts on the PGDC and WESM Rules respectively. The experts designed a work plan that would provide the program's technical assistance a strategic and systematic approach to the harmonization process. The output is a Joint Report that not only provided the WESM-TWG, GMC and DMC with relevant inputs and recommendations for harmonizing the WESM Rules and the PGDC, but also took consideration of the issues, concerns, inputs and recommendations raised by the GRP energy agencies/units/committees and industry stakeholders during the RTDs. To supplement education and awareness building efforts of the DOE, TransCo, and the WESM-TWG, the EEPTP also developed and conducted two basic seminars on electricity markets for various government and industry stakeholders.

ACTIVITY 2***Program Management Support to the DOE in Implementing the EPIRA***

The enactment of EPIRA in June 2001 triggered a progression of reform activities that needed to be supervised and managed by the DOE, particularly its newly-created unit, the Electric Power Industry Management Bureau (EPIMB). However, as DOE-EPIMB began



undertaking its various tasks, organizational development concerns such as lack of sufficient manpower and appropriate technical skills, and absence of a strategic plan emerged. These issues/concerns are critical, because if left unaddressed, they could hamper EPIMB's performance of its tasks and ultimately, the smooth and successful implementation of EPIRA.

EEPTP's response was a technical assistance that targeted EPIMB's need for:

- Expert policy and technical advisory support;
- Technical capability strengthening;
- Organizational development support; and
- Information, communication and education (IEC) campaign strengthening to obtain public awareness and acceptance of the reforms.

Expert advisory support was provided for the development of a monitoring and evaluation system (M&ES) that will assist the EPIMB in tracking the implementation progress of reforms. The completed system was called the "Power Tracker Module 1.". EEPTP also made available a pool of technical experts, who could be tapped to provide analysis and recommendations of policy and technical issues. An interim technical secretariat support was also extended to the EPIMB to assist them during the transition to a restructured power industry. DOE-EPIMB, as well as units of other GRP energy agencies, were trained to enhance skills for media communication, customer service and power supply contracting. EEPTP also assisted the EPIMB in formulating a strategic plan to align the Bureau's mission with that of DOE and to identify the unit's strengths, weaknesses, opportunities and threats in managing EPIRA implementation. A new element of the TA was the pilot cadetship program designed and implemented jointly with the University of the Philippines Diliman and the University of Mindanao. The Cadetship Program enabled engineering graduates who had genuine interest to work in the energy sector and who were willing to be trained and mentored by the DOE to be introduced to the energy sector via an internship setting. Finally, a vital component of effective reform implementation is public support. EEPTP addressed this through the conduct of numerous briefings, forums, roundtable discussions and seminars, which discussed issues related to the Cebu-Negros-Panay (CNP) and Mindanao power shortages, TransCo privatization, Meralco refund, and consumer empowerment. Another tool to increase public awareness was the development of EPIRA collaterals designed to address information needs of industry stakeholders, potential investors, and the consumers.

ACTIVITY 3

Strengthening the Energy Regulatory Commission (ERC)

One of the major reforms set into motion by the EPIRA was the creation of new agencies that would assume new roles and perform new responsibilities in the restructured power industry. One of these agencies is the Energy Regulatory Commission (ERC). As the key regulatory agency, ERC is mandated to undertake the following major tasks:

- Enforce the EPIRA-IRR;
- Enforce the PGDC;
- Establish and enforce a rate setting methodology;
- Monitor and take measures to penalize abuse of market power, cartelization and anti-competitive or discriminatory behaviour by industry participants;
- Monitor the generation and supply sectors to promote free market competition; and
- Investigate any industry participant for violations of any law, rule and regulation;

The trainings provided by EEPTP were directed at assisting ERC in performing its mandate and functions and at enhancing the staff's skills in undertaking their respective tasks. Technical skills were improved with the conduct of the Basic PGDC training course and the development of a Primer on monitoring electricity markets. Administrative and



communication skills were strengthened with trainings on "Effective Writing and Public Speaking skills," "Organizational Communication," "Communication (Media Relations)," and "Customer Services." EEPTP also provided advisory support on the subject of fiscal autonomy and the institutional strategic planning process.

ACTIVITY 4

Support to the National Power Corporation (NPC) in Change Management

EPIRA mandates the unbundling of NPC's generation and transmission functions. The generation function will be assumed by NPC's generation facilities, which are mandated by the EPIRA to be privatized. TransCo on the other hand absorbed maintenance and operation of the high-voltage transmission network. Under a restructured power industry the sole major function to be performed by NPC is missionary electrification through its Small Power Utilities Group, while a secondary mandate is to manage watershed areas of the generation facilities. NPC-SPUG is required to extend electricity services to remote areas that are unviable for grid connection and that can no longer be supported by the private sector. These organizational changes require a re-definition of NPC's organizational structure, the rationalization of personnel requirements, the re-definition of its strategic and business plans, and a reorientation of its employees' values to world-class standards. In these areas NPC required technical assistance.

The EEPTP engaged two organizational development experts, Rene Lamzon and Felino Balce, who assisted NPC in updating its strategic business plan and in facilitating employee-level forums to encourage change acceptance and team building. A communication agency, Corporate Image Dimensions (CID), was also engaged to develop an internal communication plan to successfully launch and promote the Organizational Transformation Program initiated by NPC's President Rogelio Murga. Technical assistance was also extended to enhance staff skills on communication, customer service, technical writing, and public speaking.

ACTIVITY 5

Reduction of Vehicle Emissions (RoVE)

The Clean Air Act (CAA) is the other major legislation in the Philippines, which served as basis for EEPTP's TA. The Department of Environment and Natural Resources (DENR) jointly implements it with other key agencies, namely, the Department of Trade and Industry (DTI), Department of Transportation and Communication (DOTC) and the DOE. After CAA's enactment in June 1999, its implementation encountered various constraints and bottlenecks. When EEPTP began in 2002, the challenge was to fast track CAA's implementation, particularly, and the establishment of private emission testing centers (PETCs) as a prerequisite to the eventual implementation of a Motor Vehicle Inspection System (MVIS).

This had been the primary focus of EEPTP's technical assistance. Policy advisory support and trainings were provided to the DTI in building the skills of its staff in assessing PETCs and to the DOTC in developing monitoring guidelines. Under RoVE activity, EEPTP had two noteworthy initiatives: (a) the partnership with Miriam College's Public Education and Awareness Campaign on the Environment (PEACE) in implementing the "Usapang Trike" (Tricycle Forum), and (b) managing the informal meetings among the undersecretaries of the CAA-implementing agencies. The Usapang Trike was an integrated communications campaign to address concerns on social, economic, political, and environmental, implications of vehicle emissions particularly that of motorcycles and tricycles. It had been instrumental in increasing public awareness on the issue of vehicle emissions and in educating tricycle drivers and operators on preventive maintenance techniques to lower tricycle emissions. The

"Usecs Meeting" on the other hand, helped push the implementation of several key CAA provisions, specifically the mandatory emissions testing of vehicles prior to registration.

Another focus of the EEPTP under RoVE was the promotion of coco-methyl ester (CME) as cleaner fuel alternative for transport use, in support of DOE's Clean Cities Program. EEPTP and its academic partners initiated dialogues and linkages with major cities that are ready to join in the Clean Cities Program. A significant component of this activity is information dissemination, which was addressed through the development of a CME brochure and support to the DOE in the conduct of stakeholder consultation on the mandatory use of CME as fuel additive for government vehicles.

ACTIVITY 6

Facilitating the Development of the Philippine Natural Gas Industry

With the discovery of the Malampaya Gas Field, another major undertaking of the DOE is the development of the country's natural gas industry particularly the upstream and downstream sectors. Because the nat gas industry is still at its infancy, majority of EEPTP's technical assistance was geared towards providing advisory support for the refinement of the draft Nat Gas Bill, which was eventually passed at the HOR last year, and enhancing the knowledge of the GRP, at the executive and legislative levels, on nat gas fundamentals, through intensive briefings, seminars, and a study tour in Thailand. EEPTP also assisted the DOE in promoting the industry's investment opportunities through the development of a Nat Gas Investment Kit and providing on-site facilitation and logistics support for investment meetings of DOE officials.

EEPTP also supported the DOE in its Natural Gas Vehicle (NGV) Program by exploring the viability of compressed natural gas (CNG) as transport fuel. Technical studies were conducted by experts to analyze and provide recommendations on topics such as technical and safety standards, conversion and retrofitting, and pricing and financial incentives.

ACTIVITY 7

Advancing the Utilization of Renewable Energy (RE)

One of DOE's major objectives as stated in its Energy Plan is promoting the use of renewable energy (RE) sources. The EEPTP provided limited TA to the DOE to strengthen the agency's policy framework for accelerating investments in the RE sector and to promote the increased use of RE as a cleaner fuel alternative for power generation. An accomplishment of EEPTP under this activity was the advisory support extended to the DOE in reviewing and analyzing the draft RE Bill, while it was being discussed at the Technical Working Group (TWG) of the HOR's Committee on Energy (COE).

ACTIVITY 8

Program Management Activities

The EEPTP strived to effectively serve its beneficiary clients and to keep abreast with the dynamic pace and nature of demand for technical assistance by the GRP implementing agencies in the energy and clean air sectors. Activity 8, *Program Management Activities*, served this purpose. Specific objectives of this activity were: (a) To enable the EEPTP team to effectively plan, design, implement, and monitor the impact of the various activities of the



program; and (b) To facilitate the sharing of information and knowledge from the program's various activities to sector stakeholders.

The EEPTP conducted teambuilding and facilitation workshops and regular employee performance evaluations, which were all designed to meet the activity's first objective. For the second objective, EEPTP jointly conducted the following activities with its partners:

- Technical needs assessment of the energy and clean air sectors, the report of which is produced as one of the program's publications;
- Research audit of energy sector knowledge, attitudes and practices;
- Development EEPTP brochure and website;
- Participation in DOE's annual Energy Week;
- Participation in DENR's Clean Air month; and
- USAID-NEDA Energy and Clean Air Progress Implementation Reviews

The details of Activities #1 to #7 are provided in a summary list (See Table 8) and the individual task descriptions in the appendix (See Appendix 2).

Table 8
EEPTP COMPLETED ACTIVITIES
(October 2002 – April 2004)

ACTIVITY 1: TECHNICAL SUPPORT TO THE DOE IN ESTABLISHING THE WESM

Component/ Type	Title	Date
1. PDI: Roundtable Discussion	Nine (9) Stakeholder Roundtable discussions for Harmonizing the Wholesale Electricity Spot Market Rules & the Philippine Grid & Distribution Codes	Apr 29 – May 7, 2003
2. PDI: Advisory Support	Harmonization of the WESM Rules and the PGDC	May 2003 – Jan 2004
3. ICB: Seminar	Seminar on Electricity Markets for GRP, Industry, Academe, and other Stakeholders	Nov 11-14, 2003

ACTIVITY 2: PROGRAM MANAGEMENT SUPPORT TO THE DOE IN IMPLEMENTING THE EPIRA

Component/ Type	Title	Date
1. PDI: Strategic Evaluation	Strategic Evaluation of EPIRA Implementation	Oct 23 – Nov 7, 2002
2. PDI: Planning Workshop	DOE's Planning Workshop on the Missionary Electrification Development Plan	Feb 6 – 7, 2003
3. PDI: Advisory Support	TA to DOE-EPIMB in Developing the DOE Report to the Joint Congressional Power Commission (JCPC)	May 14, 2003
4. PDI: Advisory Support	Development of the Power Tracker	April 2003 – March 2004
5. PDI: Advisory support	Provision of Interim Technical Secretariat (ITS) Support	June 2003 – March 24, 2004
6. ICB: Conference	Conference on Microeconomic Reforms in the Electricity Supply Industry	Dec 12 – 13, 2002
7. ICB: Seminar	Seminar on Power Supply Contracting for Electric Cooperatives in Panay Island	Mar 4 – 5, 2003



Component/ Type	Title	Date
8. ICB: Planning Workshop	DOE-EPIAB's Strategic Assessment & Planning Workshops 1 and 2	Feb 15 & Feb 25, 2003
9. ICB: Training Workshop	Workshop on "Managing Power Supply Contracts & Financing Rehabilitation and Expansion Projects"	June 5-6, 2003
10. ICB: Briefing	EPIRA briefing for Joint Congressional Power Commission (JCPC) technical staff. Introduction to EPIRA	Oct 24, 2003
11. ICB: Briefing	EPIRA briefing for JCPC technical Staff: Regulation of Tariffs	Nov 25, 2003
12. ICB: Briefing	EPIRA briefing for JCPC technical Staff: Supply Sector under EPIRA	Jan. 14, 2004
13. ICB: Briefing	EPIRA briefing for JCPC technical Staff: Wholesale Electric Spot Market and Missionary Electrification	Feb 18, 2004
14. ICB: Training Workshop	Enercare: A Customer Service Training Workshop for EPIRA-Implementing Agencies	March 11-12, 2004
15. ICB: Training Workshop	Effective Writing and Public Speaking Skills Training	March 18-20, 2004
16. ICB: Training	Communication Training for EPIRA Implementing Agencies	March 26, 2004
17. ICB: Training	Power Tracker Training	April 29, 2004
18. C&O: Forum	Executive Forum on the "National Transmission Company Franchise Bill"	Nov 10, 2002
19. C&O: Briefing	Power Briefing for Semiconductors & Electronics Industries in the Philippines, Inc. (SEIP)	Jan 13, 2003
20. C&O: Public Consultation	Public Consultation Meeting to Discuss the Implementation of the Meralco Refund to Electricity Consumers	Apr 29, 2003
21. C&O: RTD	Power to Electricity Consumers: A Roundtable Discussion on Consumer Education	May 30, 2003
22. C&O: Forum	Forum on Power Issues & Opportunities for Consumer Empowerment Under EPIRA (RA 9136)	June 19, 2003
23. C&O: Forum	Power Communication Forum: A Working Grid to Address the CNP Challenge	Jul 10, 2003
24. C&O: Development of Collateral Material	Production of Power Comm Brochure	Jul 10, 2003
25. C&O: Public Consultations / Summit	Communication Program to address the Cebu-Negros-Panay (CNP) Power Challenge <i>Public Consultations: Cebu City, Iloilo City, Bacolod City</i> <i>Power Summit: Cebu City</i>	Jul 23- 25, 2003
26. C&O: Public Consultation	Communication Program to address the Mindanao Power Challenge <i>Public Consultations</i> <i>Davao City, General Santos City</i>	Sep 24-25, 2003
27. C&O: Forum	Panay "Power 101" Forum	Nov 27, 2003
28. C&O: Exhibit	Participation in the DOE's Annual Energy Week (2003)	Dec 1-5, 2003
29. C&O: Forum	The State of the Philippine Power Industry: Addressing the Looming Power Challenge	April 1, 2004
30. C&O: Development of Communication Plan	Development of Communication Plan on EPIRA	October 2003 - May 2004
31. C&O: Development of Communication Plan	Development of Communication Plan on CNP Demand Side Management	Feb - May 2004
32. C&O: Development of Communication Plan	Development of Communication Plan on the Mindanao Public Awareness Campaign	Feb - May 2004
33. C&O: Development of Collateral Materials	Development of EPIRA Collaterals - WESM Brochure - Investment Promotions Kit	March 2003 - May 2004

ACTIVITY 3: STRENGTHENING THE ERC

Component/ Type	Title	Date
1. PDI: Advisory support	Fiscal Autonomy Review	August – September 2003
2. PDI: Advisory support	Primer on Monitoring Electricity Markets	March 9, 2004
3. ICB: Training Workshop	Communication Training for ERC Commissioners & Directors	Mar 24 – 25, 2003
4. ICB: Training	Basic Training Course on the Philippine Grid and Distribution Codes for the ERC	Jan. 16-17; 22-24; 30-31; Feb. 6-7; 13-14; 20, 2004
5. ICB: Training Workshop	Enercare: A Customer Service Training Workshop for ERC	Feb. 16-17, 2004
6. ICB: Training Workshop	Organizational Communications Workshop for ERC	March 4-5, 2004

ACTIVITY 4: SUPPORT TO NPC IN CHANGE MANAGEMENT

Component/ Type	Title	Date
1. PDI: Advisory Support	Organizational Development Support for NPC's EPIRA-Mandated Reorganization	Dec 5, 2002 – Jan 31, 2003
2. PDI: Advisory Support	Advisory Support in Change Management and Facilitating Strategic Employment-Management Forums/Discussions	Oct – Dec 2003
3. C&O: Communication Plan	Support to NPC in the implementation of the "NPC Organizational Transformation Program"	March 8, 2004

ACTIVITY 5: REDUCTION OF VEHICULAR EMISSIONS (ROVE)

Component/ Type	Title	Date
1. PDI: Dialogue	Dialogue for DTI's Regional Directors on "Private Emissions Testing Center (PETC) Policy"	Nov 25 – 27, 2002
2. PDI: Consultation	DOTC-Industry Consultation for the Development of a Monitoring & Evaluation System of the Private Emissions Testing Centers	Jan 14, 2003
3. PDI: Advisory Support	Support in the Development of a Joint Administrative Order (JAO) of the DOTC, DENR and DTI for the Monitoring & Evaluation of PETCs/LTO's-Motor Vehicle Inspection System (MVIS)	Jan – Apr 2003
4. PDI: Focused Group Discussion	Focused Group Discussion to Integrate & Review Workshop Results to the Draft PETC Monitoring Guidelines	Mar 3, 2003
5. ICB: On-the-Job Training	On-the-Job Training (OJT) on PETC Assessment for DTI Technical Staff	November 14 – Dec 20, 2002
6. ICB: International Conference	DOE Participation in the Conference on Better Air Quality 2002, Hong Kong	Dec 16 – 18, 2002
7. ICB: Planning Workshop	"Moving Forward in the CAA Implementation: An Operational Planning Workshop"	Jul 24-25, 2003
8. ICB: Workshop	PETC/LTO Testing Center Monitoring Workshop	March 16-17, 2004
9. C&O: Executive Meeting	Regular Executive Meetings of Usecs for the Implementation of the Clean Air Act (CAA)	Oct – date
10. C&O: Exhibit	Partnership for Clean Air – Transport Exhibit	Nov 28 – 30, 2002
11. C&O: Forum	Partnership for Clean Air (PCA)– Transport Forum	Nov 28 – 30, 2002
12. C&O: Forum / Dialogue	Support to Miriam College/Miriam PEACE's "Clean Air Now" Initiative	Nov 12, 2002
13. C&O: Roundtable Discussion	Support to Miriam College-Miriam PEACE's "Iwas Usok" Information Campaign: Roundtable Discussion on Transport Sector Concerns	Dec 19, 2002
14. C&O: Roundtable Discussion	"Usapang Motor" – a Miriam PEACE Roundtable Discussion on Technological Interventions for Tricycles	Feb 12, 2003
15. C&O: Forum	NACTODAP Forum for QC District	Mar 30, 2003

Component/ Type	Title	Date
16. C&O: Briefing	Public Briefing on Climate Change & Tricycles	May 16, 2003
17. C&O: Seminar / Forum	Seminar Forum on Coconut Methyl Esther (CME) in Petroleum Diesel Fuel: A Cleaner Alternative Fuel for the Land-based Transportation Sector	May 23, 2003
18. C&O: Roundtable Discussion	Usapang Trike: A Roundtable Discussion on 2-stroke and 4-Stroke Engines	July 22, 2003
19. C&O: Forum	Miriam PEACE "Usapang Trike": Cagayan Tricycle Forum	Oct 25, 2003
20. C&O: Conference	National Tricycle Conference	Nov 21, 2003
21. C&O: Exhibit	Participation in the Clean Air Month Exhibit	Nov 21-23, 2003
22. C&O: Scoping Mission	Clean Cities Scoping Mission in Baguio City a. Meeting with Mayor Vergara b. FGD on the use of Alternative Fuels for Transport	Jan 28-30, 2004
23. C&O: MOA Signing Event	Signing of Memorandum of Agreement (MOA) between the DOE and the City of Baguio	March 10, 2004
24. C&O: Public Consultation	Public Consultations on the Memorandum Circular 55 IRR Cebu City, Davao City, Baguio City	March 2, 3, 10-11, 2004

ACTIVITY 6: FACILITATING THE DEVELOPMENT OF THE PHIL NAT GAS INDUSTRY

Component/ Type	Title	Date
1. PDI: Advisory Support	Advisory Support in the Analysis & Review of Natural Gas Bill	Oct 1, 2002 – Apr 2003
2. PDI: Technical Evaluation	Technical Evaluation of the Philippine Nat Gas Vehicle Program for Public Transport	Dec 10 – 17, 2002
3. PDI: Advisory Support	Pricing & Financial Incentives Study for Use of Compressed Natural Gas (CNG) as Transport Fuel	Feb – Apr 2003
4. PDI: Advisory Support	"Philippine Vehicles Converted/Retrofitted to CNG: Regulatory Standards and Accreditation Scheme"	June – Aug 2003
5. PDI: Advisory Support	NGV Technical and Safety Standards	Sept. 2003
6. PDI: Advisory support	"Implementation of the Philippine Natural Gas Vehicle Program for Public Transport: Technical and Financial Analysis of NGV OEM Buses"	Apr – Dec 2003
7. ICB: International Conference	8 th International and 20 th National Conference and Exhibition on Natural Gas Vehicles, Washington D.C.	Oct 8 – 10, 2002
8. ICB: Seminar	Technical Seminar on Compressed Natural Gas (CNG)	Dec 9, 2002
9. ICB: Briefing	DOE Briefings on the Nat Gas Bill for GRP Officials in the House of Representatives' – Committee on Energy Technical Working Group	Dec 11, 2002
10. ICB: Briefing	DOE Briefing on Natural Gas Industry Development for the Proponents of the Natgas Bill (HB# 4758)	Feb 5, 2003
11. ICB: Meeting	Small Working Group Meeting on Natural Gas Bill (HB # 4758)	February 19, 2003
12. ICB: Briefing	The Philippine Natural Gas Industry: A Macro Perspective: A Briefing for Top Government Officials	May 13, 2003
13. ICB: Briefing	Briefing on the Nat Gas Industry (A 3-day Seminar for GRP Executive Branch Technical Staff)	May 14-16, 2003
14. ICB: Study Tour	Natural Gas Industry Study Tour for DOE and Congressmen, Bangkok, Thailand	September 2003
15. ICB: Briefing	Briefing on the Philippine Natural Gas Industry for the ERC	February 10, 2004
16. C&O: Promotion Trip	Investment Promotion Trip of Usec. De Dios to US on Nat Gas Industry & Power Sector Privatization, California	Nov 17 – 22, 2002
17. C&O: Focused Group Discussion	Focused Group Discussion (FGD) on the Nat Gas Investment Kit	Mar 31, 2003
18. C&O: International Conference	Participation of Ms. J. Mangila in the World Gas Conference, Tokyo, Japan	May 30, 2003
19. C&O: Development of	Production of the Nat Gas Investment Kit	May 30, 2003

Component/ Type	Title	Date
Collateral Material		

ACTIVITY 7: TECHNICAL SUPPORT FOR ADVANCING THE UTILIZATION OF RENEWABLE ENERGY

Component/ Type	Title	Date
1. PDI: Advisory support	Review and Analysis of House Bill No. 5771 – Draft Renewable Energy Bill	June – Aug 2003
2. ICB: Seminar	Innovative Approaches to Implementation of Renewable Energy Systems, Colombo, Sri Lanka	June 11-12, 2003
3. C&O: Forum	Forum on Renewable Energy Technology Updates Organized by Arlene Donaire with Philippine Renewable Energy Advocates, Inc. and DOE-NCED	Dec 3, 2002

PART THREE

PROGRAM MANAGEMENT & FINANCIAL PERFORMANCE

This section describes the program's financial management system and highlights of financial performance.

1. Financial Management System

Overall, the program's successful completion is also attributable to the financial management system that was put in place by USAID and the working relationships that were established between AED and the various offices/officers of the USAID-Manila Team. In particular, the EEPTP was financially managed on five fronts, at different levels, by the following:

- EEPTP Local Office (Manila) – The Program's Administrative Support Specialist (Ms.R.dela Cruz) provided direct program management assistance to the COP and DCOP by directly supervising or undertaking the planning, implementation, and monitoring of funds utilization in line with the program's various technical assistance activities. As AED's highest ranking in-country officer, the admin support specialist was also responsible for personnel administration, sub-contract management, procurement management, and liaising with the USAID on contractual and financial concerns.
- AED Home Office (US) – AED's home office support staff (led by Mr.B.McCotter) provided direct support to the local management team in the areas of work plan/budget management, contract modifications, procurement of expatriate consultants' services, subcontractor accounts management, USAID invoicing, and funds transfer facilitation. Actions concerning procurement, subcontracting, and engagement of experts for various activities were also approved by the Home Office.
- USAID-OFM (Manila) – The program's budget utilization and pipeline reports were regularly reviewed by a designated Finance specialist (Ms.S.Cruz) to ensure the accuracy, appropriateness, and legitimacy of all program expenses and to keep the project's financial plans on track with USAID's standards of management efficiency.
- USAID-OEM (Manila) – Consistent with their function of technical oversight and management, the OEM-CTO (Ms. R. Calderon) and her program staff reviewed and approved the program's annual work plans, budgets, procurement plans/proposals, asset disposal plan, and budget modification requests.
- USAID-ORP (Manila) – The Contracting Officer (Mr. W. Reynolds) and his program staff provided oversight, advice, and monitoring support to the local team, ensuring AED's compliance to the terms of the USAID task order and the USAID's regulations in the areas of contracting and procurement.

2. Financial Performance

AED completed the program with a projected 100% utilization of the \$2.9 Million approved budget. The program originally started out with a "Not-to-Exceed (NTE)" budget of \$4.3 Million, out of which \$2.9 Million was finally obligated by USAID, based on Budget Modification Order #1 signed last June 2003 by AED and USAID. Since then, the program has re-aligned resources, under three more budget modifications, in keeping with the need for flexibility in assigning resources to the program's activities and tasks. The program's approved funding, along with the various budget modifications are summarized below:



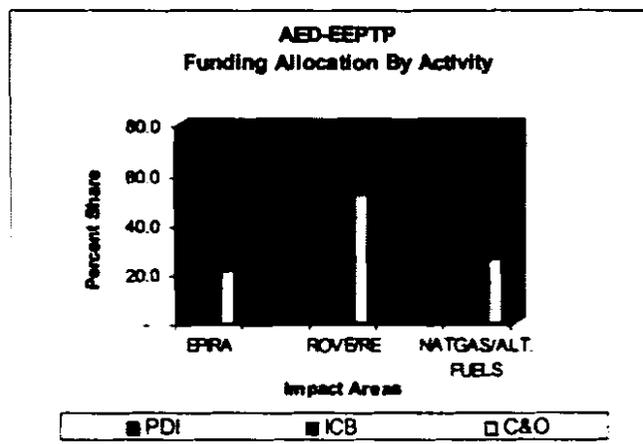
Table 9 – EEPTP Approved Budgets & Budget Modifications

Contract Line Item	Original Amount	BUDGET MOD 1			
	A	B	C		C - E
Labor	2,731,442.00	1,964,687.41	1,904,710.23	1,857,537.82	(47,172.41)
Equipment	454,407.00	62,006.02	62,209.00	57,138.34	(5,070.66)
Subcontractor Cost	151,212.00	158,420.71	159,852.10	148,315.81	(11,536.29)
Travel & Transportation	282,283.00	118,746.24	144,594.62	174,974.13	30,379.51
Local Office Cost	98,902.00	207,954.73	234,994.34	270,419.11	35,424.77
Home Office Cost	13,200.00	13,200.00	13,200.00	15,700.00	2,500.00
Training Cost	416,500.00	243,000.00	229,079.13	200,199.97	(28,879.16)
Indirect Cost	141,979.00	124,063.85	143,367.97	168,299.03	24,931.06
G & A Cost	6,805.00	7,921.04	7,992.61	7,415.79	(576.81)
TOTAL	4,296,730.00	2,900,000.00	2,900,000.00	2,900,000.00	0.00

The Program allocated its resources in accordance with its strategic thrusts. The technical assistance for the energy component (i.e., EPIRA, Natural Gas, Alt Fuels & RE) accounted for about ___% of the Program's activity funding. The other area of assistance, environment/clean air, accounted for the remaining balance. Funding allocation on a per activity basis is summarized below, along with distribution according to type of technical assistance - PDI, ICB, and C&O.

Table 10 – EEPTP Funding Allocation by Type of Technical Assistance & Technical Area

Int%	PDI	ICB	C&O	TOTAL
EPIRA	42.69	72.76	21.89	40.32
ROVE/RE	56.83	-	51.89	39.13
NATGAS/ALT. FUELS	0.48	27.24	26.22	20.55
TOTAL	100.00	100.00	100.00	100.00



PART FOUR PROGRAM ASSESMENT

Part Four provides an overall assessment of EEPTP's accomplishments by comparing the program's outputs/completed tasks and intermediate outcomes against the performance indicators that were initially set to be attained given USAID's SO4 framework and GRP's developmental goals.

DID THE PROGRAM SUCCEED IN COMPLETING ITS MISSION?

It is fairly reasonable to conclude that the EEPTP was a successful program mainly because it was able to deliver on most of the expectations of both the USAID and its GRP partners. Notwithstanding the implementation challenges, AED's strategic and management approach for delivering the technical assistance proved appropriate and effective.

"The contractor has completed requested tasks efficiently and effectively. Given the success of most of its activities, EEPTP's approach in the context of its mission offers good chance of replication.."

- Excerpts from DAI's Report to USAID, "The Energy & Clean Air program Evaluation", January 2004

The Program's success depended on preparing the environment for sustained institutional capability building and strengthening. The level of preparedness of the individuals and the institutions in the energy environment sector determined the limits of the delivery and effectiveness of technical assistance. Individual skills and institutional core competencies had to be developed, built, and strengthened within a very short period of adjustment after the passage of the EPIRA. There were significant gaps between the present and required capabilities. The EPIRA mandated new functions for both the DOE and the ERC, most especially for the latter and called for new capacities and abilities. The same was true for the implementation of the CAA. Sustained institutional capability building was promoted and facilitated by partnering with academic institutions and organizations that continues to work with the DOE and ERC in building capabilities and competencies of staff members and of organizational units in the energy environment sector.

The responsiveness of the DOE and USAID to the ad hoc and emerging needs of the sector enabled the Program to provide the required and relevant technical assistance to government, industry players, and constituents involved in the reform process. Key to the success of the Program in achieving intermediate results is the continuous monitoring and evaluation of technical assistance needs of the DOE, ERC, NPC, DENR, DTI, and DOTC. This required constant/regular communication with the undersecretaries, directors, and key staff members of these agencies.

Government agency's needs were discussed in informal meetings with the staff, Directors, and Undersecretary, concept papers/proposal were drafted to address these needs and discussed further with the agency, and finally, the agreements reached were then formalized in letters of requests for technical assistance from the Undersecretary to USAID. Whenever appropriate, the government agency invited the participation of representative(s) from USAID and this facilitated the resolution/decision on the level/extent of technical assistance and budget allocation from the Program.



Efforts to reach out to the stakeholders and constituents and to effectively communicate the messages regarding the vision, nature, and need for reforms, the roles of the different players, and the action plans for implementing the reforms were critical to the success of the activities of the Program in promoting the implementation of EPIRA and the CAA. The message that the full implementation of and that, therefore, the major benefits of the reforms will take time was very critical. The openness and readiness of the stakeholders/constituents in increasing their awareness, understanding of the need, and support for some quick fixes and band-aid solutions from government agencies in order to move the reform process forward was very critical to the success of the Program as well.

Partnerships with the staff of government agencies are critical. Providers of technical assistance must start from where the recipients of assistance/technologies are and not from where the providers are or from where the recipients of technology should be. Working side-by-side with them is very critical to maximizing the benefits of technical assistance. These partnerships must be expanded within the government agency to encourage the creation of small communities among the staff from different divisions/sections organizational units of government agencies that supports the reform process. Then finally, these communities must be encouraged to partner with academic institutions and with NGOs/POs and Industry Associations located in Luzon, Visayas, and Mindanao.

The outputs/results of the different tasks determined the nature and form of follow-on tasks and eventually the success of the whole activity under which these tasks are performed and delivered in achieving the expected results. A critical factor of success is therefore getting the beneficiaries of/participants in the various technical assistance activities to absorb fully, retain, and adopt/adapt/fully use the outputs/results of technical assistance activities in the performance of their regular tasks is great.

The benefits from technical advice, assistance in accessing knowledge/tools for problem solving and improving performance, and technical training/capability building for individuals and organizational units in the different government agencies are not being maximized. The Program's time and budget constraints limit its capacity to address this concern. Increasing the government agency's absorptive capacity for knowledge and technologies being transferred through the various technical assistance activities requires an investment in preparatory activities to increase the level of preparedness of individuals in the organization. Training on basic and fundamental concepts and principles are required in order to build the prerequisite knowledge/skills/tools for new procedures/functions in policy making and implementation.

EEPTP's Intermediate Outcomes. To systematically assess the program's contribution in the context of USAID's and GRP's development goals for the energy-environment sector, we revisit the performance measures that were set for the following key result areas (KRA):

1. Implementation Support for the Electric Power Industry Reforms
2. Expanded Use of Natural Gas and Alternative Fuels/Renewable Energy Sources
3. Reduction of Vehicular Emissions

The succeeding discussion provides the details of the comparative analysis per KRA.

KRA – Implementation Support for the Electric Power Industry Reforms

USAID Mission's SO4 Strategic Framework		EEPTP's Correspondent Performance Measures	EEPTP Accomplishments
Strategic Goals & Targets	Intermediate Results		
Reduced electricity costs	ERC and DOE/ Affiliates strengthened	<ul style="list-style-type: none"> > ERC and DOE/Affiliates trained in WESM > ERC and DOE/affiliates trained in improved customer service & media relations > DOE & Affiliates assisted in change management via strategic planning support > ERC trained on effective regulatory administration and management > Communication campaign conducted to improve public confidence in ERC and NPC > DOE provided with strategic advise & technical secretariat support in EPIRA implementation 	<ul style="list-style-type: none"> > Done > Done > Done for NPC, EPMB, & ERC > Partially done > Done for NPC only > Done
	Power Bill IRR Carried out	<ul style="list-style-type: none"> > Competitive market for electricity initiated via policy & training support for WESM implementation > Monitoring & evaluation system on EPIRA implementation developed and initiated 	<ul style="list-style-type: none"> > Done > Done
	Transparent privatization implemented	Communication campaign to raise public awareness on privatization program conducted	> Partially done
	"Power Watch" Groups developed	CARES academic network partners geared up for sustained monitoring of EPIRA implementation	> Done

Almost all of the expected intermediate results were completely delivered by the Program. The slight exceptions were the following:

- The planned regulatory training and communications campaign for ERC, which did not materialize, as intended, due to a change in priority during the organization's leadership transition in 2003, but which were substituted with more than sufficient opportunities for strengthening the institution, including various staff trainings in organizational communication skills, effective customer services, technical competency on electricity markets and the PGDC, and policy study on regulatory fiscal autonomy.
- The expected communication campaign to support the privatization, which was pursued only on a limited basis via public forums

Overall, EEPTP's activities paved the way for:

- Strengthening the ERC, the DOE, and the DOE-Affiliates;
- Carrying out critical provisions of the EPIRA-IRR related to competition and reforms monitoring;
- Stabilizing national power supply by facilitating smooth organizational transition of the National Power Corporation;
- Enabling immediate response by government to emerging reform issues like the power crisis in Visayas and Mindanao; and
- Ensuring consistency and stakeholder understanding of EPIRA policies; and heightening stakeholder awareness and participation in the reform process.

KRA - Expanded Use of Natural Gas and Renewable Energy Sources

USAID Mission's SO4 Strategic Framework		EEPTP's Correspondent Performance Measures	EEPTP Accomplishments
Strategic Goals & Targets	Intermediate Results		
<i>Expanded use of renewable energy sources and clean fuels</i>	Private sector partnerships for RE established	> DOE-LGU-NGO partnerships initiated via promotional forum	> Done for CME fuels
	RE Bill supported	> Review & options analysis of RE bill conducted > Public forum on RE Bill conducted	> Done > Not Done; but provided technical advisory in
	DOE Nat Gas Office created	> Review & options analysis in the development of policy on pipeline permitting & standards provided > Intensive training on natural gas industry management fundamentals provided	> Done > Done
	Nat Gas regulatory framework developed	> Likelihood of Passage of Nat Gas Bill enhanced via policy advisory support and enhancement of DOE's partnership with legislative bodies	> Done

The program's accomplishments in this area are best exemplified by the outcomes of initiatives supporting the DOE's natural gas industry development plan. For over a year, the program provided a significant level of effort in policy advisory, trainings, and communications to enable the DOE to fast track tasks leading towards its goal of passing the natural gas bill in congress. The program's capacity-building and communications efforts were spread across the executive policy-makers (DOE and GRP-support agencies) and legislators (HOR's Congress - Committee on Energy). House Bill No. 5845 (Nat gas bill) was eventually passed in the lower house and endorsed to the senate by 1st quarter last year. Beyond policy support, the program also assisted in investments promotions via the production of collateral materials that were utilized in overseas road shows of government officials, including an international conference in Japan. While initiatives in natural gas were substantive, assistance for advancing the policy agenda in renewable energy was limited.

Overall, EEPTP's activities paved the way for the following notable intermediate outcomes:

- Establishing innovative partnerships and improving stakeholder awareness on the alternative options for fuel sources in both power and transport sectors;
- Developing and guiding through legislation the country's policy and regulatory framework for the nascent Philippine natural gas industry ;
- Strengthening the institutional capability of the DOE to direct and manage the development the Philippine natural gas industry; and
- Enhancing the knowledge and awareness of DOE's government partners, the legislators and potential industry players on the prospects for natural gas industry development in the country

KRA – Reduction of Vehicular Emissions

USAID Mission's SO4 Strategic Framework		EEPTP's Correspondent Performance Measures	EEPTP Accomplishments
Strategic Goals & Targets	Intermediate Results		
Reduced vehicle emissions ~ 500,000 buses, trucks and other diesel-powered transportation utility vehicles registered in Metro Manila in compliance with emissions standards of the CAA by 2004	Emission testing centers established	> Monitoring & Evaluation system for PETCs developed	> Done
	Increased civic action in monitoring and enforcing vehicle emission reduction efforts	> Civil society participation in monitoring & evaluation for PETCs initiated > Communication program to enhance public vigilance of emissions standards compliance enhanced conducted	> Done > Done
	Increased use of alternative fuels for transport	> Communication program to initiate Philippine Clean Cities Program conducted > Communication program to raise public awareness and acceptance of NGV's conducted > Policy on CNG as transport fuel analyzed via CNG pricing & incentives study	> Done > Partially done > Done
	Capability strengthened to repair and maintain vehicles to meet emission standards	> Training to build government capacity for developing vehicle roadworthiness standards conducted	> Not done

The program was able to deliver on almost all of the targeted performance indicators. The exception was the targeted task on vehicle road-worthiness standards, which could not be done due to priority focus on PETC implementation and advocacy campaign with the tricycle sector on emission standards compliance, both in line with the Clean Air Act's (CAA) air quality action plan.

Our ROVE activities became a significant source of positive lessons in partnering with government, civil society, especially academe, local government, and community based groups, i.e., tricycle drivers and operators. Our multi-sector approach to the conduct of operational planning for the air quality action plan of DENR, policy development and training for PETC, LGU-based advocacy for clean cities, and academe-based communications campaign for tricycle compliance to the Clean Air Act have yielded considerable success. Concrete indicators of our relative success include the passage of an inter-GRP agency policy (Joint Administrative Order) among DENR, DOTC, and DTI on PETC Monitoring, a standing partnership between Baguio City, the DOE, and USAID for implementing a clean cities initiative, and a thriving community-based partnership between Miriam College and the tricycle sector of Quezon City.

Further indications of the program's contribution to the ongoing progress of implementing the CAA are the Year 2003 figures showing emissions standards compliance of Philippine registered vehicles.

Philippines: Total registered vehicles	4,282,272
Metro Manila: Registered vehicles	1,389,808



The total number reported by LTO clearly exceeds the USAID's target of 500,000 vehicles compliant with emissions standards. By year 2004, it is fairly reasonable to expect that USAID's target will continue to be met.¹ It is also fairly reasonable to assume that this level of compliance was positively influenced by USAID's technical assistance to the implementing agencies, i.e., DTI and DOTC. At the time of the start-up of the PETC implementation, it was USAID's technical assistance that enabled the DTI to fast-track the assessment and accreditation of the PETC applicants. The subsequent organizational development and training support for DTI, DOTC/LTO, DENR and MMDA also facilitated the implementation of emissions testing as part of the vehicle registration process in the country.

As for the impact of this development on air quality in Metro Manila, there is no definite basis for determining an improvement.

Overall, EEPTP's activities paved the way for:

- Strengthening the capability of the Government of the Republic of the Philippines (GRP) to accelerate implementation of the Clean Air Act;
- Institutionalizing civic action in monitoring and evaluation of Private Emission Testing Centers; and
- Forging community level partnership in support of compliance to tricycle emission standards.

¹ Even assuming that at least 50% of these figures are questionable due to reported implementation flaws in emissions testing & certification (e.g. due to non-appearance of actual vehicles in the PETCs for testing, results tampering, or fake registrations), it is still fairly reasonable to establish relative success in PETC implementation and attribute some degree of USAID contribution to the improvement in governance of the sector.

PART FIVE INNOVATIONS AND SUCCESS STORIES

This section describes the program's value-adding innovations and provides a glimpse into our success stories as well as partner organization testimonials. Two innovations that we feature are:

- *Social Marketing and Energy Communications; and*
- *Developing Partnerships and Linkages*

Under success stories, we highlight our experience with:

- *Miriam PEACE, on the Usapang Trike Campaign; and*
- *DOE, on the Power of Communications for Power Reforms*

"They have a dedicated and hardworking team who have gone beyond their level of effort... a team that comes up with creative ideas and are very flexible to our partners, whose priorities change... The team has made many little sustainable successes..."

- Ms. Rosario Calderon, USAID
(from the Welcome Remarks delivered during the EETP Partners' Appreciation Meeting)

INNOVATION # 1

Social Marketing and Energy Communications

A cornerstone of EEPTP's strategy was the use of *Social Marketing and Energy Communications* in its communications and outreach program to improve public awareness and support for energy and environment reforms. This strategy has contributed to an in-depth public understanding of issues and immediate response to calls for action by the Philippine government. The innovative use of social marketing principles and techniques has provided the foundation for behavioral changes.

Social marketing applies commercial marketing techniques to social causes. It involves a systematic process for understanding the target audience; developing messages that persuade, not just inform, the target audience; and selecting the appropriate media that inspire credibility. Measurable changes in behavior and practices of the critical mass or public directly benefit policy development and program implementation.

Understanding the Audience...

Identifying the target audience is a crucial step in social marketing. It involves targeting individuals, groups or communities and empowering them with the necessary knowledge, skills and techniques to accept and take ownership of solutions or recommended actions. EEPTP has successfully adopted social marketing in its communication support to PDOE in addressing the looming power supply shortage in Cebu-Negros-Panay (CNP) sub-grid in the Visayas.

Intensive communication activities undertaken by DOE raised the level of awareness of stakeholders identified to be critical in managing the issue: the business sector which is the biggest user of electricity, LGUs and the local media. This led to their preparedness to do their share in responding to the imminent power shortage. The Unified Power Task Force (UPTF) was able to manage public expectations well.



With better appreciation of the issues, Cebu stakeholders initiated remedial measures on their own. The Cebu Chamber of Industry created a Cebu Power Core Group tasked to liaise with UPTF and undertake its own DSM program through self-generation. VECO, the local utility, coordinated well with big industrial customers for load shedding. UPTF itself created a core group that will not only address technical matters but more importantly, communicate to the general public.

As a result, government has managed successfully the supply situation in CNP as only intermittent brownouts were experienced in CNP during the expected peak seasons last December 2003 and the summer of 2004. Efficient scheduling of plant maintenance and effective negotiations for maximum utilization of power generators paid off. The traditional Christmas lighting contests were not at all disrupted by power shortage. No major outage marred the national elections in May 2004.

Developing Key Messages...

Next to knowing the target audience is developing key messages that persuade people to act. Early acceptors among policy and decision makers are often moved by the benefits of a reform process or a change instrument. This process includes addressing the barriers or obstacles that prevent a buy-in and providing incentives to expedite acceptance. EEPTP has adopted this approach in its communication assistance to PDOE in promoting coco-biodiesel as an alternative fuel for transport.

For more than two decades now, the government has been selling the idea of using coco-methyl ester (CME) as fuel additive. An earlier campaign for coco-diesel was launched in the 1970s but failed due to inadequate research and development. Now that further R&D work has introduced esterification as a chemical solution, the message to the target audience got lost in technical jargon. In addition, there is resistance to the high cost of CME, limited supply and distribution network, and the reluctance of oil companies to put CME in their pumps and tanks.

EEPTP provided technical assistance to PDOE in developing the communication plan to promote CME. With the concurrence of major stakeholders, the communication goals have been defined as follows: to increase the level of awareness, acceptance and usage of CME by consumers and riders of public and private vehicles; to increase the number of public and private vehicles using CME; and to help promote energy self-sufficiency, reduction of vehicle emissions, and sustainable development. The plan also includes a crisis management plan with worse case scenarios.

What turned out to be crucial in the promotion effort was defining the appropriate message in a participatory manner. The seminar workshop that we initiated in May 2003 helped simplify the key messages, i.e. that CME cleans the air, is indigenous and renewable transport fuel, and can help millions of poor coconut farmers. What is initially an intimidating name has also been re-branded as coco-biodiesel. More importantly, a demonstration strategy has been adopted with the issuance of a memo circular that mandates all government agencies to use a 1% blend in their diesel requirements. Continuing enhancement of the message includes the monetization of benefits, such as increased mileage, to soften the cost impact.

Selecting the Appropriate Communication Medium...

The medium is as important as the message in energy environment communications. Non-traditional and face-to-face communication has been very effective in getting the message across to the target audience. This was proven right by the experience of Miriam Public Education and Awareness Campaign for the Environment (PEACE) in its advocacy for

reduced air pollution from tricycle emissions, and the investment promotions campaign of PDOE.

Miriam's Usapang Trike adopted extensively the face-to-face approach to provide tricycle operators and drivers with options to be able to comply with the exhaust emission standards set in the Clean Air Act. This approach has been used to explain the different components of the program: micro-financing, preventive maintenance, legal issues, and health impact of air pollution. It is also based on the strong network of Miriam PEACE in the neighboring tricycle associations and communities.

Investment promotion in the energy sector is relatively new. As it moves towards a market-based regime, PDOE is also faced with the challenge of adopting commercial marketing in the sector. EEPTP has provided technical assistance in the development of professional, commercial investor's brochures to encourage foreign and domestic players to invest in the natural gas industry, electric power market and WESM. These publications have raised the bar in terms of investment promotions. The technical and complex nature of energy is simplified in a language that is easily understood, and the creative execution of these collateral materials is more visually appealing.

To recap...

The choice of social marketing as a communication strategy of EEPTP is grounded on the solid foundation provided by the technical needs assessment and the research audit undertaken prior to program implementation. Target audiences and communities who can be influential in changing policy and government thinking have been identified early on. Message development for specific energy environment issues has been done in a participatory manner. Promotional materials and community-based activities have been used extensively.

As a tool for energy communication, the effectiveness of social marketing can be measured in several ways. It has empowered our partners to be more confident as spokespersons and advocates because they can see immediate results. EEPTP assistance becomes more sustainable as the target audiences increasingly take on the challenge themselves. We have helped improve governance by assisting not an all-knowing government telling stakeholders what to do but a government asking them to get involved in policy development, problem-solving process, or product promotion.

INNOVATION #2

DEVELOPMENT OF LINKAGES AND PARTNERSHIPS

In order to make a difference, one must reach out...

EEPTP envisions an energy environment sector that fosters dynamic, responsive and strong public-private partnership in implementing reforms. Thus, in the 20 months of program implementation, EEPTP continued to promote and facilitate government's partnerships with other institutions by working with and expanding linkages and partnerships with the academe, NGO/POs, private organizations, other USAID cooperators and the local government - an initiative that was legacy from its predecessor program, PCCMP.

The general concept of linkages involves establishing a connection, maintaining communication, and facilitating coordination between organizations, which while working independently in promoting and implementing reforms, share common objectives.



Partnerships on the other hand, by definition refers to bodies comprising representatives of a number of different types of agencies or organizations which come together to oversee or manage a joint activity.

"With every step backward, we can take two steps forward because of partnerships."

- Dr. Angelina Galang.

Miriam PFACE

"The premise behind the formation of partnerships is that they bring individuals and organizations together to build on their complementary strengths and capabilities in order to achieve goals that are unattainable by any single partner" (Weiss, Miller and Lasker 2001 - www.cacsh.org). Partnerships, therefore, become powerful because they match various resources e.g. human, technology, physical and knowledge, combines perspectives and skills of people in order to achieve certain goals.

In EEPTP's experience, creating and maintaining linkages was the Program's initiative to foster collaborative efforts in developing and implementing its activities; partnerships on the other hand, put into actual operation this initiative.

In Development Work, No Sector is an Island unto Itself...

Promoting reforms in the energy and environment sector that is characterized by dynamic and increasingly complex issues is a difficult challenge that needs to be addressed using a multi-disciplinary approach and a multi-sector perspective. Therefore, the Program took on the challenge of finding ways to get various stakeholders - having different and at times conflicting interest and objectives - to identify a common ground to work on a mutually beneficial cause.

Maintaining linkages and partnerships was EEPTP's strategy to implement activities in its four program areas - Power Reforms, Natural Gas Industry Development, Vehicle Emissions Reduction, and Promotion of Alternative Fuels. It was also the means by which, the Program helped government agencies gain access to and mobilize complimentary resources, leverage funds, and effectively and efficiently complete a number of activities.

In effect, EEPTP was also setting the ground for sustainability, by bringing in "allies" that would carry on the program's cause in the future, help the government gain public support in its various initiatives, and optimize the application of limited USAID resources, i.e., enabling "multiplier effects". It is also worth noting that the nature of EEPTP's linkages and partnerships with other organizations were mostly ad hoc, i.e. treated on a "per activity basis". In the following sections of this report, a description of the Program's experiences with other organizations shall be discussed, with special focus on the gains and challenges that were faced during the course of the implementation.

A. Linkages and Partnerships with Academic Institutions

The academe is mandated to provide education, research, and extension services to the community. They are seen as repository of established values and are often expected to pass on these values to their impressionable charges. They are also a new source of information, skills, and solutions to various social problems. With these inherent characteristics and capabilities, the Program recognized the potential of the academe to become powerful agents of social change.

EEPTP worked with a group of DOE-academic partners that was established under PCCMP, also known as the Consumer Action for Reforms in the Electricity Sector (CARES), in implementing its activities on Institutional Capacity Building (ICB) and Communications and Outreach (C & O). In addition, the program also expanded CARES by establishing linkages

with other academic institutions that were outside this partnership, and involving them not just on matters of electricity issues but in environment as well. The new schools were chosen on the basis of having similar activities related to the program or have shown their interest in working with EEPTP. Some academe members were actively involved while others were not able to work with the program but have been linked with other USAID cooperators or were simply updated on EEPTP's current efforts. Below is a list of academic institutions, totaling 27 that the Program directly worked with or has established linkages with:

Academic Institution	Status and Activities Conducted in Collaboration with the EEPTP
1. Asian Institute of Management – Washington Sycip Policy Center (AIM-WSPC)	CARES member – EPIRA related activities
2. Ateneo de Davao - School of Business and Governance (ADDU – SBG)	CARES member – ROVE related activities
3. Ateneo de Manila (ADMU) <ul style="list-style-type: none"> • Center for Social Policy and Public Affairs • Economics Department 	CARES member – EPIRA related activities
4. University of San Carlos (USC) Cebu – Office of Research	CARES member - EPIRA related activities
5. University of the Philippines, Diliman <ul style="list-style-type: none"> • National Engineering Center (NEC) • Electronics and Electrical Engineering Foundation Inc. (EEE FI) 	CARES member - EPIRA related activities, submitted a concept paper on the Energy and Power Industry Cadetship and Certification Program (see attached document)
6. University of Mindanao (UM)– College of Engineering	new partner - EPIRA related activities
7. Miriam PEACE	new partner – ROVE related activities, linked with USAEP, submitted a proposal on Community Air Watch (see attached document)
8. Technological University of the Philippines – Integrated Research and Training Center (TUP-IRTC)	new partner – ROVE related activities, linked with USDOE – SEDP, submitted a concept Proposal on the Technical & Institutional Support for the Utilization of Biofuel in the Philippines (see attached document)
9. Angeles University Foundation (AUF)	CARES member
10. Ateneo de Naga University – Graduate School	CARES member
11. Baguio Colleges Foundation (BCF)	CARES member
12. University of Baguio	established a link – participated in ROVE related activities/expressed its interest to work with the program
13. Saint Louis University (Baguio)	established a link – participated in ROVE related activities/expressed its interest to work with the program
14. University of the Philippines Tacloban – Division of Social Sciences	CARES member
15. UP in the Visayas (UPV)– Office of Research and Extension	new partner – EPIRA related activities
16. University of the East Foundation for Research and Advanced Studies Inc. (UE-FRASI)	CARES member
17. University of Sto. Tomas – Social Research Center (UST SRC)	CARES member
18. University of Asia and the Pacific	CARES member
19. University of the Philippines - National Center for Transportation Studies (NCTS)	linked with USAEP
20. University of the Philippines – Center for Integrative and Development Studies (CIDS)	established a link, conducted small group meetings on the integration of energy in education, environment and economy
21. University of the Philippines – National Center for Public Administration and Governance (NCPAG)	CARES member
22. University of the Philippines - National Institute for Science and Mathematics Educational Development (NISMED)	established a link
23. De La Salle University College of St. Benilde – Angelo King Institute for Economics and Business Studies	established a link/expressed its interest to work with the program
24. University of the Philippines Los Baños – Department of Social Development Services	established a link – expressed their interest in working with the program, submitted a proposal on the establishment of an LGU-based consumer protection

Academic Institution	Status and Activities Conducted in Collaboration with the EEPTP
	center (see attached document)
25. Mapua Institute of Technology	linked with IPC
26. Philippine Association of Tertiary Level Educational Institutions in Environmental Protection and Management (PATLEPAM)	linked with Klima
27. Asian Institute of Technology (Thailand)	established a link - Nat Gas related activities

Our Gains... In cases where the Program directly worked with the academic institutions:

- Sustainability of sector reform efforts was promoted.** Working with the academe has increased the potential to institutionalize reforms in the energy and environment sector. The Memo of Understanding (MOU) between DOE and UP, which the program facilitated, provided opportunities for both organizations to work together in advancing the reforms in the power industry. In particular, UP-NEC and UP-EEEFI's involvement in the conduct the preliminary implementation of the *Energy Cadetship Program (ECP)* made them realize the need to continue on the Program's efforts by crafting initial concept papers on the ECP.

The ECP has long been a plan of the UP-NEC but no initiative was made to operationalize such plan until this year due to the enormous task required in putting together a comprehensive conceptual plan. EEPTP, in a way, catalyzed the crafting of such proposal by encouraging them, providing inputs and recommendations on how to better make the proposal appeal to potential funders. In addition, the two UP teams' involvement in the ECP gave them the opportunity to test their ideas and further enhance their project concept. At the end of the ECP the UP team also submitted to EEPTP a concept paper for consideration under the next USAID program and they have plans to craft a full proposal for other potential funding institutions.

Another concrete joint undertaking that came out of the DOE-UP MOU is the development of the Power Tracker (PT), a web-based information management tool that systematically collects, stores, processes, and disseminates information for monitoring and evaluating the implementation of the electric power industry reforms. Under the framework/design developed by another EEPTP consultant, (i.e., Ms. Arlene Lafrades), two (2) modules comprise the PT. The first module, Power Tracker I (PTI), is intended to monitor EPIRA activities, which include milestones, implementation gaps, and the next steps. The second module, PTII, will monitor EPIRA outcomes based on key result areas and indicators. Due to time and resource constraints, the Program was only able to support the development of PTI, including the training of GRP agencies that will use the system for their respective EPIRA mandates. UPNEC initiated the continuation of PTII by entering into a MOA with the DOE in implementing this component. It is envisioned that PTII will be uploaded in the DOE's website while a similar design will be mirrored in UP-NEC. In effect, they (UP NEC) have taken the initiative to monitor the energy sector reform process that the country is undertaking.

- Transparency is increased in various consultations.** Through the academe, the program was able to reach a wider range of audience, which in turn created an opportunity for diverse stakeholders to come together and discuss /resolve certain issues. Taking the position of a disinterested party whose only goal is to provide closure and resolution to certain issues in the community, the academe served as the 'great unifier' during public consultations, small group meetings, roundtable discussions, and forums. The academe's network proved to be very helpful in tapping key leaders and major groups that were instrumental in getting across the right message to the stakeholders. For example: (1) Miriam PEACE's initiative on tricycles clarified issues regarding the phase-out of two stroke tricycles, increased the drivers' knowledge on preventive maintenance, and encouraged community associations to work with the government and private institutions in complying with the Clean Air Act; (2) With the help of UPV, USC, ADMU,

and AIM WSPC, pressing issues on power shortage, increasing energy prices, and other consumer concerns on power were clearly discussed. The government was also able to maximize the consultations and made it more credible with the help of the academe.

- **The program's communication initiatives were kept on the right track.** Since the academe's primary interest is education, this institution has the ability to gather information from various sources and objectively process these for dissemination. The program chose to source out its technical data from the academe in developing key messages related to C & O activities because it was credible enough not to promote the interest of a few sector. In particular, TUP IRTC was a major partner during the development of collateral materials on CME-diesel. In some cases where their knowledge was limited in a certain topic, they were instrumental in linking the Program to other experts/groups who can provide the right information.
- **Complementary strengths and capabilities were built.** Existing resources of the academe were mobilized to complement the Program's initiatives. Most of the academic partner's contributions were in the form of manpower and physical facilities/equipment. By partnering with them, the program had available experts on certain topics and additional manpower support during the conduct of specific activities that were implemented to advance a common cause. The partners, therefore, were able to do more even with limited internal resources at their disposal by simply linking up with EEPTP's own resources.

In instances where the Program did not have the chance to directly work with other academic institutions, EEPTP facilitated the linkage between the academe and other USAID cooperators. For example, the Program introduced the concept of academic linkage between Infinite Progressions Foundation (IPF) and Mapua Institute of technology (MIT), which led to a joint activity on preventive maintenance. IPC partnered with MIT in holding a contest entitled "**Help Clean the Air the MIT Way**", which aimed to solicit ideas from students on how they can help in mitigating air pollution using preventive maintenance as a tool. As a follow-on activity, IPC is planning to conduct similar efforts in other technical schools. Another case is UP NCTS wherein EEPTP introduced the former to USAEP, which resulted in the participation of UPNCTS in the Bangkok Study Tour on Tricycles. USAEP also gave the feedback that the academe provided substantial input in the success of their activity.

Opportunities for Next USAID programs... The surface has barely been scratched in academic partnerships. While the EEPTP, and before, the PCCMP, have both shown the availability of enormous capacity and resources within the academic community, there are also challenges, or alternately, opportunities to be explored in the aspect of program management. In order to sustain the linkages and partnerships that have been established, USAID's future program may want to consider assisting the academe in further developing their skills in the following:

- Project and activity documentation - In many cases, our partners' difficulty in documentation was related to manpower constraints and to some extent, documentation was seen as a hurdle in itself. Future program managers and academic coordinators must be able to agree on documentation procedures and products because these are important for enhancing future activity designs and strategies;
- Project formulation & planning - Many of the academic institutions we worked with had little familiarity in proposal crafting, especially at a level deemed attractive for funding institutions. It is not a question of lack of skill but rather a question of lack of opportunity to hone inherent capacities and concretizing great project ideas; and
- Project Marketing or Funds sourcing. - The academe's ability to sell their ideas to secure support from other organizations also needs be developed.



B. Partnership with the Private Sector

EEPTP's partnership with the private sector was focused on C & O and ICB related activities on nat gas, alternative fuels, and EPIRA. Below is a list of private institutions that the Program directly collaborated with:

Private Sector	Activities Conducted in Collaboration with the Program
1. Semiconductors & Electronics Industries in the Philippines Inc. (SEIPI)	Power Reforms Briefing
2. Senbel Fine Chemicals Inc (Biodiesel Manufacturer)	Forum on Alternative Fuels and Clean Cities, Public Consultation on MC 55
3. Chemrez Inc. (Biodiesel Manufacturer)	Forum on Alternative Fuels and Clean Cities, Public Consultation on MC 55
4. RI Chemicals (Biodiesel Manufacturer)	Forum on Alternative Fuels and Clean Cities, Public Consultation on MC 55
5. Flying V (new oil player)	Forum on Alternative Fuels and Clean Cities
6. Unocal Philippines & Thailand	Natural Gas Study Tour
7. Pilipinas Shell and Shell Thailand	Natural Gas Study Tour

Our Gains... EEPTP's partnership with the private sector proved beneficial in terms of leveraging funds and adding public credibility to C & O related activities. Private sector presence assured the general public that "we meant business", both in promoting government's reform efforts and that government itself was serious in pursuing the reforms. For example, the C & O initiatives on alternative fuels, particularly on CME, were enhanced because the private sector was present to give the assurance to the public that the product had been tested and safe to use on their vehicles. Their contribution in the form of expensive testing equipment and product samples for demonstration after every forum proved to be effective in convincing stakeholders to immediately buy CME. During forums, the cooperation of private sector enabled the program to tap high level officials, which made the discussion on the issues more constructive because the right message were being conveyed to key decision makers who can make a difference.

Opportunities for Next USAID programs... The private sector was definitely a strong partner in implementing the Program's overall objectives. In future USAID programs that will address the case of alternative fuels promotion, (e.g. CME), the challenge lies mainly in ensuring that the delineation of roles of both parties is clear. It must be kept clear that the Program promotes the technology and not specific products/brands. Any technical assistance effort must only complement private sector initiatives. CME manufacturers must implement a separate marketing strategy to sell their products, outside of donor funding support.

C. Partnership with Civil Society

Selected NGOs and POs were tapped in conducting specific C & O activities because they shared similar objectives with EEPTP. Below is a list of such:

Non-Government Organization (NGO)/People's Organization (PO)	C & O Related Activities Conducted in Collaboration with the Program
1. Asian Institute of Petroleum Studies Inc.(AIPSI)	Coco Methyl Ester (CME) Promotion
2. National Association of Electricity Consumers for Reforms (NASECORE)	EPIRA Consumer Education
3. Swiss Contact	Clean Air Communications Campaign
4. Partnership for Clean Air (PCA)	Clean Air Communications Campaign
5. National Confederation of Tricycle Drivers and Operators Association of the Philippines (NACTODAP)	Forum on Tricycles

Non-Government Organization (NGO)/People's Organization (PO)	C & O Related Activities Conducted in Collaboration with the Program
6. Metro Manila Bus Operators Association (MMBOA)	CME & PETC Activities
7. Tricycle Operators and Drivers Association (TODA) Pilipinas	Usapang Trike
8. Motorcycle Development Program Participants Association Inc. (MDPPA)	Usapang Trike
9. Petroleum Institute of the Philippines (PIP)	Usapang Trike
10. Air and Waste Management Association (AWMA)	Nat Gas Forum
11. Transport Organization for Clean Air	CME & PETC Activities
12. Air and Waste Management Association of the Philippines (AWMA)	Briefing on Natural Gas Vehicles
13. Philippine Renewable Energy Advocates, Inc (PHILREA)	Forum on Renewable Energy Technology Updates

Partnering with NGOs and POs relatively increased the sustainability of the Program's efforts on certain key areas. Joint activities conducted with these groups have increased the likelihood of developing a critical mass in the area of consumer education. From these specific groups, potential leaders or "champions" were developed. Specifically, EEPTP's partnership with tricycle associations in effect involved potential leaders who have the capacity to expand the Program's initiative in educating other tricycle drivers on preventive maintenance. The future challenge is to assist these champions and their organizations in strengthening their internal management capacities, to become more resourceful in internal funds generation for their own projects, so that they can be weaned from donor-sourced assistance.

D. Partnership with Local Government Units (LGU)

The program also collaborated with LGUs in implementing key tasks that required local governance capability, such as the Clean Cities Program, where the EEPTP also partnered with the US-DOE Program Team. The LGU partners included:

LGU	Status as of end of program
League of Cities of the Philippines Inc.	Initial coordination was made, expressed interest in working with the Program
Baguio City	Collaborated during the Clean Cities Scoping Mission and Public Consultation on the MC 55
Davao City	Collaborated during the Clean Cities Scoping Mission and Public Consultation on the MC 55
Cavite City	Initial coordination was made, expressed interest to implement an LFG program in the Ecozone

Partnering with specific LGUs enabled the EEPTP to initiate activities at a community level while encouraging resource leveraging. In the case of Baguio City, where the Mayor was strongly supportive of the Clean Cities Program (CCP), EEPTP and the USDOE facilitated the signing of a Memorandum of Understanding (MOU) between DOE and Baguio City to jointly collaborate in implementing the CCP. The challenge in the next USAID program is to make the initiative more adaptable or indifferent to changes in political administration. There is a need to work closely with other partners in the locality, such as the private sector, academe, and the career officials of the LGUs, in order to sustain what has been started. The agreements previously made also need to be translated into local/municipal ordinances to concretize the initiatives.

E. Partnership with Other USAID Cooperators

The EEPTP endeavored, at every occasion, to work with other USAID cooperators. These included the US Department of Energy, Manila Observatory/KLIMA, Infinite Progressions Corporation, Winrock International (AMORE), and United States-Asia Environmental

Partnership (US-AEP). Partnership with other cooperators is USAID's strategy for synergizing its initiatives in the sector. Close coordination with these organizations prevented duplication of efforts, maximized the use of program resources, and provided an opportunity for each cooperator to benefit from the lessons learned by others. The future challenge to the USAID cooperators is to maintain regular coordination and to use these occasions to genuinely synchronize activities for maximum impact and reach.

SUCCESS STORY #1

EEPTP Trainings in Retrospect

From October 2002 to May 2004, EEPTP provided institutional capacity building (ICB) activities in the form of trainings and organizational development strategies specifically designed for officials, management, technical as well as administrative staff belonging to GRP energy agencies, private utilities like cooperatives, academic institutions, and certain civil society representatives. In the various trainings that EEPTP conducted, feedback mechanisms were utilized by AED to obtain participant inputs and assessment of the training they received. These included informal one-on-one discussions, coordination meetings, in-training assessment reviews, and setting aside a segment of the closing ceremonies for delegates/participants feedback. In general, EEPTP's training initiatives were received positively. Participants reported improvements in their personal skills, work products, productivity in their work stations, and their ability to provide service to the public and to society. Following is a sampling of feedback obtained from various training participants and/or their agency supervisors:

ON INITIATIVES IN SUPPORT OF THE DEVELOPMENT OF THE PHILIPPINES' NATURAL GAS INDUSTRY:

Energy Committee Chairman Alipio Cirilo Badelles, on behalf of his colleagues in the House of Representatives' Energy Committee, personally expressed his gratitude and utmost appreciation for the highly organized and well-prepared Philippine Study Visit on Thailand's Natural Gas Industry. The Thai exposure provided the delegation with comparative country knowledge and increased their appreciation of the importance of policy and regulation in natural gas industry development. Their first-hand observation of the operation of LNG-fueled "tuktoks"/tricycles, buses and taxis and the associated relative improvement of Bangkok's air quality have encouraged the Congressmen to emphasize the use of natural gas as fuel source to DOE's Usec de Dios. Another participant, PNOC's President Rufino Bomasang extended an offer to his counterparts from the Petroleum Authority of Thailand to conduct an observation tour to the Philippines' Malampaya Gas Project site and to other natural gas sites.

On the 3-day Briefing on the Natural Gas Industry, the DOE, through Mr. Jesus Tamang, Chief of the Natural Gas Office, noted that orientation of the various GRP agencies to the concepts and development of the natural gas industry will pave the way for their understanding and appreciation of their role in the natural gas industry development and enhance their coordination with DOE.

The Natural Gas Briefings for the Committee on Energy Members and Technical Working Group Members have served as a venue for a better appreciation and understanding of the importance and benefits of the development of the Philippines' natural gas industry to policy and economic development and to the environment. Information gathered from these briefings helped them be more analytical in crafting a more responsive natural gas bill. (Feedback from participants)

ON TECHNICAL ASSISTANCE TO STRENGTHEN THE ENERGY REGULATORY COMMISSION IN THE PERFORMANCE OF ITS REGULATORY FUNCTION UNDER THE EPIRA:

The Commissioners and directors cited the **Communication Training for ERC** as an important source of new learning, specifically the topics on **Key Message Development and Crisis Management**. At the personal level, the Commissioners saw the training as source of enrichment in their personal skills on interactive communication. Having acquired these skills, they expressed an increase in their self-confidence in promoting the ERC to the public.

ERC Chairman Rodolfo Albano, challenged the "graduates" of the **Basic Training Course on the Philippine Grid & Distribution Codes**, "to apply their learning by establishing standards that will promote growth and quality of life through the responsible use of energy". The PGDC intensive training capacitated the ERC technical staff with the basic knowledge on the standards specified in the grid & distribution codes that will govern EPIRA implementation.

ERC staff expressed utmost satisfaction over "**Enercare**": **Customer Service Training Workshop** because it equipped them with better customer relations skills. It has also fostered interdependence and cooperation among the various offices of ERC. Director Bugayong, head of ERC's Public Affairs Services informed EEPTP that they have since applied their learning to improve their current customer service practices, so that eventually this can become a source of organizational pride and lead to service excellence.

Commissioner Leticia Ibay remarked that she was extremely happy over the interest and enthusiasm shown by the ERC staff in the "**Organizational Communication Training**". "I was so surprised that everyone was in a hurry to go to the training and leave whatever they doing back in the office. They did not want to miss anything in this training."

EEPTP's recommendations based on findings from a **Review and Assessment of USAID's training programs** provided the ERC Commissioners with sound bases for pursuing its initial plans to establish a human resource development office that shall provide directions for ERC's capacity building programs. Coupled with EEPTP's **Support in Formalizing a Strategic Planning** process in ERC, the Commission has moved faster with its initial efforts to undertake a comprehensive organizational assessment and mandate review, set its key performance indicators, and prepare its short-and long-term strategic plans and budgets, all with the end-view of strengthening ERC as an independent regulatory body.

ON CAPABILITY BUILDING INITIATIVES FOR THE EPIRA IMPLEMENTING AGENCIES:

Fresh engineering graduates, Mr. Victor Francisco and Ms. Chenlie Cancelaria, considered the Energy Cadetship Program in partnership with UP-National Engineering Center as an "eye-opener". Their experience challenged their academic knowledge while their actual industry exposure made them recognize that the real test to their technical expertise is in using it to help solve the "overwhelming problems that confront both the industry and the country". Both cadets subsequently joined PNOC's - Energy Development Corporation.

The Energy Cadetship Program in partnership with the University of Mindanao (UM) was a pioneering strategy for both UM and the DOE. The UM considered it an opportunity to mainstream the academe with the power/energy sector. The DOE views the program as a chance to mentor potential "entrants" to the power/energy sector. After the cadetship, the DOE told EEPTP that it plans to hire one of the cadets as technical staff of its Rural Electrification Administration and Management Division (REAMD) to be stationed at DOE's field office in Davao City.

Usec del Callar wrote the EEPTP team: The "Enercare: A Customer Service Training for EPIRA Agencies" benefited the Consumer Welfare Promotions Office (CWPC). The EPIRA agency representatives have distinctively identified their respective roles and appropriate customer relations approach in promoting a more effective power sector reform process ... their learning will indeed guide them and the DOE's efforts in promoting power reforms to the public. The training was an opportunity for these agencies to initiate collaboration and interdependence as they promote and implement the EPIRA.

The technical staff of the Joint Congressional Power Commission (JCPC) expressed appreciation for the Four-part Series of EPIRA Briefings, where they acquired deeper understanding of the technical content of the EPIRA. Chairman of the HOR's Committee on Energy, Congressman Alipio Cirilo Badelles, seconded that he was very happy over EEPTP's assistance and considered the Briefings as very helpful to the JCPC staff, directly, and to the Committee members, as well.

Participants of the two sessions of the Seminar on Electricity Markets were able to voice out their concerns, comments, and queries on the WESM...their apprehension over the implementation of the WESM rules, and the concomitant impact on the players and stakeholders. In both sessions, the participants highly appreciated the use of the trading game to simulate the electricity market.

"You (the USAID) have done a lot to the Filipino people" and "For the first time, we feel we are a part of the energy family," were some of the remarks from the officers of Panay Island's electric cooperatives who participated in the Seminar on Managing Power Supply Contracts and Financing Rehabilitation and Expansion Projects. Participants expressed their gratitude to DOE and the resource speakers for sharing their expertise on EPIRA, WESM, and Power Supply Contracts and Forecasting and noted their optimism on being able to evaluate their current and future contract negotiations as a result of the seminars.

ON ROVE EFFORTS - MANAGING THE TRANSPORT SECTOR 'S EMISSION LEVELS:

"Moving Forward in the CAA (Clean Air Act) Implementation: An Operational Planning Workshop" was significant because it brought together CAA policy-makers, implementers, and stakeholders. It was an opportunity for all players to directly deal with current CAA implementation problems through joint efforts, thus enabling them to decipher how to move forward in pursuing the objectives of having cleaner air for everyone.

DOTC's Undersecretary Art Valdez expressed utmost satisfaction over the preparations and result of the **PETC/LTO Testing Center Monitoring Workshop**. He noted that the "future monitors" seriously took on their new responsibility during the monitoring simulation exercise and, because the workshop emphasized this salient role, they were quite excited to perform their tasks immediately after the workshop. DOTC's subsequent update to EEPTP noted that the PETC monitoring teams are now "mapping" out their monitoring plans.

SUCCESS STORY #2**ROVE - CLEANING THE AIR IN 2 STROKES**

Katipunan Avenue, Quezon City, Philippines, is a well-known local thoroughfare lined with restaurants, offices, shops, and schools – it offers a window into daily life in Metro Manila. On any day in "Katipunan Av" as it is fondly known by locals, it is teeming with the hustle and bustle of everyday life – students rushing to catch school buses; merchants coming and going; mothers waiting for a ride home after a grocery trip; a grandmother emerging from a nearby chapel, and a traffic officer motioning to drivers to stop and go.

Yet all is not well in this cityscape back dropped by blue sky and tropical weather. For overshadowing every move taken here, is a brownish malodorous haze, the results of engine fumes and exhaust (SMOG), which unfortunately, is also an integral part of the scenery. Perhaps unaware of the dangers, lacking the avenue for change, or quite simply oblivious, the population goes about their business breathing in the SMOG and then suffers the ill health consequences. As a long-time resident school in Katipunan Av, Miriam College's "Miriam PEACE"², is a daily witness to this disturbing sight and decided something had to be done!

The 500 or so tricycles in Katipunan are an indispensable part of the socio-economic fabric of the 5-kilometer stretch and its communities – Loyola Pansol and Loyola Heights. But these diesel-fueled 2-stroke tricycles, along with other vehicles – cars, jeepneys, buses, and trucks – are also notorious contributors to the locality's poor air quality. So when Miriam PEACE started the "Usapang Trike"³ Program, with assistance from USAID's Energy Environment Training Program (EEPTP) – **ROVE (Reduction of Vehicular Emissions) Activity**, the first order of the day was to meet with the tricycle drivers and operators to explain the rationale for air quality improvement. After holding numerous seminars and forums with them, Miriam PEACE was able to secure their buy-in and transform

WHAT'S IN A NUMBER?

1.05 Million - The approximate number of registered 2-stroke motorcycles and tricycles in the Philippines as of 2011.

500 Tons - The approximate volume of annual emissions of PM10 from the transport sector.

16 - The number of daily air pollution-related deaths.

² Miriam P.E.A.C.E. stands for Public Education and Awareness Campaign for the Environment. It is managed by the Environmental Studies Institute of Miriam College.

³ Usapang Trike means Tricycle Talk, with Trike, being the short name for tricycle.



the Clean Air Act, Health Hazards, Clean Fuel, and Preventive Maintenance into local buzzwords. The overarching message was to empower tricycle drivers to play a vital role in attaining a smog-free Manila by providing pollution-free air to their children. With a select but influential group of tricycle drivers and operators on-board, the Miriam "clean air" message is being carried to more and more tricycle operators and the community as a whole.



Last October 25, 2003, Miriam PEACE stepped out of its own locale to reach out to another tricycle community in Tuguegarao City, Cagayan Valley, 356 kilometers north of Metro Manila, in the hopes of spreading the news that "clean air in 2-strokes is attainable." Like Katipunan Av, Tuguegarao is tricycle-dependent, but is in an even worse position, as it is considered to be one of the most heavily (air) polluted cities in the country. Mr. Alex Pablo, Treasurer of the Loyola Pansol TODA⁴, a tricycle driver for fourteen years, and an active participant of "Usapang Trike" in Katipunan Av, shared this message:

When the Clean Air Act was enacted, I heard of speculations that all 2-stroke tricycles in the country would be phased-out. As a tricycle driver I was deeply troubled so I attended the Miriam PEACE gathering of tricycle drivers to voice out my objection. To my relief, I found out that only tricycle units that will not comply with the Act's emission standards would be disallowed from registration renewal by the LTO⁵. The Usapang Trike Program has been helpful in clarifying to me and my co-drivers the value of lowering emissions. I, together with my fellow drivers did not hesitate to participate in the program's training, which, with the help of several motorcycle manufacturers has taught us effective tricycle maintenance techniques that will extend

the life and also manage the toxic emissions⁶ of our engines. I encourage the participants to practice preventive maintenance. This will help us clean the air we breathe. As tricycle drivers we have a responsibility to help implement the Clean Air Act and protect our children from being more susceptible to air pollution-related diseases.⁷

By helping tricycle drivers and operators understand how they can contribute to a cleaner environment, the Philippines is moving closer to its goal of improving air quality in major urban areas. This is a slow process and will require the initiative and commitment of more organizations like Miriam PEACE and individuals like Alex, to curtail pollution and improve air quality. It is however, not impossible to imagine that in the near future, more and more drivers and operators including those of jeepneys, taxis, and buses will be encouraged to follow suit. Clean air after all is fundamental!



USAID's, *2-stroke effort to Clean the Air* in Metro Manila with Miriam PEACE - **SUPPORTING INNOVATIVE AND COMMITTED PARTNERS** and **COMMUNICATING THE RIGHT MESSAGE** in order to encourage behavior change and improve lives - is a good example of community action to address a local issue. While currently a small step forward in solving the clean air problem, USAID and Miriam PEACE are making tangible progress.

⁴ TODA - Tricycle Operators and Drivers Association

⁵ LTO - Land Transportation Office of the Department of Transportation & Communications

⁶ Emissions like carbon monoxide and other hydrocarbons.

⁷ English Translation & editing provided by AED.

SUCCESS STORY # 3

MAKING POWER REFORMS WORK THROUGH THE POWER OF COMMUNICATIONS

12:02 NN, compound of the National Power Corporation (NPC), Quezon City, Metro Manila: An employee, while walking towards the cafeteria, muses over the possibility of losing his job in light of the ongoing organizational changes in the Corporation.

7:00 P.M., a modest home somewhere in Iloilo: A small family shares a humble meal under the dim light of a candle because of a blackout expected to last for hours.

Daytime, residence areas in the Philippines: Consumers disgruntled over their large electric bills, perplexed with EPIRA and its seeming lack of positive results...

These are some of the images that flashed from October 2002 to September 2003. It was a crucial period because it forms part of a long transition phase that the Philippine electric power industry has to go through in order to achieve the envisioned reforms set by the Electric Power Industry Reform Act (EPIRA) of 2001. It was also a difficult time, especially for the Department of Energy (DOE), the lead agency for EPIRA implementation, which needed to find remedies to the industry's momentary "labor pains" to give birth to a restructured power industry that delivers its promise: a sufficient, reliable and reasonably-priced supply of electricity. But most of all, it was a challenging period for the whole energy family⁹ which must work together to secure from the unhappy consumers, their understanding and support for the reforms and in quelling, altogether, the growing clamor to repeal EPIRA.

The task was tremendous. To ease the employees' anxiety and worries over employment security is to let the rationale, impact, and benefits of the changes be known and understood by even the smallest member of the organization. Prior to EPIRA, NPC had a dominant hold of the generation sector. But now, under a restructured environment, NPC is required to separate the generation from its transmission functions, to prime itself for privatization and to take on the daunting task of electrifying unviable areas through its remnant unit, the Small Power Utilities Group (SPUG). All these organizational changes, if not effectively managed, could affect the employees' work attitude and performance, which in turn, could bring down productivity, efficiency, and morale. To enable employees to understand and accept the changes, there is a need for a dialogue between the top management and the middle and rank-and-file employees. Moreover, there is a need for the employees to reorient their outlooks into becoming a world-class workforce to better adapt to the entry of privatization.

To reassure families and industry stakeholders in the Visayas that homes and offices will have sufficient power, is to make them understand and be aware of the problems and the solutions. In the case of the Cebu-Negros-Panay region, the problem lies in the fact that there was a lack of additional power supply to meet the growing demand. No investors were enticed to build new power plants due to the existing generation rates, which were perceived to be unviable. Aggravating the situation is the absence of a unified stand on the issue of power rates. While industry players and businessmen appeal to the Energy Regulatory Commission (ERC) to reflect the true cost of power, the consumers are demanding for lower rates. The government needed to find a way to bring on board both the private sector and

⁹ The energy family is led by the Department of Energy (DOE), and composed of the National Power Corporation (NPC), National Transmission Corporation (TransCo), Power Sector Assets and Liabilities Management (PSALM) Corporation, and the National Electrification Administration (NEA).



the consumers to arrive at the best and most amenable solution.

The energy family, dutifully responding to the call of service, surpassed the challenge; and it is because it made use of one powerful tool: Communication. More specifically, a communication strategy that is well designed and executed to convey the right message, hit the right audience, and get the right feedback. And EEPTP was there, ready to extend the help.

Through the activity, *Organizational Development Support for the NPC's EPIRA-Mandated Reorganization*, EEPTP assisted the DOE and NPC's Human Resource Department (HRD) in conducting consensus building and consultative exercises among the management and the staff, resulting in a smooth organizational transition. EEPTP traveled an extra mile by supporting NPC's *Organizational Transformation Program* designed not only to equip the employees for the impending NPC privatization but more importantly, to boost the employees' morale by helping them realize their potentials as world-class employees.

"U guys did a gr8 job! We cud not hav done it any bettr."
[You guys did a great job! We could not have done it any better.]

-Text message received from Former DOE Assistant Secretary & head of CNP Task Force, Lasse Holopainen EEPTP, after the successful conduct of the Power Summit on July 25, 2003, in Cebu

From July to September 2003, the EETP reinforced the energy family's communication efforts by facilitating the conduct of nine (9) separate sectoral feedback consultations with the (a) local government units (LGUs) and the Visayas Regional Development Council (RDC); (b) the media; (c) business sector; and (d) industry players in the provinces of Cebu, Negros and Iloilo. The consultations culminated in a *Power Summit*, held on July 25, 2003, that brought together all the stakeholders and provided them the opportunity to present their solutions to the looming power shortage in CNP. When the DOE responded to the Mindanao's call for help in September, EETP was also there to back up the energy family in holding consultations with the stakeholders of General Santos and Davao Cities.

In all efforts, the end result was increased awareness, understanding, acceptance, and more significantly PEOPLE SUPPORT. NPC employees openly gave their cooperation to the management. Bacolod (Negros) residents expressed willingness to forego their annual "Light a Christmas Tree Contest" to save on electricity. Davao and General Santos Cities' businessmen are now seeking ERC's help to reflect true cost of power.

In the Philippines where the issue of power is highly politicized, implementing and instituting power reforms are no easy tasks. Despite sincere intentions to introduce changes for welfare of all, there are always the odds of being questioned, being challenged, and being opposed. This is attested to by the fact that movements advocating for the repeal of EPIRA are now brewing. However, the accomplishment of energy family illustrates that despite emerging difficulties, power reforms work – that EPIRA works! What prevents the public from accepting the reforms is the lack of proper information. There is urgent only the need to effectively deliver the information to those who are open and ready to listen. The bridge is communication. It is such a powerful tool. One must only learn how to effectively use it



PART SIX

LESSONS LEARNED AND RECOMMENDATIONS

This concluding section synthesizes our insights and observations on implementation challenges and opportunities – THE LESSONS LEARNED – and our ideas on what USAID may want to consider in its next energy and environment program.

What were the lessons Learned?

- A Technical Needs Assessment (TNA) of the sector is necessary for identifying GRP Partners' priorities.**

At the beginning of the EEPTP's implementation period (i.e., October - December 2002), it became necessary for the program management team (PMT) to undertake a consultative evaluation and validation process, i.e., a TNA, prior to the development of the EEPTP 2003-2004 work program. Although the EEPTP was a follow-up to the PCCMP, whose technical assistance coverage was basically the same, it was strategically advantageous to reconfirm with the GRP implementing partners their priorities and to discuss with them the directions for future USAID assistance. The TNA, that was conducted by local experts (technical, training, & communication specialists), provided much needed inputs for assessing the progress made, current gaps, and opportunities in the energy environment sector. Not only was the TNA result helpful in aligning the USAID's development framework with the GRP's own agenda for reforms, but it was also a clear indicator of USAID's continuing effort to make its technical assistance more timely, relevant, and responsive to its beneficiary's requirements. Because the TNA results were comprehensive, the USAID-GRP partnership through the EEPTP continues to derive the benefits from the availability of information that serves as objective guide for defining and revising specific TA interventions even within the shifting/changing dynamics in the sector.

- A Monitoring & Evaluation (M&E) System, including the appropriate use of IT tools, is critical for ensuring effective governance of reform measures.**

Many examples abound on government's capability to promulgate far-reaching policy reforms via legislation e.g. the Clean Air Act, Oil Industry Deregulation Act, and the Local Government Code. What is not clearly demonstrable is the government's effectiveness in ensuring that the benefits of these policy reforms are sustained and translated into beneficial action. There is a missing governance element - a monitoring & evaluation system (M&E) - that keeps track of the progress, the impacts, and the outcomes of reforms. More than the obvious benefit of enabling the GRP agencies to comply with reportorial requirements to oversight bodies like the Congress and Office of the President, an M&E system helps government agencies to effectively implement reforms by serving as a transparent, accountable, predictable, and publicly accessible tool that can be used in the exchange and sharing of information among the stakeholders. Information is key to planning and decision-making. IT solutions will be critical in facilitating the availability of information. In the energy environment sector, where regulation of imperfectly functioning markets is a central theme, whether it is a market for electricity or of pollution/property rights, access to information is in itself a strategic advantage. The EEPTP's work program incorporated a strategy for putting in place an M&E system, including exploring an IT-based tool, that will enable the DOE/ERC and the DOTC/DTI to keep a tab on their progress of implementing the EPIRA and the CAA. This will hopefully be an ongoing effort that USAID will continue to build and enhance in partnership with the concerned stakeholders, both government and non-government.



The academe is an effective implementation partner of USAID and the GRP.

The successful partnership of USAID and the academe through the PCCMP's power sector reform initiatives provided the current EEPTP team with sufficient basis for concluding that the academe can potentially play a more active role in shaping policy and implementing them. While the academe may not be the ultimate solution, it serves as a strategic link that further strengthens and reinforces the existing connection between donor (e.g. USAID) and recipient (GRP), within the context of sustainability of technical assistance. A major component of EEPTP's implementation approach was the optimization of opportunities for partnering with

"The partnership has not only allowed us to share our knowledge and expertise to other government agencies, but it has also allowed us to learn..."

- Prof. Donato de la Cruz,
University of the Philippines

academic institutions in launching various capacity-building and communication activities/campaigns of the government agencies in the energy and environment sector. Picking up from the academic network of the Consumer Action for Reforms in the Energy Sector (CARES), which was created during the PCCMP, the EEPTP expanded it into a virtual "Energy-Environment" academic network, with academe-based groups such as the MIRIAM

PEACE, the UP-NEC, the USC-Extension Center, AIM-PC, the TUP-IRTC and the Ateneo Universities of Manila & Davao, providing the EEPTP with strong partnership in undertaking various forums, seminars, public consultations, and policy analysis in the technical areas of EPIRA, ROVE and Clean Fuels. The USAID-academe collaboration was made operational via counter-parting of physical, human, and financial resources. This resulted in mutually beneficial cost-sharing, diffusion of knowledge, and more importantly, attainment of the desired results in a setting that nurtures increased trust and understanding of the respective roles of government, donor, and academia in pursuing a joint developmental goal.

Informal forums among high-level officials encourage more inter-agency coordination.

During the first half of PCCMP, a formal inter-agency management structure (steering and executive committees) served as effective tool for inter-agency coordination on such matters as policy-setting, activity planning, task prioritization, and budgeting/cost-sharing. Under the EEPTP, the USAID continued to emphasize inter-agency coordination, albeit via a less formal approach, to enable high-level executives to directly confer with each other and discuss critical implementation issues. To expedite the resolution of key issues surrounding the vehicle emissions reduction provisions of the CAA, a regular bi-monthly breakfast/dinner meeting of the undersecretaries or assistant secretaries of the DENR, DOE, DTI, DOTC/MMDA/LTO and the USAID were organized by the EEPTP. As necessary, executive meetings among the technical staff of the same agencies were conducted in order to thresh out deeper issues that required in-depth research, analysis, and evaluation of options. In the first six months that the approach was adopted, it was very effective in resolving basic policy differences, orchestrating/expediting agency actions, and clarifying agency priorities. Much later into the program, only the technical staffs continued to meet on a need-basis while the Usecs' meetings have stopped in view of logistics constraints, shifts in major agency players, and participants' scheduling difficulties caused by the enormous work load in their respective agencies. The challenge that lies ahead for USAID is finding another approach that works well within the realities of the agencies' dynamics in pursuing its energy and clean air mission. Modern communication technology (i.e. teleconferencing and video conferencing) presents a promising alternative to encourage and sustain inter-agency coordination.

There are other significant lessons learned from the process of developing and implementing the different activities of the Program that will hopefully be applied in the succeeding programs of the GRP and USAID for the energy environment sector to ensure sustainability of reforms. They include lessons from activities/tasks on; a) institutional capability building, b) creating partnerships and building coalitions, and c) managing the program. The lessons can



promote an increase in the level/degree of absorptive capacity of government agencies for the results/outcomes of all technical assistance activities that promotes reforms in the energy environment sector through policy development and implementation.

Stay focused on the total picture - The process of nation-building by promoting and implementing reforms is like putting together a giant jigsaw puzzle. The whole picture must be used as reference for identifying and putting pieces together. The energy environment picture is evolving and emerging as the different pieces of policy reforms are designed and developed. Efforts to implement the reforms must frequently refer to the total energy environment picture – albeit many portions are changing or are not yet very clear. This concept or approach to the activities of the Program promotes and facilitates understanding of the interrelatedness/links of tasks and activities. More importantly it promotes the participants to take an end-result approach to the implementation of EPIRA and the CAA.

Begin with the end-result in mind - Many ideas/initiatives die because they are resource constrained/ driven. Resources are limited and when they are exhausted, the efforts end as well. Worse, initiatives even before they can be launched, are aborted because of lack of either budget, manpower, equipment, or facility. Beginning at the desired end-result promotes commitment and facilitates support/buy-in for reform efforts. The "marketing" of the desired end must be compelling enough to attract/hold attention, open the need for more understanding, and secure commitment and support from stakeholders. Beginning at the end also draws attention away from limited resources and leads to exploration of various alternative means/sources of funds and complementary resources. The focus is on the end and on the process – inputs are then seen as opportunities to get started instead of as barriers to topple.

Institutional capability building - Training activities must reach out to the individual first and then work on building capacity of the individual to work with others as a member of a team. At the end of a training course the individual must be provided with toolkits - templates, manuals, process flowcharts, tables, etc. While the participants in trainings must have sufficient time-off from work, whenever possible, some training must also be conducted simultaneous with work. The trainers must serve not only as resource persons/subject matter experts but more importantly as mentors to trainees as well, in order to facilitate the application of learning from the training. Lecture/workshops must be paired with hands-on training and training class sizes must be kept proportionate to the complexity of the topics and availability of training resources.

Building Partnerships and Coalitions – The process of instituting reforms requires the creation of a critical mass of support where a diversity of ideas and insights can be encouraged and where an environment that promotes consensus building and sharing a common vision can be created and nurtured. The coalition of constituents can be expected to influence and convince the policy makers, decision makers in government, and industry to make sustainable energy environment policies/decisions/actions. The keys to get the partner organizations together, to use participatory approaches, and facilitate the formation of coalitions among the members. It is important to have an informal coalition of organizations and to do away with an organizational structure/hierarchy, which breeds power struggles and distrust in cases where diverse parochial interests can lord over common vision. There is only a shared vision/desired end that bonds the members together. The informal setting in a coalition allows individuals or institutions/ organizational units to pursue their own interest/initiatives. The diversity of interests and initiatives is important to give the coalition a multi-sector representation enabling it to address problems which are complex and dynamic because of their multi-sector impacts. Coalitions and partnerships provide the energy environment sector a diverse set of perspectives, initiatives, and resources. Coalitions and partnerships provide the sustainability factor for the long and complex process of instituting reforms. The coalition provides a pool of champions who can take the lead to push on. In a coalition there is no one person/leader to be attacked or discredited by the opposition. It is a

formidable body of constituents informally gathered together to pursue a goal for a given time as may be required by the situation. It can band and act together as one body to achieve a temporary/intermediate goal and just as quickly disband to return to their original organizational units. The key is an environment and mechanisms where a quick exchange of information, insights, and recommendations is promoted and facilitated. To promote these partnerships and coalitions, USAID's future programs must design, develop and organize activities (informal roundtable discussions, workshops, forums/seminars) that will bring representatives from the different sectors together and must assist the government agencies in presenting a compelling case or action plan for issue or concerns about reforms in the sector.

What were the major implementation challenges?

- ☛ ***Need for stronger GRP counter-parting and ownership of activity processes and outcomes.***

While EEPTP has paved the way for enhancing the partnership of USAID with academic institutions, there is a larger task ahead in terms of intensifying GRP agencies' interest and capacity for partnering with the latter. Through assistance from PCCMP, the DOE and ERC have entered into MOUs with the UP-NEC in pursuit of mutually beneficial initiatives in the areas of policy analysis, research, and technical training. This is an encouraging start. Under EEPTP, the USAID has been instrumental in facilitating the implementation of the MOUs through co-sponsorship of activities. While this arrangement works well under USAID's current programs, over time, the GRP agencies must more and more originate the operational initiative for the partnership and commit more resources for sharing. While the academic partners are more resource-constrained than government agencies, this weakness can be offset by their readiness and commitment to act once a role is assigned and offered to them. The challenge for GRP agencies like DOE and ERC is to imbibe i.e., make organic and automatic, the strategy of optimizing the role of academic partners in their work programs. Once both conditions are present, the program will have succeeded in institutionalizing government-academe partnership. Another dimension of this challenge is for the GRP agencies to become more and more participatory in the process and accountable for the results of technical assistance that is provided to them by contractors like the AED. Although the existing framework of the USAID strategic agreement does not require the GRP to provide counterpart staff and resources, it is inherently beneficial in the capacity-building process that the latter takes a more active role in co-designing, co-implementing, and co-evaluating with USAID contractors a technical assistance program like the EEPTP. The challenge for USAID/EEPTP is to work itself out of the standard role of "facilitator, financier & lead implementer".

- ☛ ***For more effective technology transfer, there is need to overcome lack of organizational readiness of the energy sector to absorb knowledge***

The implementation of EEPTP came in the wake of a major restructuring effort that affected USAID's main energy sector partner agencies – DOE and ERC. The passage of the EPIRA called for the reorganization of these bodies. Institutional capacity building assistance was imperative but because of the reorganization there was a weakness in the capacity to readily receive EEPTP's menu of trainings and organizational development interventions. The weakness was temporary but would be debilitating if permanent measures were not immediately addressed. Both DOE and ERC are either in a stage of recruiting/hiring new personnel, redefining functions, and identifying competencies of staff; have serious budgetary constraints that prevent immediate and remedial manpower measures (like engaging advisers/consultants, complementary staff, increased salaries); or are simply technically and functionally overwhelmed by the new mandates bestowed on them by the law. From EEPTP's



perspective, it was understandable that technical assistance efforts would be faced with the problem of absorptive capacity and counter-parting limitations. While EEPTP could provide technical and communication trainings, there were not enough people to train because staff must attend to pressing deadlines. An activity that aimed to provide some long-term directions like a strategic planning or team-building workshop was not feasible yet because there was no complete team to work with. Given that the above concerns were really outside the control of EEPTP, the challenge for EEPTP was to continue to work within these constraints in completing the line-up of technical trainings.

☛ ***Need for a larger pool of local consultants for sustainability of reforms.***

Ensuring the continuity of reform and development efforts being assisted under the EEPTP is a major challenge. The sector is currently in flux due to the reorganization process, thus there is a need for increased availability of appropriate and effective local experts that can add-on to government's organic pool of technical staff. EEPTP provided expert advisory services via a combination of foreign and local consultants to facilitate diffusion of knowledge and grounding of recommendations based from international experience to local practice and setting. EEPTP's strategy to partner with local academic experts was a parallel move to expand the options available to government in sourcing consultants that can help to shepherd reform efforts whether it is via training, policy advisory, or communications support. The challenge for future USAID programs is to be able to effectively incorporate "local experts' training" as an inherent yet deliberate result of its technical assistance activities for the GRP agencies.

Challenges in Training and Organizational Development

When the EEPTP commenced in October 2002, it faced three enormous challenges. One was the seamless transition into the new program without forsaking the follow-on tasks that the predecessor program, PCCMP, had initiated; two, the tasks associated with effectively implementing the new program - EEPTP; and third, which was most demanding, is setting in place the mechanisms for continuing the wave of reform efforts beyond EEPTP

The PCCMP was, in a way, a pioneering effort of the USAID in preparing and capacitating the energy and environment sectors for the reform regime. From 1998 to 2002, it laid down the groundwork for developing the sector's internal "capacity building climate" and for enabling the external sector to put in resources to support capacity development. The energy sector had formally expressed remarkable appreciation for the significant contribution of the PCCMP towards strengthening the sector.

The capacity building initiatives set forth under the PCCMP had to be sustained beyond its life term. The EEPTP was developed by USAID to continue addressing this requirement of the energy sector. During the 20-month life term of EEPTP, it implemented 31 training programs and 3 organizational development/strengthening interventions and capacitated 763 individuals in energy and transport sectors on EPIRA, natural gas, the environment, customer service, and communication subject areas. As was the experience under PCCMP, the energy/environment sector officials articulated their gratefulness to USAID for sharing the benefits of training and capacity development to the sector.

In implementing the EEPTP's various training and organizational development assistance, we summarize below the following challenges, that would hopefully guide the next USAID programs in designing and undertaking capacity-building efforts:

☛ ***Sector's Dependence***



The mission of developing capacities is a complex assignment in the development management arena. As EEPTP tried to implement its tasks in an efficient manner, as acknowledged by its clients, it had to reckon with realities prevailing within the sector. Among these were the lack of financial resources, lack of required and competent staff, and lack of physical resources. Constrained by these problems, the sector agencies' counterpart involvement in EEPTP was not maximized. Initiatives originally envisioned to come from the agencies were delegated to EEPTP utilizing both its consultants and resources. On one hand this led to the sectors' unintentional dependency on EEPTP for the technical-related and resources requirements of the reform regime.

☞ ***Empowering the GRP's Human Resources Staff***

Another reality is that in most agencies we worked with, the Human Resources office was either not formally organized or was focused more on personnel administration work. EEPTP had minimal interface with the HR units which could have been its partner in advancing capacity development and a potential instrument in sustaining the capacity building efforts initiated by EEPTP.

☞ ***Internalization of Capacity Building***

Because this set-up pervaded, EEPTP's intent to develop capacities (among the staff) within the sector was not seriously internalized. This experience was seen during the training interventions provided to them. Agency representatives to trainings, at the last minute, will not attend the training programs even if they had previously confirmed. From EEPTP's standpoint, this is a missed opportunity for the agencies. For EEPTP, it is equivalent to unrecovered costs since, as standard practice, the EEPTP allocates a training cost per participant. Unfortunately, the agencies do not realize this.

Although the agencies accept the need for their manpower to be trained and capacitated, they have not maximized the benefits of these. They send their staff / representatives to attend trainings but the immediate supervisors and/or directors, and at times the head of the agency, recall them back to their offices while on training. Consequently, the staff and the agency lose the benefits of the training. EEPTP incurs costs and is not able to realize fully its intended training and capacity building objectives

☞ ***Real Understanding of the Training Intervention***

In undertaking trainings, the preparatory phase covering content development and identification of qualified participants is very important and critical. In preparing the content, the inputs of the intended trainees have to be integrated in the design of the training intervention. The "trainees" have to be consulted. And it is during these consultation sessions that the role of the agency's HR is utilized. Together with the HR, the trainees' immediate manager or director has to be consulted on the capacity requirements of the trainee and the office. The HR's and the manager's roles are also salient in identifying the qualified trainees of the capacity building interventions.

In the EEPTP, the consultations were done during the energy agency technical needs assessment (TNA) as a one-time activity at the onset of EEPTP. Subsequent TNAs were periodically done with the agencies but the more in-depth needs assessment could have been done by the agencies' HR. The agencies' HR was not yet capacitated to do this. Other reasons why needs assessment were not regularly done are the short project implementation period and the unavailability of the trainees for this exercise due to heavy work load.

In a short duration but fast-paced project like EEPTP, and as prescribed in the workplan, project accomplishments translated into numbers/figures are considered quite significantly. However, in training interventions, what is more important than mere numbers is the long-



term "fruits" cultivated from trainings. This, however, will require a programmatic approach to training. Associated with this approach is more time and resources.

Addressing the Training Challenges after EEPTP...

The EEPTP has taken note of the constraints and as initiators/facilitators, EEPTP had to transcend the limitations. It took on a proactive approach to "get things done" as envisioned. To proactively address the gap towards a comprehensive capacity development, EEPTP had to creatively devise methodologies/schemes to accomplish its work plan. It had to apply a lot of foresight and problem analysis to address implementation constraints. EEPTP primarily took on the role of a facilitator and focused on the process of developing capacities. As such, provision of technical assistance ensued smoothly.

- ***"Buy-in" of the training intervention among the target beneficiaries at the commencement stage of the technical assistance should be realized.***

For the training or capacity-building intervention to be taken seriously, it should be a standard procedure that the heads of agencies and their management team as well as the donor agency be given an orientation and training on the rationale of capacity-building and on their roles of their respective agencies in capacity-building. It intends to provide them the perspective to take trainings/capacity-building interventions seriously. The importance they put on training/capacity-building will also be realized by the staff of the agency.

- ***There is a need for applying the complete training/capacity-building process from content design and methodology development, preparations, conduct, to post intervention activities.***

In implementing trainings, the process should not be "short-changed". Moreover, the "shot-gun" approach to doing trainings is a "no-no". The standard preparation period covering content and methodology development, identification of qualified participants, and needs assessment should be practiced. The same level of importance should be given also to the post-training period to determine effectiveness and impact of the interventions. Training results are important inputs to future decision-making on capacity building.

- ***The post-training period needs to be seen as a phase where hand-holding of both the training participant and the activities is practiced and monitoring of the follow-on activities and application of learning are observed.*** None or late compliance of training participants to the post-training requirements is a critical concern in the training process. Influenced by several factors, post-training activities often are not implemented and monitoring has been set aside.
- ***The human resource unit of the organization to be trained must be involved and be part of all the capacity building interventions.*** It is important that there is a focal group within the target beneficiaries taking the lead in capacity building. The HR's role and involvement are salient in the whole training process.
- ***At the onset, the extent and limitations of the technical assistance should be defined to its target beneficiaries.*** Parallel to this, the roles and responsibilities of the implementing partner agencies have to be defined. Expectations have to be leveled and made distinct at the start of the technical assistance.

AED'S RECOMMENDATIONS FOR THE NEXT USAID ENERGY & ENVIRONMENT PROGRAM

The DOE and USAID must continue to build on the accomplishments of their joint initiatives – the PCCMP then, and the EEPTP now.

Based on its achievements, observations, and analysis of factors critical to success of developing and delivering technical assistance, and lessons learned from managing the EEPTP for close to 2 years, the AED highly recommends the following strategies for the USAID's next energy and environment/clean air program:

- Pursue the following types of technical assistance activities: a) promoting policy reforms; b) building new and strengthening existing institutional capabilities; and c) reaching out to constituents of the sector by facilitating and expanding its communications campaigns.
- Nurture the Partnerships that have already been created to promote reforms, build new ones, and continue to encourage the formation of coalitions to support the reform process.
- Expand and intensify the training activities by allocating time and effort in preparing the participants and in follow-on activities for the participants to immediately apply their newly acquired knowledge and skills.
- Continue to reach out to constituents, industry players, and NGOs and encourage and facilitate interactive communications on issues and concerns that lead to agreements/action plans.

The AED further confirms that the following focus areas of concern: a) implementation of the Electric Power Industry Reform Act; b) reducing vehicular emissions; c) developing the Natural Gas Industry of the Philippines; and d) intensifying the promotion of alternative fuels and renewable energy, would continue to be priority in the sector's stakeholders' list of must-do items. Some of the needs that were consistently highlighted in the program's various coordination and feedback meetings were the following:

1. Implementation of power sector reforms:

- Seminars on the Philippine wholesale electricity market for industry players, consumers, academia, and consumer watchdog groups.
- Trainings on the wholesale electric spot market rules for market participants and regulators, including market monitoring and surveillance personnel at the ERC and DOE.
- Trainings for electric cooperatives on the Philippine grid & distribution codes.
- Trainings on power supply contracting for electric cooperatives.
- Continuing EPIRA Education for the Joint Congressional Power Commission.

2. Natural gas industry development:

- Trainings on industry technical and safety standards for Government and Industry personnel;
- Seminars on natural gas vehicles for personnel in the transportation sector, local government units, and the riding public.
- Trainings on natural gas pricing regulation for the ERC staff.

3. Seminars and courses for the energy- and environment-related government agencies and their partners on the following subjects:

- Effectively conducting public consultations on policy issues;
- Communication planning and innovative, cost-effective approaches to program implementation;
- Project development and management;



- Strategic and operational planning;
- Strengthening and sustaining public-private partnerships in reform efforts;
- Effective monitoring and measuring of reform efforts;
- Use of executive information systems by government policymakers and decision-makers;
- Effective promotion of investment opportunities by government agencies;
- Training consumer groups on how to represent consumer issues during power sector reforms and
- Coordinating academic activities with the government's research and development needs.

Continue Strengthening Partnerships and Linkages With Academe

Strengthening partnerships with the academe, civil society, private sector and other USAID cooperators was essential in enhancing the implementation of EEPTP. In future USAID programs, it is no longer a contentious issue. There is however, a need to promote a more formal relationship with these organizations by moving from a task-based (short-term) to a programmatic (medium to long-term) nature of partnership. It is also recommended that the next program employ Private Public Partnership (P3) as a strategy in strengthening the relationship with established partners. Worth noting also is the need to focus the program's initiative in the area of C&O and ICB-related activities in order to pilot test past successful initiatives. This can be further concretized by considering support for the following program ideas:

- ***UPNEC's Concepts for Energy and Power Industry Cadetship and Certification Program (EPICCP) and Power Tracker II*** – There is need to establish an institution that will carry on the challenge of capacity building to support EPIRA implementation. The EPICCP has the potential to become an effective strategy for addressing the manpower challenges of the energy sector and the electric power industry and to put into proper perspective the developmental, technical, and policy issues facing the sector under a period of transition. Continuation of the Power Tracker, on the other hand, has the potential to become an institutional mechanism that will sustainably monitor the progress of EPIRA implementation.
- ***Miriam PEACE's Idea on the Community-Based Air Quality Management Project (CBAQMP)*** – Learning from the public awareness and participation strategies of "Usapang Trike", CBAQMP is an attempt to bring the action to the community level. The project aims to empower communities in participatory governance and institutionalize environmental education particularly in air quality management, among stakeholders at the community, academic, and local government level. This initiative may well enable the next program to focus its initiative and pilot-test certain community building strategies, which have the potential to be replicated on a wider scale in the future.
- ***TUP-IRTC's Concept on Technical & Institutional Support for the Utilization of Biofuel in the Philippines*** – The main objective of this project is to establish the technical infrastructure and promote capability building in supporting the production and efficient use of biodiesel in diesel engines and other related applications. Further, it also aims to institutionalize the mechanism to promote the use of biodiesel by developing technical standards, information and education campaigns, and possible legislations. The project will be divided into three components: Technical Capability Building on the Different Test Equipment and Procedure, Technical Infrastructure Development and Information and Education Campaign on Biofuel Benefits and Utilization. This program is worth supporting since it attempts to address the comprehensive need of government to promote an indigenous fuel, i.e., CME that has the potential to greatly benefit the Philippine economy in the future. Specifically, it attempts to address a major hurdle in

promoting CME by getting the support of big oil companies and car manufacturers. There are technological and logistical issues on the side of these organizations that would need to be addressed in order to accelerate the use of CME in the country. The first component of the proposal is a response to those issues. Therefore, there is a need to implement immediately several activities initially identified by TUP, while developing the comprehensive proposal for a grant in the future.

- ***UPLB's Idea to Establish and Manage Municipal/City Consumer Protection Centers (MCCPC)*** – The local government units (LGUs) can potentially play a pervasive and persuasive role in consumer protection since they are more accessible to the local consumers. With this in mind, UPLB Department of Social Development Services, College of Human Ecology has proposed a program to establish an MCCPC in Laguna. The first phase of the project has already been started by 7 municipalities within Laguna. It aims to mobilize LGUs and local organizations (private and civil society) to localize consumer education in the energy and environment sector. The proposal may be worth considering given its potential for local capability building of consumers in the energy and environment sector.

It is also important to enhance the various partners' capability to craft comprehensive project proposals that would warrant support from funding institutions. This will greatly assist them in accelerating the implementation of worthwhile developmental projects. Effective writing workshops can be an option for the partners. In relation to this, the partners, particularly the academe and NGOs may be given training on how to "sell their ideas" using Social Marketing as a strategy. This will enhance their ability to solicit support from institutions that has the capacity to advance their cause.

In conclusion, the development of linkages and partnerships are proven strategies in maximizing the gains of any program. Sustaining the relationship is a great challenge, which can be done through increased coordination between partners. Seeking more formal arrangements to strengthen the relationship should also be pursued by applying P3 as a strategy.

APPENDICES

APPENDIX 1

STATEMENT OF WORK Energy Environment Policy and Training Program

ARTICLE I. INTRODUCTION

BACKGROUND

The Energy Environment program of USAID in the Philippines directly responds to a Congressional mandate to address environmental problems related to global warming. The program aims to restructure and privatize the electricity industry, expand the use of clean fuels such as natural gas and renewable energy, increase efficiency in power generation, transmission, and end-use; build capacity of government agencies responsible for carrying out the policy reforms; and maintain and expand forest cover to serve as carbon sinks. The program also aims to reduce air pollution from the transportation sector. Recent analysis indicates that the Philippines transportation sector now produces as much atmospheric carbon as the power sector. The country's severe air pollution has significantly contributed to a rapidly declining quality of life in the urban areas. Excessive air pollution threatens public health, discourages foreign investments and contributes to global warming.

A major activity of the Energy Environment program is to formulate and implement policies in the areas of energy sector reform, renewable energy, natural gas and reduction of vehicle emissions. These policies are consistent with the Government of the Philippines (GRP) efforts to alleviate poverty, improve the global competitiveness of the country, encourage more private sector investment, privatize government corporations and improve the quality of life of Filipinos.

The GRP and USAID also emphasize the need for policies that make economic development sustainable with minimal subsidies. To achieve sustainability, communities must have the necessary ownership and participation in managing and maintaining these infrastructures. In addition, the GRP and USAID appreciate the role of civil society in bringing transparency and accountability to policy formulation and implementation. Civil society is becoming more important as well as in informing the public to build the political and to advocate transparent implementation of development initiatives.

And from the perspective of the investors, they look for clear and consistent policies to minimize regulatory risks that will encourage more private sector investment. Harmonious government and business relationships are seen to be beneficial in accelerating economic growth and creation of job opportunities.

PROBLEM STATEMENT

The Philippines has one of the highest electricity rates in Asia due to the monopoly structure of the industry. Moreover, power industry emissions in the Philippines have more than doubled over the last ten years due to continued heavy use of fossil fuels to meet much of the country's increasing energy requirement. Similarly, recent analysis also indicates that the Philippine transportation sector now produces as much atmospheric carbon as the power sector. Lastly, over 8,000 communities lack access to electricity. About 3,000 of these communities cannot be economically connected to electricity grids.

Managing the country's natural resources wisely to protect their supply and the quality, and to maintain their diversity is critical. Marine, forest, land and water resources provide food

security, employment; and valuable environmental services such as water supply for hydropower, irrigation and industrial processing. Their degradation has a profound social and economic impact as effected in health, health care costs, and workforce productivity. Excessive atmospheric pollution is, similarly, a direct threat to public health, discourages foreign investments, and contributes to global warming.

OBJECTIVE

The objective of this delivery order is to accelerate the restructuring of the electric power industry and policy reforms in the transportation sector through the provision of specific technical services. For background information on the Energy Environment Program Description and Expected Results are found in Annex A.

ARTICLE II: SCOPE OF WORK

The Contractor will support the implementation of the Energy Environment Program by carrying out the following tasks, with focus on, but not limited to the six identified priority areas. The six areas include: (1) Electric Power Industry Reform Act; (2) Natural Resources (Renewable Energy) Bill; (3) Natural Gas Framework; (4) Reforms to Reduce Vehicle Emission; (5) Energy Environment Technical Training; and (6) Donor Collaboration. The contractor will apply a combination of policy analysis, technical assistance, and capacity building strategies to address key issues.

The Contractor is responsible for effectively coordinating and providing administrative and management support in formulating and implementing local national and multilateral energy/environment policies, strengthening the capability of Government institutions and building informed and motivated coalitions.

Private/public sector partnership will be promoted to enhance broad-based economic development. Instead of the historic antagonistic relationship between private and public sectors, the contractor will encourage collaborative partnerships. This will generate more private investments, especially in the privatization of government corporations in the energy sector.

Donor collaboration is an important aspect of the program. A special effort is made to collaborate in the multi-lateral and bilateral donors in supporting major policies of the GRP. The Contractor will support donor collaboration in order to complement other donor's programs and maximize the resources and impact in the energy community.

Technical assistance for policy analysis and implementation, related institutional strengthening and advocacy / coalition building will focus on six areas: (1) Electric Power Industry Reform Act; (2) Natural Resources (Renewable Energy) Bill; (3) Natural Gas Framework; (4) Reforms to Reduce Vehicle Emission; (5) Energy Environment Technical Training; and (6) Donor Collaboration.

A. Task I – Electric Power Industry Reform Act (EIRA)

1. Support Implementation of the EIRA. The Contractor will assist in implementing the EIRA to ensure generation/supply competition, efficient distribution and responsive consumer protection. This will involve evaluating and monitoring the impact of implementation of the law that will lower electricity rates. The Contractor will assist in redefining, formalizing, and implementing changes as required in making the EIRA more responsive to the restructured industry. The Contractor will support the design and

implementation of policy monitoring and evaluation activities to promote adaptive management and document the results and impact of implementation.

2. Institutional Strengthening. The Contractor will design and carry out a strategy to build the institutional capacity of the Department of Energy (DOE) and its affiliate, National Electrification Administration (NEA) and Energy Regulatory Commission (ERC), and other related agencies for policy analysis, dialogue, evaluation and impact monitoring. This will cover training and other capacity building activities needed to perform institutional responsibilities and functions as required by the Act.
3. Consumer Empowerment. The Contractor will support information, education and communication (IEC) activities to assist consumers in being watchdogs for transparent implementation of the law. The IEC activities will promote broad discussion and participation, and will build consumer capacity and knowledge in analyzing and evaluating policy activities and interventions, empowering consumers to support and advocate for needed actions. Activities will strengthen "Power Watch" consumer groups in order to promote consumer activism in civil society.

B. Task II – Natural Resource (Renewable Energy) Bill

1. Policy preparation and analysis. The Contractor will provide technical assistance to identify important policy constraints and opportunities and analyze of key issues to a proposed natural resources bill that includes primarily renewable energy. This will involve the (a) analysis of economic, social, political and ecological aspects of promoting the policy/regulation; (b) assessment of alternative interventions, strategies and approaches and policy constraints; (c) drafting policy options.
2. Consensus Building. The Contractor will develop strategies that will promote broad discussion and participation to diagnose issues, and build political and stakeholders consensus on the proposed RE policies/regulations. The Contractor will carry out IEC Activities, policy dialogues, public consultation and fora. This will include promoting the broad participation of concerned stakeholders in policy development.
3. Policy Adoption. The Contractor will coordinate and liaise with appropriate administrative and legislative bodies, including advice on revisions of proposed policies to incorporate stakeholders' concerns and suggestions.
4. Institutional Strengthening. The Contractor will develop and implement a strategy to build the capability of key government, non-government, community and people's organizations, and other institutions, as appropriate. The capacity building will support the implementation of the policy, including the development and application of monitoring and evaluation techniques in assessing progress and impact of the policy being implemented.
5. Consumer Empowerment. In consultation with various stakeholders, the contractor will design and carry out a consumer education and information campaign strategies to encourage greater awareness and build consumers' capability to analyze and monitor implementation of the policy on consumer's rights protection and advocacy.

C. Task III – Natural Gas Framework

1. Development Plan. The Contractor will assist in developing strategic plan for a regulatory framework that will promote exploration and production, transportation end-use of natural gas, an indigenous and environment-friendly fuel. The plan will identify specific actions to encourage more private sector investments in the transport sector.
2. Regulatory Framework. The contractor will assist and support the DOE to be the lead agency in developing natural gas resources and promoting more uses of gas in power generation, transportation and other commercial areas. The Contractor will support coordination, collaboration and consultation with other government agencies, private sector and stakeholders in developing and using natural gas in the most expeditious and economic manner.
3. Implementation Support. The contractor will strengthen the capacity of the government and civil society to provide transparent and effective implementation and monitoring of the policies related to a natural gas regulatory framework. The contractor will design and carry out an IEC program with constituency building activities.

D. Task IV – Reforms to Reduce Vehicle Emission

1. Policy preparation and analysis. The Contractor will assist the GRP to identify important policy constraints and opportunities and analysis of key issues related to installing and implementing emission testing systems, phasing out of imported second hand engines, establishing and enforcing emission standards for vehicles manufactured locally and promoting more environment friendly alternate fuels. This will involve the (a) analysis of economic, social, political and ecological aspects of promoting the policy/regulation; (b) assessment of alternative interventions, strategies and approaches; (c) drafting of the best policy.
2. Consensus Building and Design. The Contractor will develop strategies to promote broader discussion of vehicle emission issues and on building consensus on the proposed policy / regulation on vehicle emission reduction. This will likewise cover conduct of IEC activities, policy dialogues, public consultation and fora. This will include promotion of broad participation of concerned stakeholders in policy development.
3. Policy Adoption. The Contractor will coordinate and liaise with the appropriate administrative and legislative body, including revision of the proposed policy incorporating stakeholders concerns and suggestions.
4. Institutional Strengthening. The Contractor will design and carry out a strategy to build the capacity of key government, non-government, community and people's organizations, and other institutions, as appropriate. The capacity building will support the implementation of the policy, including the development and application of monitoring and evaluation techniques in assessing progress and impact of the policies being implemented.
5. Consumer Empowerment. The Contractor will develop and implement a consumer education and information program to encourage greater awareness and build consumers' capability to analyze and monitor implementation of the policies related to reducing vehicle emission.

E. Task V – Energy Environment Technical Training

The Contractor will design, develop and implement energy/environment training activities to support the programmatic areas cited in the Scope of Work, as well as any other energy or environment areas which may become relevant to OEM/USAID to address key issues in the future. The training activities shall enable the participants or graduated to demonstrate skills, knowledge or attitudes, which will be useful and relevant to the goals and objectives of the programmatic areas under this task.

The Contractor will design, develop and implement cost-effective and targeted energy/environmental technical training in the US or in-country, provide specialized technical training expertise, as required. Such expertise shall be targeted at cost-effective energy/environmental technical training program including, but not limited to:

1. long, medium and short term skills-based training course and workshops;
2. study tours;
3. educational and information outreach programs;
4. stakeholder partnership and exchanges; and,
5. alumni activities

Contractor duties shall include, but not limited to, technical training. The Contractor shall furnish teams, which include individuals having substantial experience, both practical and conceptual, in the subject matter by each Task Order. The Contractor shall cooperate with and coordinate their activities and on-going activities in sustainable energy and environmental systems in host countries, as well as in other programs. Contractor staff shall work closely with key Government, private sector, non-government and private sector, non-government and private voluntary organizations, and financing institutions, and utilize local expertise as appropriate. The Contractor shall assure that the expertise assigned is appropriate to the needs of the project and that the contract resources are used in cost-effective manner.

F. Task VI – Donor Collaboration

Consistent with the Mission's mandate, the Contractor will assist USAID and DOE in collaborating with bi-lateral and multi-lateral donor in similar activities. Donor collaboration is important in ensuring the optimal use of funds in avoiding duplication of efforts and in complimenting other donor's activities to reach similar objectives.

The Contractor will assist USAID and DOE in collaborating with multi-lateral donors such as Asian Development Bank, World Bank and United Nations Development Program. The contractor will identify bi-lateral donors and will assist USAID and DOE in working with them as necessary. Likewise, the Contractor will assist USAID and DOE in closely collaborating with other several Philippine government and non-government agencies involved in programs like rural electrification for poverty alleviation and implementation of the Electricity.

APPENDIX 2

**DETAILED DESCRIPTION OF
COMPLETED ACTIVITIES AND TASKS**

ACTIVITY 1

TECHNICAL SUPPORT TO THE DOE IN ESTABLISHING THE WHOLESALE ELECTRICITY SPOT MARKET (WESM)

1. Harmonization of the WESM Rules and the PGDC

Type	:	Policy Development and Implementation
Period Undertaken	:	March 27, 2003 – May 3, 2004
Experts	:	Rowaldo del Mundo Danilo Mercado

As the Philippine Grid and Distribution Codes (PGDC) and the Wholesale Electricity Spot Market (WESM) Rules were developed independently from each other, it resulted in a need to harmonize conflicting or inconsistent provisions. For this purpose, the EEPTP engaged PGDC expert, Prof. Rowaldo del Mundo, and WESM Rules expert, Engr. Danilo Mercado. Their assistance aimed to achieve the following objectives:

- Identify the issues, areas and/or provisions in said policy documents that require harmonization;
- Propose options and recommendations for harmonization; and
- Serve as resource persons in government inter-agency and industry stakeholder meetings and consultations.

The EEPTP, through the consultants, followed a systematic and strategic methodology that involved the following:

1. **Review of relevant documents.** These documents include the WESM Rules, the PGDC, EPIRA and its implementing rules and regulations (IRR), and other relevant rules/guidelines promulgated by the DOE and ERC.
2. **Conduct of roundtable discussions (RTDs) with stakeholders.** These RTDs, conducted from April 21 – May 7, 2003, served as venues for the participants to (a) provide agency/unit-specific policy directions and (b) identify issues and concerns that need to be addressed. Details of the RTDs are presented in a matrix below.

Date/Time	Agency/Unit	Venue	# of Participants
21 April 2003 2:00 pm	DOE – Electric Power Industry Management Bureau (EPIMB) & ERC – Standards & Compliance Monitoring Division	NCED Conference Room, Energy Center, Fort Bonifacio, Taguig	5
24 April 2003 9:00 am	TRANSCO – System Operators (SO) & Grid Owners (GO)	Sinulog Conference Room, NPC, Diliman, Quezon City	29
1:00 pm	TRANSCO – Market Operators (MO)	Sinulog Conference Room, NPC, Diliman, Quezon City	14
25 April 2003 1:00 pm	NPC- Generation Companies (GENCOs) & Power Sector Assets & Liabilities Management (PSALM) Corp.	PSALM Library, SGV Bldg. 1, Ayala Avenue	19
29 April 2003 9:00 am	National Electrification Administration (NEA) and Philippine Rural Electric Cooperatives Association (PHILRECA)	NEA Board Room, NEA, Quezon City	21
30 April 2003 9:00 am	Philippine Independent Power Producers Association (PIPPA)	Via Mare, Penthouse, Philippine Stock Exchange, Ortigas, Pasig City	19
6 May 2003 9:30 am	Philippine Electric Plant Owners Association (PEPOA)	CEPALCO Office, Strata 100 Bldg., Ortigas Center, Pasig City	13
7 May 2003 9:00 am	WESM-Technical Working Group	CCDC Conference Room, Energy Center, Fort Bonifacio, Taguig	19
1:00 pm	Grid Management Committee (GMC) & Distribution Management Committee (DMC)	ERC Hearing Room, 15/F Pacific Center Bldg., Ortigas Center	17

3. **Gathering of written comments from stakeholders.** The consultants also invited and encouraged the participants to send written comments to serve as inputs in the Interim Report. Two (2) agencies/organizations submitted their comments: the TransCo- Market Operator (MO) and the Manila Electric Company (MERALCO).
4. **Consolidation and analysis of issues and concerns.** Based on the RTDs and the stakeholders' written comments, the consultants consolidated, classified, analyzed, developed options, and provided recommendations for harmonizing the WESM Rules and the PGDC. Output of these efforts was the Interim Report.
5. **Submission and presentation of reports to DOE and ERC.** On June 9, 2003, the consultants submitted the Interim Report, which was likewise presented to the DOE and ERC to solicit their comments. On January 28, 2004, the draft Final Report was submitted to EEPTP. Copies of the report were provided to the DOE and ERC.
6. **Participation in inter-agency and stakeholder meetings/briefings.** On February 10, 2004, the consultants presented the findings/recommendations of the Final Report to the DOE, ERC and the WESM Subcommittee Chairmen. The EEPTP also initiated a meeting, held on 23 March 2004, with the abovementioned agencies/units to clarify their written comments submitted on March 11, 2004. The EEPTP also initiated a meeting with the GMC (April 1, 2004) and DMC (April 15, 2004) to present report findings/recommendations and to solicit comments needed to further enhance the Report.
7. **Participation as resource persons in public consultations.** While this was no longer covered under this task, this serves as the consultants' value-added service to the DOE and ERC. As soon as the rule change process is commenced for both the PGDC and WESM Rules, the consultants are willing to provide further technical advice and support to the government energy agencies.

After considering all agency comments obtained from the consultation meetings and revising the draft Final Report, the consultants submitted the "*Final Report on the Harmonization of the WESM Rules and the PGDC*" on May 7, 2004. This document was officially submitted to the DOE and ERC on 11 May 2004 to serve as a starting document for the eventual rule change process and promulgation of amendments.

2. Seminar on Electricity Markets

Type	:	Institutional Capacity Building
Period Undertaken	:	November 11-14, 2003
Experts	:	Keith O'Neal Fernando Y. Roxas

The EPIRA mandates the DOE to establish the Wholesale Electricity Spot Market (WESM) and to promulgate the market rules together with the industry participants. To aid the DOE in its establishment, the EEPTP provided technical assistance in the conduct of two (2) 2-day Seminars on Electricity Markets. The objective of the seminar was to raise the participants' appreciation of the WESM and the benefits that it will bring to the industry and the economy.

The seminars were conducted at the Development Academy of the Philippines (DAP), on the following dates:



November 11 & 12 – Session for government agencies and academia
November 13 & 14 – Session for industry players, consumer organizations,
NGOs, and private sector

Topics discussed in the seminar ranged from the fundamentals of the WESM to more detailed subjects on its operation. They were handled by the training faculty, which was composed of the following experts and officials from the DOE, NPC, TransCo and ERC:

- Undersecretary Cyril del Callar, DOE
- former Assistant Secretary Lasse Holopainen, DOE
- Director Chrysanthus Heruela, DOE
- Ms. Elaine de Guzman, DOE
- VP Rizalino Santos, TransCo
- Mr. Manny Ocampo, NPC
- Director Bong Samonte, ERC

To complete the faculty, the EEPTP engaged the services of foreign consultant, Mr. Keith O'Neal who specialized on the experiences of other countries with the WESM. EEPTP local consultant, Dr. Fernando Y. Roxas was also contracted as moderator and lecturer for the seminar.

Hands-on exercises were also provided for the participants through a Trading Game exercise where they had a chance to study and partake in the analysis of cases that simulated the operations of the WESM.

As an end result, not only was the Seminar able to raise the participants' appreciation and understanding of the WESM, it was also able to effectively define the roles and responsibilities of the stakeholders in its operations.

ACTIVITY 2

PROGRAM MANAGEMENT SUPPORT TO THE DOE IN IMPLEMENTING THE EPIRA

1. Strategic Evaluation of EPIRA Implementation

Type	:	Policy Development and Implementation
Period Undertaken	:	November 2-5, 2002
Experts	:	Dr. Fernando Y. Roxas Atty. Ramon Chingcuangco

EEPTP facilitated the conduct of a joint DOE & USAID meeting on the *Strategic Evaluation of EPIRA Implementation*. The meeting, jointly chaired by DOE's Usec Del Callar and USAID's Ms. Rosario Calderon, was held on 4 November 2002, at the Conference Room of DOE Usec del Callar. It was also attended by USAID's OEM Team, AED's COP & DCOP, USDOE Advisors in ERC (Dr. Larry Blank, Ms. Divina Chingcuangco), and the DOE-EPIMB.

The purpose of the meeting was to assess and evaluate the status of the implementation of the EPIRA vis-à-vis targets and timeline prescribed in Republic Act 9136. It also aimed to identify issues and problems confronting the GRP agencies in implementing the said legislation, and come up with recommendations to resolve such issues and problems. Information & recommendations generated from the meeting served as additional inputs to the EEPTP's work plan activities on EPIRA.

EEPTP's energy policy experts, Dr. Fernando Y. Roxas and Atty. Ramon Chingcuangco, were engaged to present their evaluation and recommendations on various issues concerning the EPIRA implementation. USAID contractors from the US Department of Energy (USDOE) namely, Dr. Larry Blank and Ms. Divina Chingcuangco, were invited to give their observations and insights as well as their recommendations to resolve identified regulatory issues and concerns.

2. DOE's Planning Workshop on the Missionary Electrification Development Plan (MEDP)

Type	:	Policy Development and Implementation
Period Undertaken	:	February 6-7, 2003
Expert	:	Dr. Fernando Y. Roxas

EEPTP provided technical, facilitation and funding support to the Department of Energy (DOE) in the conduct of a two-day planning workshop to develop the Missionary Electrification Development Plan (MEDP) 2003. The *MEDP Planning Workshop* was held at the Tagaytay Country Hotel, Tagaytay City. Specific objectives of the workshop were to: (1) clarify issues and concerns regarding the MEDP 2003; (2) come up with recommendations for its finalization; (3) clarify roles and tasks of agencies involved in its implementation; and (4) identify next steps and develop concrete action plans.

The event was attended by a total of 22 participants, who were representatives of various agencies involved in the implementation of the MEDP, namely: DOE, ERC, NPC-SPUG Power Sector Assets and Liabilities Management (PSALM) Corp., National Electrification Administration (NEA), and the Philippine National Oil Company (PNOC). A representative from the World Bank (WB) also attended the event as an observer. As the technical expert who assisted the DOE in the drafting of the MEDP, Dr. Fernando Y. Roxas, of the Asian Institute of Management (AIM) discussed the MEDP policy issues, selector criteria and recommendation. He also served as a resource person/facilitator during the workshop.

During the workshop proper, the participants were divided into two (2) groups that were tasked to answer three (3) guide questions:



- (1) What are the key MEDP issues?
- (2) What are your group's specific recommendations in addressing these issues?
- (3) Identify institutions and agencies concerned in addressing these issues.

Results of the workshop were submitted to the DOE Management for their review and consideration. They would serve as inputs in the final draft of the MEDP, which was required for submission to DOE Secretary, Vincent Perez, on March 15, 2003.

3. Technical Assistance to DOE-EPIMB in Developing the DOE Report to the Joint Congressional Power Commission (JCPC)

Type	:	Policy Development & Implementation
Period Undertaken	:	April – May 14
Experts	:	Arlene S. M. Lafrades Fernando Y. Roxas Atty. Ramon Chingcuangco

The Electric Power Industry Management Bureau (EPIMB) of the DOE requested for technical assistance in developing their semi-annual report on the *Status of EPIRA Implementation* to be submitted to the Joint Congressional Power Commission (JCPC). As a response, the EEPTP provided the expertise of a 3-member team tasked to assist the EPIMB in the following:

- Identifying and analyzing issues, gaps and areas of improvements of EPIRA implementation;
- Identifying key indicators for gauging the effectiveness and success of the implementation of the EPIRA;
- Preparing a qualitative assessment of the key success indicators identified;
- Providing recommendations to address identified implementation issues and gaps; and
- Preparing an appropriate design/format/structure for the DOE Report to the JCPC.

The EPIMB in turn, provided the team with the submissions from PSALM, NPC, TRANSCO, NEA, ERC and DOF. The submissions contained updates on the implementation of their specific functions under EPIRA. Apart from review and analysis of submissions and relevant documents, Arlene S. M. Lafrades, Team Leader, interviewed key officials from the Power Sector Assets and Liabilities Management, Corp. (PSALM) and the National Electrification Administration (NEA) to gather updates and relevant information on the accomplishments of said agencies. Team members, Dr. Fernando Y. Roxas and Atty. Ramon Chingcuangco reviewed the initial report and provided their inputs for the final draft.

The EEPTP report entitled, *EPIRA Implementation: An Assessment*, provided recommendations, which were considered by DOE-EPIMB in DOE's final report. The DOE-EPIMB submitted the *Report on the Status of EPIRA Implementation* to the JCPC on May 15, 2003.

4. Development of the Power Tracker

Type	:	Policy Development and Implementation; Institutional Capacity Building
Period Undertaken	:	May 2003 – April 28, 2004
Experts	:	Arlene Lafrades UP National Engineering Center



One of the most critical needs of the DOE in managing the implementation of EPIRA is a tool for monitoring and evaluating the reform activities. In response, the EEPTP provided technical assistance to the DOE in developing the "Power Tracker" (PT), a web-based information management tool that systematically collects, stores, processes and disseminates information for monitoring and evaluating the implementation of the electric power industry reforms.

In May 2003, the EEPTP engaged technical advisor, Ms. Arlene Lafrades to develop the overall framework and design of the Power Tracker (PT). Under the framework/design, two (2) modules comprise the PT. The first module, Power Tracker I (PTI), is intended to monitor EPIRA activities, which include milestones, implementation gaps and the next steps. The second module (PTII) will monitor EPIRA outcomes based on key result areas and indicators.

Five (5) major sub-tasks were conducted in the development of PT Module 1:

1. **PT Technical Design.** On September 8, 2003, the DOE approved the EEPTP's proposed system design for the Power Tracker. This prompted the conduct of an extensive research of information and data for inputs to the PT system. Research assistance was provided for by Ms. Zarah Marie Pilapil.
2. **Development of web-based program.** In undertaking this sub-task, the EEPTP partnered (covered under a purchase order) with the UP National Engineering Center (UPNEC), which possesses the technical expertise for developing the required software and database components of the system. This sub-task also led to the formation of a PT Team composed of the following:
 - Arlene Lafrades (technical advisor)
 - Rowaldo del Mundo (technical advisor)
 - Zarah Marie Pilapil (research assistant)
 - Fidelpio Ferraris (IT specialist)
 - Nathaniel Domingo (IT specialist)
 - Rowena Roque (IT assistant)

During this phase, the IT specialists, supervised by the technical advisors, designed the web-based structure of the PT Module 1.

3. **Information encoding / uploading.** Information and data gathered from DOE, ERC, NPC, TransCo, PSALM, and the NEA were encoded and uploaded to the system. This sub-task was handled by Arlene Lafrades, Zarah Pilapil, and Rowena Roque.
4. **Refinement of web-based program.** The EEPTP, through the PT Team, initiated several consultation meetings with the DOE's EPIMB and the Information Technology and Management Services (ITMS) division, and the ERC's Management Information Systems (MIS) division. These consultation meetings were designed to solicit comments and recommendations, which were critical in enhancing the PT system.

After a series of refinements, the EEPTP presented the PT Module 1 prototype to the DOE, ERC, and USAID on March 30, 2004. The USAID expressed its delight over the system and the potential it holds for assisting the GRP energy agencies in EPIRA implementation. The DOE, on the other hand, accepted, in principle, the PT Module 1 prototype.

5. **Conduct of training.** On April 28, 2004, the EEPTP conducted the PT training for the PT-Technical Working Group (TWG), created by the DOE to manage and operate the PT system. The PT-TWG is composed of technical and IT representatives from the DOE, ERC, NPC, TransCo, PSALM and NEA. Said training aims to:

- Assist the DOE in developing and implementing /managing a system for monitoring and evaluating the progress of EPIRA implementation;
- Provide the DOE and other relevant agencies, such as the ERC, PSALM, and Transco with planning and management tools /mechanisms; and
- Facilitate DOE and ERC coordination in (a) monitoring the implementation of EPIRA and (b) exchanging information.

During the training, the PT Team served as the trainers who provided a presentation of the "Overview of the PT system development," a walk through of the PT system's back-end, and case exercises on the following features of the PT system: Edit Activity Manage Files, Manage Tasks, and Manage Status.

As next steps, the PT-TWG will hold their first meeting to review/verify the contents of PT Module 1 and to manage the entry of status and relevant documents in the reform activities classified in the system. The UPNEC, in collaboration with the DOE, will also conduct another training, designed only for the DOE to strengthen its capacity in managing the structure (back-back end) of the PT Module 1, which falls directly and exclusively under their supervision.

Due to time and budget constraints, the EEPTP was unable to cover the development of the PT Module 2. However, a significant initiative of the EEPTP is to facilitate a partnership between the DOE and the UPNEC, through a Memorandum of Agreement (MOA), for them to jointly pursue the development of PT Module 2. The PT Module 2 is highly significant as this will contain the more detailed component of the Power Tracker.

5. Provision of Interim Technical Secretariat (ITS) Support to the DOE-EPIMB

<i>Type</i>	:	Institutional Capacity Building
<i>Period Undertaken</i>	:	June 2003 – March 2004
<i>Expert</i>	:	Evangeline Dispo-Emerenciana Rufino S. Guinto

After the implementation of EPIRA in June 2001, DOE-EPIMB faced the challenge of performing its functions/responsibilities under EPIRA and at the same time, coping with the lack of sufficient manpower and permanent staff. EEPTP's timely response is to provide Interim Technical Secretariat Support through the services of the following:

- Evangeline Dispo-Emerenciana (Junior Technical Consultant)
- Jude Anthony Estiva (Junior Technical Consultant)
- Rufino Guinto (Junior Technical Consultant)
- Jenny Rica (Administrative Assistant)

Each staff was designated to specific divisions in the Bureau. Technical consultant, Evangeline Dispo-Emerenciana provided assistance to the Power Market Development Division (PMDD), the division in charge of establishing the WESM. Along with Jenny Rica, Rufino Guinto, who replaced Jude Estiva, rendered assistance in the Rural Electrification Administration and Management Division (REAMD), in charge of rural electrification tasks of DOE.

The main task of ITS staff was to complement human resource efforts of the Bureau. More specifically, they were tasked to perform the following:



1. Conduct research and analysis on technical issues concerning the EPIRA implementation.
2. Assist the DOE-EPIMB in preparing technical reports, presentation materials, correspondence and other similar documents; and
3. Coordinate, organize and document meetings, workshops, consultations, fora and other similar events.

A notable contribution of the ITS consultants to the Program and the energy sector in general, was mentoring the cadets, engineering graduates, who were recruited to the EEPTP's pilot cadetship program. The consultants' careful guidance and supervision were instrumental in equipping the cadets with more in-depth knowledge on technical information and issues in the electric power industry. Two of the four cadets are now employed and enjoying technical positions in the PNOC – Energy Development Corporation.

6. Seminar on Power Supply Contracting for Electric Cooperatives in Panay Island, Visayas Power Grid

<i>Type</i>	:	Institutional Capacity Building
<i>Period Undertaken</i>	:	March 4 – 6, 2003
<i>Experts</i>	:	Dr. Fernando Y. Roxas Atty. Ramon Chingcuangco

In support of DOE's Panay Power Task Force (PPTF), EEPTP provided experts, Dr. Fernando Roxas and Atty. Ramon Chingcuangco, as resource speakers during the *Seminar on Power Supply Contracting*, held in Kalibo, Aklan. The Seminar was designed to provide guidance to electric cooperatives (ECs) in power supply contracting with independent power producers (IPPs). It was actively attended and participated in by general and finance managers from seven (7) ECs in Panay and Guimaras. Topics discussed include: (1) salient features of EPIRA, (2) basic components and structure of a power supply contract, (3) transition supply contracts, and (4) common pitfalls in contract negotiations. The Seminar was deemed highly informative and was well appreciated by the participants. Due to its success, DOE received urgent requests to conduct on follow-on seminar that will cover courses on financial management, strategic planning and the wholesale electricity spot market (WESM).

7. DOE-EPIMB's Strategic Assessment & Planning Workshops

<i>Type</i>	:	Institutional Capacity Building
<i>Period Undertaken</i>	:	February 15 & 25, 2003
<i>Service Provider</i>	:	Comstrat, Inc.

EEPTP provided facilitation support to the Electric Power Industry Management Bureau (EPIMB) in the conduct of a two-part strategic pre-planning workshop to ensure consistency of the Bureau's programs with the DOE's vision and mission. Both pre-planning workshops were held at the DOE Conference Room of Undersecretary Cyril del Callar.

General in scope, Part 1 was aimed at: (1) reviewing and analyzing the DOE's vision and mission; (2) conducting an environmental scan of EPIMB's current organizational set-up, using the SWOT analysis; (3) identifying approaches and strategic options to address issues and concerns; and (4) identifying action plans and next steps. There were four (4) participants in all, composed of the Bureau's director, Chrysanthus Heruela; assistant director, Mylene Capongcol, and (2) division chiefs. As the workshop drew to a close, a wide

range of strategic options were raised. The participants agreed to discuss and finalize the options in the second part of the workshop.

Part 2 was more focused on meeting the following objectives: (1) to finalize options drawn up in the first part of the pre-planning workshop; and (2) to identify initial action plans for the Bureau. A total of 7 participants attended the second part of the workshop. The four (4) participants who attended Part 1 were joined by three (3) more EPIME staff. In this workshop, the participants discussed and came up with action plans to address both administrative and program-related concerns. In turn, these action plans would be presented to Usec. Del Callar for his consideration and appropriate action.

8. EPIRA Briefings 1 - 4 for the JCPC

Type	:	Institutional Capacity Building
Period Undertaken	:	October 24, 2003; November 25, 2003; January 14, 2004; February 18, 2004
Expert	:	Dr. Fernando Y. Roxas

EEPTP provided technical assistance to the staff of the JCPC through the conduct of a four-part briefing on various topics related to the fundamentals of the Philippine electric power industry. The objectives of the briefings were:

- a. To provide an overview of the JCPC's mandated task under the EPIRA, and
- b. To provide the JCPC staff with the fundamental knowledge of the electricity sector.

All four-part briefings were held at the JCPC office in Citibank Building. They were conducted using a combination of lecture-discussion and open forum methods. Details of the briefings are presented in matrix below:

Briefing No. / Title	Date	Topics Discussed
1 <i>The Basics of the Power Industry</i>	October 24, 2003	a. Basic Electricity and Power Systems b. Restructuring of the Philippine Power Industry c. Status of EPIRA
2 <i>Regulation of Tariffs</i>	November 25, 2003	a. The Universal Charge b. Basic Unbundled Rates c. Cost of Service Rate Making in an Unbundled Environment
3 <i>The Supply Sector under the EPIRA</i>	January 14, 2004	a. Supply Sector Under EPIRA b. Supply Contracts
4 <i>WESM and MEDP</i>	February 18, 2004	a. Wholesale Electricity Spot Market b. Missionary Electrification

Dr. Fernando Roxas was engaged in this activity as resource speaker and advisor of the briefings. In addition, representatives from the DOE, TransCo, and ERC were invited as resource speakers in these briefings.

9. "EnerCare": A Customer Services Training Workshop for ERC and EPIRA Agencies

Type	:	Institutional Capacity Building
Period Undertaken	:	February 16 - 17; March 11 - 12, 2004
Subcontractor/Expert	:	Corporate Image Dimensions (CID); Ullah Tioseco



The EPIRA mandated the establishment of an organic unit that would handle inquiries, requests and informational requirements from the general public and would educate both public and government personnel on the merits of the EPIRA law. In line with this, the EEPTP provided the ERC and other EPIRA-implementing agencies with technical assistance to train their personnel in effective customer care.

Energare was a training workshop designed for EPIRA agencies such as ERC, DOE, NPC, NEA, PSALM and Transco. It enabled the "frontliners" or staff and /or middle managers to effectively provide committed delivery of services to internal and external customers/clients. The training provided the energy agencies the appropriate concepts and skills in effective customer service or relations. These skills included learning behavioural styles, perspective setting on customer-client relations, understanding interpersonal communication, enhancing communication skills, negotiations and telephone skills, and fostering interdependence. It is through effective customer service that the frontliners would be able to properly communicate and impart EPIRA, its provisions, the progress of the reforms, the current and expected outcomes, issues and concerns. The frontliners were trained to skilfully interact with various levels of customers or the general public.

10. Communication Training for EPIRA Agencies

<i>Type</i>	:	Institutional Capacity Building
<i>Period Undertaken</i>	:	March 26, 2004
<i>Sub-contractor</i>	:	Campaigns, Advocacy, & P.R. Inc. (CAPRI)

The EEPTP, through the services of CAPRI, conducted a communication training for the EPIRA-implementing agencies namely DOE, ERC, NEA, PSALM.

Primarily, this training was designed to build the existing communication skills of the participants and to create a forum for the development of key messages on vital energy-related policies. It was also aimed to prepare identified spokespersons to interact with media with clarity, confidence, credibility and overall effectiveness.

To ensure effectiveness of the training, the following methodology was adopted:

- a. **Tutorials.** This involved lecture on topics such as:
 - Understanding the Media
 - Presentation Skills
 - Message Development
 - Crisis Management
 - Ambush Interviews
- b. **Simulated One-on-One Interviews.** This exercise involved videotaped role-play interview sessions and recorded question-and-answer sessions.
- c. **Review / Analysis.** The trainers provided a constructive and on-the-spot feedback to allow immediate improvement of the trainees.

11. Energy Cadetship Program

<i>Type</i>	:	Institutional Capacity Building
<i>Period Undertaken</i>	:	December 2003 – April 2004
<i>Partner Institutions</i>	:	University of the Philippines, Quezon City University of Mindanao, Davao City



In response to the DOE's request for manpower assistance in implementing the EPIRA, EEPTP partnered with two academic institutions – the University of the Philippines and University of Mindanao in the conduct of a pilot Energy Cadetship Program (ECP). The objectives of the program were:

General:

- Develop and implement a mechanism that will sustain the creation of a critical mass of manpower and support institutions that create knowledge, build capability and innovate

Specific:

- Facilitate immediate responses to providing for manpower needs of the energy agencies, particularly DOE's Electric Power Industry Management Bureau (EPIMB);
- Train new graduates interested in joining the energy sector, and
- Develop the collaborative partnership of academe and government in addressing real and current problems and issues of the energy sector.

Below is a detailed account of the two programs that were handled by the academic institutions:

University of the Philippines (UP) Energy Cadetship Program (ECP)

From December 2003 to April 2004, EEPTP partnered with the UP National Engineering Center (UPNEC) and UP Electronics and Electrical Engineering Foundation Inc. (UPEEEFI) in managing the pilot Energy Cadetship Program. The program was designed to specifically assist DOE's EPIMB in its current mandate to implement EPIRA, particularly in the areas of WESM, Rural Electrification and Rate Regulation. Under this program, six (6) fresh graduates from the fields of Chemical and Electrical Engineering were trained under the mentorship of EEPTP consultants Ms. Evangeline Emerenciana and Engr. Rufie Guinto. Professor Rowaldo del Mundo served as the ECP advisor on a voluntary basis. Under this program, the cadets were engaged in the following activities:

- Lectures and Other Classroom Environment Activities;
- Industry Immersion Activities;
- Plant/Site Visits; and
- Development and Presentation of Issue Papers.

As a result of this program, two of the cadets – Ms. Cherlie Candelaria and Mr. Victor Joel Francisco, have already joined the energy sector. Both are now hired by the PNCC – Exploration Development Corporation (PNOC-EDC) as Budget Analyst and Market Analysts, respectively.

In addition, the UPNEC prepared a proposal for USAID and other funding agencies' consideration entitled *Energy and Power Industry Cadetship and Certification Program*. The program has two components: the first component is designed for new graduates seeking to enhance their knowledge of the energy sector, while the other is designed to enhance the knowledge and skills of current energy practitioners.

University of Mindanao (UM) Energy Cadetship Program (ECP)

From March to April, 2004 EEPTP partnered with the UM College of Engineering to implement the cadetship program. This program was designed to assist DOE's Rural Electrification Administration and Management Division (REAMD) in the site inspection of its electrification programs in different parts of Mindanao. In addition, the program aimed to encourage the cadets to join the energy sector and participate in the reform process. Under the guidance of DOE REAMD and DOE Mindanao Field Office (DOE - MFO), six (6) Electrical Engineers were engaged in the following activities:



- Lectures and other classroom environment activities;
- Site inspection activities;
- Plant visit; and
- Drafting of inspection reports.

The final output of the cadets was a compilation of inspection reports, which was turned over to DOE REAMD. These reports were the basis for REAMD's assessment of whether their electrification program in Mindanao is successful or needs to be improved.

12. DOE Hosting of the 2002 APEC Conference on Microeconomic Reforms in the Electric Supply Industry

Type	:	Communication and Outreach
Period Undertaken	:	December 12 – 13, 2003
Experts	:	Ms. Linda Breathitt (c/o EEPTP) Peter Smiles & Associates Pty Ltd., (c/o APEC- EWG); Resources Law International (c/o APEC-EWG)

EEPTP provided logistics support to the DOE in organizing and holding the *APEC Workshop on Microeconomic Reform of the Electricity Supply Industry* last 12-13 December 2002, at the Shangri-la Mactan Island Resort, Cebu. The 2-day workshop aimed to provide the participants with practical knowledge in managing energy reforms, specifically in improving the availability and quality of electricity supply, achieving sustainable pricing, improving customer service, promoting efficiencies, encouraging better financing, and promoting discipline through transparency of transactions. There were 83 participants in the event, coming from various sectors (e.g. policy makers, regulators, utility owners, investors, financiers) and from other APEC member countries.

Workshop Day 1 – “Preparing for Reform” was designed to prepare the delegates for “electricity supply industry” (ESI) reforms. Experts’ presentations focused on identifying reform issues, strategic options, and directions for change. DOE Secretary Vincent Perez presented the “Philippine EPIRA Experience”, while Commissioner Linda Breathitt, presented “Lessons from the US Experience”, including those from the California crisis. Presentations on “Strategic Principles”, which covered the guide points on policy objectives, managing the reform process, industry structure, legal and regulatory framework, wholesale market mechanism, transmission and distribution, retail tariff and contestability, and privatization, were made by the Australian team of APEC consultants, Mr. Peter Smiles and Mr. Robert Pritchard.

Workshop Day 2 – “Implementing Reform” focused on encouraging participants to explore and set in place mechanisms for effective monitoring of ESI reforms and therefore, manage their progress. Highlight of the day was a presentation by Messrs. Smiley & Pritchard on a “Reforms Implementation Monitor”, i.e., the Pritchard-Smiles Implementation Monitor, which is a tool for monitoring and steering the reform process. Said tool enables easy identification of core targets (key performance indicators) for micro-economic reform of the electricity supply industry, promotes easy-to-understand communications, provides stakeholders control over the reform process, and can hold the planners, implementers and operators accountable for achieving results.

13. Participation in the DOE's Energy Week Celebration

Type : Communication and Outreach
 Period Undertaken : December 3 – 9, 2002

EEPTP participated in the DOE's celebration of its annual Energy Week with the theme, "Empowering the Filipino through the Use of Renewable Energy". The event, which was held at the Energy Center Grounds, Fort Bonifacio, Taguig was highlighted, among others, by the ceremonial "switch-on" of 603 electrified barangays, awarding of cheques to electric coops for the barangay electrification program, awarding of certificates of appreciation to the LPG industry association, launching of "Enerxtex 2920", energy labelling for compact fluorescent lamps, anti-idling campaign, & fuel economy rating labelling program, and a renewable energy (RE) village outdoor exhibit. For the RE exhibit, DOE set up an outdoor renewable energy village that showcased various RE programs and projects conducted by different organizations and agencies in the country. EEPTP's participation in the event was mainly in leading USAID cooperators in setting up a USAID exhibit booth. The USAID booth featured its Philippine USAID programs in the area of renewable energy (RE). Participating USAID cooperators were USDOE, NRECA, IPC, and Ateneo-Manila Observatory/CCIC. EEPTP also provided logistics support to the Philippine Renewable Energy Advocates, Inc. (PHILREA), an NGO, where the DCOP-A. Donaire is Vice-President, in conducting a forum on "Renewable Energy Technology Updates" last December 3 at the DOE Audio Visual Room. The forum featured presentations by experts and practitioners of new and renewable energy, specifically on photovoltaics & light emitting diode systems, hybrid wind systems, mini-hydro systems, and fuel cell technology.

14. 1st Executive Forum on Issues and Future of EPIRA: Privatization of the National Transmission Corporation (TRANSCO)

Type : Policy Development and Implementation;
 Communication and Outreach
 Period Undertaken : December 10, 2002
 Experts : Dr. Fernando Y. Roxas
 Ms. Linda Breathitt
 Atty. Ramon Chingcuangco

In response to the current issues surrounding the EPIRA implementation, EEPTP supported a workshop initiated by the AIM Policy Center and entitled *First Executive Forum on Issues and Future of EPIRA: Privatization of the National Transmission Company (TransCo)*. The forum was held last December 10, 2002, 1:00pm – 5:00pm at the Yulo Caserom, Asian Institute of Management Conference Center, Makati City. Forty (40) leaders and representatives from government, businesses, donor agencies, academia, civil society, and investment banks participated in the forum-workshop. In addition, media representatives from the Daily Tribune, Business World, Inquirer, Philippine Star and Manila Times were present to cover the event.

In particular, the forum had the following objectives:

- a. Discussion of the latest developments and issues surrounding the EPIRA implementation;
- b. Solicitation of the courses of actions for the immediate passage of the TransCo Franchise Bill; and
- c. Signing of the manifesto of support for the bill.



Three experts were engaged by EEPTP to serve as resource persons of the activity. These were Dr. Fernando Roxas and Ms. Linda Breathitt, who both served as one of the resource speakers in the program, and Atty. Ramon Chingcuangco who facilitated the initial drafting of a "manifesto of support for the passage of the TransCo Franchise Bill". Said manifesto expressed the participant's recognition of the importance of passing the Bill, as a requisite step for accelerating reform efforts and sought Government's immediate action. The final output of the forum was a signed manifesto of support and suggested action steps on how to accelerate the passage of the bill. AIM's endorsement letter of the manifesto together with the original copy of the manifesto was sent to President Gloria Macapaga-Arroyo, House Speaker Jose de Venecia and Senate President Franklin Drilon last January 13, 2003.

15. Public Consultation Meeting on the Implementation of the Meralco Refund to Electricity Consumers

Type : Communication and Outreach
 Period Undertaken : April 29, 2003
 Service Provider : COMSTRAT (Atty. Hubert Bustos)

EEPTP provided technical and logistical assistance to DOE in the conduct of a consultation meeting to discuss the implementation of the Meralco refund last April 29, 2003 at the DOE Audio Visual Room from 12:00 – 2:00 PM. The objective of this activity was to provide a venue where the different sector representatives can share to DOE their views, observations, insights and suggestions regarding the implementation of the Meralco Refund. The comments gathered by DOE were used as their basis in drafting a position paper submitted to the ERC on said issue. A total of 30 representatives from academe, non-government organizations, business and professional organizations participated in this event.

16. Consumer Education Roundtable Discussion: "Power to Electricity Consumers"

Type : Communication and Outreach
 Period Undertaken : May 30, 2003
 Partner Institution : Ateneo de Manila University

EEPTP jointly conducted with Ateneo Center for Social Policy and Public Affairs (ACSPPA) a forum entitled *A Roundtable Discussion on Consumer Education: Power to Electricity Consumers* last May 30, 2003, at the ACSPPA Conference Room from 1:00 - 5:00 PM. A total of 18 participants from the academe, business groups, consumer groups, NGOs/POs and government agencies attended the event. The objectives of this activity were:

- a. Present the proposed education campaign of DOE and NASECORE to representative stakeholders and discuss how to strengthen and improve it for actual implementation; and
- b. Design a framework for an effective Consumer Education Program, considering the existing program formulated by DOE in relation to the Electric Power Industry Reform Act (EPIRA).

Speakers and their respective topic on the said event include:



TOPIC	SPEAKER
Background on the Implementation of the EPIRA;	Dr. Fernando Roxas, EEPTP Consultant
DOE's Consumer Education Program	Lani Cortes, DOE-Consumer Welfare Promotion Office (CWPO)
NASECORE's Proposed Education Campaign.	Dick Echavez, NASECORE

The discussion was facilitated by Ms. Norlie Quesada of ACSPPA. At the end of the activity, the participants agreed that the message and content of the information dissemination campaign would focus on the true cost of power based/according to the levels of awareness of the sectors involved. In addition, they agreed to advocate for the de-politicization of the EPIRA to open the way for better implementation of power reforms.

17. NASECORE Forum on "Power Issues & Opportunities for Consumer Empowerment Under EPIRA"

Type : Communication and Outreach
 Period Undertaken : June 19, 2003
 Partner Organization: NASECORE

In coordination with NASECORE and Ateneo de Manila School of Social Sciences (SSS), EEPTP conducted a forum entitled *Power Issues and Promoting Competition Under the EPIRA* last June 19, 2003 at the Audio Visual Room of SSS, Ateneo from 9:00 AM to 12:00 PM. A total of 50 participants from home owners associations, academe, NGOs, government and NPC retirees attended the event. The primary objective of this forum was to bring EPIRA to the level of understanding of ordinary consumers by relating the different power issues in their day to day lives. In addition, the forum aimed to introduce the concept of competition to consumers, which in the future will give them the power to choose their own electricity suppliers. The speakers and their specific topics for this activity are presented below:

TOPIC	SPEAKER
EPIRA Implementation and Assessment	Undersecretary Cyril del Callar, DOE
Meralco Refund	Engineer Mon Ramirez, People Opposed to Warrantless Electricity Rates (POWER)
PPA	Dick Echavez, NASECORE
New Monthly Bill	Atty. Maria Corazon Ginez, ERC Consumer Protection Office
Opportunities and Challenges for Consumer Empowerment	Pete Ilagan, NASECORE

In general, the discussions were focused on the issue of the Meralco Refund and power rates. The participants requested a similar forum with more detailed discussion on these issues in their respective organizations.

18. Power Communication Forum: A Working Grid to Address the CNP Challenge

Type	:	Communication & Outreach
Period Undertaken	:	July 10, 2003
Subcontractor	:	Corporate Image Dimension

Recognizing the importance of communicating "energy" to the various stakeholders, the EEPTP, in partnership with DOE organized a one-day Power Communication Forum in Hotel Astoria, Pasig City on July 10, 2003. A total of 39 participants attended the event. They were high-level officials and representatives from the following EEPTP partner agencies:

- Department of Energy
- National Power Corporation
- National Transmission Corporation
- Power Sector Assets and Liabilities Management Corporation
- Department of Environment and Natural Resources
- Department of Trade and Industry
- Department of Transportation & Communications

The forum primarily aimed to equip the participants with the necessary skills in "communicating energy to stakeholders". An important part of the forum was a workshop that allowed the participants to brainstorm in identifying the key messages to the different target audiences. Asec. Lasse Holopainen of the DOE provided an overview of the Cebu-Negros-Panay (CNP) Power Situation, which served as the live case for the workshop. The sessions resulted in the development of different communication plans for the CNP Power Situation. Mr. Luis M. Morales, CID President and Mr. Winston A. Marbella facilitated and served as resource persons for the workshop sessions. The social marketing firm, Corporate Image Dimensions (CID) was subcontracted to manage the whole event.

19. Communication Program to Address the Cebu-Negros-Panay (CNP) Power Challenge

Type	:	Communications and Outreach
Period Undertaken	:	July 23-25, 2003
Sub-contractor/Partners:	:	C.A.M.P. Cebu; University of San Carlos/DOE Regional Office/TransCo/NPC

The EEPTP worked with the Unified Power Task Force (UTF), led by the DOE and composed of TransCo, NPC, PSALM and NEA, in planning, designing and conducting a comprehensive communication plan to address the looming power crisis in the CNP subgrid. The communication activities consisted of three (3) sets of simultaneous feedback consultations in the CNP region and a Power Summit in Cebu.

The **Sectoral Feedback Consultations** were intended to inform and educate the stakeholders on the current CNP power situation and of the government efforts in addressing the crisis and to gather support of the key stakeholders in addressing/preventing the power crisis. Held on July 23 and 24, the feedback consultations were attended by representatives from the following sectors: 1) local government unit and regional development councils, 2) business sectors, 3) non-government and people's organizations, and 4) the media, were conducted in the cities of Cebu, Bacolod, and Iloilo. A summary of the feedback consultations is presented below:

	CEBU	NEGROS	PANAY
Date	July 24	July 23	July 23
Venue	Waterfront Hotel, Cebu City	Bacolod Convention Center, Bacolod City	Sarabia Minor Hotel & Convention Center, Jaro, Iloilo
Number of Participants			
LGUs/RDCs	14	31	19
Business	40	18	22
Industry	-	-	31
Media	15	-	33
Lead GRP Agencies	NPC	TRANSCO	DOE

The feedback consultations culminated in the **CNP Power Summit**, held on July 25 at Waterfront Hotel, Cebu City. Organized by the EEPTP, and supported by the University of San Carlos, the summit was participated in by representatives from the different sectors that were consulted and officials from the member agencies of the Energy Family. The event was well attended, gathering a total number of 128 registered participants. DOE explained the CNP problem and the possible solutions from the supply and demand side. A workshop was then conducted to solicit from each sector possible contributions to address the CNP crisis. This involved identifying the facilitation and hindering factors to their contributions. Results of the workshop were presented to DOE Secretary, Vincent S. Perez, and TransCo President, Dr. Alan Ortiz, who also provided their feedback. The workshop was facilitated by faculty from the University of San Carlos (USC) and supported by technical resource persons from the DOE-Visayas Field Office. Media representatives were also consulted and given a chance to get more information from the heads of the Energy Family, through a separate press conference organized by EEPTP, through the public relations firm, C.A.M.P Cebu. A highlight of the summit was the signing of a covenant between the GRP energy agencies and the various stakeholders, to cooperate towards addressing the CNP crisis.

20. Addressing the Mindanao Power Challenge: Power Stakeholders' Consultation Meetings

Type	:	Communication & Outreach
Period Undertaken	:	24 – 25 September 2003
Partner Institutions	:	DOE Regional Office TransCo NPC

Following the CNP Communication Program strategy, the EEPTP worked with the Unified Power Task Force (UPTF), composed of representatives from TRANSCO, NPC and DOE in conducting two (2) **Power Stakeholders' Consultation Meetings** in the Southeast Mindanao region, particularly in Davao and General Santos City.

The Power Stakeholders' Consultation Meetings were intended to inform and educate the stakeholders on the current power situation in Southeast Mindanao and of the government efforts in addressing the crisis, and to gather the support of the stakeholders in addressing/preventing the crisis. The consultations were held on September 24 and 25, attended by representatives from the 1) industry players, and 2) business sector, NGOs and consumer groups. A summary of the consultation meetings is presented below:

	GENERAL SANTOS	DAVAO
Date	September 24	September 24 & 25
Venue	East Asia Royale Hotel, General Santos City	Marco Polo Hotel, Davao City
No. of participants		
Industry Players	9	14
Business, NGOs, Consumers	20	13

21. Panay "Power 101" Forum

Type	:	Communications and Outreach
Period Undertaken	:	November 27, 2003
Experts	:	Prof. Rowaldo del Mundo

As part of the Communication Program to Address the CNP Power Challenge, the EEPTP and the UPTF collaborated on conducting the *Panay "Power 101" Forum*. Held in the Barcelo Sarabia Manor Hotel, Iloilo City on June 10, the forum was designed to promote better understanding and appreciation of the electric power system, as well as the factors that affect the power situation in the CNP grid.

The forum was attended by 38 participants representing the local government units (LGUs) and government agencies, business and industry players, non-government organizations (NGOs), academic institutions and consumers from Capiz, Guimaras, Antique and Iloilo.

EEPTP Consultant, Prof. Rowaldo del Mundo, joined the pool of resource speakers from the DOE in discussing topics on the fundamentals of the electric power system, demand-side management and rate setting. The forum also provided the venue for the clarification of issues arising from the current CNP power situation.

22. Participation in the DOE's National Energy Week 2003

Type	:	Communication and Outreach
Period Undertaken	:	December 1 – 5, 2003

The USAID Energy and Clean Air (ECA) Program participated in the 2003 National Energy Week (NEW 2003) with the theme, "Enerhiya sa Bayan, Lakas ng Sambayanan." The EEPTP took the lead in the setting-up the USAID ECA Program exhibit booth with the other USAID cooperators namely, US-Department of Energy (USDOE), Alliance for Mindanao Off-Grid Renewable Energy (AMORE), Infinite Progressions Foundation, Inc. (IPFI), Klima-Climax Change Center, and Miriam PEACE. All exhibitors focused on how they have been promoting and supporting "Corporate Social Responsibility" in their activities.

23. Forum on the Immediate Concerns of the Business Sector Under EPIRA – *The State of the Philippine Power Industry: Addressing the Looming Power Challenge*

Type	:	Communication and Outreach
Period Undertaken	:	April 1, 2004
Partner Institution	:	Asian Institute of Management (AIM)

In collaboration with the AIM Policy Center, EEPTP conducted a three-hour forum on the immediate concerns of the business sector on EPIRA-related issues. It was held at J.V. Rooms 2-5, AIM Policy Center from 10:00 am to 1:30 pm. The objectives of this activity were:

- a. To discuss the power supply and demand outlook as well as the impact of the looming power shortage
- b. To assess the achievements of and the prospects for the restructured power industry, and
- c. To discuss the issues and attain some closure, and emphasize how the government and the business sector can work together in reaping the gains of power reforms.

High level officials from the government and business sector served as resource speakers in the forum. This was led by Secretary Vincent Perez of the DOE, Mr. Laurie Sasko of the American Chamber of Commerce, Mr. Emilio Vicens of the European Chamber of Commerce in the Philippines, Mr. Jose Alejandro of the Philippine Chamber of Commerce and Industries (PCCI), Commissioner Carlos Alindada of the ERC, and Mr. Rafaelito Taruc of the Board of Investments.

A total of 107 participants from the government, business sector, media, NGOs and academe attended the event. During the discussion, stakeholders sought clarifications on several issues that highlighted the government's strategic initiatives to help relieve the business sector, action plans to address any looming power challenge, power cost structure, inclusion of coal technology in the IPP, and the domination of few big IPPs.

24. Development of EPIRA Communication Plan

<i>Component</i>	:	Communication and Outreach
<i>Period Undertaken</i>	:	October 2003 - May 2004
<i>Partner Institution</i>	:	Corporate Image Dimensions, Inc. (CID)

Over the last three (3) years, the implementation of the EPIRA has progressed at a slow pace. Major reform activities, such as the establishment of the WESM and the privatization of the NPC, have missed their deadlines. Existing claims to amend the EPIRA have also contributed to the slow reform process. To assist, fast-track, and sustain EPIRA implementation, there is a need for active involvement of the whole energy sector.

The DOE realized the importance of securing the acceptance, not only of government energy agencies and industry players, but also of the consumers and the general public, of the reform process. With this realization, the DOE and the EETP collaborated to develop a communication plan geared towards gaining public awareness and acceptance for the EPIRA.

In October 2003, the EETP engaged the services of advertising and social marketing agency, Corporate Image Dimensions to develop a communication plan that would assist the DOE in promoting the benefits of the EPIRA. The various coordination and consultation meetings with the DOE have resulted in the EPIRA communication strategy, "*Sustaining Power Reforms*," which is composed of three (3) phases:

- Primary Phase – "Energy as a Quality of Life." This phase highlights the importance of "energy" and "electricity" in the lives of every Filipino and of the whole country.
- Secondary Phase – "Reforms Improve the Quality of Life." This is composed of a more thorough information, education, and communication (IEC) campaign that emphasizes the benefits of the EPIRA.



- Tertiary Phase – “Sustaining Reforms in the Power Industry.” The third phase redirects the communication effort towards achieving public acceptance of the need for reforms in the industry.

EETP's communication assistance also provided the DOE with a logo, slogans, and creative materials (i.e. radio and print ads), that could be used as guide and sample materials to fully implement the communication plan.

25. Development of Communication Plans for the CNP and Mindanao Power Challenges

<i>Component</i>	:	Communication and Outreach
<i>Period Undertaken</i>	:	February - May 2004
<i>Partner Institution</i>	:	C.A.M.P. Cebu

The CNP, Davao, and General Santos Feedback Consultations and CNP Power Summit held last July and September 2003 have resulted in two (2) accomplishments. First, the activities garnered recommendations and solutions from the various stakeholders on how the government could possibly address the power challenges. Second, it was able to ignite proactive stakeholder participation in solving the problem.

Aiming to emphasize and sustain the involvement of the stakeholders in averting the power shortage, the DOE requested assistance in the development of communication plans for CNP and Mindanao. As part of its integrated communication assistance, the EETP contracted Cebu-based advertising agency, C.A.M.P. Cebu to develop communication plans that would assist the DOE in addressing the looming power challenges. C.A.M.P. Cebu developed key messages for the two (2) communication plans that were later on validated with the key stakeholders in the areas.

EETP's communication assistance to the DOE was in the form of communication strategies that composed of messages, creative concepts for the implementation materials (i.e. radio, print and television ads). The following communication strategies were developed:

- Demand Side Management (DSM) Program for the CNP. The communication plan for the CNP sub-grid aims to aid the DOE promote DSM as the key strategy to prevent the power shortage. This strategy aims to encourage and convince the general public and industrial stakeholders to practice DSM measures.
- Mindanao Public Awareness Campaign. The communication plan for Mindanao seeks to level external stakeholder expectations of the power challenge. Specifically, the goal of the awareness campaign is to 1) initiate dialogues and communication among stakeholders, 2) increase their awareness of the problem, and 3) increase their acceptance of long-term solutions.

26. Development of EPIRA Collaterals

<i>Component</i>	:	Communication and Outreach
<i>Period Undertaken</i>	:	March 2003 - May 2004
<i>Partner Institution</i>	:	Corporate Image Dimensions, Inc. (CID)



The EETP provided communication assistance in the development of two (2) collateral materials for the implementation of the EPIRA – the DOE Investment Promotions Kit and the WESM Brochure.

Work on the DOE Investment Promotions Kit started in the latter portion of the PCCMP, when former Undersecretary Lasse Holopainen asked for assistance in developing a communication material that would showcase the Philippine energy sector to interested investors. The EETP built on the investment kit's initial concept, and contracted advertising agency, CID, and writer, Ms. Marie Marciano to develop the material. After several consultations with the DOE and the different members of the energy family, the investment promotions kit entitled, "*Emerging Investment Opportunities in the Philippine Electric Power Market*" was developed. The material was initially used by the DOE in the ASEAN Ministers on Energy Meeting held in June 2004, in EDSA Shangri-la Hotel, Pasig City.

Similarly, the WESM Brochure was a request of Mr. Holopainen who is now president of the Philippine Electricity Market Corporation (PEMC). CID was again contracted by the EETP to develop the brochure. As the major promotional material for the establishment of the WESM, the brochure aims to provide information on the market to the power industry players.

ACTIVITY 3

STRENGTHENING THE ERC

1. Fiscal Autonomy Study

Type	:	Policy Development and Implementation
Period Undertaken	:	July - September 5, 2003
Experts	:	Linda Breathitt Atty. Roger Gibian Atty. Concepcion Ojeda

Former ERC Chairman, Atty. Manuel Sanchez requested technical assistance from the EEPTP in acquiring resource/reference materials on fiscal autonomy of regulatory agencies. In response, the EEPTP engaged the services of local and foreign consultants to conduct a comparative study on the topic. The study aimed to provide ERC with factual information and analysis of the context, practice, and structure of fiscal autonomy in selected countries where regulation of vital public services is exercised by a government established institution.

In September 2003, the consultants submitted the report entitled, "Fiscal Autonomy of Various Regulatory Institutions in the Philippines and Other Countries." The report is composed of two (2) parts:

Part 1 – Foreign Countries Study. Authored by Ms. Linda Breathitt, energy and regulatory consultant, and Atty. Roger Gibian, energy regulatory advisor, this study was a survey and review of the status of fiscal autonomy in eight (8) national-level regulatory commissions around the world. It aimed to provide information on the essential elements of the important relationship between fiscal autonomy and the decision-making and planning independence of an energy regulatory authority.

Part 2 – Philippine Study. Authored by Atty. Maria Concepcion Ojeda, legal expert, this study reviewed and examined the functions and scope of fiscal autonomy of various Philippine regulatory agencies. It also analyzed the prospects and challenges of seeking fiscal autonomy for the ERC, in the context of the existing Philippine legal and regulatory framework.

2. Primer on Monitoring Electricity Markets

Type	:	Policy Development and Implementation
Period Undertaken	:	March 9, 2004
Expert	:	Dr. Raj Addepalli

The EEPTP, through energy regulatory expert, Dr. Raj Addepalli, provided advisory services to the ERC on the subject of "Market Monitoring and Surveillance." The Primer was the Program's response to the ERC's request for technical assistance in said subject.

The Primer aimed to introduce the ERC's Market Operations Services (MOS) to the fundamental concepts of market power and their relevant application in electric wholesale markets. It also aimed to enhance the MOS staff's basic knowledge and understanding of market monitoring and to serve as a starting point for the preparation of ERC's market monitoring guidelines and procedures.

3. Communication Training For ERC Commissioners and Directors

Type	:	Institutional Capacity Building
Period Undertaken	:	March 24 – 25, 2003
Subcontractor	:	Campaigns, Advocacy & Public Relations, Inc. (CAPRI)



As the ERC is at the forefront of communicating to the public power rates-related reforms, that often generate public debates, there was an urgent need to conduct a training that would enhance the media communication and management skills of ERC. As a response, the EEPTP held a communication training for the following ERC officials and personnel:

- Commissioner Leticia V. Ibay, then acting chairman
- Commissioner Mary Ann B. Colayco
- Commissioner Oliver B. Butalid
- Commissioner Carlos R. Alindada.
- Director Marina Bugayong, Operations Service
- Director Teresita Castañeda, Legal Service
- Director Rod Vinluan, Public Affairs

The communication training was intended (1) to provide the participants the opportunity to build on existing skills and create a forum for the development of key messages on vital policy issues and (2) to prepare identified spokespeople to interact with media with clarity, confidence, credibility and overall effectiveness. Due to the busy work schedules of the participants, the training was conducted in two (2) afternoon sessions, both of which were held at the CAPRI office in Makati City. The first session gave the participants a tutorial on understanding the media, presentation skills and crisis management. The second session simulated one-on-one interviews for each participant. In preparation for the actual training, the EEPTP conducted a training needs assessment (TNA) to obtain the participants' expectations from the training, and to identify communication strengths and weaknesses. The results of the TNA served as inputs to the final training design.

4. Basic Training Course on the Philippine Grid and Distribution Codes (PGDC)

<i>Type</i>	:	Institutional Capacity Building
<i>Period Undertaken</i>	:	January 16-17, 22-24, 30-31; February 6-7, 13-14, 27, 2004
<i>Experts</i>	:	Prof. Rowaldo del Mundo Ms. Helen Valderrama UP National Engineering Center

The PGDC are two important policy documents in the restructuring of the electric power industry. The ERC, as the lead agency to enforce these documents, needs additional tools and skills to effectively implement the rules and provisions contained in the two codes. The EEPTP provided technical assistance to the ERC through the conduct of the *Basic Training Course on the Enforcement of the PGDC*.

EEPTP consultants and UP professors, Rowaldo del Mundo and Helen Valderrama, were engaged as resource persons in the development of the training design and as lecturers in the training. The training faculty was also composed of professors from the UP National Engineering Center (NEC), which was contracted as the events organizer.

Said training course served as an introductory training intended to enhance the technical competency of the Commission and to familiarize the ERC staff on salient provisions, standards, rules, procedures and other requirements embodied in the PGDC. The training course was divided into three (3) parts:

- Part 1 – Understanding the Electric Power System
- Part 2 – Understanding the Philippine Grid and Distribution Codes
- Part 3 – An Overview of Analytical and Computational Tools for the Enforcement of the PGDC



Thirty (30) ERC employees and four (4) EEPTP cadets participated in the lecture classes on nineteen (19) topics. Classes were scheduled on a staggered basis to allow the staff to attend to work assignments. Classes were held on the following dates:

- January 16-17, 2004
- January 22-24, 2004
- January 30-31, 2004
- February 6-7, 2004
- February 13-14, 2004
- February 27, 2004

Prof. del Mundo, who was also the Course Director, administered pre- and post-training diagnostic examinations to the participants. The objective of the pre-training diagnostic examination was to determine the participants' level of understanding and knowledge on the power system and the PGDC. The results of the post-training diagnostics would serve as inputs in designing an advanced training program on the enforcement of the PGDC for the ERC.

At the end of the training course, Certificates of Completion were presented to participants who were able to undertake the entire training, including the pre- and post-diagnostics.

5. "EnerCare": A Customer Services Training-Workshop

<i>Type</i>	:	Institutional Capacity Building
<i>Period Undertaken</i>	:	February 16-17; March 11 - 12, 2004
<i>Subcontractor</i>	:	Corporate Image Dimensions (CID)/Ullah Tioseco

The EPIRA mandated the establishment of an organic unit that would handle inquiries, requests and informational requirements from the general public and would educate both public and government personnel on the merits of the EPIRA law. In line with this, the EEPTP provided the ERC and other EPIRA-implementing agencies with technical assistance to train their personnel in effective customer care.

Enercare was a training workshop designed for EPIRA agencies such as ERC, DOE, NPC, NEA, PSALM and Transco. It enabled the "frontliners" or staff and/or middle managers to effectively provide committed delivery of services to internal and external customers/clients. The training provided the energy agencies the appropriate concepts and skills in effective customer service or relations. These skills included learning behavioural styles, perspective setting on customer-client relations, understanding interpersonal communication, enhancing communication skills, negotiations and telephone skills, and fostering interdependence. It is through effective customer service that the frontliners would be able to properly communicate and impart EPIRA, its provisions, the progress of the reforms, the current and expected outcomes, issues and concerns. The frontliners were trained to skilfully interact with various levels of customers or the general public.

6. Organizational Communications Workshop for ERC and Effective Writing and Public Speaking Skills Training

<i>Type</i>	:	Institutional Capacity Building
<i>Period Undertaken</i>	:	March 4-5, 18-20, 2004
<i>Subcontractor</i>	:	Campaigns, Advocacy & P.R. Inc. (CAPRI) Ullah Tioseco Jeoffre Chua



The EEPTP provided the ERC with two related trainings that addressed expressed need to improve organizational pride as well as oral and written communication skills.

The first training, Organizational Communication training was designed to develop and enhance the ERC's middle managers' and staff's self-confidence and organizational pride. The training also emphasized the importance of inter-service cooperation and unity. It focused on the basic understanding of the communication process and on enhancing communication skills. It utilized various structured learning episodes on improving communication, conflict resolution, dealing with difficult people and on becoming a peak performer.

The second training, Effective Writing and Public Speaking Skills Training, was a sequel to the Organizational Communication Training for ERC. The training equipped the participants with writing and presentation skills useful in their everyday work of dealing with both internal and external clients. Together with the ERC participants were representatives of DOE's Consumer Welfare Promotions Office (CWPO) who also needed this kind of training.

ACTIVITY 4

SUPPORT TO NPC IN CHANGE MANAGEMENT

1. Organizational Development Support for the NPC's EPIRA-Mandated Reorganization

<i>Type</i>	:	Policy Development and Implementation; Institutional Capacity Building
<i>Period Undertaken</i>	:	December 15, 2002 – January 30, 2003
<i>Experts</i>	:	Mr. Rene Lamzon Mr. Felino Balce

NPC's reorganization, which began after EPIRA was passed, was in line with the law's thrust to create a competitive electric power industry. Considered a major milestone in the implementation of the law, NPC's restructuring called for its transition from being the country's largest government owned monopoly to that of a streamlined government owned and controlled corporation (GOCC) dedicated to missionary electrification. NPC's transition would involve the daunting task of unbundling its power generation and transmission functions and the eventual privatization of generation and transmission assets. This change process would necessarily entail the re-definition of NPC's organizational structure, the rationalization of personnel requirements, and the re-definition of its strategic and business plans. EEPTP was able to assist the DOE in initiating a smooth organizational transition and security of delivery of power supply services during said process by providing in early December 2002, two (2) organizational development (OD) specialists, Messrs. Felino J. Balce and Rene I. Lamzon, who provided real-time advisory services on organizational development and change management matters to DOE's Usec Del Callar and the NPC's Human Resource Department. The experts assisted in:

- Planning, organizing, coordinating, facilitating, and conducting consensus building and consultative exercises among staff and officers;
- Preparing presentation materials, draft agreements; and endorsement of support of employee associations;
- Monitoring, evaluating issues/concerns, and recommending ways to resolve actual/potential conflicts or improve the consultative process.

2. Support to NPC's Organizational Transformation Program

<i>Type</i>	:	Institutional Capacity Building/ Communications and Outreach
<i>Period Undertaken</i>	:	September 2003 – March 2004
<i>Expert/Subcontractor</i>	:	Rene I. Lamzon Corporate Image Dimensions, Inc.

NPC President Rogelio Murga envisioned a shift in the corporation's institution-centered organizational structure to a people-centered strategy. He called for building and developing a "world-class NPC workforce" in preparation for the mandated privatization of the corporation and all its generating assets. A well-defined organizational development program was necessary to initiate and carry out said shift in NPC vision.

The EEPTP responded to this need through the engagement of organizational development expert, Mr. Rene I. Lamzon, and communications agency, Corporate Image Dimensions (CID). The Program's technical assistance was composed of two parts:

- **Advisory Support in the Conduct of Strategic Employee Consultation Workshops (ECWs).** As EEPTP's follow-on assistance to the EPIRA-mandated NPC reorganization last December 2002, Mr. Lamzon developed an organizational transformation



model/strategy for NPC. In coordination with the NPC Human Resources Department (HRD), the strategy was created using a "bottom-top" approach in planning, designing, and implementing development programs for the NPC employees.

A crucial part of the strategy was the conduct of strategic Employee Consultation Workshops (ECWs) from September – December 2003. Representative employees from the different functional groups (Corporate Services, Operations, and Sales & Services) were consulted on their views about the NPC privatization, and on their technical and development needs from the NPC management. The workshops' objective was to promote Pres. Murga's "world class NPC employee" vision. These also served as preparatory activities, which provided inputs to top management's strategic planning. Mr. Lamzon's assistance included the following: 1) design of the employee consultation process, 2) training of the HR staff as partners in the organizational transformation strategy, and 3) actual facilitation of ECWs.

- **Internal Communications Assistance to NPC.** Corporate Image Dimensions developed an internal communication plan that provided the NPC with various options to successfully launch and promote the Organizational Transformation Program. CID participated in the coordination meetings with the HRD on the development of the transformation strategy and in the ECWs, as preparatory and research work for the development of the internal communications plan. The result was a comprehensive communication campaign providing options for launching activities, creative slogans, logos and campaign materials.

EEPTP's technical assistance initiated two (2) significant efforts from the NPC management. First was the creation of the NPC Transformation Team tasked to shepherd the Organizational Transformation Program. Second was the formal launching of the transformation strategy through the "Takbo Tungo sa Pagbabago" 4-kilometer Fun Run last March 8, 2004. With the theme "Re-energizing the P.O.W.E.R⁹", the highlight of the program was the ceremonial switching-on of the Transformation Program logo and the nationwide launching of said program by NPC President Murga.

⁹ P.O.W.E.R stands for Proactive, Outstanding, Whole-hearted, Empowered, and Responsible.



ACTIVITY 5

REDUCTION OF VEHICLE EMISSIONS (ROVE)

1. On the Job Training (OJT) for Competency of DTI's Private Emission Testing Center (PETC) Assessors – Phase II

<i>Type</i>	:	Policy Development and Implementation; Institutional Capacity-building
<i>Period Undertaken</i>	:	November 14 – December 20, 2002

This activity was a continuation of USAID's mobilization support to the nationwide assessment of PETCs conducted by the Department of Trade and Industry (DTI). Phase I was assisted under EEPTP's predecessor, Philippines Climate Change Mitigation Program (PCCMP). Under Phase II, a total of 26 DTI regional assessors were trained, resulting in 39 additional PETC assessments nationwide. This incremental assessment activity brought the total number of accredited PETCs to 78 with 155 service lanes, or close to 60% of the requirement of the Land Transportation Office (LTO). The regional assessments also served as a venue for increased cooperation between the local DTI and LTO offices along with the private sector through partnerships with the Automotive Industry Board Foundation, Inc. (AIBFI) and the Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI). Members of these private institutions provided expert advice and assessment assistance to DTI. The rapid accreditation and authorization of PETCs especially in the priority areas (NCR, Regions 3 and 4) were instrumental for the nationwide implementation of mandatory emissions testing prior to registration as mandated by RA 8749 or the Clean Air Act (CAA) of 1999.

2. Policy Dialogue on Private Emission Testing Centers (PETC) for DTI's Regional Directors

<i>Type</i>	:	Policy Development and Implementation; Institutional Capacity-Building
<i>Period Undertaken</i>	:	November 25-27, 2002
<i>Expert</i>	:	Christine Reyes, Process Facilitator

In response to the DTI's expressed need to decentralize the PETC accreditation scheme, EEPTP provided planning and logistics support for the conduct of a workshop for DTI's regional and provincial directors (RDs and PDs) last November 25-27, 2002 at the Asian Institute of Management, Makati City. The workshop, which was participated in by 100 Regional and Provincial DTI Directors, discussed DTI's policies and procedures for the accreditation of PETCs. The workshop enabled the officers of regional and provincial DTI offices to agree on next steps that would fast track the PETC accreditation process nationwide.



3. Management of the Regular Usec's Meeting for Implementation of the Clean Air Act (CAA)

Type : Policy Development and Implementation
 Period Undertaken : October 2002 to Dec 2003

The EEPTP provided support to the Department of Environment and Natural Resources (DENR) in conducting and managing a regular meeting of GRP's Undersecretaries whose agencies were tasked to implement the CAA. These are the:

- DENR
- Department of Energy (DOE)
- Department of Transportation and Communications (DOTC)
- Department of Trade and Industry (DTI)
- Department of Science and Technology (DOST)
- Metro Manila Development Authority (MMDA)

The regular Usecs' meeting had been responsible for the implementation of several key CAA provisions. Among these is the implementation of the mandatory emissions testing prior to registration. This important CAA provision was implemented as a result of continuous coordination between the DENR, DOTC and the DTI on the fast tracking of the accreditation and authorization of Private Emission Testing Centers (PETCs), a key element in the emissions testing program of the Government.

Resulting policy issues and other operational challenges of the PETCs were resolved in the regular meetings. Such challenges as the phased implementation of mandatory testing, policy issues on LGU operating as PETCs and the crucial public awareness campaigns were discussed, resolved and acted upon through these meetings.

The Usecs meeting also became a venue for preparing for Operational Planning Workshop on the implementation of the CAA, which was critical in re-focusing efforts to implement CAA doable priority actions.

Other issues currently being discussed and coordinated through the Usec's meetings are on the operationalization of the Air Quality Management Fund (AQMF), implementation of the Motor Vehicle Inspection System (MVIS), waste management, smoke belching, emission standard setting, and status and review of IRR implementation.

4. Development of PETC Monitoring and Evaluation System Guidelines

Type : Policy Development and Implementation
 Period Undertaken : January 2003 – April 2004
 Expert/Partner : Engr. Donato De la Cruz
 MIRIAM PEACE

EEPTP assisted the Department of Transportation and Communications (DOTC) in developing a responsive monitoring system for PETCs that ensures transparency, accountability, and stakeholder participation. Following a process of stakeholder consultation, focused-group discussions, intensive collaboration between concerned government agencies, and expert guidance, the monitoring system guidelines were finally adopted by the DOTC/LTO, DTI, and DENR under a Joint Administrative Order (JAO) that was signed by the respective Secretaries of the three agencies last November 2003. The DENR-DOTC-DTI Joint Administrative Order no. 1, Series of 2003: "Guidelines and Procedures for the



Monitoring of Accredited and Authorized Private Emission Testing Centers (PETC) and LTO Emission Testing Activities" saw the joint implementation of a responsive monitoring system that intends to uphold the integrity of the emission testing program of the government.

Under this activity, EEPTP engaged a local transportation expert, Engr. Donato Dela Cruz to provide expert advice and technical direction in the finalization of the PETC monitoring guidelines. Engr. Dela Cruz was instrumental in providing more detailed technical content on the guidelines as well as facilitating the discussions of a small technical working group composed of the DENR, DTI, DOTC, EEPTP/USAID that drafted/reviewed the guidelines and PETC-JAO.

The PETC public consultation & workshop that was organized jointly by DOTC and EEPTP and held in January 14, 2003 at the DOTC Multi-Purpose Hall was participated in by transport sector representatives. It was conducted to ensure that possible issues arising from the operation of PETCs, particularly on the integrity of the emissions testing program, can be aired and addressed. The workshop resulted in the gathering of valuable inputs for the proposed monitoring guidelines in the form of experiences, anticipated problems and issues, status of current system, proposed improvements and commitment of cooperation and support.

Following the public consultation, EEPTP through Miriam Public Education and Awareness Campaign for the Environment (Miriam PEACE), organized in March 3, 2003, a focused group discussion (FGD) at the Miriam PEACE Multi-Media Room, to integrate and review the Jan 14th workshop results with the draft PETC monitoring guidelines. The FGD was composed of representatives from the DENR, DTI, DOTC, PETC representatives, academe and USAID. The FGD formatted the guidelines into a department order.

5. Support to DOTC in the conduct of a Workshop for the Interim PETC Monitoring

Type : Policy Development and Implementation;
Institutional Capacity-Building;
Period Undertaken : May 14, 2003

In lieu of a planned training-workshop for volunteers of the PETC/LTO-MVIS Monitoring Team, set for conduct in mid May 2003, the DOTC, with support from EEPTP, conducted an "Interim PETC Monitoring Orientation" last May 14, 2004 at the 16th Floor DOTC Multi-Purpose Room, Columbian Tower, Ortigas Extension, San Juan.

DOTC is implementing a PETC interim monitoring program in order to move forward with the PETC monitoring while the JAO is pending signature by the DOTC and DTI Secretaries. The DOTC interim monitoring arrangements adopted the JAO's provisions, with the absence of DTI's participation in the monitoring team as the only difference. The DOTC interim monitoring team included only the DENR, LTO, and volunteer NGOs and LGUs. The purpose of the May 14th workshop was to familiarize members on the procedures as well as their responsibilities in the monitoring scheme. The DOTC interim monitoring followed the same format, sections and articles as the JAO.

The DOTC interim monitoring program was discontinued upon the signing of JAO 1, Series of 2003 last November 17, 2003.



6. Clean Air Act Operational Planning Workshop

Type : Policy Implementation;
Institutional Capacity-Building
Period Undertaken : July 24-25, 2003

The EEPTP provided funding, planning, facilitation, and documentation support to the DENR's Environment Management Bureau (EMB) in updating the CAA implementation plan, through an operational planning workshop. The workshop, which was held at the Tagaytay City International Convention Center and attended by 75 participants from government agencies and NGOs, updated all stakeholders on the status of the implementation of the CAA. It also provided an instrument and venue for the DENR to consolidate and provide direction to stakeholders such as government agencies and NGOs in the CAA implementation through the formulation of an updated and appropriate inter-agency action plan.

7. USAPANG TRIKE - MOU with MIRIAM PEACE on Integrated Communication Plan for Reduction of Vehicle Emissions (RoVE)

Type : Institutional Capacity-Building;
Communication & Outreach
Period Undertaken : February '02 – March '04
Partner Institution : MIRIAM PEACE

EEPTP and Miriam PEACE jointly embarked on an integrated communications campaign to address concerns on social, economic, political, and environmental, implications of vehicle emissions particularly concerning emissions from motorcycles and tricycles. The campaign, called "Usapang Trike" (or Tricycle Talk) called for a series of small round table discussions (RTDs), focused-group discussions, and forums to clarify issues on emission standards, technological interventions, financial solutions, and increased dialogue and coordination with the local government units (LGUs). The campaign was highlighted at the end by a national conference to disseminate results of the various discussions, agreements, success stories, and commitments to continued cooperation and action towards the realization of the intent of the Clean Air Act.

The completed sub-tasks activities are described below:

"Usapang Motor" – a Roundtable Discussion on Technological Interventions for Tricycles (February 12, 2003)

EEPTP and Miriam PEACE invited known proponents of technological interventions that may provide options to motorcycle and tricycle drivers and operators to meet standards and pass emissions tests, to a roundtable discussion (RTD) at the Environmental Science Institute, Miriam College last February 12, 2003. These technological interventions include the use of catalytic converters such as Aerogas, engine modification (direct injection), fuel additive, use of high quality 2T oils and Coconut Oil Methyl-Esther (CME) as alternative to 2T. The RTD aimed not only to raise awareness but also to gather and compare data on these technologies, including their use, advantages, disadvantages, costs and availability. Thirty-four (34) participants from proponents, academe (UP and Miriam), representatives from tricycle associations, DENR and DBP attended the RTD.

RTD on Development of Micro-Financing Schemes for Tricycle Operators & Drivers (February – March 2003)

EEPTP and Miriam PEACE facilitated the development of micro-financing options for tricycle operators and drivers to enable them to shift from 2 stroke to 4 stroke motorcycles. The micro-financing schemes that were explored included: (a) tapping the financing windows of



government banks such as the Development Bank of the Philippines (DBP); (b) conducting by micro-financing institutions (MFIs) such as "Tawid sa Pag-unlad" which can facilitate the lending and collection for DBP. DBP has already started formulating its guidelines on the scheme and is developing a pilot project with expressed reluctance to accept non-real estate assets (e.g. the tricycles) for loan collateral. To date, two coordination meetings at the Environmental Science Institute, Miriam College and DBP Office in February and March '03, respectively, have been completed to explore the financing options.

"Usapang Legal" – An RTD on Tricycle Franchising and Registration Issues (March 12, 2003)

"Usapang Legal" was held last March 12, 2003 at the Environmental Science Institute, Miriam College to clarify legal issues related to franchising and registration of tricycles by the local government and LTO, respectively. The RTD brought together officials from the Quezon City LGU, LTO, MMDA, and members of selected tricycle owners and drivers associations (TODAs) from the Katipunan, Pansol, and Loyola areas. The forum provided a venue for explaining MMDA's Resolution No. 02-36, 2002, which urged the LGUs to implement a moratorium on the franchising of 2-stroke tricycles. It also informed the tricycle operators and drivers on the QC LGU's plans of implementing the moratorium.

Forum on Government Policy re 2-Stroke Engines for NACTODAP Quezon City District (March 30, 2003)

In response to the growing concern of tricycle operators and drivers on the possible phase-out of 2-stroke motorcycle engines, EEPTP and Miriam PEACE, with the cooperation of the National Confederation of Tricycle Operators and Drivers Association of the Philippines (NACTODAP), conducted a one-day forum with DENR, MMDA, QC Government and tricycle associations to shed light on the issue. The forum, which was held last March 30, 2003 at the Environmental Science Institute, Miriam College was attended by over 100 tricycle drivers and operators from Metro Manila. It highlighted the national and local government's stand on the perceived phase-out of 2-stroke motorcycles. Representatives from Suzuki and Kawasaki, two of the major distributors of motorcycles in the Philippines, also made presentations on the importance of preventive maintenance and afterwards provided free emissions testing and maintenance tips to participants who brought along their tricycles and motorcycles.

RTD on 2-stroke and 4-stroke Technology (July 21, 2003)

In order to clarify issues on the 2-stroke vs. 4-stroke motorcycles/tricycles, Miriam PEACE conducted an RTD last July 21, 2003 at the Environmental Science Institute, Miriam College, on the technical characteristics of the technologies. There were thirty-two (32) participants present, representing tricycle drivers and operators from Caloocan, San Juan, Las Piñas, Muntinlupa, Loyola Heights, Makati and Marikina; Tricycle Regulatory Units (TRUs) from Malabon, Mandaluyong, Parañaque, Caloocan, San Juan, Muntinlupa and Makati), NGOs, government agencies (i.e., DENR, DOH), Motorcycle Development Program Participants Association (MDPPA). The RTD highlighted the differences between 2 & 4-stroke technology, their application as a mode of public transportation and their emissions. The need for preventive maintenance as a primary measure to reduce emission from tricycles regardless of the technology was emphasized.

Training on Preventive Maintenance (July – November 2003)

Miriam PEACE also conducted an ongoing training on proper care and preventive maintenance as a first step in reducing pollution and improving emissions of both 2 stroke and 4 stroke motorcycles and tricycles. Participants of the training were 30 members of Loyola Heights, Pansol, and La Vista TODA. Technicians from the Motorcycle Industries Development Association of the Philippines, Inc. (MIDAPI), whose members are Yamaha, Suzuki, Honda and Kawasaki, mentored the participants on preventive maintenance. Mentoring was conducted every two weeks for 3 months, starting last July 22 up to November, 2003, at the Environmental Science Institute, Miriam College.



Usapang Trike: Cagayan Tricycle Forum (October 25, 2003)

Part of the Usapang Trike activities involved the conduct of a forum in what is considered the tricycle capital of the Philippines, Tuguegarao City, Cagayan Valley. Miriam PEACE along with its partner academic institution, the Cagayan State University, conducted a forum to share the lessons learned from the series of RTDs that were conducted as part of Usapang Trike. The forum saw the involvement of the different tricycle associations, the LGU and academic institutions in exploring ways of addressing the tricycle emissions problem facing the city.

National Conference on Tricycles (November 21, 2003)

The Usapang Trike culminated with the conduct of a National Conference that was participated in by heads of various tricycle organizations around the country, government and non-government agencies, civil society as well as from various academic institutions. The conference showcased models of private-public partnerships that addressed pollution at the community level. It also illustrated to the participants the effects of unabated pollution and on simple yet effective ways of contributing to its reduction by meeting standards set by the government through the application of technologies and cost-effective preventive maintenance techniques.

8. PETC/LTO Testing Center (TC) Monitoring Team Training

<i>Type</i>	:	Institutional Capacity-Building
<i>Period Undertaken</i>	:	March 16-17 2004
<i>Service Provider</i>	:	Engr. Donato Dela Cruz Allain Mullion (Documentor)

A two-day training-workshop for volunteers of the PETC/LTO-TC Monitoring Team members was conducted jointly by the EEPTP, DOTC, DTI and DENR. The training provided the volunteers the proper perspective in monitoring and familiarized them with the correct monitoring procedures, team work, as well as proper emission testing. It also oriented them on their roles as monitors and its concomitant responsibility. The first day of the training focused on perspective setting and familiarization on the JAO, the various authorization and accreditation requirements, filling the monitoring forms, and on knowing their roles in the team. On the second day, the volunteers participated in a mock exercise on LTO's real-time monitoring of certificate of emissions compliance (CECs) issued and sending of verifications. They also were shown the correct emission testing procedures for motor vehicles. The training was highlighted by a hands-on mock monitoring of a PETC. The volunteers were grouped into 7 monitoring teams which were tasked to inspect the PETC's accreditation and authorization requirements. The teams also inspected and monitored the PETC's emission testing procedure and verified the CEC using real-time transmission of data to LTO thru text messaging.

Through the training, the DOTC created its monitoring team with members now properly equipped to conduct monitoring of PETCs. It also clearly defined the procedures for monitoring from the time complaints are received, processed for monitoring and eventual resolution.

9. "Clean Air Now" Initiative

<i>Type</i>	:	Communication & Outreach
<i>Period Undertaken</i>	:	November 12, 2002
<i>Service Provider</i>	:	MIRIAM PEACE



EEPTP supported Miriam PEACE's initiative in conducting a Public Awareness Forum and Workshop, dubbed "Clean Air Now", last November 12, 2002 at the Environmental Science Institute, Miriam College, Katipunan Ave., Quezon City. The event gathered an estimated 300 members of the "Schools for Clean Air" (SCA), members of civil society, government agencies and legislators. The forum and workshop, which was also supported by Citizens' Coalition Against pollution (COCAP) and the DENR, provided a venue for the continued information dissemination on the impacts, status and activities in support of the CAA. Following the forum, the participants conducted a street campaign outside of the Congress Building, in Batasan Hills and dialogue with congress/legislators. This action contributed to the suspension of discussions of a controversial joint resolution by Congress that sought to defer implementation of CAA's Section 26 mandating the use of cleaner fuel quality standards.

10. Partnership for Clean Air Transportation Exhibition and Forum

Type : Communication & Outreach
Period Undertaken : November 30, 2002

EEPTP partnered with the Partnership for Clean Air (PCA) – a public-private clean air coalition, of which the USAID is a member, in the conduct of an exhibit on clean air initiatives and a forum/ workshop for public utility vehicle owners, operators, and drivers to discuss and reach consensus on their concerns and recommendations regarding the implementation of the Clean Air Act provisions. The event, which was participated by over 100 transport operators and drivers, was held at the World Trade Center, Roxas Blvd., Manila.

11. "Iwas Usok" Information Campaign

Type : Communication & Outreach
Period Undertaken : December 27, 2002
Partner Institution : Miriam PEACE

A planned transport strike to oppose the nationwide implementation by January 2003 of the mandatory emissions testing prior to vehicle registration was aired by leaders of the transport sector last November 30, 2003 during the Transport Convention and Forum. As a response, Miriam PEACE and EEPTP, along with the MMDA, conducted a roving campaign dubbed "Iwas Usok".

The campaign, held at the Cubao Jeepney Terminal, Quezon City, was designed to raise awareness of a targeted audience on the merits of emissions testing and to provide tips from qualified technicians and mechanics, and from the drivers themselves on best practices in vehicle maintenance and repair. The campaign also provided the audience relevant information on procedures for testing, location of testing centers and DTI accredited repair shops. About 150 participants, mainly jeepney drivers plying the Marikina, Antipolo, Taytay-Cubao route attended the event.

12. Public Briefing on Climate Change and Tricycles

Type : Communication & Outreach
Period Undertaken : May 16, 2003
Partner Institution : KLIMA Climate Change Center (former CCIC)/Manila Observatory



EEPTP and KLIMA of the Manila Observatory jointly held on May 16, 2003 at the UP College of Engineering Theatre, a public briefing on the effects of pollution, particularly the excessive hydrocarbon emissions of tricycles on climate change. The public briefing highlighted the release of CCIC's studies on the cost-benefit analysis of existing technologies that may help in reducing emissions. It was also a venue for the authorities to clarify the government's stand on the tricycle issue, and to update the participants on the on-going setting of standards for hydrocarbons.

13. Participation in the Clean Air Month Exhibit

Type : Communication and Outreach
 Period Undertaken : November 21 – 23, 2003

USAID through its ROVE cooperators participated in the DENR-supported Clean Air Now! Clean Air Month Celebration organized by Swiss Contact. EEPTP led other ROVE cooperators (Infinite Progression, Inc., Manila Observatory, and EEPTP through Miriam PEACE) in exhibiting the various USAID activities related to cleaning the air. EEPTP also synchronized the holding of Miriam PEACE's National Conference on Tricycles as part of the Clean Air Month celebrations.

14. Clean Cities Scoping Mission in Baguio City

Type : Communication and Outreach
 Period Undertaken : January 28-30, 2004

The EEPTP, in collaboration with a USAID-funded and USDOE-managed program, *Sustainable Energy Development Program* (SEDP), conducted a scoping mission in Baguio City. The mission team included representatives from the DOE, Philippine Coconut Authority (PCA), EEPTP, SEDP and the Technological University of the Philippines (TUP). CME players such as Chemrez and Senbel were also invited to participate in this activity. The purpose of the scoping work was to determine and assess the readiness of Baguio City in joining the DOE's Clean Cities Program. Said activity also served as a venue to inform stakeholders on the program of the government on alternative fuels, particularly stressing the benefits of coco-methyl ester (CME) as a diesel additive to reduce vehicle emission. Highlights include: a meeting with Mayor Bernardo Vergara of Baguio City, the conduct of focus group discussion (FGD) and the holding of a smoke emission testing demonstration using a CME-blended diesel fuel. The FGD was attended by 107 participants from the academe, government, business sector and NGOs.

To conclude, Baguio City has expressed its willingness to join the DOE's Clean Cities Program. They have also signified their intent to implement the program as soon as possible.

15. Public Consultation on the Draft Implementing Rules and Regulations (IRR) of Memorandum Circular (MC) 55

Type : Communication and Outreach
 Period Undertaken : March 2, 3 and 10, 2004



This activity was an EEPTP-SEDP collaboration, which was held on the following dates and venues:

- March 2, 2004 : Holiday Inn Hotel, Cebu City
- March 3, 2004 : Grand Men Seng, Davao City
- March 10, 2004 : Baguio City Multi-Purpose Hall

These public consultations served as venues for the DOE to solicit comments from various stakeholders (i.e., academia, transport groups, government agencies, business organizations, consumer groups, media and NGO) on the IRR of MC 55. MC 55 was signed by the President last February 19, 2004. It directs "all departments, bureaus, offices and instrumentalities of the government, including government-owned and controlled corporations to incorporate the use of one percent 1% by volume coconut methyl ester - CME in their diesel requirements." The public consultations also allowed all participants to discuss the next steps to properly implement the Circular. As a result of the series of consultations; the IRR of MC 55 was enhanced to reflect the various stakeholders' concerns on the distribution and use of coco-biodiesel.

16. Signing of the Memorandum of Agreement (MOA) between the DOE and Baguio City on the Clean Cities Program

Type : Communication and Outreach (Signing Event)
Period Undertaken : March 10, 2004

Following the successful scoping mission held in January 2004, a MOA signing was entered into by the DOE and Baguio City on March 10, 2004. Usec Eduardo Mañalac representing the DOE and Mayor Bernardo Vergara representing Baguio City, signed the MCA. Witnesses include Baguio's Vice Mayor Betty Lourdes Tabanda and DOE's Director Teresita Borra. Representatives from the media, City Planning Office of Baguio, EEPTP and SEDP were also present to witness the event. This initiative signifies the commitment of both parties to improve air quality in Baguio by jointly implementing the alternative fuels program of the government.

17. Development of CME Brochure

Type : Communication & Outreach
Period Undertaken : March to May 2004
Subcontractor : Corporate Image Dimensions

With the issuance of MC 55 by the Office of the President on February 9, 2004, directing all governments units to use CME as an additive to their diesel requirement, the DOE saw the need to intensify its information campaign on the benefits of CME. In response, the EEPTP provided the DOE with assistance in the development and production of a brochure on the use and benefits of CME or Coco-Biodiesel.

A series of roundtable discussions among the members of the CME Information Education and Communication Technical Working Group (IEC-TWG), led by DOE and composed of the TUP, PCA, Asian Institute of Petroleum Studies, Inc. (AIPSI) and Miriam PEACE, along with EEPTP and the USDOE resulted in the finalization of a comprehensive information material about biodiesel in general and coco-biodiesel, its use, benefits and potentials.

The target date for the production of the brochure was advanced by several weeks to accommodate a request by the DOE to distribute the brochure in the launching of Coco-Biodiesel in San Pablo City, Laguna on April 21, 2004, and the Clean Cities Program Conference in Florida on May 2, 2004. Colored photocopies were provided to DOE on both occasions that also served as an occasion to pre-test the brochure. The positive responses on the brochure during these occasions elated the DOE. A thousand copies of the brochure with accompanying CD of the layered final art work was provided to the Alternative Fuels and Energy Technology Division of DOE. This would allow them to update and reproduce the brochure even beyond the duration of the EEPTP.

18. ROVE Communication Plan

<i>Type</i>	:	Communication and Outreach
<i>Period Undertaken</i>	:	December 2003 – May 2004
<i>Service Provider</i>	:	Corporate Image Dimensions

EEPTP through the Corporate Image Dimensions (CID) provided the DENR a work plan for developing a communication plan for the Community-based Air Watch. A series of scoping activities through small group discussions were held among the Public Affairs Office (PAO) and the Environmental Management Bureau (EMB) of DENR, Asian Institute of Journalism (AIJ), and Miriam PEACE. The Community-based Air Watch was the EEPTP's innovative approach to increase awareness and participation of the common folk on air quality concerns. The strategy called for dynamic partnerships among the DENR, LGUs, Barangay authorities, residents and transport groups.

ACTIVITY 6

FACILITATING THE DEVELOPMENT OF THE PHIL NAT GAS INDUSTRY

1. Advisory Support in the Analysis and Review of the Draft Nat Gas Bill (House of Representatives Version)

Type : Policy Development & Implementation
 Period Undertaken : October 1, 2002 – June 2, 2003
 Experts : Ms. Flordeliza Andres
 Atty. Ana Lea Uy
 Atty. Concepcion Ojeda

EEPTP provided support to DOE in its efforts to pass the Natural Gas Bill (HB 4754) in Congress. Three consultants were engaged to provide technical assistance to DOE's Natural Gas Office. The activities of the consultants were focused on the following:

- Providing expert advise to DOE during discussions in the regular meetings of the House of Representatives Committee on Energy (HOR-COE) Technical Working Group (TWG);
- Research on related laws and issues within the natural gas bill;
- Preparing discussion papers and analysis of options on issues raised by Usec de Dios and the TWG participants; and
- Content development and actual conduct of briefings on the Nat Gas Bill.

The program completed its assistance to DOE in the HOR level after the bill was passed on its third reading by the COE. Final output of the COE was a revised house bill, HB 5845, replacing HB 4754.

2. Support to DOE Usec De Dios' US Trip on Natural Gas and Power Sector Investment Promotion Program

Type : Policy Development and Implementation
 Period Undertaken : November 17-22, 2002
 Expert : —

EEPTP provided funding support to the DOE for the Natural Gas and Fower Sector Investment Promotion trip of Usec. Jose Victor Emmanuel de Dios in Washington, D.C. Usec De Dios met with various US investors and government agencies like the USAID, USDOE, FERC, NARUC, Dept. of Transportation, and Minerals Management Service, and presented the status and plans for the emerging Philippine natural gas industry, the developments in the implementation of the EPIRA and its IRR, and the 2003–2012 Philippine Energy Plan.

3. Advisory Support in the Analysis and Review of the Draft Nat Gas Bill (Senate Version)

Component : Policy Development and Implementation
 Period Undertaken : January – February 2004
 Experts : Ms. Liza Andres
 Atty. Ana Lea Uy

After EEPTP's assistance to the DOE in the development of the nat gas bill in the House of Representatives, Ms. Liza Andres and Atty. Ana Lea Uy were again engaged to assist the DOE in the development of the nat gas bill in the Senate. The experts' activities were focused in the following:

- a. Provide technical advice to the DOE in analyzing the provisions of S.B. No. 2524; which helped the Department in drafting their official position on the bill;
- b. Prepare a Comparative Matrix and analysis of amendments of S.B. 2524 and the Committee Report on the nat gas bill; and

- c. Discuss with the DOE the status of the proceedings on the bill and guided them by giving inputs about Senate parliamentary procedures to help them determine their next steps.

In conclusion, the experts recommended that S.B. 2524 be refiled in the succeeding Congress that will convene in July 2004.

4. Technical Evaluation of the Philippine Nat Gas Vehicle Program for Public Transport

<i>Type</i>	:	Policy Development and Implementation
<i>Period Undertaken</i>	:	December 3, 2002 – January 31, 2003
<i>Expert</i>	:	Dr. John Ingersoll

Dr. John Ingersoll, an expert in NGV industry planning and implementation, was engaged by EEPTP to provide technical assistance to DOE in evaluating the strategic viability of the *Philippine Natural Gas Vehicle Program for Public Transport (NGVPPT)*. He was in-country from December 3 – 15, 2002 to conduct a technical analysis of the NGVPP and provide alternatives/advise on how to properly implement the program. During his engagement, he met with various organizations/agencies involved in the program such as DBF, Land Bank, California Bus Lines, RRCG Transport, ADB, DTI, DOE, Local Government of Eatangas, etc. He likewise provided an orientation/briefing on the operations of an NGV industry to DOE's project team members. His final output was a comprehensive study of the Philippine NGVPPT, which covers his evaluation of the program, what can be done given the timeline set by the government, and some suggestions on how to implement the NGV program based on best practices from other countries.

5. Pricing & Financial Incentives Study for Compressed Natural Gas (CNG) as Transport Fuel

<i>Type</i>	:	Policy Development and Implementation
<i>Period Undertaken</i>	:	January 29 – March 11, 2003
<i>Experts</i>	:	Romeo Bernardo and Christine Tang

Mr. Romeo Bernardo and Ms. Christine Tang of Lazaro, Bernardo, Tiu and Associates, Inc. were engaged by EEPTP to assist the DOE in the conduct of a pricing & financial incentives study for compressed natural gas (CNG) as transport fuel. The study entitled *Pricing Scheme for Compressed Natural Gas For Government's Natural Gas Vehicle Program for Public Transport* was designed to develop a pricing mechanism and evaluate various options for providing financial incentives to CNG bus operators. The report served as a guide to DOE in its negotiations with Shell SPEX on the price of Malampaya gas at the pump. It was officially submitted to the Department last May 5, 2003.

6. Philippine Vehicles Converted/Retrofitted to CNG: Regulatory Standards and Accreditation Scheme

<i>Type</i>	:	Policy Development and Implementation
<i>Period Undertaken</i>	:	June 2003 – January 2004
<i>Expert</i>	:	Dr. Bill Warnock

Through a technical report, EEPTP consultant, Dr. Bill Warnock, provided technical advice to the DOE on two topics concerning the conversion and/or retrofitting of vehicles to compressed natural gas (CNG):

- The choice of regulatory standards; and
- The development of a comprehensive accreditation scheme for converted and retrofitted vehicles.



The report discussed and considered 23 of 48 natural gas vehicle (NGV) standards on CNG fuel systems and vehicles that may be appropriate for application in the Philippines. It also discussed in general the possible roles of each Philippine agency involved in the implementation of the NGVPPT.

7. NGV Technical and Safety Standards

<i>Type</i>	:	Policy Development and Implementation
<i>Period Undertaken</i>	:	September 2003
<i>Expert</i>	:	Douglas B. Horne

The report prepared by EEPTP technical consultant, Mr. Douglas B. Horne, studied local and international standards, codes of practice, and regulatory procedures necessary to ensure the safety of natural gas vehicles. It also recommended additional standards on safety, performance, and environment protection to cover all possible areas of regulation in the Philippine NGV industry.

8. Implementation of the Philippine Natural Gas Vehicle Program for Public Transport: Technical and Financial Analysis of NGV OEM Buses

<i>Type</i>	:	Policy Development and Implementation
<i>Period Undertaken</i>	:	April – December 2003
<i>Expert</i>	:	Dr. John G. Ingersoll

In December 2003, Dr. John G. Ingersoll completed his report on the Technical and Financial Analysis of OEM Buses. The study aimed to provide the DOE with recommendations to further improve the NGVPPT, more specifically to advise DOE and interested Philippine bus companies on the advantages and disadvantages of the different NGV OEM buses that are available in the world market. Analysis was done on both the technical and financial dimension of the various OEM models.

9. 8th International Conference and Exhibition on Natural Gas Vehicles & USAEP-Sponsored Seminar on Natural Gas Vehicles

<i>Component</i>	:	Institutional Capacity-Building
<i>Period Undertaken</i>	:	October 6–10, 2002

To kick-off the NGVPPT, EEPTP provided international training funding support to DOE and California Bus Lines (CBL). Three DOE officials and two CBL Officers were sponsored to attend the 8th International Conference and Exhibition on Natural Gas Vehicles in Washington, D.C. on October 6-10, 2002 and participate in a US-AEP/Clean Cities Program-sponsored 2-day seminar on Natural Gas Vehicles (NGV). The conference delegates/training participants were:

From DOE:

- Asst. Sec. Francis Benito
- Dir. Teresita Borra, Energy Utilization Management Bureau
- Mr. Clovis Tupaz, OIC, Conventional Energy Division

From California Bus Lines:

- Mr. Dionisio Llamas, President
- Mr. Edwin Cutiongco, Vice-President

The Conference highlighted the role that natural gas vehicles can play in addressing environmental and energy issues with advanced technologies and innovative solutions. It



included both plenary and concurrent sessions designed to provide the latest information on NGV activity in countries around the world, state-of-the-art vehicle and fuelling technology as well as policies and strategies for sustainable commercial success. Attendance to the conference also enabled the Philippine delegation to network with NGV industry suppliers, and practitioners from all the US, Europe, Asia and Latin America.

The 2-day NGV seminar provided the delegation with a comprehensive introduction to the technology, economics and operational aspects of developing an NGV program, covering both NGVs and fuelling facilities, based largely on US experience.

10. "The Philippine Natural Gas Industry: Vision, Strategy & Policy" – A Briefing for the GRP Members of the Congress' House of Representatives-Technical Working Group (TWG)

Type : Institutional Capacity-Building; Communication & Outreach
Period Undertaken : December 11, 2002
Experts : Ms. Linda Breathitt
 Ms. Flordeliza Andres

EEPTP assisted the DOE in conducting a half-day technical briefing on "House Bill 4754 – Natural Gas Bill" for the GRP representatives of the Technical Working Group at the PNO Executive Lounge, Fort Bonifacio, Taguig City. The briefing was aimed at explaining to the GRP agencies the benefits of the natural gas industry, the role of government, & the rationale for regulation, and inviting the GRP agencies' support in current efforts of DOE for the development of the country's natural gas industry.

Topics discussed and the respective speakers were the following:

Topics	Speakers
Natural Gas Industry Fundamentals	Mr. Jesus Tamang, OIC, DOE-Nat Gas Office
Philippine Gas Industry Situationer and Prospects	Usec. Jose Emmanuel de Dios, DOE
International Experiences in Gas Industry Regulation <ul style="list-style-type: none"> • US Experience • Other Countries 	Former FERC Commissioner Linda Breathitt, EEPTP Expert Ms. Flordeliza Andres, EEPTP Expert
Policy and Regulatory Framework	Usec. Jose Emmanuel de Dios, DOE

11. Small Working Group Meeting on the Natural Gas Bill (HB # 4758)

Type : Policy Development and Implementation
Period Undertaken : February 19, 2003
Experts : Ms. Liza Andres
 Atty. Ana Lea Uy
 Atty. Concepcion Ojeda



The EEPTP provided technical and logistical support to DOE in the conduct of a small working group meeting on the nat gas bill for selected members of the House Committee on Energy. The primary objective of this meeting is to provide clarifications on the remaining issues that need to be settled before finalizing the house version of the bill. The following Congressmen participated in this event:

- a. Hon. Constantino Jaraula;
- b. Hon. Florencio Abad;
- c. Hon. Oscar Gozon;
- d. Hon. Alipio Cirilo Badelles; and
- e. Hon Francis Joseph Escudero.

During the meeting, the discussions were focused on the issues of franchise, price regulation of supply, and dichotomy of functions between the DOE and ERC.

12. Three-Day Seminar for GRP Officials on the Nat Gas Industry

Type	:	Institutional Capacity Building
Period Undertaken	:	May 14-16, 2003
Experts	:	Dr. Raj Addepalli Mr. Frank Creamer Dr. Liza Andres Atty. Ana Lea Uy

Last May 14-16, 2003, a seminar entitled *A Briefing on the Natural Gas Industry: A Three-day Seminar for GRP Executive Branch Technical Staff* was held at the Holiday Inn Hotel, Clark Field, Pampanga. This activity was designed for the technical staff of government agencies that the Department of Energy will be coordinating and working with in the implementation of policies and programs that will develop the country's natural gas industry. The specific objectives of the seminar were to:

- a. Understand the fundamentals of the nat gas industry;
- b. Appreciate its benefits; and
- c. Realize the need for inter-agency support in the current efforts of the government in developing the said industry.

A total of 23 staff from DOE, DTI, ERC, DOF, NEDA, DOST, MMDA, PEZA, NPC and PNOC-EC attended this activity. The seminar was conducted by two international experts, Dr. Raj Addepalli and Frank Creamer and two local experts, Atty. Ana Lea Uy and Lisa Andres. In addition to knowledge enhancement, another concrete output of this activity is an understanding of the various agencies' roles and level of involvement in support of DOE's mandate to lead in the development of the country's natural gas industry.

13. Natural Gas Industry Study Tour for DOE and the House of Representatives Committee on Energy (HOR-COE) Members in Bangkok, Thailand

Type	:	Institutional Capacity Building
Period Undertaken	:	September 1-7, 2003
Experts	:	Dr. Liza Andres (in an advisory capacity) Atty. Ana Lea Uy (in an advisory capacity) Atty Concepcion Ojeda (in an advisory capacity) Ms. Xanxana Ratanopas (Study Tour Coordinator in Thailand)

The EEPTP sponsored a natural gas study visit for members of the DOE and HOR-COE in Bangkok, Thailand last September 1 –7, 2003. A total of seven (7) representatives from the HOR-Committee on Energy, and three (3) from DOE's natural gas office comprised the



Philippine delegation to Thailand. The study visit was an opportunity for Thailand and the Philippines to share experiences and technical capability on the development of the natural gas industry. It also aimed to enhance the Philippine delegation's appreciation of the importance of natural gas regulation and understanding the use and application of natural gas in the power and transport sectors. The Philippine delegation met with various government agencies, academe, and business organizations involved in the natural gas industry of Thailand.

14. Briefing on the Philippine Natural Gas Industry for the ERC

Component : Institutional Capacity Building
 Period Undertaken : February 10, 2004
 Expert : Atty. Ana Lea Uy
 Ms. Liza Andres

In collaboration with the USDOE-SEDP and DOE, EEPTP conducted a whole day briefing on the *Philippine Natural Gas Industry for the Energy Regulatory Commission* at the 5th Floor, Audio Visual Room, Development Academy of the Philippines last February 10, 2004. The briefing was designed for the ERC Commissioners, Directors and Supervisors who will be directly involved in the regulation of the industry. The following were the general objectives of the briefing:

- To enable the ERC to appreciate the fundamentals and prospects of the Philippine Natural Gas Industry; and
- To make the ERC staff fully understand their agency's roles in the development of the industry.

This activity utilized the lecture-discussion type with Q & A portion after each presentation. The content coverage includes:

- Overview of the Natural Gas Industry;
- Concepts of Utility Regulation;
- International Experiences in Gas Industry Regulation;
- Legal Framework of the Philippine Natural Gas Industry; and
- DOE/ERC Roles and Responsibilities.

A total of 20 representatives from ERC's various offices participated in this activity. As a result, the participants have indicated that although ERC's role in the nat gas industry development is yet to be determined, they have learned the factors that can help them define the regulator's role, in general and ERC's role in particular. They have also suggested specific steps in the area of capacity building and policy development for future USAID assistance in this area.

15. Technical Forum on Compressed Natural Gas

Type : Communication & Outreach
 Period Undertaken : December 9, 2003
 Expert : Dr. John Ingersoll

In line with the government's effort to clean the air by promoting the use of alternative fuels for transport, EEPTP co-organized with various organizations a *Technical Seminar on Alternative Fuels: Compressed Natural Gas* last December 9, 2002 at the PNOC Mini Theatre, 7th floor, PNOC Building 6. This activity was co-organized with the following agencies:

- a. Department of Energy;



- b. United States-Asia Environmental Partnership
- c. Air & Waste Management Association – Philippine Section
- d. Center for Engineering Research, Training & Consultancy and
- e. De La Salle University – Manila.

In this forum, Dr. John Ingersoll, an expert on natural gas vehicles discussed the US experience in the promotion and use of alternative fuels in vehicles specifically on compressed natural gas and the advantages of CNG as a transport fuel. Among the issues discussed were the viability and cost of retrofitting of existing vehicles, practicality of CNG as an alternate fuel, maintenance and operation of vehicles, implications of using CNG, and CNG fueling infrastructure technology.

A total of 90 participants from the government (Department of Environment and Natural Resources, Department of Energy, Department of Finance, Department of Transportation and Communications, Department of Science and Technology, Philippine Council for Industry and Energy Research and Development, Department of Trade and Industry), non-government organizations (Metro Manila Bus Operators Association, Concerned Citizens Against Pollution), academe, and private sector (California Bus Lines, Five Star Bus, Saint Rose Transit) attended this activity.

16. DOE Briefing for Members of the HOR-Committee on Energy

Type	:	Communication & Outreach
Period Undertaken	:	February 5, 2003
Experts	:	Liza Andres Atty. Ana Lea Uy Atty. Concepcion Ojeda

EEPTP assisted DOE in conducting a half-day briefing and discussion on HB 4754 – "Natural Gas Bill" for various members of the House of Representatives (HOR) last February 5, 2003 at the Grand Ballroom A, Sulo Hotel in Quezon City. The objectives of the briefing were:

- To explain the benefits of a natural gas industry,
- To highlight role of government, and
- To explain the need to develop a comprehensive legislative framework to address the nascent natural gas industry.

A total of 20 HOR members attended the activity. The speakers and their respective topics are outlined below:

TOPIC	SPEAKER
The Situation and Prospects for the Philippine Natural Gas Industry	Mr. Jesus Tamang, DOE
Concepts of Gas Industry Regulation and International Experience	Ms. Liza Andres, EEPTP Consultant
Existing and Proposed Regulatory Framework for the Philippine Natural Gas Industry	Usec J.V. Emmanuel de Dios, DOE
Issues Raised in the TWG Discussion on the Natural Gas Bill (HB 4754)	Mr. Efren Cortes, HOR Committee on Energy Secretary

17. Briefing for High-Level GRP Officials on the Nat Gas Industry



Component : Communication & Outreach
Period Undertaken : May 13, 2003
Experts : Dr. Raj Addepalli
 Mr. Frank Creamer
 Dr. Liza Andres
 Atty. Ana Lea Uy

A briefing entitled *The Philippine Natural Gas Industry: A Macro Perspective (A Briefing for Top Government Officials)* was conducted last May 13, 2003 (AM) at the Grand Ballrooms 3 & 4 of Edsa Shangri-la Hotel. The primary objective of this activity was to enable the top government officials to appreciate the fundamentals and prospects of the Philippine natural gas industry and to fully understand their respective agency's roles in the development of the industry. A total of 29 participants ranging from Undersecretary to Department Managers attended the briefing. The briefing was formally opened by DOE Secretary Vincent S. Perez. In his speech he called on the various government agencies' support in establishing the natural gas industry. DOE Undersecretary J.V. Emmanuel de Dios followed with a presentation on the status of the Philippine Natural Gas industry. The technical content covering a macro perspective of the natural gas industry was presented and discussed by two international experts – Dr. Raj Addepalli and Mr. Frank Creamer. EEPTP local consultants, Atty. Ana Lea Uy and Ms. Liza Andres, assisted in the content development of the presentation materials.

18. Focused Group Discussion (FGD) on the Nat Gas Investment Kit

Type : Communication and Outreach
Period Undertaken : March 31, 2003

The FGD was held at the PNOC Board Room, 5th Floor Building 6, Philippine National Oil Company to gather inputs from various investor analysts on the draft Natural Gas Investment Kit of DOE. Two investor analysts, Justin Ocampo - VP Integrated Energy of ABN AMRO and Alex Pomento - Head of Research from Credit Lyonnais in Asia, participated in the FGD. Ms. Cora Guidote, Executive Director of the Investor Relations Office of the Central Bank facilitated the discussion. The analysts provided their overall comments to the 8th draft of the investment brochure. Comments and suggestions were focused on the content, form, and overall effect of the material to potential investors. The information gathered in this exercise was utilized to further refine/finalize the brochure.

19. Development of Philippine Nat Gas Industry Investment Promotion Kit

Type : Communication and Outreach
Period Undertaken : February 21 – May 16, 2003

EEPTP assisted the DOE in the development and production of a Natural Gas Investment Kit. The material included a 26-page brochure and CD containing the incentives, investment needs, and relevant policies that any interested investor would need to know. A total of 1000 kits were produced for the Department. *Archives Graphics* was engaged to provide services in the design, layout, creatives, photography, and copywriting of the brochure. *Jaeson Printing* was subcontracted to print the brochure in full color, while *Direct Connections International Corporation* was tasked to reproduce the CD. The investment kit was designed to encourage private sector participation in the development of both the upstream and downstream sector of the nat gas industry. In particular, the brochure aimed to attract potential investors by presenting in a concise form the investment opportunities and incentives of the industry. This material was used by DOE Secretary Vincent Perez in his road shows/investment meetings with various potential foreign investors. Likewise, Undersecretary J.V. Emmanuel de Dios used this investment kit during the 22nd World Gas Conference and Exhibit held last June 1-6, 2003 at Tokyo, Japan.



20. Support to DOE's Investment Promotion Campaign at the World Gas Conference in Tokyo, Japan

Type : Communication & Outreach
Period Undertaken : May 29 – June 6, 2003

The 22nd World Gas Conference (WGC) and Exhibit last June 1-6, 2003 at Tokyo Japan was organized to assemble all the gas players in the world and to discuss current global energy issues. This activity is organized every three years. The conference gathered 4,800 international gas players, investors, and researchers from 72 countries and regions while 210 companies from 36 countries worldwide participated in the exhibition. For the first time, the Philippines joined this event to promote the nascent nat gas industry. EEPTP provided on-site technical assistance to DOE in the conference and exhibit. For the conference, the assistance included providing the design for investment meeting structure/process, ogistics and documentation. Ms. Josephine Mangila, EEPTP's Communication and Outreach Specialist joined the DOE team in Japan to assist in managing the following:

- a. **Presentation of DOE paper entitled "Developing the Philippines Natural Gas Industry" in the Technology Forum (June 2)** – assistance included the enhancement, finalization and reproduction of the power point presentation materials of Undersecretary J.V. Emmanuel de Dios;
- b. **One-on-One Investment Promotion Meetings (June 2 - 6)** – assistance were in the form of logistics and management of the event. Ms. Mangila also served as resource person on some of the power issues that were discussed ;
- c. **The Philippine Natural Gas Forum held at Mai Room, Imperial Hotel (June 5)** – jointly organized by DOE and Japan Bank for International Cooperation (JBIC) , the forum gathered 48 participants, mostly senior officials, representing 22 investor companies, government institutions, contractors as well as technology service providers. Assistance of EEPTP was in the planning, organizing, providing logistics support for the presentation materials production and documenting the forum. It is worth noting that during the opening speech of DOE Secretary Vincent Perez, he acknowledged the contribution of USAID in making the forum possible.
- d. **Nat Gas Investment Kit & Exhibit Poster** - Undersecretary de Dios promoted the Philippine natural gas industry with the natural gas investment brochure developed by EEPTP as the basic reference material that tells the story of the Philippine gas industry from birth to redemption. On the exhibit, City Neon Philippines, Inc. was engaged to produce the nat gas poster, which was displayed in addition to other DOE materials.



ACTIVITY 7

TECHNICAL SUPPORT FOR ADVANCING THE UTILIZATION OF RENEWABLE ENERGY

1. Review and Analysis of House Bill No. 5771 – Draft Renewable Energy Bill

Type	:	Policy Development and Implementation
Period Undertaken	:	June 15-30, 2003
Expert	:	Victoria Lopez

Ms. Victoria Lopez of Sibol ng Agham at Teknolohiya (SIBAT) was engaged last June 15-30, 2003 to analyze the draft renewable energy (RE) bill. The report entitled **Review and Analysis of House Bill No. 5771 – Draft Renewable Energy Bill**, discussed the consultant's analysis of the draft bill's underlying policy framework, stated and identified the gaps, weaknesses, and recommended general principles/strategies for addressing these. In addition, the study tackled some specific provisions in the bill and evaluated whether the statements are consistent with the Electric Power Industry Reform Act (EPIFA) and other existing laws related to RE. As a conclusion, the study provided recommendations on how to further enhance the bill and cited specific issues/areas that need to be addressed, using as basis, theoretical principles and/or best practices/experience. This study served as additional input to DOE in enhancing the draft bill filed in the House Committee on Energy.

2. Innovative Approaches to Implementation of Renewable Energy Systems: Promoting, Financing and Capacity-Building for Environmentally Friendly Energy Systems

Type	:	Institutional Capacity Building
Period Undertaken	:	June 11 – 12, 2003

EEPTP sponsored the participation of Mr. Edmundo A. Veloso Jr., National Power Corporation's Department Manager A for Visayas Operations, Small Power Utilities Group (SPUG), to the seminar entitled **Innovative Approaches to Implementation of Renewable Energy Systems: Promoting, Financing and Capacity-Building for Environmentally Friendly Energy Systems** in Bandaranaike Memorial International Conference Hall, Colombo, Sri Lanka. This seminar aimed to:

- Update the participants on the current trends in the implementation of Renewable Energy Systems in the aspects of financing and capacity building; and
- Exchange information and share experiences with other organizations in the field of renewable energy.

This activity was sponsored by the following organizations:

- South Asia Regional Energy Coalition
- American Chamber of Commerce in Sri Lanka
- Ceylon Chamber of Commerce
- Energy Forum in Sri Lanka
- Federation of Chambers of Commerce and Industry of Sri Lanka
- National Chamber of Commerce of Sri Lanka; and
- Sri Lanka Solar Energy Association.

In the seminar, Mr. Veloso presented the Philippine case for the topic **"Successful Organizational, Institutional and Regulatory Approaches Designed to Stimulate the Development and Introduction of Renewable Energy Systems – The Case of India and Philippines."** He discussed about the Philippines' effort to energize unelectrified barangays through public-private partnership.

Through this seminar, the DOE and NPC, particularly the SPUG, was able to gain knowledge on how rural electrification is being implemented in other countries and to identify other country's experiences that can be replicated in the Philippines, particularly in the areas of financing and capacity building. The knowledge gained in this activity also provided additional inputs to NPC in preparing its 2003 Missionary Electrification Development Plan.



APPENDIX 3

Directory of USAID Program Management Team			
United States Agency for International Development 6th Floor, PNB Financial Center Roxas Blvd., Manila Trunk Line - 559-9800 Fax No. -- 552-9997			
Name	Designation	Direct Line	E-Mail Address
1. Jerry Bisson	Chief, Office of Environmental Mgt. (OEM)	552-9821	jbisson@usaid.gov
2. Laurie de Freese	Deputy Chief, OEM	552-9822	ldefreese@usaid.gov
3. Rosario Calderon	Sr. Technical Advisor, OEM	552-9825	rcalderon@usaid.gov
4. Jose Dulce	Development Assistance Specialist, OEM	552-9826	jdulce@usaid.gov
5. Ma. Cecilia Dalupan	Policy Development Assistance Specialist, OEM	552-9832	mdalupan@usaid.gov
6. Maritoni Oanes	Secretary, OEM	552-9434	oanes@usaid.gov
7. William Reynolds	Contracting Officer, Office of Regional Procurement (ORP)	552-9921	wreynolds@usaid.gov
8. Ma. Rosario Arenas	Contracts Specialist, ORP	552-9926	marenas@usaid.gov
9. Lourdes Valones	Contracts Assistance, ORP	552-9929	lvalones@usaid.gov
10. Fatima Verzosa	Project Development Specialist, Program Resource Mgt.	552-9913	fverzosa@usaid.gov
11. Sonia Cruz	Financial Analyst, Office of Financial Management (OFM)	55209937	scruz@usaid.gov

APPENDIX 4

Directory of EEPTP Management Team Academy for Educational Development		
Washington DC Home Office Program Management & Support Team		
Carol Mulholland	Program Director	cmulholl@smtp.ed.org
Brian McCotter	Project Manager	bmcotte@smtp.aed.org
Roger Gibian	Program Specialist	rgibian@smtp.aed.org
Saloni Joshi	Finance Officer	sjoshi@smtp.aed.org
Justine Moncrief	Logistic Staff	jmoncrie@smtp.aed.org