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**ENERGY AND CLEAN AIR PROJECT**  
**THIRD ANNUAL REPORT**  
(OCTOBER 2006 - SEPTEMBER 2007)



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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development (USAID) of the United States Government

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**LIST OF ACRONYMS**

<b>AdDU</b>	Ateneo de Davao University
<b>ADB-CAI</b>	Asian Development Bank – Clean Air Initiative
<b>AED</b>	Academy for Educational Development
<b>AMMA</b>	Association of Metro Manila Anti-smoke Belching Units
<b>AMORE</b>	Alliance for Off-Grid Renewable Energy
<b>ANEC</b>	Affiliated Non-conventional Energy Center
<b>ASB</b>	Anti-Smoke Belching
<b>ASBU</b>	Anti-Smoke Belching Unit
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>ASG</b>	Ateneo School of Government
<b>BKTF</b>	Baguio Bantay Kalinisan Task Force
<b>BRT</b>	Bus Rapid Transit
<b>CAA</b>	Clean Air Act
<b>CAAP</b>	Clean Air Action Plan
<b>CAEA</b>	Center for Environmental Awareness and Education
<b>CAPEX</b>	Capital Expenditure
<b>CAYA</b>	Clean Air Youth Alliance
<b>CBRED</b>	Capacity Building to Remove Barriers to Renewable Energy
<b>CENRO</b>	Development
<b>CEPALCO</b>	City Environment and Natural Resources Office
<b>CFC</b>	Cagayan Electric Light and Power Company
	Couples for Christ
<b>CITOM</b>	Cebu City Traffic Operations Management
<b>CITRASCO</b>	Cebu City Transport Services Cooperative
<b>CLEP</b>	Continuing Local Legislative Education Program
<b>COA</b>	Commission on Audit
<b>C&amp;O</b>	Communication and Outreach
<b>CRAVE</b>	Champions for Reduction of Air Pollution from Vehicle Emissions
<b>CREED</b>	Coalition of Renewable Energy for Economic Development
<b>CRV</b>	Customized Road Vehicle
<b>CSB</b>	College of St. Benilde
<b>CSR</b>	Corporate Social Responsibility
<b>CWD</b>	Consumer Welfare Desk
<b>CWDP</b>	Consumer Welfare Development Program
<b>DENR</b>	Department of Environment and Natural Resources
<b>DILG</b>	Department of Interior and Local Government
<b>DLSU</b>	De La Salle University
<b>DOE</b>	Department of Energy
<b>DOJ</b>	Department of Justice
<b>DOST</b>	Department of Science and Technology
<b>DOTC</b>	Department of Transportation and Communications
<b>DPRDDI</b>	Davao Province Rural Development Institute
<b>DPWH</b>	Department of Public Works and Highways
<b>DTI</b>	Department of Trade and Industry
<b>DU<sub>s</sub></b>	Distribution Utilities
<b>DWRG</b>	Distribution Wheeling Rates Guidelines
<b>ECADEME-BB</b>	Energy and Clean Air Network of Academic Institutions- Baguio and Benguet
<b>ECAP</b>	Energy and Clean Air Project



<b>EE/C</b>	Energy Efficiency and Conservation
<b>EETP</b>	Energy Environment Training Program
<b>EMB</b>	Environmental Management Bureau
<b>EPIMB</b>	Electric Power Industry Management Bureau
<b>EPIRA</b>	Electric Power Industry Reform Act
<b>EPPB</b>	Energy Planning and Policy Bureau
<b>ER 1-94</b>	Energy Regulation 1-94
<b>ER</b>	Expected Result
<b>ERC</b>	Energy Regulatory Commission
<b>ERDB</b>	Energy Resource Development Bureau
<b>ERDA</b>	Educational Research and Development AssistanceTech Foundation, Inc.
<b>ERTLS</b>	
<b>FEJODAP</b>	Energy Research and Testing Laboratory Services
<b>FEU</b>	Federation of Jeepney Operators and Drivers Associations of the Philippines
	Far Eastern University
<b>FGD</b>	Focus Group Discussion
<b>GRP</b>	Government of the Republic of the Philippines
<b>HLCP</b>	High-level Consultative Panel
<b>IBP</b>	Integrated Bar of the Philippines
<b>ICB</b>	Institutional Capacity Building
<b>IIEE</b>	Institute of Integrated Electrical Engineers
<b>IPFI</b>	Infinite Progressions Foundation, Inc.
<b>IPO</b>	Investment Promotions Office
<b>IPP</b>	Independent Power Producers
<b>JICA</b>	Japan International Cooperation Agency
<b>LCF</b>	League of Corporate Foundations
<b>LCP</b>	League of Cities of the Philippines
<b>LCP</b>	Lung Center of the Philippines
<b>LFA</b>	Logical Framework Approach
<b>LGC</b>	Local Government Code
<b>LGU</b>	Local Government Unit
<b>LTFRB</b>	Land transportation Franchising and Regulatory Board
<b>LTO</b>	Land Transportation Office
<b>LVGP</b>	League of Vice-Governors of the Philippines
<b>MERALCO</b>	Manila Electric Railroad and Light Company
<b>MMDA</b>	Metro Manila Development Authority
<b>MMASBA</b>	Metro Manila Anti-Smoke Belching Association
<b>MOA</b>	Memorandum of Agreement
<b>MOU</b>	Memorandum of Understanding
<b>MVIS</b>	Motor Vehicle Inspection System
<b>NASA</b>	National Aeronautics and Space Administration
<b>NAECTAF</b>	National Anti- Environmental Crime Task Force
<b>NCR</b>	National Capital Region
<b>NCTS</b>	National Center for Transport Studies
<b>NEA</b>	National Electrification Administration
<b>NEDA</b>	National Economic and Development Authority
<b>NEECP</b>	National Energy Efficiency and Conservation Program
<b>NEMS</b>	National Electricity Market of Singapore
<b>NGO</b>	Natural Gas Office
<b>NGO</b>	Non-Governmental Organizations
<b>NPC</b>	National Power Corporation
<b>OD</b>	Organizational Development



<b>OEE</b>	Office of Energy and Environment (of USAID)
<b>OFWs</b>	Overseas Filipino Workers
<b>OIMB</b>	Oil Industry Management Bureau
<b>PAO</b>	Project Area Office
<b>PAPPI</b>	Philippine Association of Pediatric Pulmunologists, Inc.
<b>PATLEPAM</b>	Philippine Association of Tertiary Level Educational Institutions in Environmental Protection and Management
<b>PBR</b>	Performance-based Ratemaking
<b>PEP</b>	Philippine Energy Plan
<b>PES</b>	Philippine Economic Society
<b>PCCI</b>	Philippine Chamber of Commerce and Industry
<b>PCCMP</b>	Philippine Climate Change Mitigation Program
<b>PCL</b>	Philippine Councilors League
<b>PDI</b>	Policy Development and Implementation
<b>PELMATP</b>	Philippine Efficient Lighting Market Transformation Project
<b>PEMC</b>	Philippine Electricity Market Corporation
<b>PEP</b>	Philippine Energy Plan
<b>PETC</b>	Private Emission Testing Center
<b>PHA</b>	Philippine Heart Association
<b>PHC</b>	Philippine Heart Center
<b>PHILRECA</b>	Philippine Rural Electric Cooperatives Association
<b>PICHE</b>	Private – Philippine Institute of Chemical Engineers
<b>PM</b>	Preventive Maintenance
<b>PNP</b>	Philippine National Police
<b>PT</b>	Power Tracker
<b>PUV</b>	Public Utility Vehicle
<b>RE</b>	Renewable Energy
<b>REAMD</b>	Rural Electrification Administration and Management Division
<b>RTD</b>	Roundtable Discussion
<b>SD</b>	Service Director
<b>SEDP</b>	Sustainable Energy Development Program
<b>SO4</b>	Strategic Objective No. 4
<b>SWOT</b>	Strengths, Weaknesses, Opportunities, and Threats
<b>TA</b>	Technical Assistance
<b>TESDA</b>	Technical Education and Skills Development Authority
<b>TOR</b>	Terms of Reference
<b>TOU</b>	Time-of-Use
<b>TransCo</b>	National Transmission Corporation
<b>TWG</b>	Technical Working Group
<b>UAP</b>	University of Asia and the Pacific
<b>UC</b>	University of the Cordilleras
<b>UNDP</b>	United Nations Development Programme
<b>UP</b>	University of the Philippines
<b>UPNEC</b>	UP National Engineering Center
<b>USAEP</b>	United States-Asia Environmental Partnership
<b>USAID</b>	United States Agency for International Development
<b>USC</b>	University of San Carlos
<b>VUDTRASCO</b>	Visayas United Drivers and Transport Services Cooperative
<b>WESM</b>	Wholesale Electricity Spot Market
<b>WWF</b>	World Wildlife Fund
<b>YFC</b>	Youth for Christ



## EXECUTIVE SUMMARY

**Overview.** The Energy & Clean Air Project (ECAP) is a 4-year project of the US Agency for International Development (USAID) that provides continuing support to government agencies in the energy and clean air sectors through various forms of technical assistance (TA). The Project aims to perform three (3) tasks: (a) Strengthening Sector Governance, (b) Improving Policy Frameworks, and (c) Increasing Public Understanding and Support. ECAP will perform these tasks through the strategic implementation of 3 types of TA activities namely policy development and implementation, institutional capacity building, and communication and outreach. They are designed to hit specific expected results by end of Project life.

**Accomplishment Highlights.** Given a full and productive year within 2007, ECAP highlights six (6) of its major accomplishments. Efforts to ensure a continuous build up of successes and to respond to opportunities created by developments at the national and local level have yielded these outcomes: (a) Development of the Philippine Biofuels Industry supported through policy development and IEC activities ; (b) Stakeholder participation in policy-making widened and deepened through stronger and expanded public consultation process; (c) Opportunities maximized for building new coalitions and strengthening new ones; (d) Paved the way for institutionalizing the planning process in government partners; (e) Mobilizing Funds for Air Quality Management Activities.

**Project Accomplishments.** For its third year, ECAP has accomplished a total of **135 activities**: 53 under its energy component, 71 under clean air, and 11 under shared energy and clean air. All these activities were designed to contribute directly or indirectly to the USAID's expected results. ECAP also pursued various program management activities during the year, which include coordination meetings with LGU and University Partners, the development of the 2007 and 2008 Work Plans, the conduct of Technical Directions and Sustainability Planning Workshop with ECAP's Project Area Offices (PAOs).

In the energy component, ECAP was able to strengthen competencies (Strategy 1) through its continuous support to ERC on strategic and communication planning and assistance to the DOE in completing Power Tracker 2, holding power planning workshops, and conducting public consultations to update the Philippine Energy Plan 2007. Increased transparency and participation in policy making (Strategy 2) was achieved through ECAP's strong support to DOE in the conduct of a series of nationwide public consultations on the implementing rules and regulations (IRR) of the Biofuels Act and the Electric Power Industry Reform Act (EPIRA). To meet Strategy 3 (Promoting the Efficient Utilization of Indigenous Sources), ECAP repositioned its efforts and took the opportunity to seek new partners for possible collaboration. These potential partners include: (a) the Philippine Green Building Council (PGBC), (b) the Department of Tourism (DOT), and (c) the AMG Energy. For Strategy 4 (Sustaining Constituency Support for Energy Reforms), ECAP continued to work with a steady partner, the Philippine Chamber of Commerce and Industry (PCCI) on power and biofuels-related issues. ECAP also met new partners in advancing energy reforms namely, the PGBC, Energy & Clean Air Network of the Academe (ECADEME), and the League of Corporate Foundations (LCF).

In the clean air component, the Project strengthened the National Motor Vehicle Inspection and Maintenance Program (Strategy 1) by focusing its efforts on two areas: (1) promoting environmentally sustainable transport systems (EST) such as the Bus Rapid Transit (BRT) System ; and (2) improving the governance system for emissions testing centers. Strengthening LGU Capacity for clean air reforms (Strategy 2) was attained by supporting the development of an anti-smoke belching ordinance (ASB) template that would be recommended to the LGUs as their starting point for institutionalizing their anti-smoke belching programs. This assistance was coupled with an equipment grant to all metro Manila LGUs, LTO, and DENR-EMB. ECAP enabled the public utility transport sector comply with emission standards (Strategy 3) by implementing, through Miriam PEACE, “Air Care”, a community-based air quality management program for associations of tricycle drivers and operators (TODAs) in the Quezon City area as a way of demonstrating the effectiveness of local air quality management (AQM) initiatives. ECAP also promoted the use of coco-methyl ester (CME) or biodiesel by conducting a demonstration of CME use. For Strategy 4 (Sustaining Constituency Support for Clean Air Reforms), ECAP promoted volunteerism and coalition building in its communication activities. Advocacy was in action through ECAP’s strong partners: Miriam PEACE and the Clean Air Youth Alliance (CAYA). Public-private partnership was also a key approach employed during the year.

ECAP also pursued various program management activities that include coordination meetings with LGU and University Partners, the development of the 2007 and 2008 Work Plans, the conduct of Technical Directions and Sustainability Planning Workshop with ECAP’s Project Area Offices (PAOs).

**Challenges and Lessons Learned.** The development and delivery of TA activities are always faced with challenges in terms of a) barriers to the initiatives being promoted and to the investments being encouraged, b) barriers to technology transfer and adaptation – appropriate technology may not be available or may not be readily accessible or affordable, and the available technology may not be acceptable, and c) barriers to the development of organizational and institutional competencies to absorb and to apply technologies that will facilitate policy reform initiatives. The past three years spent in developing and delivering TA activities to the energy and clean air sectors have provided additional experience in overcoming some of these challenges in order to move closer to our expected results and in order to lay stronger foundations for sustained policy reform initiatives.

In the process of project implementation ECAP always endeavors to learn the lessons brought about by meeting and addressing sectoral or implementation challenges. The Project has these five (5) lessons learned to share:

1. Encourage out-of-the box thinking for policy and infrastructure bottlenecks.
2. Institutionalize processes to obtain stronger stakeholder support and participation in policy making.
3. Pave the way for LGUs to play a stronger role in Clean Air Act (CAA) implementation.
4. Support Government efforts to accelerate CAA implementation thru optimal use of Special Vehicle Pollution Control Funds (SVPCF).
5. Pursue constituency building in policy-making and implementation.



**Moving Forward.** As September 2008 marks the end of ECAP's project life, it is now looking at this coming year for completing ongoing activities, implementing planned ones, and more importantly, delivering its contracted expected results. At this point, ECAP's primary concern ensuring the sustainability of the TA it has extended to its partners. For the remaining year therefore, ECAP will continue to build the sustainability factor into the design and development of its TA activities for the reform initiatives in the energy and clean air sectors. This factor guarantees that the government agencies and its constituents, especially the academia and peoples' organizations, have built the necessary infrastructure and have developed the operating system and mechanisms to for sustained introduction and implementation of policy reforms.

Ensuring sustainability will be pursued using the following specific approaches: (1) Maximizing opportunities for leveraging and counterparting, (b) Focus on processes, (c) Creating and strengthening Government-Academia Partnerships, and (d) Forging public-private partnerships.

For 2008, energy priorities include: (a) Capacity for distribution utilities (DUs) in Pricing and Risk Management, (b) Development and Implementation of the Long-term Philippine Energy Development Plan, (c) Support to the Passage of the Renewable Energy and Natural Gas Bills, and (d) Finalization of the National Biofuels Program and its Communication Plan.

The clean air component will pursue eight (8) priorities. These are: (a) Institutional Study on the Management and Operations of Motor Vehicle Inspection System (MVIS) Facilities by DOTC-LTO; (b) Implementation of the Joint DOTC-DTI-DENR Policy, Establishing a Regional Monitoring System for Emissions Testing Centers; (c) Promoting the Adoption of Improved Motor Vehicle Emission Standards; (d) **Development of Baguio City's Anti-Smoke Belching Ordinance & ECA Action Plan**; (e) **Development of the ASB Ordinance IRRs and Capacity-Building Support for Full ASB Operations in Davao and Cebu Cities**; (f) Capacity Building for the Transport Sector Players on Motor Vehicle Preventive Maintenance; (g) CAYA Formation in Baguio, Cebu and Davao and Conduct of National Convention; and (h) Institutionalized Collaboration of the League of Corporate Foundations on Clean Air Advocacy.



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# FY 2007 ANNUAL ACCOMPLISHMENT REPORT

(October 2006 – September 2007)

## I. OVERVIEW

### About ECAP

The Energy & Clean Air Project (ECAP) is a four-year technical assistance (TA) project of the US Agency for International Development (USAID) that started in October 2004. Its main government counterparts are the Philippine Department of Energy (DOE) and the Department of Environment and Natural Resources (DENR). PA Consulting Group is the primary contractor of USAID Manila's Office of Energy and Environment (OEE). USAID's other key government partners in the ECAP are the Energy Regulatory Commission (ERC), Department of Transportation and Communication (DOTC), and the Department of Trade and Industry (DTI).

ECAP is USAID's response to the Philippines' need for sustainable energy development and improved environmental performance. The project designs, implements, and monitors TA activities with USAID's Strategic Objective No. 4 (SO4), *Management of Productive, Life-Sustaining Natural Resources Strengthened*, as the overall guiding framework. It seeks to address challenges facing two (2) parallel and complementary components: energy and clean air.

For both components, the ECAP pursues a comprehensive approach to achieve the following tasks:

- ❖ **Strengthen Sector Governance.** ECAP promotes good governance in the energy and transport sectors. It shall endeavor to instill good governance practices in transparency, accountability, and participation among government agencies and their constituents so they can become more responsive, collaborative, responsible, and efficient in providing for the social and environmental needs of the country





- ❖ **Improve Policy Frameworks.** ECAP assists its GRP partners in ensuring that the energy and transport sectors are guided by policy frameworks that are sound, effective, and focused on achieving results that redound to public welfare.
- ❖ **Increase Public Understanding and Support.** ECAP promotes and facilitates coalition-building and formation of public-private partnerships to increase the involvement of multi-stakeholders in implementing sector reforms. By providing private partners with venues and opportunities to actively participate and bring in their own expertise in the energy and transport sectors, ECAP encourages and strengthens ownership of both the reform processes and their results among the stakeholders.

### Expected Results

The aforementioned tasks are being implemented through strategic combinations of three (3) types of TA activities: (a) policy development and implementation, (b) institutional capacity building, and (c) communication and outreach.

By the end of the project’s life in September 2008, ECAP’s TA is designed to contribute to the attainment of the following USAID expected results (ERs):

Energy Component	#	Clean Air Component
Strategic plans developed and implemented to strengthen institutional and staff competency of DOE, ERC and other agencies involved in the energy sector to formulate and implement various energy reforms.	1	No. of diesel-powered vehicles compliant with emission standards prior to registration increased by 80% in four (4) project sites;
Key energy policies formulated to promote privatization of transmission and generation assets; to increase use of natural gas, renewable energy and geothermal in augmenting power supply; and to correct deficiencies in the implementing rules and regulations of the EPIRA.	2	Level of fine Particulate Matter (PM <sub>10</sub> ) contribution from mobile sources reduced to 27,300 metric tons from 39,000, a 30% reduction to mitigate health and productivity related problems.
Supply of indigenous cleaner sources (natural gas, geothermal and other renewable sources) increased by at least 15% for power generation to improve self sufficiency.	3	Cleaner vehicle fuels such as compressed natural gas, coco-methyl ester (CME) and Liquefied Petroleum Gas (LPG) used by national government agencies and 50 top corporation fleets and at least 50% of public vehicles in project sites to reduce harmful emissions.
At least one (1) coalition with academic, research, and NGOs established in Luzon, Visayas, and Mindanao.	4	At least one (1) coalition with academic, research, and NGOs established in Luzon, Visayas, and Mindanao.

**Work Plan Strategies**

To achieve said ERs, ECAP implemented the following strategies of its 2007 Work Plan:

#	WORK PLAN STRATEGIES	CORRESPONDING EXPECTED RESULTS (ER)
<b>Energy Component</b>		
1	Strengthening Energy Sector Competency	ER 1 - 3
2	Promoting Transparency and Participation in Energy Policy-Making	ER 2- 3
3	Promoting Development and Efficient Utilization of Indigenous Energy	ER 3
4	Sustaining Initiatives of Constituency for Energy Reforms	ER 4
<b>Clean Air Component</b>		
1	Strengthening the Country's National Motor Vehicle Inspection and Maintenance Program	ER 1- 3
2	Strengthening Local Governance Capacity for Clean Air Reforms	ER 1- 3
3	Enabling Public Utility Transport Sector to Comply with CAA Emission Standards	ER 1- 3
4	Sustaining Constituency Support for Clean Air Reforms	ER 1- 4

**II. ACCOMPLISHMENT HIGHLIGHTS OF THE YEAR**



Biofuels Public Consultation in Baguio City, in partnership with the University of the Cordilleras and the ECADEME Network

ECAP’s third year can be characterized as a full and productive year in both energy and clean air components. This is largely due to the Project’s efforts to: (a) ensure that there is a continuous build up on successes in project-assisted initiatives and accomplishments of its partners, and (b) respond to the dynamic developments in energy and environmental sectors, both at the national and local levels.

The outcomes of these efforts are presented in this section as ECAP’s accomplishment highlights for FY 2007. They have greatly contributed the Project’s expected results and more importantly, impacted on the sustainability of the reform initiatives in energy and clean air sectors.



US Ambassador Kristie Kenney gracing Baga’t Hangin Musikahan 2007, a multi-agency undertaking

**❖ Development of the Philippine Biofuels Industry Spurred through Policy and Communication Support.**

The signing of the Biofuels Act of 2006 in January 2007 has triggered a chain of activities designed to jumpstart the development of the Philippine biofuels industry. From the formulation of the implementing rules and regulations (IRR) to the development of a national biofuels program, ECAP has been a steady partner of the DOE.

**❖ Stakeholder Participation in Policy Making Widened and Deepened through Stronger Public Consultation Process.**

2007 also witnessed a strong cooperation between DOE and ECAP in conducting a series of nationwide public consultations in three areas: Biofuels Act IRR, EPIRA-IRR Amendments, and Philippine Energy Plan 2007 Updates. In all cases, ECAP provided process facilitation and documentation assistance which served as an entry point for the Project to enhance the process for encouraging stakeholder support and participation. By introducing the Technology of Participation (ToP), ECAP was able to give DOE a systematic and strategic tool for gathering stakeholder feedback.



Public Consultation on EPIRA-IRR Amendments, a joint undertaking of DOE, ECAP, ASoG, and UP

Another value-added brought by ECAP is bridging new partnerships between the DOE and academic institutions located in the public consultations' host cities such as Laoag, Batangas, Bacolod, Cagayan de Oro, and General Santos. These new partnerships are envisaged to sustain government initiatives by generating, in the future, joint activities of national or local interest.

❖ **Opportunities Maximized for Building New Coalitions and Strengthening Existing Ones**

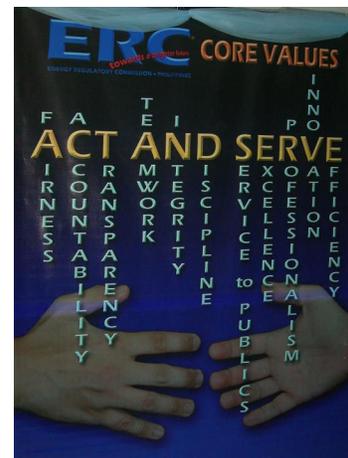
ECAP's universe of individuals and organizations with the shared commitment and complementing advocacies to pursue reforms in the energy and clean air sectors expanded in 2007. Through networking and establishment of linkages with traditional and non-traditional partners and by bridging relationships between the government and private sector, opportunities to build new coalitions of experts, decision-makers, and advocates for reforms were maximized. On the other hand, ECAP took to the task of strengthening the capacity of existing coalitions and partners to improve their roles in the pushing for change. In 2007, the academic and youth sector stood out as local champions in cleaning the air, while the business sector and professional organizations remained a strong ally in advocating energy reforms.



❖ **Paved the Way for Institutionalizing the Planning Process in Government Partners**

From 2005 to 2007, ECAP was actively engaged with ERC to assist the organization build its capacity to develop and to implement its strategic plan. The TA included not only the design, development and conduct of the strategic planning workshops, but also individual and team coaching and mentoring sessions. These TA activities promoted and facilitated “active-learning” of the strategic planning process among the members of the planning team. On 26 June 2007, ERC launched the *ERC 2007-2011 Corporate Plan* during the celebration of its sixth anniversary. From a development perspective, this is a positive step towards further institutionalizing the planning process in ERC. This will be one of ECAP's priorities for 2008.

ECAP was able to further add value to this TA to ERC by facilitating partnerships between ERC and two leading universities in the country namely the Asian Institute of Management (AIM) and the Ateneo School of Government (ASoG). These partnerships form the infrastructure that will support and sustain ERC's initiatives and programs to institutionalize strategic planning and organizational development and to strengthen the practice of good governance within the organization even beyond the Project's life.



❖ **Anti-Smoke Belching Crusade Strengthened at the Local Level**

The cities of Cebu and Davao officially stepped up their campaign against mobile sourced pollution with the passage early this year of their respective Anti-Smoke Belching Ordinances, which call for intensified campaigns to enforce motor vehicle emission standards in the cities. In both cases, the bottom-line of the cities is to sustainably mitigate the worsening of air quality in their jurisdictions and to protect the welfare of their constituents. ECAP provided policy advisory assistance to the LGUs in both cities, as well as facilitated the conduct of their stakeholder consultations on the ordinances. In other key urban centers of the country, i.e., Metro Manila and Baguio, efforts are also ongoing to either revisit their ASB policies or to establish sustainable programs. ECAP has provided equipment grants and technical trainings to the Metro Manila ASB Units and is currently providing policy advisory support to these cities.

According to World Bank 2002 Philippine Environment Monitor, diesel emissions from buses, jeepneys, trucks and other Asian Utility Vehicles are estimated to be the largest contributors to air pollution.



❖ **Mobilizing Resources for Air Quality Management Activities**

A key constraint in implementation of motor vehicle emissions standards is the lack of resources that can fund the requirements of the enforcement agencies. The Air Quality Management Fund (AQMF), which was created under the Philippine CAA, remains untapped to date. Recognizing this institutional constraint, the DOTC, which is largely responsible for the enforcement of MV standards, instead sought funding elsewhere and was able to secure this year, the approval of the Philippine Road Board to utilize over PhP2 Billion between 2007 to 2010, to fund the agency's Special Vehicle Pollution Control Program. The SVPC Fund, as it is called, is a multi-year source of funding for the clean air activities of the DOTC and its attached agencies (LTO, LTFRB, OTC) and the DTI. ECAP served as project formulation and planning advisor to the DOTC in coming up with the SVPCF Work program, which was approved by the Road Board. Worth noting in the SVPCF work program is the allocation of resources for the multi-year *Implementation of the Motor Vehicle Inspection System Expansion & Rehabilitation Program* of the Land Transport Office (LTO), which is also a key target in ECAP's work plan. An additional benefit of ECAP's TA intervention for DOTC is that the agency has now recognized the importance of adopting a performance-based planning approach, as opposed to mere "expense-type" planning. As an offshoot of ECAP's TA, DOTC has also requested ECAP to assist in the formulation of its updated "Road Safety Action Plan", which also draws funding from the Road Board and can potentially complement the clean air activities of the agency under the SVPCF.



### III. PROJECT ACCOMPLISHMENTS

This section summarizes ECAP's accomplishments from October 2006 to September 2007, presents the progress of ECAP's expected results to date, and provides a general description of accomplishments per strategy of the Project's energy and clean air components. The following supplemental information are found as attachments of this Report:

- ❖ Snapshot of Energy & Clean Air Accomplishments vis-à-vis Expected Results (First – Fourth Quarter)
- ❖ Progress on Expected Results
- ❖ Detailed description of FY 2007 Fourth Quarter (Jul – Sept) Accomplishments

#### Summary of Accomplishments

For its third year, ECAP has accomplished a total of **135 activities**: 53 under its energy component, 71 under clean air, and 11 under shared energy and clean air. All these activities were designed to contribute directly or indirectly to the USAID's expected results. ECAP also pursued various program management activities that include coordination meetings with LGU and University Partners, the development of the 2007 and 2008 Work Plans, the conduct of Technical Directions and Sustainability Planning Workshop with ECAP's Project Area Offices (PAOs).

The breakdown of project accomplishments is presented below:

Component	Strategies				Total
	1	2	3	4	
Energy	19	17	7	10	53
Clean Air	14	22	7	28	71
Shared					11
<b>Total</b>					<b>135</b>

**Accomplishments per Strategy: Energy Component**

**❖ Strategy 1: Strengthening Energy Sector Competency**

Significant support was extended to the ERC in developing their 2007 strategic and communication plans. Extensive support was also provided to DOE in two areas: (1) completion of the Power Tracker 2 (PT2), an online electricity rates tracking system and (2) power planning workshops on EPIRA implementation.

ERC Strategic Plan

Crafting the strategic plan involved planning workshops with the Commissioners and Service Directors in the second quarter of the year with the AIM, ERC’s new academic partner, serving as facilitator. This was followed by a series of coordination meetings with the Planning Service, which served as informal venues for capacity building. In these meetings, both ECAP and AIM assisted ERC in assessing planning processes and in discussing the way forward in strategic plan implementation and monitoring and evaluation.

ERC Communication Plan

On ERC’s 2007 Communication Plan, ECAP facilitated mini-workshops from February to April as preparatory activities for the main activity, the First ERC Communicators’ Meeting held in May. In these mini-workshops, ECAP guided the ERC Communications Team composed of the Public Information Division (PID) and selected communicators from six (6) Services, through the process of assessing communication strengths and weaknesses; setting a benchmark for communications and advocacy; and identifying communication objectives, target audience, and key messages. Results from these mini-workshops served as inputs to the Communicators’ Meeting that was facilitated by ECAP’s subcontractor, Campaigns Advocacy and P.R., Inc. (CAPRI). In this meeting, the PID and the Communicators went through an intensive workshop that led to the development of a draft communication plan that contains ERC’s message house and branding strategy.



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First Level (Commission and Directors) Strategic Planning Workshop



First ERC Communicators’ Meeting

Power Tracker 2

The PT2, an online rates tracking system, has been an ongoing assistance of ECAP to DOE since 2005 through the UP National Engineering Center (UPNEC). For this year, ECAP is finalizing the electricity rates system and preparing for the training of the PT Technical Working Group (TWG).



Power Planning

During the second quarter, ECAP provided advisory support to the Office of DOE Undersecretary Mel Ocampo and the Electric Power Industry Management Bureau (EPIMB) in the series of Power Planning Mini-Workshops. The workshops served as venues to (a) provide directions to the DOE-attached agencies for the implementation of the EPIRA; identify and accelerate the work plan priorities of the different attached agencies; and (c) establish the structures and systems that will keep EPIRA implementation on course. The one-on-one meetings and mini-workshops were conducted with attached agencies namely: NPC, Power Sector Assets & Liabilities Management Corp. (PSALM), National Electrification Administration (NEA), National Transmission Company (Transco), and the Philippine Electricity Market Corporation (PEMC). Total number of meetings and mini-workshops conducted within a period of two months is twelve (12).

Public Consultation on the Philippine Energy Plan 2007 Updates

By fourth quarter, specifically during the months of July and August, DOE worked with ECAP DOE in holding a series of four (4) public consultations for the PEP 2007 updates. A critical component of the process of developing the yearly PEP and/or PEP updates is the conduct of public consultations with energy sector stakeholders to primarily solicit their

**“De La Salle Lipa is honored to be part of this activity that has national significance because whatever issues we will discuss here today will help in the development and implementation of an integrated roadmap ...”**  
 ~ Chancellor Juan Lozano, De La Salle Lipa

participation in the formulation of annual PEP updates. Similarly with the Biofuels pubcon, DOE held the pubcons in four regional areas, hosted by four key cities. ECAP through its PAOs provided facilitation and documentation support to DOE. ToP was again used during the workshops to ensure that the public consultation followed a systematic process in soliciting comments and recommendations and that the results are well documented. Below are the host cities and the dates of the public consultation:

Date	Region	Host Cities	Partner Universities
July 20	Visayas	Bacolod City, Negros Occidental	University of St. La Salle
July 25	Mindanao	General Santos City, South Cotabato	Notre Dame University
July 31	South Luzon	Batangas City, Batangas	De La Salle Lipa
August 8	North Luzon	Laoag, Ilocos Norte	Mariano Marcos State University

❖ **Strategy 2: Promoting Transparency and Public Participation in Energy Policy-Making**

Strategy 2 had a full menu in 2007 with ECAP’s assistance in conducting series of public consultations on two (2) policy areas, namely Biofuels and Amendments to EPIRA-IRR. Advisory support was also provided to the DOE in coming up with a plan to fast-track the privatization of NPC.

Biofuels Act Implementing Rules & Regulations (IRR) and the National Biofuels Program)

Assistance to the DOE in the area of Biofuels was heavy from the second to the fourth quarter of the year. The TA can be described as a full spectrum of activities that included the conduct of a writeshop for the implementing rules and regulations (IRR), conduct of public consultations in support of the IRR promulgation and the development of the National Biofuels Program (NBP). Drafting and finalizing the Biofuels Act IRR was the biggest challenge in the second quarter, and addressed largely through the collaboration of ECAP and DOE in the writeshop and public consultations. ECAP’s TA involved advisory support to the DOE-EUMB, process facilitation, and documentation assistance during the actual workshops. To strategically get the issues and concerns of various stakeholders nationwide, the DOE held the public consultations in four regional areas: North Luzon, South Luzon, Visayas, and Mindanao. All four ECAP PAOs contributed significantly in the public consultations by serving as events coordinators, documenters, and facilitators. As facilitators, they introduced the approach of Technology of Participation (ToP) to systematically gather inputs from participants.

***“Definitely, we can save at least 10 percent or P28 billion a year with this Act. Our environment would become greener and cleaner since oil pollutants would be eliminated from our atmosphere. There would be more income for farmers while for the consumers, it will mean eventually lower prices, whether gasoline or diesel.”***

~ Senator Miriam Defensor-Santiago, Chairperson, Senate Energy Committee

The PAOs also served as bridges for DOE to partner with various universities such as De La Salle University, the Energy and Clean Air Academe Network in Baguio and Benguet (ECADEME Network), St. La Salle University, and Xavier University.

Date	Region	Host Cities	Host Universities
March 26	North Luzon	Baguio City	University of the Cordilleras
March 28	Visayas	Bacolod City, Negros Occidental	University of St. La Salle
March 28	Mindanao	Cagayan de Oro, Misamis Oriental	Xavier University (Ateneo de Cagayan de Oro)
March 30	South Luzon	Manila	De La Salle University



Public Consultation on EPIRA-IRR Amendments

Amendments to the EPIRA Implementing Rules and Regulations (IRR)

Amending specific EPIRA-IRR provisions was an urgent concern during the third quarter. Thus on May 18, DOE and ERC teamed up with ECAP in holding a public consultation primarily to gather the critical inputs of various stakeholder in amending Rule 3, Sections 4(e) and (s) (ERC Responsibilities to Hold Public Hearings on Rates) and Rule 18, Section 7 (Deferment of the Universal Charge) of the EPIRA-IRR. The pubcon was an initiative of the two Government Agencies as a means to address the regulatory lag

brought about by ERC’s suspension of the collection of generation rate adjustment mechanism (GRAM) by utilities. ERC suspended the GRAM after it was overruled by the Supreme Court which mandated it to suspend the implementation of the GRAM, publish rate decisions in at least two (2) newspapers of general circulation, and hold public hearings in localities of the utility that filed a rate petition. Ateneo School of Government (SoG), ECAP’s PAO in Manila, provided facilitation and documentation assistance in the one-day public consultation held in UP Diliman, QC last 18 May 2007.

Finally, ECAP continued providing advisory support to DOE in conducting an in-depth analysis of the DOE’s proposed Privatization Plan. ECAP’s assistance enabled DOE to respond to the request of the Senate to fulfill its task of submitting a new Privatization Plan, which contains the following elements:

- Past privatization plans previously submitted to Congress
- Current conditions of the Philippine Electricity Market
- New assumptions to be made in implementing the newly proposed Privatization Plan for the purpose of opening the electricity market to competition.



**“While the Philippines might not contribute significantly to total greenhouse gas emissions, it does not absolve us from the moral imperative to clean up our act. We have to do our share in mitigating climate change as part of the global community. On this score, the DOE, in collaboration with the members of the Task Force, will take decisive action, for instance, to achieve a climate-friendly energy supply mix. In the same context, the passage of a renewable energy bill in Congress would be a strategic impetus to raise the share of renewable energy sources to 20% of the overall portfolio.”**

*~ Secretary Angelo T. Reyes, DOE, in his Keynote Speech where he presented the Strategic Framework and Structure of the*

### **Strategy 3: Promoting Efficient Utilization of Indigenous Energy Sources**

Activities under this strategy from first to third quarters of 2007 were few and far in between. Apart from the lack of activity in Congress on the passage of the RE Bill, ECAP needed to prioritize the series of nationwide public consultations on the Biofuels Law and the PEP Updates, which were identified by DOE as more urgent concerns.

In fourth quarter, however, ECAP repositioned its efforts. In separate occasions, ECAP touched base with DOE’s Renewable Energy Management Division (REMD) and Energy Efficiency and Conservation Division (EECD) to gather sectoral updates and discuss possible areas of assistance. ECAP also took the opportunity to seek new partners for possible collaboration. This is in recognition of the fact that many organization are well advanced in their renewable energy and energy efficiency initiatives so much so that collaboration and partnership would allow ECAP to optimize the utilization of its limited resources. Newfound partners include: (a) the Philippine Green Building Council (PGBC) for a holistic approach on energy efficiency; (b) the Department of Tourism (DOT) for possible programs on green hotels; and (c) the AMG Energy, for a collaborative support to Senator Miguel Zubiri in his California RE Study Tour.

### **Strategy 4: Sustaining Constituency Support for Energy Reforms**

Over the years, ECAP has crossed paths with different professional organizations, private companies, and local groups that share the same passion to help the government address issues that hamper the growth of the energy sector. The Project has been constantly in search of partners with initiatives and ideas that would help move reforms in the sector forward.

Since the beginning of its implementation, ECAP has been fortunate to find a strong and steadfast partner in the Philippine Chamber of Commerce and Industry (PCCI). The role that the Chamber has played in the country’s journey towards restructuring and modernization of the electric power industry is that of both a facilitator and conduit.

The Energy Committee of the PCCI, through the roundtable discussion (RTD) series entitled “How to Make EPIRA Work for the Economy” which was conceptualized and is being implemented with support from ECAP, has initiated the discussion on reforms mandated by the Electric Power Industry Reform Act (EPIRA) among the business sector. For the last year, this RTD series focused on the role of the private sector in speeding up the implementation of privatization and open access and in tackling issues related to the proposed amendments to the Law.

As a result of this RTD series, the PCCI has drafted a resolution on Power Issues and National Competitiveness that the group has submitted to President Gloria Macapagal-Arroyo. This resolution contains the Chamber’s energy agenda which not only focuses on power reforms but also pushes for energy efficiency & conservation and passage of the RE Bill.

Apart from PCCI, ECAP also met new partners in advancing energy reforms. For Northern Luzon, the Energy & Clean Air Network of the Academe (ECADEME) lived up to the task of facilitating public consultations on the Biofuels Act implementing rules and regulations and Philippine Energy Plan 2007 Updates for the region. Their involvement in these activities paved the way for the Network to be recognized by the DOE as a ready pool of resource persons in future activities. The Philippine Green Building Council (PGBC), a professional organization promoting sustainable building construction, is a potential partner of the Project and DOE in its energy efficiency & conservation (EE/C) initiatives. The League of Corporate Foundations (LCF) which has been a partner of ECAP in its clean air advocacy is also a promising ally in creating the momentum for EE/C and renewable energy initiatives in the urban areas.



**Accomplishments per Strategy: Clean Air**

❖ **Strategy 1: Strengthening the Country’s National Motor Vehicle Inspection and Maintenance Program**

ECAP’s TA this year focused on two areas: (1) promoting environmentally sustainable transport systems (EST); and (2) improving the governance system for emissions testing centers. EST options like the bus rapid transit and non-motorized transit options (e.g. pedestrianization, biking) are important supplemental transport policies for mitigating mobile emissions reduction. In urban areas where about 70% of air pollution is mobile-sourced, the adoption of transport schemes that emphasize efficient mass transit, fuel savings, clean fuels and/or, non-use of motorized engines, is a boon to air quality management.

Environmentally Sustainable Transport Systems

This year ECAP, in collaboration with the DOTC-led Inter-agency technical working group (TWG) on BRT, the Clean Air Initiative (CAI) – Asia, and the Partnership for Clean Air, completed a Pre-Feasibility Study for a Bus Rapid Transit System in the Greater Metro Manila Area. The pre-F/S was premised on the assumption that a BRT system would complement existing mass-rail options like the LRT & MRT in mitigating Metro Manila’s traffic congestion problem and its associated mobile emission impacts. The pre-F/S was undertaken by the ECAP’s subcontractor, UP National Center for Transport Studies (NCTS). As a result of the completion of the study, the following are promising follow on actions by government: (1) DOTC, through funding from the Special vehicle Pollution Control Fund, will be undertaking a follow up Feasibility Study on the identified pilot corridors in C5 and Binangonan-EDSA; (2) MMDA has accepted the study and has advised the DOTC that it will evaluate the possibility of adopting the BRT elements in it current piloting of the Organized Bus Routing System, whose underlying principles are consistent with BRT;

**“Providing affordable, efficient, and convenient transport to commuters in Manila is priority [of] the DOTC, and I am very supportive of a full feasibility study to make a BRT system in Metro Manila a reality.”**

*~ Undersecretary Anneli Lontoc, DOTC, in her acceptance speech during the turn-over of the “Pre-Feasibility Study for a Bus Rapid Transit System in the Greater Metro Manila Area” on 10 August 2007*



Turn-over of Pre-FS for a Bus Rapid Transit System to DOTC Undersecretary Anneli Lontoc by USAID’s Boy Dulce



BRT Technical Working Group Meeting

and (3) ECAP's partner LGU in Cebu City has commenced discussion with UP-NCTS and a private sector interested parties to explore the possibility of developing a BRT in at least two corridors in Cebu, once coastal and another in the central business district. In a related development, ECAP's partner coalitions, in coordination with our PAOs in other target sites are also consistently espousing NMT – ECADEME on pedestrianizing Session Road of Baguio; and FORCE & Firefly Brigade on biking in Davao City & Metro Manila, respectively.



#### Improving Governance of Emissions Testing Centers

The accreditation and authorization of private emissions testing centers (PETCs) is part of the government's stop-gap mechanism for enforcing motor vehicle emissions standards, while the government is still in process of fully developing the country's motor vehicle inspection system (MVIS). Monitoring the performance of the PETCs is critical in ensuring that the regulatory loop is effectively working. This year, ECAP advised the PETC Committee (DOTC-DTI-DENR) in formulating an

enhanced policy for monitoring the PETCs and for ensuring the integrity of their operations. The revised policy, called JAO #2 – Providing for the Regional Monitoring System of Emission Testing Centers – assigns authority to a regional monitoring team, led by the LTO, to assess infraction by PETCs and assign appropriate penalties. This ECAP TA is a sequel to assistance provided by USAID to the three agencies way back in 2002, where the first Joint administrative Order (JAO #1- Monitoring of PETC Operations) was approved.

#### ❖ **Strategy 2: Strengthening Local Governance Capacity of LGUs for Clean Air Reforms**

At the heart of ECAP's technical approach to clean air is strengthening local institutional capacity for air quality management. The Philippine Clean Air Act has prescribed a supporting, yet equally critical role for the Local Government Units (LGUs), which are mandated to enforce standards, regulatory policies, and national programs in their respective jurisdictions. At the beginning of ECAP's work with the LGUs, a gap was observed between the PCAA mandate and the LGU readiness to implement such role. ECAP's strategy, therefore, to strengthen LGUs' capacity for implementing clean air initiatives is a deliberate approach for ensuring that the project's efforts to assist the national government agencies (DOTC, DENR, DTI) in policy development would be supported with concrete action at the local level.

For FY 2007, ECAP's main mission was to build local capacity, so that the enforcement of motor vehicle emission standards could be translated into localized enforcement programs. Back in 2006, a key element of ECAP's TA package was the development of an anti-smoke belching ordinance (ASB) template that would be recommended to the LGUs as their starting point for institutionalizing their anti-

smoke belching programs. With ECAP's continuing technical advise to the City LGUs and the City Councils, this ASB template became the basis for two ASB ordinances that were passed in ECAP target cities – Cebu and Davao. A few other Metro Manila LGUs are now in the process of either revisiting their outdated policies or drafting for the first time the legal basis for their ASB programs. In addition to providing policy advisory support, ECAP has coupled the TA assistance with an equipment grant to all metro Manila LGUs, LTO, and DENR-EMB, by undertaking the repair of their emissions testing equipment/opacimeters; culminating said grant with a technical seminar for roadside enforcers, on the proper use, calibration and maintenance of the opacimeters.



(1) Signing of ASB Ordinance by former Davao City Mayor Rodrigo Duterte; (2) Signing of ASB Ordinance by Cebu City mayor Tomas Osmena; (3) Turn-over of equipment to Baguio City Mayor Peter Ray Bautista; (4) Turn-over of equipment to former Muntinlupa City Mayor Jaime Fresnedi; (5) Turn-over of equipment to Davao City Mayor Duterte; (6) Turn-over of equipment to Quezon City Mayor Sonny Belmonte and Vice Mayor Herbert Bautista; (7) Turn-over of equipment to the Metro Manila Anti-Smoke Belching Association (MMASBA) headed by Ms. Raquel Naciongayo



Trainers' Training for School-based Air Care Program



PM Training for Loyola-Pansol and Loyola Heights TODAs

❖ **Strategy 3: Enabling the Public Utility Transport Sector to Comply with MV Emission Standards in the Clean Air Act (CAA)**

ECAP promotes Motor Vehicle Preventive Maintenance (PM) among drivers and operators to reduce vehicle emissions. ECAP's PM advocacy aims to: 1) raise awareness among stakeholders on the state of air quality and its health-economic implication and 2) promote PM as a cost-effective way of reducing air pollution. Accompanying this main thrust is the conduct of "free emissions testing with no apprehension" and the promotion of cleaner transport fuels such as the coco methyl ester (CME).

For this year, ECAP, through its academic partner, Miriam PEACE, implemented "Air Care", a community-based air quality management program for associations of tricycle drivers and operators (TODAs) in the Quezon City area as a way of demonstrating the effectiveness of local air quality management (AQM) initiative. Air Care conducted PM training activities for TODAs, produced and disseminated Preventive Maintenance Handbooks, Trainers' Training Manuals, and Air Care Manuals for teachers, and developed an instructional video on PM for tricycles. Air Care also showed that with strong collaborative approaches, it is possible for the community and the private sector to collectively undertake AQM initiative.

ECAP also promoted the use of coco-methyl ester (CME) or biodiesel by conducting a demonstration of CME use in garbage trucks in Cebu City. The demo was an initiative of the Cebu City Government, the thrust of which is to "lead by example" as reflected in its Clean Air Action Plan.

❖ **Strategy 4: Sustaining Constituency Support for Clean Air Reforms**

An overarching theme that has emerged during the past year in the implementation of ECAP's coalition-building strategy for clean air reforms focused on volunteerism and empowerment of local coalitions. Looking back to as early as December 2006, this theme that has emerged for FY 2007 was the strategy that the Project carried to the Better Air Quality (BAQ) Conference in Jogjakarta, Indonesia as it advocated for "Volunteerism and Coalition-Building: Mobilizing Communities in Philippine Cities Towards Cleaner Air."

It must have been a foreshadowing of sorts that for the year that was, ECAP witnessed this advocacy in action. The Project worked with two (2) strong partners in advancing local air quality management:

- Miriam PEACE and the Communities in the Air Care Corridor.* Air Care, a community-based air quality management program led by Miriam PEACE and participated in by schools, TODAs, and leaders in five (5) communities along Katipunan has attained significant progress in FY 2007. In the past year, it has created a pool of Air Care trainers, conducted a tricycle emission-reduction contest dubbed “Pababaan Challenge”, and developed collateral materials i.e. Air Care Manual and instructional video on Preventive Maintenance for Tricycles entitled “*Beinte Beinte Lang*”.
- Clean Air Youth Alliance (CAYA).* In April of this year, the Baguio & Benguet chapter of the CAYA was created with fourteen (14) member youth organizations. Since its creation, the Alliance has conducted information, education, and communication activities on clean air and global warming in the different member schools with the aim of expanding its membership and strengthening their capacity to become a youth arm of the local government for clean air advocacy.

Public-private partnership was also a key approach that worked for the Project in the past year. The conduct of *Baga'thangin Musikahan 2007*, a concert for cleaner air and good health, in April to celebrate Earth Day was a product of collaboration among the government, through DENR and Lung Center of the Philippines (LCP), donor agencies through USAID-ECAP, and private sector companies (i.e. Dmitri Productions, Chemrez Technologies, Inc., San Miguel Corporation, etc.



Former DENR Secretary Angelo T. Reyes, DOH Undersecretary Nieto, and US Ambassador Kristie A. Kenney sign a Principles of Partnership to conduct activities promoting clean air.



**Call for clean air and good health through *edutainment*!**

April 2007, Earth Day, was celebrated with a feast for the ears, eyes, and minds as environment and health experts team up with local artists and talents in a concert entitled *Baga'thangin Musikahan* held at the Lung Center of the Philippines (LCP). The event was a concerted effort of the DENR, LCP, USAID-ECAP, Dmitri Productions, and private sponsors to highlight the importance of a clean and healthy air and environment for the Filipinos.



Alongside from the free live concert, were health and environment-related activities such as free vehicle emission testing and demonstration of alternative fuels; free testing of vehicular air-conditioning units if chemicals used are ozone-friendly; free pulmonary work-up; exhibit of health effects of air pollution; on-the-spot poster-making contest for youth aged 12 to 15 years old; and a market of organically-grown food.

#### IV. LESSONS LEARNED

1. **Encourage out-of-the box thinking for policy and infrastructure bottlenecks.** Explore, develop, and implement alternative policy instruments within the existing policy framework as means to address the need for infrastructure development in the areas of power, renewable energy and natural gas and the slow movement of critical energy bills (i.e. RE and Natural Gas Bills and the EPIRA Amendments) in Congress.
2. **Institutionalize processes to obtain stronger stakeholder support and participation in policy making.** Holding public consultations is a standard process followed by government agencies in formulating and promulgating policies. The use of Technology of Participation (ToP) in public consultations can strengthen the process for gathering issues and recommendations from stakeholders. Not only does ToP present equal opportunity for all participants to be heard, but more importantly it empowers the participants to share their ideas freely and own the outputs of their discussion and recommendations.
3. **Pave the way for LGUs to play a stronger role in Clean Air Act (CAA) implementation.** While devolution of national government functions has long been in place, capacity building at the LGU level remains necessary and urgent particularly for implementing technical areas mandated by the CAA. With their powers to issue and enforce ordinances, LGUs have a crucial role in improving air quality.
4. **Support Government efforts to accelerate CAA implementation thru optimal use of Special Vehicle Pollution Control Funds (SVPCF).** Over the years that the SVPCF has been increasing, there is a growing need to access these funds to serve its purpose of mitigating air pollution. What is needed to access these funds is for the DOTC to submit annual and multi-year work plans for the release of funds. ECAP is currently assisting the DOTC and its attached agencies to identify activities that will reduce vehicle emissions. In particular, ECAP will assist in building the capability of the Technical Working Group and Secretariat Support of the SVPCF Committee.
5. **Pursue constituency building in policy-making and implementation.** Constituency Building serves as an effective tool for integrating and unifying the efforts of various cause-oriented groups and organizations, many of which are dispersed and unmobilized. If their efforts successfully converge, they can significantly support government's initiatives to set and implement policies.



Biofuels Public Consultation in Manila



Signing of Commitment Wall led by former DENR Secretary Angelo Reyes during the Environment Month celebration (May 2007)

## V. MOVING FORWARD

As September 2008 marks the end of ECAP’s project life, it is now looking at this coming year for completing ongoing activities, implementing planned ones, and more importantly, delivering its contracted expected results.

While project implementation and optimizing limited resources were ECAP’s primary concerns during its first years, it was ever mindful of the need to ENSURE SUSTAINABILITY in its TA to its partners. That is why, ECAP’s assistance, while directed at building institutional capacity or producing outputs, always introduced “added elements” in its TA designed to ensure that new efforts build on past ones and that small successes lead to larger ones. ECAP has used these elements throughout the course of project implementation and will continue to use these elements to the fullest in planting the seeds of sustainability.

This section presents the Project’s critical approaches for the remaining year and the priorities for both energy and clean air components.

### Overall Approaches

#### Maximizing Opportunities for Counterparting and Leveraging

Prior to rolling out any activity, ECAP explores with its implementing partner options for pooling or complementing each other’s resources to accomplish more in an activity. These resources may come in the form of additional funds, physical facilities, or manpower support that is provided by the implementing partner. Whether there are sufficient or limited funds, ECAP maximizes opportunities for resource leveraging and counter-parting because not

only does it demonstrate the partner’s compelling need for the TA being requested, but it also shows partners’ ownership of these initiatives. The GRP’s efforts to look into and to tap their resources create a window for pursuing sustainability of initiatives beyond the Project’s life. In this sense, the Project simply serves as an impetus or facilitator. Optimizing limited resources, through counterparting and leveraging, paves the way for creativity and innovation in pursuing vital plans and programs. The approach brings together individuals, organizations, and groups that advocate similar causes to produce better and stronger initiatives. It also opens doors for partnerships for future activities.

Whether assisting the national agencies to develop strategic plans or LGUs to formulate ordinances, the Project emphasizes the importance of immersing the partners in a “learning process” as part of the overall effort to build the partner agencies’ institutional capacity. This way, partners are not just merely working to produce outputs but actually understand and appreciate the processes involved. Being knowledgeable and accustomed to processes lessens dependence on consultants and leads to increased self-reliance of partner agencies.

#### Focus on Processes

ECAP considers the academia as a potent mover of reforms and partner in institutional capacity building. Over the last three years of project implementation, ECAP has acted as a facilitator or a catalyst of partnerships between or among public and private sectors and the community. This approach has shown significant benefits. ECAP's plan is to continue to bring together government agencies and academic institutions and match the needs of the former with the expertise of the latter for possible creation of joint institutional development programs.

Partnerships that will emerge are seen to increase the absorptive capacity (in terms of higher rates of comprehension, retention, adaptation, and replication) of government agencies for technologies introduced through technical assistance activities. ECAP's efforts towards bridging and nurturing these partnerships began with the creation of Project Area Offices in Baguio, Metro-Manila, Cebu, and Davao. For 2008, ECAP will continue to bridge partnership by organizing and facilitating roundtable discussions, forums, workshops, and conferences as venues for academia and government agencies to work together on critical issues and solutions for energy and environment challenges.

## Creating and Strengthening Government-Academia Partnerships

### Potential Academic Partners & Fields of Expertise

- ❖ **Asian Institute of Management.** Organizational Development/Human Resource Development (OD/HRD), Strategic Planning
- ❖ **Ateneo School of Government.** Governance, Legal
- ❖ **Ateneo de Davao University.** Technology of Participation
- ❖ **Technological University of the Philippines.** Alternative Fuels
- ❖ **University of the Cordilleras.** Mobilization of LGUs and Academic Network
- ❖ **University of San Carlos -Cebu.** Renewable Energy
- ❖ **University of the Philippines.** Engineering (Power Systems, Transport)

## Forging Public-Private Partnerships

The private sector, in its capacity as technology supplier, service provider, investor, transport user, or industry player is a potent force in promoting clean energy and clean air as a corporate policy. Its strong marketing and advertising orientation can be a social marketing tool that can help convince stakeholders of the benefits to be achieved by supporting energy reforms and adopting clean air practices. The element of partnership virtually creates an organizational unit with access to a diverse and expanded set of resources that are necessary for sustained policy development and implementation

Among the leading private sector partners of ECAP are the League of Corporate Foundations (LCF) which has put energy and clean air concerns in its corporate social responsibility agenda, the Philippine Chamber of Commerce and Industry which has championed the call to make EPIRA work for the economy, and other private players in the power and transport sectors. For the Project's remaining life, ECAP will continue to bring the partnerships it has established to the doors and halls of its partner implementing agencies in the government sector.

## Priorities: Energy Component

For 2008, ECAP has identified four (4) priorities under the energy component:

### STRATEGY 1: STRENGTHENING ENERGY SECTOR COMPETENCY

#### 1. **Building the Capacity of the DUs on Pricing and Risk Management**

ECAP will provide capacity building assistance to the ECs through a training program the scope of which will cover the supply side (e.g. Contracting IPPs, WESM) and the demand side (e.g. Tariff-setting, utility economics). In collaboration with the National Electrification Administration (NEA) and the University of the Philippines National Engineering Center (UPNEC), ECAP will conduct a series of training-workshop for ECs to strengthen their capacity to price power and manage risks.

#### 2. **Supporting the Development and Implementation of the Long-term Philippine Energy Development Plan**

This is a follow-on support to the previous initiatives with respect to the strengthening of the energy planning process. ECAP will continue to provide advisory assistance to the EPPB and extend assistance in ensuring a strong public consultation process.

### STRATEGY 2: PROMOTING TRANSPARENCY AND PARTICIPATION IN ENERGY POLICY-MAKING

#### 3. **Supporting the Passage of the Renewable Energy and Natural Gas Bills**

ECAP's assistance for the passage of the RE and Nat Gas Bills will contain the following elements/components: (a) technical or legal advisory support, (b) legislative briefings, (c) public information campaign, and (d) coalition building.

#### 4. **Finalization of the National Biofuels Program and its Communication Plan**

This remains a follow-on assistance of ECAP to the full implementation of the Biofuels IRR. The assistance will come in the form of the following:

- a. Development of Supporting Guidelines to Implement the Act
- b. Advisory Assistance to Develop the NBP
- c. Public Consultations on the Draft NBP
- d. Development of Supporting Communication Plan for the NBP
- e. Technology Road-mapping Study for Biofuels
- f. Investment Promotions Activities (i.e. RTDs and Fora)





### Priorities: Clean Air Component

For the remaining project life, the clean air component has identified and will pursue eight (8) priorities:

#### *STRATEGY 1: STRENGTHENING THE COUNTRY'S MOTOR VEHICLE INSPECTION AND MAINTENANCE PROGRAM*

1. **Institutional Study on the Management and Operations of Motor Vehicle Inspection System (MVIS) Facilities by DOTC-LTO.** The reduction of transport sector emissions is largely anchored on the assumption that the country will be able to set up and operate an effective MVIS that will ensure compliance to emission standards by all in-use vehicles, prior to their registration. The rehabilitation, expansion, and full operation of existing MVIS facilities in the country's key urban centers is a first step in enabling the DOTC to satisfactorily live up to its mandate in the Clean Air Act. Overall, the development of the MVIS facilities nationwide may also induce an improvement in the performance of Private Emission Testing Centers (ETCs) and strongly complement the roadside inspection operations of the Land Transport Office as well as those of Local Government Units. Budget support for the phased development of MVIS facilities and operations nationwide, first in key urban centers, and later on in other high-vehicle density areas, was approved by the Philippine Road Users' Tax Road Board (RUTB) as part of the Annual and Multi-year (2007-2010) Action Plans under its Special Vehicle Pollution Control Fund (SVPCF). ECAP played a significant role in facilitating the DOTC's completion of a well-thought out clean air work program that paved the way for the approval of the Road Board. ECAP's technical support shall largely focus on conducting an Institutional Study of the MVIS, to advise the DOTC on organizational and management options for operating MVIS facilities nationwide. Under this TA, ECAP will field two MVIS experts, Engr. Chris Weaver (ECAP's lead clean air advisor & fuel/emissions expert) and Dr. Ricardo Sigua (of UP-NCTS, transport policy specialist) to jointly assess the institutional feasibility/viability of managing and operating the MVIS under a "government setup", as opposed to externally recommended plans of privatizing the facilities (e.g. USTDA & ADB studies). ECAP will be partnering with the LTO-Operations and the DOTC-Road Transport Planning Services in completing this study, which will hopefully become a basis for DOTC's final decision on
  
2. **Implementation of the Joint DOTC-DTI-DENR Policy, Establishing a Regional Monitoring System for Emissions Testing Centers.** In the last four years, the integrity of the emissions testing process, as a mechanism for mitigating mobile emissions, has been questioned in view of reported and perceived gaps in the system, including: unfair competitive practices by PETCs like price cutting, issuance by PETCs of compliance certificates despite non-appearance of motor vehicles, and high passing rates of public utility vehicles in the LTO-MVIS amid high incidence of smoke belching.

To address these gaps, to improve the performance of the PETCs, and to restore order in the governance system, the DOTC convened a National Inter-Agency PETC Committee, composed of the undersecretaries of DOTC, DTI, and DENR, to set policy directions and decide on measures for stemming the erosion in system. A key policy decision of the Committee was to strengthen the monitoring system on PETC operations so that immediate action can be taken by government on proven infractions of PETCs against their government accreditation and authorization and LTO-MVIS against their government mandate. The Committee has revised Joint Administrative Order (JAO) #1 – PETC Monitoring Guidelines, signed in 2002, to devolve the monitoring functions of the national government clean air agencies (DTI, DENR, DOTC) to the newly formed Regional Monitoring Teams (RMT) headed by regional LTO offices. A JAO #2, to effect these changes has now been signed by the Secretaries of DOTC and DTI, and will soon be signed by the DENR Secretary. Since 2002, the USAID (through its Energy-Environment Training Program), has been advising the DOTC-DTI-DENR in the formulation of the 1<sup>st</sup> PETC monitoring policy (JAO #1). Now under ECAP, continuing technical advise was provided to the National Committee and its Technical Secretariat in crafting JAO # 2. ECAP's TA shall continue to support the DOTC in building the capability of the RMTs to monitor the local PETCs, specifically in the development of the RMT training module, serving as resource person & facilitators during training sessions and serving as technical advisor to the PETC National Committee and Secretariat. It is expected that with this assistance, ECAP will be able to improve the governance system for the PETCs and advise the government on future policy as regards the role of the PETC industry in the context of the full operation of the MVIS facilities of LTO. This activity shall be implemented in partnership with DOTC, DTI, DENR, and LTO.

3. **Promoting the Adoption of Improved Motor Vehicle Emission Standards.** The Philippine government, through the DENR, has recently signed a new policy that sets higher type-approval standards, including emissions compliance standards for new motor vehicles in the country. These new standards, which are now Euro 2-consistent, will enable the Philippines to achieve some degree of harmonization with the rest of the global community. Once promulgated by the government, the standard will ensure that any new vehicles registered in the country will be emissions-friendly. These new standards will complement efforts on the LTO side to upgrade the motor vehicle inspection facilities in the country. ECAP's TA shall help the DENR in promoting to the transport sector and the general public, the importance of complying with the new type approval standards of motor vehicles, through the conduct of public awareness campaigns in partnership with the DENR-EMB. The information dissemination forums on the new standards shall be done in ECAP's sites - Baguio, Cebu, and Davao – and shall be implemented in partnership with ECAP's partner LGUs, and ECAP-Project Area Offices.

#### *STRATEGY 2: STRENGTHENING LOCAL GOVERNANCE CAPACITY OF LGUs FOR CLEAN AIR REFORMS*

1. **Development of Baguio City's Anti-Smoke Belching Ordinance & ECA Action Plan.** Since mid 2005, ECAP provided organizational development support to the LTO & DENR-led local coalition (i.e., Bantay Kalinisan Task Force), that had been helping the City Government of Baguio in anti-smoke belching efforts. Since late 2006, however, Baguio City has been experiencing unprecedented air quality levels that were worse than years before. This can be attributed to many reasons, including unchecked high vehicle density, weak coordination on transport policy between the LGU and the LTO, lack of local LTO resources to rigorously implement roadside inspections against smoke belchers, lack of LGU policy basis for

enforcing MV standards, and climatic & geographical factors. In order to help the Baguio City LGU manage the seemingly worsening air quality in the city and to assist them in carrying out clean air initiatives, ECAP intends to provide TA that will facilitate the development of a local clean air action plan. This plan would ideally map out the LGUs plans for air quality management. In addition, ECAP is also serving as policy advisor to the City LGU and its City Council in developing a local anti-smoke belching ordinance. The ASB Ordinance will enable the LGU to institutionalize an anti-smoke belching program and create a Local Clean Air Fund to support their air quality management initiatives. Capacity-building support through trainings, equipment grant, and IEC will also form part of the ECAP TA package.

2. **Development of the ASB Ordinance IRRs and Capacity-Building Support for Full ASB Operations in Davao and Cebu Cities.** Having successfully passed the local anti-smoke belching ordinances in their respective LGUs early this year, the cities of Cebu and Davao, are now progressively completing the development of their Implementing Rules and Regulations (IRR). ECAP has been assisting the City LGUs in the IRR crafting process, through the PAOs. These IRRs will lay down the specific operating mechanisms for implementing the local ordinances. ECAP will continue to provide technical and legal advisory support to Cebu and Davao LGUs in finalizing the IRRs through a series of consultative discussions and technical working group meetings, which will be convened by the partner City government with our ECAP-PAO. In addition, ECAP's TA will also include the provision of equipment grant, technical training on roadside inspections, and IEC support.

*STRATEGY 3: ENABLING THE PUBLIC UTILITY TRANSPORT SECTOR TO COMPLY WITH MOTOR VEHICLE EMISSION STANDARDS IN THE CLEAN AIR ACT*

1. **Capacity Building for the Transport Sector Players on Motor Vehicle Preventive Maintenance.** Improving the compliance rate of the Public Utility Vehicles (PUVs) with the Philippine Clean Air Act's emission standards generally requires, ensuring the regular and consistent practice of a "clean engine, clean fuel, and clean driving" philosophy. Left on their own, operators and drivers will have a tendency to pursue short-term motives (i.e, maximize ridership and gross tariffs) while sacrificing medium to long-term considerations like fleet roadworthiness and emissions compliance. The decision to undertake MV preventive maintenance or switching to cleaner fuels and cleaner vehicle technology would most likely not happen without some degree of incentives or motivational support from an externally interested party like government. Thus the need for government to build into the existing motor vehicle regulatory system a mechanism for helping these operators and drivers to make better-informed decisions towards cleaning their emissions. ECAP's planned initiatives for FY 2008 is to work with the transport government agencies and our academic/private partners in delivering: (1) capacity building activities to the transport sector players so that advocacy on MV preventive maintenance, clean fuels use, and road safety will be translated into action and (2) initiating the design of a micro-financing program that will enable the transport operators/drivers to gain access to reasonably priced funds for PM works and clean technology adoption.

*STRATEGY 4: SUSTAINING CONSTITUENCY SUPPORT FOR CLEAN AIR REFORMS*

1. **CAYA Formation in Baguio, Cebu and Davao and Conduct of National Convention.** "CAYA *natin 'to!*" (*WE CAN!*). FY 2008 will witness the birth of the local chapters of the Clean Air Youth Alliance (CAYA) in Cebu and Davao. Following the formation of the CAYA chapters in ECAP's project sites is a national convention that would publicly launch CAYA member organizations from Metro Manila, Cebu, Baguio, and Davao as active advocates for clean air and sustainable energy. The vision of a community of



youth that will STEP UP! and inspire people to commit and act towards the goal of cleaner air in the Philippines shall be realized and shall prove that indeed, the Filipino youth can be advocates for change in the energy & environment sectors!

2. **Institutionalized Collaboration of the League of Corporate Foundations on Clean Air Advocacy.** The seeds of partnership that ECAP has sowed with the League of Corporate Foundations (LCF) will start to reap its benefits in 2008, as the Project aims to institutionalize this collaboration on clean air advocacy with the Department of Environment & Natural Resources (DENR). ECAP shall facilitate a long-term and formal partnership between the Environment Committee of the LCF and the Environment Management Bureau (EMB) of DENR for joint initiatives that would promote air quality improvement and environmental protection in general.



**VI. FINANCIAL REPORT**

Description	Percentaging	Ceiling Amount Per Mod 004	Cost through 9/30/07	SUBTOTAL	Funded Amount 9-30-04 to 9-30-08	Funded Amount Remaining	Additional Budget (\$548 + \$ 317)	Available Funds to be Budgeted to 9-30-2007 to 9-30-2008
PA Labor (includes fringe + overhead)	7%	\$595,280.15	\$364,850.54	\$230,429.61	\$5,774,259.64	\$1,762,427.49	\$865,000.00	\$2,627,427.49
Other Direct Costs/Consultant Labor	39%	\$3,484,695.47	\$1,640,486.74	\$1,844,208.73				
Subcontractors	30%	\$2,661,972.19	\$1,064,006.63	\$1,597,965.56				
Indirect Costs (G&A & MH&S)	12%	\$1,104,023.05	\$622,891.28	\$481,131.77				
MH&S (2008)	4.90%							
G&A (2008)	29.40%							
Equipment	5%	\$475,161.66	\$29,549.16	\$445,612.50				
Fixed Fee	7%	\$627,677.67	\$290,047.80	\$337,629.87				
<b>Grand TOTAL</b>	<b>100%</b>	<b>\$8,948,810.19</b>	<b>\$4,011,832.15</b>	<b>\$4,936,978.04</b>				

**LEGEND**

- **PA Labor:** US-based employees of PA Consulting
- **Other Direct Costs / Consultant Labor:** Include the following sub-items
  1. Project Employees and Field Overhead (OH) Costs
  2. Local and Foreign Consultants and Field OH
  3. International and Regional Travels
  4. Workshops / Training (G&A Based)
  5. Miscellaneous (G&A Based)
- **Subcontractors:** Include the following sub-items
  1. Miscellaneous (MH&S Based)
  2. International and Regional Travels
  3. Subcontractors' Labor
  4. Project Area Offices
  5. Office Commodities
  6. Workshops / Training (MH&S Based)
- **Indirect Costs:** Include the following sub-items
  1. General and Administration Expense (G & A)
  2. Materials, Handling, and Supplies (MH&S)
- **Equipment:** Refer to the purchase of new opacimeters for the clean air component



## **ATTACHMENTS**

**ATTACHMENT 1:  
Snapshot of Energy & Clean Air Accomplishments vis-à-vis Expected Results  
(First – Fourth Quarter)**

**FIRST QUARTER**

ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
<b>Energy Strategies &amp; Activities</b>	Strategic plans of energy agencies developed and implemented.	Key energy policies formulated	Access to indigenous energy resources increased	Coalition established
<i>1: Strengthening Energy Sector Competency</i>				
Development of the DOE Consumer e-Desk Audio-Visual Presentation	√			
“Energy Statistics: Forming the Basis in Meeting the Nation’s Energy Challenges” – 19 <sup>th</sup> Statistical Research and Training Center (SRTC) Annual Conference	√			
ERC Strategic Planning Orientation Workshop	√			
Development of Power Tracker Module II	√			
DOE Strategic Plan Development & Implementation Support	√			
<i>2: Promoting Transparency &amp; Participation in Energy Policy-Making</i>				
Advisory Support to the Implementation of the EPIRA – Privatization & Open Access		√		
<i>3: Promoting Development &amp; Efficient Utilization of Indigenous Energy</i>				
“Energy Management and Conservation Today, Tomorrow’s Security” Conference			√	
<b>Clean Air Strategies &amp; Activities</b>	Diesel-powered vehicles compliant with emission standards	Level of PM10 contribution from mobile sources reduced	Cleaner vehicle fuels used	Coalition established

ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
<b>1: Strengthening the NMVIM System</b>				
Phil. Clean Air Act Implementation Review				√
<b>2: Strengthening Local Governance Capacity for CA Reforms</b>				
Stakeholders' support for PM <sub>10</sub> Source Apportionment Activities in Davao City	√	√	√	√
ECAP Turn Over of Anti-Smoke Belching (ASB) Equipment	√	√		
Write shop-Development of Anti-Smoke Belching (ASB) Operations Manual	√	√		
<i>PAO Local Initiative:</i> Stakeholders' Forum for Davao City ASB Ordinance	√	√	√	√
<i>PAO Local Initiative:</i> Stakeholder Meetings for the Development of the Cebu City ASB Ordinance	√	√	√	√
<b>3: Enabling the Public Utility Transport Sector to Comply with CAA Emission Standards</b>				
Training Support on Preventive Maintenance for Makati City LGU and Transport Groups	√	√	√	
PUV Compliance Baseline with Free Emission Testing - Baguio City	√	√	√	
<b>4: Sustaining Constituency Support for Clean Air Reforms</b>				
"Clean Air is Our Business Campaign" with San Miguel Corporation (SMC) Polo Brewery	√	√	√	√
Forum on Bantay Tambutso sa Eskwela (for Metro Manila Universities and Colleges)	√	√	√	
Air-Care Festival	√	√	√	√
Clean Air Summit	√	√	√	
Better Air Quality (BAQ) 2006 Conference	√	√	√	
Malinis na Hangin, Handog Natin Ngayong Pasko," a Medical Outreach Program for the Transport Sector	√	√	√	
<i>PAO Local Initiative:</i> Baguio City- Academic Forum: Presentation of ECADEME Researchers on Pedestrianization				√



ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
<b>Shared Energy and Clean Air Activities</b>				
Public Consultation on Auto-Liquefied Petroleum Gas (LPG) Technical Standards and Regulations		E	CA	
Oil Content Analysis of the Philippine Jathropa		E		

**SECOND QUARTER**

ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
<b>Energy Strategies &amp; Activities</b>	Strategic plans of energy agencies developed and implemented.	Key energy policies formulated	Access to indigenous energy resources increased	Coalition established
<i>1: Strengthening Energy Sector Competency</i>				
SP Implementation Support to ERC: Development of Action Plans	√			
SP Implementation Support to ERC: Development of 2007 Strategic Plan	√			
Power Planning Workshop Series	√			
<i>2: Promoting Transparency &amp; Participation in Energy Policy-Making</i>				
Writeshop on Biofuels Act Draft IRR		√		
Public Consultations on the Biofuels Act IRR – Baguio, General Santos, Bacolod, Metro Manila		√		
Advisory Support to DOE on NPC Privatization Plan		√		
<i>3: Promoting Development &amp; Efficient Utilization of Indigenous Energy</i>				
<i>PAO Local Initiative:</i> RTD on Alternatives for Energy Sufficiency and Efficiency in Mindanao			√	
<i>4: Sustaining Initiatives of Constituency for Energy Reforms</i>				
Mini RTD on “Making EPIRA Work for the Economy”				√
<b>Clean Air Strategies &amp; Activities</b>	Diesel-powered vehicles compliant with emission standards	Level of PM10 contribution from mobile sources reduced	Cleaner vehicle fuels used	Coalition established
<i>1: Strengthening the NMVIM System</i>				
Improving the Monitoring Guidelines of Emission Testing Centers	√	√	√	



ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
<b>2: Strengthening Local Governance Capacity for CA Reforms</b>				
Signing of City Anti-Smoke Belching Ordinance	√	√	√	
Turn-Over of Anti-Smoke Belching Equipment	√	√		
Pilot Demonstration of Coco Methyl Esther (CME)	√	√	√	
<b>3: Enabling the Public Utility Transport Sector to Comply with CAA Emission Standards</b>				
Preventive Maintenance Trainings	√	√	√	
Drivers' Academy for Clean Air	√	√	√	
<b>4: Sustaining Constituency Support for Clean Air Reforms</b>				
Trainors Training for School-based Air Care Program		√		
Eco-Camp: Developing Women Leaders for the Environment				√
Emission Testing for the "Pababaan Challenge"	√	√	√	
Mandatory Free Roadside Emissions Testing (No Apprehension)	√		√	
<b>Shared Energy and Clean Air Activities</b>				
ECAP Participation in Panagbenga Flower Festival 2007				√
<i>PAO Local Initiative:</i> ECAP Participation in the "Araw ng Dabaw 2007"				√
Energize: UP SAVER 12 <sup>th</sup> Anniversary				√

**THIRD QUARTER**

ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
<b>Energy Strategies &amp; Activities</b>	Strategic plans of energy agencies developed and implemented.	Key energy policies formulated	Access to indigenous energy resources increased	Coalition established
<i>1: Strengthening Energy Sector Competency</i>				
Working Towards Communicating Better: The First ERC Communicators Meeting	√			
<i>2: Promoting Transparency &amp; Participation in Energy Policy-Making</i>				
Public Consultations on the Proposed Amendments to the EPIRA Implementing Rules and Regulations (IRR)	√	√		
Integration Workshop for the National Biofuels Program		√		
Joint Congressional Power Commission (JCPC) Hearing on EPIRA Amendments		√		
Meeting with DOE to Present Results of Oil Content Analysis on Jatropha Methyl Ester		√		
<i>3: Promoting Development &amp; Efficient Utilization of Indigenous Energy</i>				
<i>PAO Local Initiative:</i> Greenfest sa Sugbo – Renewable Energy Exhibit				
<i>4: Sustaining Initiatives of Constituency for Energy Reforms</i>				
PCCI Alternative Energy Subcommittee Meeting on Biofuels				√
PCCI Energy Subcommittee Meeting on EPIRA Amendments				√
<b>Clean Air Strategies &amp; Activities</b>	Diesel-powered vehicles compliant with emission standards	Level of PM10 contribution from mobile sources reduced	Cleaner vehicle fuels used	Coalition established
<i>1: Strengthening the NMVIM System</i>				

ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
4 <sup>th</sup> BRT-TWG Meeting	√	√	√	
Makati City Study on Bus Rapid Transit (BRT)				√
Guidelines & Procedures for the Monitoring of Accredited & Authorized Private Emission Testing Centers (PETCs) and Emission Testing Activities of the Land Transportation Office (LTO)	√	√	√	
<i>PAO Local Initiative:</i> Joint PETC Monitoring Activity	√	√	√	
Roundtable Discussion on Sustainable Public Transport	√	√		
<i>2: Strengthening Local Governance Capacity for CA Reforms</i>				
Establishing Strong Partnership with Clean Air Government Partners	√	√		
Gearing ASBUs with Safety Uniforms for Roadside Operations	√	√	√	√
Repairs on the Diesel Smoke Meters / Opacimeters of Metro Manila LGUs, DENR & LTO	√	√		
<i>PAO Local Initiative:</i> Greenfest sa Sugbo - Car Doctor	√	√	√	
Demonstration of CME Effectiveness (Cebu City-LGU)	√	√	√	
Strengthening the Philippine Environmental Enforcement System	√	√		
<i>3: Enabling the Public Utility Transport Sector to Comply with CAA Emission Standards</i>				
<i>PAO Local Initiative:</i> Beat the Heat: Joint Roadside Emission Test	√	√	√	
<i>4: Sustaining Constituency Support for Clean Air Reforms</i>				
9 <sup>th</sup> Tour of the Fireflies				√
Stewardship in Action "People Power for Clean Air"		√		
"An Inconvenient Truth" Screening & Forum on Clean Air and Climate Change				√
Free Nationwide Screening of "An Inconvenient Truth"				√

ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
Baga'tHangin Musikahan 2007	√ (indirect)	√(indirect)	√(indirect)	
CAYA Baguio-Benguet Action Planning Workshop				√
<i>PAO Local Initiative:</i> Multisectoral Forum on the Pedestrianization of Session Road		√		
Energy & Clean Air Camp at the International Kids Village				√
Air Care Seminar-Workshop in La Consolacion College & Holy Family Schools of Quezon City	√			
"Padyak Para sa Kalikasan" (Advocacy Ride for the Environment) Environment Month Celebration		√ (indirect)		√
Environment Month Celebration at the DENR				√
<i>Shared Energy and Clean Air Activities</i>				
Inhale Makati Earth Day Celebration				√
Formal Presentation of ECADEME to the Heads of Universities in Baguio City				√
Development of a Local Documentary on Climate Change & the Environment: Coordination Meetings			√ (energy)	√ (clean air)

**FOURTH QUARTER**

ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
<b>Energy Strategies &amp; Activities</b>	Strategic plans of energy agencies developed and implemented.	Key energy policies formulated	Access to indigenous energy resources increased	Coalition established
<i>1: Strengthening Energy Sector Competency</i>				
Coordination Meeting with the new Head Executive Assistant of the ERC Chairman	√			
Presentation of the ERC Communication Plan to ERC-PIS	√			
Coordination Meetings between ERC and AIM	√			
Meeting with ERC Commissioner Rauf Tan and CAS	√			
Meeting with ERC-PIS and CAS on ERC's Consumer Education Initiatives	√			
Preparatory Meetings with NEA for the Training on Pricing & Risk Management for DUs	√			
Visayas Public Consultation of the Philippine Energy Plan 2007 Updates	√			
Mindanao Public Consultation of the Philippine Energy Plan 2007 Updates	√			
South Luzon Public Consultation of the Philippine Energy Plan 2007 Updates	√			
North Luzon Public Consultation of the Philippine Energy Plan 2007 Updates	√			
<i>2: Promoting Transparency &amp; Participation in Energy Policy-Making</i>				
First Workshop on the Draft NBP with the NBB-TWG		√		
Second Workshop on the Draft NBP with DOE-EUMB and DOE-EPPB		√		
3 <sup>rd</sup> Workshop on the Draft NBP with the NBB-TWG		√		

ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
Participation in the USDOE-Ford Philippines Biofuels Forum		√		
Meetings with Chemrez Technologies Inc. on Collaborative Activities in Support of the Biofuels Act Implementation		√		
Coordination Meetings between DOE and PUP on Joint Activities for the Promotion of the NG Industry		√		
<i>3: Promoting Development &amp; Efficient Utilization of Indigenous Energy</i>				
TNA Meetings with DOE EECD and REMD			√	
Assistance to Senator Miguel Zubiri's Study Visit on RE			√	
Possible Collaboration on Promoting Energy Efficient Buildings with the Philippine Green Building Council			√	
Meeting with DOT Usec. Oscar Palabyab on the Green Hotels Initiative			√	
<i>4: Sustaining Initiatives of Constituency for Energy Reforms</i>				
Participation in the 2007 State of Philippine Competitiveness National Conference				√
Possible Collaboration with NCC-Energy Workgroup on Energy Efficiency and Conservation				√
Attendance in the PCCI 4 <sup>th</sup> General Membership Meeting				√
Business Forum on Power Issues and National Competitiveness (Making the EPIRA Work for the Economy)				√
PCCI Energy Committee Meeting on Draft Resolution on Power Issues and National Competitiveness (Making the EPIRA Work for the Economy)				√
Meeting with Integrated Institute of Electrical Engineers				√
Meetings with the Coordinating Body, Technical, and Creative Teams of the Philippine Documentary on Climate Change Project				√
<b>Clean Air Strategies &amp; Activities</b>	Diesel-powered vehicles compliant with emission standards	Level of PM10 contribution from mobile sources reduced	Cleaner vehicle fuels used	Coalition established
<i>1: Strengthening the NMVIM System</i>				

ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
DOTC Framework Setting and Action Planning Workshop for the Utilization of the Special Vehicle Pollution Control Fund	√	√	√	
Sustainable Transit for Mega Manila: Bus Rapid Transit Dissemination Workshop	√	√	√	
Turnover Ceremony of the Bus Rapid Transit (BRT) Pre-Feasibility Study Report by the USAID to the Philippine Government	√	√	√	
Kick-off Meeting on USAID-ECAP's Technical Assistance on the Implementation of Motor Vehicle Inspection System Expansion/Rehabilitation Plan: Institutional Study	√	√	√	
Seminar-workshop on Environmentally Sustainable Transport for Cebu City	√	√	√	
Cebu-BRT Partners' Collaboration Meeting				√
DOTC Agencies' Project Design Formulation Workshop for Special Vehicle Pollution Control Fund	√	√	√	
<i>2: Strengthen Local Governance Capacity for CA Reforms</i>				
Training for LGU Anti-Smoke Belching Enforcers on Use, Calibration, and Maintenance of Opacimeter & Turnover by USAID of the Repaired Opacimeters to the ASB Teams	√	√		
Capacity Building on the Development of ASB Ordinance and Its Implementing Rules and Regulations for Partner LGUs (Baguio, Cebu, & Davao)	√	√	√	
Strengthening Partner LGU and LTO in implementing Local Anti-Smoke Belching Program	√	√		
Mobilizing Technical Working Groups in Crafting the ASB-IRR of Cebu and Davao Cities	√	√	√	
Roundtable Discussion (RTD) on the Draft ASB Ordinance for Baguio City	√	√	√	√
Clean Air Partners' Collaboration Discussion on Anti-Smoke Belching Programs for Metro Manila Partner LGUs (Pasay and Marikina Cities) & Baguio City	√	√		
Development Partners' Collaboration Discussion on Facilitating the Environmental Law Enforcement Programs	√	√		
Luntian Festival of the City Government of Pasig	√	√	√	√

ACCOMPLISHMENTS DURING THE QUARTER	EXPECTED RESULTS			
	1	2	3	4
<b>3: Enabling the Public Utility Transport Sector to Comply with CAA Emission Standards</b>				
ECAP-DOTC Collaboration Discussion on Improving the Capacity of the Tricycle Sector to comply with Emission Standards	√	√	√	
Seminar-Workshop on Transport Operations Management	√	√	√	
<b>4: Sustaining Constituency Support for Clean Air Reforms</b>				
RTD with Cebu City Partners on Clean Air Initiatives – Cebu	√	√	√	
Briefing #1 on Clean Air 101– Media Briefing Series for Baguio City ,10 August 2007, UC, Baguio City				√
ECAP Participation in Corporate Social Responsibility Expo 2007				√
CAYA – Baguio & Benguet Film Showing of “An Inconvenient Truth”				√
CAYA Open Table at University of the Cordilleras				√
Development of “Beinte Beinte Lang ‘Yan, An Instructional Video on Preventive Maintenance for Tricycles	√	√		
<i>Shared Energy and Clean Air Activities</i>				
Meeting of the Coordinating Body for the “Philippine Documentary on Climate Change” with Sec. Reyes				√
Meeting with National Youth Commission (NYC) Commissioner Mike Lopez				√
ECAP Presentation at the Gawad Kalinga SAGIP Facilitators’ Congress				√

**ATTACHMENT 2:  
Progress on the Expected Results (ERs)**

**ENERGY**

	<b>EXPTected RESULTS</b>	<b>PROGRESS</b> (October 2004 to Date)
1	Strategic plans developed and implemented to strengthen institutional and staff competency of DOE, ERC and other agencies involved in the energy sector to formulate and implement various energy reforms.	<ul style="list-style-type: none"> <li>▪ <b>2 strategic plans and 1 communication plan</b> developed and implemented by ERC. The TA began in 2005 per request of ERC. This has resulted in the following:               <ol style="list-style-type: none"> <li>(1) Development and Implementation of ERC's 2005 Strategic Plan</li> <li>(2) Development and Implementation of 8 action plans supporting the 2005 SP</li> <li>(3) Development of Criteria for ERC's Top Performers and High Potentials</li> <li>(4) Development and Implementation of ERC's 2007 Strategic Plan, which is yet to be supported by 8 action plans after ERC conducts action planning workshop in the succeeding quarter</li> </ol> </li>   <li>▪ <b>4 major capacity building activities on Planning conducted for DOE and ERC</b> designed to strengthen capacity of staff to develop, implement, and monitor plans. These activities include:               <ol style="list-style-type: none"> <li>(1) Training on Logical Framework Analysis for the DOE designed to enhance skills in improving the development and preparation of the Philippine Energy Plan. Said training involved preparatory workshops with PEP-TWG members.</li> <li>(2) Improvement of the DOE Philippine Energy Planning process</li> <li>(3) Organizational Planning Workshop of EPIMB</li> <li>(4) Two (2) Strategic Planning Workshops for ERC that followed systematic and strategic processes of: Institutional Assessment, SWOT Analysis, Commission-level workshops, Director-level workshops, and Staff-level action planning workshops.</li> </ol> </li>   <li>▪ <b>2 major capacity building programs conducted for the distribution utilities:</b> <ol style="list-style-type: none"> <li>(1) Consumer Welfare Development Program initiated by the ERC for the consumer welfare desk (CWD) officers to enhance their skills on handling consumer complaints. The program was designed to prepare the distribution sector for market competition that will emerge upon implementation of open access and retail competition. The Program involved the following activities: (a) Three (3) Regional Training on Basic Skills for Customer Service, (b) Teaching Experts and Advocates for Change (TEACH) Trainor's Training Program, (c) CWD Trainors' Action Planning</li> </ol> </li> </ul>

	EXPTECTED RESULTS	PROGRESS (October 2004 to Date)
		<p>Workshop, and (d) First National Convention of Consumer Welfare Desk Officers held last July 2006.</p> <p>(2) Development of a Philippine Time-of-Use (TOU) Program which involved two extensive assessment studies: (1) Assessment of existing TOU Programs in the Philippines and (2) Study on the Potential of Large Consumers to adopt TOU Programs. This Program was parked in 2006 due to change in technical directions from USAID.</p>
2	<p>Key energy policies formulated to promote privatization of transmission and generation assets; to increase use of natural gas, renewable energy and geothermal in augmenting power supply; and to correct deficiencies in the implementing rules and regulations of the EPIRA.</p>	<ul style="list-style-type: none"> <li>▪ <b>Four (4) major policy instrument formulation assisted:</b> <ol style="list-style-type: none"> <li>(1) Natural Gas Industry Development through technical advice in the formulation of <b>three (3) policy instruments:</b> DOE Circular on NGVPPT, DOE Circular on LNG, and NG Industry Roadmap as attachment to the NG Bill.</li> <li>(2) Development of <b>one (1) Manual of Procedures</b> for the implementation of ER 1-94 <i>Benefits to Host Communities</i> through technical advice and conduct of <b>one (1) seminar-workshop</b></li> <li>(3) Promulgation of the Biofuels Act IRR after assisting DOE in the conduct of <b>one (1) writeshop</b> and <b>four (4) public consultations</b> held in the cities of Baguio, Bacolod, Cagayan de Oro and Manila</li> <li>(4) EPIRA IRR Amendments through the conduct of <b>one (1) public consultation</b> in Manila on Sections 4(e) and (s) and Section 7, Rule 18 and technical advice on drafting the DOE DAO Instituting Amendments to Sec. 1 of Rule 29</li> <li>(5) <b>Development of the National Biofuels Program in consultation with the technical working group of the National Biofuels Board.</b></li> </ol> </li> <li>▪ <b>One (1) major policy implementation assisted</b> through expert advisory services provided by ECAP to DOE-EPIMB on the privatization of NPC.</li> </ul>
3	<p>Supply of indigenous cleaner sources (natural gas, geothermal and other renewable sources) increased by at least 15% for power generation to improve self sufficiency.</p>	<ul style="list-style-type: none"> <li>▪ <b>11 expressions of interest (EOIs) submitted to DOE</b> by investors as a result of ECAP's assistance in the DOE-hosted Philippine Energy Contracting Round (PECR). These EOIs can turn into potential investments in the country's energy sources thereby increasing the country's energy supply. ECAP's assistance came in the form of the following: <ol style="list-style-type: none"> <li>(1) <b>Four (4) investment collateral materials</b></li> <li>(2) <b>Three (3) investment collateral CDs</b></li> <li>(3) <b>One (1) investment forum</b></li> </ol> </li> <li>▪ <b>Twelve (12) capacity-building activities</b> (i.e. RTDs and fora) designed to promote indigenous energy sources particularly RE and natural gas</li> </ul>

	EXPTED RESULTS	PROGRESS (October 2004 to Date)
4	At least one (1) coalition with academic, research, and NGOs established in Luzon, Visayas, and Mindanao.	<ul style="list-style-type: none"> <li>▪ <b>2 coalitions formed:</b> <ol style="list-style-type: none"> <li>1. ECADEME, a network of academic institutions in Baguio and Benguet which pursues and advocates for environmental causes</li> <li>2. Coalition of RE for Economic Development (CREED), based in Davao, which pursues the cause of promoting the use of RE systems in electrification.</li> </ol> </li> <li>▪ <b>Strengthened partnerships with the following private sector organizations and coalitions:</b> <ol style="list-style-type: none"> <li>(1) Philippine Chamber of Commerce and Industry (PCCI)</li> <li>(2) Institute of Integrated Electrical Engineers (IIEE)</li> <li>(3) Philippine Economic Society</li> <li>(4) <b>Renewable Energy (RE) Coalition</b></li> </ol> </li> </ul>

### CLEAN AIR

	EXPECTED RESULTS	PROGRESS (October 2004 to Date)
1	No. of diesel-powered vehicles compliant with emission standards prior to registration increased by 80% in four (4) project sites;	<p><b>Overall Status</b> – ECAP’s technical assistance appears to be positively correlated with improved compliance rates in all cities.</p> <ul style="list-style-type: none"> <li>• <b>In Metro Manila</b> - <u>The compliance rate has increased during the 2006-2007 timeframe</u> when ECAP’s TA efforts were in full swing, <u>although the level is still below ECAP’s targeted rate for these years.</u> Main reasons for the low performance are largely related to the inadequacy of enforcement personnel and emissions testing equipment in the LTO, DENR and the LGUs; and the stoppage of ABS-CBN’s Bantay Usok Campaign and of MMDA’s roadside operations, which were instrumental in 2004’s high compliance rate.</li> <li>• <b>In Baguio</b> - <u>The compliance rate is higher than the targeted rate in 2006.</u> ECAP’s initial TA in the City started in mid 2006, with organizational development support for the multi-sector coalition Baguio Bantay Kalinisan Task Force (BBKTF). It was the BBKTF that conducted regular ASB campaigns throughout the city.</li> <li>• <b>In Cebu</b> – <u>The compliance rate is higher than the targeted rate in 2006.</u> ECAP’s initial TA in the City started in November 2005, with the convening of a multi-sector technical working group. The TWG partnership with ECAP paved the way for joint IEC efforts, including the conduct of “no-apprehension roadside emission testing.</li> <li>• <b>In Davao</b> – <u>The compliance rate was initially higher than the targeted rate in 2006; but has gone down in 2007, although it still meets the target.</u> ECAP’s initial TA in the City started in mid 2006, with the convening of a multi-sector technical working group. ECAP’s partnership with the TWG paved the way for joint IEC efforts, including the conduct of “no-apprehension” roadside emission testing.</li> </ul>

	EXPECTED RESULTS	PROGRESS (October 2004 to Date)																																																				
		<p>Specific accomplishments per target site are presented in the succeeding table, along with some explanatory notes.</p> <p><b>Percentage (%) of Diesel Motor Vehicles in the Target ECAP Sites that were Compliant with Emission Standards During Roadside Inspections (2003 - 2<sup>nd</sup> Qtr 2007)</b></p> <table border="1" data-bbox="651 541 1419 800"> <thead> <tr> <th rowspan="2">Year</th> <th rowspan="2">Targets /1</th> <th colspan="4">Actual Compliance Rates</th> </tr> <tr> <th>MM /2</th> <th>Baguio</th> <th>Cebu</th> <th>Davao</th> </tr> </thead> <tbody> <tr> <td>2009 (option)</td> <td>54%</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>2008</td> <td>50%</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>2007</td> <td>45%</td> <td>36.2%</td> <td>TBD</td> <td>TBD<sup>/5</sup></td> <td>45%<sup>/5</sup></td> </tr> <tr> <td>2006</td> <td>40%</td> <td>21%</td> <td>42%</td> <td>67%<sup>/4</sup></td> <td>56%<sup>/4</sup></td> </tr> <tr> <td>2005</td> <td>30%</td> <td>31%</td> <td>n.a.<sup>/3</sup></td> <td>n.a.<sup>/3</sup></td> <td>n.a.<sup>/3</sup></td> </tr> <tr> <td>2004</td> <td>--</td> <td>42</td> <td>--</td> <td>--</td> <td>--</td> </tr> <tr> <td>2003</td> <td>--</td> <td>30</td> <td>--</td> <td>--</td> <td>--</td> </tr> </tbody> </table> <p><b>NOTES:</b></p> <ol style="list-style-type: none"> <li>ECAP began its efforts on anti-smoke belching (ASB) in the target sites in mid 2005. So, 2005 was used as baseline year in the target-setting. That year, based on data collected from the DENR and the LGUs in Metro Manila, the average compliance rate in roadside operations was 31%. ECAP decided to use 30% as the starting point for all the target sites. Per USAID contract, the target until 2009 (the option year) is "increase by 80%" the MV compliance rate. Therefore, using 2005 as base year, with a 30% average compliance rate, then, an 80% increase means, reaching 54% by 2009. ECAP adopted the 54% as target compliance rate in all target sites for 2009. If the option is not exercised by USAID in 2009, ECAP's targets for 2008 in all cities is to reach a 50% compliance rate or "5-out-of-10 visually suspected"</li> <li>Metro Manila data come from roadside inspection reports of anti-smoke belching units (ASBUs) of the DENR-EMB, LTO and selected LGU with active ASBUs. Before ECAP, i.e., in 2003-2004, there was a program called Bantay Usok, which vigorously implemented ASB efforts in the metropolis, thus explaining the high compliance rate in 2004. The reports from this program were used by ECAP to set the baseline.</li> <li>ECAP tried but was unable to obtain officially reported data for 2003-2005 on roadside inspections in the three other target sites – Baguio, Cebu &amp; Davao. It was either: (1) there was no accurate recording of the operations or, (2) there were no roadside inspections.             <ul style="list-style-type: none"> <li>In the case of Baguio, only the LTO was conducting roadside inspections but no official data were available.</li> <li>In the case of Cebu, the LTO &amp; City Government were independently apprehending smoke belchers but were not properly recording the magnitude of the operations. Data available was only for the "number of failing vehicles" but not the "total number of vehicles flagged down". So there was no way to properly determine the "compliance rate".</li> <li>In the case of Davao, there were no roadside operations</li> </ul> </li> </ol>	Year	Targets /1	Actual Compliance Rates				MM /2	Baguio	Cebu	Davao	2009 (option)	54%	-	-	-	-	2008	50%	-	-	-	-	2007	45%	36.2%	TBD	TBD <sup>/5</sup>	45% <sup>/5</sup>	2006	40%	21%	42%	67% <sup>/4</sup>	56% <sup>/4</sup>	2005	30%	31%	n.a. <sup>/3</sup>	n.a. <sup>/3</sup>	n.a. <sup>/3</sup>	2004	--	42	--	--	--	2003	--	30	--	--	--
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	EXPECTED RESULTS	PROGRESS (October 2004 to Date)																																																	
		either by LTO or the City Government. LTO had no testing equipment and the City Government had no legal basis to do it.  4. By early 2006, Baguio City had started a citywide ASB roadside operations with ECAP assistance. So we were able to gather for the 1 <sup>st</sup> time, actual data. In the cases of Cebu and Davao, ECAP had to conduct “no apprehension roadside & terminal inspections” to establish baseline statistics. These were conducted in coordination with the LTOs, LGUs, and selected partner transport organizations. The initial numbers show high compliance because the sampling approach was a combination of targeted sampling (w/ transport organization PUVs at their terminals) and random (roadside).																																																	
2	<b>Level of fine Particulate Matter (PM<sub>10</sub>) contribution from mobile sources reduced to 27,300 metric tons from 39,000, a 30% reduction to mitigate health and productivity related problems</b>	<p><b>TARGETS (measured as micrograms per normal cubic meter, <i>ucg/Ncm</i>)</b></p> <ul style="list-style-type: none"> <li>2004 <i>Baseline</i> in all 4 sites – Levels all exceeding the 90<i>ucg/Ncm</i> standard</li> <li>2008 <i>Targets</i> in all 4 sites – “Improved levels”, with lower deviation from the standard or equal to the standard</li> </ul> <p style="text-align: center;"><b>ECAP Targets for TSP Level, per Site/Year</b> (Using 2004 as base year - In <i>ug/Ncm</i>)</p> <table border="1" data-bbox="690 1045 1377 1276"> <thead> <tr> <th>Year</th> <th>MM</th> <th>Baguio</th> <th>Cebu</th> <th>Davao</th> </tr> </thead> <tbody> <tr> <td>2004 - Base</td> <td>157-236</td> <td>204</td> <td>117</td> <td>185</td> </tr> <tr> <td>2005</td> <td>150-230</td> <td>190</td> <td>100</td> <td>150</td> </tr> <tr> <td>2006</td> <td>140-220</td> <td>180</td> <td>90</td> <td>120</td> </tr> <tr> <td>2007</td> <td>130-210</td> <td>170</td> <td>90</td> <td>90</td> </tr> <tr> <td>2008 - End</td> <td>120-200</td> <td>160</td> <td>90</td> <td>90</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Short-term (24 hr) Guideline Value = 230<i>ug/Ncm</i></li> <li>Long-term (1-year) Guideline Value = 90 <i>ug/Ncm</i></li> </ul> <p><b>OVERALL STATUS:</b> ECAP’s technical assistance appears to be positively correlated with improved TSP levels in all target sites. Air quality in two of the target sites have remained “FAIR” or within the acceptable ambient standard. These are Cebu and Davao; while the two others still breached the acceptable level, i.e., Baguio and Metro Manila. In Metro Manila, the Pasig City station air quality status appears to have worsened. The actual levels of TSP are summarized below:</p> <table border="1" data-bbox="649 1623 1416 1877"> <thead> <tr> <th>Period</th> <th>MM (Roadside)</th> <th>Baguio (Roadside) P. Garden Park</th> <th>Cebu (Ambient) Banalad, Sta.</th> <th>Davao (Roadside) JPLaurel &amp; u.Ave.-sta7*</th> </tr> </thead> <tbody> <tr> <td rowspan="3">2008</td> <td>MRT = --</td> <td rowspan="3">--</td> <td rowspan="3">--</td> <td rowspan="3">--</td> </tr> <tr> <td>NPO = --</td> </tr> <tr> <td>E.Ave = --</td> </tr> <tr> <td rowspan="3">2007-Q4 (July only)</td> <td>MRT = 343</td> <td rowspan="3">n/a</td> <td rowspan="3">n/a</td> <td rowspan="3">--</td> </tr> <tr> <td>NPO = 149.4</td> </tr> <tr> <td>E.Ave</td> </tr> </tbody> </table>	Year	MM	Baguio	Cebu	Davao	2004 - Base	157-236	204	117	185	2005	150-230	190	100	150	2006	140-220	180	90	120	2007	130-210	170	90	90	2008 - End	120-200	160	90	90	Period	MM (Roadside)	Baguio (Roadside) P. Garden Park	Cebu (Ambient) Banalad, Sta.	Davao (Roadside) JPLaurel & u.Ave.-sta7*	2008	MRT = --	--	--	--	NPO = --	E.Ave = --	2007-Q4 (July only)	MRT = 343	n/a	n/a	--	NPO = 149.4	E.Ave
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EXPECTED RESULTS		PROGRESS (October 2004 to Date)			
		=81.25			
2007-Q3 (June only)	MRT = 306.5	n/a	n/a	No longer monitored (within DENR standard from 2004 – Q1 of 2007)	
	NPO = 179				
	E.Ave =92.67				
2007-Q1 & Q2 (Ave)	MRT = 259	208	55.37	No longer monitored (within DENR standard from 2004 – Q1 of 2007)	
	NPO = 148				
	E.Ave =115				
2006	MRT = 314	163	92.59	59	
	NPO = 144				
	E.Ave= 105				
2005	MRT = 342	170	94.77	63	
	NPO = 163				
	E.Ave= 132				
2004	MRT = 236 (2003)	204	117	185	
	NPO = 157				
	E.Ave= 179				

Short-term (24 hr) Guideline Value = 230ug/Ncm  
 Long-term (1-year) Guideline Value = 90 ug/Ncm

3	<p><b>Cleaner vehicle fuels such as compressed natural gas, coco-methyl ester (CME) and Liquefied Petroleum Gas (LPG) used by national government agencies and 50 top corporation fleets and at least 50% of public vehicles in project sites to reduce harmful emissions.</b></p>	<p><b>2004 BASELINE:</b></p> <ul style="list-style-type: none"> <li>▪ Biofuels – Lack of national policy on mandatory use of biofuels</li> <li>▪ Auto LPG – Lack of standards &amp; regulations on the use of auto-LPG for 4-wheel vehicles</li> </ul> <p><b>2008 TARGETS (in all 4 sites)</b></p> <ul style="list-style-type: none"> <li>▪ Biofuels – Enforcement of national policy (Biofuels Act &amp; its IRRs) that mandates biofuels use of 1% pre-blended coco-biodiesel and 5% bio-ethanol by volume in the country</li> <li>▪ Auto-LPG – Implementation of national standards &amp; regulations that will increase the number of auto-LPG vehicles in the country.</li> </ul> <p><b>STATUS</b></p> <ul style="list-style-type: none"> <li>▪ <b>Overall.</b> Policy targets in both biofuels and auto-LPG have been met. This is expected to pave the way for expanded use of cleaner fuels in all sectors.</li> <li>▪ <b>Biofuels.</b> The passage of the Biofuels Act of 2007 paved the way for the country-wide utilization of biofuels for transport. Pursuant to the law, all pumps and tanks must contain 1% blend of CME while leaving the use of bio-ethanol in a voluntary basis at 5% by volume. Monitoring oil companies' compliance with this mandate rests on DOE and LGUs, including our PAOs.</li> </ul> <p>On the use of biofuels, ECAP, in partnership with the League of Corporation Foundations (LCF) started a survey of over 200 companies belonging to the Top 500 companies in the Philippines (according to Business World Magazine) of their involvement in energy and clean air initiatives. As of 2<sup>nd</sup> quarter of FY 2007, there are already 31 responses. Out of the 31 initial submissions, seven</p>			
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	EXPECTED RESULTS	PROGRESS (October 2004 to Date)
		<p>(7) companies are already using clean vehicle or alternative transport fuels (i.e. biodiesel, ethanol, and LPG). They are the following:</p> <ol style="list-style-type: none"> <li>1. Chemrez</li> <li>2. Phelts Philippines Energy Products Corporation</li> <li>3. Del Monte Philippines</li> <li>4. PNOC-Energy Devt Corp</li> <li>5. PAL</li> <li>6. Pilipinas Shell</li> <li>7. Total Philippines</li> </ol> <ul style="list-style-type: none"> <li>▪ <b>Auto-LPG.</b> With the Department of Trade and Industry - Bureau of Product Standards's (DTI-BPS) promulgation of auto-LPG technical standards on fuel quality and fuel dispensing in the first quarter of 2007, more four-wheel vehicles especially taxis are expected to switch to auto-LPG. Public awareness must be raised to ensure safety of users/commuters and the integrity of the auto-LPG industry.</li> </ul> <p>On the use of Auto-LPG by PUV-taxis, ECAP's assistance to the DTI-DOTC-DOE in promulgating the Auto-LPG technical standards and regulations in the last quarter of 2006, has facilitated the growth of auto-LPG taxi use in Metro Manila and Cebu.</p> <p>Note: Before Dec 2006: data still to be obtained from LTO; Currently: data still to be obtained from LTO</p>
4	<p>At least one (1) coalition with academic, research, and NGOs established in Luzon, Visayas, and Mindanao..</p>	<p>The fourth ER is originally not in the contract deliverables of the project for the clean air component. However, coalition-building is a key approach of the project to communicate the goal of reducing vehicle emissions.</p> <p>In the past three years, ECAP has played a very significant role in the creation of the following coalitions:</p> <ul style="list-style-type: none"> <li>▪ Metro Manila Anti-Smoke Belching Association (MMASBA)</li> <li>▪ <b>Clean Air Youth Alliance (CAYA) Manila and Baguio-Benguet Chapters</b></li> <li>▪ Green Forum in Cebu City</li> <li>▪ Energy &amp; Clean Air Network of the Academe (ECADEME) in Baguio &amp; Benguet</li> <li>▪ <b>Community-based Air Care Proponents along the Katipunan corridor</b></li> </ul> <p>ECAP has also established strong partnerships with the following organizations in the conduct of our technical assistance activities:</p> <ul style="list-style-type: none"> <li>▪ League of Corporate Foundations</li> <li>▪ Victor P. Ramos Medical Center (Formerly Polymedic Hospital)</li> <li>▪ Suzuki, Kawasaki, and Yamaha (SKY)</li> <li>▪ Chemrez Technologies Inc.</li> </ul>