

The Philippine Environmental Governance 2 Project

Quarterly Performance Report No. 7

April 1 through June 30, 2006

August 14, 2006



This project is implemented by Development Alternatives, Inc. with the support of its subcontractors:

- Cesar Virata & Associates, Inc. ■
- Deloitte Touche Tohmatsu Emerging Markets ■
- The Marine Environment and Resources Foundation, Inc. ■
- The Media Network ■
- Orient Integrated Development Consultants, Inc. ■
- Resources, Environment and Economics Center for Studies, Inc. ■

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PREFACE

The United States Agency for International Development (USAID), through its Mission to the Philippines, has contracted Development Alternatives, Inc. (DAI) to implement the Environmental Governance 2 Project (EcoGov 2) under Contract 492-C-00-04-00037-00. The effective date of the contract is October 1, 2004 through September 30, 2009, with a two year option period to September 30, 2011. DAI implements the project with the assistance of four Philippine organizations—Cesar Virata & Associates (CVAI); the University of the Philippines’ Marine Environment and Resources Foundation (MERF); Orient Integrated Development Consultants, Inc. (OIDCI); and Resources, Environment and Economic Center for Studies (REECS)—and two American firms—the Deloitte Emerging Markets Group (EMG) and The Media Network.

The Contract requires DAI to submit Quarterly Progress Reports to USAID within 45 days of the close of each operating quarter. The report summarizes quarterly objectives, accomplishments toward those objectives, implementation issues and proposed resolutions, the status toward achieving sustainability of efforts, and the planned performance objectives for the next quarter.

The report consists of two sections. The first is an overview of the project and a summary of progress and activities over the preceding quarter. The second section provides detailed updates on activities undertaken for each of six Contract Line Item Numbers (CLINs), which themselves correspond to the target areas in the Contract Scope of Work. More detailed information on EcoGov 2 is available in other reports for readers who may not be familiar with the project. These reports are available from our project offices and USAID.

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August 15, 2006

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Note on the use of currency: The majority of currency figures named in this document are stated in Philippine pesos. At the time of writing, one U.S. dollar was equivalent to approximately 53 pesos.

A note on the use of capitalization in this document: EcoGov documents capitalize directional place names only when they are formally applied; for example, Central Visayas (a formal area equivalent to Region VII) or South Cotabato (a province). When directional descriptions are used as adjectives, the word is not capitalized; for example: northern Luzon, western Mindanao, or southern and central Mindanao.

ACRONYMS

ADR	-	Alternative Dispute Resolution
ADSDPP	-	Ancestral Domain Sustainable Development and Protection Plan
ARMM	-	Autonomous Region in Muslim Mindanao
BEMO	-	Bohol Environment Management Office
BORDA	-	Bremen Overseas Research and Development Association
CADC	-	Certificate of Ancestral Domain Claims
CADT	-	Certificate of Ancestral Domain Title
CBD	-	Commercial Business District
CBFM	-	Community-Based Forest Management
CBFMA	-	Community-Based Forest Management Agreement
CENRO	-	Community Environment and Natural Resources Officer
CLIN	-	Contract Line Item Number
CLUP	-	Comprehensive Land Use Plan
CMMD	-	Coastal and Marine Management Division
CoP	-	Chief of Party
CRFC	-	Coastal Resource and Fisheries Conservation
CRM	-	Coastal Resources Management
CRMF	-	Coastal Resources Management Framework
CTO	-	Cognizant Technical Officer
CVAI	-	Cesar Virata & Associates, Inc.
DA/BFAR	-	Department of Agriculture/Bureau of Fisheries and Aquatic Resources
DAI	-	Development Alternatives, Inc.
DAO	-	Department Administrative Order
DCoP	-	Deputy Chief of Party
DENR	-	Department of Environment and Natural Resources
DEWATS	-	Decentralized Wastewater Treatment System
DILG	-	Department of the Interior and Local Government
EcoGov	-	USAID Environmental Governance 2 Project
EMG	-	Emerging Markets Group
ENRD	-	Environment and Natural Resources Division
ENRO	-	Environment and Natural Resources Office
ESWMB	-	Ecological Solid Waste Management Board
FAO	-	Food and Agriculture Organization
FARMC	-	Fisheries and Aquatic Resources Management Council
FASPO	-	Foreign-Assisted and Special Projects Office
FFM	-	Forests and Forest Lands Management
FISH BE	-	Fisheries Bio-Economic Model
FLET	-	Fisheries Law Enforcement Team
FLUP	-	Forest Land Use Plan
FMB	-	Forest Management Bureau
FRENDS	-	Friends of the Environment for Development and Sustainability
GoAd	-	Governance and Advocacy Sector
IBRA	-	Illana Bay Regional Alliance

IEC	- Information, Education and Communication
IEE	- Initial Environmental Examination
IPR	- Individual Property Right
IQS	- Indefinite Quantity Subcontracts
IRA	- Internal Revenue Allotment
IRR	- Implementing Rules and Regulations
ISWM	- Integrated Solid Waste Management
LCP	- League of Cities of the Philippines
LGU	- Local Government Unit
LINAW	- Local Initiatives for Affordable Wastewater Treatment Project
LMP	- League of Municipalities of the Philippines
LPP	- League of Provinces of the Philippines
LSP	- Local Service Provider
M&E	- Monitoring and Evaluation
MARINA	- Philippine Maritime Industry Authority
MDC	- Municipal Development Council
MENRO	- Municipal Environmental and Natural Resources Officer
MERF	- Marine Environment and Resources Foundation
MGB	- Mines and Geosciences Bureau
MiSST	- Militar-Sto. Niño-Sugod-Tagulo
MIT	- Maddela Institute of Technology
MOA	- Memorandum of Agreement
MPA	- Marine Protected Area
MRF	- Materials Recovery Facility
MSU	- Mindanao State University
NCIP	- National Commission for Indigenous Peoples
NIA	- National Irrigation Authority
NIPAS	- National Integrated Protected Area System
NSWMC	- National Solid Waste Management Commission
OIDCI	- Orient Integrated Development Consultants, Inc.
PA	- Philippine Army
PAWB	- Protected Areas and Wildlife Bureau
PCG	- Philippine Coast Guard
PENRO	- Provincial Environment and Natural Resources Office
PNOC	- Philippine National Oil Corporation
PNP	- Philippine National Police
PO	- People's Organization
PSP	- Private Sector Participation
RED	- Regional Executive Director
REECS	- Resources, Environment and Economic Center for Studies
RMP	- Resource Management Plan
RUMA	- Resource Utilization Management Agreement
SCOTIA	- Sustainable Coastal Tourism in Asia
SFM	- Sustainable Forest Management
SFMA	- Sustainable Forest Management Agreement
SLF	- Sanitary Landfill

SO	- Strategic Objective
STTA	- Short-Term Technical Assistance
SWM	- Solid Waste Management
TWG	- Technical Working Group
UEM	- Urban Environmental Management
USAID	- United States Agency for International Development
USEC	- Undersecretary
WWF	- World Wide Fund for Nature
WWM	- Wastewater Management

1. PROJECT OVERVIEW AND HIGHLIGHTS OF PROGRESS THIS QUARTER

The Philippine Environmental Governance 2 (EcoGov 2) Project, a grant by the US Government to the Government of the Philippines, provides technical assistance for the implementation of activities resulting in improved environmental governance by the project's local and national counterparts, improved management of forests, coastal areas, and solid waste, and the promotion of local government investment into sanitation facilities. EcoGov 2 fits within USAID's Strategic Objective 4 (SO 4) for strengthening the management of productive and life-sustaining natural resources and within the overall Mission goal of enhanced security, governance, and capacity for sustainable and equitable economic growth. As such, the long-term vision for EcoGov 2 is to conserve biological diversity by addressing problems of open access and mitigating natural resource-based conflicts in priority eco-regions. By contract, EcoGov 2 runs from October 1, 2004 through September 30, 2009, with a subsequent two-year option.

1.1. Project Overview

EcoGov 2 works in five technical areas and three broad geographic locations in the country. It also uses several cross-cutting elements in its technical approaches and works at a national level for institutional strengthening. The technical areas, which the implementation team refers to as sectors, correspond to five Contract Line Item Numbers (CLINs)¹, as follows.

CLIN 0001: Strengthened Government Institutions, with a five-year target of improving the capacity of 80 local government units (LGUs) to apply better governance practices in the management of their natural resources. The team uses a combination of advocacy, social marketing, public awareness (e.g., information, education and communication or IEC methods), and local-level policy support to achieve its goals in this sector. (Referred to in this report as the Governance and Advocacy sector, or GoAd.)

CLIN 0002: Improved Forest Management, aimed at reducing illegal logging and conversion of forest lands and with five-year targets of (a) placing over 250,000 ha of natural forest under improved management, (b) improving the productive development of 14,000 ha of forest, and (c) clearly establishing four management links between watershed management and the downstream water distribution system. (Referred to in this report as the forests and forest lands management sector, or FFM.)

CLIN 0003: Improved Coastal Resources Management (CRM), aimed at reducing over- and destructive fishing and with five-year targets of (a) placing 106,000 ha of coastal area under improved management, (b) establishing 20 new marine sanctuaries, and (c) improving the management of 50 existing marine sanctuaries. (Referred to in this report as the CRM sector.)

¹ There is also a CLIN 0006 for Management and Administration. This CLIN accounts for those costs, such as office rent, that cannot be precisely allocated to a single sector.

CLIN 0004: Improved Waste Management, with a five-year target of effecting significant diversion of waste from open dumps to controlled dumps, sanitary landfills, recycling, and composting in 90 LGUs. (Referred to in this report as the urban environmental management sector, or UEM.)

CLIN 0005: Municipal Investment in Sanitation, with a five-year target of promoting public and private investment in the wastewater and solid waste disposal facilities of 20 LGUs. (Referred to in this report as the municipal finance sector.)

Certain elements of the project are not captured in any single CLIN, but are clearly part of the Contract and/or the approach. These include promotion of transparent, accountable, participatory, and gender inclusive processes; organizational strengthening of national- and provincial-level line agencies; the enhancement of law enforcement; and a commitment to measuring improved health at a household level.

EcoGov 2 implements activities toward achieving the five sets of targets by working from five offices serving northern, central, and southern portions of the country.

Manila: maintaining Sector Leaders and senior policy specialists who work with national level agencies and who lead field efforts.

Solano: serving LGUs in northern Luzon's Region 2 and 3.

Cebu City: serving LGUs in Central Visayas.

General Santos City: serving LGUs in the central, southern, and eastern portions of Mindanao, including partners from the Autonomous Region in Muslim Mindanao (ARMM)².

Zamboanga City: serving LGUs in western/peninsular Mindanao and Basilan.

At the national level, the principal counterparts of the project are the Department of Environment and Natural Resources (DENR) and several of its bureaus. The project also works with the Department of Agriculture's Bureau of Fisheries and Aquatic Resources (DA/BFAR), Department of the Interior and Local Government (DILG), and the Leagues of Municipalities, Cities, and Provinces (LMP, LCP, and LPP, respectively). At the local level, the project works directly with LGUs, as well as the local offices of national government agencies entrusted with natural resources management. At all levels, the project works with non-government and civil society organizations, academic institutions, and local service providers who are stakeholders, or partners, in project success.

² EcoGov 1/EcoGov 2 maintained a regional office in Cotabato City for this portion of Mindanao throughout 2002, 2003, 2004, and 2005. For strategic and logistical reasons, this office relocated to General Santos City at the close of 2005.

1.2. Highlights of Progress this Quarter and Trends in Implementation

We note the following highlights for the past quarter.

- The Chief of Party briefed the newly-installed DENR Undersecretary (USEC) for Field Operations on June 22, 2006. The USEC supports ongoing project efforts promoting devolution and decentralization of DENR functions. She also supports project efforts to mainstream the project's provincial-level efforts with the concerned regional executive directors (REDs) and provincial environment and natural resources officers (PENROs).
- The project made nine small grant awards for a total of \$69,000.
- The project held an openly competed, nationwide competition to enlist local service providers through indefinite quantity subcontracts. Sixty four organizations requested the request for proposals, and the DCoP for Management and Administration held bidders' conferences in Manila, Cebu City, and Davao City. Thirty three organizations submitted proposals by the deadline of June 19.
- The table below summarizes achievements to date per the project's eight performance indicators.

Table 1. Summary of Targets and Accomplishments as of June 30, 2006

Life-of-Project Target	Year 2 Target	Accomplishments		Remarks
		Quarter 5-7	Inception to date	
Indicator 1: Number of institutions meeting good environmental governance index				
80 LGUs	No target for year 2		16	16 LGUs ranked high overall during baseline survey in Year 1; 24 more LGUs ranked high in specific sectors receiving EcoGov assistance.
Indicator 2: Hectares of natural forest under improved management				
254,670 ha	43,700 ha	12,184 ha	12,184 ha (No target for Year 1)	26 tenure holders in 18 LGUs, with natural forests covering about 43,700 ha, are currently being assisted to improve forest management.
Indicator 3: Hectares of forest lands under productive development				
14,000 ha	5,400 ha	159 ha	159 ha (No target for Year 1)	11 tenure holders in 11 LGUs are being assisted to meet target. 8 LGUs have established nurseries to support tenure holders and LGU rehabilitation initiatives.

Life-of-Project Target	Year 2 Target	Accomplishments		Remarks
		Quarter 5-7	Inception to date	
Indicator 4: Coastal areas under improved management				
106,700 ha	50,800 ha	19,661 ha; 3 LGUs with about 29,445 ha are expected to be achieved next quarter.	45,798 ha	Ongoing assistance to six LGUs.
Indicator 5: Number and hectares of new marine sanctuaries established				
20 MS (627 ha)	8 MS (160 ha)	4 MS (484 ha)	9 MS (790 ha)	Two MS are in the process of legitimization; ongoing technical assistance to 8 other LGUs.
Indicator 6: Number and hectares of existing marine sanctuaries under improved management				
50 MS (2,500 ha)	4 MS	1 MS (880 ha)	2 MS (975 ha)	Ongoing strengthening activities in 13 MS with 6 about to meet indicators
Indicator 7: Number of LGUs diverting at least 25% of waste from disposal to recycling and composting				
90 LGUs	24 LGUs	16 LGUs have reported significant progress in waste diversion	No target in Year 1	48 LGUs are being assisted in implementing their SWM plans. While 8 are underperforming for the year, several others are over-performing.
Indicator 8: Number of LGUs investing in wastewater facilities				
20 LGUs	10 LGUs	4 LGUs with ongoing design of treatment facility	No target in Year 1	9 LGUs which have signed WWM MOAs with the project are being provided technical assistance.

2. DETAILED QUARTERLY PERFORMANCE REPORT BY CONTRACT LINE ITEM NUMBER

This section of the report provides a detailed examination of planned outputs for the quarter, actual activities undertaken, any problems we may have encountered and their proposed resolution, objectives for the next quarter, and status toward achieving sustainability of efforts. This section is divided according to the six CLINs of EcoGov 2, with the discussion of each CLIN highlighting activities by geographic location.

2.1. Strengthened Government Institutions

a. Expected Outputs for the Quarter

As described in the Quarter No. 6 report, the expected outputs in this sector for Quarter No. 7 were as follows.

Table 2. GoAd Expected Outputs for the Quarter

Expected Outputs	Status
Plan and implement social marketing initiative in Danao-Compostela	Ongoing
Involve LPP in advocacy for LGU clustering	Delayed
Orient DENR officials on ADR DAO implementation (regional)	Delayed
Complete report on governance index benchmarking	Completed
Complete all governance index feedback sessions with LGUs	Completed
Secure final agreement with the LMP and LCP on the design of the SWM training sessions, and implement these sessions	Ongoing with LMP; delayed with LCP
Complete production of IEC materials which are currently under development	Completed
Strengthen links with national and local media to increase dissemination of information on EcoGov 2 activities	Ongoing
Initiate social marketing for SWM in Central Visayas	Ongoing
Explore alternative arrangements for the EcoGov 2 website	Completed, maintaining current arrangement
Hire Governance and Advocacy Sector Leader	Delayed

b. Summary of Accomplishments and Activities

The GoAd team has one unique output from the Contractual Scope of Work; namely, improving the capacity of government institutions for better governance over the management of their resources. This output, as well as the other activities of the GoAd team, cut across the other four sectors. The GoAd team's efforts include advocacy, raising political will, IEC, public awareness, social marketing, behavior change, and policy reform, each of which can be applied to issues of forestry, CRM, waste management, and municipal finance. Thus, the majority of the GoAd team's efforts are best reviewed from a project-wide standpoint, rather than from any one geographic region. The team organizes GoAd interventions into three sets of activities, discussed below: implementing the governance index, support by regional offices for

implementing activities of other sectors, and collaboration with national partners and theme networks.

Governance Index

- Completed delivery of feedback and prepared the final individual summary report for all 79 LGUs that underwent baseline survey. The EcoGov regional teams helped the LGUs identify strategies for improving their governance practices.
- Completed the draft framework for establishing governance benchmarks. It recommends that adoption of a single index as suggested by USAID. Statistical analyses were conducted on the results to estimate the number of LGUs that will fall within each benchmark category during the mid-term assessment in 2007.

Support by Regional Offices for Implementing Sector Activities

- **Northern Luzon.** The team has been working with the provincial core team in Nueva Vizcaya to replicate forest land use planning in five municipalities.
- **Northern Luzon.** The team assisted the CBFM PO federation for Cagayan Valley to advocate for the restoration of Community-based Forest Management Agreements (CBFMAs) and the lifting of resource use rights to qualified holders.
- **Northern Luzon.** Assisted the province of Nueva Vizcaya in facilitating investments in the Lower Magat co-managed area. The LGU has promoted Php 7 million (approximately \$130,000) for 240 hectares of nature-based tourism infrastructure.
- **Northern Luzon.** The team has been working with the provincial core team in Nueva Viscaya to replicate UEM in seven LGUs.
- **Northern Luzon.** As part of Baler's environment month celebration, we distributed posters on law enforcement and marine protected area (MPA) implementation in that LGU, as well as in Dipaculao, San Luis and Dinalungan. Baler took the initiative in planting 10,000 propagules of Bakawan (*rhizophora*), and also aired radio programs on CRM law enforcement, registration and licensing, and MPA implementation.
- **Central Visayas.** Presented the results and recommendations of the physical, chemical, and hydrogeological studies on Panglao Island. This effort was coordinated with Bohol Environment Management Office (BEMO) because of the implications on tourism, water use, and other activities.
- **Central Visayas.** The team initiated a social marketing campaign plan supporting waste diversion in Jagna, and we began preliminary social marketing plans in Bayawan, San Jose, Albuquerque, and Maribojoc.

- **Central Visayas.** Supported PO federation interactions in Oriental Negros to guide them toward request for reconsideration of cancelled CBFMAs; provided organizational advice to a weakened Cebu-based PO federation.
- **Central Visayas.** We collaborated with PLAN International to conduct marine environmental camps in the Camotes LGUs of Poro and Tudela for school children (Grades 4-6) and teachers. Camping activities focused in increasing awareness among the young on the value of protecting coastal marine resources.
- **Western Mindanao.** Helped organize a media forum to build awareness on environmental governance among Zamboanga-based media.
- **Western Mindanao.** Assisted task force Siembrada, a Zamboanga-based civil society group, with its forestry campaign.
- **Western Mindanao.** The team linked representatives from three municipalities in Tawi-Tawi (Languyan, Sitangkai and Mapun) with representatives from IBRA 9 to learn about joint protection of marine sanctuaries. A total of 36 participants and 9 staff of the WWF-Philippines's Coastal Resource and Fisheries Conservation (CRFC) Project participated in the activity.
- **Western Mindanao.** Tabina celebrated their 3rd CRM day last June 24, 2006 in commemoration of the adoption and continued implementation of their 10-year CRM Plan. The event opened with messages from the Provincial Governor, EcoGov, and the Municipal Mayor highlighting the challenges and gains in CRM, followed by a fluvial parade and various games and activities participated in by community members from all the barangays.
- **Western Mindanao.** The team helped Zamboanga Sibugay set up its technical working group (TWG) under the Provincial Environment Steering Committee. This will be the main vehicle in replicating CRM and FFM initiatives in the province.
- **Western Mindanao.** The team provided training to DENR-Coastal and Marine Management Division (CMMD) in participatory coastal resources assessment and CRM planning in Zamboanga Sibugay (Ipil, Siay) and Zamboanga del Sur (Margosa Tubig, Vicenso Sagun). Such training will improve the services this agency offers to LGUs.

Collaboration with National Partners and Theme Networks

The GoAd team works with national partners and network groups to spread the project's work beyond direct technical assistance. These partners allow for greater advocacy, replication of best practices, and institutionalization of our approach.

- **League of Municipalities.** Finalized the Mayor's Development Center initial course on solid waste governance, with EcoGov committing to provide experts as professional trainers.
- **League of Cities.** LCP has committed to develop the ENROs of member cities.
- **National-level DENR.** EcoGov is supporting the DENR and USAID in the latter's environmental law enforcement summit in August 2006, coinciding with the newly created Philippines National Anti-Environmental Crime Task Force.

IEC and Media Linkages

- The project supported DENR-organized Earth Day events, including the Indigenous and Endemic Trees Expo 2006, exhibits at the Marikina Riverbanks Mall, and celebrations at Smokey Mountain.
- Launched the "Bida sa Basura" comics at the DENR Anniversary celebrations in June.
- Completed the printing of the posters, comics, leaflets and folders produced in the previous quarter and started their distribution to national and local partners.
- Submitted 12 bullets/short stories to USAID and DENR-Foreign-Assisted and Special Projects Office (FASPO) and uploaded to the EcoGov website. Within the quarter, at least ten stories (i.e., these twelve, plus previously written stories) were published in national and local newspapers.
- Held several meetings with the Philippine Star environment and desk editors, the Inquirer news and readership editors, and Newsbreak Magazine for special feature articles on the project.
- Manila staff are closely coordinating with DENR-FASPO for the regular updating of the EcoGov webpage.
- Northern Luzon staff facilitated the production and release of the following IEC materials:
 - MIT-Maddela partnership in solid waste management
 - San Antonio, Cauayan City: A model barangay for solid waste management
 - Dinalungan, Aurora's initiatives on coastal resources management

- Article: “Aurora folks save endangered pawikan”
 - Deforestation in Nueva Vizcaya and Quirino Provinces
 - Radio plug on biodiversity conservation and concert for the celebration of the Environment Month in Nueva Vizcaya (Prepared with FRIENDS)
 - Billboards/posters on waste segregation (for Cauayan City and Bayombong)
- In western Mindanao, the project facilitated the preparation of IEC manuals on environmental governance with an Islamic perspective. We validated materials with the mayors of Tukuran, Dinas and Tabina, TWG members from Tungawan, religious leaders from MSU Tawi Tawi and Zamboanga City, Muslim professors and student leaders from Western Mindanao State University, media, DENR and WWF representatives. (These materials will be completed and released in the next quarter.)
 - Dr. Perry Aliño, senior coastal resources advisor, attended the 1st Asia-Pacific Coral Reef Symposium in Hong Kong on June 18-24, 2006 as convener of the mini-symposium on MPAs in the region and presented a paper (co-authored by Ms. Hazel Arceo, CV CRM specialist) on the EcoGov project framework and approaches on MPA strengthening and networking.

c. Implementation Problems and Proposed Resolution

- EcoGov, the DENR, and the National Solid Waste Management Commission (NSWMC) are giving mixed messages to LGUs regarding clustering for common disposal management, waste diversion versus disposal, and criteria for determining categories of sanitary landfills. EcoGov personnel will attempt to coordinate with our GRP counterparts to reach agreement on the instructions we give our partners.
- LGUs are preparing their 2007 budgets, with the risk being that they decrease commitments to environmental management activities. Our team is now working actively to lobby LGUs to maintain or increase their funding for such activities.
- There is great demand on the project by new LGU partners, particularly in Tawi-Tawi, Sulu, and Sultan Kudarat. As we prepare our Year 3 work plan, we must carefully assess potential expansion and replication consistent with operational efficiency, targets, staff, and financial resources. The use of local service providers (LSPs) as subcontractors should enable us, at least partially, to meet this new demand.
- LGUs continue to face the problem of unfunded mandates. Co-financing arrangements from the private sector offer one solution. The project is trying to “package” products that may attract co-financing or support from the private sector, civil society, or even LGUs in support of environmental governance.
- Social marketing can, in theory, change public awareness, household behavior, and political will. We intend to engage local and international experts to help in carrying out social marketing campaigns.

d. Objectives for the Next Quarter

- Engage local and expatriate STTA to assist the regions and sectors apply social marketing principles to change household behavior.
- Develop a project strategy on how to facilitate co-financing arrangements with civil society, private sector, LGUs and other groups in support of various environmental governance products and initiatives.
- Conduct the Solid Waste Governance learning event with the LMP/Municipal Development Council (MDC) in July.
- Initiate social marketing activities for key sectors in selected regions.
- Develop success stories for selected, “mature” LGUs.

e. Status toward Achieving Sustainability of Efforts

The approach of the GoAd team is built around sustainability. The team works through LGUs, the DENR, the Leagues, and theme networks to institutionalize EcoGov sector approaches. There is no defined point where we can say, “sustainability has been achieved.” However, an indicator of success will be when these agencies start promulgating EcoGov interventions to LGUs who are not EcoGov partners. The GoAd team will continue on this path as it collaborates with the leagues and key provincial governments.

2.2. Improved Forest Management

a. Expected Outputs for the Quarter

As described in the Quarter No. 6 report, the expected outputs in this sector for Quarter No. 7 were as follows.

Table 3. FFM Expected Outputs for the Quarter

Expected Outputs	Status
Prepare protocols on foreshore protection	Delayed
Issuance of co-management agreements for the two watersheds in Zamboanga City	Signing postponed to July
Issuance of co-management agreement for Talomo-Lipadas watershed inside Mt. Apo National Park	Signing postponed to July
Completion, validation, and submission of various forest resource management plans (ADSDPP for CADTs, CRFMs, RMPs) to approving bodies (NCIP, DENR, LGU-DENR Steering Committee)	Ongoing; some completed
Training on IPR and assistance to tenure holders in drafting IPR policies for approval and initial implementation	Ongoing
Training and on-site assistance on financial management and organizational strengthening for holders of CBFMAs, CADT, and co-management agreement holders in targeted forest lands	Ongoing
Strengthen FLUP core teams of DENR and provincial governments	Ongoing
Completion and submission of chapters 1 and 2 and chapter on tenure instrument of the Omnibus Forestry Guidelines to DENR	Completed
Follow-up with PAWB, DENR/FASPO and DENR Policy and Planning on facilitating issuance of the amendments to the NIPAS IRR	Ongoing
Complete institutional arrangements between FMB, DENR Region IV, and two LGUs on training/application of FLUP at the national level	Completed; initial planning has started
Work with FMB and DENR Policy and Planning in amending DAO 2004-29 (CBFM IRR) to strengthen its provision on the proposed resource utilization management agreement	To be incorporated in Omnibus Forestry Guidelines

b. Summary of Accomplishments and Activities

We present accomplishments for the quarter on a sector/nation-wide basis, and follow with details for each of EcoGov's four geographic regions.

FFM Sector-Wide Accomplishments

As Table 1 summarized, we have met 28 percent of the target for improved natural forest management (Indicator 2), and expect to meet the Year 2 target of 43,700 hectares. Work has been more challenging under Indicator 3, placing bare forestlands under productive development. Thus far, only three percent of tenure holders fully meet the requirements. That said, tenure holders in eleven LGUs will have met the targets by the end of September 2006.

Sector-wide, we have the following accomplishments for the past quarter.

- Two FLUPs were legitimized, bringing the total to 28 LGUs currently implementing their FLUPs.
- To date, we have facilitated the signing of 16 co-management agreements between the DENR and LGUs.
- Continued progress was made on the co-management agreements for watersheds in Zamboanga City (Ayala and Manicahan) and Davao City (Talomo-Lipadas).
- Continued progress was made on the co-management agreements for mangroves in Isabela City (Basilan), Tungawan (Zamboanga Sibugay), and Dinas and Tabina (Zamboanga del Sur).
- We continued to assist the DENR/FMB in drafting the Omnibus Forestry Guidelines. We completed Chapters 1 and 2, as well as the overall outline for the Guidelines. Chapters 1 and 2 provide the overall vision, mission, and objectives of the forestry sector, including key guiding principles, core functions, and scope and coverage of the Guidelines. Work is ongoing on Chapter 6, which provides the new framework for the forestry sector for addressing tenure needs in forest lands. EcoGov personnel will discuss the draft chapters with DENR personnel in July 2006.
- EcoGov supported several participants in the ten-year review of CBFM programs in Silang, Cavite from April 20-22. Recommendations from this meeting are being incorporated into the Omnibus Guidelines, and the meeting may lead to the FMB collaborating with EcoGov, IIRR, and FAO to revise the CBFM strategic plan.
- EcoGov personnel completed a draft paper on the State of the Art on Forestry Law Enforcement which was presented to the National Environmental Task Force of the DENR. The paper will also be discussed during the upcoming environmental law enforcement summit in August 2006.

FFM Accomplishments – Northern Luzon

- **FLUP.** Aglipay and Cabarroguis (Quirino) legitimized their FLUPs. These documents were then approved by the DENR Regional Executive Director.
- **FLUP.** We assisted the Nueva Vizcaya provincial core team with FLUP formulation, socio-economic data collection and analysis, community mapping, and tenure assessment.
- **Assistance to Tenure Holders.** Seven CBFM POs in Northern Luzon completed their CRMFs and five-year work plans. The ATO and Agta tribal organizations have started formulation of their ADSDPP. Three POs in Quirino have formulated their IPR policies, enhancing management of tenured forestlands.

- **Assistance to Tenure Holders.** The FFM team trained the MENROs on IPR policy formulation, ADSDPP formulation, community mapping, and integrated resource management planning for co-management areas.
- **Co-management.** The MOA for the co-management of 4,995 hectares of forest lands in Quezon, Nueva Vizcaya was signed. The LGU allocated five percent of its development fund to support the initial implementation of the agreement.

FFM Accomplishments – Central Visayas

- **Facilitating Investment.** Bayawan City has invested in riverbank stabilization by planting forest trees, fruit trees, bamboo and other grasses within 20 meters of the riverbank; identified 17 barangay water production areas for rehabilitation; and procured and produced enough rubber seedlings to plant 600 hectares (at a cost of Php 13 million, or \$245,000). The LGU also plans to establish 20,000 hectares of *Jatropha* plantations to support a proposed bio-diesel processing plant.
- **Facilitating Investment.** La Libertad has assisted the upland farmers in community organizing while providing IEC/extension support on agroforestry. In the LGU's co-managed area, the LGU has been investing in developing 70% of the area into mixed production areas of agriculture and forest trees, establishment of one-hectare model farms, and establishment of 4-hectare communal agroforestry in each of the barangays. It has also established a central nursery and 5 barangay nurseries where lanzones, durian and ilang-ilang seedlings are raised.
- **Facilitating Investment.** Dauin has received a combined commitment of Php 2 million (\$37,000) from the province and the Congressman for the initial physical development of an eco-tourism site where there is an existing hot spring.
- **Co-management.** The sangguniang bayan of Talibon, Bohol has issued an ordinance for the issuance of sub-allocation instruments to on-site stakeholders in the mangrove co-management area. The ordinance includes creation of a trust fund for payment of fees and rentals.
- **Policy.** The team advocated with DENR 7 and Oriental Negros for a “no FLUP-no CLUP” policy.

FFM Accomplishments – Central and Southern Mindanao

- **Expansion.** We briefed the new ARMM governor and ARMM-DENR officials on the SFMA and its IRR. As a result, ARMM and EcoGov will assist five LGUs in completing and legitimizing their FLUPs.

- **Expansion.** We signed a MOA with Sultan Kudarat province for the formulation of FLUPs in selected municipalities; and trained the Sarangani TWG on thematic mapping, IEC, and financial management training for CBFM POs.
- **Soil and water conservation.** With the implementation of the Maasim FLUP, the LGU has vigorously pursued the expansion of Dole pineapple plantations in the uplands through either contract growing or land leases. Thus, the EcoGov team worked with the Sarangani provincial governor, the local mayor, and the EMB's Multipartite Monitoring Team to incorporate soil and water conservation measures in the pineapple growing areas in public forest lands. In conjunction with this, Dolefil, the LGU, local colleges, and civil society groups will support reforestation in the area to control flash floods.
- **Enforcement.** Lebak and Kalamansig continue to enforce forestry regulations prohibiting illegal logging. Our team has been lobbying the LGUs to double their targets—to a new total of 302 hectares—for the development of bare forest lands.
- **Assistance to Tenure Holders.** With collaboration between EcoGov, the DENR CENRO, and LGU MENRO, two CBFM POs in Sarangani (TFCAI and KATMULCO) have formulated their CRMF and five-year work plans, with two others making significant progress (ZIFAMULCO, LUPAIERMPC).
- **Assistance to Tenure Holders.** Two POs in Makilala, North Cotabato, the MAMATA and the 4Bs (part of the Tagbawa Tribe), received tenure through CADT. The certificates cover a total of 6,148 hectares of open access forest land. These two POs subsequently prepared their ADSDPP with assistance from EcoGov, the Makilala TWG, and the Kapwa Upliftment Foundation.
- **Facilitating Investment.** Lebak and Kalamansig have invested a total of Php 2 million (\$37,000) to plant 152 hectares of bare forest lands in such high value tree crops as lanzones, durian, mangosteen, mango and coconut.
- **Co-management.** The LGU of Wao (Lanao del Sur) and DENR ARMM signed a co-management agreement, placing 2,184 hectares of open-access forest land under tenure.
- **Co-management.** We have prepared a draft MOA for the Talomo-Lipadas watershed co-management agreement, and the sangguniang panglungsod has authorized the mayor to sign the agreement.
- **PO Strengthening.** We helped the Sarangani CBFM PO Federation (composed of twelve members) lobby for the lifting of the suspension on resource use rights, and also helped the federation secure financial support from the province for planting materials and training.

FFM Accomplishments – Western Mindanao

- **FLUP.** Three LGUs in the province of Zamboanga Sibugay have started formulating their FLUPs.
- **Enforcement.** The Lamitan LGU began discussions with DepEd, the military, and civil society organization for the creation of a multisectoral forest protection council.
- **Co-management.** The DENR and Zamboanga City reviewed the MOA for the Ayala and Manicahan watersheds co-management agreement. (It is scheduled to be signed on July 22, 2006.)

c. Implementation Problems and Proposed Resolution

- Many of our partner LGUs have realized that they will receive limited IRA funds sufficient to cover FLUP implementation. As such, they have started to search for alternative funding sources. Furthermore, the suspension of harvesting rights and lack of financial inputs (e.g., planting materials, extension services) makes POs more desperate. LGUs and PO are trying to find private investors.
- Cultivation of corn and pineapple on otherwise bare forest land in northern Luzon and Maasim, Sarangani is understandable, and even admirable in the right context of a legitimized FLUP. However, such monoculture, especially in sloping areas, requires careful attention to soil and water conservation technologies and reduced use of destructive herbicides.
- Despite the lack of clearly defined feasibility study on *jathropa*, its economies of scale, and profitability, many LGUs are becoming interested in establishing plantations with tenure holders as part of their FLUP implementation. While the species offers some promise, we are advising partners that proper analysis be completed first.

d. Objectives for the Next Quarter

- Provide training and on-site assistance in the formulation of IPRs for various tenure holders, and on financial management and organizational strengthening for holders of CBFMAs, CADT, and co-management agreements.
- Facilitate the completion and submission of various forest resource management plans for CBFMA, Co-Management Areas, and CADTs/CADCs (CRFM, RMP, ADSDPP for CADTs, respectively) to approving bodies (NCIP, DENR, LGU-DENR Steering Committee).

- Facilitate the signing of MOA for the co-management of the Ayala and Manicahan Watersheds in Zamboanga City.
- Facilitate the signing of co-management agreement for Talomo-Lipadas watershed inside Mt. Apo National Park.
- Finalize and submit draft Part 1 of the Omnibus Forestry Guidelines to FMB-DENR
- Conduct orientation on governance-enhanced FLUP processes for FMB, DENR Region 4 technical working group, and two Rizal Province LGUs.
- Start the process of assessing large forest land tenure (e.g., PNOC, NIA, and NPC reservations).
- Compile FFM training manuals, and develop IEC materials on IPR formulation, FLUP, and co-management.
- Initiate engagement of enterprise organizations to assist CBFM POs on micro-enterprise development and credit and savings systems.
- Prepare/refine protocols for the enforcement of foreshore lease regulations.

e. Status toward Achieving Sustainability of Efforts

All aspects of the FFM team's approach are designed for the acceptance (or institutionalization) by counterpart agencies. We involve DENR CENRO and provincial personnel in as many actions as possible, and the FLUP process, by definition, is built around LGU participation. We are making further efforts to include provincial governments who can further promote improved forest land management to non-EcoGov LGUs. The ongoing policy initiatives (e.g., NIPAS IRR, Omnibus Forestry policy, the proposed RUMA for CBFMAs) are also designed to further stabilize national policies.

2.3. Improved Coastal Resources Management

a. Expected Outputs for the Quarter

As described in the Quarter No. 6 report, the expected outputs in this sector for Quarter No. 7 were as follows.

Table 4. CRM Expected Outputs for the Quarter

Expected Outputs	Status
Support tourism analysis in Tukuran	Complete
Assistance on mangroves and tourism zones in selected LGUs	Complete
Complete fisheries profiles in Illana and Baler Bays	Complete
With the EcoGov FFM team, promote co-management of mangroves in Western Mindanao	Ongoing
Continue to explore CRM financing with LGUs to develop mechanisms that fund both CRM activities and support the livelihood of affected people	Training ongoing
Provide training and coaching to DENR-CMMD and LGU personnel	Ongoing
Training selected organizations in the Visayas and Mindanao on use of the FISH BE model	Completed

b. Summary of Accomplishments and Activities

We present accomplishments for the quarter on a sector/nation-wide basis, and follow with details for each of EcoGov's four geographic regions.

CRM Sector-Wide Accomplishments

The table below summarizes progress for the quarter in this sector. Following the table, we highlight additional accomplishments from the sector.

Table 5. CRM Sector-Wide Accomplishments

Year 2 Objectives and Targets (Outcomes)	Year 2 Accomplishments		Comments
	Quarter 3	Previous Quarters	
50,800 hectares of coastal areas under improved management		19,661 (Dipaculao)	39% of Year 2 target accomplished; Year 2 target expected to be accomplished next quarter
13 existing marine sanctuaries strengthened; 4 sanctuaries to achieve enforced level	1 sanctuary at enforced level (880 hectares)		25% of Year 2 target accomplished; ongoing in 12 other sanctuaries
8 new marine sanctuaries established with area of at least 160 hectares	4 established (451 ha)	1 established (33 ha)	62% of Year 2 target accomplished; remainder to be completed next quarter (total target area exceeded)

Year 2 Objectives and Targets (Outcomes)	Year 2 Accomplishments		Comments
	Quarter 3	Previous Quarters	
Initiate establishment marine sanctuary networks (at least 2 clusters)	Ongoing strengthening of MPAs in Camotes and southern Cebu that will form the networks.		Includes work done through grant to CCEF in Cebu
Strengthen inter-LGU alliances for baywide/ ecosystem-based fishery management	Ongoing support in Baler Bay (4 LGUs), Camotes Island (4 LGUs), and Illana Bay-Region 9 (8 LGUs); project-led advocacy to provincial governments for more technical and financial support		

- 45,789 hectares (almost 43 percent of the life-of-project target) of coastal area are under improved management, with noted success in three LGUs (Tabina, Zamboanga del Sur; and Dinalungan and Dipaculao, Aurora).
- Two MPAs have been strengthened, meeting the standard for “enforced,” covering a total area of 975 hectares.
- Nine new marine sanctuaries have been established covering 790 hectares.
- We have initiated MPA networks in Illana Bay, Camotes Island, and Southern Cebu, and continued to strengthen inter-LGU alliances in the first two areas, as well as in Baler Bay and Sibuguey Bay.
- We completed fisheries profiling activities in Illana Bay, Baler Bay, and the Camotes Island LGUs. Information from the profiles has been used to formulate gear/species specific regulations linked to the fishery registry and licensing efforts. The information also will be input into the FISH BE model for bay-wide/ecosystem management.

CRM Accomplishments – Northern Luzon

- **Inter-LGU alliances.** The Inter-LGU CRM Committee of Baler Bay in Aurora met regularly and assisted/facilitated fishery profiling and MPA establishment activities in Aurora.
- **Facilitating investment.** We provided training to Baler, Dipaculao, and Dinalungan in planning and monitoring the use of revenue, performing financial analyses, and identifying and prioritizing projects.
- **Fishery management.** Working with the Philippines Maritime Industry Authority (MARINA) Region IV, we facilitated a workshop on registration and licensing. We discussed gear and species assessments as the basis for amending the current ordinance. The amended ordinance has an improved system for bangus concessions in Dipaculao and gear zoning in Baler.

- **Fishery management.** The team assisted Dinalungan in gathering and validating data to determine the feasibility of a proposed fish processing center. As part of the study, the LGU conducted a simple market study in the provinces of Quirino, Aurora, and Isabela to determine supply and demand of fisheries products.
- **New sanctuaries.** The LGU of Baler legitimized its MPA Plan after it was presented to the entire sangguniang bayan on June 21, 2006.
- **Existing sanctuaries.** The team conducted a training workshop and biophysical monitoring of sanctuaries in Baler and Dinalungan from May 17-19.

CRM Accomplishments – Central Visayas

- **Fishery management.** The LGU of Tudela enacted a fisheries management ordinance through Municipal Ordinance No. 01-S-2006. The ordinance designates sub-zones for specific fishing activities within the fisheries management zone and provides guidelines for registration and licensing. In Balamban, Cebu, the LGU enacted its CRM Ordinance (Municipal Ordinance No. 2006-13) legitimizing its CRM plan.
- **Fishery management.** We assisted the five Camotes Sea LGUs to draft their ordinances on the registration and licensing of fishing vessels. We went further in Danao City and San Francisco, helping formulate ordinances on regulation of specific gear and species.
- **Enforcement.** We assisted the five Camotes Sea LGUs (including Pilar) to begin implementing their enforcement operations. Danao City and San Francisco have purchased such equipment as searchlights, uniforms, and binoculars.
- **New sanctuaries.** The team assisted Barangay Nangka, Balamban, Danao City, Carmen, and San Francisco in establishing new marine sanctuaries.
- **Existing sanctuaries.** The team assisted with management and technical problems in the Esperanza Marine Sanctuary in Poro, and Puertobello Marine Sanctuary and Villahermosa Marine Sanctuaries in Tudela.
- **Inter-LGU alliances.** We promoted alliances for fisheries enforcement among the Camotes Sea cluster, southeastern Cebu cluster, and Visayan Sea Squadron. The first meeting of the Camotes Sea Inter-LGU CRM Cluster was held last June 29, 2006 in Danao City. It was attended by four out of the five mayors included in the cluster (Danao City, Poro, Tudela and San Francisco), and key CRM players (e.g., SB Councilor, MPDC, CRM/FRM Officer and Section Heads) from all 5 LGUs. The major outputs of the meeting were the finalization of the organizational structure and composition of the coordinating body or working group. Mayor Durano of Danao City was unanimously elected by the three other Mayors as the Chairman of the Executive Committee.

- **Improved CRM.** We completed physical, chemical, and hydrological assessments of the Panglao coastal waters, provided initial feedback to the BEMO and the LGUs of Panglao, Dauis, and Tagbilaran, and discussed the implications of the results for improving waste water management towards sustainable coastal tourism.
- **Facilitating investment.** We advised Camotes LGUs on establishing a trust fund to support MPAs.

CRM Accomplishments – Central and Southern Mindanao

- **Improved CRM.** In Davao City, we assisted in the preparation of an executive order on the coastal zoning framework. The City Planning Office and CRM TWG used it to complete the draft ordinance on priority MPAs in the biodiversity conservation zone.
- **Enforcement.** We engaged a team from Tanggol Kalikasan to conduct a training on coastal law enforcement for Lebak and Kalamansig for 47 participants.

CRM Accomplishments – Western Mindanao

- **Enforcement.** We engaged a team from Tanggol Kalikasan to conduct a training on fishery and coastal law enforcement for 65 participants from LGUs in Zamboanga Sibugay (RT Lim, Naga, Payao, Siay, Ipil, Office of the Provincial Government, DENR-CMMD, DILG, BFAR, PA, PCG, PNP, and Academe-ADZU). The training covered topics on national environmental laws (RA 8550) and local ordinances; proper documentation on warrant of arrest, searches, seizures and detention; proper procedure on boarding and apprehension; and creation of municipal and provincial coastal law enforcement teams. To further enhance the knowledge of the enforcement team, 23 representatives from the FLET member agencies participated in the study tour on coastal law enforcement in Bohol and Cebu last June 27- July 1, 2006.
- **Enforcement.** The members of the IBRA-9 fisheries law enforcement team (FLET) approved their operations plan for Illana Bay. The plan details roles and responsibilities for the team. In the mean time, the LGUs and FLET members from the PNP-Maritime Group continued to interdict illegal fishing activities with their seaborne patrols especially in Dimataling, Tabina, and Pagadian City. The PNP has been using Pagadian City's patrol boats and logistical support system.
- **Improved CRM.** We facilitated an assessment of mangrove planning, co-management, and the possibility of related tourism development in Tungawan's mangroves and fishpond zones (barangay Linguisan (200 hectares), Tigbanuang (300 hectares), San Pedro (137 hectares), and Looc Labuan (100 hectares)).

- **Fisheries management.** We facilitated a province-wide fisheries management forum in Zamboanga Sibugay. Of the 13 coastal municipalities only Olutanga and Mabuhay were not able to attend. Participants prioritized delineation of municipal boundaries, formation of a bay-wide enforcement team, formulation of bay wide management plan and fisheries ordinance, and budget allocation for the aforementioned.
- **Fisheries management.** We engaged MSU Naawan to complete the fisheries profiles for Pagadian, San Pablo, Labangan, Dimataling, and Dumalinao in Zamboanga del Sur as well as seven coastal barangays of RT Lim and two coastal barangays in Payao, Zamboanga-Sibugay.
- **New sanctuaries.** The team assisted in establishing and protecting the marine sanctuaries in: Brgy. Maloong Canal in Lamitan; and Lampinigan, Isabela City; and Bacayawan, Dumalinao. The ongoing establishment of the marine sanctuary in Combo Labangan served as the road for reconciliation for 4 conflicting clans. Assistance in the formation of the multisectoral MPA core group was facilitated in Pulo Piña, Tungawan, Zamboanga Sibugay and in the MPA plan formulation for San Pablo, Zamboanga del Sur.
- **Existing sanctuaries.** The MPA in Bangaan, Tungawan (800 ha) has attained enforced level. The team continued to assist in strengthening the management of MiSSTa and PALS MPAs of Tukuran, Bibilik, Dumalinao; Barangay Magsaysay, RT Lim, Tandu Balasan, Naga. Assistance included the conduct of enforcement orientation, setting up of marker buoys, putting up billboards, IEC and community meetings, coastal clean ups, and mangrove plantings.
- **Existing sanctuaries.** The team continued to assist in strengthening the management of MPAs in Tukuran, Dimataling, RT Lim, and Naga. We conducted enforcement orientations in which we discussed deploying marker buoys, billboards, community meetings, coastal clean-ups, and mangrove planting.

c. Implementation Problems and Proposed Resolution

- LGUs have limited capacity to carry out advocacy and IEC activities. Decision makers and fishing communities do not sustain the momentum of project-initiated activities. Engagement of provincial governments would help reinforce the message the project is offering.
- DENR-CMMD has limited capacity to provide technical assistance to LGUs. We are trying to provide training to this office, and to also link local service providers with LGUs that need services.

d. Objectives for the Next Quarter

Apart from targets otherwise specified in our Year 2 work plan, the CRM team has the following objectives in the next quarter.

- Continue ongoing assistance to LGUs for improving their management of mangroves and tourism zones.
- Discuss results of fishery profiling and FISH BE model simulations for improved fishery management at the local level and inter-LGU level.
- Continue assistance to local MPA managers in improving enforcement and M&E systems (biophysical and performance).
- Facilitate agreement among various MPAs toward the formation of effective MPA networks.
- Continue assistance in strengthening local and inter-LGU fishery/coastal law enforcement bodies using the enforcement chain/continuum as framework.
- Prepare MPA profiles for advanced MPA clusters as input for marketing them as “environmental products” to civil society, private sector, and LGU groups.
- Document completed CRM targets and success stories.

e. Status toward Achieving Sustainability of Efforts

The CRM team actively sought participation of partners from the DENR, BFAR, provincial agricultural offices, and fishing communities to institutionalize its methods. It has also assisted local champions to lobby for increased share from IRAs and other local sources. The team mentored and coached counterparts so that they can carry out implementation activities on their own. Moreover, the team regularly updated local chief executives on CRM efforts, further engendering their continued political support.

2.4. Improved Waste Management

a. Expected Outputs for the Quarter

As described in the Quarter No. 6 report, the expected outputs in this sector for Quarter No. 7 were as follows.

Table 6. UEM Expected Outputs for the Quarter

Expected Outputs	Status
Strengthen core teams (DENR, provincial governments, municipal governments) to reach non-partner LGUs in South Cotabato, Quirino, and Nueva Vizcaya	Ongoing
Develop and implement ISWM social marketing campaigns in selected LGUs	Ongoing
Assist DENR-MGB and provincial governments in finding suitable sanitary landfill sites	Ongoing
Continue assistance to DENR and NSWMC in clarifying guidelines for disposal facilities and other administrative orders on ISWM implementation	Ongoing
Develop and implement an assistance strategy for LGUs to increase efficiency of junk shop operators	Ongoing

b. Summary of Accomplishments and Activities

We present accomplishments for the quarter on a sector/nation-wide basis, and follow with details for each of EcoGov's four geographic regions.

UEM Sector-Wide Accomplishments

- As shown in Table 1, 16 of 24 targeted LGUs in Year 2 are approaching their 25 percent waste diversion target. We continue to provide assistance to the remaining eight LGUs to complete their ordinance requirements, composting activities, and segregated collection.
- The team continued to follow up with the NSWMC regarding the status of policies supporting implementation of RA 9003; namely the DAO on:
 - Closure and Rehabilitation of Open and Controlled Dumps;
 - Categories of Sanitary Landfills and IEE checklist for Categories 1 and 2;
 - Review and Approval of ISWM Plans.In the absence of a DAO on categories of sanitary landfills, the NSWMC has verbally instructed all concerned DENR and LGU personnel to use the commission's approval as the basis in planning and implementing requirements for disposal facilities as LGUs close their controlled dump sites.

- We assisted the LMP with the design of a SWM course for the Mayors Development Center.
- Working via provincial governments (i.e., South Cotabato, Quirino, Nueva Vizcaya) and the Metro Bohol LGU cluster, we have been able to expand (“upscale”) our work to at least 23 adjacent LGUs.

UEM Accomplishments – Northern Luzon

- As summarized in the table below, five of eleven priority LGUs are on track for achieving 25 percent waste diversion in Year 2.

Table 7. UEM Accomplishments – Northern Luzon

LGU	Segregation	Recycling	Composting	Ordinance
Bambang	Market and 2 barangays	Junkshops, central MRF	Central facility	Enacted
Bayombong	Market and 2 barangays	Junkshops, barangay MRF	Central facility	Enacted
Maddela	1 barangay	Junkshops	Partner with MIT	Enacted
Diffun	Market	Junkshops	Partner with QSC	Enacted
Cauayan City	Market and 7 urban barangays	Junkshops, central MRF	Central facility	Enacted

- The team continued to work with the provincial UEM core teams of Nueva Vizcaya and Quirino, and with the US Peace Corps Volunteers, to reach non-partner LGUs.
- The team organized and facilitated the Regional 1st Recycling Summit as an approach to disseminate best practices on solid waste management.
- We assisted the LGUs and organizers in promoting waste recycling during the Panagyaman and Panagsasalog Festivals.

UEM Accomplishments – Central Visayas

- As summarized in the table below, 11 of 21 priority LGUs are on track for achieving 25 percent waste diversion in Year 2.

Table 8. UEM Accomplishments – Central Visayas

LGU	Segregation	Recycling	Composting	Ordinance
Maribojoc	Market, commercial business district (CBD), urban barangays	Junkshops, central MRF	Central facility	Enforced
Jagna	Market, CBD, urban barangays	Junkshops, central MRF	Central facility	Enforced
Duero	Market	Junkshops	Pilot facility	Enacted
Talibon	Market, CBD, 2 urban barangays	Junkshops, barangay MRFs	Central facility	Enacted

LGU	Segregation	Recycling	Composting	Ordinance
Cortes	14 barangays	Junkshops, barangay and purok MRFs	Central facility	Enacted
Dausis	Barangay Poblacion	Junkshops, 4 barangay MRFs	Barangay facility	Enacted
San Jose	Market, CBD	Junkshops, central MRF	Central facility	Enacted
Bayawan	Market, CBD	Junkshops, central MRF	Central facility	Enacted
Pamplona	4 barangays	Junkshops	Household composting	Enacted
Amlan	4 barangays	Junkshops	Central facility	Enacted
Compostela	5 barangays	Junkshops	Plan	Enacted

- We developed social marketing program for Jagna, Bohol.
- We worked with BEMO to identify funding sources for the proposed clustered landfill in Alburquerque.
- We continued efforts with BEMO, the Oriental Negros ENRD, and the Cebu PENRO to expand to non-partner LGUs.

UEM Accomplishments – Central and Southern Mindanao

- As summarized in the table below, six of 12 priority LGUs are on track for achieving 25 percent waste diversion in Year 2.

Table 9. UEM Accomplishments – Central and Southern Mindanao

LGU	Segregation	Recycling	Composting	Ordinance
Kidapawan City	Market, CBD, pilot barangays	Junkshops, central MRF	Central facility (testing)	Enacted
Koronadal City	Market, CBD, urban barangays	Junkshops, central MRF	Central facility	Enforced
Tacurong City	Market, CBD, 1 subdivision	Junkshops, central MRF, barangay MRF	Central facility	Enforced
Lebak	Market	Junkshops, central MRF	Central facility	Draft
Kalamansig	Mixed waste	Junkshops	Site with plan	In process
Wao	4 barangays	Junkshops	Site with plan	Enacted

- The team trained participants from ten LGUs from South Cotabato and General Santos City on estimating and analyzing waste generation, developing strategies to divert waste, source segregation, segregated collection, MRF operation, policy support, IEC, and financing.

- We assisted DENR and the province in measuring soil permeability in the approved sanitary landfill sites of Koronadal, Tacurong, and Kidapawan cities. In each case, we advised on the appropriate type of facility for the LGU.
- We provided technical assistance to Lebak, Kalamansig, Wao, Sultan Kudarat, and Parang on how to manage their composting sites and in finalizing their solid waste management plans.
- Sector Leader Vic Luis worked with Davao City waste managers to refine their estimates of waste generation and to improve their segregation and collection plans. Our team also assisted in validating the city’s waste data, reviewed the design of two regional category 4 sanitary landfills, reviewed the design of two 100-ton/day composting facilities, and assisted in finalizing the 10-year plan.
- Davao City is drafting an ordinance on waste segregation; previously, the city distributed 20,000 bins for segregated collection.
- South Cotabato has reflected and expanded our work by signing MOAs with ten municipalities to assist with waste diversion.

UEM Accomplishments – Western Mindanao

- As summarized in the table below, two of the five priority LGUs are on track for achieving 25 percent waste diversion in Year 2.

Table 10. UEM Accomplishments – Western Mindanao

LGU	Segregation	Recycling	Composting	Ordinance
Isabela City	Market, CBD, pilot urban barangays	Junkshops, 1 barangay MRF, plan for central MRF	Site with plan	Enacted
Buug	Market, CBD	Junkshops, barangay MRFs	Gawad Kalinga building facility	Enforced

- The local team advised Lamitan on strengthening its TWG/ESWMB to improve waste management.
- We organized and conducted an orientation workshop for DENR/ARMM personnel on RA 9003, its implementation, and assistance to LGUs.
- We assisted DENR with the soil permeability test at the SLF site of Isabela city.

c. Implementation Problems and Proposed Resolution

- LGUs have limited budgets to implement their ISWM programs. We are trying to help LGUs make more efficient and effective use of their budgets for waste management, while also trying to help them broaden their funding sources (e.g., users' fees, penalties, charges). Further, we are promoting the deployment of MENRO personnel on a full-time basis to oversee ISWM implementation.
- The DENR and NSWMC have given differing signals on enforcement of RA 9003, leading to confusion among the LGUs. LGUs are not sure what to prioritize in order to abide with the law and its implementing rules and regulation. We will encourage the DENR and NSWMC to clarify the transition strategies from controlled dumps to the appropriate type of landfill or disposal facility.

d. Objectives for the Next Quarter

- Focus on lagging LGUs in Central Visayas and Northern Luzon.
- Facilitate work of provincial core teams in South Cotabato, Nueva Vizcaya, and Quirino, helping them expand to non-partner LGUs.
- Assess potential LGUs for expansion/replication for inclusion in Year 3 work plan.
- Assist LMP in conducting solid waste management module at Mayors' Development Center.
- Review initial planning and implementation of social marketing campaigns in selected LGUs.

e. Status toward Achieving Sustainability of Efforts

The UEM team works closely with LGUs, provincial governments, the DENR, and other local organizations (e.g., colleges) and forms technical working groups on waste management. Eventually, these groups will institutionalize EcoGov efforts and ensure the continuation of interventions we promote. Our team also promotes ordinances and enforcement, hoping to make ISWM a “norm” of behavior that is sustained.

2.5. Municipal Investment in Sanitation

a. Expected Outputs for the Quarter

As described in the Quarter No. 6 report, the expected outputs in this sector for Quarter No. 7 were as follows.

Table 11. Municipal Investment Expected Outputs for the Quarter

Expected Outputs	Status
Develop and test a simplified waste water assessment approach as an input for prioritizing investments, ordinance formulation, and public awareness campaigns	Ongoing
Continue assistance to LGUs with signed MOAs on specific activities	Ongoing
Collect data on wastewater management and related health statistics as the basis of discussion with local officials	Completed
Continue to assist relevant LGUs in financial management for CRM, such as how to increase local revenue and establish separate budgeting systems and trust funds	Ongoing
Study financing arrangements for clustered waste facilities and advise relevant LGUs	Near complete

b. Summary of Accomplishments and Activities

The Municipal Investment team has one unique output from the Contractual Scope of Work; namely, to promote municipal investment in sanitation facilities, an output most closely aligned with the UEM sector. However, the municipal finance team expands its view to address issues raised by the forestry and coastal resources teams, as well.

Municipal Finance Sector-Wide Accomplishments

- At least 4 LGUs have started developing site-specific wastewater projects for public markets or abattoirs. EcoGov is assisting LGU staff prepare the technical designs and determine appropriate financing strategies to help secure budget approvals for proposed projects. Two LGUs have expressed the need for assistance for review of technical design in relation to budget allocation during the existing fiscal year.
- We made presentations to Kidapawan City, General Santos City, and Koronadal City; at each, city leaders expressed interest in investing for treatment of wastewater from public markets and slaughterhouses. The LGUs stated they would contract outside services to ensure proper project implementation. At each presentation, we heard city leaders express knowledge of the detrimental health and business effects of untreated wastewater. Conversely, the leaders saw the political and economic value of making necessary investments in public markets and other commercial complexes.

- In total, seven LGUs have identified enterprise/point source sanitation facilities for new or expanded treatment measures.
- In Mindanao, one LGU has a project under construction and three are preparing technical designs.
- Three LGUs in Central Visayas are preparing to start their designs, with two constructing new municipal enterprises.

Municipal Investment Accomplishments – Central Visayas

- **Panglao and Dauis.** The results and recommendations of the physical, chemical, and hydrogeological studies were presented to stakeholders. The following highlights of results may be used for ordinances limiting ground water extraction, among others, and suggest the possibility of a common septage management facility.
 - The island, being composed of lime, is vulnerable to contamination from coliform-laden fluids from septic systems and salt water intrusion.
 - New infrastructure, such as an airport and tourism complex, require mitigating measures.
 - The coastal areas which attract tourists are also the most vulnerable. Fortunately, westward flow of the ocean flushes many of the pollutants away from the coast, keeping the waters relatively clean.
 - Real threats of coastal pollution exist. Water samples in some areas showed significant levels of fecal coliform. Although not yet evident, coliform contamination of groundwater resources is expected in the long term if mitigating measures are not taken.
- **Bayawan City.** The city is building a new integrated bus terminal and public market complex. EcoGov will help prepare the design of the wastewater facility; however, the city has not allocated any budget yet.
- **Bais City.** The city has planned a new public market, but has not identified a site or completed a technical design for the wastewater facility. It has allocated a partial budget for the facility.
- **Tanjay.** The city has constructed a new public market, but has not identified a site or completed a technical design for the wastewater facility. It has yet to allocate a budget for the facility.

Municipal Investment Accomplishments – Central and Southern Mindanao

- Our team began gathering data to conduct a wastewater assessment for four cities in Mindanao.
- **Tacurong.** The city designed a wastewater collection pond for its slaughterhouse and construction is ongoing. EcoGov recommended revisions to the original design,

which was not compliant, and helped secure approval from NMIS. The city allocated funds, and expect to complete the pond in the next quarter.

- **Kidapawan.** The city passed a resolution allowing the mayor to engage BORDA-Basic Needs Services for the construction of a facility to treat water from the public market and slaughterhouse. BORDA finalized the preliminary concept design and costing. A MOA will follow assigning BORDA responsibility to prepare the detailed engineering design and supervise construction. The city’s budget will be based on BORDA’s cost estimates.
- **General Santos.** Mayor Acharon expressed interest to engage BORDA to establish a wastewater facility for the public market using the DEWATS approach. BORDA has commenced preparation of a preliminary engineering study and cost estimate, but the city has not yet allocated a budget.
- **Koronadal.** The city is rehabilitating its slaughterhouse. The city must complete this work by September or risk losing NMIS accreditation to handle “AA” operations (i.e., animals slaughtered here can be sold outside the LGU). The city needs to allocate a budget for the wastewater facility, and will likely follow the Tacurong design.

c. Implementation Problems and Proposed Resolution

- Completed LGU assessments have shown that, regardless of size or income class, all LGUs are lacking in a range of basic areas – technical, organizational, financial, and legal – to address wastewater sanitation issues. Beyond construction of sanitation facilities, we will continue to promote ordinances, basic capacity building, and private sector participation to address this issue.
- Some LGUs do not appreciate the long-term environmental benefits of wastewater facilities, or seem to prioritize short-term economic activities ahead of sanitation investments. We will try to use advocacy toward public officials, and social marketing at a local level [to change the demand for services]. This is particularly relevant in places like Panglao, which is heavily dependent on tourism, but is not showing any urgency in addressing its sanitation problems.
- LGUs have limited IRA and find themselves simultaneously funding multiple infrastructure efforts. We will attempt to help LGUs more efficiently and effectively allocate their limited budgets.

d. Objectives for the Next Quarter

- Prepare necessary instruments for broader assessment of the wastewater situation of selected LGUs. The assessment will use available secondary data on wastewater

sources, water resources and supply, land availability, surveying and mapping, topography, industries at location, legal framework on water and environment, or habits regarding water use. The analysis will present sanitation mapping, among others, to identify areas vulnerable to water pollution, put into context the benefits of proposed sanitation investments, and help in preparing ordinances and forming social marketing campaigns.

- Study possible arrangements for LGUs to jointly finance and implement common waste disposal facilities. This will include a sample business contract that defines basic functions and obligations of cluster members to eliminate unnecessary delays or failures in project implementation. We will solicit feedback on the contract from the Metro Bohol Cluster, which is at a relatively advanced implementation stage. We will also advise Metro-Bohol Cluster on the management of a Php 60 million grant from the Philippine Tourism Authority for a proposed landfill.
- Continue municipal finance training and on-site assistance, and develop training materials to promote sustainability of targeted environmental management activities, including CRM. This will cover expanding local revenue sources, project prioritization and establishing financial support systems and cost recovery mechanisms.
- Develop procedure for creating special accounts/trust funds within the General Fund and templates for user fee schemes to facilitate project implementation and ordinance formulation.
- Advise LGUs on utilizing private sector participation (PSP) for proposed WWM or SWM facilities. For instance, General Santos City plans to engage a private entity under a management contract to operate and maintain its planned wastewater facility for the public market. For its sanitary landfill, the city may tap a World Bank loan facility that requires the Design, Build, Operate approach to PSP. This contractual scheme allocates technical and project management duties to the private sector and leaves the role of financing to the LGU. The city will require assistance on project financing, public tendering, negotiating agreements with private sector operators or creditors/government financial institutions, and contract monitoring.

e. Status toward Achieving Sustainability of Efforts

Sustainability is defined in terms of the project: will efforts in this sector continue when the project closes; will any other partner or actor assume the role played by EcoGov's technical assistance? In the municipal finance sector, sustainability will be achieved when the LGUs themselves have the capacity to plan and allocate their IRA funds, generate or source their own financing, and enter into co-financing arrangements with the private sector. This has not yet been achieved.

2.6. Management and Administration

a. Expected Outputs for the Quarter

As described in the Quarter No. 6 report, the expected outputs in this sector for Quarter No. 7 were as follows.

Table 12. Management and Administration Expected Output for the Quarter

Expected Outputs	Status
Make grant recommendations on a rolling basis to the USAID CTO, and subsequent to his approval, make awards	Accomplished
Upon receiving comments from the USAID Office of Regional Procurement, make public announcement of LSP subcontractor competition, release request for proposals, and hold bidder's conferences	Accomplished
Begin discussions with DENR senior management on the Year 3 work plan	Ongoing
Hire a Governance and Advocacy sector leader or specialist	Delayed until Quarter 8
Engage expatriate STTA for UEM, wastewater management, and social marketing	Delayed

b. Summary of Accomplishments and Activities

Project Management

- The Chief of Party (CoP) delivered a project briefing on June 22, 2006 to the DENR USEC for Field Operations, FASPO Director, and staff.
- The team assisted the DENR and USAID design the assessment of SO4 environmental projects. Field visits are scheduled during the second week of July 2006.
- We opened a satellite office in Davao City to house a senior forester, advocacy assistant, and waste management assistant. The office administration is managed from General Santos City. Our opening of this office reflects continued and increasing assistance in the Davao area.
- We mobilized four local STTA in the areas of coastal resources and municipal finance.
- We mobilized one international STTA, Ms. Christy Owen, to assist in review of the indefinite quantity subcontracts (IQS) proposals.

- From May 15-19, 2006, the Chief of Party participated in the DAI All Staff Conference in Bethesda, Maryland. The conference was a venue for updating knowledge and practice on project management.
- The project advertised the Social Marketing position and received over 70 CVs. After initial screening, EcoGov senior management interviewed six top candidates. Selection is expected to be finalized in August, 2006.

Small Grants Program

As of June 30, 2006, over 200 individuals or organizations had applied for the APS. We received 21 additional applications over the quarter, bringing the total to 59. As of the close of the quarter, we had rejected 24 and had 26 under clarification (i.e., we continue a dialogue of clarification questions and responses). Nine organizations received grants during the period, in the following order.

1. LIFE Philippines Foundation, Inc. Fixed obligation grant of Php 87,000 (\$1,750) to conduct a parent-child environmental camp on Bohol Island (Central Visayas).
2. Quirino State College. In-kind grant of Php 504,000 (\$9,990) to construct a composting facility on the campus in Quirino Province (northern Luzon).
3. Coastal Conservation and Education Foundation. Fixed obligation grant of Php 504,000 (\$9,990) to strengthen existing MPAs in southeast Cebu (Central Visayas).
4. Friends of the Environment for Development and Sustainability. Fixed obligation grant of Php 498,000 (\$9,675) to promote co-management in the Bulawao-Maasin watershed in Quezon LGU (Northern Luzon).
5. Aurora State College of Technology. Fixed obligation grant of Php 489,000 (\$9,400) to strengthen existing MPAs in Baler (northern Luzon).
6. Institute For Small Farms Industries. Fixed obligation grant of Php 508,000 (\$9,400) to conduct upland development with the Makilaba people of Davao City (Mindanao).
7. Barangay Unity Key to Integrated Development Multipurpose Cooperative. In-kind grant of Php 504,000 (\$9,900) to plant abaca trees in Balamban, Cebu (Central Visayas).
8. Association of Fisherfolk of Davao City, Inc. Fixed obligation grant of Php 513,000 (\$9,600) to plant mangroves in the coastal flats north of Davao City (Mindanao).

9. Maddela Institute of Technology. In-kind grant of Php 519,000 (\$9,800) to construct a composting facility on the campus in Madela LGU (northern Luzon).

In total, we had obligated \$78,000 through half the calendar year, right on target for an expected calendar-2006 disbursement of \$100,000-\$125,000.

Indefinite Quantity Subcontract – Local Service Providers

In April, USAID/ORP gave EcoGov approval to compete indefinite quantity subcontracts (IQS) for local service providers (LSPs). As such, we advertised impending release of the RfP in several newspapers around the country and release the bidding document on May 5. Subsequently, the DCoP/MA held five bidder's conferences in Manila (May 16 and 25), Cebu City (May 17 and 18), and Davao City (May 24). Representatives from approximately 40 organizations attended these events. The DCoP/MA released Amendment 1 to the RfP on May 30, including a costing template and answers to clarification questions. Ultimately, 64 organizations and individuals requested the RfP.

The deadline for proposal submission was on Monday, June 19. Thirty three organizations submitted offers. The DCoP/MA and Christy Owen eliminated five offers for being non-responsive. EcoGov's sector leaders and regional coordinators reviewed the remaining 28 proposals on Friday to rank each in terms of the technical services they offered. As of June 30, clarification questions had been sent to all high-ranking firms.

When this process is complete (August/September), DAI will have made awards to 12 LSPs that can provide services on an indefinite quantity basis using fixed burdened daily rates. This will greatly enhance the project's ability to reach more LGUs.

Collaboration with other Donors, Projects, and Efforts

- EcoGov is collaborating with SCOTIA and LINAW to eliminate overlaps in sanitation activities and exchange ideas or output.
- EcoGov worked with EcoAsia, the World Bank, GTZ, and other donors to help prepare for the upcoming Philippine Sanitation Summit in July.
- The project has been working with the U.S. Department of Interior and DENR counterparts in planning and designing the details of the upcoming environmental law enforcement summit in August 2006.
- The project has regularly participated in the meetings organized by USAID to discuss possibilities on alternative sources of energy. Based on secondary information and analysis, the FFM team has provided advice on the establishment, management, processing, and marketing *Jathropa* as a source of biodiesel fuel.

c. Implementation Problems and Proposed Resolution

- The project owns eight vehicles serving staff in five offices, plus sub-offices in Pagadian and Davao City. Of these, two are American-made sport-utility vehicles that EcoGov 1 received from earlier USAID projects and two are American-made pick-up trucks purchased in 2002 by EcoGov 1. These four vehicles, because of either their age or the scarcity of spare parts and qualified service technicians, cost the project an undue amount of money for maintenance, and spend an increasing amount of time out of service. The project anticipates needing to add an additional vehicle to its inventory before one of the existing vehicles goes permanently out of service. If and when this happens, we will request a waiver to the 000 source-origin code of the contract in order to purchase a locally-made vehicle (e.g., Toyota, Isuzu, Mitsubishi) based on availability of spare parts and safety of passengers working in Mindanao.

d. Objectives for the Next Quarter

- Make grant recommendations on a rolling basis to the USAID CTO, and subsequent to his approval, make awards.
- Make IQS LSP awards to approximately 12 organizations.
- Prepare Year 3 work plan, discuss it with DENR and key LGU counterparts, and submit to USAID.
- Carry out the SO4 review and assessment in central and southern Mindanao with USAID/OEE and DENR/FASPO.
- Hire a Governance and Advocacy or Social Marketing sector leader or specialist.
- Engage expatriate STTA for UEM and wastewater management.
- Finalize scope of work for The Media Network, U.S.-based social marketing firm, to conduct work in Danao-Compostela area in Cebu.