

## The Philippine Environmental Governance 2 Project

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# Quarterly Performance Report No. 3

April 1 through June 30, 2005

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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 Filipino organizations – Orient Integrated Development Consultants, Inc. (OIDCI); Resources, Environment and Economic Center for Studies (REECS); the University of the Philippines’ Marine Environment and Resources Foundation (MERF); and Cesar Virata & Associates (CVAI) – 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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## ACRONYMS

ADR	-	Alternative Dispute Resolution
ARMM	-	Autonomous Region in Muslim Mindanao
CADC	-	Certificate of Ancestral Domain Claims
CBFM	-	Community-Based Forest Management
CBFMA	-	Community-Based Forest Management Agreement
CCEF	-	Coastal Conservation and Education Foundation
CCSPC	-	Cotabato City State Polytechnic College
CENRO	-	Community Environment and Natural Resources Officer
CLIN	-	Contract Line Item Number
CMU	-	Central Mindanao University
CRM	-	Coastal Resources Management
DA/BFAR	-	Department of Agriculture/Bureau of Fisheries and Aquatic Resources
DAP	-	Development Academy of the Philippines
DENR	-	Department of Environment and Natural Resources
DILG	-	Department of the Interior and Local Government
DOH	-	Department of Health
EcoGov	-	USAID Environmental Governance 2 Project
EMB	-	Environmental Management Bureau
FFM	-	Forests and Forest Lands Management
FISH BE	-	Fisheries Bio-Economic Model
FISH	-	USAID Fisheries Improved for Sustainable Harvest Project
FLET	-	Fisheries Law Enforcement Team
FLUP	-	Forest Land Use Plan
FMB	-	Forest Management Bureau
FPE	-	Foundation for the Philippine Environment
FUNDES0-ASCOT-	-	Fundacion Desarrollo Sostenido-Aurora State College of Technology
GoAd	-	Governance and Advocacy Sector
GOFAR	-	Good Practices in Local Governance – Facility for Adoption and Replication Project
IBRA	-	Illana Bay Regional Alliance
IEC	-	Information, Education and Communication
IFMA	-	Industrial Forest Management Agreement
ILFM	-	Inter-LGU Fisheries Management
IRR	-	Implementing Rules and Regulations
ISWM	-	Integrated Solid Waste Management
LCP	-	League of Cities of the Philippines
LGSP	-	Local Government Support Program
LGU	-	Local Government Unit
LINAW	-	USAID Local Initiatives for Affordable Wastewater Treatment Project
LMP	-	League of Municipalities of the Philippines
LPP	-	League of Provinces of the Philippines

M&E	-	Monitoring and Evaluation
MedNet	-	Mediators Network for Sustainable Peace, Inc.
MENRO	-	Municipal Environmental and Natural Resources Officer
MGB	-	Mines and Geosciences Bureau
MMAA	-	Muslim Mindanao Autonomy Act
MoA	-	Memorandum of Agreement
MPA	-	Marine Protected Area
MSU	-	Mindanao State University
NEDA	-	National Economic and Development Authority
NGO	-	Non-Government Organization
NIPAS	-	National Integrated Protected Area System
NSWMC	-	National Solid Waste Management Commission
PASU	-	Protected Area Superintendent
PAWB	-	Protected Areas and Wildlife Bureau
PCRMO	-	Provincial Coastal Resource Management Office
PENRO	-	Provincial Environment and Natural Resources Officer
P-ENRO	-	Provincial (LGU) Environment and Natural Resources Officer
PFARO	-	Provincial Fisheries and Aquatic Resources Office
PMP	-	Performance Monitoring Plan
PNOC	-	Philippine National Oil Corporation
PNP	-	Philippine National Police
PO	-	People's Organization
PWPA	-	Philippine Wood Products Association
PWMC	-	Philippine Watershed Management Coalition
RA	-	Republic Act
RED	-	Regional Executive Director
RSFMA	-	Regional Sustainable Forest Management Act
SB	-	Sangguniang Bayan
SIFMA	-	Socialized Industrial Forest Management Agreement
SO	-	Strategic Objective
STTA	-	Short-Term Technical Assistance
SWAPP	-	Solid Waste Management Association of the Philippines
TAMIS	-	Technical and Administrative Management Information System
THW	-	Toxic and Hazardous Waste
TWG	-	Technical Working Group
UEM	-	Urban Environmental Management
UNDP	-	United Nations Development Programme
USAEP	-	United States-Asia Environmental Partnership Program
USAID	-	United States Agency for International Development
WWF	-	World Wide Fund for Nature

A note on capitalization: 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, southern Mindanao, central Mindanao, or western Mindanao.

## 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)<sup>1</sup>, 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.)

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<sup>1</sup> 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 in five geographic locations.

**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.

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

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

At the national level, the principal counterpart 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 in, or partners in, project success.

## **1.2. Highlights of Progress this Quarter and Trends in Implementation**

On a project-wide basis, there were two highlights for the quarter.

- On May 9, 2005, EcoGov 2 senior management briefed the DENR expanded executive committee (composed of the Secretary, Undersecretaries (USECs), Assistant Secretaries (ASECs), bureau and service directors, and regional executive

directors) on the project's strategies, targets, implementation arrangements, and overall status. This was the first briefing to DENR's new management and was a catalyst for further collaboration between the project, USAID, and DENR.

- On June 9, 2005, USAID's current environmental program was formally launched at a Memorandum of Agreement (MoA) signing ceremony in Davao City attended by US Embassy Charge's d Affairs Joseph Mussomeli, USAID Office of Energy and Environment Chief and EcoGov CTO Daniel Moore, DENR Secretary Defensor, and DENR Secretary Reyes. EcoGov facilitated the event. This event was extremely important for providing legitimacy to EcoGov 2 activities and for formalizing the relationship between the project and GRP counterparts.

Apart from these highlights and the numerous highlights discussed in Section 2 below, we note several trends in implementation which affect our approach.

- A major focus of EcoGov's approach is to ensure the sustainability of our interventions in the roughly 80 LGUs with which we will work, and to foster replication and adoption by the 1,500 LGUs (municipalities and cities) with which the project will not directly work. As such, we try to partner with local organizations – government or non-government; local, regional, or national – whenever possible, and we try to ensure the participation, or *buy in*, of those organizations. The way we promote participation is by inviting those organizations into collaborative assessments of sector issues. We hope to move from collaborative assessments to partnerships with those organizations, and eventually, we would like the stronger organizations, such as the DENR, to become the providers of service to LGUs and local environmental managers. Thus, the quarter saw many assessments as a first step in determining local priorities and in identifying appropriate EcoGov technical assistance.
- The Governance and Advocacy team sought to engage national actors with links to LGUs, particularly the Leagues of Municipalities, Cities, and Provinces, and the networks of actors in the forestry, coastal, and solid waste management arenas. These organizations are well-placed to replicate EcoGov approaches to hundreds of LGUs. Working at this “top” level as well as with LGUs at the “bottom” level, the GoAd team is using IEC and advocacy to create the demand for good environmental management and the demand for services (e.g., from LGUs to citizens, or from national agencies to LGUs). In the same vein, the team trying to work with provincial development councils, which are sometimes better able than national agencies to support constituent LGUs (e.g., through budget allocation, advocacy, or promotion of clustering for economies of scale).
- Under the guidance of the project's senior governance advisor, virtually all field personnel participated in the effort to establish a baseline for an environmental governance index among our partner LGUs. The assessment covered 78 municipalities and cities in fifteen provinces, and examines governance in terms of FFM, CRM, and UEM. The assessment showed that one fourth of the LGUs had

consistently high scores for all sectors, and one fourth of LGUs had consistently low scores for all sectors. The majority of LGUs showed high governance scores in one sector, but low scores in another. The assessment also showed consistently higher scores for LGUs in Central Visayas compared to those in northern Luzon or Mindanao. Lastly, the assessment showed the highest governance scores for CRM, followed by FFM, then UEM. The results of this assessment have important ramifications for our implementation efforts in all areas. In particular, low governance scores demonstrate even more the importance of process in our interventions through partnership, stakeholder participation, and transparency.

- As part of the Forest Land Use Plan (FLUP) implementation process, the project's FFM team in collaboration with local DENR worked with several LGUs in assessing the forest management activities of various tenure holders within their respective political jurisdictions. In northern Luzon and Mindanao, the results showed that much natural forest falls under the responsibility of indigenous peoples, community organizations, and DENR-managed protected areas. These tenure holders" all lack the organizational strength or resources to protect their forests from encroachment and illegal logging activities. The current national ban on logging, put in place in response to the December flooding in Quezon Province, only further reduces the possibility of gaining income [from legal timber harvest] of communities from their areas, further reducing the incentive of tenure holders to enforce conservation. In DENR-managed protected areas, the current budget deficit will open up opportunities for various kinds of collaborative arrangements to adequately protect and manage these areas.
- One of the project's CRM targets is the creation of new marine protected areas (MPAs) and the strengthening of existing MPAs. Individual LGUs typically have difficulty establishing, managing or protecting MPAs of any substantial size. However, the "micro" MPAs that LGUs do establish are of questionable value in terms of fishery regeneration. Thus, the project promotes collaboration among LGUs to create MPA networks that are of greater biological value. Similarly, the project promotes inter-LGU collaboration, such as the nine-LGU alliance in Illana Bay (western Mindanao) and the multi-LGU alliance for Baler Bay (northern Luzon), for joint enforcement of fisheries. Of course, alliances have their own problem of the transaction costs of frequent communication, collaboration, and sharing of costs and benefits. For instance, coordination among members of IBRA-9 alliance partly suffered when its external support from the Local Government Support Program (LGSP) ended. As a result, the project is promoting somewhat smaller alliances that are foremost politically viable. Nonetheless, evidence shows these alliances work. For example, in the past quarter, creation of a multi-partner fisheries law enforcement team in Illana Bay led to 29 apprehensions for various violations, and may have indirectly led to fewer incidences of piracy and a greater number of applications for registrations and licenses among commercial fleets in the region.

- The UEM team has observed a big difference between identification of problems and follow-through at the LGU level. For example, the team conducted assessments of wastewater discharge from public markets, slaughterhouses, and hospitals in several cities. These all represent point sources from operations that are technologically simple. The measures and costs required for mitigation are well within LGU means outright; moreover, all of these facilities involve enterprise activities where cash-recovery should be straightforward. What appears to be lacking is the political will to make changes or enforce compliance with environmental standards. Similarly, the team has conducted several trainings on composting, but implementation is lacking. As a result, the project will devote more effort to advocacy, raising of awareness, and promulgation of simple means to finance implementation.
- The municipal finance team completed a financial profile of the 79 partner LGUs that shows many have relatively decent savings and limited debt, meaning they can service debt and are credit-worthy. The team will work closely with the UEM specialists to assist LGUs with their project designs and approaches to lending institutions.
- Based on jointly-agreed policy agenda between the DENR and EcoGov2 in its 2005/2006 work plan, the project's policy specialists and sector leaders based in Manila are addressing policy issues that hamper good environmental governance. They are promoting: (1) revisions to the Implementing Rules and Regulations (IRR) of Republic Act (RA) 9003 to better enable LGUs to comply with solid waste management requirements; (2) review of the IRR of the National Integrated Protected Area System (NIPAS) to strengthen forest protection and MPA enforcement; (3) an Omnibus Forestry Policy to strengthen the FLUP process and property rights; and (4) drafting of the IRR of Muslim Mindanao Autonomy Act (MMAA) 161, the sustainable forest management act of Muslim Mindanao.

## 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 listed in Quarterly Report No. 2, the expected outputs in this sector for Quarter No. 3 were as follows.

<b>Expected Outputs</b>	<b>Status</b>
Establish governance index baseline	Accomplished
Train partners in IEC skills	Accomplished/ongoing
Implement capacity building modules for CENROs in Nueva Vizcaya and Quirino	Plans revised
Project launch in Davao City	Accomplished
Develop ISWM training module for LMP Mayor's Development Center	Ongoing
Assess LCP environmental agenda	Ongoing
Assist LPP to support multi-LGU initiatives	Ongoing
Conduct workshop to review NIPAS IRR	Delayed until August

The team added two further work efforts for the past quarter which were not listed in the last quarterly report:

- Support the southern Mindanao regional team in Sarangani Province to promote Community-Based Forest Management Agreement (CBFMA) tenure instruments.
- Identify areas of collaboration with the Solid Waste Management Association of the Philippines (SWAPP) and the Philippine Watershed Coalition in the UEM and FFM sectors, respectively.

#### *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 to regional offices for implementing activities of other sectors, and collaboration with national partners and theme networks.

### **Governance Index**

Under the direction of Manila-based specialists Cesar Umali and Zita Toribio, the team completed field surveys and data collection from 78 LGUs (out of the planned 80 LGUs). Umali and Toribio analyzed the data and completed a draft report with recommendations, which they discussed with EcoGov managers and USAID representatives on June 30. The draft report was formally submitted to USAID on July 1.

The draft report highlights three categories of LGUs, namely: (a) those with high index scores across all three – FFM, CRM, UEM – sectors; (b) those with indices that vary from sector to sector; and (c) those with a generally low index in all sectors. The analysis discusses the main factors affecting the scores, such as strong local leadership, previous and sustained technical assistance, and significant local budgets. The index scores form a baseline for comparison at later points in the life of EcoGov. The report also notes the implications for the interventions of sector and regional teams. Those interested in more detail should contact EcoGov to obtain a copy of the “Report on Baseline 2005 Governance Indices: Guide LGU Self-Assessment on the State of Environmental Governance Practices.”

### **Support to Regional Offices for Implementing Sector Activities**

- During the quarter, the GoAd team worked with about 24 of the EcoGov-assisted LGUs to improve the effectiveness of their IEC initiatives with respect to their FFM, CRM, and UEM programs. Working with these LGUs has allowed the team to develop further IEC training modules for use in project areas and beyond.
- **FFM.** In the province of Sarangani of southern Mindanao, the team continued to foster a partnership between the provincial government (PLGU), people’s organizations (POs), and the DENR for better Community-Based Forest Management (CBFM). The team helped conduct multi-sector meetings on how the province will operationalize CBFM as a forest management strategy. As a result, on June 9, 2005, Sarangani Province signed a formal MoA with the DENR and EcoGov for delivering assistance to CBFM communities especially with respect to strengthening savings and credit system and providing technical and planting material support for establishing tree and agroforestry farms.
- **FFM.** The team supported Zamboanga City’s launching of its tree-planting movement, “Task Force Siembrada.” The team provided information on the state of local forests, and advocated for the closing of open access, watershed management, assisted natural regeneration as a reforestation strategy.

- **CRM.** The team assisted the CRM specialists and EgoGov Western Mindanao personnel to strengthen collaboration among the nine LGUs of Illana Bay (the Illana Bay Regional Alliance, or IBRA 9). The team noted that due to the high transaction costs of such a large and geographically distant alliance (e.g., coordination, meetings), smaller clusters of LGUs might be more appropriate. (In the next quarter, per the section below, the team will determine appropriate clusters based on biophysical connection, historical collaboration, and need.)
- **CRM.** In northern Luzon, the team continued its advocacy efforts with the provincial government of Aurora to support inter-LGU collaboration for protection of Baler Bay, in conjunction with the province’s larger environmental agenda.
- **CRM.** The team provided training sessions on IEC tools for the predominantly CRM-oriented LGUs in Aurora and Zamboanga Sibugay, focusing on law enforcement.
- **CRM.** Contributed to two articles published in local papers, one titled “More Income for Fisherfolks in Aurora Province due to MPAs,” and one titled “Keeping the Music Alive for the Dugong’s Dance of Joy.”
- **UEM.** Worked with DENR/LGU IEC teams to develop modules on composting, disposal management, and toxic and hazardous waste.
- **UEM.** Worked specifically with LGU IEC teams in the Bayombong region of northern Luzon to facilitate waste management collection at an inter-LGU level.
- **UEM.** Together with the UEM specialists, developed and disseminated an orientation flyer for LGUs explaining the importance of waste characterization studies. The flyer was shared with SWAPP and the LMP for wider distribution.
- **UEM.** Assessed the informal waste collection sector (e.g., scavengers, junkshops, dealers) in three LGUs in Mindanao as a complement to formal LGU programs

#### **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.

- **National-level DENR.** Project team members provided a briefing to the DENR expanded Executive Committee, and facilitated the MoA signing on June 9, 2005 in Davao City between USAID, DENR, and DILG.

- **Local-level DENR.** Per Quarterly Report No. 2, we had planned to develop a training program for Community Environment and Natural Resources Officers (CENROs) in Nueva Vizcaya and Quirino on forest management. We altered this plan for formal training to an on-the-job training approach. EcoGov field staff ensure that local DENR personnel participate in all technical working group activities and work as partners whenever possible.
- **DILG.** The team held discussions with representatives from the United Nations Development Programme (UNDP) Good Practices in Local Governance – Facility for Adoption and Replication (GOFAR), a project that supports LGU-to-LGU sharing of good practices. In particular, LGUs which scored high on the governance index might be candidates for GOFAR participation, as are those in Region 2, which has the active support of the DILG Regional Director. In addition, GOFAR representatives attended the EcoGov 2 technical session on composting in Western Mindanao.
- **League of Municipalities.** The team continued its work on developing the “Mayors Development Center.” We helped the LMP further refine the concept and obtain national directorate support; and, we are brokering a partnership between the LMP and Development Academy of the Philippines for the latter to provide academic accreditation.
- **League of Cities.** EcoGov and the Florida League of Cities (United States) co-sponsored the LCP’s Environmental Agenda Updating Session. We provided technical input and suggestions for improving LCP advocacy on FFM, CRM, and UEM. EcoGov and the LCP agreed to further cooperation to address waste policy issues and to incorporate the LCP when EcoGov trains partner cities in biodegradable disposal.
- **League of Provinces.** EcoGov pushed the LPP to prioritize solid waste management on its action agenda. EcoGov agreed to update the LPP on our efforts to promote clustering of LGUs for disposal facilities in Bohol and South Cotabato.
- **SWAPP.** Following efforts started by USAEP/Ventures for Asia, EcoGov provided advice on organizational strengthening for SWAPP.
- **Philippine Watershed Management Coalition (PWMC).** The team began discussions with this organization for further collaboration especially in the plan to conduct a multi-sectoral assessment of forest management in declared watershed reservations.

### *c. Implementation Problems and Proposed Resolution*

A central approach of the GoAd team is to generate *buy-in* from GRP counterparts at all levels. Sometimes, the willingness of our partners to collaborate is limited by current political events or other factors, as demonstrated by our experience from the past quarter.

- The delay in the confirmation of the DENR Secretary led to uncertain leadership in the DENR Regional Offices, Forest Management Bureau (FMB), Environmental Management Bureau (EMB), Mines and GeoSciences Bureau (MGB), and the National Solid Waste Management Commission (NSWMC), thereby requiring further time from our team to deliver briefings and generate buy-in. As a resolution to this, EcoGov will continue to work closely with technical counterparts, and we will continue to push for the issuance of Regional DENR Special Orders and LGU Executive Orders [which memorialize organizational direction and counterpart contributions even when leadership changes.]
- The LMP, LCP, and LPP move at a slow pace due to political concerns, limited technical capacity, and difficulty in collecting membership fees. However, these organizations are crucial, as they should be advocates for the needs of municipalities, cities, and provinces. EcoGov’s plan is to help them determine what kind of environmental policy advocacy they can support, what good environmental governance best practices they can help disseminate to their members, and what capability building activities they can “broker or facilitate” for the benefits of their members.
- Like the Leagues, the theme networks – SWAPP and PWMC – are also struggling with their roles and cite the constraint of limited and uncertain funding. EcoGov is helping them settle on their role as advocacy organizations, and also plans to facilitate their transition into service provider organizations that build the capacity of their constituents.

### *d. Objectives for the Next Quarter*

#### **Governance Index**

- Provide feedback to LGUs on the results of the governance index.
- Incorporate results of governance index into sector and regional plans.

### **Support to Regional Offices for Implementing Sector Activities**

- Complete planned IEC training for remaining clusters in western Mindanao (one), southern Mindanao (two), and Central Visayas (two).
- Finalize and disseminate IEC materials on FFM (FLUP implementation), CRM (fishery registration and licensing, law enforcement, MPA networks, and Fish BE model), and solid waste management (SWM) (composting for point sources).
- Complete study of informal waste management sector in central Mindanao and disseminate study method to other regions.
- Promote inclusion of EcoGov concepts in Aurora Environment Code and provide organizational assistance to Baler Bay cluster of LGUs.
- Promote clusters of LGUs within the larger IBRA 9 CRM framework.
- Assist Sarangani Province in strengthening holders of CBFMAs.

### **Collaboration with the National Partners and Networks**

- **DENR.** Together with the Protected Areas and Wildlife Bureau (PAWB) and FMB, explore role of non-government organizations (NGOs) (e.g., Foundation for the Philippine Environment) in assessing, monitoring, and promoting increased support for on-site protection and management of protected areas in EcoGov regions.
- **LMP.** Assist LMP to formalize partnership with Development Academy of the Philippines (DAP) and deliver first module of the Mayor's Development Center.
- **LCP.** Conduct a policy dialogue on SWM reforms and conduct "training of trainers" on disposal management.
- **LPP.** Conduct orientation on how the LPP can better assist provinces to develop LGU clusters for SWM.
- Promote media coverage of work efforts and problems faced by EcoGov partner LGUs, and submit at least one article per month for publication in a national or local newspaper and other relevant medium.

*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 listed in Quarterly Report No. 2, the expected outputs in this sector for Quarter No. 3 were as follows.

<b>Expected Outputs</b>	<b>Status</b>
Train FLUP core teams in each LGU cluster	Ongoing
Sign MoA for watershed planning with Davao City and DENR-R11	Accomplished
Characterize six watersheds surrounding Zamboanga City and prepare thematic maps	Plans altered
Sign MoA for co-management of six watersheds surrounding Zamboanga City	Delayed
Complete MoA for Arco Watershed (Lamitan)	MoA prepared
Begin discussions with DENR-ARMM for IRR of MMAA 161	Accomplished

The team added two further work efforts for the past quarter which were not listed in the last quarterly report:

- Complete FLUPs started under EcoGov 1 in northern Luzon and southern Mindanao.
- Conduct tenure assessments for FFM LGUs.

*b. Summary of Accomplishments and Activities*

The FFM team has made considerable progress toward the targets list in the EcoGov 2 Performance Monitoring Plan of April 1, 2005, as shown in the table below. It is clear that the current EcoGov 2 sites could at least contribute up to 71% of the target area for improved management of natural forests. The remaining areas will come from LGUs who have not completed their tenure assessment such as those in North Cotabato, Davao City, and expansion areas in Nueva Vizcaya, Davao del Sur (Mt. Apo Protected Area), Sarangani, Ifugao, and Bumbaran, Lanao del Sur.

Province	Potential hectares of natural forest for improved management (based on tenure assessments)	Potential hectares of productive forestlands
Quirino	113,913	1,722
Nueva Vizcaya	17,382	2,397
Cebu	1,121	9,240
Bohol	637	305
Negros oriental	5,299	10,000
Sarangani	15,197	600
Sultan Kudarat	10,982	200
Lanao del Sur	12,529	
Basilan	3,610	50
<b>Total</b>	<b>180,670</b>	<b>24,514</b>
Target	254,670	14,000
Percentage	71%	175%

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**

- FFM and policy specialists conducted trainings on tenure assessment with FLUP teams in each EcoGov region. The results of these trainings were assessments of four to six tenure-holders in each host LGU, most of which hold CBFMAs. The results of these assessments show, in general, that the people's organizations which hold CBFMAs need improved organizational and financial capacity to properly manage their forest lands.
- FFM and policy specialists met with DENR counterparts in June to discuss the NIPAS IRR. (Members of the national technical working group composed of DENR/PAWB, EcoGov Project, and other DENR relevant offices will meet on August 20-22, at which EcoGov will make various presentations that suggest policy recommendations to improve governance of protected areas including MPAs.)
- In response to request in EcoGov 1 and during the ADB Forestry Policy Forum, the FFM and policy specialists assisted the Congressman Agbayani of the House of Representatives in the drafting of a forest lands co-management bill for Nueva Vizcaya. Our team is working closely with the key staff of Nueva Vizcaya Representative (and former Governor) Agbayani, and the bill reflects the experience from that province.
- The team participated in the Asian Development Bank (ADB) Forestry Development Forum and agreed to work with Director Marcial Amaro of DENR/FMB to assist in development of an omnibus forestry policy that provides IRR of the EO 318 which promotes sustainable forestry in the Philippines. The Forum identified priority actions that concur with those of EcoGov.

- The team began discussions with Mediators Network for Peace (MedNet) to conduct training in alternative dispute resolution for DENR's Land Management Bureau.

### **FFM Accomplishments – Northern Luzon**

- The DENR Region III Director approved the FLUP of Baler, Aurora. This means that the LGU and DENR could now jointly oversee and monitor forest management activities of various tenure holders within the LGU and address issues on property rights and conflicts in open access forest lands.
- The Sangguniang Bayan of Quezon, Nueva Vizcaya legitimized the FLUP, from which point it has been submitted to the DENR for review and approval. Part of the LGU legitimization includes a commitment to fund yearly budgetary needs for implementing the FLUP.
- Other FLUPs are in various stages of completion. (1) The draft FLUP of Diffun was completed and is ready for presentation to the SB. (2) The draft FLUP of Dupax del Sur, Nueva Vizcaya was revised to account for recent revised land classifications and to incorporate the input of students from Nueva Vizcaya State University. (3) Aglipay and Cabarroguis of Quirino continue to draft their FLUPs.
- The provincial government of Nueva Vizcaya and representatives from the DENR-CENROs formed provincial FLUP core teams at project urging; and the Office of the Governor in Aurora has agreed to organize a similar team in that province.
- As part of the LGU's commitment to implement its approved FLUPs, the municipality of Maddela created a Municipal Environment and Natural Resources Office (MENRO), and Nagtipunan (Quirino) and Quezon (Nueva Vizcaya) are now considering creating their own MENROs, as well.
- Completed tenure assessment training in Quirino, Nueva Vizcaya on April 13-15 with the municipalities of Nagtipunan and Maddela (both of Quirino), and Dupax del Sur and Quezon (both of Nueva Vizcaya). DENR personnel were active participants. . As part of their practicum course, forestry students of Nueva Vizcaya State University assisted in the tenure assessment and even in the FLUP review of Dupax del Sur.
- Completed tenure assessment training from June 15-17 with representatives of Aglipay, Cabarroguis, and Baler, with provincial government representatives from Quirino and Aurora, and DENR personnel
- The Quirino Protected Landscape Protected Area Management Board passed a resolution adopting the FLUP process as a formal mechanism for identifying areas suitable for community management.

### **FFM Accomplishments – Central Visayas**

- Completed tenure assessment training in Dumaguete (Negros Oriental) on May 11-13 with the municipalities of Bayawan City, Sta. Catalina, and Dauin. DENR-CENRO and Region VII personnel participated. The report of the tenure assessment from Sta. Catalina is now being consolidated.
- Completed tenure assessment training in Dalaguete (Cebu) on June 22-24 with the FLUP core teams of Dalaguete, Alcoy, and Toledo City.
- Completed tenure assessment training in Dumaguete on June 28-30 for Bais City, Tanjay City and La Libertad.
- On May 9, EcoGov facilitated the signing of both a MoA between the municipality of Dauin (Negros Oriental) and the Philippine National Oil Corporation (PNOC) for the co-management of the watershed reservation.
- Facilitated signing of joint FLUP implementation MoA for San Miguel (March 30), Talibon (March 30), and Dauin (May 9).

### **FFM Accomplishments – Central and Southern Mindanao**

- Distributed maps in digital format and paper copies showing land cover for every province on Mindanao, and showing tenure instruments and settlements for EcoGov work areas.
- Completed the draft MMAA 161 IRR with the ARMM DENR FMB. (This draft will be released for provincial consultation in July, with a target signing in mid-August.)
- Completed tenure assessment trainings for municipalities of Sarangani (Maitum and Maasimin) and Sultan Kudarat (Lebak and Kalamansig). The training included forestry students from Mindanao State University (MSU)-Marawi, MSU-Maguindanao, Central Mindanao University (CMU)-Musuan, Bukidnon, Cotabato City State Polytechnic College (CCSPC)-Cotabato City, and the University of Mindanao. Maitum has already completed its draft tenure assessment.
- Formed FLUP provincial core team in Sarangani Province with representatives from the province and DENR Provincial Environment and Natural Resources Officers (PENROs) and CENROs.
- Conducted orientation on FLUP formulation for the Sarangani municipalities of Alabel and Glan.

- Held series of discussions with Governor of Sarangani and CBFM POs, leading to the signing of a MoA for provincial wide forest land use planning that integrates the FLUPs of municipalities.
- Signed MoA with DENR Region 11 and Davao City for watershed management.
- Completed draft MoA with DENR for joint FLUP implementation with Kidapawan City and Makilala.

#### **FFM Accomplishments – Western Mindanao**

- Conducted a training on tenure assessment for FLUP core members in Isabela City and Lamitan, both of Basilan. The training included DENR representatives from CENRO, PENRO, and Regional offices.
- Completed tenure assessment for Isabela City, as well as the delineation survey and mapping of the city’s co-management area.
- Conducted orientation on FLUP formulation for the municipalities of Ipil, Tungawan, and RT Lim, all of Zamboanga Sibugay.
- Finalized the MoA for the Arco Watershed between the Lamitan Water District, the municipality of Lamitan, DENR-ARMM-CENRO, the barangay of Arco, and a local CBFM people’s organization. The MoA states the willingness of each party to negotiate and institutionalize a user’s fee system that will generate revenues for the protection and management of the watershed, which is under the CBFMA area of the people’s organization. (Signing will occur with the appointment of a new manager for the Lamitan Water District.)

#### ***c. Implementation Problems and Proposed Resolution***

- Changes in DENR leadership positions – FMB, Region 2, Sarangani Province – have required added effort on the part of the EcoGov team to orient these new counterparts. To mitigate this problem in the future, EcoGov will prepare standard orientation material to brief new counterparts, and we will ask DENR and LGU offices to write special or executive orders to ensure continuity of effort beyond periodic changes in personnel.
- The tenure assessments that we have facilitated show that most CBFMAs, Certificates of Ancestral Domain Claims (CADCs), watershed reservations, and declared protected areas still suffer from “open access” and are not yet under effective management. The project views this not as a negative finding, per se, but as an indicator for adaptive management. We will work with FMB, PAWB, theme networks, and credible NGOs to further support the ability of local tenure holders to manage their forest lands and protect against illegal logging and encroachment.

*d. Objectives for the Next Quarter*

- Complete assessment of tenure holders in all EcoGov sites and coach partner agencies (e.g., DENR and provincial government) on conducting tenure assessments for non-EcoGov LGUs.
- Complete reports of assessments of tenure holders and present outputs to respective LGUs.
- Complete the three LGU FLUPs in Northern Luzon that were started by EcoGov 1.
- As follow-up to tenure assessments, deliver targeted training to selected LGUs.
- Advocate for signing of MMAA 161 IRR.
- Make suggestions to NIPAS IRRs to better enable communities and LGUs to manage important ecological zones.
- Assist in development of Omnibus Forestry Regulations of the DENR/FMB.
- Continue assistance in drafting bill for forest lands co-management.
- Assist Sarangani in replicating the FLUP process throughout the province.
- Assist Davao City with planning and implementation of watershed management activities.

*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.

## 2.3. Improved Coastal Resources Management

### a. Expected Outputs for the Quarter

As listed in Quarterly Report No. 2, the expected outputs in this sector for Quarter No. 3 were as follows.

Expected Outputs	Status
Establish marine sanctuaries in San Luis and Dipaculao with FUNDESO-ASCOT	Dipaculao accomplished San Luis delayed
Conduct study tour from Baler to Batangas to view MPAs	Accomplished
Collect data from Baler Bay for FISH BE model	Ongoing
Improve enforcement programs in Danao, San Francisco, Poro, and Tudela	Accomplished
Promote fisheries database management and data analysis in Danao, San Francisco, Poro, and Tudela	Accomplished
Include representatives from Lebak and Kalamansig in Western Mindanao training events	Canceled and alternative provided
Collaborate with Philippine Canada Development Fund on fisheries law enforcement in IBRA 9	Output mis-stated in Q2 report
Conduct LGU training on fisheries law enforcement in IBRA 9	Accomplished
Conduct bay-wide mapping of fisheries violations in IBRA 9	Accomplished

### 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 CRM team has made considerable progress toward the targets listed in the EcoGov 2 Performance Monitoring Plan of April 1, 2005, as shown in the table below.

Province	Potential hectares of coastal area under improved management	Potential number of new MPAs and hectares of new MPAs under improved management	Potential number of existing MPAs and hectares of existing MPAs under improved management
Zamboanga del Sur	16,702: Tabina, Tukuran	2 MPAs / 40 ha: Dimataling, Dumalinao	4 MPAs / 310 hectares
Zamboanga Sibugay	12,480: Tungawan		3 MPAs / 1,109 ha
Basilan		2 MPAs / 40 ha: Lamitan, Isabela City	
Cebu	9,741: San Francisco, Danao City, Balamban	1 MPA / 20 ha: Pilar	4 MPAs / 183 ha: Poro, Tudela, San Francisco
Aurora	23,703: Dinalungan, Dipaculao	2 MPAs / 50 ha: Dipaculao, Baler	2 MPAs / 90 ha
<b>Total</b>	<b>62,626</b>	<b>7 ( 150 ha)</b>	<b>13 (1,692 ha)</b>
Target	106,700 ha	20 ( 400 ha)	50 ( 2,500 ha)
Percentage	59%	35% (37.5%)	26% (68%)

On a sector-wide basis, the team continued with its approach of promoting inter-LGU collaboration to create MPA networks, assisted in the development of LGU CRM and marine sanctuary plans, and refined the FISH BE model for application to MPA networks.

### **CRM Accomplishments – Northern Luzon**

- In order to deepen the technical understanding and strengthen the capability to implement the inter-LGU CRM plan in Aurora, EcoGov 2 designed and facilitated an exposure trip for the core groups on fishery law enforcement and marine sanctuary to Mabini, Batangas. There were 29 participants from the municipal LGU, SB, bantay dagat, people's organizations, and P-ENRO. The visit was co-funded by the Buhay na Tubig project of FUNDESO-ASCOT. The participants visited two MPA sites and held discussions with local marine sanctuary managers, bantay dagat, representatives from WWF and CCEF, and municipal and provincial officials.
- The project helped establish the Dibutunan marine sanctuary in the LGU of Dipaculao. Working with the municipal agricultural officer, a technical working group, and FUNDESO-ASCOT, we led creation of an action plan, helped form a core group, led the site selection process, and helped draft the initial marine sanctuary plan. Training sessions also included participants from the non-EcoGov LGU of Dinadiawan.
- The Team assisted the technical working group of Baler and FUNDESO-ASCOT to identify, determine, and design a marine sanctuary protection and management system in Aniao-Digisik.
- Further refined inter-LGU plans for fisheries, marine sanctuaries, and coastal resources for EcoGov-assisted LGUs in Aurora. There are now strategies for (a) improving registration and licensing processes through a unified ordinance and one-stop shop approach, (b) fish catch monitoring, and (c) systematization of data collection and reporting for fishery law enforcement. In addition, the refinement of the plans included mapping and inventory of resource uses (i.e., stewardship agreements, protected areas, and tourism development zones) in the foreshore and adjacent land areas.
- As part of implementing the inter-LGU fisheries management plan, San Luis, Baler, and Dinalungan each issued executive orders establishing and designating members of respective municipal monitoring, control, and surveillance committees to lead local enforcement activities.
- The Aurora Provincial Governor issued an executive order creating an inter-LGU CRM committee, which then met for the first time in April. The CRM committee will oversee, mobilize support, and coordinate LGU CRM activities in the province.

### **CRM Accomplishments – Central Visayas**

- Resulting from several workshops and stakeholders consultations, the team assisted Balamban in drafting its CRM plan and municipal ordinance. The documents are in various stages of review by the SB while the mayor negotiates issues of contested municipal waters with the neighboring LGU of Asturias
- The local chief executives of the Camotes Island LGUs of Poro, Tudela, and San Francisco all issued executive orders formalizing the appointment of staff to oversee implementation of CRM plans.
- Working with the Region VII BFAR, the team assisted in the training and deputation of fish wardens for the Camotes LGUs.
- The team assisted in the restructuring of the Tudela and San Francisco bantay dagat to improve their effectiveness in enforcement.
- The team led sessions on fishery registration for stakeholders in Danao City, Tudela, San Francisco, and Poro, solicited feedback, and monitored the actual registration process in order to make suggestions for improvement.
- As part of our IEC efforts, the team worked with PLAN International in Poro to train school children age nine to twelve as “Little Fish Wardens.” To date, 105 children from nine elementary schools have participated.
- The team completed monitoring and evaluation and biophysical benchmarking surveys of three marine sanctuaries in the LGUs of Poro (Esperanza) and Tudela (Puertobello and Villahermosa).
- The team worked with two adjacent barangays to establish the Pilar Municipal Marine Park. The team conducted transect surveys and led community discussions of the results. We then facilitated the technical working group as it drafted an implementation plan. (The two barangays are scheduled to prepare a joint resolution endorsing the formal establishment of the MPA to the Pilar SB.)
- The team held discussions on how the project can support the BFAR Region VII provincial fisheries officer and the Coastal Law Enforcement Alliance for Region VII (also called CLEAR-7, an effort started by the now-ended USAID CRMP project).

### **CRM Accomplishments – Central and Southern Mindanao**

- Representatives of Lebak and Kalamansig were supposed to have participated in the fishery law enforcement training in Pagadian. Unfortunately, they were unable to secure either LGU approval or funding for their travel. Instead, EcoGov sent its

Ipil/Zamboanga-based CRM specialist to those LGUs and helped them to complete participatory mapping of fishery violations and develop action plans.

### **CRM Accomplishments – Western Mindanao**

- Governor Cerilles of Zamboanga del Sur created the IBRA 9 Fisheries Law Enforcement Team (FLET), with representation from thirteen agencies under the direction of the Philippine National Police (PNP) provincial director. The team has two patrol boats from BFAR, one from the PNP, and one from the city government of Pagadian.
- In support of the FLET, the EcoGov team led fisheries violation mapping exercises in eight LGUs (Tukuran, Labangan, Pagadian City, Dumalinao, San Pablo, Dinas, Dimataling, Tabina). Each of these exercises included participants from DENR, the provincial agricultural office, PNP, bantay dagat, and LGU officials.
- The team conducted fisheries law enforcement training in Pagadian from May 17-20 in collaboration with the USAID/FISH Project, BFAR, and PNP. The thirty six participants came from eight of the municipalities in the Illana Bay area. Topics included fish identification and examination, boarding, apprehension, evidence handling, and preparation of affidavits.
- Subsequent to the training, PNP reported 29 apprehensions for such violations as no permit, no boat license, and the use of illegal methods. Anecdotally, the Coast Guard reported fewer incidences of piracy and an increase in the registration and licensing of commercial fishing vessels and workers.
- The LGU of Tabina held its 2nd Annual Coastal Resource Management Day and Sakayanon Festival on June 24. The event included the showing of a film on marine sanctuaries and various contests related to CRM. The theme of the data was *Kabahin ka, Kauban ka sa pagdumala ug pag-amping sa dagatnong bahani* (you are a partner in the management and protection of our coastal and marine resources). EcoGov 2 did not contribute directly to this event; however, Tabina is an LGU with which we began working on EcoGov 1. The LGU held the event this year of its own accord, demonstrating its continued commitment to CRM issues and indicating the sustainability of the EcoGov approach.
- Working with DENR and provincial agricultural office partners, formed and trained MPA core groups in Dimataling and Dumalinao.
- The team continued to guide the LGUs of Tungawan, Naga, RT Lim and Payao in implementing their CRM/MPA plans with the following results:
  - Tungawan reported six apprehensions for violations of the marine sanctuary.
  - Tungawan established a new MPA in Pulo Piña, for which the team completed biophysical benchmarking. EcoGov 2 did not contribute directly to this effort –

the LGU created the MPA on its own, indicating the replication of an EcoGov-inspired approach.

- The team trained Pulo Piña sanctuary managers in reef and fish assessment.
- The LGU of Naga passed an ordinance on May 9 establishing a marine sanctuary and passed resolutions creating a management board and office.
- RT Lim designated a watchman to guard its marine sanctuary, established a small mangrove nursery, and conducted IEC activities on the importance of the sanctuary and mangrove planting and protection.
- The team led orientation sessions on marine sanctuaries in the Basilan LGUs of Lamitan, Isabela City, and Siay.

### *c. Implementation Problems and Proposed Resolution*

- Almost all eight of the municipal LGUs in IBRA 9 suffer from low overall budgets and show low willingness to commit more development funds to CRM issues. For example, Tungawan budgeted only ₱100,000 (less than USD 2000) for the entire year to implement its coastal, fisheries, and marine sanctuary plans. The EcoGov team will respond by trying to raise LGU awareness on the socioeconomic benefits of better coastal and fishery management and by advocating for greater financial commitment on the part of the LGUs.
- Seaweed farmers continue to operate with the marine sanctuaries of Naga, Payao, and RT Lim, in defiance of agreements and ordinances. EcoGov will discuss relocation and livelihood alternatives with the LGUs.
- Lack of awareness and encroachment remain a problem for most sanctuaries. For example, Payao has no bantay dagat for enforcement. We expect CRM team efforts to focus more on IEC and advocacy as a response.
- Creation of MPA networks from multiple LGUs remains a challenge due to transaction costs. EcoGov will try to work with provincial authorities to support such networks and lessen the transaction costs. Also, by working with provincial authorities and networks, we hope to leverage funds from business groups and levels of government larger than the LGUs themselves.

### *d. Objectives for the Next Quarter*

#### **Coastal Areas Under Improved Management**

- Facilitate and document implementation of key activities of the legitimized CRM and fishery management plans in at least two LGUs toward meeting indicator listed in EcoGov Performance Monitoring Plan.

- Promote legitimization of Balamban CRM plan and facilitate initial implementation activities.
- Prepare the fisheries profiles for appropriate LGUs in Zamboanga del Sur and Zamboanga Sibugay.
- Conduct enforcement training and related IEC for Camotes LGUs.
- Assist in deputation of fish wardens in Aurora and Zamboanga Sibugay.
- Develop fishery registration and licensing database for Camotes LGUs.
- Conduct multi-LGU workshops on fishery registry and licensing in Zamboanga del Sur and Zamboanga Sibugay.
- In collaboration with USAID/FISH project, sponsor a national-level workshop on enhancing compliance in fishery registry and licensing.
- Provide technical inputs to Aurora's provincial Physical Framework Plan and Environmental Code of Aurora Province.
- Assist Davao City to develop coastal zoning and CRM plans.
- Propose revisions to NIPAS IRR to provide more options for the protection of certain marine areas under the framework of the Fisheries Code.

#### **Establishment of New Marine Protected Areas**

- Complete formulation of plans for four new marine sanctuaries and continue assistance for establishment of new sanctuaries in Western Mindanao.

#### **Strengthening of Existing Marine Protected Areas**

- Conduct training on participatory monitoring and evaluation of MPAs in Dinalungan and Dipaculao.
- Promote inter-LGU sharing of experiences on management of marine sanctuaries in Zamboanga Sibugay.
- Lead national workshop in Cebu from July 4-7 on establishment of MPA networks, with particular focus on scheme for sustainability such as financing, coordination, and monitoring and evaluation.
- Gather data in Zamboanga del Sur and Aurora as part of effort to make FISH BE appropriate for MPA networks.

*e. Status toward Achieving Sustainability of Efforts*

The CRM team actively sought participation of partners from the DENR, provincial agricultural offices, and fishing communities to institutionalize its methods. The team mentored and coached counterparts so that they can carry out implementation activities on their own.

**2.4. Improved Waste Management**

*a. Expected Outputs for the Quarter*

As listed in Quarterly Report No. 2, the expected outputs in this sector for Quarter No. 3 were as follows.

<b>Expected Outputs</b>	<b>Status</b>
Continue review of RA 9003 with national counterparts	Accomplished
Support NSWMC and DENR in drafting administrative orders and memorandum circular on waste management	Ongoing
Support Solano, Dupax, and Ma. Aurora with presentation of ISWM plans to ESWM board and SB (northern Luzon)	Plans being completed before presentation
Conduct study tour for Lebak and Kalamansig (central Mindanao)	Accomplished
Conduct training on composting, disposal management, toxic and hazardous waste management, and wastewater management in selected LGUs	Accomplished

The team added one further work efforts for the past quarter which was not listed in the last quarterly report:

- Conduct rapid wastewater management appraisal of select LGUs in southern Mindanao and Central Visayas.

*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 part of the joint workshop between the members of the NSWMC and key EMB staff, the Team recommended the IRR of RA 9003 be amended to (a) allow for phased compliance on meeting the strict requirements of the law, and (b) reconsider the process requiring that every single ISWM plan in the country be reviewed and approved by the NSWMC. EcoGov provided a legal and technical justification for its recommendations.

- The UEM team provided a half-day orientation to the DENR/National Capital Region describing the EcoGov approach to sector targets and how we help LGUs comply with RA 9003.

#### **UEM Accomplishments – Northern Luzon**

- Assisted LGUs in the provinces of Quirino (Maddela), Nueva Vizcaya (Solano, Dupax Norte), and Aurora (Ma. Aurora) to draft ISWM plans.
- Trained representatives from eleven LGUs and eight partner organizations (e.g., DENR, provincial government, academic institutions, civil society) on correct composting technologies and crafting and implementing right ordinance, segregated collection system, information and dissemination campaign, and enforcement in each of the LGUs.
- Trained representatives from eleven LGUs and eight partner organizations (e.g., DENR, provincial government, academic institutions, civil society) on disposal management – environmentally-sound practices for shifting from open to controlled dumps, and identifying and assessing suitable disposal sites that could be the basis of DENR and the LGUs to cluster, enter into joint ventures, and explore other schemes for financial viability.
- One Solano-based EcoGov UEM team member attended a training on wastewater management from May 11-13 led by the USAID Local Initiatives for Affordable Wastewater Treatment (LINA) project.

#### **UEM Accomplishments – Central Visayas**

- The team conducted training on composting for the Negros Oriental LGUs of Bais City, Tanjay City, Amlan, San Jose, and Pamplona. This was, and will continue to be, followed up with mentoring by the EcoGov team to encourage the LGUs to follow through with what they learned in the training.
- Trained representatives from ten LGUs and seven partner organizations (e.g., DENR, provincial government, academic institutions, civil society) on disposal management. The result is that the LGUs are searching for suitable sites and considering clustering, joint ventures, and other schemes for financial viability. In particular, eight LGUs on Bohol are discussing a clustered waste site within the municipality of Albuquerque.
- Trained representatives from nine LGUs and eight partner organizations (including DENR, the Department of Health, and provincial government) on toxic and hazardous waste management.
- Conducted rapid wastewater management appraisals of selected hospitals, markets, and slaughterhouses in Bayawan, Bais City, Tanjay City, Panglao, Dauis, and Tagbilaran over two separate trips in May. The team then presented the findings to

the Negros Oriental cities in June, showing that the problems at such point sources are relatively easy to address. All of the cities expressed interest and commitment to work with EcoGov to address problems at these facilities.

#### **UEM Accomplishments – Central and Southern Mindanao**

- The project signed an MoA with Davao City and made all preparations in advance of signing an MoA with the provincial government of South Cotabato to address UEM issues such as completion of solid waste management plans, meeting the waste diversion targets, and gradual shift to open dumps to managed disposal facilities.
- The team is in the process of assisting two LGUs in Sultan Kudarat (Lebak and Kalamansig) and one LGU in Lanao del Sur (Wao) develop their ISWM plans.
- The team conducted training on composting for seven LGUs and six partner organizations. This was, and will continue to be, followed up with mentoring by the EcoGov team to encourage the LGUs to follow through with what they learned in the training.
- Trained representatives from seven LGUs and six partner organizations (e.g., DENR, provincial government, academic institutions, civil society) on disposal management. The government of South Cotabato, in particular, has made efforts to promote a clustered waste site within the province and to consider schemes for financial viability.
- Conducted rapid wastewater management appraisals of selected hospitals, markets, and slaughterhouses in General Santos, Koronadal, Kidapawan, and Tacurong City. The findings show that the technical problems at such point sources are relatively easy to address. The bigger challenges are increasing public awareness of constituents and local leaders on the negative impacts of untreated wastewater on environment and public health. Almost all of the LGUs are able to finance the required facilities and implementation costs of managing waste water from public market, slaughterhouses, and hospitals.

#### **UEM Accomplishments – Western Mindanao**

- The team conducted training on composting for five LGUs and six partner organizations. This was, and will continue to be, followed up with mentoring by the EcoGov team to encourage the LGUs to follow through with what they learned in the training.

### *c. Implementation Problems and Proposed Resolution*

- The UEM team has had difficulty in finding and keeping trained personnel; moreover, the sheer volume of LGUs requiring assistance requires more personnel than the team can provide. In response, we will explore the possibility of engaging institutional local service providers (LSPs) to assist clusters of LGUs. Ideally, the LGUs will contribute toward paying for such LSPs.
- National and regional DENR personnel have very few staff with limited technical ability to assist LGUs in complying with RA 9003, thereby undermining some of the processes we have begun. EcoGov will train DENR and provincial partners to better enable them to act as service providers to LGUs seeking to comply with the law.
- Sellers of composting technologies may be convincing LGUs to purchase hardware for which they are not ready. For example, Tacurong City and Zamboanga City both have dramatically installed composting facilities but are largely under-utilized with respect to their capacities to compost bigger biodegradable volumes. The project will attempt to guide LGUs in the purchase or use of more appropriate technologies.

### *d. Objectives for the Next Quarter*

- Coach and mentor LGUs who are still writing ISWM plans.
- Coach and motivate LGUs attempting to follow through with composting, disposal, and toxic and hazardous waste activities.
- Complete technical reports related to rapid wastewater management assessment and present these to remaining LGUs in Bohol and southern Mindanao.
- Execute MoAs with at least three LGUs to implement simple wastewater mitigation measures at selected point sources.
- Assist the NSWMC and DENR in drafting amendments to the IRR of RA 9003.
- Provide advice to the DENR (region and province) and the Province of Bohol for the ongoing negotiations on development of a clustered sanitary landfill serving the LGUs of metropolitan Tagbilaran.
- Design a training module for select DENR counterparts to better enable them to assist LGUs in ISWM planning.

*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.

**2.5. Municipal Investment in Sanitation**

*a. Expected Outputs for the Quarter*

As listed in Quarterly Report No. 2, the expected outputs in this sector for Quarter No. 3 were as follows.

<b>Expected Outputs</b>	<b>Status</b>
Complete basic financial analysis of all partner LGUs	Accomplished
Use model to determine appropriate user fees and LGU subsidies in select LGUs	Ongoing
Conduct detailed financial analysis for several LGUs	Ongoing

*b. Summary of Accomplishments and Activities*

The Municipal Finance 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. As this is still a relatively new sector for EcoGov, the team’s efforts are best reviewed from a project-wide or thematic standpoint, rather than from any one geographic region.

**Financial Assessment of LGUs**

- The team used official government data sources to complete a desktop report of the finances of the 79 EcoGov-assisted LGUs. The review assesses the ability of these LGUs to service debt and acquire funds for specific projects. The report ranks the LGUs by various financial indicators, which will enable EcoGov to prioritize LGUs for certain projects and technical assistance. The report was presented to the EcoGov team and USAID personnel in June.
- In preparation for a follow-up work resulting from the desktop financial analysis of LGUs, the team drafted a survey instrument for further analysis of LGUs with strong financial indicators. The survey requires primary data collection individual interviews with the municipal planning and development officer, municipal treasurer, chief accountant, budget officer, and human resources officer in target LGUs. This instrument will be used in assessing further the financial capacities of LGUs who

have shown interest to invest in waste water sanitation facilities, coastal and forest resources management.

### **Preparation of Toolkits for SWM Projects**

The municipal finance team worked closely with the UEM specialists to prepare a toolkit/workbook that guides LGUs through the development of their own SWM projects, particularly composting and disposal site development. The toolkit, when complete, will present prototype models that incorporate all the cost elements of a project: size, location, technology, capital goods, construction, operating expenses, and administrative costs. The toolkit will also cover procurement, contract award, and contract implementation. Such a toolkit will help LGUs to properly understand the cost implications of projects that it plans.

### **Rapid Wastewater Assessment**

- The municipal finance specialists participated in the wastewater management assessment to understand the cost magnitude of potential interventions and describe potential financing mechanisms for any choice the LGUs may make [to address discharge from hospitals, markets, and slaughterhouses.]
- The team presented its finding to the cities of Tanjay, Bais, and Bayawan. Findings show that each city has the capacity to finance the proposed projects based on high savings rates and limited debt. The team also discussed cost-recovery mechanisms through user fees and service charges.

### **Training on ISWM Implementation**

Municipal finance specialists contributed to several UEM training modules, specifically addressing financing options and financial feasibility of composting and disposal management projects. Specialists participated in the following UEM-led events:

- Composting workshop in Cauayan City (northern Luzon)
- Composting workshop in Dumaguete City, April 27-29 (Central Visayas)
- Disposal management training in Tagbilaran City, May 16-20 (Central Visayas)
- Composting workshop in General Santos City, May 9-12 (southern Mindanao)
- Waste disposal management training in Koronadal City, June 7-10 (southern Mindanao)
- Composting workshop in Zamboanga City, June 1-3 (western Mindanao)

Following the southern Mindanao workshops, the municipal finance specialist from Cotabato City delivered one-on-one training on the financing of composting project to counterparts from the municipalities of Isulan, Koronadal, Wao, and Tacurong.

### *c. Implementation Problems and Proposed Resolution*

The municipal finance team experienced no significant implementation problems this quarter.

### *d. Objectives for the Next Quarter*

- Finalize report on financial analysis of 79 partner LGUs.
- Based on the financial analysis report, begin to gauge the capacity of a subset of the following LGUs to implement sector-specific projects:

#### **Central Visayas**

Legitimized FLUP:	Dauin, Toledo City
Legitimized CRM plans:	Poron, Tudela, Danao City
Legitimized ISWM plans:	Alburquerque, Bais City, Bayawan City, Danao City, Jagna, Tabilaran, Talibon, Tanjay City

#### **Central and Southern Mindanao**

Legitimized FLUP:	Kalamansig, Kidapawan City, Maitum, Wao
Legitimized ISWM plans:	Isulan, Kalamansig, Kidapawan City, Koronadal, Lebak, Tacurong, Wao

#### **Western Mindanao**

Legitimized FLUP:	Isabela City
Legitimized CRM plans:	Tabina, Tukuran, Tungawan
Legitimized ISWM plans:	Buug, Ipil, Isabela City, Lamitan, Pagadian City

Second-level financial assessment of a subset of these LGUs will include individual meetings with several offices from each municipal government. In addition to the financial factors, assessments will also examine other factors relevant to an LGU's financial ability to implement specific projects (e.g., organizational structure, ordinances in place). For those LGUs which pass this second-level assessment, EcoGov will recommend specific courses of action toward the financing and implementation of individual projects.

- Complete contributions to the toolkit for composting and waste disposal projects, and use the toolkit to facilitate one-on-one coaching of selected LGUs.
- Collaborate with the UEM team in drafting MoAs with LGUs for implementing small wastewater mitigation efforts.

- Conduct a market study on recyclables in central and western Mindanao. Investigate current recycling and waste handling systems by the informal sector (e.g., junkshops, itinerant scavengers) in order to promote more robust trading and processing and even greater diversion of LGU waste stream into recycling.

*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 source their own financing. This has not yet been achieved.

**2.6. Management and Administration**

*a. Expected Outputs for the Quarter*

As listed in Quarterly Report No. 2, the expected outputs in this sector for Quarter No. 3 were as follows.

<b>Expected Outputs</b>	<b>Status</b>
Receive and install IT hardware and software	Accomplished
Seek and receive approval for two CRM specialists	Accomplished
Receive approval for international STTA for information technology installation and management information system	Accomplished
Receive approval for international governance specialist	Deferred/canceled
Sponsor participation of two Philippines citizens for summer study at UC Berkeley	Canceled

The anticipated need for an international governance specialist did not come to pass as the local specialists were able to complete the governance index report on their own.

The summer study at UC Berkeley was canceled because neither of the two participants were able to procure the correct visa (a J-1 student visa) prior to the start of the program.

*b. Summary of Accomplishments and Activities*

**Project Management**

- USAID approved the EcoGov 2 grant manual.
- The majority of IT hardware and software was imported into the Philippines and installed in EcoGov offices.

- The internal project management database, called TAMIS, was customized and installed, and all staff were trained in its use.
- The project sought and received approval, and then mobilized, the following domestic consultants: Cesar Villanoy (CRM), Sonny de Guzman (CRM), Erlinda Pajarito (UEM), Atanacio Almocera (UEM), and Yuleta Orillo (UEM). Of those, Ms. Pajarito is LTTA; all others are STTA.
- The project sought and received approval, and then mobilized, two internal short-term consultants from DAI's home office: Danijela Momirovic (IT) and Tanya Torres (TAMIS). In addition, DAI provided one additional TAMIS specialist, Damon Job, completely at home office expense.
- DAI received a formal ruling from the BIR declaring the EcoGov project to be a non-permanent establishment. This was an important step in enabling DAI to comply with ORP Notice Number 19 of January 2004, Compliance with Local Laws.

#### **Collaboration with other Donors, Projects, and Efforts**

- On June 9, 2005, EcoGov facilitated the launching and signing of the MoA for environmental programs between USAID, the DENR, and DILG. The project organized the signing ceremony in Davao City. In conjunction with that ceremony, EcoGov prepared a fifteen minute video on USAID-sponsored environment programs in the country. The video shows several USAID-supported projects in support of GRP and USG bilateral cooperation. The video is intended for use by EcoGov, USAID-supported projects, and GRP for future presentations to the public. The video consists entirely of footage previously shot by EcoGov and other USAID-sponsored project. Also at the ceremony, the project signed MoAs with Davao City and the province of Sarangani.
- The EcoGov chief of party, Ernie Guiang, presented a project overview to the DENR expanded executive committee in May. This committee consists of the Secretary, undersecretaries, assistant secretaries, bureau directors, and regional executive directors.

#### ***c. Implementation Problems and Proposed Resolution***

- The project has had difficulty fielding high-quality UEM specialists in project locations. Moreover, there are far more LGUs requiring assistance with ISWM planning and implementation than EcoGov can service. As a result, the project will make a concerted effort to engage institutional local service providers – in essence, subcontractors – who can respond to EcoGov on an indefinite quantity basis.

- Operations from Cotabato City continue to be difficult. On April 29, USAID recommended that all personnel evacuate to Davao City to avoid protests against USAID and USG projects. Moreover, the majority of partner LGUs in the region are at least three hours' travel time from Cotabato City. At the present time, most EcoGov 2 activities in the region are near General Santos City or Koronadal City, which is also the government center of Region XII. We are considering downsizing the office infrastructure in Cotabato City, but still maintaining a presence, and relocating most personnel to General Santos City.

*d. Objectives for the Next Quarter*

- Begin process of EcoGov small grant awards.
- Identify and solicit proposals from institutional LSPs in anticipation of awarding subcontracts.
- Participate in USAID-DENR review of all grants and contracts under the SO4 program.
- Hold consultations with DENR on EcoGov work plan (August).
- Prepare and submit work plan to USAID covering the period of October 1, 2005 through December 31, 2006. By contract, submission of the plan is due on August 30; however, as we would prefer DENR input, which will not be available until August, the submission date for this document may be later. We will advise the CTO of an expected schedule for submission of this document, and seek his concurrence, in August.
- Prepare first annual report (to be submitted in conjunction with fourth quarter report in October, 2005).
- Conduct performance review of all project personnel in preparation for individual contract renewals.
- Identify and select appropriate business outsourcing firm in order to comply with local law on the withholding of employee income tax.
- Seek and obtain ruling from Bureau of Internal Revenue declaring DAI/EcoGov 2 exempt from paying value added tax to the local suppliers of goods and services.
- Submit Property Management Program to USAID (submitted on July 11 and awaiting CTO comment or concurrence).