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Environmental Cooperation-Asia (ECO-Asia) Water and Sanitation/Governance 2006 Annual Report



Fiscal Year 2006 Annual Report

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Fiscal Year 2006 Annual Report
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SUMMARY

Under USAID contract number 486-C-00-05-00010-00, PADCO and its subcontractors implement the Environmental Cooperation – Asia (ECO-Asia) Water and Sanitation/Governance project in support of the Regional Environment Office (REO) of the USAID Regional Development Mission – Asia (RDM/A). Key program countries include: India, Indonesia, Philippines, Sri Lanka, Thailand and Vietnam. Under the ECO-Asia contract, PADCO is responsible for three major tasks:

- Component 1: Improved access to clean water and sanitation for the urban poor;
- Component 2: Cross-cutting initiatives to improve regional environmental governance and transboundary cooperation; and
- Component 3: Overarching program support.

During FY 2006, REO established and implemented the Strategic Objective (SO) of improved response to environmental challenges in Asia. In support of this objective, ECO-Asia developed a performance management plan (PMP) that included a series of indicators and targets measuring contract outcomes. As detailed in Table I (below), ECO-Asia achieved or exceeded all performance management targets for FY 2006.

For Task 1, ECO-Asia developed and initiated implementation of several pilot projects throughout the region, creating strong linkages with key regional partners, including the World Bank Water and Sanitation Program (WSP), Asian Development Bank (ADB), Southeast Asian Water Utilities Network (SEAWUN), and Association of Development Finance Institutions for Asia Pacific (ADFIAP).

In particular, ECO-Asia launched 12 water and sanitation pilot projects, which will ultimately result in improved access to water and sanitation for over 150,000 people in six Asian countries. These pilot projects and associated trainings engaged a wide range of stakeholders resulting in water utilities and cities adopting 14 new policies, laws and plans. More significantly, ECO-Asia designed these pilot activities to demonstrate innovative solutions for replication at both the national and regional levels. Other major accomplishments for Task 1 include the following:

- Developed a regional agenda on reaching the urban poor;
- Held first Regional Sanitation Summit in the Philippines, which will be replicated in Indonesia in 2007;
- Assisted Indonesia water utilities in improving operational efficiencies by adopting best practices in energy efficiency.

Under Task 2, RDM/A established the Asian Environmental Compliance and Enforcement Network (AECEN), a regional practitioner network promoting rule of law and environmental protection in Asia. Environment ministries from nine countries joined the network and appointed national coordinators. Singapore's membership this past year is significant in that its environmental ministry will serve as a mentor sharing experience with less developed counterparts. The ADB, OECD, World Bank, and other partners collaborate with USAID to support AECEN. Other major accomplishments include:

- Developed regional judicial action agenda on the environment;
- Drafted action plans to establish an environmental court and a compliance center in Thailand;
- Developed a national policy and administrative order establishing a national environmental water quality management fund in the Philippines;
- Adopted a plan of action on national environmental law enforcement in the Philippines;
- Completed national environmental compliance and enforcement assessments in India and Sri Lanka; and

- Developed draft environmental compliance and enforcement (ECE) indicators in the Philippines, Thailand and Vietnam.

Also under Task 2, ECO-Asia support for the MRC in 2006 led to the adoption of a new goal within the 2006-2010 MRC Strategic Plan for preventing and managing transboundary conflict. To support implementation of that new goal, ECO-Asia and MRC co-organized a consultation workshop of member countries to establish short-term priority actions and interventions in building human and institutional capacity. These priority actions included developing an inventory of existing or potential transboundary issues in the basin, developing a MRC Conflict Management Strategy, completing an institutional analysis of MRC and Member Country relationships, developing new conflict management mechanisms, developing common terminology in local languages, and providing regional conflict management tools and training.

For Task 3, ECO-Asia provided reporting and communications support for RDM/A, including a website (<http://usaid.eco-asia.org/>) and established exchanges and grant guidelines and systems. In launching ECO-Asia, PADCO put in place all necessary personnel, offices and administrative systems in six countries, including India, Indonesia, Philippines, Sri Lanka, Thailand, and Vietnam.

Table 1: FY 2006 PADCO Performance Management Plan Indicator Data

Indicator	Description		
		Targets FY 2006	Actuals FY 2006
SO: Improved response to environmental challenges in Asia			
SO 1	Number of policies and model actions applied and replicated	2	1
SO 2	Number of beneficiaries with improved environmental services	-	-
IR 1: Enabling Conditions Improved			
IR 1.1	Number of policies, laws, plans or model actions strengthened, developed, adopted, and/or implemented	23	27
IR 1.2	Number of non-governmental stakeholders engaged in environmental governance	26	45
IR 1.3	Number of sustainable financing mechanisms established, strengthened or facilitated	2	2
IR 1.4	Amount of funds from non-USAID sources mobilized and applied	\$366,000	\$384,521
IR 2: Human and institutional capacity strengthened			
IR 2.1	Number of environmental initiatives undertaken by civil society organizations	2	3
IR 2.2	Number of key national and local institutions with increased capacity	31	40
IR 2.3	Number of people trained	879	1,100
IR 3: Model actions demonstrated			
IR 3.1	Number of people with improved access to adequate safe water that meets sustainability standards	-	-
IR 3.2	Number of people with improved access to adequate sanitation that meets sustainability standards	-	-
IR 4: Regional platforms strengthened to catalyze and sustain change			

IR 4.1	Number of regional environmental platforms created or strengthened	3	3
IR 4.2	Number of new members in regional environmental platform	8	9

I. BACKGROUND

Under USAID contract number 486-C-00-05-00010-00, PADCO and its subcontractors implement the Environmental Cooperation – Asia (ECO-Asia) Water and Sanitation/Governance project in support of the Regional Environment Office (REO) of the USAID Regional Development Mission – Asia (RDM/A). Key program countries include: India, Indonesia, Philippines, Sri Lanka, Thailand and Vietnam. Under the ECO-Asia contract, PADCO is responsible for three major tasks:

Task 1: Improved access to clean water and sanitation for the urban poor;

Task 2: Cross-cutting initiatives to improve regional environmental governance and transboundary cooperation; and

Task 3: Overarching program support.

To implement Task 1, ECO-Asia collaborates with a range of regional partner organizations and networks to catalyze improved access to safe water and sanitation for the urban poor via advocacy, strengthened providers, improved policy frameworks, and financial mechanisms. Through pilot activities with water companies, municipalities and financial intermediaries, ECO-Asia achieves on-the-ground impacts that facilitate increased access to water and sanitation to the urban poor.

To implement Task 2, ECO-Asia works with regional partner organizations and networks on regional environmental governance priorities, including improved enforcement of environmental laws and conflict management in transboundary water systems. ECO-Asia achieves on-the-ground impacts in participating countries through pilot activities, primarily involving the Asian Environmental Compliance and Enforcement Network (AECEN) and the Mekong River Commission (MRC).

As part of Tasks 1 and 2, ECO-Asia identifies and develops best practices and success stories, and disseminates and replicates these experiences and outcomes through regional knowledge-sharing systems and networks. Under Task 3, PADCO provides program support for Task 1 and 2 activities, including performance monitoring and reporting, communications support, a small grants program, and an exchange program. In addition, PADCO provides support to REO by collecting and organizing performance monitoring information from other RDM/A environmental contractors, grantees, and other partners. PADCO also provides some communications and exchange support to REO.

This annual progress report summarizes the main activities undertaken to start-up the project and presents the major accomplishments of the three project components.

II. PROJECT START-UP, MISSION COORDINATION AND WORK PLANNING

For project start-up, PADCO mobilized key staff and established project operations in all ECO-Asia countries in conformance with all local legal requirements, including receiving a license from the Business Development Department of the Thai Ministry of Commerce to operate and provide services to USAID and securing work permits for expatriate staff. Through close collaboration with TAF and TCGI, PADCO established office operations, and developed all necessary administrative, financial and information management systems.

To present the preliminary work plan and share ideas on implementation, PADCO organized a two-day consultation meeting with RDM/A on November 7-8, 2005, in Bangkok. Based on recommendations from RDM/A at the November planning meeting, PADCO prepared a draft work plan, and convened a

regional consultation meeting on December 8-9, 2005, for representatives from bilateral missions, senior managers from the Asia Near East (ANE) and Economic Growth, Agriculture, and Trade (EGAT) bureaus, and international development partners. At the meeting, RDM/A and PADCO presented key elements of the work plan and facilitated discussion on strategies for cooperation between ECO-Asia and mission bilateral programs and regional programs, such as the Blue Revolution Initiative. Through group discussions, RDM/A and the bilateral missions defined priority activities and opportunities for cooperation under ECO-Asia.

Together with RDM/A, PADCO and TAF completed mission briefings to confirm cooperation strategies, met with core partners and identified project opportunities. Presented proposed country and regional activities and working relationships to key mission personnel and received feedback on cooperation and next steps. PADCO met with USAID collaborating partner projects to explore strategies for cooperation, including the Financial Institutions Reform and Expansion – Debt (FIRE-D) project in India, the Environmental Services Program (ESP) in Indonesia, the Local Initiatives for Affordable Wastewater Treatment (LINAW) project in the Philippines, and the Transparency, Accountability and Local Governance (TALG) project in Sri Lanka. Traveled to each ECO-Asia country with RDM/A to complete mission briefings, confirm cooperation strategies and identify potential activities.

III. WATER SUPPLY AND SANITATION

Through pilot projects and regional activities, PADCO demonstrated and disseminated innovative policies and practices in five program areas: (1) improved corporate governance and management by water service providers; (2) innovative models for expanding water supply to poor communities; (3) sustainable sanitation solutions; (4) improved enabling conditions for water and sanitation services; and (5) innovative financing mechanisms. PADCO developed these program areas with support from Allen Eisendrath from USAID/EGAT in May, 2006.

Sharing best practices and experience is at the heart of water and sanitation activities. Primary implementation strategies include:

- Piloting country interventions that lead to improved policies, practices and systems;
- Sharing and replicating experiences from pilots and other interventions through technical exchange, regional tools, and regional networks and organizations; and
- Leveraging resources and regional experience through cooperation with USAID bilateral country missions and international development partners.

PADCO deployed a range of program resources including targeted technical assistance, coordination support, small grants, exchanges, and communications support. In collaboration with program partners, PADCO applied these resources in an integrated mix to support policy formulation workshops, targeted studies, awareness campaigns, peer-to-peer exchanges, counterpart “twinning” arrangements, regional toolkits, regional forums and trainings, and communications tools.

Accomplishments

- Developed a regional agenda and preliminary country-based action plans via regional workshop that identify solutions for addressing constraints and challenges in expanding water services to the urban poor with national and municipal leaders, water service providers, and civil society representatives from Cambodia, India, Indonesia, Philippines, Sri Lanka, Thailand, and Vietnam.
- Conducted the first Philippine Sanitation Summit, which was attended by 300 participants. The Summit contributed to two related regional initiatives planned to accelerate progress in achieving sanitation and hygiene targets in Asia: the 2006 Regional Forum on Environment and Health and the

2007 East Asia Ministerial Conference on Sanitation. PADCO's exchange program facilitated the participation of delegates from Vietnam, Sri Lanka and Indonesia who will initiate similar activities in their home countries.

- Held a workshop on energy efficiency for water utilities in Bandung, Indonesia, which was the second in a series of activities of the ECO-Asia/ESP Energy Efficiency Program. Conducted the energy efficiency training, which was followed by an actual energy audit of the four PDAMs.
- Organized a hands-on training program on Social Marketing for Local Governments to support sanitation projects in target cities in the Philippines and Sri Lanka. During the training, the City of San Fernando presented preliminary results of a baseline knowledge, attitudes and practice survey on sanitation that was conducted among a random selection of 300 households.
- Launched pilot activity with the City of Pune, India, for implementation of an engineering and management upgrade of the water distribution to provide continuous water supply to a pilot portion of the city.
- Launched pilot activity in Bandung, Indonesia, for converting public taps into small-scale community run distribution systems.
- Launched pilot activity with the Local Water Utilities Administration (LWUA) in the Philippines, for the development of transitional loan packages.
- Launched pilot project in San Fernando, Philippines, supporting septage management and point-source pollution treatment.
- Launched pilot in Marikina, Philippines, supporting septage management, wastewater collection system and low-income community sanitation system.
- Launched pilot in Nuwara Eliya, Sri Lanka, supporting septage management and wastewater collection system.
- Launched pilot with Thailand Provincial Waterworks Authority focusing on reducing Non Revenue Water.
- Launched pilot in Bac Ninh, Vietnam focusing on reducing Non Revenue Water and customer relations.
- Worked with the Asian Institute of Technology to establish a center of excellence for water utility managers to promote effective leadership as a central factor in improving water services delivery.
- Organized an observation program for elected officials and sanitation specialists from Indonesia, Sri Lanka and Vietnam to sanitation projects in Valenzuela, Dumaguete and Muntinlupa, Philippines.
- Sponsored the participation of resource persons and participants to various regional water and sanitation workshops.
- Together with RDM/A, attended the Blue Revolution Initiative (BRI) meeting in Cairo to share ideas for collaboration with ECO-Asia and provide ideas. PADCO also joined the follow-on BRI meeting in Bangkok to discuss sub-regional implementation strategies.

Water and Sanitation FY06 Results Summary

Indicator	Description		
		Targets FY 2006	Actuals FY 2006
SO: Improved response to environmental challenges in Asia			
SO 1	Number of policies and model actions applied and replicated	1	1
SO 2	Number of beneficiaries with improved environmental services	0	0
IR 1: Enabling Conditions Improved			
IR 1.1	Number of policies, laws, plans or model actions strengthened, developed, adopted, and/or implemented	14	17
IR 1.2	Number of non-governmental stakeholders engaged in environmental governance	24	36
IR 1.3	Number of sustainable financing mechanisms established, strengthened or facilitated	0	0
IR 1.4	Amount of funds from non-USAID sources mobilized and applied	\$99,000	\$93,137
IR 2: Human and institutional capacity strengthened			
IR 2.1	Number of environmental initiatives undertaken by civil society organizations	2	3
IR 2.2	Number of key national and local institutions with increased capacity	10	14
IR 2.3	Number of people trained	524	574
IR 3: Model actions demonstrated			
IR 3.1	Number of people with improved access to adequate safe water that meets sustainability standards	0	0
IR 3.2	Number of people with improved access to adequate sanitation that meets sustainability standards	0	0
IR 4: Regional platforms strengthened to catalyze and sustain change			
IR 4.1	Number of regional environmental platforms created or strengthened	1	0
IR 4.2	Number of new members in regional environmental platform	0	0

IV. ENVIRONMENTAL GOVERNANCE

Asian Environmental Compliance and Enforcement Network

ECO-Asia established the Asian Environmental Compliance and Enforcement Network (AECEN), which is the regional practitioner network of national and sub-national environment agencies from Asian countries committed to improving environmental compliance and enforcement in Asia. ECO-Asia served as the AECEN Secretariat, providing technical and organizational support, and facilitated the membership of agencies from: India, Indonesia, People's Republic of China, Philippines, Singapore, Sri Lanka, Thailand, and Vietnam.

In FY06, primary activities included: preparing country enforcement and compliance program assessments, developing and implementing pilot activities, and organizing regional workshops and training. In particular, based on country assessments, ECO-Asia worked with member agencies to pilot innovative policies and practices at the country level and facilitate further adoption and dissemination through regional cooperation. ECO-Asia also catalyzed participation of other donors, including Asian Development Bank (ADB), Organisation for Economic Co-operation and Development (OECD), World Bank, Institute for Global Environmental Strategies (IGES) and International Network for Environmental Compliance and Enforcement (INECE).

FY06 Accomplishments

- Organized the first meeting of the Executive Committee of AECEN in Bangkok, which led to the finalization of the charter and agreement on the 2006 work plan. Participants included representatives from the People's Republic of China, Philippines, Thailand, ADB, and World Bank.
- Facilitated membership of agencies from: India, Indonesia, People's Republic of China, Philippines, Singapore, Sri Lanka, Thailand, and Vietnam.
- Organized workshop with the Supreme Court of Thailand and senior justices from Indonesia, Philippines, Thailand, and the United States on developing environmental courts; the Supreme Court of Thailand announced plans to establish a specialized environmental court that will handle all environmental cases.
- Prepared regulation and operations manual to collect, manage and disburse water quality management funds created under the Philippine Clean Water Act as part of the Establishing Water Quality Management Funds pilot activity; held joint technical meeting held between the Environmental Management Bureau-Department of Environment and Natural Resources (DENR/EMB) and Department of Budget and Management to discuss implementation issues and possible way forward.
- Completed of national assessments in India and Sri Lanka
- Organized three national consultation and training workshops for environmental agencies in the Philippines, Thailand and Vietnam in partnership with U.S. EPA to identify and develop national-level environmental compliance and enforcement indicators.
- Prepared action plan to establish a compliance assistance center and planned upcoming workshop with resource persons from U.S. EPA, Singapore, Philippines, and several Thai agencies to discuss establishing a compliance assistance center in Thailand.
- Supported development of environmental compliance and enforcement indicators in the Philippines with technical staff from the Philippine Environmental Management Bureau (EMB) central and regional offices, the Laguna Lake Development Authority (LLDA) and the private sector.
- Co-organized a consultation workshop with the U.S. Environmental Protection Agency (EPA) and Thailand Pollution Control Department (PCD) to identify strategies for establishing the national

environmental compliance assistance center based on Thailand's priorities, needs, policies, and legal framework. Philippine participants from LLDA and Chamber of Commerce and Industry also participated to exchange ideas on creating a Philippine compliance assistance center.

- Supported the first national environmental law enforcement summit in Manila where top officials prepared a common plan of action to improve interagency coordination in enforcement of environmental regulations; the plan included a common vision, strategies and actions
- Sponsored participation of representatives from Indonesia, Philippines, Thailand, and Vietnam in an International Workshop on Environmental Performance Disclosure in Developing Countries in Beijing to share experiences and explore opportunities for collaboration. The workshop brought together environmental officers from eight countries that have existing disclosure programs or are interested in establishing such programs.
- Conducted Judicial Round Table to discuss plan to establish green benches to prosecute environmental cases in the Philippines.
- Completed MOU with the Government of Vietnam for implementation of AECEN activities.

AECEN FY06 Results Summary

Indicator	Description		
		Targets FY 2006	Actuals FY 2006
SO: Improved response to environmental challenges in Asia			
SO 1	Number of policies and model actions applied and replicated	1	0
IR 1: Enabling Conditions Improved			
IR 1.1	Number of policies, laws, plans or model actions strengthened, developed, adopted, and/or implemented	8	9
IR 1.2	Number of non-governmental stakeholders engaged in environmental governance	2	9
IR 1.3	Number of sustainable financing mechanisms established, strengthened or facilitated	2	2
IR 1.4	Amount of funds from non-USAID sources mobilized and applied	\$217,000	\$248,884
IR 2: Human and institutional capacity strengthened			
IR 2.1	Number of environmental initiatives undertaken by civil society organizations	0	0
IR 2.2	Number of key national and local institutions with increased capacity	17	22
IR 2.3	Number of people trained	305	490
IR 4: Regional platforms strengthened to catalyze and sustain change			
IR 4.1	Number of regional environmental platforms created or strengthened	1	2
IR 4.2	Number of new members in regional environmental platform	8	9

Transboundary Conflict Prevention and Management in the Mekong River Basin

ECO-Asia works with the Mekong River Commission (MRC) to support implementation of a principal goal of its strategic plan related to promoting regional cooperation through the development of dispute resolution and compromise mechanisms such as co-management, public involvement and institution building. Under this program, ECO-Asia and MRC are working to develop new mechanisms and institutional arrangements, and human capacity for addressing transboundary conflict.

Accomplishments

- Launched joint program with the Mekong River Commission (MRC) to promote cooperation among Cambodia, Lao PDR, Thailand, and Vietnam in addressing transboundary environmental conflicts.
- Conducted inception workshop for representatives from the National Mekong Committees to discuss conflict prevention and conflict management and implementation of Goal 2 of the MRC Strategic Plan with experts from U.S. EPA and Oregon State University.
- Initiated discussion on development of an MOU with MRC
- Attended the “Mekong Region Waters Dialogue” sponsored by The World Conservation Union (IUCN), Thailand Environment Institute, International Water Management Institute (IWMI), and Mekong Program on Water Environment and Resilience (M-POWER).

Performance Management Plan Results

Indicator	Description		
		Targets FY 2006	Actuals FY 2006
SO: Improved response to environmental challenges in Asia			
SO 1	Number of policies and model actions applied and replicated	0	0
IR 1: Enabling Conditions Improved			
IR 1.1	Number of policies, laws, plans or model actions strengthened, developed, adopted, and/or implemented	1	1
IR 1.2	Number of non-governmental stakeholders engaged in environmental governance	-	-
IR 1.3	Number of sustainable financing mechanisms established, strengthened or facilitated	-	-
IR 1.4	Amount of funds from non-USAID sources mobilized and applied	\$50,000	\$42,500
IR 2: Human and institutional capacity strengthened			
IR 2.1	Number of environmental initiatives undertaken by civil society organizations	0	0
IR 2.2	Number of key national and local institutions with increased capacity	4	4
IR 2.3	Number of people trained	50	36
IR 4: Regional platforms strengthened to catalyze and sustain change			
IR 4.1	Number of regional environmental platforms created or strengthened	1	1
IR 4.2	Number of new members in regional environmental platform	0	0

V. OVERARCHING SUPPORT

Communications and Reporting

PADCO developed a summary of communications products and began development of ECO-Asia branding and project descriptions, as well as a protocol for weekly reporting. Some specific products include:

- Launch of the ECO-Asia website (<http://usaid.eco-asia.org/>)
- Launch of the AECEN website (<http://www.aecen.org/>)
- ECO-Asia and AECEN outreach materials (fact sheets, brochures, posters, and folders)

In addition to the creation of outreach materials, PADCO managed a press conference at the Philippine Sanitation Summit, which included 35 press people, exceeding the 20 press people invited before the event. The press conference generated further interest from the media and after the press conference several officials from the Department of Health, Department of Environment and Natural Resources, World Bank, and other sponsors were invited for radio and television interviews.

As to reporting, in FY06, PADCO supported the Regional Environment Office in developing the Strategic Objective (SO) Performance Management Plan (PMP) through involvement in SO Team Meetings and assisting in finalizing indicator definitions. As a result of the development of the RDM/A SO Framework, PADCO finalized activity-level PMP, which included activity-level targets. PADCO met with RDM/A to complete an initial data quality assessment of the indicators, and verified the approach, process and methodology for evaluating and monitoring indicator progress and achievement.

Grants and Exchanges

ECO-Asia implements a small grants program that provides assistance to organizations in Asia and the U.S. to strengthen their capacity in water and sanitation, and environmental governance. Per USAID regulations and program requirements, ECO-Asia initiated development of guidelines and procedures for grant proposal submission, review, and approval; grantee eligibility criteria; project monitoring; and results reporting.

In support of REO programs, ECO-Asia implements an exchange program that enables individuals in Asian governments, businesses, and NGOs to interact directly with counterparts and experts from Asia, the U.S. and other regions to obtain practical knowledge, experience, and technical know-how. The exchange program emphasizes the promotion of Asia-to-Asia exchanges, both to strengthen regional initiatives and to better utilize program resources. In FY06, PADCO launched the exchange program, and worked with USAID management and partners to: identify and invite exchange nominees; make all necessary travel arrangements; conduct post-exchange evaluations; ensure compliance with visa requirements; work to meet contract gender targets; and track participant cost share. During FY 2006, ECO-Asia established the necessary exchange program systems and procedures.