

The Philippine Environmental Governance 2 Project

Quarterly Performance Report No. 5

October 1 through December 31, 2005

February 1, 2006



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

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

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PREFACE

The United States Agency for International Development (USAID), through its Mission to the Philippines, has contracted Development Alternatives, Inc. (DAI) to implement the Environmental Governance 2 Project (EcoGov 2) under Contract 492-C-00-04-00037-00. The effective date of the contract is October 1, 2004 through September 30, 2009, with a two year option period to September 30, 2011. DAI implements the project with the assistance of four 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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February 1, 2006

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

ACRONYMS

ADB	- Asian Development Bank
ADR	- Alternative Dispute Resolution
ADSDPP	- Ancestral Domain Sustainable Development and Protection Plan
ARMM	- Autonomous Region in Muslim Mindanao
BEMO	- Bohol Environment Management Office
CADT	- Certificate of Ancestral Domain Title
CBFM	- Community-Based Forest Management
CBFMA	- Community-Based Forest Management Agreement
CCEF	- Coastal Conservation and Education Foundation
CENRO	- Community Environment and Natural Resources Officer
CIEL	- Center for International Environmental Law
CLIN	- Contract Line Item Number
CMU	- Central Mindanao University
CRM	- Coastal Resources Management
CTO	- Cognizant Technical Officer
CVAI	- Cesar Virata & Associates, Inc.
DA/BFAR	- Department of Agriculture/Bureau of Fisheries and Aquatic Resources
DAI	- Development Alternatives, Inc.
DAO	- Department Administrative Order
DBP	- Development Bank of the Philippines
DENR	- Department of Environment and Natural Resources
DILG	- Department of the Interior and Local Government
EcoGov	- USAID Environmental Governance 2 Project
EMB	- Environmental Management Bureau
EMG	- Emerging Markets Group
ENRC	- Environment and Natural Resources Committee
ENRD	- Environment and Natural Resources Division
ENRO	- Environment and Natural Resources Office
FAO	- Food and Agriculture Administration
FASPO	- Foreign-Assisted and Special Projects Office
FFM	- Forests and Forest Lands Management
FISH BE	- Fisheries Bio-Economic Model
FISH	- USAID Fisheries Improved for Sustainable Harvest Project
FLUP	- Forest Land Use Plan
FMB	- Forest Management Bureau
FRENDS	- Friends of the Environment for Development and Sustainability
GoAd	- Governance and Advocacy Sector
GPS	- Global Positioning System
IBRA	- Illana Bay Regional Alliance
IEC	- Information, Education and Communication
IFMA	- Industrial Forest Management Agreement
IRR	- Implementing Rules and Regulations
ISWM	- Integrated Solid Waste Management

JBIC	- Japan Bank for International Cooperation
LCP	- League of Cities of the Philippines
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
LSP	- Local Service Provider\
MDP	- Mayor's Development Center
MENRO	- Municipal Environmental and Natural Resources Officer
MERF	- Marine Environment and Resources Foundation
MGB	- Mines and Geosciences Bureau
MMAA	- Muslim Mindanao Autonomy Act
MoA	- Memorandum of Agreement
MPA	- Marine Protected Area
MRF	- Materials Recovery Facility
MSU	- Mindanao State University
NCIP	- National Commission for Indigenous Peoples
NGO	- Non-Government Organization
NIPAS	- National Integrated Protected Area System
NSWMC	- National Solid Waste Management Commission
OIDCI	- Orient Integrated Development Consultants, Inc.
OMA	- Office of Muslim Affairs
PAMB	- Protected Area Management Board
PAWB	- Protected Areas and Wildlife Bureau
PENRO	- Provincial Environment and Natural Resources Officer
PNOC	- Philippine National Oil Corporation
PO	- People's Organization
RA	- Republic Act
REECS	- Resources, Environment and Economic Center for Studies
RfP	- Request for Proposal
RSFMA	- Regional Sustainable Forest Management Act
SB	- Sangguniang Bayan
SCOTIA	- Sustainable Coastal Tourism in Asia
SIFMA	- Socialized Industrial Forest Management Agreement
SO	- Strategic Objective
SuPFA	- Sustainable Philippine Fisheries Agenda
SWAPP	- Solid Waste Management Association of the Philippines
SWM	- Solid Waste Management
TWG	- Technical Working Group
UEM	- Urban Environmental Management
UNDP	- United Nations Development Programme
UNEP-GEF	- United Nations Environment Programme-Global Environment Facility
USAID	- United States Agency for International Development
WWF	- World Wide Fund for Nature

1. PROJECT OVERVIEW AND HIGHLIGHTS OF PROGRESS THIS QUARTER

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

1.1. Project Overview

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

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

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

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

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

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

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

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

EcoGov 2 implements activities toward achieving the five sets of targets by working 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.

General Santos City²: 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, or partners, in project success.

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

1.2. Highlights of Progress this Quarter and Trends in Implementation

We note the following highlights for the past quarter.

- In collaboration with five other USAID-funded projects or grantees (CCEF, CIEL, FISH, LINAW, SCOTIA), EcoGov facilitated DENR-USAID SO4 assessment in Central Visayas during the last week of November and first week of December 2005. EcoGov wrote the terms of reference for the DENR team, crafted the schedule, provided the logistics, and supported the travel of the DENR participants.
- Completed the market study for solid waste recyclables in southern, central, and western Mindanao. The results demonstrate that value of the informal and private sectors in collecting recyclables, and they suggest ways to make segregation more viable. There are numerous implications for the many stakeholders in this process.
- The League of Municipalities of the Philippines (LMP) launched its Mayor's Development Center (MDC) on November 14, 2005. EcoGov supported the development of the initial training modules that the MDC will offer to mayors.
- EcoGov prepared (1) a Small Grants Annual Program Statement providing application guidelines for grants of 540,000 pesos and six months in duration, and (2) an RfP, subcontract template, and task order template to engage local LSPs as subcontractors in an indefinite quantity arrangement.
- The project prepared and submitted the Year 2 Work Plan (covering October 2005 through December 2006) to USAID. USAID provided approval of the work plan pending further comments and suggestions from DENR.
- DAI's Vice President for Agriculture and Natural Resources, Ms. Betsy Marcotte, visited the project in December 2005. She attended the quarterly meeting of regional coordinators and sector leaders, met with USAID personnel to discuss project implementation progress, met with representatives of DAI's subcontractors, and made a site visit to Negros Oriental.

Apart from these highlights and the numerous highlights discussed in Section 2 below, there was one significant event with implications for implementation in CLIN 2, forestry.

- In late November, the DENR Secretary instructed the Regional Executive Directors to cancel several types of tenure agreements due to non-compliance by the tenure holders; and to suspend issuance of CBFAs, IFM, and SIFMAs. As the Secretary's instructions came late in the calendar year, EcoGov, donors, and the DENR itself did not extensively address the implications until January 2006. (We will document EcoGov's actions in this regard in the Quarter 6 report.) Nonetheless, the concern of many in the forestry sector is that by cancelling agreements, the DENR risks removing the incentive for sound forest management by community tenure holders.

2. DETAILED QUARTERLY PERFORMANCE REPORT BY CONTRACT LINE ITEM NUMBER

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

2.1. Strengthened Government Institutions

a. Expected Outputs for the Quarter

As described in the Year 2 Work Plan, the expected activities and outputs in this sector for Quarter No. 5 were as follows.

Expected Outputs	Status
Complete summary analysis of LGU self-assessments	Ongoing
Develop LGU-specific strategies for good governances	Ongoing
Complete SWM module for the LMP MDC	Accomplished (draft)
Support LCP workshop on SWM	LCP suspended activity
Involve LPP in advocacy for LGU clustering	Delayed
Orient DENR officials on ADR DAO implementation	Delayed
Media orientation / prepare feature stories for print and television	Ongoing

b. Summary of Accomplishments and Activities

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

Governance Index

The Manila-based specialists, Cesar Umali and Zita Toribio, completed reports for 62 individual LGUs on the results of the Guided LGU Self Assessment on Environmental Governance Practices. They will use these reports in January-February 2006 as the basis for discussions with LGUs on improving their environmental governance practices.

The team also prepared a Power Point slide presentation giving an overview of this process. We are readily able to make this presentation to partners in Manila or the regions.

Support by Regional Offices for Implementing Sector Activities

- **Governance.** Quirino Governor Pedro L. Bacani has pledged P2.4 million to the six municipal LGUs in 2006 to support ISWM activities, and has committed P500,000 for preparation of the Ancestral Domain Sustainable Development and Protection Plan (ADSDPP) of the Bugkalot and Agta Tribes of Quirino to improve forest management in the province.
- **Governance.** Nueva Vizcaya Governor Luisa Lloren Cuaresma has committed P2.95 million for forestry and ISWM activities in the province in 2006.
- **Governance.** Aurora Governor Bellaflor Angara-Castillo has committed P954,500 to support forestry and ISWM activities in 2006, in addition to P288,000 previously committed for a common landfill for the municipalities of Baler, San Luis, Maria Aurora, and Dipaculao.
- **Governance.** EcoGov's team in Zamboanga has actively engaged the Region IX Office of Muslim Affairs (OMA) to participate with our team when working in Muslim communities, particularly in Basilan.
- **Governance.** EcoGov's Zamboanga team actively pursued discussions with Ateneo de Zamboanga University, Mindanao State University, Western Mindanao State University, and peace and development organizations such as Silsilah Peace and Development Council and the Peace Advocates of Zamboanga/SALAM Peace Foundation, encouraging them to devote efforts to environmental governance curriculum development.
- **IEC.** Project personnel worked extensively with provincial IEC teams in Bohol and Negros Oriental to develop common messages on solid waste management.
- **IEC.** IEC specialists EG Hizon, Chit Bigornia, and Fer Esguerra conducted media forums in Bayombong, Dumaguete City, Tagbilaran, and Zamboanga City.
- **IEC.** Project personnel completed 14 one-page stories for release to the media over the quarter.
- **IEC.** Several prototype IEC/advocacy materials were developed with LGUs (some of which used their own funds to produce them, such as the radio plug in Baler). The team developed a pamphlet on FLUP for Nagtipunan, a poster on fishing registration for Mindanao, flyers on SWM for Maddela and Bambang, and a waste segregation billboard for Nueva Vizcaya. The GoAd sector also started developing materials for

wider circulation, such as comics magazine on SWM, poster-comics on MPA and a poster on reporting illegal fishing activities. Some prototypes have gone through initial field testing and one is ready for dissemination to EcoGov field units and LGUs.

Collaboration with National Partners and Theme Networks

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

- **National-level DENR.** EcoGov sponsored a media briefing with DENR's Public Affairs Office. EcoGov distributed materials on the project and DENR activities to over 20 reporters on November 29. At least three stories resulted from the briefing: the *Inquirer*, *Business Day*, and *Manila Bulletin* each carried stories about the newly signed IRR of the RSFMA.
- **League of Municipalities.** The LMP launched the MDC on November 14, 2005, citing EcoGov assistance. EcoGov hopes that the MDC will allow the LMP to better serve its constituents.
- **SWAPP.** EcoGov helped SWAPP determine its relationship with the LCP as LCP seeks to orient its members on ISWM.

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. Recent changes in DENR leadership have affected implementation, collaboration, and provision of technical assistance. For example, FASPO is undergoing reorganization, there is a new PAWB director, and now there are new Regional Executive Directors in Regions II and IX. As a result, it becomes difficult to maintain partnerships and continue the steady flow of information. (As an example, DENR postponed presentation and discussion of the EcoGov 2 2006 Work Plan several times.)

We will overcome this problem by emphasizing partnerships at local and regional levels, while continuing to be responsive to DENR requests at a national level.

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 activities. Key environmental governance principles and practices will be enhanced in current training and orientation modules. The regional teams will also carry out visits, small group discussions, and advocacy work that are intended to strengthen environmental governance practices among the LGUs.

Support to Regional Offices for Implementing Sector Activities

- Assist EcoGov Central Visayas team to plan and implement the social marketing initiative in Danao-Compostela cluster.
- Assist the regional teams in developing generic IEC materials and in preparing more focused success stories and documentary articles for publication and dissemination to USAID, DENR, and the media.
- Develop the following outreach materials for use at local level:
 - Comics on SWM.
 - CRM poster reporting illegal fishing activities.
 - Posters on marine sanctuaries.
 - Fish BE model (PowerPoint) and pamphlet.
 - Primer on foreshore management.
- We will work with Atty. Antonio Oposa in his effort to support the Visayan Sea Marine Triangle Initiative (Negros Occidental-Cebu-Masbate). This will include reef monitoring “teach-ins,” enforcement training alongside the Marine Squadron, and cross visits.

Collaboration with the National Partners and Networks

- **DENR.** Present and discuss the EcoGov 2006 Work Plan with DENR senior management
- **DENR.** Continue partnership with FMB, PAWB, and EMB/NSWMC to support improved policies on forest management, coastal protected areas, and solid waste management, respectively.
- **LMP.** Support two learning events on environmental governance through the Mayor’s Development Center.

- **LMP, LCP, and LPP.** Work with LMP and LCP in disseminating the newly-approved resolutions issuing guidelines on establishing and operationalizing waste disposal facilities. We will disseminate our experience in clustering LGUs for disposal facilities through the LPP.

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.

2.2. Improved Forest Management

a. Expected Outputs for the Quarter

As described in the Year 2 Work Plan, the expected activities and outputs in this sector for Quarter No. 5 were as follows.

Expected Outputs	Status
Facilitate local DENR-LGU consultations to review tenure applications	Ongoing
Promote co-management of mangrove areas in Basilan and Sultan Kudarat	Ongoing
Facilitate legitimization of FLUP in Aglipay and Cabarroguis, Quirino	Ongoing
Conduct training on tenure management	Delayed until Quarter 6
Facilitate NCIP and DENR collaboration on ADSPP preparation in Quirino	Ongoing
Strengthen co-management arrangements in Central Visayas	Ongoing
Guide watershed management planning in Davao City	Ongoing
Assess management of tenured mangrove areas	Delayed
Assist LGUs to strengthen MENROs, ENRCs, etc.	Ongoing
Train provincial FFM teams in Nueva Vizcaya and Quirino	Ongoing
Facilitate provincial support to Sarangani CBFMA PO federation	Ongoing
Develop policy options on mangroves	Case study completed
Prepare protocols on foreshore protection	Delayed
Prepare protocols on assessment of large tenured areas	Delayed until Quarter 6
Contribute to omnibus forestry policy	Ongoing
Draft revisions to NIPAS Act IRR	Ongoing
Assist DENR-ARMM to promote implementation of MMA 161	Ongoing
Develop training modules	Ongoing

b. Summary of Accomplishments and Activities

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

FFM Sector-Wide Accomplishments

- The FFM team completed its summary of the management assessment of tenured lands and presented its findings to DENR, LGUs, and several tenure holders. The findings – listed below – will guide LGUs and DENR to provide better assistance to tenure holders.
 - Many tenure holders lack capacity and resources to manage forest lands.
 - Communities with external support displayed good performance, but had difficulty maintaining it when support stops.
 - The DENR's is not able to apply complete and consistent monitoring and evaluation to all tenured areas.
 - Inconsistent and/or changing forestry policies undermine the incentives of tenure holders.
 - Forest protection and law enforcement is very limited.
 - LGU assistance to tenure holders is largely dependent on three elements: (1) creation or at least designation of a municipal/city environment office and staff; (2) LGU budget allocation for forest lands management; and (3) MENRO/city-ENRO staff with forestry capacity.
 - The private sector and foreign investors have shown interest in establishing high value crops in forest lands in Mindanao (e.g., rubber, *Jatropha curcus*).

- EcoGov personnel completed an initial review of the proposed Omnibus Forestry Policy. EcoGov and FMB agreed on an outline and framework and a work plan for the finalization of compiled policies, consultation, and other activities leading to submission of a final draft for the Secretary's approval. EcoGov has emphasized a client-driven forestry sector organization and management policies.

- EcoGov assisted PAWB in completing regional consultations in Central Visayas and southern Mindanao for the proposed revisions to the NIPAS IRR. We are currently helping to finalize the revisions for submission and discussion with DENR senior management. EcoGov has proposed consolidating protected areas, disestablishing less significant biodiversity areas, assigning management of small protected areas to local government units, and emphasized revenue generation from protected areas.

- EcoGov's legal specialist, Wilman Pollisco, continued to provide legal advice to the Philippine Tropical Forest Conservation Foundation, and the project provided a facilitator to the organization during its strategic planning workshop.

- In Davao in December, we held an in-house consolidation workshop to develop FLUP implementation training modules for CBFMAs, protected areas and watersheds, ancestral domains, and co-management areas.

FFM Accomplishments – Northern Luzon

- In Quezon, an NGO, the Friends of the Environment for Development and Sustainability (FRENDS), and the Nueva Vizcaya State University committed to provide extension services to LGUs preparing FLUPs.
- With the signing of FLUP implementation MoA in Quezon, the municipal government has taken a pro active role in closing open access forest lands in the municipality. The LGU is now taking the lead in initiating co-management arrangements in Barangay Runruno which would cover approximately 2,000 hectares. We supported this effort by conducting community profiling and thematic mapping activities.
- With EcoGov assistance, the final FLUP of Dupax del Sur was presented to the Sangguniang Bayan in September and deliberated by the Sanggunian in December.
- The final FLUP of Diffun was presented to DENR for approval.
- Completed the situational analysis, allocation, and prioritization of sub-watersheds in Cabarroguis, Quirino.
- We presented the results of tenure assessments in Dupax del Sur, Quezon, Nagtipunan, Quirino, and Baler to tenure holders, LGUs, and DENR.
- We held meetings with the DENR and provincial FLUP core teams of Nueva Vizcaya and Quirino for upscaling and replicating the FLUP and co-management approaches to municipal LGUs that are not being directly assisted by EcoGov 2.

FFM Accomplishments – Central Visayas

- The team is building a relationship with the provincial Environment and Natural Resources Division (ENRD) of Negros Oriental in order to expand and replicate FFM activities throughout the province.
- The team is considering assisting the province of Cebu's land use committee incorporate FLUP into its policies and processes.
- DENR, ENRD, and EcoGov 2 are partnering with the Philippine National Oil Company to prepare and implement FLUPs on PNOC reservations in Valencia, Sibulan, and Siaton.
- EcoGov is cooperating with Counterpart International and the Cebu Biodiversity Conservation Foundation – both based in Cebu City – to assist people's organizations in Dalaguete and Alcoy with forest protection activities.

- Tenure assessments in Cebu and Negros Oriental were completed and presented to LGU and tenure holders.
- In San Miguel, Bohol the FLUP implementation team was formed, barangay consultations for zoning of forest lands were conducted, and the co-management steering committee met for the first time.
- In Talibon, Bohol, as part of better land use planning, the LGU formulated an ordinance to regulate fishponds operations, conducted an inventory of fishponds, completed a parcel survey and mapping exercise, and drafted a policy on mangroves.
- In Dalaguete the LGU identified water production areas, protection forests, and firewood production areas in four barangays, drafted an ordinance governing activities in these areas, and initiated issuance of sub-agreements for current forest occupants. These are all to be included in the implementation plan of the co-management agreement.
- The technical working group in Alcoy facilitated the formation of a management team to oversee technical assistance to four CBFMA holders and one IFMA holder.
- The LGU of Bayawan drafted a policy on the use of forest lands zones and started rehabilitation work on the Bayawan River banks. The LGU is defining watershed production areas at the barangay level and released P2.1 million for barangay level projects in water production areas.
- The LGU of Sta. Catalina completed plans to establish a cane sugar-based ethanol plant within the 17,000 hectares of the Tamlang Valley forest lands.
- In Bais City, barangay level consensus building activities are being undertaken to identify and establish water production areas within the Tindog Bato River Watershed.

FFM Accomplishments – Central and Southern Mindanao

- The FFM team is focusing its work on two CBFMAs in Sarangani (covering 14,245 hectares), one CADT in Cotabato Province (covering 3,148 hectares), and two co-management areas in Sultan Kudarat (covering 7,736 hectares), for a combined total of 25,129 hectares.
- CBFMAs covering a combined area of 4,000 hectares were issued in Maasim and Maitum.
- The Provincial ENRO of Sarangani allocated PhP445,000 in its 2006 Annual Investment Plan to support activities of selected CBFM POs. It then assisted POs in reorganization and collection of dues and membership fees. A total of PhP 3 million,

including commitments by Maasim, Maitum and Kiamba, was allocated for the support of CBFM POs in the province.

- Sarangani has generated initial interests from D1 Oils and MEDCORP for establishing high value forest plantations and agro-forestry areas.
- Sarangani province signed MoAs with Kiamba, Alabel, Malungon, and Malapatan for the preparation of FLUPs. This is an indicator of upscaling FLUP efforts for non-EcoGov LGUs at the provincial level.
- The Sangguniang Panlungsod of Davao City, through the City Cooperative Office, pledged to use its Php 9 million fund to support CBFM PO capacity building.
- The Peace and Equity for Foundation committed to support CBFM POs in Sarangani Province. This development came, in part, as a result of a meeting organized by EcoGov for the Sarangani Vice Governor of Sarangani with NGOs operating in the province.
- EcoGov fostered relationships between the Development Bank of the Philippines in Alabel, leading to the planting of 100 hectares of mixed fruit trees; and, we promoted a similar arrangement in Davao City where a CBFMA holder (Kabalikat) will plant on 550 hectares of bare forest lands.
- The FFM TWG in Makilala, Cotabato Province, together with the DENR and Kapwa Upliftment Foundation, reviewed the policies and procedures in preparing the ADSDPP of the CADT in Makilala, covering 3,148 hectares of forest lands.
- In October, the team worked with NCIP for the issuance of a CADT to MAMATA for 2,500 hectares of forest lands in Makilala. This CADT is part of the Unified CADT of the Bagobo Tribe extending through Davao City, Bansalan, Digos City, and Sta Cruz. The LGU of Makilala provided IEC and documentation support through its FFM implementation team, while the Kapwa Upliftment Foundation, the partner NGO in Makilala, provided advocacy support.
- In Davao City, the team continued to work with the city government, DENR Region XII, and local partners to develop an integrated approach to their watersheds, coastal resources, and solid waste management.
- The team completed the socio-economic profile, census of occupants, and thematic map for the implementation of co-management in Lebak and Kalamansig.
- In collaboration with MBRLC and LGUs, we provided training in support of the planting of 80 hectares of forest and fruit trees in bare forest lands of CSC holders and occupants in co-managed areas in Lebak.

FFM Accomplishments – Western Mindanao

- Completed characterization of two watersheds (Ayala and Manicahan) as input to co-management agreements expected to be signed in February 2006.
- The Isabela City FLUP implementation team conducted barangay-level consultation and IEC on mangroves.
- In collaboration with the Lamitan Water District, the Lamitan FLUP team conducted barangay consultations for rehabilitation of the Arco Watershed, including establishment of forest nurseries.
- Conducted meetings to reactivate the PAMB of the Basilan Natural Biotic Area.
- Held meetings with Governor Hoffer of Zamboanga Sibugay for FLUP formulation.

c. Implementation Problems and Proposed Resolution

The DENR suspended issuance of CBFMAs, IFMAs, and SIFMAs, and also suspended harvesting and transport rights of communities, undermining community incentive in forest protection. Then, on November 30, 2005, the DENR Secretary issued a memorandum canceling several CBFMAs in the country for unsatisfactory performance. Several tenure holders in EcoGov sites were affected.

EcoGov discussed these issues with the FMB Director in December. There was a verbal agreement that a donor coordination and discussion meeting on various CBFM issues may be worth pursuing during the first quarter of 2006. We note that over the past twenty years, USAID, the ADB, World Bank, JBIC, GTZ, SIDA, FAO, UNDP, the Ford Foundation, and various NGOs have invested close to one billion dollars to help the DENR shift from a forest management approach geared for commercial and large scale operations approach to one targeted at communities. The theory has been, and remains, that a community-based approach is necessary when there are 24 million people living on public forest lands. Not only is such an approach necessary for social justice and equity, but it is the only viable means of providing protection to these areas.

d. Objectives for the Next Quarter

- Assist DENR and LGUs prepare and validate implementation plans for the signed co-management agreements in Central Visayas and southern and central Mindanao.
- Assist FMB to finalize the Omnibus Forestry Policy and PAWB to revise the IRR of NIPAS, and present both of these to DENR senior management for review and approval.

- Assist LGUs and local DENR offices help CBFMA holders with resource management planning, livelihood assistance, organization for forest protection and enforcement, and property rights of claimants.

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.

- By working with the LGUs, local DENR, tenure holders, and several LSPs, assistance towards improved forest management in natural forests and bare forest lands will stabilize and remain intact despite the expected changes in DENR and LGU administrations.

2.3. Improved Coastal Resources Management

a. Expected Outputs for the Quarter

As described in the Year 2 Work Plan, the expected outputs in this sector for Quarter No. 5 were as follows.

Expected Outputs	Status
Licensing and monitoring in Aurora, Danao, and Camotes	Ongoing
Policy/advocacy and IEC for fisheries and MPA management	Ongoing
FISH BE data capture training in Baler Bay	Completed
Support mangrove management in Dinas and Tabina	Ongoing (Tabina)
Support tourism analysis in Tukuran	Delayed until Quarter 6
Develop coastal zoning scheme in Davao City	Ongoing through Qtr. 6
Training on financial management	Completed (Illana Bay)
Sanctuary enforcement workshop in Illana Bay	Ongoing (Tungawan)
Refine MPA network modules	Ongoing
Fishery registration workshop in Illana Bay, Sibuguey Bay	Completed (Illana Bay)
Inter-LGU reporting system, Baler Bay	Ongoing
Finalize proposed modifications to NIPAS IRR and Fisheries Code	Completed (NIPAS IRR)
Site selection and benchmarking surveys for new sanctuaries	Delayed until Quarter 6

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 Manila-based specialists developed policy options for mangrove resource use and management based on a mangrove assessment of selected areas in western Mindanao.
- Through EcoGov 1, we developed the FISH BE model. Under EcoGov 2, we have continued to disseminate the model to partners and networks. In the last quarter, we noted the following:
 - The Sustainable Philippine Fisheries Agenda (SuPFA) Project has recently started using FISH BE to analyze and compare nine priority bays under the Asian Development Bank funded Fisheries Resources Management Project.
 - The UNEP-GEF South China Sea Project invited EcoGov specialist Willy Licuanan to present the model in Bangkok in November to consider its applicability to the UNEP demonstration site.

CRM Accomplishments – Northern Luzon

- **Inter-LGU collaboration.** The inter-LGU CRM committee, composed of four LGUs, made presentations to the Sangguniang Bayan of Dipaculao and Baler. Both Sanggunian pledged their commitment to cooperation.
- **Enforcement.** The municipal fisheries law enforcement team in Dipaculao is taking shape: fish wardens have been deputized and the mayor is expected to issue an executive order granting authority to the enforcement team.
- **Enforcement.** EcoGov trained fifteen people from four municipalities in navigation using maps, compass, and parallel rule methods to support law enforcement activities.
- **Enforcement.** The law enforcement team in Baler apprehended five boats using small trawls.
- **Enforcement.** Baler developed and aired a radio public service announcement encouraging an end to illegal fishing.
- **Enforcement.** EcoGov sponsored the participation of the head of the Dinalungan *bantay dagat* at the USAID-Department of the Interior (USAID-DOI) trainor's training on environmental law enforcement held in Cebu on December 2-9, 2005.
- **Municipal fisheries.** EcoGov and LGU personnel in Baler jointly assessed species, seasonality, habitat/location, and fishing gear to determine appropriate regulations.
- **Existing sanctuaries.** Dinalungan assigned two watchmen/managers for its sanctuary. They note sightings of dugong and butanding.

- **New sanctuaries.** The Final Draft Plan for the Dipaculao MPA was submitted to the Sangguniang Bayan for review and adoption. In the meantime, buoy markers have been deployed and patrolling is underway.
- **New sanctuaries.** EcoGov facilitated community meetings on an MPA plan for Baler, and the technical working group has prepared a draft resolution and ordinance.

CRM Accomplishments – Central Visayas

- **Enforcement.** In October, EcoGov personnel trained law enforcement team in Danao City and San Francisco on the use of global positioning system (GPS) units. The exact location of interdiction is necessary for prosecution of illegal fishing.
- **Enforcement.** EcoGov facilitated a meeting of the Tudela coastal law enforcement team, helping to develop an operations plan to mobilize deputies and the patrol boat.
- **Enforcement.** The project sponsored four people from enforcement teams in the Camotes Sea area to attend the USAID-DOI training in Cebu.
- **Existing sanctuaries.** Tudela and Poro led and facilitated their own action planning workshops in October and November, respectively, to implement their marine sanctuary management plans. The fact that the LGUs did this on their own is an indicator of sustainability.
- **Existing sanctuaries.** In October, EcoGov facilitated an action planning meeting for Pilar regarding its marine park, then helped deploy marker buoys around the core zone.
- **Existing sanctuaries.** EcoGov personnel attended meetings to resolve organizational problems in the Villahermosa Marine Sanctuary and Puertobello Fish Sanctuary.
- **Existing sanctuaries.** EcoGov CRM and municipal finance personnel helped Barangay Villahermosa and the municipal LGU of Tudela establish a funding system for the marine sanctuary.
- **New sanctuaries.** EcoGov participated in discussions for new sanctuaries in Danao City, San Francisco, and Carmen, and Danao City began construction of a guardhouse.
- **Institutional links.** EcoGov helped Pilar get a speaker from the PNP environment desk to attend its Fish Conservation Week celebrations in October.
- **Institutional links.** We began discussions with WWF for complementary activities on Panglao Island, and held meetings with PLAN Philippines for collaboration in Camotes.

- **Training design.** We developed trainings on (1) biophysical monitoring and evaluation, (2) marine sanctuary performance, and (3) junior fish warden education.

CRM Accomplishments – Central and Southern Mindanao

- **Coastal resources management.** In Davao City, we provided technical assistance to the CRM technical working group to integrate maps and data on fisheries, tourism, recreation, coastal habitats, MPAs, marine transportation, navigation, coastal industries, and socioeconomic profiles of twenty six coastal barangays. This served as an input to barangay meetings on coastal zoning.

CRM Accomplishments – Western Mindanao

- **Coastal management, Illana Bay.** EcoGov facilitated a meeting of the Tukuran LGU to review its CRM, MPA and fisheries management plans in December. The LGU's CRM council used the meeting to prioritize policy and field interventions.
- **Coastal management, Illana Bay.** We conducted a workshop on municipal finance for Tabina, Tukuran, Dinas, and Dimataling on November 23-24. Our team discussed how to generate revenue internally, possible external sources of funding, model budgets, and ordinances.
- **Coastal management, Sibuguey Bay.** An EcoGov specialist led a mangrove tenure assessment workshop November 15-16 in Tungawan. We provided community members with legal information on mangroves and the foreshore, and identified actions that the LGU could take to improve mangrove management. (Tungawan has 1,100 hectares of mangrove and 6,400 hectares of mangrove habitat that have been converted to fishponds. Of this area, only 4,200 hectares are covered by a fishpond lease agreement. Moreover, many of the fishpond areas are not fully developed or abandoned.)
- **Municipal fisheries, Illana Bay.** We conducted a training on fishery registration and licensing for eight of the municipalities in IBRA 9.
- **Municipal fisheries, Illana Bay.** MSU-Naawan and EcoGov personnel conducted fisheries profiling in Dumalinao, Labangan, Dimataling, Pagadian, and San Pablo as input to the FISH BE model.
- **Municipal fisheries, Sibuguey Bay.** Participants from six LGUs – Tungawan, RT Lim, Ipil, Naga, Siay, and Payao – attended a workshop on compliance with fisheries registration and licensing in Ipil on November 30-December 1, 2005. We discussed the provisions of RA 8550. Based on what they learned at the workshop, the participants intend to update their ordinances and registry systems.
- **Enforcement, Illana Bay.** The municipal councils of Tukuran and Sultan Naga Dimapor held a joint meeting to agree on their municipal water boundaries on

November 29. In addition, Dumalinao, Pagadian City, and Labangan also resolved boundary issues. These agreements represent an important step toward better enforcement in Illana Bay.

- **Enforcement, Illana Bay.** The IBRA 9 fisheries law enforcement team continued its monthly meetings, and members attended the USAID-DOI training in Cebu City.
- **Enforcement, Illana Bay.** The IBRA 9 council members renewed their commitment to cooperation and brought in a new member, Pitogo, on December 13.
- **Enforcement, Sibuguey Bay.** EcoGov facilitated training in Tungawan from October 7-9 on boarding and apprehension, national environmental laws, local ordinances, proper documentation on warrant of arrest, searches, seizures, and detention. We also helped organize the municipal fisheries law enforcement team.
- **Existing sanctuaries, Illana Bay.** Six members of the Tabina CRM technical working group were trained in SCUBA diving in preparation for biophysical monitoring and evaluation of their MPAs.
- **Existing sanctuaries, Sibuguey Bay.** We facilitated reorganizations of the Naga, RT Lim, and Tungawan MPA management bodies to improve their effectiveness.
- **Existing sanctuaries, Sibuguey Bay.** EcoGov and RT Lim personnel documented the activities of seaweed farmers inside the core zone of the MPA. The farmers are occupying eight of the 56 total hectares of the core zone. The farmers have built dikes around their planting areas, hoping to demand payment from the LGU if they are relocated. RT Lim issued a memorandum to the farmers in December, ordering them to leave.
- **New sanctuaries, Illana Bay.** We held discussions with Labangan, San Pablo, and Pagadian City on establishing new MPAs; and, in Dimataling, we provided assistance to the barangay on drafting a resolution for a proposed sanctuary.
- **New sanctuaries, Basilan.** We conducted an MPA plan formulation workshop in Isabela City on October 10-11 for twenty people, including representatives from the Philippine Army, Department of Education, and sangguniang panlalawigan. (Isabela City allocated P500, 000 for implementation in 2006.) We followed up this workshop with a second activity in Zamboanga City in late November to draft the operational guidelines and implementation strategies, rules, policies, and organizational structure for the MPA. We conducted a similar activity in Lamitan, but the LGU only committed P50,000. EcoGov will work with the LGU to locate alternative sources of funds.

c. Implementation Problems and Proposed Resolution

The CRM team faces several issues and problems that are not easily within the project's control. These are manifestations of an "unfunded mandate": devolution of responsibility for coastal resources management to LGUs without adequate support from the national government. Some of these are listed below.

- Lack of support and commitment from the mayor of San Luis, Aurora for implementing inter-LGU activities.
- The insistence by the mayor of San Francisco (Camotes Island) to establish a marine sanctuary in an area not acceptable to the community.
- The unstable peace and order condition in some areas in Zamboanga del Sur – especially Labangan, Dinas, and San Pablo – hinders timely delivery of technical assistance.
- The expanding seaweed business in Sibuguey Bay, combined with a lack of zoning in most areas, threatens existing MPAs.
- Many LGUs in Zamboanga Sibugay and Basilan have far too limited a budget to implement CRM activities.
- In Davao City, the sangunian and LGU officials personally support the CRM sector, but there is limited organizational support. There is no clear accountability center for CRM in the current LGU organizational framework and the City Agricultural Officer has very limited resources to coordinate CRM activities, develop a CRM plan, or develop a city-wide zoning plan. To date, only four people have been assigned in the CRM Technical Working Group.

In order to overcome these problems, EcoGov personnel will lobby more regularly to mayors to address CRM issues. We will also provide more technical assistance on financial management to LGUs to improve internal revenue generation and budget allocation for the sector.

d. Objectives for the Next Quarter

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

- The CRM and FFM specialists will work together on issues related to co-management of mangroves in Central Visayas and Western Mindanao.
- The team will promote sustainable financing scheme for LGUs trying to fund their CRM initiatives, including enterprise/livelihood activities.

- We will ensure momentum and follow-up on the promise by the Governor of Zamboanga Sibuguey to promote inter-LGU CRM activities by seven LGUs. This will include an MoA between the provincial government, DENR Region IX, and EcoGov 2.

e. Status toward Achieving Sustainability of Efforts

The CRM team actively sought participation of partners from the DENR, BFAR, provincial agricultural offices, and fishing communities to institutionalize its methods. 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 described in the Year 2 Work Plan, the expected outputs in this sector for Quarter No. 5 were as follows.

Expected Outputs	Status
Institutional strengthening for health care waste: Kidapawan City and Koronadal City	Ongoing (changed Koronadal to Tacurong)
Study operation of collectors, junkshops, and recyclers	Completed (Mindanao)
Assist DENR MGB to identify suitable landfill sites in nine provinces	Completed – 2 provinces
Train UEM core teams in Nueva Vizcaya, Quirino, Bohol, Negros Oriental, Cebu, South Cotabato	Ongoing
Hold discussion with NSWMC on pending guidelines	Completed
Complete toolkits on composting	Completed
Develop advocacy material from recyclables market study	Delayed until Quarter 6
Develop information materials on phased compliance	Delayed until Quarter 6

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

- The team continued its assistance to the NSWMC for promoting the proposed disposal guidelines, including rehabilitation of dumps and permitting requirements. The NSWMC passed resolutions approving the guidelines during its meeting on December 15, 2005.
- The team worked with the NSWMC and DENR-EMB to provide assistance to the National Capital Region. The LGUs of Caloocan City and Las Piñas received training to formulate ISWM plans.

- In November, EcoGov and SWAPP collaborated to train LGU personnel of MIMAROPA on drafting ISWM plans.

UEM Accomplishments – Northern Luzon

- Dupax Norte and Ma. Aurora legitimized their 10-year ISWM plans, and Solano has submitted its plan to the sangguniang bayan.
- Dupax Norte committed P1 million to support ISWM activities in 2006.
- The provincial UEM core teams in Quirino and Nueva Vizcaya are assisting their constituent LGUs: Saguday and Aritao, respectively. (This is an indicator of upscaling through provincial-level activities.)
- EcoGov conducted training on ordinance formulation and enforcement in November for Diffun, Maddela, Bayombong, and Bambang.
- The composting facility of Bambang (Nueva Vizcaya) started operating in October.
- Cauayan City is promoting the construction of small MRFs in each *purok*.
- The LGU of Maddela has agreed with a constituent barangay to locate a municipal disposal site in that barangay.
- The municipality of Dupax signed an MoA with the Nueva Vizcaya provincial government and Dupax District Hospital such that the hospital will segregate waste and ensure proper handling and disposal of its biodegradable, residual, and special wastes. Similar arrangements have now been agreed to by Bambang and Bayombong for the Nueva Vizcaya Provincial Hospital and Veterans Regional Hospital.
- Quirino State College has committed to provide technical help to Diffun on the composting of biodegradables, and to Nagtipunan on ISWM planning. Nueva Vizcaya State University has committed to assist Sta. Fe with ISWM planning, as well.

UEM Accomplishments – Central Visayas

- Talibon (Bohol) legitimized its ten-year ISWM plan in October and Bais City, Negros Oriental did likewise in November. We continued to work with six other LGUs to finalize their plans.
- Of the eleven target LGUs in the region, five are in various stages of operating their composting facilities:
 - Jagna, Bohol is testing its facility before full operation.
 - Pamplona, Negros Oriental is ready to test its facility.

- Bayawan City, Negros Oriental has acquired equipment.
- Amlan, Negros Oriental is transferring its facility to a new, larger site.
- Talibon, Bohol is culturing and propagating worms in preparation for the operation of its vermi-composting facility.
- The team facilitated meetings between the ENRD of Negros Oriental and junkshop operators.
- Five new LGUs joined the Metro Tagbilaran cluster for a common disposal facility: Baclayon, Balilihan, Loboc, Loay, and Sikatuna. Unfortunately, Tagbilaran City has still not signed the MoA.
- In an effort to reach a greater number of LGUs, the team has provided assistance to the Bohol BEMO, Cebu PENRO, and Negros Oriental ENRD.

UEM Accomplishments – Central and Southern Mindanao

- The provincial government of South Cotabato has reorganized its SWM board and formed a new technical working group, and has requested that the DENR MGB verify potential landfill sites recommended by EcoGov.
- Lebak and Kalamansig have legitimized their ISWM plans, and Sultan Kudarat continued to work toward that goal.
- Parang (Maguindanao) is crafting a composting plan for its market waste.
- General Santos City and Davao City have taken steps towards validating, updating and completing their draft SWM plans. GenSan is preparing an action plan to comply with RA 9003, and Davao completed its waste characterization.
- Four LGUs are enforcing segregation at source.
 - Tacurong City is operating a centralized composting facility and achieved 70 percent compliance with segregation at source in a pilot subdivision.
 - Koronadal City is segregating at source in the public market and Zones 1-4. With a “no segregation – no collection policy,” the city has achieved 90 percent compliance in the market and 30-70 percent compliance in the barangays.
 - Kidapawan City has implemented segregation at source in a large middle class subdivision of 700 households.
 - Wao has achieved 70-90 percent compliance in eight barangay..
- These same LGUs are also implementing composting activities.
 - Tacurong’s composting facility is fully operational.
 - Koronadal is building a shed to house its composting equipment and has prepared windrows.
 - Kidapawan budgeted P3.5 million for a composting and MRF facility.

- Wao promotes household composting, and the USAID-GEM project agreed to fund construction of a composting and MRF facility.
- Tacurong, Koronadal, Wao, and Lebak have conducted coordination meetings with junkshop operators.
- EcoGov provided training for Tacurong, Koronadal, Kidapawan, Wao, Lebak, and Kalamansig to improve their waste management ordinances and enforcement schemes.

UEM Accomplishments – Western Mindanao

- The mayor and sangguniang bayan of Pagadian City held a roundtable consultation on the city’s ISWM plan in November, paving the way for legitimization.
- EcoGov promoted partnership between Gawad Kalinga and the LGUs of Buug and Isabela City on composting of market wastes.
- Lamitan submitted its NTP for a controlled dump to DENR ARMM for review and approval.
- Isabela City’s controlled dump is operational, and the city is making improvements suggested by the project.
- Ipil continued negotiations for the acquisition of lot assessed by MGB as suitable for a landfill.
- We conducted training on SWM ordinance formulation and enforcement for Isabela City, Lamitan, Ipil, and Buug.

c. Implementation Problems and Proposed Resolution

- As the deadlines imposed by RA 9003 approach, more LGUs are clamoring for assistance. We are collaborating with the EMB and NSWMC to develop training materials and participate in national meetings to reach as many LGUs as possible.
- The project is promoting clustering, but we fear that the commitments made by one LGU’s mayor may be dropped with a change in leadership. Thus, we are exploring legal mechanism to ensure that commitments persist beyond a mayor’s term.

d. Objectives for the Next Quarter

- Continue activities toward establishment of the common disposal cluster facility in Bohol.
- Begin social marketing effort in solid waste management in Danao and Compostela.

- Provide assistance to the provincial LGUs of Nueva Vizcaya, Quirino, Cebu, and South Cotabato so that they can promote ISWM to non-partner LGUs.

e. Status toward Achieving Sustainability of Efforts

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

2.5. Municipal Investment in Sanitation

a. Expected Outputs for the Quarter

As described in the Year 2 Work Plan, the expected outputs in this sector for Quarter No. 5 were as follows.

Expected Outputs	Status
Enter into MoA with Central Visayas LGUs	Completed
Conduct training on WWM and Clean Water Act in southern Mindanao and Central Visayas	Completed
Facilitate consensus on site-specific wastewater interventions	Ongoing
Collaborate with LINAW and SCOTIA on beach/reef monitoring	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.

Municipal Finance Sector-Wide Accomplishments

- In December, EcoGov signed MoAs with the DENR and cities of Bais, Bayawan, and Tanjay, bringing to nine the number of LGUs committed to investing in improved wastewater management.
- The team oriented and trained participants from seven LGUs in wastewater management. Participants included CPDCs, CENROs, kagawad on environment, treasurers, slaughterhouse managers, public market managers, health officers, and water district personnel. Topics included governance challenges, requirements under the Clean Water Act, ordinance formulation, results of rapid assessments, basic technology options, investment requirements, and the need for cost recovery mechanisms. The training in Mindanao took place over November 14-15 and

included General Santos, Kidapawan, Koronadal, and Tacurong. The training in Negros took place over December 5-6 and included Bais, Bayawan, and Tanjay. During the seminars, the participants prepared letters addressed to their respective mayors recommending the enterprises to be prioritized for the WWM TA. The majority selected their public slaughterhouses as the top priority.

- The team held discussions with BORDA, a German-funded NGO specializing in community wastewater management, and the USAID LINAW project, on ways to cooperate.
- The team continued to work with the German aid financing organization, KfW, and the Development Bank of the Philippines in promoting their one billion peso facility for SWM for LGUs.
- The team completed its market study on recyclables and has presented its results and recommendations internally to the larger EcoGov team.
- Based on the draft Composting Toolkit, the Finance team members have started developing financial models to determine the needed investment requirements and budgetary support (or possible revenues) for different kinds of technical specifications and composting facilities. Accordingly, the Regional Financial Specialists have been working with the UEM sector to identify, facilitate, and advocate for possible financing support for the LGU composting facilities. They have also advised EcoGov-assisted LGUs on how the LGUs will source or generate funds to establish MRF and composting facilities.
- The Finance team provided assistance to the CRM-assisted LGUs in Illana Bay and Baler Bay. We discussed options for allocating internal revenue and raising external revenue to fund CRM initiatives.
- We advised officials in Villahermosa, Tudela on the creation of an MPA fund. We proposed a fund that receives fees, charges, and penalties collected under the ordinance establishing the Villahermosa Marine Sanctuary and adopting the Marine Protected Area Management Plan.
- The team completed the final report on the financial assessment of EcoGov's 79 partner LGUs.

Municipal Finance Accomplishments – Central Visayas

- Bais City has prioritized its public market for investment into wastewater mitigation. The LG allocated P 800,000 to the effort.
- Bais City committed P 1.2 million to the construction of 50 communal septic tanks benefiting 320 households.

- Bayawan City has prioritized its slaughterhouse for investment and has allocated a budget, but has not yet determined a location.
- The team worked with Tanjay City to help them plan on investments into its public market.
- The team continued to advocate with elected leaders in Tagbilaran City for investments to mitigate the wastewater from the public market.

Municipal Finance Accomplishments – Central and Southern Mindanao

- Tacurong City devoted P 9 million to build a new, environmentally compliant slaughterhouse with a capacity of 250 heads per day. EcoGov personnel provided inputs to the wastewater treatment design, and the city has planned to relocate four bio-digesters from the composting facility to the slaughterhouse.
- Koronadal City has allocated P 650,000 to rehabilitate its slaughterhouse.
- EcoGov personnel worked in Kidapawan City to help the LGU explore options for better wastewater management.
- EcoGov helped General Santos City prioritize its central public market, city hospital, and city slaughterhouse for investment in mitigation measures.

c. Implementation Problems and Proposed Resolution

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

d. Objectives for the Next Quarter

- Continue activities with those LGUs that signed MoAs.
- Develop and test a simplified waste water assessment approach in one or two urban LGUs as an input for prioritizing investments, ordinance formulation, and public awareness campaigns.
- Disseminate the results and recommendations of the solid waste recycling market study and the composting tool kit with partner LGUs.
- Conduct an orientation and training for Daus, Panglao, and Tagbilaran City on wastewater management.
- Collaborate with SCOTIA and WWF on promoting sustainable tourism in selected LGUs.

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

The expected outputs for Quarter No. 5 were as follows.

Expected Outputs	Status
Prepare grant application materials	Accomplished
Prepare bidding documents for LSP subcontract competition	Accomplished
Facilitate DENR-USAID SO4 assessment	Accomplished
Transfer regional office from Cotabato City to General Santos City	Accomplished

b. Summary of Accomplishments and Activities

Project Management

- Prepared and submitted the Year 2 Work Plan covering the period October 2005 through December 2006. USAID provided approval of the work plan pending further comments and suggestions from DENR.
- Prepared and submitted to USAID the Annual Program Statement describing the application process for grants of duration of six months or less and of P 540,000 or less. USAID provide approval such that EcoGov could release the APS in January 2006.
- Prepared and submitted to USAID the draft RfP, draft subcontract template, and draft task order template for LSPs for review before proceeding procurement process. The Office of Regional Procurement is reviewing these documents.
- Per USAID request, revised and submitted Performance Monitoring Plan to USAID on December 19, 2005.
- Transferred regional office for Central and Southern Mindanao from Cotabato City to General Santos City. Contact information at the new location is as follows:

2nd Floor RLII Bldg (on top of Banco de Oro)
Santiago Blvd. corner J.P. Laurel Street
Dadiangas East, General Santos City
Tel: 083-301-7482; Fax: 083-552-3332

Collaboration with other Donors, Projects, and Efforts

- Working with other USAID SO4 contractors and grantees, EcoGov 2 facilitated the DENR assessment of the USAID Environmental Governance Program. We organized the visit of several DENR personnel to program sites in Central Visayas during the last week of November. The DENR team presented its initial results to DENR regional officials, LGUs, USAID, and EcoGov team members. The team is expected to prepare a formal report in the first quarter of 2006.
- Collaborated with KfW and the Development Bank of the Philippines to promote LGUs accessing the DBP's financing facility for solid waste management.
- Held discussions with the United States Peace Corp director and environment program officer on ways to link volunteers with EcoGov 2 activities.

c. Implementation Problems and Proposed Resolution

Leadership changes within the DENR continue to delay pursuit of key policy issues. The change in leadership within PAWB has stalled efforts to revise the NIPAS IRR; the NSWMC has not followed through on various resolutions for improving the guidelines of RA 9003; and uncertainty over tenure issuances in the forestry sector undermines activities for CBFM.

The relationship between EcoGov 2 and DENR, as the principal counterpart, is fundamental to project success. We will continue to strive to be responsive to our counterparts while providing technical assistance in line with USAID direction.

d. Objectives for the Next Quarter

- Present the Year 2 work plan to DENR-FASPO and relevant personnel from FMB, PAWB, Policy and Planning, and EMB.
- Participate in the presentation of the USAID-DENR SO4 assessment and take necessary actions to improve implementation.
- Release Annual Program Statement describing small grants program and meet monthly to review applications. We expect to forward initial recommendations for award to the USAID CTO in late February.
- Upon receiving comments from the USAID Office of Regional Procurement, make public announcement of LSP subcontractor competition, release request for proposals, and hold bidder's conferences.