

The Philippine Environmental Governance Project 2

Quarterly Performance Report No. 2

January 1 through March 31, 2005

April 14, 2005



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.

Ernesto S. Guiang
Development Alternatives, Inc.
Chief of Party
USAID/Philippines EcoGov 2

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ACRONYMS

| | | |
|----------|---|---|
| ADR | - | Alternative Dispute Resolution |
| AMORE | - | Alliance for Mindanao Off-Grid Renewable Energy |
| AP | - | Assisting Professional |
| ARMM | - | Autonomous Region in Muslim Mindanao |
| ASCOT | - | Aurora State College of Technology |
| BFAR | - | Bureau of Fisheries and Aquatic Resources |
| BLGF | - | Bureau of Local Government Finance |
| CBFM | - | Community-Based Forest Management |
| CBFMA | - | Community-Based Forest Management Agreement |
| CCSPC | - | Cotabato City State Polytechnic College |
| CENRO | - | Community Environment and Natural Resources Officer |
| CLIN | - | Contract Line Item Number |
| CMU | - | Central Mindanao University |
| COA | - | Commission on Audit |
| CRM | - | Coastal Resources Management |
| CVAI | - | Cesar Virata & Associates, Inc. |
| DA | - | Department of Agriculture |
| DAI | - | Development Alternatives, Inc. |
| DAO | - | Department Administrative Order |
| DCoP | - | Deputy Chief of Party |
| DENR | - | Department of Environment and Natural Resources |
| DILG | - | Department of the Interior and Local Government |
| DOI | - | United States Department of Interior |
| EcoGov 2 | - | Philippine Environmental Governance 2 Project |
| EMB | - | Environmental Management Bureau |
| EMG | - | Emerging Markets Group |
| ESWM | - | Ecological Solid Waste Management |
| FASPO | - | Foreign-Assisted Projects Office |
| FFM | - | Forests and Forest Lands Management |
| FISH BE | - | Fisheries Bio-Economic Model |
| FLUP | - | Forest Land Use Plan |
| FMB | - | Forest Management Bureau |
| GoAd | - | Governance and Advocacy Sector |
| GTZ | - | Gesellschaft für Technische Zusammenarbeit |
| HRM | - | Human Resources Management |
| IBRA 9 | - | Illana Bay Regional Alliance |
| IEC | - | Information, Education and Communication |
| ILFMP | - | Inter-LGU Fisheries Management Plan |
| IRR | - | Implementing Rules and Regulations |
| ISWM | - | Integrated Solid Waste Management |
| LCP | - | League of Cities of the Philippines |
| LGU | - | Local Government Unit |
| LMP | - | League of Municipalities of the Philippines |
| LPP | - | League of Provinces of the Philippines |

| | |
|-------|---|
| MERF | - Marine Environmental Resource 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 |
| NEDA | - National Economic and Development Authority |
| NGO | - Non-Government Organization |
| NIPAS | - National Integrated Protected Area System |
| NSWMC | - National Solid Waste Management Commission |
| OEE- | - Office of Energy and Environment (USAID) |
| OIDCI | - Orient Integrated Development Consultants, Inc. |
| PAO | - Provincial Agriculture Office |
| PAWB | - Protected Areas and Wildlife Bureau |
| PMP | - Performance Monitoring Plan |
| RA | - Republic Act |
| REECS | - Resources, Environment and Economics Center for Studies, Inc. |
| SB | - Sangguniang Bayan |
| SLF | - Sanitary Landfill Facility |
| SO 4 | - Strategic Objective 4 (USAID) |
| TA | - Technical Assistance |
| THW | - Toxic and Hazardous Waste |
| UEM | - Urban Environmental Management |
| USAID | - United States Agency for International Development |
| USG | - United States Government |

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.)

CLIN 0004: Improved Waste Management, with a five-year target of effecting significant diversion of waste from open dumps to controlled dumps, sanitary

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.

landfills, recycling, and composting in 90 LGUs. (Referred to in this report as the urban environmental management sector, or UEM.)

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

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

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

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

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

Cebu City: serving LGUs in Central Visayas.

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

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

At the national level, the principal counterpart of the project is 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, local service providers who are stakeholders in, or partners to, project success.

1.2. Highlights of Progress this Quarter

EcoGov 1, which engaged many of the same personnel as EcoGov 2, ended on November 30, 2004, so in certain respects, this was the first operational quarter for EcoGov 2. Thus, many of the activities related to planning and start-up. Highlights of the quarter are:

- The team drafted, tested, and completed the survey instrument to determine a baseline for the environmental governance index (CLIN 1) and began to implement the survey. The team tested the instrument in Central Visayas and Northern Luzon,

presented it to USAID, trained Solano personnel in its application, and began conducting the survey throughout Northern Luzon. This effort will continue in all EcoGov regions and with all partners until its expected completion at the end of June 2005.

- All 79 LGUs assisted under EcoGov 1 have expressed their interest and commitment to continue with EcoGov 2. In addition, the team has received expressions of interest with commitments to counterpart funding from at least 10 new LGUs. The majority of the new requests relate to ISWM (CLIN 4). Table 1 summarizes the requests of LGUs by technical sector and region.
- The team began building relationships with a new class of partner beyond the municipal LGU; namely, larger cities and provinces. These include Davao, General Santos, Digos, and Cotabato City for solid waste and wastewater management and investment (CLIN 4 and 5), and the provinces of Aurora, Quirino, Nueva Vizcaya, Cebu, Bohol, Negros Oriental, South Cotabato, Sarangani, and Zamboanga del Sur for all aspects of the project.
- Several partner LGUs from EcoGov 1 had completed and legitimized their forest land use plans (FLUPs), as well as coastal resources and solid waste management plans (CLINs 2, 3, 4). Thus, as part of the next step, over the past three months, the EcoGov 2 team prepared implementation and on-site assistance modules for these LGUs, with implementation scheduled for the next quarter.
- In response to a request from the National Solid Waste Management Commission (NWSMC), DENR, LMP, and LCP, the team organized and facilitated a policy workshop to review RA 9003, the Ecological Solid Waste Management (ESWM) Act. The workshop addressed critical aspects of the law, and led to suggestions for simplifications to, and improvements of, the implementing rules and regulations (IRRs). The EcoGov team was able to relate its experiences from EcoGov 1 in making recommendations regarding site identification and clustering of LGUs in disposal management, shifting from controlled dumps to sanitary landfills, composting, and the planning and approval process.
- The team held sector planning meetings for FFM, CRM, and UEM – each with the involvement of GoAd, municipal finance, and policy specialists – in Cebu City, Zamboanga, and Davao, respectively. These meetings set technical direction, determined targets, and allocated resources for each sector. The team also had a management meeting in Manila consisting of Sector Leaders and Regional Coordinators to clarify working relationships and ensure cross-disciplinary planning.
- The team completed the EcoGov 2 Performance Monitoring Plan (PMP). The PMP defines and outlines the collection, analysis, and use of data on ten indicators. In the next quarter, we expect to have detailed discussion with USAID, DENR, and other partners on this PMP to ensure it meets client and counterpart needs.

- The team completed deployment of support staff – called Assisting Professionals or APs – for FFM and CRM and mobilized technical assistance in all sectors.
- EcoGov transferred its Manila office from Quezon City to Ortigas Center, Pasig City and transferred its Cebu City office from the DENR Region 7 Complex to a commercial office building near other USAID contractors.
- DAI began procurement of information technology hardware and software, and late in the quarter, received consent to subcontract with the four Filipino firms.

Table 1
Number of LGUs requesting technical assistance by sector and region as of March 2005

| EcoGov 2 Region | Sector and type of TA assistance | No. of LGUs |
|---|---|--------------------|
| Northern Luzon | CRM – Inter-LGU Fisheries Management | 4 |
| | CRM – CRM implementation | 1 |
| | CRM – New Marine Sanctuaries | |
| | CRM – Existing Marine Sanctuaries | 1 |
| | FFM – FLUP Implementation | 4 |
| | FFM – FLUP Completion | 4 |
| | FFM – FLUP Formulation | 3 |
| | FFM – Co-management agreement | 1 |
| | UEM – ISWM implementation | 5 |
| | UEM – ISWM plan completion | 6 |
| | UEM – ISWM planning | |
| | UEM – clustering of disposal facilities | |
| Central Visayas | CRM – Fishery Management | 3 |
| | CRM – CRM Plan Formulation | 2 |
| | CRM – CRM implementation | 1 |
| | CRM – New Marine Sanctuaries | 1 |
| | CRM – Existing Marine Sanctuaries | 1 |
| | FFM – FLUP Implementation | 11 |
| | FFM – FLUP Completion | |
| | FFM – FLUP Formulation | |
| | FFM – Co-management agreement | 2 |
| | UEM – ISWM implementation | 7 |
| | UEM – ISWM plan completion | 14 |
| | UEM – ISWM planning | |
| UEM – clustering of disposal facilities | | |
| Central and Southern Mindanao | CRM – Fishery Management Implementation | 2 |
| | CRM – CRM Plan Formulation/Zoning | 3 |
| | FFM – FLUP Implementation | 5 |
| | FFM – FLUP Completion | 2 |
| | FFM – FLUP Formulation | 5 |
| | FFM – Co-management agreement | 1 |
| | UEM – ISWM implementation | 4 |
| | UEM – ISWM plan completion | 3 |
| | UEM – ISWM planning | |
| | UEM – clustering of disposal facilities | |

| EcoGov 2 Region | Sector and type of TA assistance | No. of LGUs |
|------------------------|---|--------------------|
| Western Mindanao | CRM – Fishery Management | 2 |
| | CRM – Inter-LGU Fisheries Management | 8 |
| | CRM – CRM Plan Formulation | 6 |
| | CRM – CRM implementation | 4 |
| | CRM – New Marine Sanctuaries | 2 |
| | CRM – Existing Marine Sanctuaries | 2 |
| | FFM – FLUP Implementation | 2 |
| | FFM – FLUP Completion | |
| | FFM – FLUP Formulation | 5 |
| | FFM – Co-management agreement | 1 |
| | UEM – ISWM implementation | 4 |
| | UEM – ISWM plan completion | 1 |
| | UEM – ISWM planning | |
| | UEM – clustering of disposal facilities | |
| 5. Summary | FFM – All aspects | 46 |
| | CRM – All aspects | 43 |
| | UEM – All aspects | 44 |

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 broken down into activities by geographic location.

2.1. Strengthened Government Institutions

a. Expected Outputs for the Quarter

This was, in effect, the first quarter of operations for EcoGov 2. As such, the expected outputs were to complete project strategizing and to consolidate efforts began under EcoGov 1.

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 Regional Coordinators in Solano, Cebu City, Cotabato City, and Zamboanga met with multiple provincial- and municipal LGU-level officials and the staff of line agencies to orient them on the EcoGov 2 project. They met with staff from DENR, BFAR, regional alliances, local service providers, and NGOs.
- The team was active in supporting the development of LGU clusters, whether for FFM, CRM, or UEM, and discussed further in the discussions below on those sectors.
- In Regions 2, 3, 7, 9, 11, 12, and ARMM, the Regional Coordinators facilitated the formation of DENR Working Groups that will provide support to partner LGUs. In such cases, the DENR will issue Special Orders for the deployment of the concerned staff. These DENR staff will be important counterparts of EcoGov specialists when providing assistance to LGUs.

- In Regions 3, 7 and 9, the Regional Coordinators established formal and informal links with BFAR. The result in Region 7 was that the BFAR Regional Director directed her staff to coordinate with EcoGov 2 on fisheries management.
- The team conducted training needs assessments in each of the four project regions, assessing a total of 24 LGUs. The assessments revealed: (1) the LGU IEC teams tend to be composed of people with little professional experience in IEC; (2) the dominant IEC products are “town hall meetings” and printed materials produced on personal computers; (3) LGU IEC teams rarely practice audience segmentation; (4) several LGUs showed the ability to improvise and produce exemplary IEC products.
- The team finalized its “governance index” measurement tool and presented it to USAID. The index is a simplified and refined version of an instrument developed under EcoGov 1. The index was designed to correlate LGU governance with project interventions. The questionnaire was pre-tested in Danao City and Municipality of Alcoy, both in Central Visayas. One questionnaire addresses the three main resources sectors (i.e., forests, coasts, waste) and covers five areas of governance: (1) planning and implementation, (2) budgeting and fund disbursement, (3) procurement, contracting and issuance of licenses , permits and tenure instruments, (5) law enforcement.
- The team is facilitating the creation of a network between Community-Based Forest Management (CBFM) people’s organizations in Sarangani in collaboration with the provincial government, the DENR office, and LGUs to address issues of forest protection and management.
- Project team members met with the DENR Human Resources Management (HRM) and CBFM unit to develop a capacity building program for Community Environment and Natural Resources officers (CENROs). The program will build on the DENR Academy, DENR Award Program (EAGLE), and the Gessellschaft für Technische Zusammenarbeit (GTZ) Total Quality Management effort.
- The team discussed with the LCP and the LMP the concept of “theme networks” as a means of disseminating knowledge (e.g., a nationwide network of LGUs with marine protected areas that share best practices). Such networks could also advocate for policy change or facilitate the provision of service from one LGU to another.
- The team discussed with the LMP the development of a training unit tentatively called the Mayors’ Development Center, possibly in alliance with the Asian Institute of Management.
- The team ensured that the LMP was represented at a policy forum on ISWM with the National Solid Waste Management Commission (NSWMC).

- Explored collaborative efforts with the Solid Waste Association of the Philippines and the Philippine Watershed Management Coalition for policy advocacy, LGU capacity building, and LGU network development.
- Finalized draft department administrative order (DAO) on alternative dispute resolution (ADR) for DENR and submitted it to the Secretary for approval. The DAO provides the framework for DENR to adopt ADR in the resolution of environmental disputes. This is in line with the new ADR Act, as well as the thrust of the Supreme Court to lessen the number of cases before regular courts. It also allows the DENR to fully consider the various dimensions of environmental disputes (ecological, social, economic and even political), which is different from the usual treatment of regular cases involving two parties.
- Agreed with DENR-Protected Areas and Wildlife Bureau (PAWB) on a process for reviewing IRR of the NIPAS Act. The project is advocating for enhancing the LGU management role in protected areas.
- Provided continuing assistance for the organization of the Philippines Tropical Forest Conservation Fund, including drafting of articles of incorporation and by-laws, completing formal legal requirements for operations, drafting an operations manual, and drafting an employment contract for the executive director. The Fund is intended to be a major source for financing forest and mangrove conservation even after the end of the EcoGov project.
- Conducted legal research on (1) the framework of ARMM powers and functions related to environmental management; (2) management of mangrove resources; (3) the framework for providing inputs to various Congressional bills; (4) the framework for registration and licensing for municipal fisheries.

c. Implementation Problems and Proposed Resolution

No problems were encountered by this sector.

d. Objectives for the Next Quarter

- EcoGov 2 launching in Davao City (with USAID, DENR, DILG, leagues, NEDA, and LGU partners in late April or early May.
- Based on the training needs assessment for IEC, train selected LGU staff in presentation skills (for use at town hall meetings), materials development (with special focus on developing the right messages), and media utilization.
- Complete data gathering and analysis to establish the governance index baseline in all partner LGUs.

- With the DENR HRM and CBFM units, undertake capacity building modules for CENROs in Nueva Vizcaya and Quirino.
- Further develop and implement a pilot ISWM unit for the “Mayors’ Development Center” in the LMP.
- Assess and update the LCP’s “environment agenda.”
- Assist the LPP in identifying how provincial governments can support multi-LGU initiatives (e.g., clustering for solid waste disposal).
- Conduct national workshop for review/revision of NIPAS IRR and assist in the preparation of draft IRR.

e. Status toward Achieving Sustainability of Efforts

The project is in its second quarter. Governance and advocacy efforts have only just begun and are not yet sustainable.

2.2. Improved Forest Management

a. Expected Outputs for the Quarter

This was, in effect, the first quarter of operations for EcoGov 2. As such, the expected outputs were to complete project strategizing and to consolidate efforts began under EcoGov 1.

b. Summary of Accomplishments and Activities

Presented here are accomplishments on a sector- and nation-wide basis. This is followed by accomplishments per geographic region.

FFM Sector-Wide Accomplishments

- The FFM team, Regional Coordinators, and the Deputy Chief of Party (DCoP) for Technical Results completed their sector strategy and defined outputs and indicators for the PMP.
- Oriented partners in LGUs and DENR field offices on the scope of EcoGov 2 technical assistance. The results of these orientation efforts were “special orders” in support of EcoGov 2 FLUP efforts from local DENR offices and executive orders from LGUs.
- Received confirmation from all 31 LGUs that began FLUP process in EcoGov 1 that they wished for continued partnership on EcoGov 2, and received six additional

expressions of interest from LGUs wishing to become partners with EcoGov 2 for FFM. By region, the breakdown of FFM partners is as follows:

Northern Luzon: 11 LGUs
Central Visayas: 11 LGUs
Central and Southern Mindanao: 12 LGUs
Western Mindanao: 3 LGUs

- Clustered LGUs within each province to facilitate the delivery of technical assistance and reach more LGUs with our training modules. The clusters are as follows:

Northern Luzon

Quirino Cluster: Nagtipunan, Aglipay, Maddela, Diffun, Cabarroguis
Nueva Vizcaya and Aurora Cluster: Dupax del Sur, Quezon and Baler,
Aurora

Central Visayas

Cebu Cluster: Dalaguete, Alcoy and Toledo
Bohol Cluster: Talibon and San Miguel
Negros Cluster: 6 LGUs

Central and Southern Mindanao

Sarangani Cluster: Maasim, Maitum
North Cotabato and Lanao Cluster: Kidapawan, Makilala, Wao, Lanao del
Sur

Western Mindanao

Basilan Cluster: Isabela City and Lamitan

- Identified principal individuals in each province who are to be trained as FLUP specialists.

FFM Accomplishments – Northern Luzon

- Completed orientation sessions on FLUP implementation with the LGUs of Quezon, Dupax del Sur, Nagtipunan, Maddela, Aglipay, Cabarroguis, Diffun, Baler, Dinalungan.
- Organized FLUP implementation core teams in Nueva Vizcaya and Quirino composed of staff from DENR, provincial government, and municipal LGUs.

FFM Accomplishments – Central Visayas

- Completed orientation sessions on FLUP implementation with the LGUs of Bayawan City, Bais City; Dalaguete, Toledo City, and Bohol province. Each LGU confirmed its commitment of budget allocation for FLUP implementation.

- Coordinated implementation plans with DENR Regional and CENRO offices and advised DENR counterparts on the provision of FLUP technical assistance to new LGUs. This included finalization of a “FLUP manual” for DENR personnel.
- Facilitated secondment of DENR personnel to EcoGov-assisted LGUs (ten foresters for Bayawan City, one forester for Toledo City, one forester for Dalaguete, and one forester for La Libertad) to facilitate FLUP implementation.

FFM Accomplishments – Central and Southern Mindanao

- Completed orientation sessions on FLUP implementation with the LGUs of Lebak and Kalamansig (Sultan Kudarat); Maitum and Maasim (Sarangani); and Wao (Lanao del Sur). Each LGU confirmed its commitment of budget allocation for FLUP implementation.
- Organized provincial level FLUP core team in Sarangani.
- Held discussions with several academic institutions to engage them as service providers for FFM. As a result, the project designed a “summer school” forestry program with MSU-Marawi, MSU-Maguindanao, CMU-Musuan, Bukidnon, CCSPC-Cotabato City, and the University of Mindanao. As designed, the curriculum will address tenure assessment and FLUP implementation.
- Facilitated a three-party Memorandum of Agreement (MoA) between the LGU of Lebak, the Mindanao Baptist Rural Life Center, and the Hinalaan Multi-Purpose Cooperative for assistance in agroforestry and FLUP implementation.
- Held two discussions with Davao City and the DENR for future EcoGov 2 assistance on watershed planning.

FFM Accomplishments – Western Mindanao

- Completed orientation sessions on FLUP implementation with the LGUs of Lamitan and Isabela City (Basilan), and Zamboanga City.
- Prepared a MoA with Zamboanga City for the co-management of six watersheds.
- Prepared a MoA for the management of the Arco watershed in Lamitan.

c. Implementation Problems and Proposed Resolution

The team in Western Mindanao has noted hostility toward FFM efforts from certain elements in Basilan, including subtle threats of violence against our team. For the moment, this will delay placement of a permanent FFM staff member on Basilan. This may also lead to a change in project tactics from purely FFM work to one more focused on increasing political will in Basilan.

d. Objectives for the Next Quarter

- Training of FLUP core teams in each cluster and subsequent technical assistance for implementation of plans.
- Training of FLUP teams on (a) planning, (b) processing co-management agreements, and (c) establishment of water user fees for upper watershed management (for downstream water supply).
- Signing of MoA for watershed planning between Davao City, DENR-R11 and the project.
- Characterization of six watersheds surrounding Zamboanga City and production of thematic maps.
- Signing of MoA for co-management of six watersheds between Zamboanga City and the project.
- Completion of resolution by the Board of Director of the Lamitan CBFMA, leading to signing of a MoA by the Board, Lamitan LGU, and Lamitan Water District for the management of the Arco Watershed.
- Begin meetings with DENR/ARMM for the preparation of IRR for Muslim Mindanao Autonomy Act (MMAA) 161.

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 FFM sector, many of the roles the project is playing are actually more properly carried out by the LGUs themselves, with the support of the DENR. The team is jump-starting that process, hopefully demonstrating that the efforts are not that difficult to maintain. As the project is only in its second quarter, one cannot say sustainability has yet been achieved in any partner LGU, but it is making progress.

2.3. Improved Coastal Resources Management

a. Expected Outputs for the Quarter

This was, in effect, the first quarter of operations for EcoGov 2. As such, the expected outputs were to complete project strategizing and to consolidate efforts began under EcoGov 1.

b. Summary of Accomplishment and Activities

Presented here are accomplishments on a sector- and nation-wide basis. This is followed by accomplishments per geographic region.

CRM Sector-Wide Accomplishments

- During the last quarter, the CRM team refined its sector direction, strategy, targets, and action plan for 2005. To date, 26 LGUs have expressed their commitment and interest in working with EcoGov 2 in this sector. Of these, four are requesting assistance in CRM plan formulation and 22 are requesting assistance in plan legitimization and/or implementation.
- The CRM team completed recruitment and deployment of regional specialists, assisting professionals, and local service providers.
- The CRM team worked closely with the GoAd team to generate political will at a provincial and multi-LGU level for the conservation of Baler Bay (Northern Luzon) and Illana Bay (Western Mindanao).

CRM Accomplishments – Northern Luzon

- With personnel from San Luis, Baler, Dipaculao, and Dinalungan, prioritized activities for the inter-LGU fisheries management plan (ILFMP) and received the support of the provincial governor of Aurora for implementation of this cooperative effort.
- EcoGov signed a MoA with Fundeso-ASCOT to collaborate on the establishment and management of marine sanctuaries and conduct of public awareness activities in Aurora. (Fundeso is a Spanish NGO in arrangement with the Aurora State College of Technology, or ASCOT.)

CRM Accomplishments – Central Visayas

- Completed the action plans for the implementation of the CRM plans of Poro and Tudela and the fisheries management plans of Danao and San Francisco. One immediate result was organization of *barangay*-based fishery registration teams.
- Based on the above, San Francisco increased its allocation for fisheries management from P225,000 to P395,000 for the purchase of a patrol boat, and Danao increased its allocation from P900,000 to P1,700,000.
- Conducted training on fishery registration for Poro, Tudela, Danao, and San Francisco for *barangay* staff. The training included a review of the fisheries profile

of the LGU, the rationale behind registration, and an explanation of actual registration procedures and forms.

- Assessed the coastal law enforcement systems of Danao, San Francisco, Poro, and Tudela. The project team collected information on the organizations responsible (e.g., name of law enforcement group), the legal basis for enforcement (e.g., LGU ordinance), available human resources (e.g., number of police and volunteers), and material and financial support (e.g., patrol boats, guardhouses, budget).
- Assessed current status and made recommendations on the marine sanctuaries in Pilar. Pilar officially reports having eight sanctuaries. However, the EcoGov team's assessment shows that these sanctuaries actually function more like *reserves*, in that some fishing activities are allowed within the borders. To make these reserves more effective, the project team met with *barangay* officials to identify a site for an actual sanctuary. The team used a "manta tow" to conduct a rapid biophysical assessment of the site and prepared a report documenting its ecological importance, acceptance by the surrounding communities, and willingness of the two bordering *barangays* to cooperate on its management. The project team submitted this report to the mayor of Pilar for his consideration.
- In collaboration with LGU personnel, placed markers for the delineation of the Esperanza Marine Sanctuary (Poro) and validated the boundaries of the Puertobello Marine Sanctuary (Tudela). Clear markings are a critical element of compliance and enforcement.

CRM Accomplishments – Central and Southern Mindanao

The project undertook no CRM activities in this region. Two LGUs from EcoGov 1 with CRM interests, Lebak and Kalamansig, expressed their continued interest in this aspect of the project especially in the implementation of their fishery management plans.

CRM Accomplishments – Western Mindanao

- In the municipalities of Tabina and Tukuran, and in collaboration with the DENR and Provincial Agriculture Office (PAO), prioritized implementation activities outlined in the CRM and fisheries management plans.
- In Pagadian City, prioritized implementation activities of the IBRA 9 fisheries law enforcement plan and Prioritization of Year 1 Activities. This involved working with the IBRA 9 project manager and the fisheries law enforcement team of the nine participating LGUs.
- The LGUs of Dimataling and Dumalinao issued executive orders creating MPA task forces
- The CRM team conducted an orientation on marine sanctuaries for Dimataling.

- In the municipality of Labangan, with the assistance of the DENR and PAO, established marine sanctuary boundaries.
- Assessed efficacy of marine sanctuaries in Naga, Payao, and Tungawan. The level of compliance and enforcement were poor overall, and for Naga and Payao, were poor even within the core zone. The CRM specialists followed these assessments with meetings with the partner LGUs to suggest better implementation methods.

c. Implementation Problems and Proposed Resolution

Lawless elements purposefully attacked the marine sanctuary in the LGU of Dinas in Western Mindanao. These people destroyed a guardhouse and attempted to damage the ecosystem. EcoGov personnel documented the attack and informed the press. The fact that such an attack occurred is a clear manifestation that at least some parties have a vested interest in contravening project efforts and may prevent further progress. The project team will continue working in Dinas and reassess the situation periodically in terms of safety. The project team will also respond by attempting to raise political will at the provincial level to combat such attacks.

d. Objectives for the Next Quarter

- There will be a focus on implementation activities in all LGUs, including (a) fishery registration, licensing and permits; (b) fishery law enforcement; (c) establishment of new marine sanctuaries and strengthening of existing marine sanctuaries; and (d) strengthening and capability-building of inter-LGU/provincial alliances.
- In Northern Luzon, the team will work with Fundeso-ASCOT to establish and manage marine sanctuaries in San Luis and Dinalungan.
- The team will work with the Central Visayas partner LGUs (Danao, San Francisco, Poro, and Tudela) on improving their enforcement programs.
- In Central and Southern Mindanao, the team will ensure that representatives from the partner LGUs of Lebak and Kalamansig are able to participate in the training events that take place for LGUs in Zamboanga-Sibuguey.
- In Western Mindanao, the team will collaborate with the efforts funded by the Philippine-Canada Development Fund for fisheries law enforcement and habitat enhancement in IBRA 9.
- Hold study tour for LGUs from Baler to Mabini, Batangas to visit two marine protected areas (one managed by a people's organization, another by a resort).
- Conduct FISH BE data gathering in Baler Bay as part of decision support tool.

- Implement Fishery Registry Training Modules 2 (Database management) and 3 (Data Analysis and Application to Fisheries Management) in San Francisco, Danao, Poro and Tudela.
- Hold baywide assessment and mapping of fishery violations in IBRA 9.
- Conduct inter-LGU orientation and training on fishery law enforcement – high risk boarding, apprehension and seizure in Zamboanga del Sur- IBRA 9.

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 CRM sector, many of the roles the project is playing are actually more properly carried out by the LGUs themselves, with the support of the DENR, BFAR, and others. The team is jump-starting that process, hopefully demonstrating that the efforts are not that difficult to maintain. To the extent that some LGUs are showing increased commitment to CRM efforts – in terms of allocation of budget and personnel –progress is being made.

2.4. Improved Waste Management

a. Expected Outputs for the Quarter

This was, in effect, the first quarter of operations for EcoGov 2. As such, the expected outputs were to complete project strategizing and to consolidate efforts began under EcoGov 1.

b. Summary of Accomplishment and Activities

Presented here are accomplishments on a sector- and nation-wide basis. This is followed by accomplishments per geographic region.

UEM Sector-Wide Accomplishments

- The UEM team held a sector planning meeting in Davao City to decide upon strategies and targets. For the coming year, the team will concentrate on helping those LGUs with legitimized ISWM plans implement those plans.
- EcoGov 1 assisted 44 LGUs with ISWM assistance, and of these, all have expressed interest in continuing to work with the project. Of these, 20 have legitimized plans and are ready for implementation. In addition, the cities of Cotabato, General Santos, Digos, and Davao, and the municipal LGUs of Payao (Zamboanga Sibugay) have requested project assistance.

- At the national level, the major effort in the sector was the facilitation of an ISWM policy forum, held in Los Baños in early March, 2005. The project sponsored the forum at the behest of, and on behalf of, members of the NSWMC. The forum discussed the challenges and shortcomings posed by RA 9003, the Ecological Solid Waste Act, and its IRR. The forum was also an opportunity for project personnel, other experts, and stakeholders to present what they have learned in attempting to comply with the law. Results of the forum included specific recommendations for draft NSWMC resolutions and DENR orders that will facilitate LGU compliance with the Act. As a member of the Commission, the DENR is taking the lead in reviewing modifications to the act and IRR in response to requests made by the LCP, LMP, and LPP.
- The team developed training modules on composting, toxic and hazardous waste management, simplified wastewater assessment for point sources (e.g., public markets, slaughterhouses, hospitals, sewage treatment facilities), and IEC.

UEM Accomplishments – Northern Luzon

- Assisted the LGUs of Cabarroguis (Quirino) and Bambang (Nueva Vizcaya) in drafting and presenting their ISWM plans to the ESWM review board.
- Facilitated decision-making in Maddela (Quirino) and Bambang to relocate LGU disposal sites and to allocate funds for the activity. Bambang is shifting from an open dump to a controlled facility with associated composting and materials recovery.
- Assisted the LGUs of Bambang and Diffun apply for a “notice to proceed” from DENR Environmental Management Bureau (EMB) Region 2 to operate controlled dumps. These applications received endorsement from their respective provincial governments.
- Prioritized implementation efforts for 11 ISWM plans with LGU and DENR partners in Quirino and Nueva Vizcaya.
- Advocated to the provincial governments of Nueva Vizcaya, Isabela, Quirino, and Aurora, and to the offices of the DENR in those provinces, to support their LGUs in implementing their ISWM plans. As a result, Nueva Vizcaya agreed to assist with the pre-feasibility study of a common sanitary landfill at Nalubbunan, with the writing of the ISWM plans for four LGUs, and with the preparation of the “notice to proceed” documents for controlled dumps. Also as a result of project advocacy, Quirino allocated P500,000 for each EcoGov-assisted LGUs and allocated P50,000 for the establishment of a materials recovery facility (MRF) at the Quirino Provincial Hospital. Isabela and Aurora agreed to the formation of UEM provincial core teams that will support individual municipalities.
- Facilitated a joint effort between Central Luzon State University and DENR/Mines and Geosciences Bureau (MGB) to gather and analyze data on the sources and

characteristics of local bentonite clays for the construction of sanitary landfills in the region.

- Facilitated consensus within the LGUs of Solano and Dupax (Nueva Vizcaya) and Ma. Aurora (Aurora) on solid waste management; reached consensus on how the LGUs will manage their solid wastes. Each LGU will request the ESWM Board and *sangguniang bayan* (SB) to act favorably on their recommendations.

UEM Accomplishments – Central Visayas

- In Toledo City and Compostela (Cebu); Dauin, Amlan, Pamplona, and San Jose (Negros Oriental); and Talibon (Bohol), the team assisted the LGUs draft ISWM plans for submission to their respective ESWM Boards, municipal development committees and the SB.
- The team assisted the LGU of Dauis (Bohol) present its ISWM plan to the SB, which approved the plan.
- In Cortes (Bohol), the team worked with the LGU in drafting and endorsing an ISWM ordinance for SB approval.
- In Metro Tagbilaran, the team obtained a commitment from the Provincial Governor to broker agreements among several LGUs for the development and operation of a common sanitary landfill.

UEM Accomplishments – Central and Southern Mindanao

- Koronadal City and Tacurong continued to implement their legitimized ISWM plans. The former, based on EcoGov 1 technical assistance, is now optimizing the route and scheduling of its garbage collection.
- Assisted Wao (Lanao del Sur) and Lebak and Kalamansig (Sultan Kudarat) in updating their waste assessment data.
- Planned a study tour for LGU officials and ESWM board members from Lebak and Kalamansig to visit relevant sites Central Visayas.

UEM Accomplishments – Western Mindanao

- Began databases for the monitoring and managing of waste processing in the disposal facilities of Pagadian City (Zamboanga del Sur) and Isabela City (Basilan).

c. Implementation Problems and Proposed Resolution

The UEM team experienced no implementation problems in this quarter.

d. Objectives for the Next Quarter

- Follow through with advocacy efforts for the review of RA 9003.
- In Northern Luzon, assist Solano, Dupax, and Ma. Aurora with presentation of their ISWM plans to the ESWM Board and SB.
- In Central Mindanao, lead study tour for LGU officials and ESWM board members from Lebak and Kalamansig to visit relevant sites Central Visayas.
- Drafting of NSWMC resolutions and guidelines, and DENR Administrative Orders/ memo circulars on measuring waste diversion, phased compliance with sanitary landfill facility (SLF) requirements, approval process of LGU ESWM plans, coordinated activities for disposal site identification and environmental clearance.
- Conduct implementation training modules on composting, disposal management, toxic and hazardous waste (THW) management and wastewater management to LGUs in Central Visayas and Mindanao.

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 UEM sector, many of the roles the project is playing are actually more properly carried out by the LGUs themselves, with the support of the DENR others. The team is jump-starting that process, hopefully demonstrating that the efforts are not that difficult to maintain. To the extent that some LGUs are showing increased commitment to UEM efforts – in terms of allocation of budget and personnel – progress is being made.

2.5. Municipal Investment in Sanitation

a. Expected Outputs for the Quarter

This was, in effect, the first quarter of operations for EcoGov 2. Moreover, EcoGov 1 did not address this sector. Thus, much of the team's effort was in laying groundwork for future activities.

b. Summary of Accomplishment and Activities

With a significantly smaller team for this sector, and consequently, fewer activities in the quarter, accomplishments are presented on a sector-wide basis, rather than breaking down activities by region.

The Municipal Finance team began assessing the capacity of the project's 79 current partner LGUs to raise financing and implement projects. The team developed a preliminary financial analysis approach and gathered data from the Department of Finance/Bureau of Local Government Finance (BLGF) and Commission on Audit (COA). The goal is to build the capacity of LGUs to provide public financing/subsidies, implement user fees, or enter into financing arrangements with the private sector to develop municipal environmental management infrastructure.

During the last quarter, the Finance Sector Team undertook the following tasks:

- Conducted research on the municipal credit ratings and budgeting processes of partner LGUs.
- Reviewed the legitimized plans of various LGUs.
- Developed a basic spreadsheet model to determine appropriate user fees and LGU subsidies.
- Tested the model using data on the solid waste collection activities of Tacurong City. The model showed that approved user fees are 50 percent lower than necessary for financial sustainability.

c. Implementation Problems and Proposed Resolution

The Municipal Finance team experienced no implementation problems in this quarter.

d. Objectives for the Next Quarter

- Complete basic financial analysis of all partner LGUs by April, 2005.
- Use model to determine appropriate user fees and LGU subsidies in select LGUs.
- Conduct detailed financial analysis in the following LGUs:

Central Visayas

| | |
|-------------------------|--|
| Legitimized FLUP: | Dauin, Toledo City |
| Legitimized CRM plans: | Poro, Tudela |
| Legitimized ISWM plans: | Albuquerque, Bais City, Bayawan City, Danao City, Jagna, Tabilaran, Talibon, Tanjay City |

Central and Southern Mindanao

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

Western Mindanao

| | |
|-------------------------|---|
| Legitimized FLUP: | Isabela City |
| Legitimized CRM plans: | Pagadian City, Tukuran, Tungawan |
| Legitimized ISWM plans: | Bug, Ipil, Isabela City, Lamitan, Pagadian City |

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

During the period of January-March 31, 2005, the senior personnel on the project instituted managerial, logistic, financial, and administrative procedures to ensure smooth implementation. With USAID's verbal approval of the Life of Project Work Plan and 2005 Work Plan, the team proceeded with sector meetings, clarified roles and responsibilities and reporting relationships, and recruited and deployed needed personnel.

b. Summary of Accomplishment and Activities

Project Management

- Received from USAID consent to subcontract with the four local subcontractors: OIDCI, REECS, MERF, and CVAI.
- Received approval from USAID for commodity procurement, principally of information technology hardware and software. Majority of items were purchased in the United States to comply with source-origin requirements.
- Received Contract Modification 1, primary features of which are (1) re-ordering of CLINs and associated budget per the six items reflected in this quarterly report, and (2) removal of Manuel Bonita as Key Personnel.
- Mobilized, with USAID approval, the following new local technical assistance: Mabini Arevalo (UEM specialist, Cotabato) and Chit Bigornia (IEC specialist, Cebu City).
- Mobilized, with USAID approval, the following international technical assistance: Del McCluskey of DAI for assistance in drafting the PMP.

- Worked with USAID/OEE to agree on project indicators and outcomes, and then completed a final draft of the EcoGov 2 PMP for USAID approval..
- Held meetings with Sector Leaders and Regional Coordinators to define roles and responsibilities and project management procedures.
- Mobilized international long-term Deputy Chief of Party for Management and Administration, Daniel Rothberg, on January 1, 2005.
- Relocated Manila office from Quezon City to a larger location in Ortigas Center. New location accommodates all Manila-based team members and has space dedicated for DENR counterparts.
- Relocated Cebu City office from the DENR Region 7 complex to commercial office space to properly accommodate all technical assistance and ensure project autonomy.

Collaboration with other Donors, Projects, and Efforts

- In early March, the Central and Southern Mindanao office worked with the USAID AMORE Project to organize a visit and provide a briefing for Ms. Kay Freeman, Deputy Director of USAID Bureau for Asia and Near East/East Asia Affairs and Francis Donovan, Deputy Mission Director of USAID/Manila.
- In early March, EcoGov personnel briefed members of the USAID – US Department of the Interior (DOI) team for environmental enforcement. EcoGov personnel traveled with the USG contingent to Central Visayas, where we facilitated meetings between the DOI and enforcement agencies in the region. (DOI is developing an assistance plan to provide training on environmental enforcement. EcoGov 2 will ensure its activities complement those of the DOI program, once it begins.)
- Collaborated with Fundeso-ASCOT on CRM activities in Baler (see section 2.3 of this document.)

c. Implementation Problems and Proposed Resolution

- The delay in the signing of the Memorandum of Understanding (MoU) between USAID and NEDA, and in the signing of the MoA between USAID, NEDA, and DENR for the implementation of projects under USAID SO4 has affected the implementation of EcoGov 2 activities. While project personnel have held discussions with DENR undersecretaries and regional executive directors, formal cooperation has not yet begun.
- DENR has restructured and changed the leadership of its Foreign Assisted Projects Office (FASPO), which will be the formal link with EcoGov 2 once the MoU and MoA have been signed. EcoGov 2 personnel continue to work with counterparts

from the technical bureaus (FMB, EMB, PAWB, Policy), but there is a need to formalize working arrangements with FASPO.

- USAID, DENR, and other counterparts have made multiple suggestions in terms of geographic focus and technical assistance for the project, some of which, while within the scope of work, the project does not have the financial, logistic, or human resource capacity to address. Three-party discussions and USAID's formal approval of the Life of Project Work Plan and first Annual Work Plan will help ensure the project receives a clear message on the nature and location of technical assistance it should deliver.
- The project awaits USAID approval of the grants manual.

d. Objectives for the Next Quarter

- Receive and install all IT hardware and software.
- Seek and receive approval for CRM technical specialists: Villanoy and de Guzman.
- Receive approval for international IT specialist to install new equipment (Momirovich) and international management information systems specialist (Torres).
- Seek and receive approval for international governance and project management specialist (Hollenbach).
- The project is sponsoring the participation of Mars Amaro (DENR/Manila personnel) and Psyche Sucaldito (SB chair for environment, Tacurong City) at the University of California Beahrs Environmental Leadership Program, beginning in June.