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ENVIRONMENTAL COOPERATION-ASIA (ECO-ASIA)

QUARTERLY REPORT

April – June 2007

Prepared for
United States Agency for International Development (USAID)
Regional Development Mission/Asia (RDM/A)
Under
CONTRACT NO. 486-C-00-05-00010-00

By

Planning and Development Collaborative International, Inc. (PADCO)

1.0 Summary

In this quarter, Planning and Development Collaborative International, Inc. (PADCO) continued support for the ECO-Asia program by completing a series of project development and implementation activities. Primary activities focused on: (1) submission of FY 2007 mid-year results and support for portfolio review; (2) exchange support for reo partners; (3) issuance of small grants; (4) key program development and implementation activities. Notable project implementation highlights included: establishing the Water Utility Leadership Center-Asia, supporting the SEAWUN Convention, Manila Water Company agrees to finance and build wastewater system for public market and commercial area in Marikina, Philippines, signing a Note of Arrangement with the Mekong River Commission Secretariat, and launching a new pilot initiative on wastewater pollution discharge fees in Sri Lanka.

2.0 Performance Objectives and Expected Outputs

Project performance objectives for the quarter focused on continued activity planning and implementation in line with the annual work plan, as well as core program support to REO RDM/A. Core performance objectives and expected outputs included:

- Support for REO on the 2007 Portfolio Review
- Development and implementation of program activities in water and sanitation, and environmental governance
- Issuing small grants per approved guidelines
- Supports REO partner exchanges

3.0 Summary of Major Accomplishments

Major activities and accomplishments during this quarter centered on: (1) Submission of FY 2007 Mid-Year Results and Support for Portfolio Review; (2) exchange support for REO partners; (3) issuance of two small grants; and (4) key program development and implementation activities.

3.1 Submission of FY 2007 Mid-Year Results and Support for Portfolio Review

With guidance from RDM/A, PADCO prepared mid-year documentation to be presented at the REO Portfolio Review in terms of the USAID Foreign Assistance Framework goals and REO's Strategic Objective. PADCO also provided program support to REO for the overall Mission Portfolio Review meeting scheduled for August 2007.

3.2 Exchange Support for REO Partners

With guidance from RDM/A, PADCO developed procedures and initiated a range of exchanges for other REO contractors and grantees. PADCO coordinated with REO CTOs and partner organizations, as well as the Louis Berger Group, to coordinate exchanges. A key part of this support effort was ensuring that REO partners understand key exchange program requirements and capabilities.

3.3 Issuance of Small Grants

During this quarter, PADCO issued two small grants: one to the Indonesia Center for Environmental Law to complete an AECEN program assessment, and one to the Asian Institute of Technology to develop the WULC-Asia curriculum and launch the first course. PADCO completed all grant procedures and requirements.

3.4 Key Program Development and Implementation Activities

PADCO continued with development and implementation of program activities for both country and regional activities. Key activities highlights and results include:

Task 1: Water and Sanitation

- Manila Water Company agrees to finance and build wastewater system for public market and commercial area in Marikina
- Convened first Steering Committee meeting in partnership with AIT to approve charter establishing the Water Utility Leadership Center - Asia (WULC-Asia), a regional professional development center of excellence that will provide water and wastewater utility managers with in-depth leadership training. Meeting and charter based on evaluation of survey of directors of Asian water utilities.
- Met with Governor of Phnom Penh and received approval from Phnom Penh Municipality to work together in one District to prepare an assessment and strategy for water, sanitation and health project
- Supported a training workshop on Designing and Operating Low-Cost Wastewater Treatment Systems for Local Government Units in the Philippines. The workshop featured guest speakers from Malaysia, the Philippines, and the United States who spoke about the design and operations of low-cost and low-maintenance wastewater treatment technologies. Site visits to six wastewater treatment facilities concluded the workshop.
- Presented a program on Enabling Water Services Delivery for the Urban Poor in Asia at the South East Asian Water Utilities Network (SEAWUN) Convention in Kuala Lumpur, Malaysia; invited speakers from water utilities in Cambodia, the Philippines, and Indonesia to share best practices on simplifying connection procedures and providing service connection options to the urban poor.
- Participated in a meeting in Islamabad, Pakistan to launch the South Asian Water Utilities Network (SAWUN).
- Supported the Indonesia Ministry of Finance in developing regulations and standard operating procedures for issuing municipal bonds in order to meet the financing challenges of increasing and improving the provision of urban infrastructure services. The regulations and procedures were launched at a national workshop in Jakarta.
- Conducted two separate workshops in the Philippines as part of the pilot project with the Philippine Local Water Utilities Administration (LWUA) to test the proposed LWUA Efficiency Improvement Program (EIP) loan facility in two selected water districts.
- Introduced business prospects for financing the growing need for safe water services at the 30th Annual Meeting of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) in Hanoi, Vietnam. Presented commercially viable investments to water utilities and other water service providers.
- Presented plans for USAID support to the ASEAN Working Group on Environmentally Sustainable Cities (AWGESC) at the Working Group's Fifth Annual meeting in Phnom Penh, Cambodia.
- Met with the new Commissioner of the Pune Municipal Commission (India) to report on pilot progress to serve the urban slums and initiate linkages with the Manila Water Company, Inc. (MWCI) to improve overall service delivery.
- Organized a technical exchange between Shelter Associates, a Pune (India) NGO and PDAM Surabaya (Indonesia) for poverty mapping to support the OBA activity in to expand services to the urban poor.
- Worked with the PDAM Kota Bandung to shortlist public tap locations that will be converted into improved water supply delivery scheme. Selection criteria, agreed by the PDAM, included water availability and community willingness to participate.
- Conducted a meeting of the Social Marketing and Information, Education and Communication Committee (Committee) in Marikina City, Philippines to plan the launch of the gender sensitive Social Marketing Information and Education Campaign as part of the Marikina City pilot. Conducted

focus group discussions with two groups of household heads (men and women) and made plans to conduct a baseline survey of knowledge, attitudes and practices (KAP). MWCI will assist with the KAP survey, which will cover 320 household heads split between males and females.

- Supported Marikina City, Philippines engineers in developing the initial project concept, design, cost estimates, and site selection for a wastewater treatment facility for the Marikina public market and surrounding area, which MWCI will finance and build.
- Initiated drafting of a septage management ordinance in coordination with the Municipal Council of Nuwara Eliya, Sri Lanka. An official from Dumaguete City, Philippines shared experience on the development and implementation of similar septage regulations.
- Organized and supervised on-site training for the Bai Chay Wastewater Treatment Plant staff in Vietnam on proper plant operations and maintenance, financial sustainability, and facility management.
- Supported IndoWater Conference in Jakarta, Indonesia to present structured social marketing strategies to raise awareness of sanitation (based on the Philippine experience and best practice) and alternative schemes for expanding water supply services to the poor. Social marketing strategies attracted local and national government agencies.
- Met with the Indonesia National Development Planning Agency to prepare support for the Indonesia Sanitation Summit in August 2007, which is based on the Philippine Sanitation Summit held in 2006. The Government of Indonesia requested participation of Philippine counterparts to share experiences on developing and launching public awareness campaigns for sanitation and on implementing a national sanitation policy.
- As part of the cooperative or “twinning” arrangement between the Bac Ninh Water Supply and Sewerage Company (BNWSSC) in Vietnam and Ranhill Utilities Berhad (RUB) in Malaysia on improving water service delivery in Bac Ninh City, conducted the second NRW management water workshop to review water balance homework and analyze key non-revenue water components in greater detail. RUB supplied resource persons who shared lessons and best practices.
- Implemented a second training workshop on managing non-revenue water (NRW) for managers and operations staff from the Provincial Waterworks Authority of Thailand (PWA). RUB, also PWA’s cooperative or “twinning” partner, provided the training and shared its practical innovations on evaluating water losses and reducing NRW.
- Led a technical exchange visit to RUB in Johor Baru, Malaysia for water utility staff from BNWSSC in Vietnam and the PWA of Thailand. Through site visits and technical exchanges, visiting practitioners gained new experience on innovations in managing non-revenue water and providing customer service.
- Supported the World Health Organization workshop on developing water safety plans in Vietnam. Water utility staff from three regions in North Vietnam received training on how to develop water safety plans for the water utilities based on health targets and risk management, and how to promote scaling up of water safety plans in Vietnam for safe drinking water.

Task 2: Asian Environmental Compliance and Enforcement Network (AECEN)

- Conducted inception workshop to launch pilot project with the Sri Lankan Central Environment Authority on a new wastewater pollution charges, and facilitated a technical exchange with representatives from LLDA of the Philippines.
- Worked with the U.S. Environmental Protection Agency (EPA), Council of Agriculture (COA) and R.O.C. (Taiwan), and Thailand’s Pollution Control Department (PCD) to conduct consultation workshops for local pig farmers in Nakornpathom and Chachoengsao Provinces in Thailand to identify models for an environmental compliance assistance center focusing on the swine sector.
- Conducted consultation workshops with the Laguna Lake Development Authority (LLDA) and local owners and operators of hog farms and slaughterhouses in Alabang, Muntinlupa and Antipolo, Rizal

in the Philippines to discuss establishment of compliance assistance centers for these sectors.

Participants from EPA and COA shared best practices for establishing compliance assistance centers.

- Met with China's State Environmental Protection Administration (SEPA) to plan AECEN Annual Forum, including themes and coordination efforts; will work with The Asia Foundation in China for logistics and coordination support.
- Planned the Asian Justices Forum on the Environment to be hosted by the Philippine Supreme Court to promote regional cooperation and share ideas on a proposed green bench in the Philippines. Coordinated with United Nations Environment Programme (UNEP) and Asia Pacific Jurist Association (APJA) on collaboration for the forum.
- Planned observational program to Taiwan for six Thai and Philippine delegates as part of the compliance assistance activities in both countries to take place in Q4.
- Worked with the Vietnam Ministry of Natural Resources and Environment (MONRE) Task Force and Vietnam consultant to plan three environmental inspector trainings to be conducted in the southern, central, and northern regions of the country in Q4. Training program will include exchange with experts/inspectors from Philippines, Singapore, Taiwan, and Japan to join the trainings.
- Met with Indonesia Ministry of Environment and the Indonesia Center for Environmental Law (ICEL) to schedule the focus group discussion; the focus group discussion will discuss the first draft of the assessment and the terms of reference.

Task 2: Mekong Transboundary Conflict Management

- Signed a Note of Arrangement with the Mekong River Commission (MRC) in Hanoi, Vietnam that aims to support the development of institutional arrangements, tools and skills for strengthening regional cooperation and addressing areas of potential conflict.
- Organized and conducted a two-day planning meeting with MRC programme managers and staff to discuss activities under the MRC Conflict Management Initiative, including identification of hotspots/issues, transboundary conflict management case studies, and conflict terminology to be discussed at a regional workshop on conflict management and prevention with the Member Countries in Q4.
- Attended the Regional Meeting on Identification of Transboundary Flood Issues conducted by the MRC Flood Management and Mitigation Programme; the workshop followed bilateral meetings with the countries, and discussed support needs and roles of MRCS in addressing differences and disputes relating to transboundary issues.
- Attended the International Conference on the Mekong River Commission in Hanoi, Vietnam, hosted by the Vietnam Ministry of Agriculture and Rural Development and the Danish Ministry of Development Cooperation; discussed ways to strengthen the Mekong River Commission to play a stronger role in the sustainable development of water and related resources in the Mekong Basin.

Task 3: Communications and Reporting

- Conducted Mid-Year Indicator Results collection for PADCO activities and prepared Mid-Year Results Report.
- Collected Mid-Year results from ECO-Asia partners and submitted combined results.
- Compiled key documents for use in substantiating indicator data reported for FY 2006 for DQA.
- Prepared materials for RDM/A's Portfolio Review.
- Finalized and printer report on "Enabling Water Services Delivery for the Urban Poor in Asia"
- Designed process for notice and comment on AECEN Regional Principles through AECEN website.
- Re-organized and re-designed the AECEN website.
- Developed Q3 e-Newsletter.
- Printed AECEN Sri Lanka Assessment; AECEN India Assessment in review with OECD.
- Initiated development of program fact sheets.

4.0 Outstanding Issues

Outstanding issues for the next quarter will center on: (1) ensuring overall achievement of FY results; (2) launching activities in Cambodia, and (3) improving communications capabilities. Key outstanding issues include:

- Maintaining activity focus for water and sanitation pilots to ensure achievement of targets for improved access; and,
- Hiring communications specialists to provide more consistent support.

5.0 Resource Leveraging and Sustainability

PADCO continued to work closely with RDM/A to implement ECO-Asia's core implementation strategy of leveraging programming resources and capabilities with project partners, including USAID missions. Notable leveraging efforts for the quarter included: Manila Water (Marikina), Shelter Associates (Surabaya), Ranhill Utilities Berhad (Bac Ninh and PWA), Asian Institute of Technology (WULC-Asia), Asian Institute of Management (WULC-Asia), Taiwan Council of Agriculture (LLDA, PCD), and U.S. Environmental Protection Agency (LLDA, PCD).

6.0 Performance Objectives for Next Quarter

In the fourth quarter of performance for 2007, PADCO will focus on activity implementation per the second-year work plan. Key performance objectives for the quarter will include:

- Continuing implementation on water and sanitation pilot projects (Bandung, Surabaya, Pune, Bac Ninh, Negombo, Hanoi, Provincial Waterworks Authority), sanitation (San Fernando, Nuwara Eliya, Marikina, and Halong), environmental compliance monitoring and inspection (Vietnam), and environmental compliance promotion and incentives (Thailand, Philippines, Sri Lanka).
- Launching the sanitation planning pilot initiative with Phnom Penh.
- Launching the first WULC-Asia training program (tentative)
- Conducting the Asian Justices Forum on the Environment in partnership with the Supreme Court of the Philippines, UNEP, APJA and EPA.
- Completing rapid assessment of environmental compliance and enforcement programs in Indonesia via a small grant to ICEL.
- Continuing implementation of AECEN pilots (Vietnam, Philippines, Thailand, Sri Lanka)
- Finalizing plans for the 2007 AECEN Forum with SEPA and ADB
- Making a grant to the Philippine Judicial Academy to support establishment of green benches.
- Engaging AECEN members, partner organizations and experts in refining the regional principles (through the AECEN website).
- Conducting regional meeting on conflict management and prevention with MRC Secretariat and programs, as well as members of the National Mekong Committees and line agencies.
- Continuing to enhance communications capabilities, including strengthening the AECEN and ECO-Asia WATSAN websites.