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**ENVIRONMENTAL COOPERATION-ASIA (ECO-ASIA)**

**QUARTERLY REPORT**

**July – September 2007**

**Prepared for**  
**United States Agency for International Development (USAID)**  
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**By**

**Planning and Development Collaborative International, Inc. (PADCO)**

## **1.0 Summary**

In this quarter, Planning and Development Collaborative International, Inc. (PADCO) continued development and implementation of activities in line with the work plan, and provided support for RDM/A and partners, including: supporting RDM/A in preparation of the Operational Plan for FY 2008, and continuing exchange support for REO partners. Notable project implementation highlights include: conducting a regional water and sanitation workshop for the ASEAN - Environmentally Sustainable Cities Initiative; supporting Pune Municipal Corporation in completing the first District Metered Area (DMA) to allow for continuous water supply to about 10,000 citizens; facilitating the preparation, submission and subsequent processing of the first Efficiency Improvement Program (EIP) loan application to the Local Water Utilities Administration (LWUA) in the Philippines; facilitating a twinning arrangement between wastewater treatment plant operators in Vietnam and Malaysia; training over 300 environmental inspectors in Vietnam; conducting the Asian Justices Forum on the Environment; and signing one MOU with the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) and one MOU with the Central Environmental Authority (CEA) of Sri Lanka.

## **2.0 Performance Objectives and Expected Outputs**

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

- Developing and implementing program activities in water and sanitation, and environmental governance;
- Strengthening communications support; and
- Mobilizing key staff in Bangkok for FY 2008 work planning and team building meeting.

## **3.0 Summary of Major Accomplishments**

Activities and accomplishments during this quarter centered on activity implementation and support activities. Key support results included assistance to RDM/A in preparation of the Operational Plan for FY 2008; and continued exchange support for REO partners.

### **3.1 Support for Submission of REO Operational Plan for FY 2008**

PADCO worked closely with RDM/A to support development of REO portion of the RDM/A Operational Plan for FY 2008. PADCO helped identify programming strategy for tasks under contract, and assisted with text related to ongoing PADCO activities, and activities of other REO contractors and cooperators.

### **3.2 Continued Exchange Support for REO Partners**

PADCO coordinated with REO CTOs and partner organizations, as well as the Louis Berger Group, to coordinate exchanges. PADCO facilitated one REO partner exchange to the U.S. where participants visited Hawaii, Oregon, and New York.

### **3.3 Issuance of Small Grants**

During this quarter, PADCO issued two small grants: one to the Philippine Judicial Academy (PHILJA) to support establishment of green benches, and one to the Department of Animal Science (DAS), Faculty of Agriculture, Kasetsart University to establish a pilot compliance assistance center for swine facilities located in the Tha Chin and Bang Pa Kong River Basins.

### 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

- In partnership with the ASEAN Initiative on Environmentally Sustainable Cities (AIESC) and the Bangkok Metropolitan Administration (BMA), organized a regional workshop to identify common challenges and to develop a regional action plan for improving access to water supply and sanitation in the 24 participating AIESC cities. Opened by the Governor of Bangkok and the U.S. Ambassador to Thailand, the event involved 45 participants from nine ASEAN countries and initiated city-to-city linkages in implementing solutions to improve water supply and sanitation management services. The ASEAN Secretariat recognizes ECO-Asia as the main partner for assisting AIESC member cities improve their water and sanitation services.
- Completed the first District Metered Area (DMA) establishment that will allow continuous water supply to about 10,000 inhabitants of Pune, India. Completed a household survey to determine willingness and ability to connect to piped water supply in two slum areas. Completed a demonstration activity to train Pune Municipal Corporation staff in GIS mapping of water supply networks.
- Launched and completed pilot project in Phnom Penh, Cambodia under AESCI to identify water and sanitation challenges to enable community leaders to incorporate environmental health planning into sub-district five-year strategic planning process. Facilitated a linkage on sanitation best practices with Iloilo City, Philippines, another AESCI member city.
- Facilitated preparation, submission and subsequent processing of first Efficiency Improvement Program (EIP) loan application to the Local Water Utilities Administration (LWUA) in the Philippines. The first EIP loan for Laguna Water District, to be signed on October 1, 2007, is for a P10 million (about \$217,000) loan and P9.25 million (about \$201,000) in equity to finance a range of efficiency improvement activities and 3,000 new house connections.
- Signed an MOU with the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) to promote and facilitate the development of innovative financing schemes for the water sector.
- Discussed ways to partner with the Singapore Public Utilities Board's WaterHub training facility to further build on the water utility leadership initiative initiated by ECO-Asia.
- Supported the Philippine Department of Health in holding a workshop to review and finalize the Operations Manual for a chapter of the Sanitation Code of the Philippines. The manual as a national policy guideline is a very important document that supports the Clean Water Act and the Sanitation Code that will provide guidance to local governments when they plan and operate their septage and sewage treatment programs.
- Completed a study on Economics of Sanitation in the Philippines. This study will be incorporated in a regional report by the World Bank's Water and Sanitation Program (WSP) on the economic impacts of poor sanitation and potential benefits of improved sanitation, for the purposes of increased sanitation advocacy. This paper will be presented at the East Asian Sanitation Summit in Beppu, Japan in December 2007.
- Completed a wastewater treatment plant training program for operators at the Bai Chay wastewater treatment plant, near Halong City, Vietnam. The training program was developed to provide targeted and specific training inputs that resulted in Standard Operating Procedures (SOPs) for the routine operation, preventative maintenance, and troubleshooting tasks for the sewage treatment facility.
- Facilitated the participation of two delegates from San Fernando City, Philippines, to join the Bai Chay wastewater treatment plant training because similar sewage treatment technology is under construction in San Fernando City.

- Initiated a twinning arrangement between Bai Chay wastewater treatment plant operators in Vietnam and Inda Water Konsortium (IWK), which operates and manages 8,000 sewage plants in Malaysia. Three Malaysian training professionals participated in the Bai Chay training to provide insight into operational best practices as well as the specific methods for completing required maintenance tasks for the specific equipment at the Bai Chay plant.
- Organized on-the-job training workshop on District Metering Area (DMA) design and operations as part of Non-Revenue water (NRW) management capacity building program for the Provincial Waterworks Authority (PWA) of Thailand. In line with PWA's plans to implement a DMA roll-out policy and as a follow-up to the January/April NRW management workshops, this training event provided best practices on establishing and managing DMAs to effectively monitor and address water losses in a water supply distribution network. Ranhill Utilities Berhad (RUB) from Malaysia, PWA's "twinning" partner, conducted the training and shared its best practices on DMA design and management for about 30 PWA staff, including few from PWA's training center department.
- Facilitated the development of a draft customer charter for the Bac Ninh Water Supply and Sewerage Company (BNWSSC) in Vietnam to support BNWSSC's plans to improve its customer relations services. Ranhill Utilities Berhad, a twinning partner of BNWSSC, provided the key steps in developing the charter, and in using it to improve overall service provider performance on an annual basis. BNWSSC will test the charter and adopt it as a company standard.
- Completed a pre-feasibility study that identified potential wastewater options and associated costs for the Mahinda Mawatha subdivision in Nuwara Eliya, Sri Lanka. The study was delivered to the Municipal Council at a public hearing.
- Completed a septage management handbook on standard operating procedures and guidelines for domestic septage collection and disposal system in Nuwara Eliya in Sri Lanka.
- Launched the first WASH (water, sanitation, and hygiene) Day in Marikina, Philippines, to encourage hand washing and raise awareness of the need for improved sanitation and hygiene. The event was highlighted by the pledge of commitment by city officials and about 400 people, mostly women and children, where handprints were ceremonially stamped on the WASH Pledge Board.
- Facilitated a technical exchange between the Pune Municipal Corporation (PMC) from India, and Manila Water Inc. Company (MWCI) in the Philippines to promote sharing of best practices employed by MWCI in implementing District Metered Areas to ensure continuous water supply provision, and in expanding services to Manila's urban slums.
- Participated in SEAWUN and SAWUN board meetings organized by ADB. Presented ECO-Asia's twinning concept which ADB would like to replicate. Discussed ECO-Asia contributions to pro-poor and Non-Revenue Water (NRW) reduction training activities outlined in the business plans that the ADB drafted for both networks.

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

- Conducted the Asian Justices Forum on the Environment in partnership with the Supreme Court of the Philippines, United Nations Environment Programme (UNEP), Asia Pacific Jurist Association (APJA) and U.S. EPA.
- Assisted the Supreme Court of the Philippines in developing plans for establishing environmental benches within trial courts to ensure more effective adjudication of environmental cases.
- Facilitated joining by the Ministry of Environment, Science and Technology of Nepal in AECEN and assigned the Joint Secretary of the Law and Convention Division to serve as their representative to AECEN.
- Supported the Vietnam Ministry of Natural Resources and Environment (MONRE) in training over 300 environmental inspectors through linkages with Japan, Philippines, Singapore, and Taiwan. Environmental inspectors were trained in southern, central and northern Vietnam to support the government's recent decision to strengthen environmental inspection. The trainings focused on

aquatic product processing, sugar mills, breweries, and food processing plants; industrial zones and textile factories; and cement plants and mining operations.

- Organized and conducted an observational program to Taiwan in partnership with the Council of Agriculture (COA) of Taiwan for five delegates from Thailand and the Philippines to explore strategies for establishing compliance assistance centers for the swine sector in Thailand, and for hog farms and slaughterhouses in the Philippines.
- Issued a grant to the Philippine Judicial Academy to support establishment of green benches, and issued a grant to the Department of Animal Science, Faculty of Agriculture, Kasetsart University to establish a pilot compliance assistance center for swine facilities located in the Tha Chin and Bang Pa Kong River Basins.
- Conducted a national workshop with the Indonesia Ministry of Environment and the Indonesia Center for Environmental Law (ICEL) to discuss the results of the AECEN-supported rapid assessment of the state of environmental compliance and enforcement programs in Indonesia, and provided input and validated information and recommendations for the finalization of the assessment report.
- Signed an MOU with the Central Environmental Authority (CEA) of Sri Lanka to cooperate on a program to implement a Wastewater Discharge Fee (WDF) system. Sri Lanka also adopted new national policies on WDF and an environmental fund.
- Continued effort with China's State Environmental Protection Administration (SEPA) to plan for the AECEN Annual Forum in Beijing.
- Continued to upgrade and improve the AECEN website.

#### Task 2: Mekong Transboundary Conflict Management

- Organized and conducted the second regional workshop to strengthen the capacity and capabilities of the MRC Secretariat, National Mekong Committees, and riparian country agencies on conflict prevention and regional cooperation.
- Developed initial inventory of transboundary "hotspots" or issues in the Mekong River basin to be used as a tool for conflict prevention, and agreed with Member Countries on next steps in identifying utilizing these "hotspots."
- Attended the Regional Consultation Meeting on the Draft Working paper on the Mandate of the 1995 Mekong Agreement for Enhancing Cooperation in Addressing Transboundary and Flood Related Issues organized by MRC's Flood Management and Mitigation programme in Siem Reap, Cambodia.
- Attended the Regional Meeting on the Draft Report on Identification of Transboundary Flood Issues, the Draft Modified Component 3 Document, and Draft Working Paper on the Mandate of the 1995 Mekong Agreement organized by MRC's Flood Management and Mitigation programme in Ho Chi Minh City, Vietnam.

#### Task 3: Communications and Reporting

- Completed and distributed Q3 eNewsletter.
- Assisted RDMA in completing Mid Year Portfolio Review -- collected partner contributions and prepared 25 binders for RDM/A.
- Received updated text from partners for use in new ECO-Asia brochure.
- Completed four fact sheets for Water/Sanitation Program Focus Areas.
- Completed Data Quality Assessment with RDM/A.
- Continued developing ECO-Asia website -- preparing to separate Water/Sanitation program to separate site.
- Completed results collection and prepared Annual Results Report.
- Began assisting RDM/A in developing Operational Plan for FY08
- Began compiling Q4 eNewsletter material and vetted through partners.

#### **4.0 Outstanding Issues**

Outstanding issues for the next quarter will center on: (1) starting up the water and sanitation activity in China; (2) finalizing the FY08 work plan, (3) assisting RDM/A in supporting the mid-term review, and (4) improving communications capabilities. Key activities include:

#### **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 Inc. (sewage management system in Marikina, Philippines), ASEAN (Initiative on Environmentally Sustainable Cities), Indah Water Konsortium (Bai Chay wastewater treatment plant, Vietnam and Malaysia), the Palm Foundation (Nuwara Eliya), and Ministry of Natural Resources and Environment (Vietnam).

#### **6.0 Performance Objectives for Next Quarter**

In the first quarter of performance for 2008, PADCO will focus on activity implementation per the third-year work plan. Key performance objectives for the quarter will include:

- Ensuring that USAID technical specialists conducting a Mid-Term Review of ECO-Asia's WATSAN component receive necessary information and feedback in preparation of and during their evaluation activity.
- Launching ECO-Asia's WATSAN activity in China by establishing the project office in Beijing, recruiting of project staff, and identification of potential pilot initiatives with WHO, World Bank or UNDP.
- Continuing implementation of WATSAN pilot and regional projects in Surabaya, Pune, Bac Ninh, Negombo, Hanoi, Provincial Waterworks Authority, San Fernando, Marikina, Halong, and Phnom Penh.
- Implementing the AECEN Regional Forum in Beijing and AECEN Executive Committee meeting
- Continuing implementation of AECEN pilots and regional initiatives such as environmental compliance monitoring and inspection (Vietnam), and environmental compliance promotion and incentives (Thailand, Philippines, Sri Lanka).
- Transitioning from an implementation focus to monitoring and evaluation of impact phase of WATSAN pilots in Bandung, Nuwara Eliya, and Halong.
- Developing WATSAN pilot activities with the Hanoi Water Utility Business Company, the Maharashtra State Water Utility MPJ, and with the Wastewater Management Authority (WMA) of Thailand.
- Developing work plans for developing innovative water financing initiatives with ADFIAP, and exploring opportunities to formalize relationships with the Dutch SNS Reaal Water Fund.
- Developing work plans and initiate implementation of WATSAN tool-kits focusing on pro-poor water supply, Information, Education and Communication (IEC) campaigns for water and sanitation , and sewage management.
- Developing an AECEN pilot activity with the Indonesian Ministry of Environment and the Indonesian Center for Environmental Law, and finalizing assessment.
- Continuing implementation of AECEN pilots (Vietnam, Philippines, Thailand, and Sri Lanka).
- Implementing plans for the 2007 AECEN Forum with SEPA and ADB.
- Engaging AECEN members, partner organizations and experts in refining and finalizing the regional principles (through the AECEN website).
- Developing a regional training program on transboundary water conflict prevention and management to further build the capacity of the MRC and riparian country agencies.

