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Environmental Cooperation – Asia (ECO-Asia) Water and Sanitation / Governance Fiscal Year 2007 Annual Report



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Title:

Environmental Cooperation – Asia
Water and Sanitation / Governance
Fiscal Year 2007 Annual Report

USAID award number:

486-C-00-05-00010-00

Strategic Objective (SO) Number:

486-004 Improved Environmental Conditions in Asia

Project title:

Environmental Cooperation – Asia (ECO-Asia)

Author(s):

Planning and Development Collaborative International, Inc. (PADCO)

Sponsoring USAID operating unit(s):

Regional Development Mission/Asia (RDM/A)

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SUMMARY

Under USAID contract number 486-C-00-05-00010-00, PADCO and its subcontractors implement the Environmental Cooperation – Asia (ECO-Asia) project in support of the Regional Environment Office (REO) of the USAID Regional Development Mission – Asia (RDM/A). There are three components under the ECO-Asia contract: (1) Improved access to clean water and sanitation for the urban poor; (2) regional environmental governance and transboundary cooperation; and (3) overarching program support.

With guidance from RDM/A, in FY 2007 ECO-Asia adjusted the project results framework and PMP in response to new programming requirements under USAID's new Foreign Assistance Framework. In particular, ECO-Asia programming for water is now reported under the USAID Objective of Investing in People and governance activities are reported under the Objective of Economic Growth. Under the new framework, ECO-Asia defined activities and outputs in terms of the USAID program elements and sub-elements, and has adopted USAID common indicators defined under the Foreign Assistance Framework. The FY 2007 work plan and Program Management Plan (PMP) reflect these new programming changes.

ECO-Asia substantially achieved all targets under the PMP (see Table I below). This annual report provides a summary of achievements against program targets.

Water and Sanitation

Under the Water and Sanitation Program ECO-Asia continued to increase access to reliable and sustainable water and sanitation services to support regional health security and prosperity in Asia. As the principal regional initiative implementing the Paul Simon Water for the Poor Act in Asia, ECO-Asia promotes achievement of the Millennium Development Goals, and disseminates and replicates results through regional networks. During FY2007, ECO-Asia implemented 20 pilot projects and regional initiatives with cities and utilities in 7 countries, which resulted in improved access to water and sanitation for over 57,000 persons, adoption of 22 improved laws, policies and plans, and increased capacity of over 1,392 practitioners.

Key accomplishments include: pioneering the first continuous water supply system in India, developing city-wide septage management program in Marikina, Philippines that will impact over 42,000 residents, catalyzing development of a regional leadership center for water utility managers, and demonstrating new ways to provide piped water for the urban poor in Indonesia and Sri Lanka. ECO-Asia also created utility-to-utility "twinning" arrangements between India, Philippines, Thailand, Vietnam and Malaysia, and developed an innovative loan product to finance efficiency improvements for water utilities in the Philippines.

In partnership with the ASEAN Initiative on Environmentally Sustainable Cities, ECO-Asia developed a regional action agenda to promote improved access to water and sanitation in 24 cities in ASEAN countries at a regional workshop hosted by the Bangkok Metropolitan Administration (BMA). This agenda provides a regional framework for cooperation with ASEAN.

Overall, ECO-Asia Water and Sanitation Program performance is on track with mission plans. Over the last two years, ECO-Asia has achieved most program requirements by demonstrating best practices and developing strong collaborative linkages with regional partners and networks. In FY08, ECO-Asia will further disseminate results and achievements to catalyze wide-spread adoption of solutions that are best for Asia.

Environmental Governance

Under the Clean Productive Environment Policy and Governance sub-element, ECO-Asia continued to lead efforts to strengthen the Asian Environmental Compliance and Enforcement Network (AECEN), a regional practitioner network. Serving as the AECEN Secretariat, ECO-Asia worked with AECEN members at the country and regional levels on: country program assessments; pilot activities on improved policies, practices and systems; the AECEN Annual Forum, specialized regional trainings and the AECEN website (www.aecen.org).

In FY07, Japan and Nepal joined AECEN, bringing the total number of country members to ten. Via AECEN, ECO-Asia catalyzed the adoption of 7 policies, laws and regulations, and trained over 900 practitioners from over 100 agencies and organizations.

Major FY07 accomplishments for AECEN included: establishment of environmental courts in the Philippines, creation of compliance assistance centers in Thailand and the Philippines, training of over 300 environmental inspectors in Vietnam, initiation of a wastewater pollution charge program in Sri Lanka and development of regional guiding principles on compliance and enforcement.

For AECEN, ECO-Asia met or exceeded all targets. In particular, ECO-Asia exceeded the number of people trained in environmental law and enforcement by 90 percent due to larger than expected participation by the Vietnamese government in an inspector training program, and by the Philippines and Thai governments in training on compliance promotion. This is viewed as a one-time result, and targets for FY08 will not be modified.

Under the Natural Resource Policy and Governance sub-element, ECO-Asia continued to assist the Mekong River Commission (MRC) in enhancing effective regional cooperation through the development of conflict management mechanisms. In FY 2007, USAID and MRC signed a Note of Arrangement that aims to support the development of institutional arrangements, tools and skills for strengthening regional cooperation and addressing areas of potential conflict.

ECO-Asia achieved all targets except for leveraged funding due to fewer than expected training activities. Key results included developing initial inventory of transboundary “hotspots” or issues in the Mekong River basin to be used as a tool for conflict prevention, preparation of an action agenda on regional cooperation that addressed the role of the MRC Secretariat.

Overarching Support

ECO-Asia continued to provide program support to REO in small grants, exchanges, communications and reporting. Notable activities and accomplishments included:

- USAID RCO approved the ECO-Asia Small Grants Program Guidelines and Procedures, and ECO-Asia issued four small grants.
- With guidance from RDM/A, ECO-Asia developed procedures and initiated a range of exchanges for other REO contractors and grantees.
- ECO-Asia continued to develop communications materials, including outreach materials, and continued populating the ECO-Asia and AECEN websites.
- ECO-Asia worked closely with RDM/A to support the development of REO’s portion of the RDM/A FY2007 Operations Plan in line with the “F” framework. ECO-Asia helped identify programming

strategy for tasks under contract, and assisted with text related to ongoing ECO-Asia activities, and activities of other REO contractors and cooperators.

- With guidance from RDM/A, ECO-Asia 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. ECO-Asia also provided program support to REO for the overall Mission Portfolio Review meeting scheduled for August 2007.

Table 1: FY2007 ECO-Asia Performance Management Plan Indicator Summary

Indicator	Description		
		Targets FY2007	End Year FY2007
SO: Improved response to environmental challenges in Asia			
SO 1	Number of policies and model actions applied and replicated	11	6
SO 2	Number of beneficiaries with improved environmental services	32,000	57,499
IR 1: Enabling Conditions Improved			
IR 1.1	Number of improved water and sanitation policies, laws, plans or model actions strengthened, developed, adopted, and/or implemented	22	22
IR 1.2	EG:Environment:CPE – Number of improved policies, laws, regulations, agreements related to pollution and urban environment drafted with USG assistance	5	7
IR 1.3	EG:Environment:NRB – Number of USG-supported initiatives/mechanisms designed to reduce the potential for violent conflict over the control, exploitation, trade or protection of natural resources	2	1
IR 1.4	Number of non-governmental stakeholders engaged in environmental governance	34	33
IR 1.5	Number of sustainable financing mechanisms established, strengthened or facilitated	9	8
IR 1.6	Amount of funds from non-USAID sources mobilized and applied	\$ 277,300	\$ 788,951
IR 2: Human and institutional capacity strengthened			
IR 2.1	Number of environmental initiatives undertaken by civil society organizations	5	2
IR 2.2	Number of key national and local institutions with increased capacity	87	161
IR 2.3	Number of people trained in improved water and sanitation practices	690	1,392 (877 M, 515 F)
IR 2.4	EG:Environment:CPE – Number of people receiving USG supported training in environmental law, enforcement, public participation, and cleaner production policies, strategies, skills and techniques	535	955 (671 M, 284 F)
IR 2.5	Number of people trained in conflict prevention and management in transboundary waters	50	52 (41 M, 11 F)
IR 3: Model actions demonstrated			
IR 3.1	IIP:Health:WSS – Number of people in target areas with access to improved drinking water supply as a result of USG assistance	22,000	10,350 (5,175 M, 5,175 F)
IR 3.2	IIP:Health:WSS – Number of people in target areas with access to improved sanitation facilities as a result of USG assistance	10,000	47,099 (22,400M, 24,699 F)
IR 4: Regional platforms strengthened to catalyze and sustain change			

IR 4.1	Number of regional environmental platforms created or strengthened	5	5
IR 4.2	Number of new members in regional environmental platforms (All)	2	2

I. BACKGROUND

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

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

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

Component 3: Overarching program support.

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

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

As part of Components 1 and 2, ECO-Asia identifies and develops best practices, and disseminates and replicates these experiences and outcomes through regional knowledge-sharing systems and networks.

Under Component 3, PADCO provides program support for Component 1 and 2 activities, including performance monitoring and reporting, communications support, a small grants program, and an exchange program. In addition, PADCO provides support to REO by collecting and organizing performance monitoring information from other RDM/A environmental contractors, grantees, and other partners. PADCO also provides some communications and exchange support to REO.

Following a contract modification, in FY2007 PADCO initiated water and sanitation activities in Cambodia, and hired a Cambodian Country Coordinator. In addition, ECO-Asia began engagement with the ASEAN Environmentally Sustainable Cities Initiative, elaborating a regional water and sanitation strategy and developing a pilot project with Phnom Penh.

II. REVISED PROGRAMMING FRAMEWORK

Beginning in FY2007, with guidance from RDM/A, PADCO adjusted the ECO-Asia results framework and PMP to correspond with programming requirements under USAID's new Foreign Assistance Framework. In particular, ECO-Asia programming for water falls under the Objective of Investing in

People and governance activities fall under the Objective of Economic Growth. Under the new framework, PADCO has defined activities and outputs in terms of the new USAID program elements and sub-elements, and has adopted some new USAID common indicators defined under the Foreign Assistance Framework. The FY2007 work plan and PMP reflect these new programming changes.

This revised PMP incorporates newly acquired indicators as set forth by the Foreign Assistance Framework in the latter part of 2006. The revisions do not remove any indicators that were established in FY06, but some indicators have been re-numbered to incorporate the new indicators from the "F" Office. The following table lists the changes.

Table 2: FY2007 ECO-Asia Performance Indicator Modifications

FY2006 Framework	FY2007 Framework
Indicator 1.1	This Indicator has been the total number of policies, laws, plans or model actions strengthened, developed, adopted, and/or implemented in the Environmental Governance, Mekong and Water & Sanitation Programs. To better account for the "F" Framework needs, this is now Indicator 1.1, 1.2 and 1.3
Indicator 1.2	Renumbered to 1.4 as a result of the above
Indicator 1.3	Renumbered to Indicator 1.5 as a result of the above
Indicator 1.4	Renumbered to Indicator 1.6 as a result of the above
Indicator 2.3	This Indicator has been the total number of people trained in the Environmental Governance, Mekong and Water & Sanitation Programs. To better account for the "F" Framework needs, this is now Indicator 2.3, 2.4 and 2.5
Indicator 3.1	The number of the indicator has not changed, but the definition has changed slightly
Indicator 3.2	The number of the indicator has not changed, but the definition has changed slightly

On the following page is the modified Results Framework with the USAID "F" framework common indicators in blue. While all the indicators continue to support the RDM/A SO developed in FY 2006, only the common indicators will be reported in the annual Mission Operational Plan.

Revised Programming Results Framework

Improved response to environmental challenges in Asia

- SO 1 – Number of policies and model actions applied and replicated
 SO 2 – Number of beneficiaries with improved environmental services

Development Hypothesis:

- Catalytic leveraging of USAID resources is essential
- Regional approaches are both efficient and effective
- Improved governance is critical to long-term progress
- Tangible social, economic, and environmental results must be demonstrated

Critical Assumptions:

- Regional economy remains stable
- Human resources remain healthy and productive
- Regional disasters do not sidetrack reform agenda
- Political commitment to environmental management continues
- Bilateral missions and other partners remain committed

Enabling conditions improved

Indicators:

- 1.1 – Number of improved water and sanitation policies, laws, plans or model actions strengthened, developed, adopted, and/or implemented
 1.2 – EG:Environment:CPE – Number of improved policies, laws, regulations, agreements related to pollution and urban environment drafted with USG assistance
 1.3 – EG:Environment:NRB - Number of USG-supported initiatives/mechanisms designed to reduce the potential for violent conflict over the control, exploitation, trade or protection of natural resources
 1.4 – Number of non-governmental stakeholders engaged in environmental governance
 1.5 - Number of sustainable financing mechanisms established, strengthened or facilitated
 1.6 - Amount of funds from non-USAID sources mobilized and applied

Human and institutional capacity strengthened

Indicators:

- 2.1 – Number of environmental initiatives undertaken by civil society organizations
 2.2 – Number of key national and local institutions with increased capacity
 2.3 – Number of people trained in improved water and sanitation practices
 2.4 – Number of people receiving USG supported training in environmental law, enforcement, public participation, and cleaner production policies, strategies, skills and techniques
 2.5 – Number of people trained in conflict prevention and management in transboundary waters

Model actions demonstrated

Indicators:

- 3.1 – Number of people in target areas with access to improved drinking water supply as a result of USG assistance
 3.2 – Number of people in target areas with access to improved sanitation facilities as a result of USG assistance

Regional platforms strengthened to catalyze and sustain change

Indicators:

- 4.1 – Number of regional environmental platforms created or strengthened
 4.2 – Number of new members in regional environmental platforms

III. WATER SUPPLY AND SANITATION

ECO-Asia increases access to reliable and sustainable water and sanitation services to support regional health security and prosperity in Asia. Under the ECO-Asia Water and Sanitation Program, PADCO pilots and replicates innovative strategies for expanding and sustaining access to services, especially to the urban poor, through partnership with cities, water utilities and financing institutions. Key programming areas include: (1) enabling safe water access; (2) promoting sustainable sanitation; (3) strengthening water services utility performance; and (4) innovative financing.

As the principal regional initiative implementing the Paul Simon Water for the Poor Act in Asia, ECO-Asia promotes achievement of the Millennium Development Goals (MDG), and disseminates and replicates results through regional platforms and networks, including ASEAN, South East Asia Water Utility Network, Association of Development Financing Institutions in Asia and the Pacific, Asian Development Bank, World Health Organization, and World Bank's Water and Sanitation Project East Asia & Pacific.

During FY2007, ECO-Asia implemented 20 pilot projects and regional initiatives with cities and utilities in 7 countries, which resulted in improved access to water and sanitation for over 57,000 persons, adoption of 22 improved laws, policies and plans, and increased capacity of over 1,392 practitioners.

Key accomplishments include: pioneering the first continuous water supply system in India, developing city-wide septage management program in Marikina, Philippines that will impact over 42,000 residents, catalyzing development of a regional leadership center for water utility managers, and demonstrating new ways to provide piped water for the urban poor in Indonesia and Sri Lanka. ECO-Asia also created utility-to-utility "twinning" arrangements between India, Philippines, Thailand, Vietnam and Malaysia, and developed an innovative loan product to finance efficiency improvements for water utilities in the Philippines.

In partnership with the ASEAN Initiative on Environmentally Sustainable Cities, ECO-Asia developed a regional action agenda to promote improved access to water and sanitation in 24 cities in ASEAN countries at a regional workshop hosted by the Bangkok Metropolitan Administration (BMA). This agenda provides a regional framework for cooperation with ASEAN.

Overall, ECO-Asia Water and Sanitation Program performance is on track with mission plans. Over the last two years, ECO-Asia has achieved most program requirements by demonstrating best practices and developing strong collaborative linkages with regional partners and networks. In FY08, ECO-Asia will further disseminate results and achievements to catalyze wide-spread adoption of solutions that are best for Asia.

Key Accomplishments

Safe Water Access for the Urban Poor

- Municipal water utilities in Bandung and Surabaya, Indonesia initiated water supply service expansions to urban slums by introducing an alternative service approach that promotes slum community involvement based in part on poverty mapping practices shared by Shelter Associates of Pune, India.
- Piloted a community-based water supply scheme in Negombo, Sri Lanka for about 500 poor residents with leveraged funds from Dilmah Tea Corporation, which will provide a basis for replication.

- Cooperated with SEAWUN to foster the replication of successful approaches for expanding water supply service to urban poor communities via bulk water supply-community management; service agreement with water utilities.
- Facilitated a technical exchange to Manila on enabling service delivery to the urban poor. Participants included eight representatives from water service providers and central/local governments in Sri Lanka and Indonesia who exchanged ideas and methods on water service delivery to the urban poor with their Philippine counterparts from the Metropolitan Waterworks and Sewerage System, Manila Water Company, Inc., Inpart Engineering, and the National Water Resources Board.

Sustainable Sanitation:

- Developed city-wide septage management program in Marikina, Philippines with Manila Water Company, Inc. that will impact over 40,000 residents. Together with the Marikina, Philippines city government, launched first WASH (water, sanitation, and hygiene) Day to encourage hand washing and raise awareness of the need for improved sanitation and hygiene.
- Facilitated investment by San Fernando, Philippines of over \$100,000 to construct a wastewater treatment facility for a public market that will impact 5,000 people.
- Assisted San Fernando, Philippines in drafting a 10-year Sanitation Plan that includes a sanitation information campaign and plans for building treatment facilities for the city market, slaughterhouse, and for septage from all the city's septic tanks.
- Prepared septage management ordinance in Nuwara Eliya, Sri Lanka based in part on experience in Dumaguete, Philippines. In conjunction with the Palm Foundation and the Nuwara Eliya City Engineering Office.
- Completed pre-feasibility study for Mahinda Mawatha subdivision in Nuwara Eliya, Sri Lanka that identified potential wastewater options and associated costs.
- Launched pilot project in Cambodia under ASEAN Environmentally Sustainable Cities Initiative 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, an ASEAN Sustainable City.
- Developed septage management guidelines for Philippine cities in support of the National Sanitation Policy development.
- Partnered with the World Bank's Water and Sanitation Program (WSP) to bring senior Asian decision makers from Bangladesh, India, Pakistan, and the Philippines to Australia and the Philippines to learn about septic tank regulations, institutional arrangements, policy frameworks, and implementation.
- Partnered with WSP to develop a study on the economics of sanitation for inclusion in findings at the EASAN conference in Beppu, Japan in December 2007.
- Produced and distributed sanitation campaign information kits to all 117 League of Cities of the Philippines member cities on effects of poor sanitation on water quality, health and quality of life, and encourage people to check and desludge their septic tanks. Each kit contained a CD with over 40 sample materials that the cities can use as templates by adding their own messages, logos and photos.

Water and Wastewater Services Utility Performance Improvements

- Assisted Pune Municipal Corporation (PMC), India, in designing and staffing operations of District Metering Areas (DMA) enabling delivery of continuous water supply to 10,000 people. Based on initial success, PMC now commits to implement other pilot DMAs in Warje Area.
- Facilitated a technical exchange between PMC from India and MWCI in the Philippines to promote sharing of best practices employed by MWCI in implementing DMAs to ensure continuous water

- supply provision, and in expanding services to Manila's urban slums.
- Established twinning relationship between Ranhill Utilities Berhad, Malaysia and the Provincial Waterworks Authority (PWA) of Thailand that resulted in PWA adopting an international standard of practice to perform a water audit and measure water losses.
 - Implemented a second training workshop on managing NRW for managers and operations staff from 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.
 - Organized on-the-job training workshop on DMA design and operations as part of NRW management capacity building program for PWA of Thailand. 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 training center department.
 - Established twinning relationship between Ranhill Utilities Berhad, Malaysia and the Bac Ninh Water Supply and Sewerage Company (WSSC) in Vietnam that resulted in Bac Ninh WSSC purchasing new equipment to measure water production and operate district metering areas, and developing a customer charter framework.
 - Signed a Memorandum of Understanding (MOU) with the Bac Ninh Water Supply and Sewerage Company (BNWSSC), Vietnam, for the pilot project involving NRW management and customer relations and communications.
 - As part of the cooperative or "twinning" arrangement between BNWSSC in Vietnam and 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 customer satisfaction survey for about 390 households in Bac Ninh to assess current levels of satisfaction, water usage and demand, indicative willingness to connect to piped water, understanding of piped water benefits and any shortcomings of customer service.
 - Trained Ha Long Urban Environmental Company in Vietnam to apply standard operating procedures for the operations and maintenance of a wastewater treatment plant through linkages with Indah Water Konsortium, a Malaysian wastewater service provider.
 - Completed a study of arsenic contamination in Hanoi's drinking water, which has led Hanoi to conduct comprehensive analysis of key treatment facilities.
 - Catalyzed development of water utility leadership center by Singapore PUB by introducing concept at regional meetings of utility leaders based on evaluation of survey of directors of Asian water utilities.
 - Initiated a twinning arrangement between Bai Chay wastewater treatment plant operators in Vietnam and Indah 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 philosophy as well as the specific methods for completing required maintenance tasks for the specific equipment at the Bai Chay plant.
 - 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.
 - Completed a wastewater treatment plant training program for operators at the Bai Chay wastewater treatment plant, near Halong City, Vietnam.

- 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.
- Trained Vietnamese water companies in preparation of water safety plans in order to reduce the risk of water supply contamination and ensure safe water quality levels in partnership with WHO.

Innovative Finance

- Assisted Ministry of Finance in Indonesia in developing legislation and standard operating procedures for issuance of municipal bonds to finance infrastructure improvements, including in water and sanitation.
- Developed new loan products with Philippine Local Water Utilities Administration (LWUA) and two water districts (Laguna in Luzon and Misamis Occidental in Mindanao). These products focus on shorter-term lending for efficiency improvements to increase the water districts' creditworthiness.
- Signed an MOU with Association of Development Financing Institutions in Asia & the Pacific's (ADFIAP) to promote and facilitate the development of innovative financing schemes for the water sector. Introduced business prospects for financing the growing need for safe water services at the 30th Annual Meeting of ADFIAP in Hanoi, Vietnam.

Other Notable Accomplishments and Activities

- Assisted the Marikina City, Philippines government in the first of a series of sessions to prepare a gender sensitive Social Marketing Information and Education Campaign Plan. This first session identified the campaign's key ideas and practices that need to be communicated and marketed, target audiences, campaign phases, and communication channels that will be used for each phase. The Marikina SMIEC Group and the Manila Water Company, Inc. will work together to synchronize their media campaigns.
- Presented a paper on Sustainable Development of Water Resources, Water Supply and Environmental Sanitation was presented at the 32nd Water, Engineering and Development Center (WEDC) International Conference held in November in Colombo, Sri Lanka.
- Presented a paper at the Water Environment Partnership in Asia (WEPA) international forum on "Water Environmental Governance" held in Bangkok. The presentation described the low-maintenance technology used in the Muntinlupa Public Market Wastewater Treatment Facility (Philippines).
- 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).
- 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.
- 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.
- 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.

- 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.

Indicator Results Summary

As detailed in Table 3 below, ECO-Asia exceeded two targets by exceptional amounts – number of people with access to improved sanitation, and amount of funds from non-USAID sources mobilized and applied. In Marikina City, Philippines, ECO-Asia provided technical assistance on septage management and facilitated involvement by Manila Water Company which resulted in Marikina drafting a new ordinance, and Manila Water agreeing to provide the service, impacting over 42,000 people which exceeded the target of 5,000 people. ECO-Asia will increase the FY08 target by an additional 82,000 persons to reflect for unanticipated additional service in Marikina.

ECO-Asia leveraged significant additional resources due to greater than anticipated contributions from partners. For the water access pilot project in Negombo, UNDP and Dilmah Tea Corporation provided unexpected direct funding. Manila Water Company also provided significant direct resources to the pilot project in Marikina City. Ranhill Utilities Berhad, Malaysia, a partner for Bac Ninh, Vietnam and Bangkok, Thailand, also contributed significantly by providing unanticipated leveraged resources. In FY08, ECO-Asia will increase the leveraged funding target by an additional \$1 million to account for unexpected leveraged inputs for sanitation projects in the Philippines, and OBA support from the World Bank for a water supply project in Surabaya, Indonesia.

ECO-Asia did not achieve the target for number of people with access to improved water supply due to implementation delays in pilot projects in Bandung and Surabaya, Indonesia; Negombo, Sri Lanka; and Pune, India related in part to changes in management at participating utilities. ECO-Asia fully expects to achieve these targets in the first quarter of FY08, and there will be no impact on overall project results.

Table 3: FY2007 Water and Sanitation Performance Management Plan Results

Indicator	Description		
		Targets FY2007	End Year FY2007
SO: Improved response to environmental challenges in Asia			
SO 1	Number of policies and model actions applied and replicated	11	6
SO 2	Number of beneficiaries with improved environmental services	32,000	57,499
IR 1: Enabling Conditions Improved			
IR 1.1	Number of improved water and sanitation policies, laws, plans or model actions strengthened, developed, adopted, and/or implemented	22	22
IR 1.4	Number of non-governmental stakeholders engaged in environmental governance	14	16
IR 1.5	Number of sustainable financing mechanisms established, strengthened or facilitated	7	7

IR 1.6	Amount of funds from non-USAID sources mobilized and applied	\$ 163,300	\$ 643,795
IR 2: Human and institutional capacity strengthened			
IR 2.1	Number of environmental initiatives undertaken by civil society organizations	1	1
IR 2.2	Number of key national and local institutions with increased capacity	32	20
IR 2.3	Number of people trained in improved water and sanitation practices	690	1,392 (877 M, 515 F)
IR 3: Model actions demonstrated			
IR 3.1	IIP:Health:WSS – Number of people in target areas with access to improved drinking water supply as a result of USG assistance	22,000	10,350 (5,175 M, 5,175 F)
IR 3.2	IIP:Health:WSS – Number of people in target areas with access to improved sanitation facilities as a result of USG assistance	10,000	47,099 (22,400M, 24,699F)
IR 4: Regional platforms strengthened to catalyze and sustain change			
IR 4.1	Number of regional environmental platforms created or strengthened	3	3
IR 4.2	Number of new members in regional environmental platforms	1	0

IV. ENVIRONMENTAL GOVERNANCE

Asian Environmental Compliance and Enforcement Network

Under the Clean Productive Environment Policy and Governance sub-element, ECO-Asia is leading efforts to strengthen the Asian Environmental Compliance and Enforcement Network (AECEN), a regional practitioner network. The AECEN mission is to: (1) promote the development and implementation of improved environmental policies, laws, regulations, and institutional arrangements; (2) strengthen practitioner capacity through specialized training and skills development; and (3) facilitate regional sharing of best practices and information on strengthening compliance and enforcement. Network members are environmental regulatory agencies committed to improving compliance and enforcement through regional cooperation and information exchange.

Serving as the AECEN Secretariat, ECO-Asia works with AECEN members at the country and regional levels on: country program assessments; pilot activities on improved policies, practices and systems; the AECEN Annual Forum, specialized regional trainings and the AECEN website (www.aecen.org). In FY2007, ECO-Asia prepared regional principles for AECEN that reflect international best practices and establish a platform for reform and regional cooperation.

With support from RDM/A, the U.S. Environmental Protection Agency (EPA) is a core AECEN partner, providing technical assistance and training support. Asian Development Bank (ADB), Organisation for Economic Co-operation and Development, World Bank and International Network for Environmental Compliance and Enforcement contribute direct funding resources, and technical expertise.

In FY07, Japan and Nepal joined AECEN, bringing the total number of country members to ten. Via AECEN, ECO-Asia catalyzed the adoption of 7 policies, laws and regulations, and trained over 900 practitioners from over 100 agencies and organizations.

Major FY07 accomplishments for AECEN include: establishment of environmental courts in the Philippines, creation of compliance assistance centers in Thailand and the Philippines, training of over

300 environmental inspectors in Vietnam, initiation of a wastewater pollution charge program in Sri Lanka and development of regional guiding principles on compliance and enforcement.

Key Accomplishments

During FY2007, PADCO continued to strengthen and expand AECEN through a range of country and regional activities. The AECEN Annual Forum in Hanoi, Vietnam in December 2006 both achieved programmatic goals, and expanded the reach of the network. As a result of the forum, China offered to host the 2007 AECEN Annual Forum in Beijing. PADCO, through ECO-Asia AECEN Program, continued to serve as the AECEN Secretariat.

Major FY07 accomplishments include:

- Facilitated new membership by Japan's Ministry of Environment of Japan and Nepal's Ministry of Environment, Science and Technology joined AECEN in September 2007
- Convened the Second Asian Justices Forum on the Environment in Manila, Philippines with participation by senior justices from seven Asia-Pacific countries, including the Chief Justice of the Supreme Court of India. The Supreme Court of the Philippines presents their policy to strengthen and expand environmental benches to the participating courts
- Issued a grant to the Philippine Judicial Academy to support establishment of green benches
- Assisted Thailand's Pollution Control Department in developing and implementing action agenda for establishing compliance assistance center with assistance from U.S. EPA and Taiwan
- Assisted Philippines's Laguna Lake Development Authority in developing and implementing action plan for establishing compliance assistance center with assistance from U.S. EPA and Taiwan
- Worked with the U.S. 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 U.S. EPA and COA shared best practices for establishing compliance assistance centers.
- In partnership with the COA of Taiwan, organized and conducted an observational program to 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 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.
- Supported Philippines Department of Natural Resources and Environment in preparing draft administrative order and operations guidelines for revolving funds supporting water quality management areas under the Clean Water Act
- Worked with Sri Lanka to establish policy for implementing a wastewater pollution charge program and launches joint program with AECEN. Conducted inception workshop to launch pilot project with the Sri Lankan Central Environmental Authority on a new wastewater pollution charges, and facilitated a technical exchange with representatives from LLDA of the Philippines.
- Prepared an assessment of Indonesia's compliance and assistance program
- 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.

- Developed Regional Principles on Environmental Compliance and Enforcement, and conducts regional training with U.S. EPA on Principles at the Better Air Quality Conference in Yogyakarta, Indonesia
- Organized and convened the 2006 AECEN regional forum in December in Hanoi, Vietnam. Forum participants included over 100 senior environmental officials, policymakers, judges, lawyers, and other experts from related government agencies and international organizations from the People's Republic of China, India, Indonesia, Japan, Lao PDR, Philippines, Singapore, Sri Lanka, Thailand, and Vietnam.
- Participated in the Better Air Quality (BAQ) Conference in Yogyakarta, Indonesia in December by: (1) assisting the United States Environmental Protection Agency (U.S. EPA) with a training course on the Basic Principles of Environmental Compliance and Enforcement for representatives of environmental enforcement agencies from China, India, Indonesia, Philippines, Sri Lanka, Thailand, and Vietnam; (2) conducted a workshop on Citizen Monitoring/Public Participation in Air Quality Management that highlighted the importance of engaging the general public in air quality management policy formulation and implementation; and (3) conducted a workshop on the Elements of Effective Clean Air Legislation, discussing factors and salient provisions that should be considered when creating air quality management legislation.
- 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.
- Assisted the Philippines' Environmental Management Bureau (EMB) to finalize proposed environmental compliance and enforcement indicators.
- Finalized Environmental Compliance and Enforcement assessments in India and Sri Lanka, and organized consultation workshops in both countries to review national environmental compliance and enforcement programs and to offer recommendations for reform. In India, the Ministry of Environment and Forests was the principal partner and in Sri Lanka, the Central Environmental Authority was the principal partner.

Indicator Results Summary

As indicated in Table 4 below, ECO-Asia achieved or exceeded all targets except for one. In particular, ECO-Asia exceeded the target of five improved policies laws, regulations and agreements by one additional policy improvement for the Indicator 1.1. The eight improved policies laws, regulations and agreements include: action plan for establishment of compliance assistance center in the Philippines; action plan for establishment of compliance assistance center in Thailand; establishment of governmental policy of wastewater discharge fees in Sri Lanka; Supreme Court of the Philippines circular on environmental benches; and ministerial decision on training environmental inspectors in Vietnam. ECO-Asia did not anticipate that Vietnam would issue a ministerial decision.

Table 4: FY2007 AECEN Performance Management Plan Results

Indicator	Description	Targets	End Year
		FY2007	FY2007
IR 1: Enabling Conditions Improved			
IR 1.2	EG:Environment:CPE – Number of improved policies, laws, regulations, agreements related to pollution and urban environment drafted with USG assistance	5	7
IR 1.4	Number of non-governmental stakeholders engaged in environmental governance	20	17
IR 1.5	Number of sustainable financing mechanisms established, strengthened or facilitated	2	1
IR 1.6	Amount of funds from non-USAID sources mobilized and applied	\$ 39,000	\$ 132,871
IR 2: Human and institutional capacity strengthened			
IR 2.1	Number of environmental initiatives undertaken by civil society organizations	4	1
IR 2.2	Number of key national and local institutions with increased capacity	51	138
IR 2.4	EG:Environment:CPE – Number of people receiving USG supported training in environmental law, enforcement, public participation, and cleaner production policies, strategies, skills and techniques	535	955 (671 M, 284 F)
IR 4: Regional platforms strengthened to catalyze and sustain change			
IR 4.1	Number of regional environmental platforms created or strengthened	1	1
IR 4.2	Number of new members in regional environmental platforms (All)	1	2

Through AECEN, PADCO trained over 900 persons, which exceeded the target of 535 professionals, due mainly to expanded interest in the Vietnam Inspector Training activity. Also, in FY2007, AECEN gained two new members – Japan and Nepal – whereas only one was expected. Nepal joined through the support and encouragement of the U.S. Embassy in Kathmandu.

The number of environmental initiatives undertaken by civil society organizations, ECO-Asia expected that two civil society groups in the Philippines would undertake new initiatives supporting development of water quality management areas. This did not occur, since the Philippines Department of Natural Resources changed leadership unexpectedly and the related draft Departmental Administrative Order was not signed by the new Secretary, and has not been implemented.

Transboundary Conflict Prevention and Management in the Mekong River Basin

Under the Natural Resource Policy and Governance sub-element, ECO-Asia assists the Mekong River Commission (MRC) in enhancing effective regional cooperation among the member countries of Cambodia, Laos PDR, Thailand, and Vietnam through the development of conflict management mechanisms that support joint planning, cooperation, and prevention of transboundary issues.

ECO-Asia and the MRC are cooperating on a multi-year effort to support implementation of Goal 2 of the MRC Strategic Plan for 2006 – 2010 to enhance effective regional cooperation. In FY 2007, USAID and MRC signed a Note of Arrangement that aims to support the development of institutional

arrangements, tools and skills for strengthening regional cooperation and addressing areas of potential conflict.

In FY 2007, ECO-Asia continued to work across the full range of MRC programs that are actively engaged in or planning activities in conflict management. As detailed in Table 5 below, ECO-Asia achieved all targets except for leveraged funding due to fewer than expected training activities.

Accomplishments

- Facilitated dialogue among MRC programs and NMCs and prepared action agenda on implementation of MRC goal on regional cooperation that addressed the role of the MRC Secretariat in facilitating regional cooperation on transboundary issues.
- 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.”
- Developed common conflict prevention and management terminology for use by four Member Countries and MRC programs in addressing regional cooperation issues.
- Organized and conducted a two-day planning meeting with MRC programme managers and staff to discuss 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.
- 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 MRC hosted by the Vietnam Ministry of Agriculture and Rural Development and the Danish Ministry of Development Cooperation.
- 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.

Table 5: FY2007 Transboundary Conflict Performance Management Plan Results

Indicator	Description		
		Targets FY2007	End Year FY2007
IR 1: Enabling Conditions Improved			
IR 1.3	EG:Environment:NRB – Number of USG-supported initiatives/mechanisms designed to reduce the potential for violent conflict over the control, exploitation, trade or protection of natural resources	2	1
IR 1.6	Amount of funds from non-USAID sources mobilized and applied	\$ 75,000	\$12,285
IR 2: Human and institutional capacity strengthened			
IR 2.2	Number of key national and local institutions with increased capacity	4	3
IR 2.5	Number of people trained in conflict prevention and management in transboundary waters	50	52 (41 M, 11 F)
IR 4: Regional platforms strengthened to catalyze and sustain change			
IR 4.1	Number of regional environmental platforms created or strengthened	1	1

V. OVERARCHING SUPPORT

Small Grants Program

USAID RCO approved the ECO-Asia Small Grants Program Guidelines and Procedures for submitting grant proposals, establishing specific eligibility criteria, developing procedures for the review, approval and monitoring of grants, and reporting results. The Guidelines provide procedures for a competitive and targeted selection process, define ECO-Asia team roles and responsibilities, and include appendices on grantee evaluation, proposal guidelines, letter of agreement, standard provisions, financial reporting, cost sharing, and grant close out.

ECO-Asia issued four small grants: one to the Indonesia Center for Environmental Law to complete an AECEN program assessment, one to the Asian Institute of Technology to develop the WULC-Asia curriculum, 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.

Participant Exchange Program

With guidance from RDM/A, ECO-Asia developed procedures and initiated a range of exchanges for other REO contractors and grantees. ECO-Asia 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.

Communications

ECO-Asia continued to develop communications materials, including outreach materials, and continued populating the ECO-Asia and AECEN websites. Some notable communication products include:

- Developed communications materials for other ECO-Asia contractors.
- Finalized and produced AECEN brochure containing general information about the Network.
- Developed materials for the AECEN Regional Forum and the BAQ Conference.
- Continues to develop and disseminate ECO-Asia Quarterly eNewsletters.
- Re-organized and re-designed the AECEN website content based on Regional Principles to provide foundation for enhancements via planned support from the ADB.
- Finalized and printed a report on "Enabling Water Services Delivery for the Urban Poor in Asia."
- Designed a process for notice and comment on the AECEN Regional Principles through AECEN website.
- Printed AECEN Sri Lanka Assessment.
- Developed of water and sanitation program fact sheets

Program Reporting

Principal ECO-Asia staff members met in November 2006 in Bangkok for a work planning meeting to define FY2007 program activities and a budget, and to review FY2006 program accomplishments. Following the meeting, ECO-Asia staff reformulated the FY2007 draft work plan based on the new USAID Foreign Assistance Framework. In an effort to align our programs with the new objectives,

PADCO revised the ECO-Asia PMP in line with new programming framework and common performance indicators.

In early FY2007, ECO-Asia worked closely with RDM/A to support the development of REO's portion of the RDM/A FY2007 Operations Plan in line with the "F" framework. ECO-Asia helped identify programming strategy for tasks under contract, and assisted with text related to ongoing ECO-Asia activities, and activities of other REO contractors and cooperators.

With guidance from RDM/A, ECO-Asia 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. ECO-Asia also provided program support to REO for the overall Mission Portfolio Review meeting scheduled for August 2007.