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USAID PHILIPPINES SAFE WATER

Annual Report (Year 2: Oct 2020 – Sept 2021)

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ACRONYMS AND ABBREVIATIONS

BMRB	Buayan-Malungon River Basin
CCFPI	Coca-Cola Foundation Philippines, Inc.
CMS	Central Management System
COVID	Coronavirus Disease
DBM	Department of Budget and Management
DBP	Development Bank of the Philippines
DENR	Department of Environment and Natural Resources
DILG	Department of Interior and Local Government
DOH	Department of Health
DPWH	Department of Public Works and Highways
DWR	Department of Water Resources
EGS	Ecosystem Goods and Services
EO	Executive Order
FALGU	Financial Assistance to LGUs
FAS	Financial and Accounting System
GAP	Gender Action Plan
GEF	Growth Equity Fund
GEWE	Gender Equality and Women's Empowerment
GFI	Geoscience Foundation, Inc.
GFI	Government Financing Institution
GHG	Greenhouse Gas
GSCWD	General Santos City Water District
IP	Indigenous Peoples
IWRM	Integrated Water Resources Management
IWMP	Integrated Watershed Management Plan
JVA	Joint Venture Agreement
LBP	Landbank of the Philippines
LGU	Local Government Unit
LWCP	LGU Watershed Conservation Plan
LWUA	Local Water Utilities Administration
MEL	Monitoring, Evaluation and Learning
MFI	Microfinance Institution
MO	Manila Observatory
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MUAD	Multi-stakeholder Alliance for Development
NEDA	National Economic and Development Authority
NG	National Government
NGO	Non-Governmental Organizations
NRW	Non Revenue Water
NWRB	National Water Resources Board
OBA	Output-based Aid
PAWD	Philippine Association of Water Districts
PBSP	Philippine Business for Social Progress
PCSD	Palawan Council for Sustainable Development
PDRF	Philippine Disaster Resilience Foundation

PENRO	Provincial Environment and Natural Resources Office(r)
PES	Payment for Ecosystem Services
PFFWR	Palawan Flora and Fauna Watershed Reserve
PGP	Provincial Government of Palawan
PGNO	Provincial Government of Negros Occidental
PIIWSF	Provincial Integrated and Inclusive Water Security Framework
PIWSP	Provincial Integrated Water Security Plans
PIWST	Provincial Integrated Water Security Team
PLGU	Provincial Local Government Unit
PO	People's Organization
POW	Program of Work
PPC	Puerto Princesa City
PPCWD	Puerto Princesa City Water District
PPP	Public-Private Partnership
PWSSMP	Philippine Water Supply and Sanitation Master Plan
SURGE	Strengthening Urban Resilience for Growth with Equity
SDG	Sustainable Development Goals
SOW	Scope of Work
STTA	Short-Term Technical Assistance
SW	Safe Water/ Safe Water Project
TA	Technical Assistance
TOR	Terms of Reference
TOT	Training of Trainers
TWG	Technical Working Group
URAF	Unified Resource Allocation Framework
USAID	United States Agency for International Development
USG	United States Government
WASH	Water, Sanitation and Hygiene
WC	Watershed Council
WD	Water District
WDM	Water Demand Management
WHO	World Health Organization
WMC	Watershed Management Council
WRC	Water Regulatory Commission
WRM	Water Resource Management
WSP	Water Service Provider
WSS	Water Supply and Sanitation

PREFACE

The United States Agency for International Development (USAID), through its Mission in the Philippines, has contracted DAI Global, LLC (DAI) as the implementing partner for the Safe Water activity under Contract No. 72049220D00002. The effective date of the contract is December 2, 2019 to December 1, 2024. DAI partners with five organizations - Orient Integrated Development Consultants, Inc., Lutheran World Relief, Manila Observatory, Geoscience Foundation Inc., and CEST Inc.

This report describes the accomplishments of the Safe Water project from October 2020 to September 2021 or its Second Year of implementation. It also provides a summary of the planned activities for the 1st Quarter of Year 3 ending December 2021.

COVER STORY

SUPPORTING THE IMPLEMENTATION OF THE NATIONAL PLAN ON WATER SUPPLY AND SANITATION



Only about 44 percent of households in the country have individual connections to a proper, fully-reticulated waterworks system., due to low investments in the water and sanitation sector, according to Socioeconomic Planning Secretary Karl Kendrick T. Chua. The remaining 56 percent, or 57 million Filipinos, have to fetch water for their families from communal pipes or springs or wells up to 250 meters away. The master plan also outlines that 23 of 25 households do not have access to safe sewerage systems.

With the launch of the Philippine Water Supply and Sanitation Master Plan (PWSSMP) last September 16, 2021, the Philippines National Economic and Development Agency (NEDA) reiterated its call to all stakeholders to contribute to SDG targets of universal access to safe water supply and sanitation by 2030. There are still 12.4 million Filipinos getting water from unsafe sources, more than 4 million people practicing open defecation, and less than 8 million only or less than 10% of the entire population with access to sewerage facilities. This situation increases the risks of water-borne diseases and irreversible stunting among children, and lowers quality of life, making sectoral reform critical to the Philippines' sustainable development. The PWSSMP is the national roadmap for the sector to achieve access targets and institute long term governance, regulatory and utility reforms.

Safe Water is supporting NEDA to implement the PWSSMP and its Key Reform Agenda including financing reforms through the implementation of the Unified Resource Allocation Framework. Safe Water technical assistance covers, technical and policy analyses underpinned by evidence and data, proofs of concept for innovative measures, communication plan and stakeholder engagement.

“Every Filipino must have access to sustainable and affordable water supply as well as adequate safely managed sanitation services”

– Vision of the PWSSMP

By providing support to the implementation of the PWSSMP's key reform agenda, water sector governance is strengthened and water supply and sanitation (WSS) investments are improved – these are key drivers in achieving the WSS targets and in creating sustainable policy decisions and actions to address water security.

EXECUTIVE SUMMARY

This report presents the accomplishments of the Safe Water Project for its Second Year of implementation. It also provides a summary of the planned activities for the 1st Quarter of Year 3 (October to December 2021).

Safe Water is the flagship project of USAID in the Philippines for water and sanitation sector development. It is an USD18 million initiative over a five-year implementation period, from December 2019 to December 2024.

The primary purpose of Safe Water is to improve water security of water-stressed communities in the Philippines. Water security is characterized by: i) increased access of underserved or unserved communities to safe water supply and sanitation services; and ii) more sustainable water management of surface and groundwater resources to meet human, economic and ecosystem needs.

The project has three inter-related objectives: increased access to resilient water supply and sanitation services; improved water resource management; and strengthened water sector governance.

It operates through offices in Manila and in three focal sites, namely: Puerto Princesa City and Palawan Province, Bacolod City and Negros Occidental Province, and General Santos City and Sarangani Province.

During this reporting period the Safe Water Team (the Team) undertook the following activities, summarized in Table I.

TABLE I. SUMMARY OF YEAR 2 KEY ACTIVITIES AND ACCOMPLISHMENTS

OBJECTIVE	KEY ACTIVITIES
<p>Objective 1: Increased access to resilient water and sanitation services</p>	<ul style="list-style-type: none"> • Identification and Assessment of Needs of Water Service Providers (WSPs) • Project development assistance to more than 50 WSPs such as assessment of water treatment and septage management facilities; water systems improvement; preparation of project proposals and program of works (POWs); and pre-feasibility studies on new water source development • Building capacity of WSPs in strategic business planning, project proposal preparation, construction supervision, O&M and water quality monitoring • Facilitating Negros Occidental and Sarangani Provinces to prepare Provincial Integrated Water Security Plans following the integrated framework of water supply and sanitation service provision and water resource management • Work planning with LGUs on the pilot implementation of the Central Management System (CMS), to enable municipal governments manage small community-based service providers • Collaboration with Water.Org to engage Microfinance Institution (MFI) partners in providing WASH loans to increase HH access to improved WSS facilities
<p>Objective 2: Improved sustainable management of water resources</p>	<ul style="list-style-type: none"> • Completion of hydrologic studies for five watersheds and presentation of findings to national government agencies, LGUs, various WSS/WRM partners and stakeholder groups • Development of local stakeholders' capacity for climate and hydrologic risk assessment • Formulation of 10 Watershed Management Plans • Creation and strengthening of nine (9) watershed management councils (WMCs) • Building partnerships with LGUs, private sector companies and people's organizations to support WRM and sustainable livelihoods; to date Safe Water has had 10 partnership agreements, 5 of which were formalized in Year 2 • Implementation of WRM and sustainable livelihoods activities • Scaling adoption of Payment for Ecosystem Services for financing water resource management • Capacity building for Water Demand Management (WDM) at the local level through basic WDM training and research and materials development on local WDM practices

Objective 3: Improved water sector governance	<ul style="list-style-type: none"> Facilitation of access to national government grants and utilization of LGU budgets for WSS investments Facilitation of Local Water Utilities Administration (LWUA)-Development Bank of the Philippines Co-Financing Arrangement Coordination with Development Partners to complement related WSS initiatives Promotion of PPPs and Innovative Financing Schemes (Output Based Aid-Blended Finance and Payment for Ecosystem Services) Support to the implementation of the Philippine Water Supply and Sanitation Master Plan (PWSSMP) and the operationalization of the Unified Resource Allocation Framework (URAF) Technical secretariat support to the NEDA-led WSS Network Development of various knowledge products such as technical notes, concept briefs, tools and toolkits, studies and reports
Cross-cutting Activities	<ul style="list-style-type: none"> Continuation of Gender Equality and Women's Empowerment (GEWE) assessment Communication of project activities to partners and stakeholders and promotion of key project milestones Implementation of awareness campaigns through events, videos and photo stories Support to NEDA's Communication Plan for the PWSSMP Completion of the Baseline Assessment Report Revision of MEL Plan Development of Online / Web-based M&E System M&E planning with partners for upland livelihood activities Continuing Baseline Assessment for additional cities and municipalities covered in the Year 2 work plan Launch of the Philippine Water Challenge and conduct of webinars to drumbeat the Challenge

The results of the activities which contributed to targets this Year are shown in Table 2 (the cumulative achievements on targets are shown in Table 9).

TABLE 2. SUMMARY OF YEAR 2 TARGETS AND ACHIEVEMENTS

INDICATOR		YEAR 2 TARGET	ACHIEVEMENTS
Objective 1: Increased access to resilient water supply and sanitation services			
F-Indicator	Outcome 1.1: Number of people gaining access to basic or safely managed drinking water services	20,000	48,046 (140%)
F-Indicator	Outcome 1.2: Number of people receiving improved service quality from an existing basic or safely managed drinking water services	50,000	1,211 (-98%)
F-Indicator	Outcome 1.3: Number of people gaining access to limited or basic or safely managed sanitation services	20,000	85,674 (328%)
F-Indicator	Outcome 1.4: Number of people receiving improved sanitation services quality from an existing limited or basic services	40,000	66,226 (66%)
Custom	IR 1.1: Number of WSPs with increased operational, technical, and financial management capacity through Safe Water activities	5	13 (160%)
Custom	IR 1.2: Number of coordination mechanisms institutionalized at the local, watershed, and regional levels through Safe Water activities	4	10 (150%)
F-Indicator	IR 1.3: Value of new funding mobilized to the water and sanitation sectors (In US \$)	USD 10.00 M	USD 10.87 M (8%)
Custom	IR 1.4: Number of feasibility studies, programs of work, and detailed designs developed that enable water supply and sanitation service expansion or improvement as a result of USG assistance (new indicator)		4 *
Objective 2: Improved Sustainable Management of Water Resources			
F-Indicator	Outcome 2.1: Amount of greenhouse gas (GHG) emissions reduced or avoided (Metric Tons)	75,000	49,505 (66%)

F-Indicator	Outcome 2.2: Number of people benefiting from adoption and implementation of measures to improve water resources management	150,000	154,334 (3%)
F-Indicator	Outcome 2.3: Number of people receiving livelihood co-benefits	15,000	15,280 (2%)
Custom	IR 2.1: Number of hectares under improved watershed management	10,000	24,178 (242%)
Custom	IR 2.2: Number of LGU, WSPs, and watershed stakeholders with improved capacity to plan, manage and monitor water and forest resources sustainably, using data and innovative technologies	8	8
F-Indicator	IR 2.3: Amount of investment mobilized for sustainable landscapes (In US \$)	USD 10.00 M	USD 10.55 M (5%)
Custom	IR 2.4 Number of people who apply improved conservation law enforcement practices as a result of USG assistance	100	100
Objective 3: Strengthened Water Sector Governance			
Custom	Outcome 3.1: Number of policies or plans developed, enhanced or implemented to promote water security	10	13 (30%)
F-Indicator	Outcome 3.2: Number of water and sanitation sector institutions strengthened to manage water resources or improve water supply and sanitation services as a result of USG assistance	20	28 (40%)
Custom	IR 3.2: Number of mechanisms developed and/or enhanced for exchanging knowledge on water security	4	4
Cross-cutting			
Custom	CC1: Number of tools, technologies, or measures implemented (WRM and WSS)	6	18 (200%)
Custom	CC2: Number of partnerships developed and/or institutionalized (WRM and WSS)	10	10
Custom	CC4: Number of persons trained with USG assistance for advancing gender equality or female empowerment through their roles in public or private sector institutions or organizations	100	100
Custom	CC 5: Proportion of female participants in USG assisted programs designed to increase access to productive economic resources (assets, credit, income, employment).		67%*

* Indicators without targets; achievements are for Year 2

OBJECTIVE I: INCREASED ACCESS TO RESILIENT WATER SUPPLY AND SANITATION SERVICES



48,046

Year 2 Target (20,000)

OUTCOME I.1

Drinking Water Services

Number of people gaining access to basic or safely managed drinking water services

1,211

Year 2 Target (50,000)

OUTCOME I.2

Number of people receiving improved service quality from an existing basic or safely managed drinking water services



85,674

Year 2 Target (20,000)

OUTCOME I.3

Sanitation Services

Number of people gaining access to limited or basic or safely managed sanitation services

66,226

Year 2 Target (40,000)

OUTCOME I.4

Number of people receiving improved sanitation services quality from an existing limited or basic services



13

Year 2 Target (5)

INTERMEDIATE RESULT I.1

Number of WSPs with increased operational, technical, and financial management capacity through Safe Water activities



10

Year 2 Target (4)

INTERMEDIATE RESULT I.2

Number of coordination mechanisms institutionalized at the local, watershed, and regional levels through Safe Water activities



10.87M

Year 2 Target (10M)

INTERMEDIATE RESULT I.3

Value of new funding mobilized to the water and sanitation sectors (In US \$)



4

No Year 2 Target

INTERMEDIATE RESULT I.4

Number of feasibility studies, programs of work, and detailed designs developed that enable water supply and sanitation service expansion or improvement as a result of USG assistance (new indicator)

OBJECTIVE 2: IMPROVED SUSTAINABLE MANAGEMENT OF WATER RESOURCES



49,505

Year 2 Target (75K)

OUTCOME 2.1

Amount of greenhouse gas (GHG) emissions reduced or avoided (Metric Tons)



154,334

Year 2 Target (150K)

OUTCOME 2.2

Number of people benefiting from adoption and implementation of measures to improve water resources management



15,280

Year 2 Target (15K)

OUTCOME 2.3

Number of people receiving livelihood co-benefits



24,178

Year 2 Target (10K)

INTERMEDIATE RESULT 2.1

Number of hectares under improved watershed management



8

Year 2 Target (8)

INTERMEDIATE RESULT 2.2

Number of LGU, WSPs, and watershed stakeholders with improved capacity to plan, manage and monitor water and forest resources sustainably, using data and innovative technologies



10.55M

Year 2 Target (10M)

INTERMEDIATE RESULT 2.3

Amount of investment mobilized for sustainable landscapes (In US \$)



100

Year 2 Target (100)

INTERMEDIATE RESULT 2.4

Number of people who apply improved conservation law enforcement practices as a result of USG assistance

OBJ 3: STRENGTHENED WATER SECTOR GOVERNANCE



13
Year 2 Target (10)

OUTCOME 3.1

Number of policies or plans developed, enhanced or implemented to promote water security



28
Year 2 Target (20)

OUTCOME 3.2

Number of water and sanitation sector institutions strengthened to manage water resources or improve water supply and sanitation services as a result of USG assistance



4
Year 2 Target (4)

INTERMEDIATE RESULT 3.2

Number of mechanisms developed and/or enhanced for exchanging knowledge on water security



18
Year 2 Target (6)

CROSS-CUTTING 1

Number of tools, technologies, or measures implemented (WRM and WSS)



10
Year 2 Target (10)

CROSS-CUTTING 2

Number of partnerships developed and/or institutionalized (WRM and WSS)



100
Year 2 Target (100)

CROSS-CUTTING 3

Number of persons trained with USG assistance for advancing gender equality or female empowerment through their roles in public or private sector institutions or organizations



67%
LOP Target (50%)

CROSS-CUTTING 4

Proportion of female participants in USG assisted programs designed to increase access to productive economic resources (assets, credit, income, employment).

CROSS-CUTTING

In addition to continued work on activities initiated in Year 2, major activities planned for the 1st Quarter of Year 3 are:

OBJECTIVE 1: INCREASED ACCESS TO RESILIENT WATER SUPPLY AND SANITATION SERVICES

1. Continue assessment of WSPs in the remaining LGUs of the three Safe Water provinces using the WSP diagnostic tool to identify technical assistance needs for project development and/or capacity building
2. Carry out/continue/accelerate ongoing and previously identified TA on project development for WSPs (i.e., completion of strategic business plans, training on O&M improvement, water safety planning, ring-fencing)
3. Accelerate activities related to the pilot implementation of CMS in El Nido and Alabel LGUs; Identify pilot site for Negros Occidental
4. Continue assistance to Negros Occidental and Sarangani Provinces to formulate their respective Provincial Integrated Water Security Plans (i.e., conduct data analysis workshops and stakeholder consultations in Negros Occidental and Sarangani)
5. Continue to work actively with Water.Org and MFIs on financing household water connections, toilet facilities and related improvements, and demand generation
6. Complete construction of toilets and septic tanks in selected poor households in Sagay City and Alabel under the pilot implementation of the output-based aid and blended finance program using DAI's Awesomeness Fund.

OBJECTIVE 2: IMPROVED SUSTAINABLE MANAGEMENT OF WATER RESOURCES

1. Conduct training of trainers for DENR-FMB and NWRB on hydrologic studies
2. Complete the hydrologic study of 60 watersheds in Palawan, Negros Occidental and Sarangani
3. Finalize the Integrated Watershed Management Plan (IWMP) of Montible in Palawan and the Local Watershed Conservation and Rehabilitation Plan of Alabel in Sarangani
4. Facilitate creation and orient IWMP planning teams in Aborlan, Itangil, Buayan, Malogo-Imbang, Himugaan and Sicaba watersheds and in Malapatan and Maitum, Sarangani
5. Organize community-based water monitoring teams in Palawan, Negros Occidental and Sarangani
6. Conduct exploratory meetings with potential partners (Shell Foundation, Zoological Society of London, etc.)

OBJECTIVE 3: STRENGTHENED WATER SECTOR GOVERNANCE

1. Support the Water Convergence Program by monitoring the Mandanas/ Executive Order (EO) 138 implementation and influencing programming of regular and NG budget allocations for WSS investments
2. Provide technical assistance to utilize local WSS budgets
3. Identify sources and facilitate access to financing for the investment programs of the Provincial Integrated Water Security Plans
4. Prepare expanded work plan with Water.org to scale demand creation for WSS services; train interested MFIs on utility lending; train Water.org on utility performance improvement; and facilitate MFI access to wholesale lending windows for entrepreneurial and WASH loans
5. Support implementation of the OBA-BF, Payment for Ecosystem Services (PES) and PPP approaches

6. Provide capacity building for the Regional Watsan Hubs' on ring-fencing, business planning, tariff setting, CMS
7. Continue technical secretariat support to the WSS Network
8. Follow through action on other policy initiatives (Implementing Rules and Regulations of the NEDA Board Resolution for the Implementation of the Unified Resource Allocation Framework for Water Supply and Sanitation Services, NWRB-LGU Memorandum of Agreement (MOA), integration of WSS in CLUP guidelines, among others)

CROSS-CUTTING ACTIVITIES

1. Philippine Water Challenge: organize webinars on “Bridging Innovations and Innovators” and “Technology and Solutions for Water Safety and Sanitation”; intensify campaign to encourage applications; draft Program for Water Forum and Awarding Ceremony
2. Gender Equality and Women’s Empowerment: assist Water Districts establish Gender Focal Point System (GFPS); conduct necessary trainings for setting up the GFPS; design human resources development and management strategies to strengthen women’s leadership in WSS/WRM; and develop materials on stories of women and use celebrations in the WSS/WRM to extend messaging on the value of women in decision-making
3. Communications and Outreach: inform and update partners and stakeholders on project activities through Weekly Highlights and Monthly Newsletters; develop and share success stories and promote key milestones; draft and begin implementation of the communications plan to support the PWSSMP; and implement awareness campaigns tied to the messaging of #SafeWaterSavesLives and USAID’s 60th anniversary
4. Monitoring, Evaluation and Learning: continue baseline assessment of information pertinent to project indicators to cover remaining Safe Water sites; roll-out Safe Water Web-based M&E system; update MEL Plan; and prepare for Midterm Evaluation Study

I. INTRODUCTION

USAID designed the Safe Water project to assist the Philippine Government to sustain gains made in the water supply and sanitation (WSS) sector, address sector gaps, capitalize on the efforts of predecessor water and sanitation-related projects, and expand the scope to include resource management for sustainability of supply—in terms of both quantity and quality. Safe Water will contribute solutions to the following challenges:

1. **Access to Water Supply and Sanitation Services.** Approximately 12.4 million people in the Philippines still lack access to safe drinking water. Throughout the Philippines, there are still 332 waterless municipalities. In each municipality more than 50 percent of households are still in need of access to clean drinking water. According to the 2017 Field Health Service Information System of the Department of Health (DOH), 85.09 percent of the population has access to basic sanitation services but data is not yet available for the percentage of the population with safely managed sanitation services (this definition includes having properly designed septic tanks and wastewater management services). In a preliminary assessment the DOH, working with the World Health Organization (WHO), estimated that less than 20 percent of the population has access to safely managed sanitation services. This is a consequence of poorly designed septic tanks and lack of wastewater management services. Many low-income households still rely on shared or unsanitary toilets (e.g. open pit, drop/hang system); and more than four million people still practice open defecation. Even among those households that have access to improved sanitation, few are connected to sewerage or septage treatment facilities. Existing sewage collection/treatment systems serve only three to five percent of the population. Consequently, a large volume of untreated household wastewater contaminates ground and surface water resources, creating serious public health concerns.
2. **Water Resource Management.** The Philippines has 18 major river basins, 142 critical watersheds and about 24 percent forest cover. While the Philippines has an apparent abundance of water resources, these resources are unevenly distributed and face multiple threats to their ability to supply water on a long-term basis. These threats include the continued degradation of watersheds, poor water resources governance and allocation, and the increasing frequency of extreme weather events caused by climate change.

The deteriorating condition of the country's forests and watersheds has exacerbated drought and flood conditions, which now occur with greater frequency, and there is increased competition among agriculture, energy and other sectors for ever-scarcer surface water resources. In response, cities, municipalities and industries have expanded their reliance on groundwater, which is accelerating the depletion of groundwater resources. In many coastal zones, this has led to saltwater intrusion into freshwater aquifers.

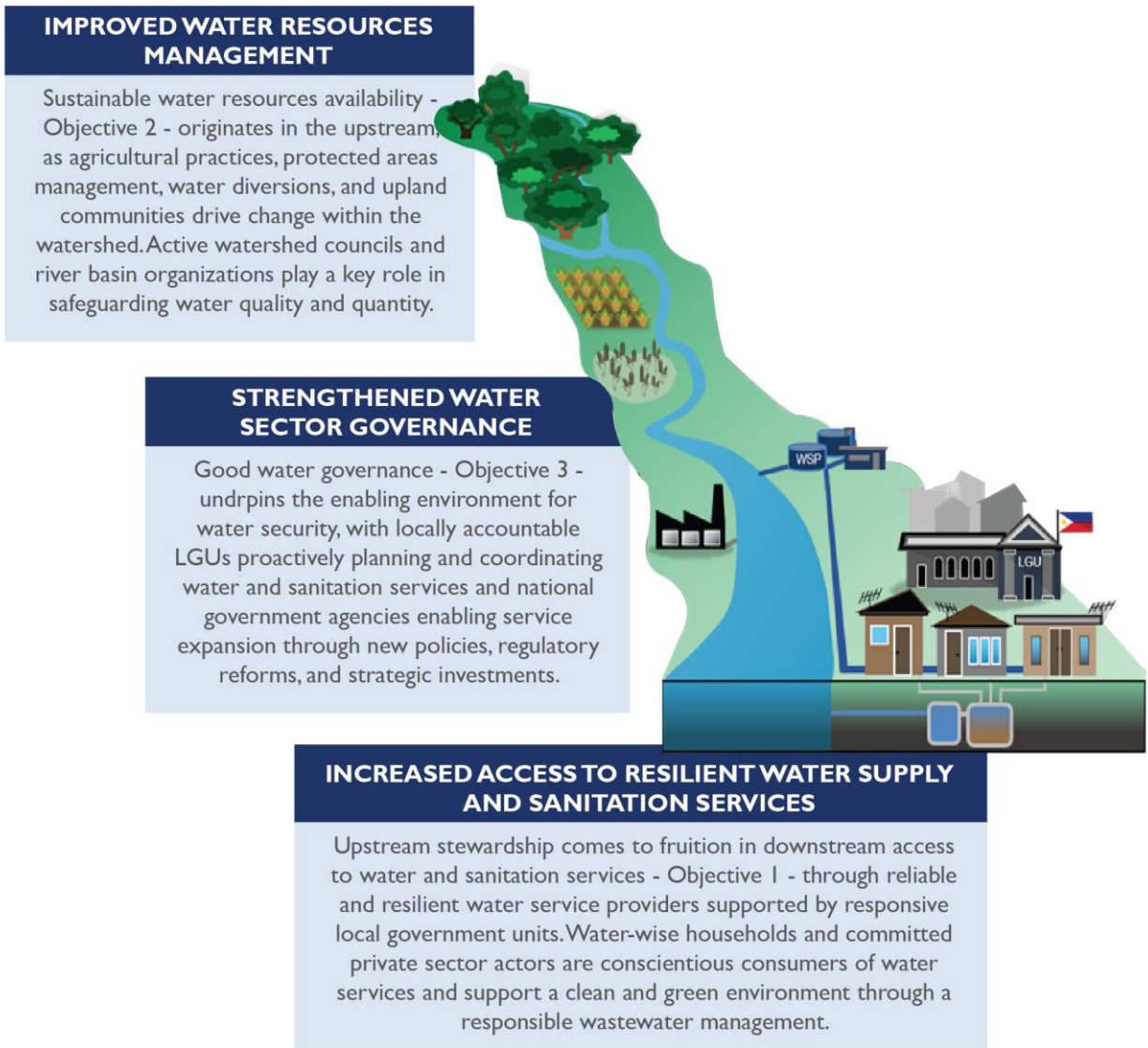
3. **Enabling Environment.** The Philippines' water and sanitation sector is highly fragmented with no apex body. Multiple national and local government institutions are involved in WASH governance and service delivery. Economic regulation (license to operate and tariff setting) is also fragmented and ineffective given conflicts of interest within regulatory bodies due to other mandates. Local government unit (LGU)-run utilities are not regulated and hence are not held accountable for standards of service. The financing requirements needed to meet the Sustainable Development Goal

(SDG) targets for of universal coverage for water supply and sanitation services by 2030 is in the magnitude of PHPI.3 trillion (\$65 B), 25 times more than historical public investments.

I.1 ACTIVITY OVERVIEW

The primary purpose of Safe Water is to improve water security of water-stressed communities in the Philippines. Water security is characterized by: i) increased access of underserved or unserved communities to safe water supply and sanitation services; and ii) more sustainable water management of surface and groundwater resources to meet human, economic and ecosystem needs.

FIGURE I. SAFE WATER INTEGRATED AND INCLUSIVE WATER SECURITY FRAMEWORK



The Integrated and Inclusive Water Security Framework (Figure I) underpins the implementation plan of the project, which revolves around three objectives, as follows: 1) increased access to safe and resilient water supply and sanitation services, thereby contributing to the SDG target of universal coverage by

2030; 2) improved water resources management focusing on protection and conservation of resources, and efficient use of water resources; and 3) strengthened water sector governance, primarily supporting the enactment of policies, regulatory reforms and strategic investments at the national and local government levels.

Safe Water is working in three geographic sites to implement activities related to Objectives 1 and 2. However, the project will move beyond the prioritized areas as successful models and approaches are scaled and sustained through collaboration and communication with water and sanitation service policy makers and service providers, as well as thought leaders at the basin, regional and national levels.

Objective 3 activities are being led from the Manila office of the project. The focus is supporting NEDA’s efforts to lead the implementation of the Philippine Water Supply and Sanitation Master Plan (PWSSMP), which covers eight key reform areas including institutional strengthening and regulatory reforms, and the new financing policy for the sector embodied in the Unified Resource Allocation Framework (URAF).

I.2 TARGET SITES

Safe Water field activities focus on the following cities and provinces (Figure 2): Puerto Princesa City and Palawan Province; Bacolod City and Negros Occidental Province; and General Santos City and Sarangani Province.

The Team identified the following LGUs (Table 3) and watersheds (Table 4) in the focal sites to be the priority areas in the project’s Year 1 and Year 2 Work Plan. The prioritization was based on access gaps, number of people who will benefit, and economic significance of the LGUs. The Team confirmed the prioritization with stakeholders in various consultations

FIGURE 2. SAFE WATER PROJECT SITES



TABLE 3. SAFE WATER TARGET CITIES AND MUNICIPALITIES FOR YEARS 1 AND 2

YEAR	PUERTO PRINCESA CITY AND PALAWAN	BACOLOD CITY AND NEGROS OCCIDENTAL	GENERAL SANTOS CITY AND SARANGANI
Year 1	Puerto Princesa City, Coron, Dumaran and Taytay	Bacolod City, Bago, Candoni, Isabela, Murcia, San Carlos, Silay, Talisay and Salvador Benedicto	General Santos City, Alabel, Kiamba, Maasim and Malungon
Year 2	Aborlan, Busuanga, El Nido, Narra, Roxas and San Vicente	Cadiz, Calatrava, Enrique B. Magalona, Escalante, Manapla, Pulpandan, Sagay, Toboso and Victorias	Glan and Malapatan

TABLE 4. SAFE WATER TARGET WATERSHEDS FOR YEARS 1 AND 2

YEAR	PALAWAN	NEGROS OCCIDENTAL	SARANGANI
Year 1	Irawan Montible Itangil*	Bago Malogo Binalbagan*	Buayan-Malungon River Basin Siguel Pange*

	Abongan* Lake Manguao*		
Year 2	Aborlan Catchment Busuanga Cataban Malasgao Baton Baton Sandoval Buayan	Sicaba Himugaan Grande	Lun Padidu Lun Masla Glan

**Watersheds that were not previously included as priority for Year 1*

2. ACHIEVEMENTS AND RESULTS ANALYSIS BY OBJECTIVE

This section presents the key activities and accomplishments of the SAFE WATER Project in Year 2 by Objective.

2.1 YEAR 2 HIGHLIGHTS

OBJECTIVE I: INCREASED ACCESS TO RESILIENT WATER AND SANITATION SERVICES

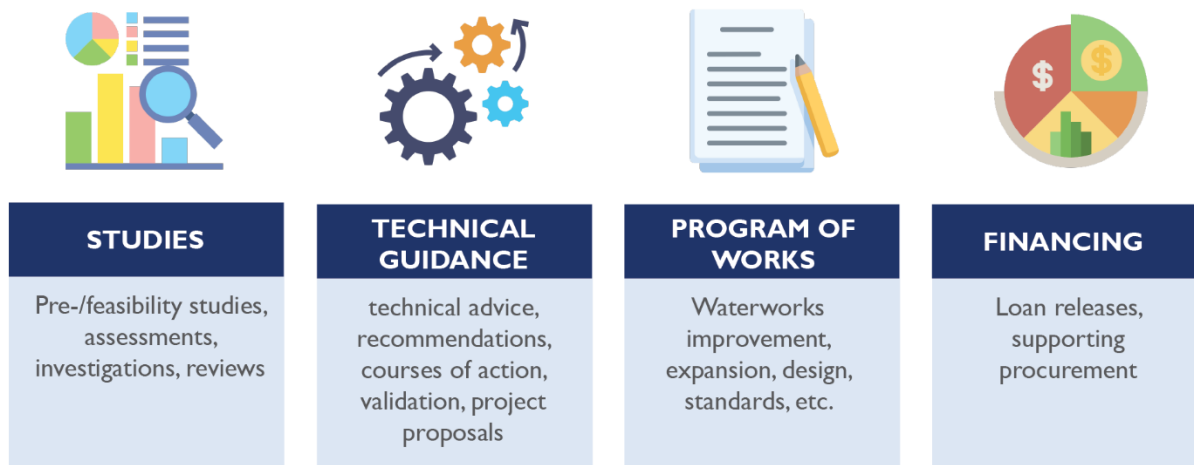
A. IDENTIFICATION AND ASSESSMENT OF NEEDS OF WATER SERVICE PROVIDERS

The Safe Water Team expanded the coverage of the assessment of water service providers (WSPs) in Year 2. The Team identified WSS service deficiencies of LGUs and WSPs through the collection of baseline data and the conduct of KIIs and FGDs. A list of possible technical assistance activities, classified as either project development or capacity building, are discussed in the succeeding sections.

B. PROJECT DEVELOPMENT ASSISTANCE TO WSPS

Safe Water is carrying out various technical assistance to LGUs and WSPs on project development (summarized in *Figure 3*), as follows:

FIGURE 3. TYPES OF PROJECT DEVELOPMENT ASSISTANCE



PALAWAN

- i. **Puerto Princesa City WD long-term water supply source development:** The Team completed the draft terms of reference (TOR) for the feasibility study on Montible River for the long-term supply requirements of the Puerto Princesa City Water District (PPCWD) and the irrigation needs of Iwahig Penal Farm. PPCWD currently abstracts water from the newly completed facilities at Montible River but it estimates that it will need additional supply in five to seven years.



Inside the infiltration gallery of Puerto Princesa City Water District's Ultraviolet Hydro Optic Disinfection System in Barangay Irawan, Puerto Princesa City.

- ii. **Lake Manguao water source sustainability:** The Team is assisting Taytay LGU in the assessment of Lake Manguao as a sustainable water source for two water systems in the municipality. One water system is currently sourcing water from the lake, and another is being proposed for construction. Lake Manguao is under threat from the reported progressive lowering of its water level. The Team is undertaking a hydrologic study of Lake Manguao to determine its sustainability as a water source and it will serve as basis for assessing if abstraction of water from the lake will be sustainable.
- iii. **Aborlan Waterworks fair payment of bulk water supply:** Aborlan Waterworks is currently buying bulk water from Narra Waterworks. The Team made a recommendation to Aborlan Waterworks to install mainline water meters in a number of locations between Aborlan and Narra to measure accurately the bulk supply coming from Narra Waterworks and pay for only what is delivered (presently, Narra deducts from its volume produced the water sold it has sold, and the rest is charged to Aborlan). Relatedly, Aborlan Waterworks secured a donation of old, but still functioning, water meters from Puerto Princesa City WD.
- iv. **San Vicente Waterworks non-revenue water management:** The Team provided technical advice to the LGU-run waterworks of San Vicente to install production meters in its water sources to account for its NRW for the first time. The water utility has installed production meters in some of its sub-systems, and has begun recording water production vis-à-vis water consumption. The Team will then discuss the next stage of assistance on NRW management.
- v. **Aborlan, El Nido, Taytay, San Vicente and Narra Waterworks improvement of water treatment facilities:** The Team carried out an initial investigation on the water treatment facilities of five LGU-run waterworks systems. The investigation revealed an identical problem—the need for frequent cleaning of its filter media. The Team pinpointed the textile layer as the possible cause of clogging in the filtering process and the Safe Water Treatment Specialist is preparing corrective measures to address this problem.
- vi. **Roxas WD improvement of water treatment facility:** The Team determined that Roxas WD will need to improve the efficiency of its water treatment facility to bring down its very high

production cost. The Safe Water Treatment Specialist is also preparing specific courses of action to address this issue.

- vii. **Aborlan, Roxas and Taytay WDs expansion programs:** The Team is facilitating the release of pending LWUA loans to these WDs through direct representation with the concerned LWUA Advisors. The loans are intended for source development, water treatment improvement and distribution system expansion to improve the services of the said WDs.
- viii. **Narra Waterworks expansion program:** The Team is assisting the water utility in the preparation of Program of Works (POW) for the extension of the water distribution system in the town of Narra. The water utility has already received 181 paid water connection applications but has yet to complete the POW.
- ix. **Dumaran Waterworks improvement of water systems:** The Team assessed the water systems of Dumaran LGU-run waterworks and identified the following needs:
 - a. Improving the barangay water systems funded by Salintubig in Capayas and Danleg;
 - b. Addressing the turbidity problem in Brgy. Cayapas;
 - c. Designing and installing a submersible pump for a new well that will replace the collapsed well in Brgy. Sta. Teresita; and
 - d. Analyzing the water system of Brgy. Bacao due to intermittent operations caused by leak in the reservoir and low pump pressure.

NEGROS OCCIDENTAL

- i. **Murcia WD surface water bulk supply development:** Safe Water completed a high-level, pre-feasibility study using the results of GFI Hydrologic Study for Bago Watershed (see page 14). The bulk supply is intended for Murcia's expansion (5 MLD) and for bulk supply to Bacolod City (15 MLD). The study included cost estimates for various schemes from four rivers, three of which are within Bago Watershed. The Team presented the results of the study to Murcia WD on August 12, 2021. The Team is still waiting for the WD decision to push through with the project.
- ii. **Manapla WD water quality problem of existing deep wells:** In the WD Board meeting held on April 10, 2021, the Team recommended the replacement of the existing main deep well source of Manapla WD with a new well instead of installing water treatment equipment for the old well. The cost of the latter is almost the same as drilling a new well and will have lower maintenance cost as well. The WD decided to pursue the recommendation and carried out an additional geo-resistivity survey in the area. The Team evaluated the geo-resistivity survey results and provided the WD with a TOR for the procurement of well drilling services. The Team will continue its assistance to the WD for operations improvement after the development of the new well.
- iii. **San Carlos Waterworks improvement of existing water treatment plant:** In July 2021, the Team completed the report and Program of Works that will address high turbidity problems in times of heavy rains, in San Carlos' water treatment plant. The Team will conduct a site visit to validate the recommendations and finalize the report and POW.
- iv. **Kabankalan WD technical assistance:**
 - a. Construction supervision: Kabankalan WD is undertaking a construction project consisting of spring source development, reservoir construction, and laying of transmission and distribution pipelines. This project is funded through a PHPI 60 million (\$3.2 M) loan from Land Bank plus PHPI 6 million (\$320,000) equity from the WD. At the request of the WD, Safe Water will deploy a Construction Supervisor when construction starts to capacitate the technical group of the WD on construction supervision.



USAID Safe Water Negros Occidental field team and Sipalay City Water District discuss together needs and concerns that can potentially be identified and addressed as part of the project development assistance package to WSPs.

- b. **Pre-feasibility study for service expansion to the Upper Kabankalan Cluster:** The Team completed the preliminary hydrologic analysis to determine the dependable flows at the two intake sites identified by the WD. Based on the preliminary water demand projections, the Team concluded that the values are well within the dependable flows. Safe Water will be deploying its sub-contractor, CEST, to carry out the remaining activities for the rapid feasibility study for the expansion project.
- c. **Addressing water quality problem of newly constructed well:** The Team is also assisting Kabankalan WD to address the color of the water drawn from its newly constructed well. The Team recommended re-testing two water quality parameters (iron and pH) to ascertain the nature of the problem. Previous test results provided by the WD show that the two parameters are within permissible limits, but confirmation is needed as physical samples show otherwise. The Team also recommended shock chlorination of the well prior to taking samples. Upon determining the source of the problem, then the Team can recommend appropriate solutions.
- v. **Malogo Cluster surface water bulk supply development:** The provincial government of Negros Occidental is spearheading this proposed surface water source bulk supply development. The cluster of users comprises the Municipalities of Talisay, Silay, EB Magalona, Victorias and Manapla. The Team is preparing a high-level pre-feasibility study, and has to date completed the calculation of dependable flows and preliminary water demand. The Hydrologic Study for Malogo Watershed prepared by GFI was used as basis for estimating the dependable flows at various points of the river. In addition, it will also determine the minimum offtake volumes from the cluster members, a critical component of assessing viability.
- vi. **Barangay water projects:** The Team assisted DPWH district offices and LGUs in the review and validation of POWs for Level 2 water systems to ensure appropriate design and standards are met:
 - a. DPWH funded projects in various barangays of La Carlota, Bago and Bacolod Cities.
 - b. Candoni Municipality water supply system of Brgy. Gatuslao funded by PAMANA.
 - c. Municipalities in the 3rd Congressional District consisting of Talisay, Silay, Victorias, EB Magalona and Murcia for Level 2 barangay water systems.

SARANGANI AND GENERAL SANTOS CITY

- i. **Alabel Waterworks water treatment facility:** Alabel invested in a water treatment facility, but it was found to be defective after only one month of operation. The Team assessed the defects and prepared a POW for the improvement and retrofitting the water treatment plant. The Team presented the results of the study and POW to the LGU on August 12, 2021. The LGU adopted the recommendations and has issued a call for proposals following the technical specifications of the Safe Water study. The treatment plant has a capacity of 2500 m³/day and will potentially benefit 88,000 people.
- ii. **Alabel and Malapatan Waterworks development of surface water sources:** Following the Safe Water training on project proposal preparation, the Team is supporting the two municipalities to complete their project proposals. These include: development of Maribulan River as a water source of an expansion area in Alabel for FALGU funding; and a small water impounding structure in Malapatan for funding from the grant program of the National Task Force to End Local Communist Armed Conflict.
- iii. **General Santos City Water District development projects:**
 - a. **Surface water bulk supply development:** The Team is awaiting completion of the USAID SURGE study on the bulk water supply source for General Santos City to determine which of the four major rivers (Makar, Silway, Buayan-Malungon or Siguel) will be the best source. The Safe Water Team will then carry out a high-level pre-feasibility study that will include a preliminary design and calculation of the likely investment cost, which will serve as the basis for a possible PPP arrangement.
 - b. **Septage management program:** The Safe Water Team will provide follow-on support to SURGE's technical assistance on this project by supporting the procurement process, including technical evaluation of bids. SURGE will complete the bid documents by December this year.
- iv. **Alabel septage treatment facility improvement:** The Team completed the study for the improvement and optimization of Alabel's septage treatment plant. The plant has a capacity of 60 m³/day but is currently operating at less than 20 m³/day only. The results of the study, including the POW, were presented to the LGU on August 12, 2021. The LGU is now working on the funding for the proposed improvements.



The USAID Safe Water team is engaging with the General Santos City Water District stakeholders in two of its development projects on surface water bulk supply development and the septage management program.



Following the Safe Water training on project proposal preparation, the Team is supporting the development of a small water impounding structure in Malapatan for funding from the grant program of the National Task Force to End Local Communist Armed Conflict.

Box I. Supporting Informed Decision-Making by Water Utilities

Murcia Bulk Water Supply Study

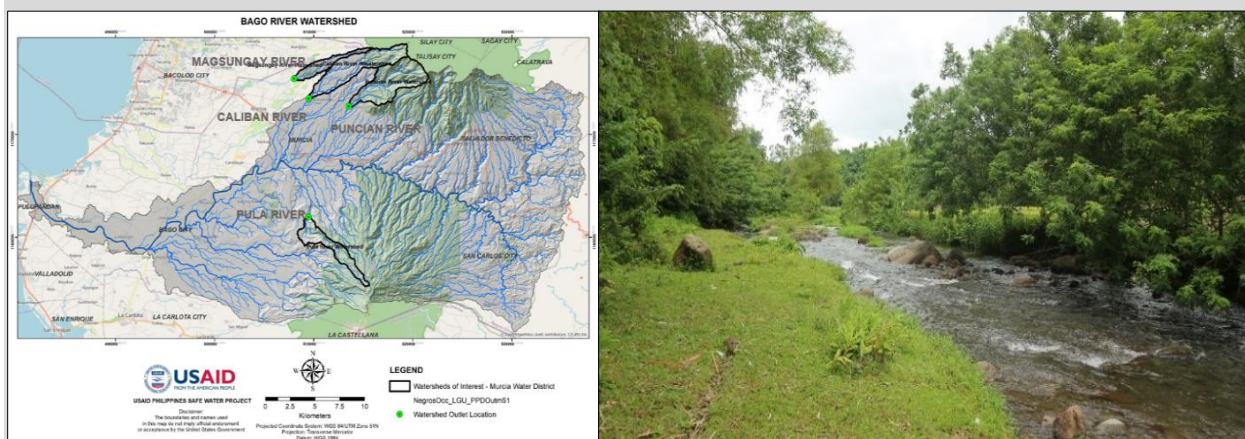
Safe Water conducted a high-level pre-feasibility study for bulk water supply at the request of Murcia Water District. The objective of the study was to determine viable technical alternatives in the development of river sources to supply 20 million liters per day (MLD)—5 MLD for the service expansion of Murcia WD and 15 MLD bulk supply to Bacolod City. Murcia WD has an existing supply contract with Bacolod City WD but the current volume supplied is far below what Bacolod City requires, impacting water distribution in a fast-growing city.

The study included the hydrologic analysis of four rivers within Murcia that were identified as possible water source alternatives. The Team made use of the Hydrologic Study prepared by GFI for Bago Watershed to determine the dependable flows at the identified intake points of the 4 rivers. From this, the Team developed river intake schemes, taking into account the cost of necessary water treatment facilities and transmission pipelines.

Three options were presented based on the proximity of river(s) and their capacity to provide the required volume of 20 MLD. The estimated capital costs of the 3 schemes range from PHP 155-254 million (\$3 to 5M) with O&M costs at PHP 5-6 per m³ of water produced. The most affordable scheme is possible if Murcia WD can negotiate for the water rights to the nearest river with the capacity to supply the needed water volume. Otherwise, costs would increase as the distance of the treatment plant to the water source increases.

The results of the study will be used by Murcia WD as the first decision point, namely to determine its capacity to finance the project. Should it be within the WD's equity and borrowing capacity, Safe Water will then continue assistance through an assessment to determine the off-take price for Bacolod City WD.

This technical assistance to Murcia WD is an example of data-driven investment decision-making at the water utility level.





Participants display their certificates after completing the three-day Training on Operation and Maintenance of Water Supply Facilities.

C. BUILDING CAPACITY OF WATER SERVICE PROVIDERS

Financial Stress Test: Safe Water ran the model developed by World Bank and USAID WASHFIN project for six WDs (Culion, Taytay, Murcia, Kabankalan, La Carlota and General Santos City WDs) to determine the impact of the COVID-19 pandemic on their financial position to help them identify mitigating or coping measures. The WDs dipped into reserve funds for working capital and postponed capital investments and focused instead on operation and maintenance. The Team also presented the model to other water districts in the 42nd PAWD Annual National Convention on May 28, 2021 to share the tool, and highlight how it can be used for other types of disasters.

Strategic Business Planning: The Team conducted a virtual orientation workshop for 23 WSPs on the preparation of their five-year business plans on December 3 and 7, 2020. This was followed by an online training on the use of spreadsheet tool on March 15-16, 2021. The tool integrates the performance improvement plan, the investment program for priority projects, and the required revenue to recover the capital and O&M costs. On April 20, 2021, another online session was held to discuss the Business Plan Report outline. In the same session, the Team introduced two technologies, the R-TAP intelligent water system operation and Wamasys automated billing and collection system, to address common efficiency improvement concerns of the water districts.

To facilitate the finalization of spreadsheets, the WSS Team held one-on-one online mentoring sessions on May 4 and 24, 2021 for the LGU-run waterworks of El Nido, San Vicente and Quezon and Taytay WD in Palawan; Murcia and La Carlota City WDs in Negros Occidental; and Alabel Waterworks and Savesegrow Coop. in Sarangani. To-date, only Murcia WD has completed its Business Plan. The Team prepared a report template to expedite completion of business plans by the other 22 WSPs. The Team will continue assistance until the completion of the reports and presentation of the plans to respective boards.

The Safe Water field team in Sarangani also conducted orientation of Glan and Maasim WDs on the strategic business planning training process. The team will continue this assistance in Year 3.

Project Proposal Preparation Training: On April 27-29, 2021, the Team held an in person training and coaching session for provincial and municipal engineers in Sarangani on water system design and proposal preparation using the tool developed by the Department of Interior and Local Government (DILG) Salintubig Program. The training resulted in two proposals prepared by the municipalities of Malapatan and Alabel for national government grant funding.



USAID Safe Water Engineers and the LGU of Glan collaborate on capacity development on construction supervision. In the photo is the site visit to the Glan Septage Treatment Plan as part of the discussion of future water projects.

Construction Supervision Training: The Team conducted in-person training on construction supervision for the LGUs of Glan and Malapatan on July 28-30, 2021 and August 17-18, 2021 respectively. These LGUs requested the training to capacitate them prior to construction of their respective water projects.

Training on Water Quality Monitoring: The Safe Water Sarangani Team trained LGU and barangay personnel and sanitary inspectors in Alabel on water quality monitoring and risk assessment including the conduct of in-situ water sampling using chlorination techniques to determine compliance with the Department of Health’s drinking water quality standard. This is part of the training on Water Safety Planning that Safe Water will conduct under its Year 3 Work Plan.

Operation and Maintenance Training: The Team conducted a blended in person and virtual O&M training in Palawan on September 27-29, 2021. Representatives from El Nido, Narra, Dumarán, Aborlan, San Vicente and Quezon LGUs; Brooke’s Point Rural Water Service Association; Puerto Princesa City Water District (PPCWD); and Palawan Water, the Provinces water infrastructure unit, participated. As part of the training, the Team organized a site visit to PPCWD’s Irawan treatment facility to show the water treatment process to participants and the O&M requirements.

Assessment of Technical Assistance Needs of Water Service Providers: The Team continued to conduct needs assessments of water service providers by collecting baseline data and conducting KIIs and FGDs. A list of possible technical assistance activities, classified as either project development or capacity building, are discussed in the succeeding sections.

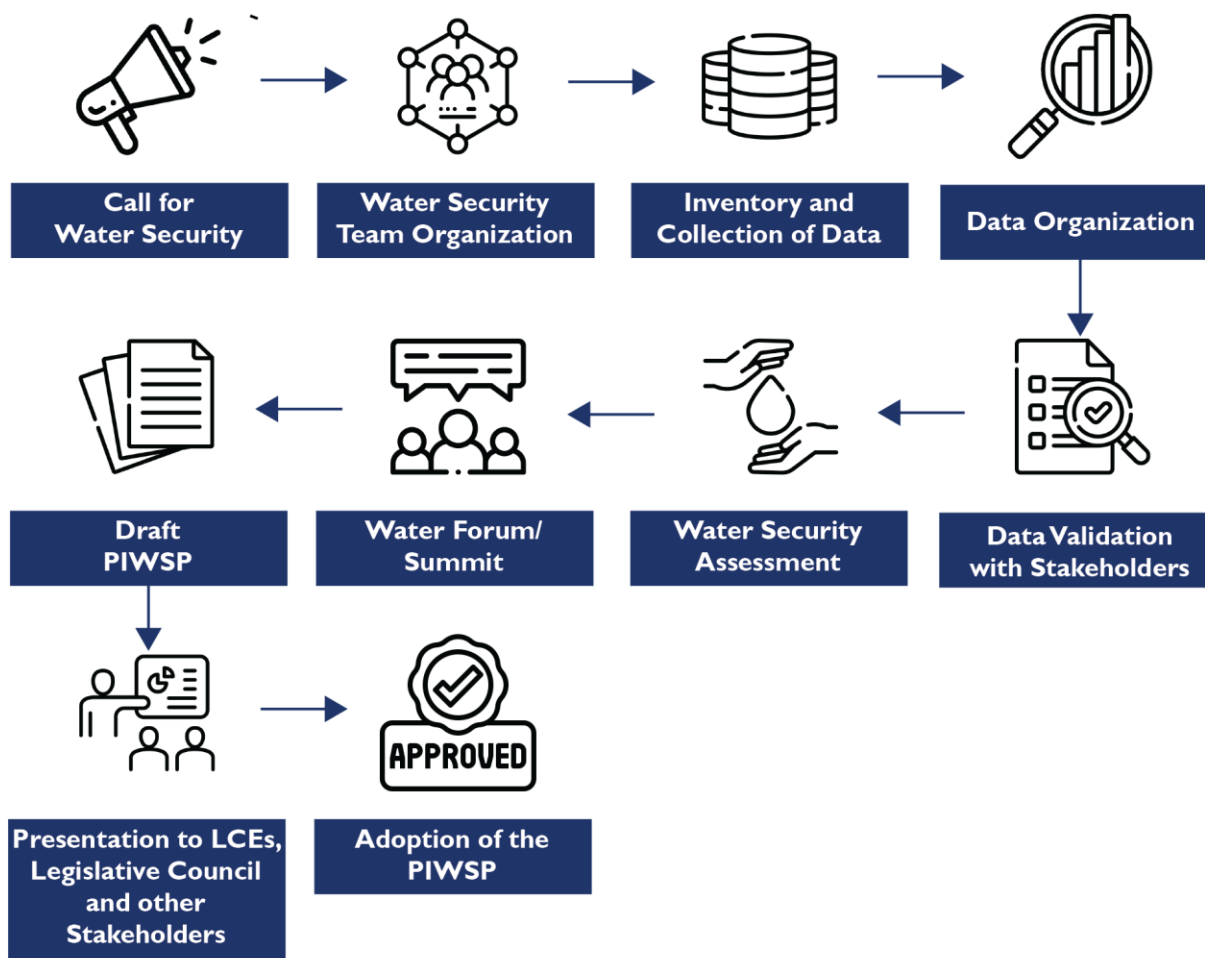
D. PREPARATION OF PROVINCIAL INTEGRATED WATER SECURITY PLANS

Safe Water developed and finalized a key document, the Provincial Integrated and Inclusive Water Security Framework (PIWSF). The PIWSF integrates planning for water supply and sanitation service provision and the sustainable management of water resources, and provides an overall strategic framework for addressing water security in the Philippines. The team presented the PIWSF to the three Safe Water provinces in their respective Pause and Reflect Sessions, as a guide for the LGUs as they prepare their water security plans. The PIWSF was favorably received by the Provincial Governments of Negros Occidental and Sarangani. Both Provincial Governors committed to preparing their water security plans. Each issued Executive Orders creating their respective Provincial Integrated Water Security Teams (PIWST) to lead and facilitate the planning process. See Figure 4 for the summary of the process.

On March 24-25, 2021, the Team held an Orientation Workshop for the Negros Occidental PIWST and on May 19, 2021 for the Sarangani PIWST to map out the activities and data requirements needed to complete the Provincial Integrated Water Security Plan (PIWSP). The PIWSTs of the two provinces gathered relevant planning data from the municipal governments in the provinces. With guidance from the Safe Water Team, the Sarangani PIWST processed and organized a workshop held on 19-20, 2021. The same workshop has yet to be held in Negros Occidental; it has been postponed due to COVID-19. Nonetheless, the Provincial Government of Negros Occidental remains committed. Even before the plan is completed, it has demonstrated its commitment by allocating a PHP 50 million (\$1 million) supplemental budget for water security projects and activities. The province sought the advice of the Team on the utilization of this budget. Priority activities include:

- i. Malogo riverbank stabilization;
- ii. Provision of household sanitation services for poor communities along the riverbank to protect the quality of water—Malogo river is a potential source for the planned surface bulk water project; and
- iii. Project preparation for septage management services for a cluster of municipalities.

FIGURE 4. PROCESS FLOW FOR PROVINCIAL WATER SECURITY PLANNING



At the national level, the Team presented the PIIWSF to NEDA and DILG, and proposed that it be used as a guide for provincial WASH plans. DILG is preparing to launch a technical assistance program for provinces nationwide to prepare their respective plans. Together with UNICEF, it is developing the tools for the program. Safe Water, through NEDA’s leadership, will advocate for the adoption of PIIWSF.

E. PILOT IMPLEMENTATION OF CENTRAL MANAGEMENT SYSTEM¹

In Palawan, the Team selected the Municipality of El Nido, from among 10 LGUs, as site for the pilot implementation of the municipal Central Management System (CMS) based on its existing waterworks’ autonomy, management structure, legislative support, mentoring support from PPCWD, and the presence of barangay water systems. The Team introduced the concept of CMS to the El Nido MEEDO office which

¹ Central Management System refers to Safe Water’s proposed governance reform for LGU-run utilities. The CMS will place barangay systems and other community-based water services providers under the supervision of LGUs through the execution of performance contracts with clearly defined roles and accountabilities and specific performance standards and targets. The managing unit in the LGU is also recommended to be set up as an independent and accountable municipal economic enterprise for the service provision.

manages the LGU waterworks. The Team and El Nido MEEDO jointly carried out work planning for the establishment of the Municipal Water Enterprise (MWE).

In Sarangani, the Team identified the Municipality of Alabel as the CMS pilot site for the province. The Mayor of Alabel issued Executive Order No. 20, series of 2021, creating the municipal task force, led by the Mayor himself, to spearhead CMS implementation. The Safe Water WSS Team met with the Task Force to discuss the road map for CMS implementation and to agree on work plan leading to the establishment of the MWE in Alabel.

In Negros Occidental, the Team is still reviewing the candidates for the pilot.

F. COLLABORATION WITH WATER.ORG

Safe Water and Water.org actively engaged MFI partners in providing Water, Sanitation and Hygiene (WASH) loans to increase household access to improved water and sanitation facilities, including promotion of lending products for the installation of rainwater harvesting systems in unserved households. The Safe Water and Water.org partnership identified targets for MFI household loans such as new service connections, new household wells, household re-piping, overhead tank installation, retrofitting using efficient water and sanitary fixtures, sanitary toilets, septic tanks, retrofitting/improvement of septic tanks to the required design, household rainwater harvesting systems, and other similar household facilities.

As part of the institution building objective of the partnership with Water.org, the Team included the former's staff in the various training programs for improving utility governance and capacity. These included: strategic business planning and financial stress test.



USAID Safe Water

Safe Water and Water.org actively engaged MFI partners in providing Water, Sanitation and Hygiene (WASH) loans to increase household access to improved water and sanitation facilities, including promotion of lending products for the installation of rainwater harvesting systems in unserved households.

OBJECTIVE 2: IMPROVED SUSTAINABLE MANAGEMENT OF WATER RESOURCES

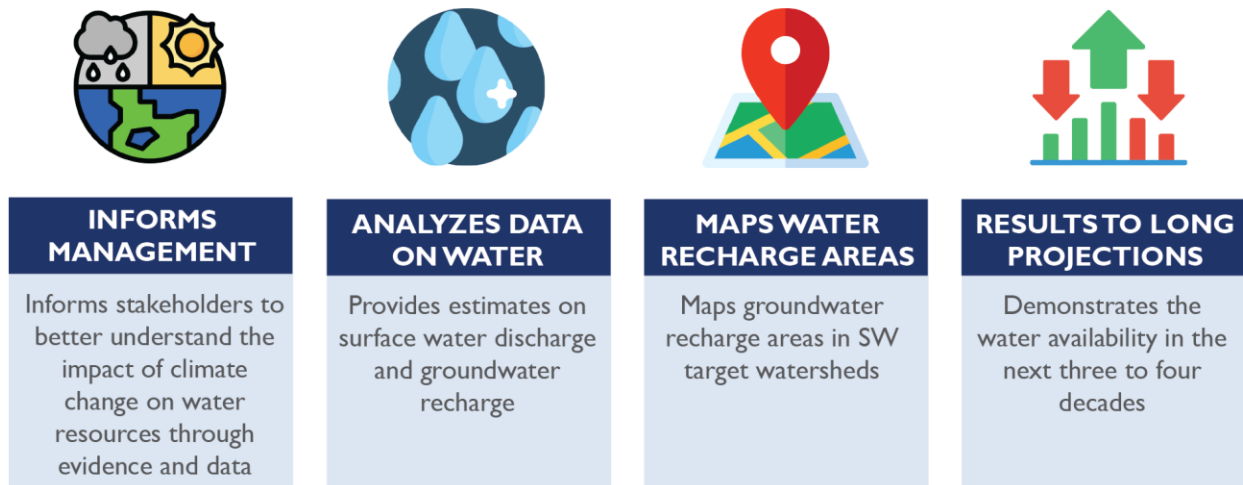
In Year 1, activities focused on laying the foundation for engaging stakeholders in water resource management (WRM) by establishing partnering mechanisms and agreements with relevant stakeholders and generating a scientific understanding of the condition of water resources in target watersheds to guide more evidence-based management. In Year 2, Safe Water shared scientific findings with partner LGUs, water service providers, and other stakeholders prompting them, with support from Safe Water, to:

- support water security/watershed management planning,
- develop partnerships for community livelihood and WRM activities,
- establish or reestablish WMCs,
- adopt payment for ecosystem services model, an innovative financing scheme for watershed management, and
- formulate LGU watershed conservation and restoration plans (LWCRP) that incorporate WRM into the LGUs' annual investment plan.

A. COMPLETION OF HYDROLOGIC STUDIES FOR FIVE MAJOR WATERSHEDS

In Q2 of Year2, Safe Water, with support from the Geosciences Foundation Inc. (GFI), completed hydrologic studies for five major watersheds – Montible in Palawan; Bago and Malogo in Negros Occidental; and Buayan-Malungon and Siguel in Sarangani. The hydrologic model used downscaled climate data and updated land cover maps prepared by the Manila Observatory (MO) and included field validation. The hydrologic studies estimated surface water discharge and groundwater (GW) recharge and mapped GW recharge areas in the target watersheds. Findings also highlighted the likelihood of a decline in available water in these watersheds over the next 3 to 4 decades due to climate change, and confirmed projections of drier dry seasons and wetter wet seasons. Moreover, the model demonstrated that the condition of water resources was likely to worsen as a result of continuing deforestation, growing population, and increasing economic activities in urban centers, which threatens not only water availability, but water quality as well.

FIGURE 5. BENEFITS OF HYDROLOGICAL STUDIES



The hydrologic model used downscaled climate data and updated land cover maps prepared by the Manila Observatory (MO) and included field validation.

Safe Water presented the results of the hydrologic studies to USAID, national government agencies, LGUs, WSPs, and other stakeholders during the Pause and Reflect Sessions in the three Safe Water sites; and to DENR field officials and NGO/private sector partners during orientation meetings. Equipped with science-based evidence, provincial LGUs of Negros Occidental, Sarangani and the city government of Puerto Princesa decided to formulate their respective integrated water security plans.

The DENR- Forest Management Bureau (FMB) recognized the findings of the hydrologic studies as vital evidence in prioritizing high recharge areas for its National Greening Program, and in informing watershed management planning. Following this, FMB requested Safe Water to conduct Training of Trainers (TOT) for key DENR staff so that hydrologic studies can be replicated in other provinces.

The National Water Resources Board (NWRB) also recognized the value of the hydrologic studies. Given NWRB's regulatory function of granting water permits and its responsibility for monitoring water extractions, NWRB has also requested to participate in the TOT for hydrology studies.

This training will be conducted within the first quarter in Year 3 of Safe Water.

B. DEVELOPING LOCAL STAKEHOLDERS' CAPACITY FOR CLIMATE AND HYDROLOGIC RISK ASSESSMENT

Safe Water in partnership with Manila Observatory (MO) organized a blended (in-person and online) training workshop on climate change and risk assessment for watershed stakeholders of Palawan, Negros Occidental and Sarangani from February 2-4, 2021. A total of 109 representatives from the LGUs, WSPs, watershed communities, and DENR participated in the training workshop. Negros Occidental and Bacolod

City had 58, Palawan and Puerto Princesa City had 29 and Sarangani and General Santos City had 22 participants. MO trainers covered the following topics:

- basic concepts of climate change;
- perceived changes in local climate and expected climate impacts on water sector;
- downscaled climate projections;
- Inter-governmental Panel on Climate Change (IPCC) risk framework; and
- initial climate risk analysis results in the watersheds.

During a breakout session, participants did a local climate analysis, assessed expected impacts on the local water sector, and identified possible adaptation options that could be undertaken by local stakeholders.

After completion of its first task order, Safe Water discussed with MO the potential expansion of the preliminary climate risk analysis to include a vulnerability analysis focused on risk priorities identified during the blended training workshops: drought and flooding for Montible (Palawan); drought in Bago and flooding and landslide in Malogo (both from Negros Occidental); flooding and fire in Buayan-Malungon; and drought, flood, and landslide in Siguel (both from Sarangani). For the next Task Order, MO will tailor engagement of partner LGUs and water districts, to better inform their plans, such as the Comprehensive and Forest Land Use Plans, Local Climate Change Action Plan, and Emergency Response Plans, among others.



Narra planning team in Palawan, participating during the watershed plan formulation, locates key resources and users of Narra's watersheds.

C. WATERSHED MANAGEMENT PLAN FORMULATION

The Safe Water's Water Resource Management Team facilitated the formulation of integrated watershed management plans (IWMP) in the following watersheds: Irawan, Montible and Narra in Palawan; Malogo in Negros Occidental; and Siguel in Sarangani. The Safe Water Team organized Planning teams and oriented them on the IWMP formulation process. The orientation provided the planning teams with an understanding of the watershed resources and its users, identified data gaps in watershed planning and strategies to address these gaps, identified upland and lowland livelihood opportunities, and determined drivers of forest cover change. After the orientation, the planning teams created task groups and developed action plans to complete the IWMP. To date, the Safe Water and Planning teams have completed the two IWMPs in Narra and Montible watersheds. However, due to COVID-19 related restrictions (strict enforcement of border lockdowns, limited mobility and prohibition on face-to-face activities by the LGUs), the IWMP for Malogo and Siguel are still at the data gathering and field validation stage.

With data collection and mapping completed earlier in March 2021, the Safe Water Field Team in Palawan, facilitated a series of virtual and limited face-to-face workshops to: 1) analyze each watershed's condition; 2) formulate the watershed's vision, mission, goals, objectives and management strategies; and 3) prepare the draft IWMP for the Narra and Montible watersheds. However, the City's Sanggunian, required Puerto Princesa City Water District (PPCWD), the lead for the Montible IWMP, to present the draft plan to the Indigenous Peoples' groups in Puerto Princesa City in October 2021, thus delaying its formal approval to next quarter.



Rice planters in Barangay Dumangueña, Narra, southern Palawan. Water resources play a critical role in the livelihoods of many rice planters in Narra, Palawan.

However, on September 27, 2021, the Narra Watershed Regulation and Evaluation Committee approved the IWMP of Narra’s 10 networks of watersheds and the associated budget amounting to PHP 10 million (\$200,000) for Year 1/ 2021. The Committee explicitly mandated the allocation of PHP 2 million (\$40,000) from PES collection from the Municipal Waterworks to be allocated for the implementation of the IWMP. The remaining PHP 8 million (\$400,000) budget requirement for the IWMP will be sourced from various LGUs and National Government Office’s supplemental budgets, if any, for 2021 and from their respective 2022 budgets. The Municipal Environment and Natural Resources Office’s 2022 budget will support forest protection activities, while the Agriculture Office will allocate budget for the livelihoods activities under the IWMP. Additional resources are expected to come from Disaster Risk Reduction and Management funds.



Several stakeholders representing different sectors and areas participate in Safe Water sessions during integrated watershed management planning to ensure that all needs, concerns, and challenges surrounding the watersheds and protected areas are discussed thoroughly in a participative process.

In quarter 4, Safe Water supported Narra Municipality in initiating the implementation of its IWMP by conducting a livelihoods assessment and scoping for opportunities, e.g., organic vegetable and ube farming in three priority barangays of Dumanguena, Aramaywan and Princess Urduja. Between October and December of 2021, Safe Water will conduct a LAWIN forest protection training to support forest protection activities. With all these interventions, Narra Municipality in partnership with DENR and the local communities, is improving the management of its watersheds through planting of trees and monitoring of illegal logging and other conservation threats, thereby contributing to the reduction of greenhouse gas emissions.

To operationalize field level implementation of existing IWMPs of Bago watershed and Buayan-Malungon River Basin, the Safe Water Field Teams assisted municipal/city governments within these watersheds to prepare their respective LGU LWCRPs. Funding for the LWCRP's watershed conservation and restoration activities is expected to be included in the LGU's annual investment program for 2022.

The Safe Water field team in General Santos City oriented General Santos City and the LGUs of Malungon, Alabel, Glan and Maasim in Sarangani on the LGU watershed conservation and restoration planning process. Alabel, Malungon, and Maasim have prepared the initial draft of their respective LWCRPs, while Glan is still in the process of drafting its Plan. The development of Negros Occidental's LWCRP was stalled due to the strict LGU lockdowns and the required quarantine of all Safe Water field technical staff resulting from exposure to a positive COVID infection. Adapting to the constraints, Safe Water field staff pivoted to focus on preparing LGU maps including forest cover change, hazard areas, and the locations of water sources—all critical inputs to the development of the LWCRP.

D. CREATION AND STRENGTHENING OF WATERSHED MANAGEMENT COUNCILS

Key informants during the baseline study revealed that the existing WMCs of Bago watershed, Buayan-Malungon River Basin (BMRB) and the Palawan Flora, Fauna, and Watershed Reserve (PFFWR) had been inactive, even before the pandemic. The common reasons for inactivity cited were, lack of funding, turnover of staff, or simply lack of motivation among council members. As such, Safe Water Field Teams worked with their DENR counterparts to reactivate these WMCs.

In Negros Occidental, the Field Team worked with the DENR–Provincial Environment and Natural Resource Office to draft a new EO reconstituting the membership of Bago Watershed Management Council (BWMC). Since Bago watershed only covers Negros Occidental, this new EO proposes that the Chairmanship of the council be lodged in Bago City, the LGU with the biggest area coverage of the watershed. This way, watershed management is decentralized and local stakeholders (such as the city/municipal LGUs and the DENR – CENRO/PENRO) are given more responsibility and accountability in the management of the watershed. This is in contrast to the previous EO 12-022 where the Governor was the Chairperson and the DENR Regional Executive Director, the Co-Chair. However, the approval and issuance of the new Executive Order was stalled due to rising COVID-19 cases in the province. The team has yet to resume Facilitation activities with municipal governments concerned, the provincial government and DENR to finalize the composition of the Bago River Watershed Management Council (BRWMC) and the draft Executive Order.

In Sarangani, the Safe Water Field Team worked with DENR Region XII through the River Basin Coordinating Office (RBCO) for the reactivation of the BMRB Management Council. The DENR and the



Negros Occidental Provincial ENR Officer thanks the USAID Safe Water team in collaborating with the Department of Environment and Natural Resources in better integrating different plans to ensure the evidence-based management of water resources.

provincial LGU of Sarangani convened the BMRB Management Council, of ex-officio members on February 16, 2021, which was presided over by the DENR Regional Executive Director. The members agreed to formally organize the Management Council. The Safe Water Field Team assisted the BMRB technical working group (TWG) in drafting the MOA, which the legal office of DENR XII reviewed and approved the BMRB Management Council members. The LGUs of Malungon, Alabel, Malapatan, and General Santos City are still seeking authority from their respective Sanggunians to allow their local chief executives to sign the MOA. It is important for these LGUs that are within the boundaries of BMRB to sign the MOA because the specific interventions for conservation or protection will be implemented by these LGUs.²

Aside from reestablishing inactive or defunct WMCs, Safe Water Field Teams also worked with provincial LGUs and the DENR in establishing, for the first time, watershed management bodies/WMCs in the following watersheds: Narra’s network of watersheds, Malogo-Imbang, and Siguel. For the Siguel Watershed, the Safe Water Field Team in collaboration with DENR XII, organized an interim TWG. Safe

² Note: The Buayan-Malungon River Basin is within the political jurisdiction of 9 LGUs, from 3 provinces, namely: Malungon, Alabel and Malapatan in Sarangani province; Gen. Santos City, Tampakan and Tupi of South Cotabato and Malalag, Malita and Santa Maria of the province of Davao del Sur. About 91% of the 143,563 hectares total area of BMRB is located in Sarangani province, with Malungon covering 65%, Alabel 24% and Malapatan 1.9% of the river basin. Malungon and Alabel are most significant not only because of the extent of their area within the BMRB but because these LGUs are located upstream and therefore, the land uses and land use practices in these areas will have great impacts on water quantity and quality. Portions of the other LGUs (Malapatan, Davao del Sur and South Cotabato) within the BMRB are also upstream but covers small areas (less than 2% of BMRB), hence less significant compared to Alabel and Malungon.

General Santos City is also important since most of the big water users are located in the City, where economic activities are growing faster, resulting to increased water demand. Unfortunately, General Santos City does not have control over the land uses and practices upstream. The City’s best option will be to agree with the upstream LGUs to protect the watershed. In this regard, the City can adopt PES mechanism to collect fees from water users downstream and use the fees to incentivize upstream communities to adopt sustainable land uses and practices. Gen. Santos City could easily collect these fees since most of these water users pay their business permits to the City annually.

Water and the DENR assisted the interim TWG in drafting the MOA founding the Siguel WMC. The MOA was presented and reviewed by the DENR Legal Office in the WMC’s organizational meeting held on June 24, 2021 in General Santos City. To date, only the Municipal Mayor of Kiamba has the authority to sign the MOA. Other LGUs are still securing authorities from their respective Sanggunians, while some National Government Agencies—particularly the Department of Agriculture Region 12, the Department of Public Works, the Highways Region 12, and the Sarangani Provincial Government—have provided comments on the MOA.

For Malogo watershed, Safe Water assisted DENR in drafting the EO creating the Imbang-Malogo TWG which will take the lead in organizing the WMC. The EO was submitted to the Provincial Administrator for review, but the process has been delayed due to COVID restrictions of in-person meetings. Safe Water will facilitate the review process and consultations once COVID restrictions are eased.



Members and representatives of the Narra Watershed Regulation and Evaluation Committee (N-WREC) participating during the local watershed conservation planning. The N-WREC has overall responsibility in the formulation of policies, programs, and plans governing the sustainable management, restoration, preservation, and protection of watersheds in Narra, Palawan.

In Palawan, the Safe Water Field Team facilitated the drafting and signing of Municipal EO Nos. 2021-139 and 2021-144, creating the Narra Watershed Regulation and Evaluation Committee (N-WREC) and the N-WREC TWG, respectively. Chaired by the Municipal Mayor, the N-WREC has overall responsibility in the formulation of policies, programs, and plans governing the sustainable management, restoration, preservation, and protection of watersheds in Narra, Palawan.

The formal establishment and strengthening of WMCs is crucial in establishing a functional, multi-sectoral coordinating body that will ensure coherent policies and plans for sustainable watershed management.

E. BUILDING PARTNERSHIPS TO SUPPORT WRM AND SUSTAINABLE LIVELIHOOD

In Year 2, Safe Water signed eight more partnerships to support WRM and sustainable livelihoods, which are vital in the conservation of forests and watersheds in the three target provinces.

Coca-Cola Foundation and Multisectoral Alliance for Development—Negros (MUAD-Negros). Safe Water signed a tripartite MOU with Coca-Cola Foundation Philippines, Inc. (CCFPI) and MUAD-Negros to implement the Partnership for Watershed and Economic Resilience (P4WatER). The

Team assisted MUAD Negros in drafting a proposal that resulted in a three-year grant from CCFPI. Through the CCFPI grant and support from LGU and community partners, P4WatER has started activities towards rehabilitating 22 natural springs and supporting livelihood of at least 23 People’s Organizations in 19 barangays and 9 LGUs in Bago and Malogo Watersheds.

Kasilak Development Foundation, Inc. (KDFI). Safe Water collaborates with KDFI and LGU partners on reforestation and riverbank rehabilitation activities in target watersheds in Malungon where KDFI operates. Safe Water will support KDFI in bamboo production for livelihood, bamboo dike replication, and training of Bantay Ilog Volunteers.

Greentropics Coffee Enterprise (GCE). GCE is a social enterprise with extensive experience across the coffee value chain - from production, trading, processing, and marketing of coffee products in Mount Matutum Protected Landscape. In collaboration with Conrado Ladislawa Alcantara Foundation Inc. or CLAFI, another Safe Water partner, GCE has started training IP farmers in Siguel Watershed on sustainable production and processing of Arabica and Robusta coffee. Safe Water and GCE are currently documenting its on-going training and learning for the development of Coffee Farmers Field School modules.

FIGURE 6. YEAR WRM AND LIVELIHOOD PARTNERS



Yamang Bukid Farm, Inc. (YBF). YBF was set up in August 2017 initially as a small, private farm for turmeric production within the Irawan watershed. YBF has been successful in supporting community members occupational transition from illegal logging to alternative sustainable livelihoods in the Montible Watershed. YBF trains community and women’s groups in Irawan and Montible watersheds on improved production and post-harvest technology of high-value vegetables and livestock.

Sunlight Foods Corporation (SFC). SFC is the preferred supplier of processed fruits by leading brands such as Unilever, Chowking, Jollibee, Red Ribbon Bakeshop, and Gardenia. It sources ube, its primary product, from small farmers in various parts of the country such as Leyte, Palawan, Bohol. Safe Water Field Teams identified interested POs and consolidators, led site assessments, and conducted soil analysis

and planning with NGO and PO partners who intend to enter into a contract-growing agreement with SFC. In total, there are 34 sites proposed for ube production in Palawan and Negros Occidental. Following the technical orientation with SFC, Safe Water will facilitate contract growing discussions with the POs and consolidators, and prepare them to meet the requirements for sustainable ube production.

Palawan Council for Sustainable Development (PCSD). Safe Water is working with PCSD to design and implement watershed management and WRM activities to achieve common targets for Puerto Princesa City and Palawan. Safe Water is assisting PCSD in establishing PES mechanisms for jointly identified critical watersheds of Palawan.

Puerto Princesa Water District (PPCWD). Safe Water will work with PPCWD in formulating the Montible watershed's IWMP and together with other partners, implement WRM activities to conserve and protect the Montible watershed.



Through the CCFPI grant and support from LGU and community partners, P4WatER has started activities towards rehabilitating 22 natural springs and supporting livelihood of at least 23 People's Organizations in 19 barangays and 9 LGUs in Bago and Malogo Watersheds. In the photo, PO members learn about basic management and organizational skills in preparation for the P4WatER activities.



GCE has started training IP farmers in Siguel Watershed on sustainable production and processing of Arabica and Robusta coffee. Safe Water and GCE are currently documenting its on-going training and learning for the development of Coffee Farmers Field School modules.



USAID Safe Water

Peoples organization members in Palawan engage in workshops learning about their previous experiences in livelihoods as well as some integrative discussions on gender and development as part of the partnerships initiated by USAID Safe Water.

These partnerships together with the supplemental budget provided by the provincial government of Negros Occidental generated a total investment of PHP30,289,000 (\$605,780) in Year 2 to support WRM and sustainable livelihood, bringing the total investments mobilized starting in Year 1 to PHP526,289,000 (\$10,525,780).

Safe Water will continue to develop partnerships. Table 5 provides a summary of organizations Safe Water has initiated discussions with, along with illustrative joint activities.

TABLE 5. PROSPECTIVE PARTNERSHIPS

PALAWAN CENTER FOR APPROPRIATE RURAL TECHNOLOGY	Potential consolidator for northern Palawan; will work with Safe Water in Roxas and San Vicente to leverage its anticipated grant from Forest Foundation Phils.
INSTITUTE FOR THE DEVELOPMENT OF EDUCATIONAL AND ECOLOGICAL ALTERNATIVES, INC.	Current ube consolidator for Sunlight Foods Corp in Puerto Princesa City and communities in Southern Palawan; will share its experience with new consolidators and ube growers
ALTERNATIVE TRADE FOUNDATION, INC.	Potential ube consolidator in Negros Occidental
ECUMENICAL CHURCH LOAN FUND-PHILS	MFI operating in Palawan; has agreed in principle to partner with Safe Water but awaiting identification of livelihood projects that they could extend loans to before entering into a formal partnership
PLDT –SMART	Safe Water has resumed talks with PLDT SMART as WRM partner following a change in the leadership of its Sustainability Group; it is presently doing the due diligence on the company

F. IMPLEMENTATION OF WRM AND SUSTAINABLE LIVELIHOOD ACTIVITIES

With assistance from Safe Water and its partners, peoples’ organizations and LGUs have started to implement WRM and livelihood activities in target watersheds. PO members of Muto Ladal Farmers Association, Datal Basak Organic Farmers Association and HOLIK Farmer’s Association in Siguel watershed are now transforming their plantation areas into coffee-based agro-forestry farms. Coffee farming is not harmful to the watershed and coffee is a high value crop therefore will generate higher income to farmers. The coffee plant will also be productive for many years hence will be a stable source of income. Farmers are applying the skills gained from the coffee farmers’ field school training held on June 10-11 and August 13, 2021. Safe Water facilitated these trainings with Greentropics, CLAFI, and the Sarangani PLGU. This endeavor will benefit 665 PO household members through sustainable and long-term agroforestry livelihood activities.

Safe Water and Kasilak jointly initiated, a nature-based solution, the planting of 1,000 bamboo propagules along the river bank of Malungon river to replicate bamboo dike technology in Barangay Lower Mainit in Malungon, Sarangani to mitigate the adverse effects of river bank erosion, which contributes to increased water turbidity, especially during the rainy season.

In Negros Occidental, MUAD started the establishment of nurseries for seedling production for the retirement tree farms of six POs in Bago City, Murcia and Don Salvador Benedicto. MUAD field staff are assisting PO members in collecting wildlings of native tree species and fruit seeds to be raised in these nurseries.



Mr. Manasan Galante, Vice - President of Datal Basak Organic Farmers' Association shows his pruned coffee trees producing berries.

The Provincial Government and Safe Water planted 150 giant bamboo culms along Malogo river in Victorias City to stabilize the riverbanks, which are usually eroded during heavy rains, silting the river channels and aggravating the incidence of flooding downstream. Using the supplemental budget allocated by the Province to support its integrated water security program, 6,000 bamboo culms were propagated in the provincial nursery for riverbank rehabilitation of the Malogo watershed and other priority areas.

Safe Water collaborated with the DENR Community Environment and Natural Resources Offices (CENROs) of Puerto Princesa City and Cadiz City in training community patrollers and Bantay Gubat teams on the LAWIN forest protection system to expand its implementation in Safe Water target watersheds. Safe Water conducted LAWIN trainings on September 8-10 in Palawan and on September 14-16 in Negros Occidental. A total of 100 participants composed of watershed rangers, community patrollers, water district planning officers, indigenous peoples (IP) patrollers, community volunteers, and other government personnel participated in the orientation and hands-on training.

Box 2. Collaborative Forest Patrolling for Watershed Protection

LAWIN Training and the Formation of Community Patrollers

Emphasizing the need for collaboration among local communities and various government agencies, Forester Felizardo Cayatoc, Head of DENR CENRO in Puerto Princesa City, remarked, “Today, we will make history. Various agencies will converge in this venue to discuss, learn, plan, and implement LAWIN to take care of and protect our forests and natural resources for future generations – the ones who will inherit the fresh air and the clean water, which will be the fruits of our cooperation.”

With support from LGUs and the local DENR, the LAWIN training has improved the watershed protection and patrolling program of the indigenous peoples’ Bantay CADT Teams in Montible watershed. On September 22-23, 2021, Kagawad Mart Salunday, Puerto Princesa City Sanggunian indigenous peoples’ mandatory representative, reported the confiscation of one chain saw and 996 board feet of illegally cut ipil trees in barangay Bagumbayan, within the Montible watershed. This was possible through the combined efforts of the IP Bantay CADT and the City Bantay Gubat teams. The application of the LAWIN protection system will continue to see improvements in law enforcement through strengthened coordination mechanisms among local protection teams, LGUs, and the DENR. Strengthened monitoring and enforcement coordination can contribute towards reduction of illegal forest losses, avoiding deterioration of water quality and benefiting the water consumers of Puerto Princesa City Water District.



Mart Salunday

The IP Bantay CADT and PPC Bantay Gubat teams confiscate a chain saw and 996 board feet of illegally cut ipil trees within Montible watershed.

Apart from the Safe Water-supported watershed protection and restoration/ rehabilitation activities, Safe Water is also supporting implementation of livelihood activities that are more sustainable and environment-friendly. The field teams undertook livelihood assessments and scoping in Puerto Princesa City, Narra and Lake Manguao in Taytay, Palawan; Buayan-Malungon river basin; and in Himogaan watershed in Negros Occidental.

Safe Water organized, in collaboration with Sunlight Foods Corporation (SFC), virtual orientations on sustainable ube production in Palawan and Negros Occidental. Forty (40) PO representatives attended the orientation. After the orientation, 14 POs in Palawan expressed interest in sustainable ube production. In Negros Occidental, interested POs gathered soil samples in 30 sites to test soil suitability for ube planting. All sites with some soil condition passed the test of Sunlight. All POs who joined the training have expressed interest to participate in the out grower scheme. Safe Water Field Teams are still in the process of getting signed letters of intent.

In addition, Safe Water also organized capability strengthening for livelihood enterprise development of POs, focused primarily on fundamentals of managing cooperatives, cooperative financial management, and establishment of community-managed credit and savings facilities. All of these activities will give them stable income including safety nets in times of need through the credit and savings facilities, obviating recourse to quick returns but harmful and unsustainable activities such as charcoal making.

As of August 2021 the partial count of the number of people receiving monetary and non-monetary livelihood co-benefits associated with USG sustainable landscape activities is estimated at 6,710 individuals. However, there are activities where co-livelihood benefits are still being validated as well as activities planned from October to December that will significantly improve the number of people reached. In addition, small producers of agroforestry crops in barangays Mailum and Ilijan, Bago City within the Bago watershed also gained improved market access for their products with MUAD, a local partner of SAFE WATER in Negros Occidental, opening the Abanse Farmers' Market in nearby Barangay Ma-ao, Bago City last September 16, 2021. MUAD secured a grant from the provincial government for the establishment of Kadiwa marketing outlets, benefiting not only crop producers gaining market access, but also the local barangay population of Mailum and Ilijan as they will be able to purchase more cost competitive products.



The USAID Safe Water field team undertook a community profiling and livelihood assessment and scoping in Narra, Palawan to determine appropriate sustainable livelihoods and to gather experiences from local communities of best practices and lessons learned.

As of August 2021, the management of roughly 24,178 hectares of public forests was improved in Year 2, contributing to a reduction in GHG emissions of about 49,505 metric tons of carbon dioxide. These results were achieved as a result of the following activities:

- Establishment of WMCs and development of IWMPs;
- Strengthened PES mechanisms; and
- Watershed protection, conservation, restoration and livelihood activities being implemented in Bago watershed, BMRB and in the Narra watersheds.

In Y2, the total number of people benefiting from the adoption and implementation of measures to improve water resource management as a result of USG assistance is now 154,334 individuals. These individuals consist of those that have received Safe Water support from the following activities:

- Formulation of the Montible IWMP;
- Implementation of LAWIN protection system through training of LAWIN patrollers
- Assistance in establishing sustainable livelihood opportunities;
- Assistance to PPCWD comply with the conditions of the PCSD and DENR permit for the continuous operation of the water supply system in Montible watershed, thereby improving the water supply service to around 150,336 water consumers in PPC;
- Sustainable coffee-based agroforestry in Sarangani;
- Credit and savings associations established in partnership with MUAD.

G. SCALING ADOPTION OF PAYMENT FOR ECOSYSTEM SERVICES (PES)

Safe Water has identified PES as one of the innovative financing mechanisms that can provide sustainable financing for watershed conservation and protection. Safe Water engaged two short-term consultants to facilitate establishment of PES schemes in three target watersheds. The consultants reviewed the PES experiences in Palawan, Negros Occidental, and South Cotabato and conducted an inventory of ecosystems goods and services (EGS) provided by target watersheds based on existing studies, reports, and related literature. Safe Water held PES orientation workshops for watershed stakeholders of BMRB in Sarangani; Irawan and Montible in Palawan; Murcia and Calatrava, and the Cities of Cadiz, Kabankalan, Sagay, Bago and San Carlos in Negros Occidental. The concepts and principles of PES were explained, including the ecosystem goods and services provided by watersheds and how to sustain these EGS through PES.

Following the orientation, another workshop was conducted on data requirements for Cost-Based Valuation (CBV) and Cost and Revenue Analysis (CRA) to acquaint stakeholders with the data requirements and the CBV and CRA process. These two tools are crucial in assessing the value of the watershed's ecosystems goods and services and the capacity of biodiversity-friendly enterprises to contribute to PES. The Safe Water Field Teams and the PES TWGs are currently gathering the necessary data for CBV and CRA to inform negotiations and provisions of the PES agreements among watershed stakeholders, as well as to demonstrate how pricing of ecosystem goods and services grounded on data can be used to sustainably manage water resources and maximize the benefits of healthy watersheds as economic and life-support systems.

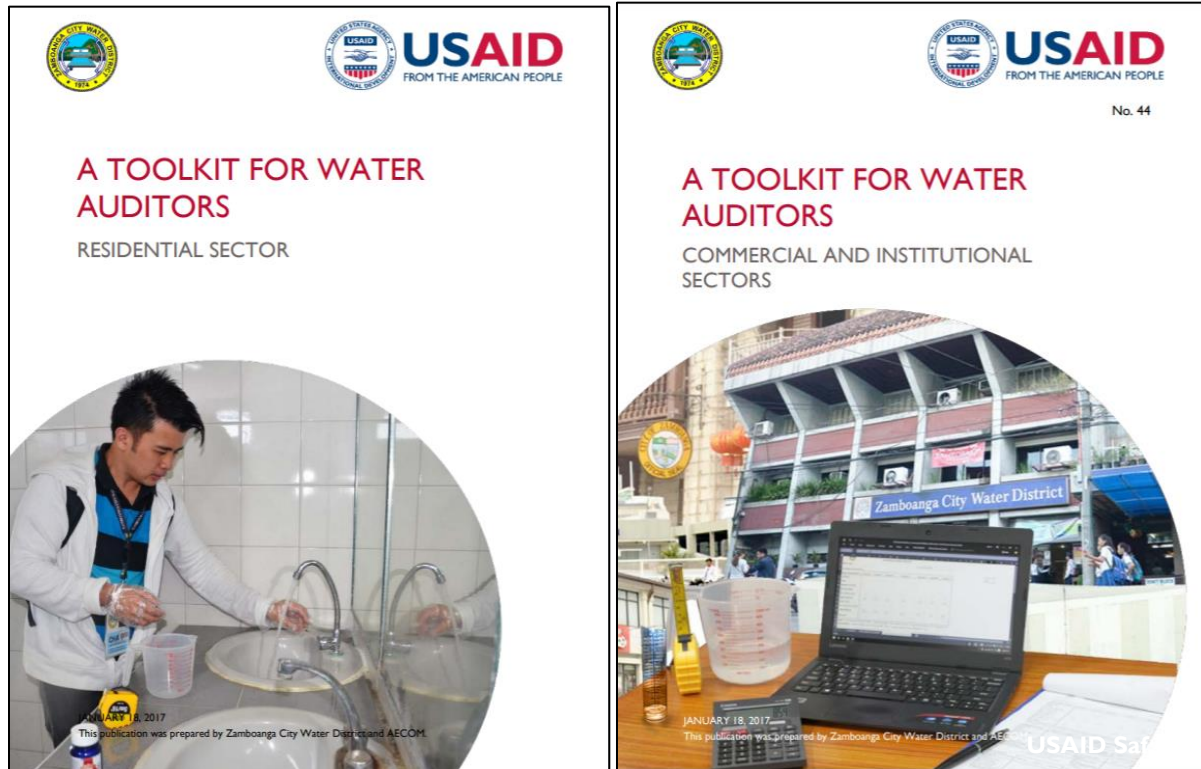
Watershed/ Province	Interested LGUs for PES Replication and Improvement
BMRB in Sarangani	Alabel Malungon
Irawan and Montible in Palawan	Puerto Princesa City
??	Quezon (TA for reinvestment planning of their existing water levy fund)
Bago Watershed in NOC	Bago City (TA for improvement of their existing Environmental Protection Fee imposed on water users) Murcia San Carlos (??)



The USAID Safe Water field team engaged with local stakeholders to gather data that were used in actual analysis simulated during the orientation-workshops on Payments for Ecosystem Services. Two short-term consultants facilitated the sessions on the establishment of PES schemes in three target watersheds.

H. Capacity Building for Water Demand Management (WDM)

Between March and June of 2021, Safe Water in partnership with Philippine Business for Social Progress (PBSP)/ Water Alliance conducted an online basic WDM workshops for 149 individuals from NEDA, LGU partners, WSPs, hotel and resort establishments, NGOs and the academia. The Intermediate Level, which requires hands-on training on water auditing, has been postponed due to COVID-related travel restrictions. In the interim, Safe Water and PBSP have agreed to develop an instructional video during the first quarter of Year 3, anticipating that online training will still be the preferred medium in the next several months. The video will be produced in collaboration with Maynilad Water Academy.



The USAID Safe Water and PBSP will build on existing water audit toolkits developed by previous USAID projects in the preparation of the instructional videos which will be used in the intermediate level training with stakeholders.

Safe Water has approached Ayala Land Inc. (ALI) and San Miguel Corporation (SMC) to document their WDM best practices, to serve as examples or case studies, that Safe Water can document and promote among target audiences. ALI has identified the Ayala Mall Capitol Central in Bacolod City as the initial site where WDM practices will be documented. Actual site visits for WDM trainees will be agreed with ALI and will depend on the COVID situation in the city. Negotiations with SMC has been postponed upon SMC's request, citing the need to ensure 100% vaccination of all its employees as a priority.

The Team also scanned locally available water efficient fixtures as supplementary reference for WDM trainings. The research revealed that product labelling for water efficiency is not widely practiced. Only a few international brands carry labelling from their respective countries. Unlike electrical appliances, the DTI-Bureau of Product Standards does not (yet) require certification and labelling for water fixtures.

OBJECTIVE 3: IMPROVE WATER SECTOR GOVERNANCE

A. MOBILIZING FINANCING FOR RESILIENT WSS SERVICES

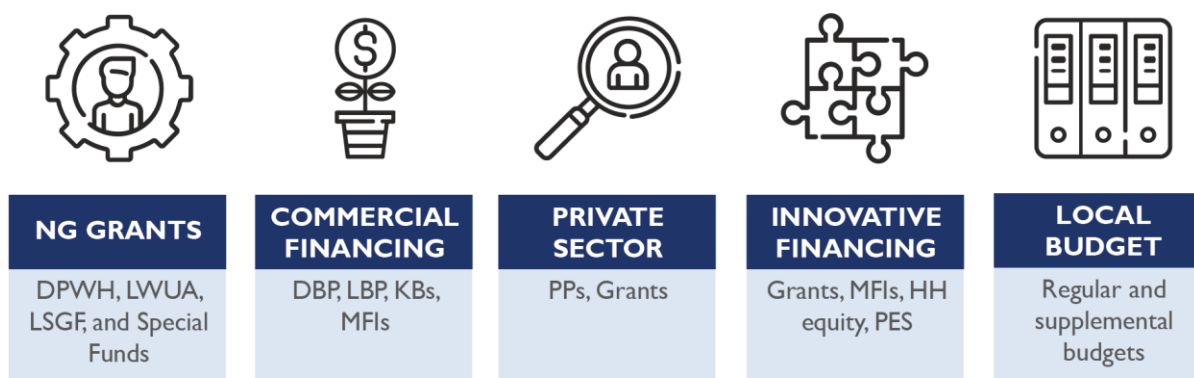
FACILITATION OF ACCESS TO NATIONAL GOVERNMENT GRANTS AND UTILIZATION OF LGU BUDGETS FOR WSS INVESTMENTS.

The Team monitored budget allocations in the 2020-21 General Appropriations Act and 2022 National Expenditure Program for WSS investments of key implementing agencies (LWUA, DILG, DPWH); Local Government Support Fund Programs (Salintubig; Financial Assistance to LGUs (FALGU); and Support to Barangay Development Program to End Local Communist Armed Conflict (SBDP-ELCAC).

The Team provided technical assistance in proposal preparation, site validation, and preparation of documentation requirements to facilitate LGU applications for these NG grants. The Team also reviewed related programs, projects, and activities (PPAs) from the annual investment plans (AIPs) funded by LGU budgets in the project sites and provided technical assistance to help obligate and leverage regular and supplemental budgets. A total of PHP165.6 million (\$3.3 M) from NG and local budgets was tapped in Year 2, comprising 30% of total funds mobilized for water supply investments in the project sites. These investments will benefit an estimated 22,000 people by end of 2022.

With the implementation of the Mandanas ruling (through issuance of EO 138), LGUs will get a 42% increase in national tax allocation (NTA) from the 2022 budget to support devolved basic infrastructure services and activities, including those related to WSS and WRM. In line with this, the Team provided technical assistance to LGUs in identifying WSS projects for inclusion in local plans being developed or updated (e.g. provincial water security plans, watershed management plans, sanitation programs and 2022 AIPs) and regular and supplementary budget proposals. LGU issuance of ordinances on the Annual Investment Programs and local budget appropriations are expected every October.

FIGURE 7. POTENTIAL FUND SOURCES OF MOBILIZING FINANCING FOR WSS INVESTMENTS



The Team also identified other government special funds such as the People’s Survival Fund (PSF) and National Septage and Sewerage Management Program (NSSMP) as potential sources to fund WSS projects in the Safe Water sites. The Team reviewed the inventory of WSS feasibility studies funded by the Project Development and other Related Studies (PDRS) Fund, a special purpose fund managed by NEDA, to explore potential projects for Safe Water provide technical assistance and financing facilitation. To access

available funding, LGUs need to have viable project proposals. Many of these studies have yet to be utilized by concerned WDs and LGUs for a grant (e.g. NSSMP) or loan application from LWUA or GFIs.

COLLABORATION WITH WATER.ORG TO FINANCE HOUSEHOLD ACCESS TO WSS SERVICES

Safe Water collaborated with Water.org and its six MFIs to scale efforts to finance household access to improved WSS services in the project sites. The Team, together with Water.org and its MFI partners, conducted WASH profiling in target sites to support demand creation activities to mobilize MFI WASH loan portfolios and access services of WSPs. From August 2020 to June 2021, a total of PHP200 million (\$4 million) in WASH loans were approved under the collaboration—increasing access of 133,148 people to improved WSS services in the project sites.

The Team and Water.org also worked closely to promote the OBA-BF scheme (discussed in more detail under section on Promotion of PPP and Innovative Financing Schemes in page 54) to MFIs and LGUs to leverage MFI loans with sanitation grants and household equity for the construction of improved sanitation facilities. The partnership also collaborated with DBP and explored with Landbank of the Philippines (LBP) to facilitated wholesale lending to MFIs for expanding coverage of WASH loans or to provide loans to small water utilities for service expansion. Issues related to compliance with mandatory disclosure of personal financial statements from principals of MFI borrowers and reduced MFI and client financing capacity due to the pandemic has put this initiative on hold. In Year 3, Safe Water will continue to engage Water.org, MFIs, and GFIs to mobilize the bank’s lending window and help institutionalize Water.org’s INTEGRATE Program, which links LGUs and WSPs with MFIs, to expand demand generation for WASH services.

FACILITATION OF LWUA-DBP CO-FINANCING ARRANGEMENT

The Team, in collaboration with NEDA, facilitated a co-financing arrangement between LWUA and DBP to support WD water supply and septage management projects, as LWUA’s loan funds are severely constrained. For the past two years, NG budget allocations to LWUA has been focused on sanitation projects in the Mandamus areas.³ In 2021, LWUA had PHP 4 billion (\$80 M) worth of water projects in the pipeline with no available financing. For 2022, LWUA proposed NG funding amounting to (PHP7.2 billion) (\$144 M) for new construction, service expansion, and implementation of septage management systems in the Mandamus areas, but the budget included in the 2022 National Expenditure Plan is only PHP527 million (\$10.5 M) for sanitation projects in the Mandamus areas.

The co-financing arrangement with DBP provides LWUA an option to augment and leverage its financial resources to fund WD projects in the pipeline. DBP confirmed its interest to co-finance WD projects via a letter of intent to LWUA dated November 18, 2020. As part of its lending portfolio, it has made available PHP25 billion (\$500M) and PHP 10 billion (\$200 M), respectively) for water and septage management projects. In meetings facilitated by the Team, LWUA committed to share their pipeline projects to DBP for co-financing.⁴ With the untimely passing of LWUA Administrator Jeci Lapus in June 2021, LWUA deferred the endorsement of the pipeline projects to DBP. The Team will continue to facilitate discussions with both parties on the financing of pipelined projects.

³ GAA allocations were PHP 345 million in 2020 (reverted for Covid response); PHP 1 billion in 2021 (of which PHP 500 million is for water source development in Marinduque) and PHP 527 million in the National Expenditure Program for 2022 for sanitation projects in the Mandamus areas and previous allocation for URAF implementation.

⁴ Meetings were conducted on November 5, 2020, January 13, 2021, and February 8, 2021 with NEDA, LWUA and DBP to discuss the co-financing arrangement and follow-up on the endorsement of LWUA pipeline to DBP.



(Left) Women beneficiaries in the City of Sagay of the OBA-BF program read through the vouchers' terms and conditions including their responsibilities as part of the piloting. (Right) An Anabel couple helping out in the construction of their septic tank. The Anabel LGU and ASA Philippines orient masons including family members of beneficiaries who are interested to help in the construction.

COORDINATION WITH DEVELOPMENT PARTNERS TO COMPLEMENT RELATED WSS INITIATIVES

The Team continued to monitor progress of official development assistance (ODA) pipeline programs related to WSS and WRM to complement and leverage project resources with Safe Water technical and capacity building assistance. Initial meetings with concerned implementing partners (IPs) identified areas for potential complementarity (listed in Table 6 below). SAFE WATER will pursue the identified potential collaboration with these projects in Year 3.

TABLE 6. SAFE WATER COMPLEMENTARITY WITH DEVELOPMENT PARTNERS

DEVELOPMENT PARTNER	ON-GOING/ POTENTIAL COMPLEMENTARITY	IMPLEMENTATION PERIOD
1. World Bank	Program for Results (P4R) Financing can be used for capital investments and institutional strengthening; on-going technical assistance on restructuring of the Salintubig Program; and setting up of a utility benchmarking system that will be aligned with the URAF.	On-going TA/ 2023
2. ADB	Sustainable Tourism Development Project for institutional capacity building focused on improved governance and sustainability of sewerage facilities in Coron and El Nido.	2022
3. KOICA	Capacity building of IWRM and sustainable development through WRM module development and capacity building; and knowledge exchange on best practices in building capacities of water sector partners.	On-going survey/ 2021-2023
4. IFAD	Rural Agro-Enterprise Partnership and Inclusive Development and Growth (RAPID) Project in Sarangani for trainings on enterprise development in support of WRM and assistance to farmer organizations to facilitate their access to finance for WSS requirements in common sites.	On-going/ 2020-2024

PROMOTION OF PUBLIC-PRIVATE PARTNERSHIPS (PPPS) AND INNOVATIVE FINANCING SCHEMES (OBA-BF AND PES)

PPP Arrangement. The Team initiated discussions with the PPP Center regarding potential PPP projects in Safe Water sites. An initial assessment conducted by the PPP Center for Negros Occidental identified the following potential projects that may be pursued in Safe Water sites: development of a new bulk water source; upgrading existing water systems and expansion of service coverage; and operations and maintenance of water supply systems including distribution, billing, and collection; and septage

management. Safe Water facilitated an orientation by the PPP Center to the Provincial Government of Negros Occidental and Cong. Benitez' staff. The orientation focused on how the Malogo LGU and Murcia Water District might engage PPP Center technical assistance in preparing PPP projects related to bulk WS supply for the Malogo area and Murcia Water District (also discussed under Objective 1: Project Development Assistance to WSPs, pages 19-20). The PPP Center offered assistance in conducting multi-criteria analysis and preparing project concept notes and an application for the Project Development and Monitoring Facility (PDMF). The PDMF is a resource fund that can be used to engage consultants for the preparation of full feasibility study, approval process, and bid management up until the award of the PPP project. Safe Water will continue to facilitate discussions between the PPP Center and PGNO on the PPP arrangement for water supply and sanitation projects.

Output-based aid (OBA) and blended finance (BF) for household sanitation services. The Team promoted the OBA-BF program as an innovative scheme to leverage grants from government (NG or LGU) with market-based loans from MFI and household equity to improve access to water supply connection or basic sanitation services of the poorest households. With grant funding of \$ 30,000 from the AWESOMENESS Fund of DAI Global LLC, SW partnered with the LGUs of Alabel in Sarangani and Sagay City in Negros Occidental and MFI partners actively operating in these areas - Negros Women for Tomorrow Foundation and ASA Philippines, respectively, to pilot the OBA-BF scheme. The pilot demonstration was implemented to provide proof of concept to inform the implementation of the scheme by LGUs as part of their sanitation programs.



Alabel Mayor Vic Paul Salarda recognizes the limited funding of the municipal government to provide universal access to household sanitation. Hence, he shared his gratitude to models like the OBA-BF approach that innovates the traditional financing methods for empowering families to take responsibility of household sanitation through household equity and grants.

Box 3. Achieving Widespread Equitable Sanitation Outcomes and Mobilizing Enterprises (AWESOME) Pilot

What is the AWESOME Pilot? AWESOME Pilot aims to provide “proof of concept” on the adoption of the OBA-BF scheme as an innovative financing scheme for sanitation. The \$ 30,000 grant received from the Awesomeness Fund (AF), DAI’s internally funded grant pool that finances innovation and research activities that deliver sustainable solutions is used to partially subsidize the cost of toilet facilities for poor households (HHs) while stimulating MFI lending for household sanitation.

HH beneficiaries without access to sanitary facilities come from the bottom 50% of the Listahanan or the National Household Targeting System (NHTS). Eligible HHs are given vouchers equivalent to the subsidized portion of the sanitary toilet, e.g. cost of the septic tank. The partner MFIs provide loans to eligible HHs to cover for their equity for the toilet construction, and also advance the construction cost covered by the vouchers. The MFIs will be reimbursed with the subsidy payments upon verification of compliance of the toilet construction with the Philippine Sanitation Code standards. HHs will be responsible for repaying their loans, based on terms agreed with the MFIs.

Implementation Period. The AWESOME Pilot implementation is from July-November 2021.

Pilot Sites. The pilot is being implemented in the Municipality of Alabel in Sarangani and Sagay City in Negros Occidental.

Implementing Partners. Safe Water forged agreements with the following for the pilot implementation partners:

- LGUs of Alabel and Sagay City
- MFIs Partners - ASA Philippines Foundation, Inc. and Negros Women for Tomorrow Foundation
- Water.org, as a support partner to the MFIs in their sanitation lending operations

Expected Outputs and Benefits from the Pilot. These will include:

- 50-100 HHs provided access to improved sanitation facilities
- IEC and advocacy materials for sanitation demand creation
- Proof of concept on OBA-BF as an innovative scheme for sanitation investments targeting the poorest households
- Integration of MFI and LGU sanitation programs for poor households

Next Steps:

- Safe Water will use proof of concept to advocate scale up to LGUs using national government grants, LGU budgets and private funds
- Prepare the implementing guidelines for the OBA-BF scheme, including templates of local ordinances and MOUs with MFIs, to guide replication

Payment for Ecosystem Services. The PES scheme, another innovative financing scheme, is also currently being replicated and scaled as a sustainable financing mechanism for watershed conservation and protection in Irawan, Montible and Quezon watersheds in Palawan; Bago River watershed in Negros Occidental; and BMRB in Sarangani (refer to Objective 2: Scaling Adoption of PES on page 44). The multi-sectoral PES TWGs for PGNO and Sarangani were created under the umbrella of their respective PIWSTs. For Puerto Princesa, the PES TWG is housed under the Palawan Flora and Fauna Watershed Reserve Management Committee. The TWGs have been mobilized to gather data to conduct CBV and CRA that will be the bases of the PES schemes and negotiations to be conducted in Year 3.

B. SUPPORT TO THE IMPLEMENTATION OF THE PWSSMP AND URAF⁵

The Team drafted the joint action plan with NEDA to support the implementation of the PWSSMP’s key reform agenda (KRA) and operationalization of the URAF. Safe Water’s support of the PWSSMP is strategically focused on KRAs 1,2,3,4 and 6. Targeted support included: a) technical assistance through the preparation of policy and technical papers/ notes and tools; b) conduct of consultations and dialogues; c) capacity building; and d) advocacy support. A summary of Safe Water national-level interventions in Year 2 are included below in Table 7.

TABLE 7. SAFE WATER-NEDA JOINT ACTION PLAN FOR THE IMPLEMENTATION OF THE PWSSMP & URAF

KEY REFORM AGENDA	ACTION PLAN AND SAFE WATER INTERVENTIONS IN YEAR 2
<p>I. Establishing Effective WSS Sector Institutions (addressing the fragmented sector)</p>	<p><u>Assistance to NEDA in responding to Congress’ request for information or analysis of pending bills</u></p> <ul style="list-style-type: none"> • Prepared the Policy Note on Economic Cost of Inadequate WSS Services, which was used as reference by NEDA to inform Department of Water Resources (DWR)& Water Regulatory Commission (WRC) bill deliberations at the House Committee on Government Reorganization in January 2021. • Provided technical inputs in the review and enhancement of the consolidated DWR & WRC bill of the Committees on Government Reorganization, Public Works and Highways, Ways and Means, and Appropriations for plenary discussion. The bill was filed on August 9, 2021 as HB 9948 (An Act Creating the DWR & WRC). • Provided inputs to the draft speech requested by the Congressional sponsors of HB 9948 from NEDA for Committee endorsement during the House Plenary session in August 2021. <p><i>Result/Status- Congress scheduled the presentation of the bill at the plenary session, but at the last minute was postponed, pending consideration of additional comments that came in just before the presentation.</i></p> <p><u>Support to advocate and localize PWSSMP and KRAs</u></p> <ul style="list-style-type: none"> • Assisted NEDA in the review of the Financing Plan section (KRA 6) of the abridged PWSSMP for online publication. • Assisted in the launching of the PWSSMP through preparation of proposed draft program, talking points and edited video for NEDA • Initiated discussions with NEDA on the preparation of the PWSSMP communication plan and advocacy materials to support awareness and localization efforts. <p><i>Result/Status- NEDA launched PWSSMP on September 16, 2021.</i></p>

⁵ The Unified Resource Allocation Framework (URAF) was formerly the Unified Financing Framework (UFF). The NEDA Board Resolution responsible for its adoption changed the name to URAF to better reflect its objective of rationally allocating national funds to WSS projects.

<p>2. Strengthening the Regulatory Environment (economic and resource regulation and water resources management)</p>	<p><u>Technical assistance in the review and development of regulatory guidelines</u></p> <ul style="list-style-type: none"> Prepared MOA template and facilitated discussions on NWRB-LGU cooperation in monitoring water extraction and availability.⁶ The draft MOA is being reviewed by NWRB for NWRB Board discussion and adoption. The LGUs of General Santos City and Malungon have also expressed interest in collaborating on this initiative. <p><i>Result/ Status- This can serve as a model for other LGUs participate in the monitoring of water resource utilization.</i></p> <ul style="list-style-type: none"> Prepared Technical Note on the Revised Joint Venture Guidelines recommending that NEDA include monitoring of JV contracts to ensure that the obligations of the private proponent are prudently and diligently undertaken in relation to WD JVAs. <p><i>Results/Status- NEDA has yet to discuss the issues and the resolutions thereof with the Local Water Utilities Administration</i></p>
<p>3. Creating and Ensuring Effective WSS Services (ensuring appropriate and sustainable operations of WSPs)</p>	<p><u>Development of tools and provision of capacity development assistance to WSPs to improve performance and expand services</u></p> <ul style="list-style-type: none"> Updated the strategic business planning tool; rolled-out trainings and toolkit to WDs and LGUs in Safe Water sites. Reviewed initiatives on benchmarking for LGUs with DILG. Updated the ring-fencing guide to incorporate the latest local government accounting guidelines (LGAM). Currently updating the CMS guide to be used in the pilot-testing of the scheme in selected LGUs. Currently discussing with DILG: the review of training modules and toolkit on improving water utility governance; capacity development support to the Regional or Provincial WATSAN Hubs (RHubs); and the development of a pool of trainers to institutionalize the provision of capacity building and mentoring assistance on utility governance. <p><i>Results/ Status- The tools will be useful in the utility reform and capacity building of LGUs and water service providers</i></p>
<p>1. Balancing Water Supply and Demand (managing finite water resources with end-users)</p>	<p><u>Institutionalizing water security in local planning</u></p> <ul style="list-style-type: none"> Provided technical support to NEDA in standardizing water security-related planning framework and initiatives. In a TWG meeting on water security on September 27, 2021, it was agreed that GOP definition of water security will adopt the IWRM principles and emphasize water resources availability, quality, and sustainability. Promoted the Provincial Integrated and Inclusive Water Security Framework (PIIWSF) and Guide to national partners as a platform to cascade the PVSSMP to the local level Promoted PPP schemes and initiated discussions for PPP project on bulk surface water supply in PGNO to rest groundwater sources Launched the Philippine Water Challenge to promote innovations contributing to water security <p><i>Result/ Status- Safe Water’s water security framework integrating water supply and sanitation service provision and water resource management planning is getting traction at the national and local levels.</i></p>
<p>6. Enabling Access to Funding and Financing (improving access to funds)</p>	<p><u>Support to URAF Operationalization</u></p> <ul style="list-style-type: none"> Drafted URAF grants implementing guidelines which will be refined based on the approved NEDA Board Resolution on the implementation of URAF and alignment with the Mandanas ruling. Discussion of the NB Resolution on the URAF is still pending approval by the NEDA Board. Prepared draft Terms of Reference for the mobilization of the URAF TWG. The URAF Technical Secretariat will lead the operationalization of the financing policy.

⁶ The proposed NWRB-LGU collaboration envisions the use of data on water availability and demand in the CLUPs, which will inform the basis of issuance for locational clearances, business permits, and water permits for new developments in LGUs. The proposal will help NWRB rationalize issuance and monitoring of water permits.

	<ul style="list-style-type: none"> • Supported NEDA in activating the Water Convergence Program⁷ for collective programming and budgeting of national government resources for WSS investment programs of executing agencies (LWUA, DILG, DOH and DPWH) and strengthened advocacy with DBM for a greater WSS budget allocation for 2022 and inclusion of sanitation grants as a priority project under the Growth Equity Fund (GEF), an equalization mechanism to support selected LGUs in implementing the Mandanas ruling. • Facilitated LWUA-DBP co-financing agreement for WD project financing. • Prepared Technical Note and inputs to NEDA’s presentation for the alignment of URAF with Sustainable Financing Framework discussion during the May 27 Green Force Task Force meeting. • Assisted NEDA in the review of the ADB Inception Report on the Local Government Financing Study. • Prepared concept briefs on the OBA-BF and PES financing schemes. • On-going pilot implementation of the OBA-BF scheme to provide proof of concept for the LGU sanitation OBA-BF programs. • On-going replication of PES for sustainable watershed conservation financing in five watersheds in the Safe Water sites. <p><i>Results/Status- These activities will contribute to expanding the financing pie for water supply and sanitation services.</i></p>
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C. TECHNICAL SECRETARIAT SUPPORT TO NEDA IN THE CONDUCT OF REGULAR COORDINATION FORUM

The Team prepared a Concept Note on the Formation of the WSS Network, which was adopted by NEDA. NEDA launched the WSS network on January 21, 2021. The Network provides the platform for coordinating and monitoring WSS and WRM initiatives in the country. It is also a venue for knowledge exchange and coordination of related activities and resources among government agencies, development partners, academia, civil society organizations, and private sector. The Team provides regular technical support to the secretariat in conducting WSS Network Sessions through the preparation of the session agenda, facilitation of discussions, documentation of session proceedings, preparation and updating of directory of partners, and dissemination of session and related activities to network members. Four sessions have been conducted covering topics related to the KRAs 1, 2, 8 and sustainable sanitation.

D. KNOWLEDGE ON WATER SECURITY DEVELOPED AND/OR SHARED

KNOWLEDGE PRODUCTS

In Year 2, the Team produced various knowledge products such as Planning Frameworks (Water Demand Management and Provincial Integrated and Inclusive Water Security Framework); Policy and Concept Notes (Economic Cost of Inadequate Water and OBA-BF); and Studies and Report (Baseline Assessment Report and five Hydrologic Studies).

In Year 3, the Team will work on finalizing other knowledge products in the pipeline, such as the updated Ring-Fencing Guide to be included in the CMS Manual that will also be developed; and Training Modules for WDM and Hydrologic Studies.

⁷ Water Convergence Program serves as the platform for the annual review and advocacy for higher resource allocation for WSS investments, grounded by the priorities of the PWSSMP and URAF principles, the government’s financing policy for the sector. The convergence program, involving WSS executing agencies, ensures cohesion of the resource prioritization, aligned with PWSSMP strategies, reform agenda and SDG6 targets.



Negros Occidental Governor Eugenio Jose Lacson addressed in-person and virtual audience during the launch of the Provincial Integrated Water Security Program. Safe Water also supported the provincial government in launching the Provincial Integrated Water Security Program portal which is a repository of information and data related to water security.

All of these materials serves any or all of the following purposes: provide evidence and data, guide implementation of a reform, or promote adoption of innovative concepts or approaches.

KNOWLEDGE EXCHANGE

In Year 2, Safe Water was able to facilitate in the establishment of knowledge exchange mechanisms at the national level through the WSS Network convened by NEDA as a regular venue for discussion and coordination on WSS issues and activities focused on key reform areas of the PWSSMP. The team also launched the Philippine Water Challenge as a nationwide platform to gather, promote, and scale the adoption of innovative solutions to address water supply and sanitation problems faced by water-stressed communities.

At the provincial level, the Provincial Government of Negros Occidental launched its Provincial Integrated Water Security Program portal, where with support from Safe Water, information and data related to water security is shared.

The Team has also initiated talks with universities in Safe Water sites (i.e., Palawan State University and University of St. La Salle in Negros Occidental) to discuss areas of knowledge-exchange such as:

- develop a pool of trainers and/or resource persons for hydrologic studies, PES, WDM, financial management, ring-fencing, and water security planning;
- form a network of peer reviewers for Safe Water’s knowledge management tools and models; and
- serve as a repository of WSS and WRM data and knowledge products, as well as a venue to share these data and knowledge products.

The Team also met with DILG to discuss capacity-building for its Regional Hubs (RHubs) on water utility governance.

In Year 3, the Team will continue efforts to promote knowledge exchange mechanisms through the:

- data digitization initiative of the Sarangani Provincial Planning and Development Office (PPDO);
- proposal to Palawan PPDO for a similar undertaking; and
- partnerships with universities and academic institutions in Safe Water sites.

The Team is also finalizing its web-based M&E system, a repository for WSS & WRM data gathered by the Team which will be shared with provincial government partners likely in Year 4 of the project.

CROSS-CUTTING ACTIVITIES

GENDER EQUALITY AND WOMEN'S EMPOWERMENT

A. GAP STRATEGY 1: LGU GENDER FOCAL POINT SYSTEM MAXIMIZED IN WSS AND WRM INTERVENTIONS

ESTABLISHING THE GENDER FOCAL POINT SYSTEM IN WSS/ WRM INSTITUTIONS

The Team is assisting Glan and Maasim Water Districts develop their GAD Plans and Budgets. The Team assistance started with two pre-requisites to the plan and budget, namely: i) establishment of their GAD Focal Point System (GADFPS), and ii) GAD assessment using the Gender Monitoring and Evaluation Framework (GMEF).

Nineteen (19) officers and staff-members (13 from Glan and 6 from Maasim) participated in the orientation of the GADFPS and introduction to the GAD Planning and Budgeting process.

Capacity-building of the Glan and Maasim GFPS will continue in October 2021 leading to the development of their respective GAD Plan in time for the November 4, 2021 deadline of submission to the Philippine Commission for Women. By having a GAD Plan and Budget prepared with experts, the GADFPS members are able to identify gender challenges and issues of the water district personnel and its clients. According to the Philippine Commission on Women, a GAD Plan and Budget is a systematically designed set of programs, projects and activities with corresponding budget that addresses the gender challenges and issues.



SW Gender Consultant Mia Aquino (leftmost, rightmost) interviews Ms. Jenn Rausa (2nd) and Ms. Jonalyn Sibug (3rd) to complete the profiles of gender allies and champions in project sites.

TRAINING GADFPS STAFF TO STRENGTHEN WOMEN'S REPRESENTATION IN WSS AND WRM DEVELOPMENT

The Team conducted a Gender Equality and Women’s Empowerment (GEWE) assessment, using the modified “Gerl-ka-Ba” tool of the Philippine Commission for Women. The Team will include the results of the assessment in the updated baseline study of the project, scheduled for release within the first half of Year 3. The Team will use the assessment to inform the design of trainings and other technical assistance for institutionalizing GADFPS.



Ms. Marnelle Demonteverde is the Finance Manager of Bacolod City Water District. She has been with BACIWA for 19 years starting as Clerk in the Maintenance Department, later serving in the Audit team, before she took the post of Finance Manager. She was the sole GFPS member left in BACIWA when the joint venture came into effect. She hopes to re-constitute the GFPS and carry out their plans.

DEVELOPING GAD CHAMPIONS

To get stakeholder support for the project's GAD strategy, the Team completed the profiling of gender allies and champions in the three sites. The report of the profiling will be released in the next quarter. The Team intends to organize a network of gender allies and champions who can facilitate the various gender development related activities of the project. The profiles will be included in the final report on the GEWE assessment report.

Box 4. Nobody left behind: Blended Sessions for GAD Planning and Budgeting Trainings

The Safe Water Sarangani Field Team has gone the extra mile to help the Glan and Maasim Water Districts develop their GAD Plans. Like most webinars, GAD Planning and Budgeting trainings have shifted online, but because the two municipalities have poor internet connectivity, these trainings remained inaccessible. The Safe Water Sarangani Team found a way to bring data connection to Glan and Maasim and design blended sessions to maximize training activities. Intermittent power outages in the localities, not to mention quarantine protocols, also had to be factored in.

Both water districts now have their respective GAD Focal Point Systems (GFPS) in place and have undertaken organizational assessment using the prescribed Gender Mainstreaming Evaluation Framework (GMEF). They target to complete all the requisites for the GAD Planning and Budgeting process in time for submission of their GAD plans in November. True to the principle of no one left behind, the Safe Water Team stepped up to assist the water districts in their gender mainstreaming effort.

The screenshot shows a presentation slide titled "Gameplan for Maasim Water District". The slide features a central flowchart with the following components from top to bottom: "GFPS Roles" (with "Capacity-building" below it), "Gender Analysis" (with "GMEF and HGDG" below it), "SDD", "GAD Strategic Framework (VMG)" (with "GAD Agenda" below it), and "GAD Plan and Budget" (with "AR and Audit" below it). The slide is displayed in a Microsoft Teams window, with a video feed of participants visible at the bottom right.

MS Teams

The Safe Water Sarangani Team found a way to bring data connection to Glan and Maasim and design blended sessions to maximize training activities with gender consultants delivering sessions from Manila.

COLLABORATION WITH THE PROVINCIAL COUNCIL OF WOMEN (PCW) IN NEGROS OCCIDENTAL

Tapping both the Provincial Council of Women (PCW) and the Provincial GAD Focal Point System (PGFPS), the Safe Water Team in Negros Occidental is preparing for the joint gender mainstreaming training for partner water districts in the province before the end of 2021. The activity will contribute to increasing understanding of gender equity among partners in the province. Safe Water will expand the collaboration on the training to other stakeholders in the water sector, as well as develop the advocacy capacity of PCW for WSS and WRM programs.

B. GAP STRATEGY 2: INCREASED PROFESSIONAL AND/ OR LEADERSHIP OPPORTUNITIES FOR WOMEN

STRENGTHENING WOMEN'S LEADERSHIP OPPORTUNITIES

The Team is scouting for relevant leadership training programs where participation of women leaders can be sponsored by the project. It is also deliberately integrating women's leadership modules in upcoming training activities and is exploring the co-development of a women's leadership program focused on WSS practitioners with the University of the Philippines. The program will then be included in the University's regular course offerings.



Marnelle Demontevedel/ Facebook

Thirty-five (35) coffee farmers (21 women and 14 men) from the Blaan and Tboli communities shared their thoughts and insights on the gender session integrated in the orientation for peoples' organizations involved in USAID Safe Water-assisted livelihood projects.

C. GAP STRATEGY 3: SHIFTING SOCIAL PERCEPTIONS AND VALUATION OF WOMEN'S INPUT

The Safe Water Team continued its advocacy activities for gender development through orientation sessions and social media posts. In Negros Occidental, Safe Water's Livelihood Coordinator and Gender Focal Person spoke in a webinar organized by the Provincial Council on Women on the role of women in WSS and WRM development. It is the first time that PCW highlighted this sector. A total of 46 participants attended the webinar.

In Sarangani, the Safe Water Team delivered an orientation on the Gender Action Plan as part of the operations planning with livelihood partners (Kasilak, Mahintana Foundation and CLAFI) in the 3rd Quarter, followed by an orientation among community partners in the 4th Quarter. Thirty-five (35) coffee farmers (21 women and 14 men) from the Blaan and Tboli communities participated in the latter.

In Palawan, the first set of gender orientations was integrated into the strategic planning of partner peoples' organizations in the municipality of Narra. The series of orientations involved nine community groups with a total of 98 participants and 4 LGU representatives.

The Safe Water Project participated in USAID's #ChooseToChallenge Campaign during the celebration of International Women's Month. The Campaign featured different women leaders and their involvement in USAID-supported environmental protection projects in a short video. Among the women leaders featured were: Ninfa Benitua, President of BISFA in Don Salvador Benedicto, Negros Occidental, and Jenn Rausa, City Water District Community Relations Officer from Palawan.



USAID published a video during the International Women's Month highlighting women leaders in the environment to support the #ChooseToChallenge campaign.

Box 5. Bringing Water to Toilets, Key for Gender Equity in Schools

During Safe Water's profiling of women leaders, Binalbagan Water District General Manager shared the following story that highlights the important role of water to women and girls.

In September and October, the water district started setting up handwashing facilities in the schools around Binalbagan. Two schools, Baluang Elementary School and Binalbagan Elementary School, appealed to them saying they need water in their toilets more than the handwashing facility. According to GM Canon, the teachers pointed out how they had to fetch water themselves to ensure that it can be available inside the toilets. This was particularly important for students who have their monthly periods. The teachers further narrated that some female students would opt to be absent when they are menstruating on account of the absence of clean water when they need it. In response, the Binalbagan Water District helped install pipes leading to the toilets in the two schools.

D. GAP STRATEGY 4: IMPROVE SAFE WATER STAFF AND LOCAL PARTNERS' UNDERSTANDING OF GENDER EQUITY

As a refresher to the internal GEWE training in Year 1, the Gender Consultant facilitated a learning session to discuss gender issues in WSS and WRM, take stock of the Safe Water Gender Action Plan (GAP), and firm up priority activities for Year 2.

The training needs assessment was utilized in Palawan and Negros Occidental. The Safe Water Team in Negros Occidental applied the TNA for the upcoming gender mainstreaming training among the water districts in the province to be undertaken jointly with PCW and PGFPS. In Palawan, the tool was used in preparation for the gender orientation and strategic planning of partner peoples' organizations. The findings are being consolidated to help Safe Water improve its capacity building activities on GEWE as it enters Year 3.

COMMUNICATIONS AND OUTREACH

A. C&O PLAN STRATEGY 1: BUILDING SHARED UNDERSTANDING

UPDATES ON PROJECT ACTIVITIES

The Team utilized several different communication platforms to disseminate updates on Safe Water implementation, summarized in Table 7. These included: weekly highlights, social media posts (e.g. photos, videos, recordings, press releases) and monthly newsletter. In the monthly newsletter, the Team also featured social media postings relevant to Safe Water in personal and official Facebook accounts to encourage "citizen reporting" of activities, events and campaigns.

TABLE 7. COMMUNICATION PLATFORMS FOR DISSEMINATING UPDATES

COMMUNICATION PRODUCT	AUDIENCE	FREQUENCY	N
Safe Water Newsletter	Safe Water partners, stakeholders, beneficiaries, trainees, etc.	Monthly (revived Aug 2021)	2
Highlights	USAID and DAI stakeholders	Weekly	40
Social Media	Highlight/ announcement and photos	1-2/ month	22
	Event commemoration and photos		9
	Videos		7
	Live event/ recording		5
	Press releases		2
Total			44

PROMOTION OF KEY EVENTS

Through the above communication products, the Team highlighted events related to:

- a. Safe Water component activities
- b. Partnerships between USAID and government agencies, LGUs, foundations, private corporations, and civil society groups
- c. Philippine Water Challenge
- d. Women's leadership in the sector

National and local media reported on Safe Water events and activities, shown in Table 8.



USAID'S SPOTLIGHT



Four Ways USAID is Taking Action on Climate Change Through Water

USAID, through the U.S. Government's Water for the World initiative, is doubling down on efforts that adapt to climate change and build resilience. For instance, the USAID-supported Safe Water Project aims to improve access and levels of service from communal faucets to piped services. [Read more from USAID Medium.](#)

IN SOCIAL MEDIA



Sipalay City, September 9 - Mayor Gina M. Lizares gladly welcomed the USAID team and the potential collaboration through Safe Water Project. She hopes that this will be the start of a long and fruitful cooperation that will truly benefit the people of Sipalay. Safe Water Project is aligned with the Sustainable GAINS, the Executive-Legislative Agenda of this administration. [More photos from Sipalay's FB page.](#)



Hinoba-an, September 9 - Mayor Ernesto Alquiza Estrao welcomes the USAID Safe Water team in Negros to discuss the collaborative work in improving water supply and sanitation services in the municipality. The current initiatives of the project will contribute to the existing efforts of the municipality in its water and sanitation program. [More photos from Hinoba-an's FB page.](#)



San Carlos City, September 14 – Provincial Environment and Natural Resources Officer Edgardo Rostata gave his key message to all forest and watershed patrollers during the Lawin Training for San

The USAID Safe Water Monthly Newsletter sums up the important highlights on activities undertaken during the month by the project with partners, stakeholders, and beneficiaries. It also includes a section for social media posts by partners and beneficiaries attending Safe Water events.

TABLE 8. MEDIA REPORTS ON SAFE WATER EVENTS AND ACTIVITIES

DATE	OUTLET	HEADLINE
Nov 19, 2020	Manila Bulletin	USAID signs 5-year 'Safe Water' deal with Palawan, Negros Occ., and Sarangani LGUs
Nov 19, 2020	Business World	US provides assistance for water security project
Nov 19, 2020	Business Mirror	3 provinces' access to clean water seen via P870-million grant
Nov 19, 2020	Philippine News Agency	USAID inks P870-M project for Negros Occidental, Palawan, Sarangani
Nov 19, 2020	Palawan News Online	USAID to fund water project for Negros Occidental, Sarangani and Palawan
Nov 19, 2020	The Journal Online	P870M USAID project to strengthen water security in Palawan, Negros Occidental, Sarangani
Nov 19, 2020	PNV Media	Negros inks pact with P900M USAID's Safe Water Project
Nov 19, 2020	Manila Times	USAID launches new partnerships to advance Philippine water security
Nov 20, 2020	Manila Standard	USAID in P870M water project
Nov 20, 2020	Philippine Daily Inquirer	US allots P869 for safe water projects
Nov 20, 2020	The Visayan Daily Star	MOU inked for 'water-secure' Negros Occidental
Nov 26, 2020	GMA Regional TV/ One Western Visayas	Safe Water project sa Negros (video)
Feb 25, 2021	The Visayan Daily Star	Session held on Negros Safe Water Project
Mar 8, 2021	Sarangani	Water security roadmap of Sarangani planned with USAID

Mar 24, 2021	Philippine Information Agency	USAID launches new partnerships to advance Philippine water security
Mar 25, 2021	Business Mirror	USAID launches 2 partnerships for PHL water security
Mar 26, 2021	Philippine Star	USAID forges partnerships for watershed management
Mar 28, 2021	Business Mirror	USAID launches 2 partnerships for PHL water security
May 30, 2021	Business World	DENR, USAID planning biodiversity, water conservation projects
May 30, 2021	DENR	DENR, USAID seal two new projects on biodiversity and water security
May 30, 2021	Remate	DENR at USAID magtutulong para sa natural resources protection at clean water accessibility
May 30, 2021	DENR	DENR, USAID boost cooperation on natural resources protection, clean water accessibility
Jun 8, 2021	Philippine News Agency	Negros Occidental launches bid to secure water resources
Jun 9, 2021	Iloilo News	Negros Occidental, USAID launch water security program
Jun 10, 2021	The Manila Times	Negros launches water security program
Jul 30, 2021	The Philippine Star	USAID, private sector launch water challenge
Aug 6, 2021	SunStar Bacolod	Capitol unveils bamboo seedling propagation
Aug 11, 2021	Manila Bulletin	Supporting the Philippine Water Challenge (PhIWC) to address the country's water supply and sanitation
Aug 18, 2021	Business Mirror	USAID, private sector partners launch 1 st Phil. Water Challenge

B. C&O PLAN STRATEGY 2: PROVIDING COMMUNICATION SUPPORT TO COMPONENT ACTIVITIES

AWARENESS CAMPAIGNS

The Team supported USAID Philippines' existing global and national awareness campaigns that are tied to celebrations and commemorations, namely:

- a. World Toilet Day (November 19) – through the USAID Safe Water launch event via FB live (8,700 views)
- b. International Women's Day (March 8) – through a video entitled, "Supporting women leaders in environmental protection" (698 views)
- c. World Water Day (March 22) – through the World Water Day MOU Signing: Valuing Women and Partnerships event via FB live (2,300 views)
- d. Earth Day (April 22) – through a video entitled, "Providing Alternative Livelihood Opportunities to Watershed Communities in Puerto Princesa City" (254 views) and a series of photo stories (3 posts, 136 reactions)
- e. SIWI World Water Week (August 23-27) through a series of photo stories (5 posts, 2,559 reactions)
- f. #USAIDat60 – contributed to the video, "#USAIDat60 Helping Protect the Environment and Improve the Philippines' Natural Resource Management" (11,000 views)

TRANSLATION OF KNOWLEDGE PRODUCTS TO COMMUNICATION PRODUCTS

The Team developed communication products from Safe Water knowledge products such as a brochure on the OBA-BF for household sanitation and Philippine Water Challenge primers, videos and infographics.

C. C&O PLAN STRATEGY 3: GENERATING NATIONAL INTEREST FOR WSS AND WRM ISSUES

NEDA'S COMMUNICATION PLAN OF THE PWSSMP

With the launch of the PWSSMP last September 16, the Team is currently preparing the communication plan for the Master Plan to increase awareness of the Plan's key reform agenda and targets.

Why do I need a sanitary toilet?

I need a kasilyas (toilet) for my family and community because it is good for my:

kalusugan (health) & kalikasan (environment)

By having my own toilet, I protect my family from water-borne diseases like cholera, diarrhea, typhoid, amebiasis, hepatitis, etc. Having a toilet will also prevent pollution of the environment. Most of all, it's all about the **dignity** of having my own toilet.

How can I afford my own toilet?

The program is a joint initiative of USAID Safe Water, DAI Global LLC, Municipality of Alabel and ASA Philippines to introduce the **Output-Based Aid - Blended Finance (OBA-BF)** scheme for household toilet financing.

Through the program's OBA-BF, I can:

Apply for a loan for my own toilet construction + Get subsidy from the DAI Program for the septic tank construction

USAID FROM THE AMERICAN PEOPLE
USAID Safe Water Project
 Alma Porciuncula, USAID Safe Water Chief of Party
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The Safe Water Project is a five-year (2019 - 2024) technical assistance project funded by USAID and implemented by DAI to improve water security of water-stressed communities in the Philippines

DAI Shaping a more livable world.
DAI Global LLC
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DAI works on the frontlines of global development. Transforming ideas into action—action into impact. We are committed to shaping a more livable world.

Municipality of Alabel
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The Municipality of Alabel is a local government unit which will identify the priority list of household beneficiaries for the KKK Program.

ASA Philippines
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ASA Philippines Foundation, Inc. is a micro-finance non-government organization that offers WASH financing, including sanitation loan products to support the KKK implementation.

Heard of the OBA-BF Program?
 aka **Output-Based Aid and Blended Financing**

A program where you pay for your **toilet** and we pay for the **septic tank!**

Am I eligible for OBA-BF?

- You are a resident of the City of Sagay.
- You belong to the list of pre-identified households by the City Government.
- You have no toilet or you need to improve your existing toilet to make it sanitary. A sanitary toilet has a septic tank that meets the standards of the Philippine Sanitation Code.

What are the requirements?

- ID or any document certifying that you are a resident of Sagay City.
- Completed Loan Application Form (LAF)
- A 1.5 x 3 cm photo of you and your co-maker
- A photo of the current toilet facility or proposed location of the toilet and septic tank.

I'm in! What is the process?

Once your LGU confirms your eligibility, submit the requirements to NWTFF and follow these steps:

- Get your voucher from the LGU. Read and agree to the voucher conditions.
- Apply for a loan. Once approved, assign your voucher to NWTFF which will advance the cost of the septic tank.
- Toilet and Septic Tank Construction. Construct the septic tank according to the standard of the Philippine Sanitation Code.
- Verification and Payment. A verifier will visit to check whether voucher conditions are met. Payment of loan can begin.

How do I pay off my loan?

The loan component of the OBA-BF will be provided by NWTFF. Hence, it shall observe NWTFF's existing eligibility, loan requirements, and amortization policies.

You can borrow up to a maximum of P200,000 payable from 3 to 36 months. Total loan will include WASH fee, 5% development cost and 3% service charge, and documentary tax. Below is an illustrative weekly amortization schedule:

Loan amount	3	6	9	12	15	18	24	30	36
₱ 100,000	277.26	147.81	104.41	82.80	69.40	59.40	50.40	43.80	38.80
₱ 200,000	554.52	295.62	208.82	165.60	138.80	118.80	100.80	87.60	77.60
₱ 300,000	831.78	443.43	313.23	248.40	208.20	178.20	151.20	131.40	116.40
₱ 400,000	1,109.04	591.24	422.44	331.20	277.60	237.60	201.60	177.60	158.40
₱ 500,000	1,386.30	721.80	513.64	403.20	336.40	288.00	244.80	213.60	190.40
₱ 600,000	1,663.56	852.40	604.88	475.20	398.40	340.80	292.80	255.60	227.20
₱ 700,000	1,940.82	983.00	705.72	547.20	456.00	393.60	338.40	296.40	263.20
₱ 800,000	2,218.08	1,113.60	806.56	619.20	513.60	441.60	381.60	333.60	296.80
₱ 900,000	2,495.34	1,244.20	907.40	691.20	571.20	496.80	429.60	376.80	334.40
₱ 1,000,000	2,772.60	1,374.80	1,008.24	772.80	628.80	542.40	475.20	417.60	370.00

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Multif

Voucher No. _____
 Date Issued: _____
 Issued to: _____
 Assigned to: NWTFF
 Funded by: WASH

This entitles the beneficiary:

Beneficiary Full Name: _____
 Beneficiary Full Name: _____

to an amount of no more than (P)_____ to cover partial cost of sanitary toilet construction.

Alma D. Porciuncula, Chief of Party

Conditions of the Voucher

- The voucher is non-transferable and can be used for its intended purpose only.
- The voucher holder agrees to share the septic tank to be constructed in a designated area accessible to them.
- The voucher can be used in conjunction with a loan from the NWTFF to finance the cost of a household sanitary toilet. The voucher is intended only for the construction of a septic tank. Following the prescribed standard of the Philippine Sanitation Code (PSC), it should conform with the attached minimum technical specifications and design.
- The beneficiaries should assign the voucher to NWTFF upon the signing of the loan agreement prior to construction of septic tank. NWTFF will advance the cost of the toilet up to the certified amount of the voucher and the loan.
- The assignment of the voucher to NWTFF authorizes them to redeem the voucher in behalf of the beneficiary but subject to the certification of designated independent verifiers that the septic tank meets the PSC standard and the new toilet facility is completed.
- The voucher holder consent to justify and generally ensure advance and maintenance of the septic tank.
- The voucher holder agrees to declare related information relevant to documentation of the pilot project.
- The voucher is valid until: _____

Confirms:
 Names and signatures of beneficiaries: _____
 Date signed: _____

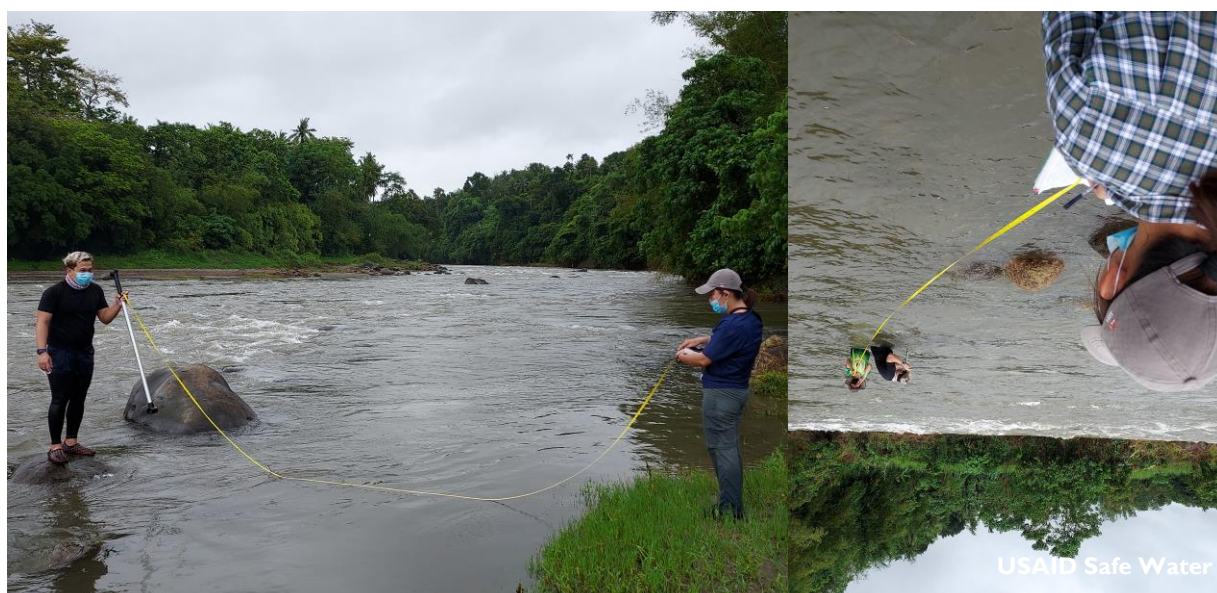
Beneficiary copy
 Cashier/Verifier copy
 NWTFF copy
 DAI copy

The USAID Safe Water field teams utilized brochures and vouchers that summarized the key information, terms, and conditions for participating to the OBA-BF program in Negros Occidental and Alabel, Sarangani.

2.2 Planned Activities for Quarter 1 of Year 3

OBJECTIVE I: INCREASE ACCESS TO RESILIENT WATER AND SANITATION SERVICES

1. Implement the catch up plan for achieving WASH access targets, primarily, training and implementation of proper chlorination to meet the Philippine National Drinking Water Standard, pressure management; expanding assistance to MFIs through Water.org to mobilize WASH loans; and assisting LWUA implement septage management projects.
2. Continue assessment of WSPs in the remaining LGUs of the three Safe Water provinces using the WSP diagnostic tool to identify technical assistance needs for project development and/or capacity building
3. Carry out/continue/accelerate ongoing and previously identified TAs on project development for WSPs
4. Continue/conduct training on capacity development such as O&M improvement, construction supervision, water safety planning, ring-fencing, NRW reduction, among others
5. Accelerate activities related to the pilot implementation of CMS in El Nido and Alabel LGUs; Identify pilot site for Negros Occidental and carry out orientation and related activities
6. Continue to mentor and assist first batch of WSPs in finalizing their Strategic Business Plans; Continue updating the Strategic Business Planning Guidebook to incorporate URAF provisions
7. Continue assistance to provincial governments in the formulation of their respective Provincial Integrated Water Security Plans; Conduct data analysis workshops and stakeholder consultations in Negros Occidental and Sarangani; Assist in drafting of the Provincial Integrated Water Security Plans; Assist Puerto Princesa City carry out initial planning as follow-on to SURGE assistance in the city
8. Continue to work actively with Water.Org and MFIs on financing of household water connections, toilet facilities and related improvements, and on demand generation



Moving forward to the next quarter, Safe Water will continue to maximize the utilization of the hydrological study results in delivering project development assistance to the sites.

9. Facilitate the construction of toilets and septic tanks in selected poor households in Sagay City and Alabel under the Awesomeness Fund. Safe Water has developed a septic tank design which is compliant with national standards. Safe Water also recommended the use of Water.org's three toilet designs.
10. Carry out follow-on study on the most advantageous surface water source for General Santos City WD which will be identified by the pre-FS under SURGE; Carry out follow-on assistance to GSCWD on the technical evaluation of bids for the septage management program of the city
11. Assist WSPs in the automation of their billing and collection system

OBJECTIVE 2: IMPROVED SUSTAINABLE MANAGEMENT OF WATER RESOURCES

1. Conduct training of trainers for DENR-FMB and NWRB on hydrologic studies
2. Complete the hydrologic study of 60 watersheds in Palawan, Negros Occidental and Sarangani
3. Finalize the IWMP of Montible watershed incorporating IP concerns
4. Finalize the LWCRP of Alabel
5. Facilitate creation of IWMP planning teams in Aborlan, Itangil, Buayan, Malogo-Imbang, Himugaan and Sicaba watersheds and in Malapatan and Maitum, Sarangani
6. Orient Planning teams on the IWMP process and on data requirements for watershed management planning
7. Organize water monitoring teams in Palawan, Negros Occidental and Sarangani
8. Continue training on LAWIN
9. Conduct exploratory meetings with potential partners (Shell Foundation, ZSL, etc.)

OBJECTIVE 3: IMPROVE WATER SECTOR GOVERNANCE

MOBILIZING WSS FINANCING & OPERATIONALIZATION OF URAF IMPLEMENTATION

1. Support the Water Convergence Program in monitoring the Mandanas/ EO 138 implementation and programming of regular and NG budget allocations for WSS investments
2. Review URAF grants implementing guidelines to align with the Mandanas ruling
3. Develop financing strategy and plan for WRM; linking financing sources with LGUs
4. Assist in investment programming, budgeting and accessing financing for PIWSPs
5. Provide technical assistance to implement local WSS budgets
6. Continue collaboration with Water.org in strengthening the INTEGRATE program with LGUs, MFIs and HHs to scale demand creation for WSS services; replication of the OBA-BF scheme; training of MFIs to expand WASH services; follow up on GFI wholesale lending for WASH to MFIs; promotion of WDM; and development of related marketing materials for demand creation
7. Support implementation of the OBA-BF, PES and PPP approaches

SUPPORT TO PWSSMP IMPLEMENTATION

1. Roll-out communications and advocacy plan for the PWSSMP and its localization
2. Provide TA to support enhancements and deliberations on DWR and WRC in Congress and NWMC in the Executive Branch
3. Support the implementation and localization of the national water security plan
4. Conduct peer review to vet water utility improvement modules and toolkits before endorsement to NEDA and dissemination

5. Provide capacity building for the Regional Watsan Hubs' on ring-fencing, business planning, tariff setting, CMS
6. Continue technical secretariat support to the WSS Network
7. Follow through action on other policy initiatives (NWRB-LGU MOA, integration of WSS in CLUP guidelines and other planning initiatives)
8. Finalize knowledge products in the pipeline (updated Ring-Fencing Guide, WDM Training Modules) and continue discussions with universities and academic institutions as knowledge-exchange partners



USAID Safe Water

The USAID Safe Water team will begin sharing human-interest and success stories on the P4WatER initiative with MUAD-Negros in its engagement and activities with other private sector partners for knowledge exchange.

CROSS-CUTTING

PHILIPPINE WATER CHALLENGE

1. Conduct webinars on: “Bridging Innovations and Innovators” and “Technology and Solutions for Water Safety and Sanitation”
2. Intensify campaign to encourage submission of applications
3. Convene Evaluation Committee to discuss criteria for selection of Challenge winners
4. Draft Program for Water Forum and Awarding Ceremony, in partnership with PBSP

GENDER EQUALITY AND WOMEN’S EMPOWERMENT

1. Maximize LGU Gender and Development Focal Point System (GADFPS) in WSS and WRM interventions
 - Implement GFPS in public sector WSS/WRM institutions by assisting in the formation of GFPS in Water Districts lacking the GFPS
 - Provide technical assistance and trainings to GFPS staff to strengthen women’s representation in WSS and WRM development
 - Create parallel GFPS committees in local water alliances
 - Involve LGUs’ GFPS staff in relevant project activities
 - Maximize the Provincial Council of Women (PCW) and the Provincial GFPS in Negros Occidental
2. Increase Professional and/ or Leadership Opportunities for Women
 - Implement measures for strengthening greater diversity in WSS/WRM decision-making positions
 - Facilitate women’s access to employment and enterprise development opportunities
 - Strengthen women’s leadership and their networks, with inclusion of the underserved and unserved
 - Design human resources development and management strategies to strengthen women’s leadership in WSS/WRM
3. Shift Social Perceptions and Valuation of Women's Input
 - Advocate with LGUs and water service providers to consult women and other social groups in planning activities; ensure gender-balanced panels or participation during Safe Water activities
 - Develop materials on stories of women and other social groups that seek to challenge stereotypical biases on women’s input on community and industry decisions in the sector
 - Use celebrations in the WSS/WRM and other sectors to bring women and other social groups into social media campaigns to extend messaging about their value in decision-making and participation
 - Identify male leaders or champions that are supportive of project-led gender equality and women’s empowerment
4. Improve Safe Water Staff and Local Partners' Understanding of Gender Equity
 - Conduct training of trainers (ToT) on GAD Planning and Budgeting process for field teams.

COMMUNICATION AND OUTREACH

1. C&O Plan Strategy I: Building Shared Understanding

- Inform and update partners and stakeholders on project activities through:
 - Weekly Highlights
 - Weekly Social Media Submissions
 - Monthly Newsletter
 - Quarterly Blog
- Share success stories and promote key milestones such as the:
 - Philippine Water Challenge
 - PWSSMP
 - Provincial Water Security Plan
 - Ongoing partnerships
- Report results to USAID through the next quarterly report

2. C&O Plan Strategy 2: Providing Communication Support to Component Activities

- Implement awareness campaigns tied to the messaging of #SafeWaterSavesLives and USAID’s 60th anniversary
- Translate knowledge products into communication products, specifically on the:
 - PWSSMP
 - OBA-BF
 - Water Security Plans
 - Ongoing partnerships
 - Women leadership
- Expand usability of communication products

3. C&O Plan Strategy 3: Generating National Interest for WSS and WRM Issues

- Organize in-person and/ or virtual events to tie awareness campaigns to international and national celebrations
- Organize in-person and/ or virtual events for the PWSSMP roadshows
- Implementing the communications plan of the PWSSMP



Women’s lived experiences on the livelihood activities supported by the project will be included to the spotlight of stories surrounding Gender Equality and Women’s Empowerment.

MONITORING, EVALUATION, AND LEARNING

1. Roll-out Safe Water Web-based M&E system
2. Continue baseline assessment of to cover remaining Safe Water city/municipal sites
3. Update MEL Plan to reflect changes on water quantity and quality indicators (i.e. outcomes 2.4, 2.5 and 2.6) to have at least maintained conditions prior to Safe Water project.
4. Identify and draft success stories and testimonies from project beneficiaries
5. Conduct Pause and Reflect sessions in Negros Occidental and Sarangani
6. Build capacity of PLGUs on monitoring and evaluation in the implementation of their respective PIWSPs

3. CORRELATION TO THE MEL PLAN

3.1 UPDATES TO THE BASELINE ASSESSMENT

The baseline assessment provides benchmark figures (as of year 2019) viz-a-viz 27 result indicators to measure achievements of the Safe Water Project over the five-year implementation period.

In the 2nd Quarter of Year 2, Safe Water completed the Interim Baseline Assessment Report⁸ for Year 1 priority sites comprised of 17 (out of a site-wide total of 64) cities/municipalities in the provinces of Palawan, Negros Occidental and Sarangani including General Santos City. In Year 2, the scope of the baseline assessment covered 20 additional cities/municipalities identified as priority areas. The expanded version of the Baseline Assessment Report covering Safe Water Year 1 and Year 2 sites will be completed in the 1st quarter of Year 3.

The completion of the hydrologic studies for the five priority watersheds will provide baseline information on: surface water runoff, ground water recharge and location of ground water recharge areas. The findings will be shared with national agencies, LGUs and other WSS and WRM stakeholders and will inform where to strategically focus efforts, policies and resources for watershed conservation and protection.

3.2 MEL DATA COLLECTION FOR REPORTING ACCOMPLISHMENTS

Safe Water revised its MEL Plan to include additional indicators and corresponding PIRS, refine key learning questions, define additional reliable sources of data, and enhance data collection and processing. The MEL Plan outlined methods and core data collection tools to determine project accomplishments vis-à-vis the targets. These include:

- a. Reports from partners such as Water.Org on the number of people gaining access to WSS services through access to loans; Monthly Data Sheets (MDS) of water districts to track access data; and WSP diagnostic tools to determine areas of improvements in the operation of water utilities
- b. Management and Performance Capacity Assessment of Service Providers to gauge institutional strengthening and capacity development
- c. GIS Tools and Monitoring Forest/ Land Cover to gauge reduction in forest loss (and corresponding reduction Green House Gas or GHG emissions) as a result of project activities
- d. Additional Data Sources and Collection Methods such as review of reports and records of stakeholders
- e. Interviews and focused group discussions to complement quantitative information with qualitative assessments to include feedback from various WSS / WRM institutions and stakeholders benefitting from Safe Water assistance such as: 1) improvements in perceptions, knowledge, and skills of WSS/WRM institutions in preparing plans, operations, or delivery of services; and their access to greater financial resources; 2) improved access to WSS services; and 3) benefits from livelihood and landscape activities
- f. Development of Safe Water Web-based M&E System (on-going) to efficiently manage the collection and processing of all data/information gathered and track performance by enabling real-

⁸ The data (quantitative and qualitative) were gathered through access of various documents and focus group discussions (FGDs) / key informant interviews (KIIs) with the LGUs and other institutions in July to December 2020.

time reporting of progress and results/outcomes by site, and generate dashboards and data sets to inform decisions related to project implementation

3.3 PROGRESS AGAINST TARGETS

Safe Water aims to achieve 27 intermediate results and outcomes over a five-year period that will serve as evidence of success in achieving its development objectives. In Year 2, Safe Water set annual targets under 20 intermediate result / outcome indicators. Though restrictions posed by COVID-19 remain prevalent across project sites, Safe Water’s strategies (e.g., virtual sessions to deliver technical assistance and identifying focal persons from partners), accompanied by strong support from partner LGUs, WSPs, the private sector, and other stakeholders, have made it possible to fully achieve, and in most cases, substantially exceed targets under 15 indicators and to partially achieve targets under five (5) indicators. There is nil reported accomplishment for the indicator related to access to improved water supply . This is mainly due to delays in capital investments and the long gestation period of projects, which are aggravated by the stringent definition of access. This prompted discussion with USAID to identify measures to accelerate achievement of targets.

The Team met with USAID on September 21 and October 19 to discuss catch-up measures, and agreed on the following: focus on training and immediate remedial actions to assure water quality and improve pressure; scale the partnership with Water.org and MFIs to cover the latter’s areas of operation for the WASH loans programs; and assist LWUA facilitate the implementation of septage management programs among water districts within the coverage area of the Supreme Court Mandamus to protect Manila Bay.

TABLE 9. YEAR 2 ACCOMPLISHMENTS AGAINST YEAR 2 TARGETS

Indicators by Objective	Type (F/C)	Baseline	LOP Target	Y2 Project Target*	FY 2021 Actual				
					Q1	Q2	Q3	Q4	Total
Objective 1: Increased access to resilient water supply and sanitation services*									
O 1.1: Number of people gaining access to basic or safely managed drinking water services as a result of US Government (USG) assistance	F		270,000	20,000	13,464	10,185	14,335	10,062	48,046 (140% from Y2 target; 18 % of LOP target)
	<i>Basic</i>	1,539,312							
	<i>Safely Managed</i>	1,260,760			13,464	10,185	14,335	10,062	48,046
O 1.2: Number of people receiving improved service quality from an existing basic or safely managed drinking water service as a result of USG assistance	F	0	800,000	50,000	199	91	614	307	1,211 (-98% from Y2 target; 0.15% of LOP target)
About 9,850 households (with 49,257members) from the project sites accessed loans from Water.org amounting to about PHP 944 million (\$879,000) to cover fees to avail of connections or improved services from safely managed drinking water facilities. Safe Water is assisting LGUs and WSPs with: FS preparation; designs and POWs for water supply projects; construction supervision; access to financing and other capacity building activities to expand and improve operations of WSPs and provide more people with access to safe drinking water services in the years ahead.									
O 1.3: Number of people gaining access to	F		210,000	20,000	12,792	21,220	39,199	12,453	85,674 (328%

Indicators by Objective	Type (F/C)	Baseline	LOP Target	Y2 Project Target*	FY 2021 Actual				
					Q1	Q2	Q3	Q4	Total
limited or basic or safely managed sanitation services as a result of USG assistance									from Y2 target; 41% of LOP target
	<i>Basic</i>	2,556,952			12,792	21,220	39,199	12,453	85,674
	<i>Limited</i>	1,821,283							
	<i>Safely Managed</i>	1,375							
O 1.4: Number of people receiving improved sanitation services quality from an existing "limited" or "basic" services as a result of USG assistance	F	0	310,000	40,000	5,522	11,854	3,492	45,358	66,226 (66% from Y2 target; 21% of LOP target)
About 30,380 households (with 151,900 members) from the project sites accessed loans from Water.org amounting to about PHP255.46 million (\$5.11 M) to construct their own basic sanitation facilities (water-sealed toilets & septic tanks). Safe Water is currently assisting LGUs / WSPs with: FS preparation; designs and POWs of septage management programs; access to financing; and strengthening of community awareness on sanitation that will provide more people with access to limited / basic / safely managed sanitation services in the years ahead.									
Objective 2: Improved sustainable management of water resources									
O2.1: Amount of greenhouse gas (GHG) emissions reduced or avoided (in metric tons equivalent) related to sustainable landscapes as a result of USG assistance	F	418,896	1,000,000	75			4,557	44,948	49, 505 (66% from Y2 target; 5% of LOP target)
Breakdown of GHG emissions prevented: (i) 4,557 MT in Bago watershed under the P4WatER Project activities such as: profiling of and start of rehabilitation of some of the 22 springs identified in the 19 barangays of the project area, construction of nurseries and plant propagation; (ii) 13,503 MT in BMRB through the preparation of Local Watershed Conservation and Rehabilitation Plans of municipalities around the river basin, consistent with the existing IWMP and strengthening of Watershed Management Council; and (iii) 31,445 MT in Narra watershed through the implementation of various activities indicated in the Watershed Management Plan (WMP) such as reforestation.									
O 2.2: Number of people benefiting from adoption and implementation of measures to improve water resources management as a result of USG assistance	F	0	600,000	150,000			665	153,669	154, 334 (3% from Y2 target; 26% of LOP target)
3 rd Quarter: Three partnerships from Sarangani have already demonstrated benefits among its members (665 people) in terms of improved farming practices (actual coffee planting) that would provide additional income to households while protecting and increasing forest cover. 4 th Quarter: PPCWD accessing water source from Montible watershed with watershed protection activities already through LAWIN system. The WD serves about 46,980 HHs (as of Dec. 2019). Assuming only 80% of HH benefitted from improved water supply services, at 4 members per household, total number of people benefiting is 150, 336. In Negros Occ. MUAD facilitated establishment of savings and credit cooperatives for 13 POs benefitting 2, 735 individuals and San Carlos City is financing the allowances of 130 LAWIN patrollers benefitting 598 individuals at 4.6 members per household.									
O 2.3: Number of people receiving livelihood co-benefits (monetary or non-monetary) associated	F	22,450	160,000	15,000		508	1,957	12,815	15,280 (2% from Y2 target; 10% of LOP target)

Indicators by Objective	Type (F/C)	Baseline	LOP Target	Y2 Project Target*	FY 2021 Actual				
					Q1	Q2	Q3	Q4	Total
with USG sustainable landscapes activities.									
	All 15 partnerships have benefited various proponents/ farmer groups with 15,280 individuals gaining increased environmental awareness and protection of forest resources from various Safe Water activities (meetings with the stakeholders, project orientation activities, planning and capacity building sessions, etc.). Other benefits include access to markets, new in-demand skills for emerging environment-based enterprises, improved community awareness on sanitation practices, and community organizations capacitated to manage livelihoods and sustain forest protection activities.								
O 2.4: Changes in runoff-ratio in targeted catchments	C	Surface flow was at 2.15 billion cubic meters or equivalent to a run-off ratio at 48% VS 4.5 billion cubic meters annual rainfall	At least retained						
	Results of Hydrologic Studies in five watersheds (Baseline) Annual Run-off ratio (1975-2005): 48% (2.15 billion cubic meters out of 4.5 billion cubic meters rainfall)								
O 2.5: Changes in water quality as measured by water turbidity	C	FNUs at sections of river: 24.8% (upstream); 53.3% (midstream); 59.5% (downstream)	At least retained						
	Results of Hydrologic Studies in five watersheds (Baseline) Water Quality by Section of River (Turbidity measured in Formazin Nephelometric Units, FNUs): Upstream, 24.82; Midstream, 53.26; Downstream: 59.46								
O 2.6: Changes in the volume of groundwater recharge / infiltration	C	940.3 million cubic meters, equivalent to 21% GW recharge rate against 4.5 billion cubic meters annual volume of rainfall.	At least retained						
	Results of Hydrologic Studies in five watersheds (Baseline) Annual Ground Water Recharge / Infiltration (1975-2005): 940.3 million cubic meters, equivalent to 21% GW recharge rate against the 4.5 billion cubic meters annual volume of rainfall.								
Objective 3: Strengthened water sector governance									

Indicators by Objective	Type (F/C)	Baseline	LOP Target	Y2 Project Target*	FY 2021 Actual				
					Q1	Q2	Q3	Q4	Total
O 3.1: Number of policies or plans developed, enhanced, or implemented to promote water security	C	35	50	10	1	4	8		13 (30% from Y2 target; 26% of LOP target)
<p>Actual achievements initiated by Safe Water include:</p> <p>Palawan (5): EOs creating (i) TWG for IWMP of Montible; Narra Watershed Regulation and Evaluation Committee; (ii) TWG for the Formulation of the Management Plan for Lake Manguao Municipal Conservation Area and Ecotourism Zone (Taytay); (iii) TWG for Integrated Watershed Management Plan (Narra); (iv) Creation of Protected Area Suitability Assessment (PASA) Team; and (v) PPCWD Montible-Lapu Lapu Integrated Watershed Management Plan Technical Working Group.</p> <p>Negros Occidental (1): EO creating the Provincial Integrated Water Security Team (PIWST)</p> <p>Sarangani (7): EOs creating (i) Provincial Integrated Water Security Council (PIWSC); (ii) Alabel Water Security council (iii) Malungon ENRC; (iv) Malapatan ENRC; (v) Maasim ENRC; (vi) Glan ENRC; and Kiamba ENRC</p>									
O 3.2: Number of water and sanitation sector institutions strengthened to manage water resources or improve water supply and sanitation services as a result of USG assistance	F	0	50	20			9	19	28 (40% from Y2 target; 56% of LOP target)
<p>Achievements as a result of Safe Water TA include:</p> <p>Palawan: 9 WSS Institutions</p> <p>Nine (9) institutions improved capacities in planning for watershed protection through SW's use of evidence, data and science-based analytics and capacity building activities in the formulation of IWMPs of Montible Lapu-lapu and Narra watersheds. The analysis took into account climate change data, findings of the hydrologic studies, among others. The institutions include:</p> <p>Montible IWMP:</p> <ul style="list-style-type: none"> - PPCWD - Puerto Princesa City LGU - DENR CENRO - BuCor-IPPF - Palawan State University - Western Phil. University <p>Narra IWMP:</p> <ul style="list-style-type: none"> - Narra MLGU - DENR CENRO Quezon - Palawan State University <p>Negros Occidental: 4 WSS Institutions</p> <ul style="list-style-type: none"> - PIWST to work on its PIWSP using results of the hydrologic studies <ul style="list-style-type: none"> 1) Provincial Government of Negros Occidental - WDs adopting Financial Stress Test <ul style="list-style-type: none"> 2) Murcia WD; 3) La Carlota WD; and 4) Kabankalan WD <p>Sarangani & General Santos City: 15 WSS Institutions</p> <ul style="list-style-type: none"> - Alabel: Water Security Council with increased technical knowledge on science-based approach in managing water resources through various Safe Water workshops / trainings; and on-going in formulating LGU watershed conservation plan. - Three (3) POs from Green Tropics Enterprise that have applied improved farming practices acquired from training sessions facilitated by Safe Water. - Four (4) partners (Kasilak, Mahintana CLAFI, Green Tropics Coffee Enterprise) that formulated their respective operations plan for livelihood activities with upland farmer groups - Other four (4) LGUs (Sarangani Provincial Government, Maasim, Narra and Taytay) are formulating LGU watershed conservation plans; - Glan and Malapatan LGUs capacitated on Construction Supervision Training 									

Indicators by Objective	Type (F/C)	Baseline	LOP Target	Y2 Project Target*	FY 2021 Actual				
					Q1	Q2	Q3	Q4	Total
- General Santos City WD adopting Financial Stress Test									
Intermediate Results (Outputs / Foundational Outcomes) by Objective									
Objective 1: Increased access to resilient water supply and sanitation services									
IR 1.1: Number of WSPs with increased operational, technical, and financial management capacity through Safe Water activities	C	188	30	5	4		9		13 (160% from Y2 target; 43% of LOP target)
	Achievements include: (i) Safe Water TA to six (6) WSPs (Culion WD, Taytay WD, Murcia, La Carlota, Kabankalanand GenSan WD) in the adoption or application of the Financial Stress Test; (ii) 6 LGUs (PLGU Sarangani, LGU Maasim, Alabel, Glan, Malapatan, and Malungon) that have applied learnings gained from Water System Design Training provided by Safe Water with their current / proposed projects; and (iii) installation of water flow meter in San Vicente waterworks (as recommended by Safe Water).								
IR 1.2: Number of coordination mechanisms institutionalized at the local, watershed, and regional levels through Safe Water activities	C		48	4	2		8		10 (150% from Y2 target; 21% of LOP target)
	Achievements involve various EOs passed by LGUs as a result of higher interest to realize investments and measures to achieving water security. EOs pertain to the following: Palawan (3): <ul style="list-style-type: none"> - Creation and Composition of Narra Watershed Regulation and Evaluation Committee (N-WREC); - Creation of TWG for the Formulation of the Management Plan for Lake Manguao Municipal Conservation Area and Eco-Tourism Zone in the Municipality of Taytay; - Creation and Composition of the TWG for Integrated Watershed Management Plan of Narra Negros Occidental (1): <ul style="list-style-type: none"> - Creation of PIWSC Sarangani (6): <ul style="list-style-type: none"> - Creation of ENRCs in the municipalities of Maasim, Malungon, Glan, and Malapatan - Provincial Integrated Water Security Council - Alabel Water Security Council 								
IR 1.3: Value of new funding mobilized to the water and to the water and sanitation sectors as a result of USG assistance (Million USD)	F	0	75.000	10.000	1.110	1.399	6.039	2.325	10.873 (8% from Y2 target; 14% of LOP target)
	Public						5.999	0.828	6.827
	Private				1.110	1.399	0.040	1.497	4.046
Investments mobilized through SAFE WATER activities include: (i) WASH loans worth US\$ 4.001 M providing roughly 201,000 people access to expanded / improved WSS services in the provinces of Palawan, Negros Occidental and Sarangani under SAFE WATER and Water.org partnership; (ii) loans from commercial funding institutions worth PHP176 million (\$3.52 M); (iii) Salintubig grant to the municipality of Dumarang (Palawan) worth PHP13.55 million (\$2.71 M); and (iv) LGU budgets e.g., Negros Occidental supplemental budget and Sarangani-Alabel water supply projects worth PHP29.7 million (\$0.594 M)									

Indicators by Objective	Type (F/C)	Baseline	LOP Target	Y2 Project Target*	FY 2021 Actual				
					Q1	Q2	Q3	Q4	Total
IR 1.4: Number of feasibility studies, programs of work, and detailed designs developed that enable water supply and sanitation service expansion or improvement as a result of USG assistance (New)	C	0	50	0			4		4 (8% of LOP target)
Safe Water accomplishments include (i) Study & POW for Alabel water treatment plant; (ii) Study & POW for Alabel septage treatment plant; (iii) Detailed design of standard septic tank for Awesome Fund in Sagay, Negros Occ. and Alabel, Sarangani; and (iv) Investigation and recommendation (equivalent to POW) on proposed well drilling for Manapla WD.									
Objective 2: Improved sustainable management of water resources									
IR 2.1: Number of hectares under improved watershed management through Safe Water activities	C	2,136	330,000	10,000				24,178 hectares	24,178 (242% from Y2 target; 7% of LOP target)
Narra = 10,376; BMRB = 9,250; Bago = 4,552 hectares; These watersheds have approved IWMP, with watershed management councils and are implementing WRM activities as provided in their IWMP. Narra and Bago watersheds are also implementing PES mechanisms to mobilize new financing resources to implement the plan. WMPs of other watersheds are in various phases of the planning process.									
IR 2.2: Number of LGU, WSPs, and watershed stakeholders with improved capacity to plan, manage and monitor water and forest resources sustainably, using data and innovative technologies	C		50	8			7	1	8 (16% of LOP target)
Safe Water achievements include: four (4) partners (Kasilak Foundation, Mahintana Foundation, CLAFI; and Green Tropics Coffee Enterprise) in formulating their respective operations plan to implement livelihood activities with upland farmer groups; three (3) POs (Datal Basak, Mutoladal, and Holik Farmers Association) that acquired hands-on training on coffee production that would contribute to forest protection / conservation; and Puerto Princesa WD (Palawan), which is actively involved in the formulation of Montible WMP.									
IR 2.3: Amount of investment mobilized (in US\$ equivalent) for sustainable landscapes, as supported by USG assistance	F		16,000,000	10,000,000	9,920,350*	249,235	376,195		10,545,780 (5% from Y2 target; 66% of LOP target)
Amounts mobilized include PHP496 million (\$9.92 M) from FFSI; PHP18.77 million (\$375,334) from partnerships for livelihood / landscape activities in Negros Occidental and Sarangani; PHP12.5 million (\$249,195) approved supplemental budget of Negros Occidental to support implementation of landscape activities and PHP62,550 (\$1,251) spent by PPCWD in various workshops to develop Montible IWMP.									
IR 2.4 Number of people who apply improved conservation law enforcement practices as a result of USG assistance	C		2,000	100				100	100 (5% of LOP target)
monitors to enforce watershed conservation laws.									
Objective 3: Strengthened water sector governance									

Indicators by Objective	Type (F/C)	Baseline	LOP Target	Y2 Project Target*	FY 2021 Actual				
					Q1	Q2	Q3	Q4	Total
IR 3.1: Number of major reform initiatives supported	C		10	0					
IR 3.2: Number of mechanisms developed and/or enhanced for exchanging knowledge on water security	C		15	4		1	1	1	4 (27% of LOP target)
Achievements include (i) WSS Network; (ii) PGNO Water Security Program (and website); (iii) SW newsletter and other communication materials; and (iv) Launch of the Water Challenge. By early part of Year 3, Safe Water will continue to explore development of mechanisms for knowledge exchange on water security thru: (i) Palawan Knowledge Platform; and (ii) local water alliance(s).									
Cross-cutting									
Number of tools, technologies, or measures implemented to manage water resources or improved WSS through Safe Water activities	C		30	6	6	7	5		18 (200% from Y2 target; 60% of LOP target)
Various tools, technologies, or measures that have been developed / enhanced through Safe Water include: 1) Financial Stress Test; 2) Strategic Business Planning Toolkit; 3) Livelihood Assessment and Scoping Toolkit; 4) WSP Assessment Tool; 5) WDM Framework; 6) Policy Note on the Economic Cost of Inadequate Water; 7) PIWWSF; 8) Summary Report: Preliminary Climate Risk Analysis; 9) Science Communication Plan on Climate and Information Uptake and Usability; 10) Livelihood Strategy Special Report; 11) Concept Note on the Formation of the WSS Network; (12) Baseline Assessment Report; and 13) Hydrologic Studies.									
Safe Water also submitted 3 Technical Notes to NEDA supporting the Water Convergence Program to strengthen budget advocacy for higher WSS investments: 1) justification for continued NG financial assistance to LGUs for WSS investments; 2) inclusion of sanitation in the priority menu of projects for GEF assistance; and 3) alignment of URAF with the Sustainable Development Framework and Roadmap.									
Further, Safe Water developed a Concept Brief on OBA-BF and contributed to the installation of flow meters of San Vicente waterworks.									
Number of partnerships developed and/or institutionalized to manage water resources or improve water supply and sanitation services as a result of USG assistance	C		18	10	3	4	2	1	10 (55% of LOP target)
Ten (10) partnership agreements have been signed during Year 2 with the following: Palawan (3): DAI-SW and Puerto Princesa City Water District (PPCWD); DAI-SW and Yamang Bukid Farm (YBF); and DAI SW and Palawan Council for Sustainable Development (PCSD) Negros Occidental (1): Coca-Cola Foundation Philippines Inc. and Multi-stakeholder Alliance for Development-Negros (MUAD-Negros) Sarangani (2): DAI-SW and Kasilak Development Foundation; and DAI-SW and GreenTropics Coffee Enterprise (GreenTropics) Across Sites (4): DAI-SW and Negros Women for Tomorrow (NWT); DAI-SW and ASA Phil. Foundation Inc.; DAI-SW and SUNlight Foods Corporation; and PDRF, Manila Water and Maynilad for the Philippine Water Challenge The other five (5) partnerships forged during Year 1, making the total SW initiated partnerships to 15 as of the period include: DAI-SW and PBSP; DAI-SW and Water.Org.; DAI-SW and FSSI; DAI-SW and CLAFI; and DAI-SW and Mahintana Foundation.									
Percentage change of women in decision-making positions in WSPs or sector	C	32%	50%						

Indicators by Objective	Type (F/C)	Baseline	LOP Target	Y2 Project Target*	FY 2021 Actual				
					Q1	Q2	Q3	Q4	Total
institutions supported by Safe Water									
Number of persons trained with USG assistance for advancing gender equality or female empowerment through their roles in public or private sector institutions or organizations	C		1,000	100			46	54	100 (10% of LOP target)
	Safe Water staff was a resource speaker in a webinar session entitled "Because Women Count" organized by the Provincial Government of Negros Occidental.								
Proportion of female participants in USG assisted programs designed to increase access to productive economic resources (assets, credit, income, employment).	C	40%	50%				67%		67%
	Accomplishments include: Palawan: 81 out of the 109 members (74%) of Irawan-based IPs and women's associations registered with DOLE thru Safe Water TA are women. Sarangani: Out of 35 farmers participants in the training for coffee production through the Climate Resilient Farmer Field School at Sitio Datal Basak, Kablacan, Maasim, 21(60%) are women.								

* MFIs through Water.org have been submitting aggregate figures. On access to water services, data for these WASH loans are currently aggregated and do not distinguish between "basic drinking water services" and "safely managed drinking water services". For now, results on access to drinking water services are counted against "safely managed" since most of the loans are used for new piped connections. On access to sanitation, data for these WASH loans are currently aggregated and do not distinguish between "basic sanitation" and "limited sanitation". For now, results on access to sanitation are counted against "basic sanitation" since limited sanitation will not require significant capital cost (e.g., excavation of pits). Safe Water is working with MFIs to provide disaggregated data to better inform attribution of result. Hence the numbers reported for the WASH indicators may be adjusted later.

4. PROJECT MANAGEMENT AND ADMINISTRATION

This section provides highlights of the financial performance, human resource management, and operational and project management activities.

4.1 MANAGEMENT AND OPERATIONS

The Chief of Party and Deputy Chief of Party continued to lead, coordinate and manage the day-to-day operations and implementation activities of the Safe Water Project. DAI Headquarters continues to provide backstop administrative, finance and technical support and guidance on implementation concerns.

COVID-19

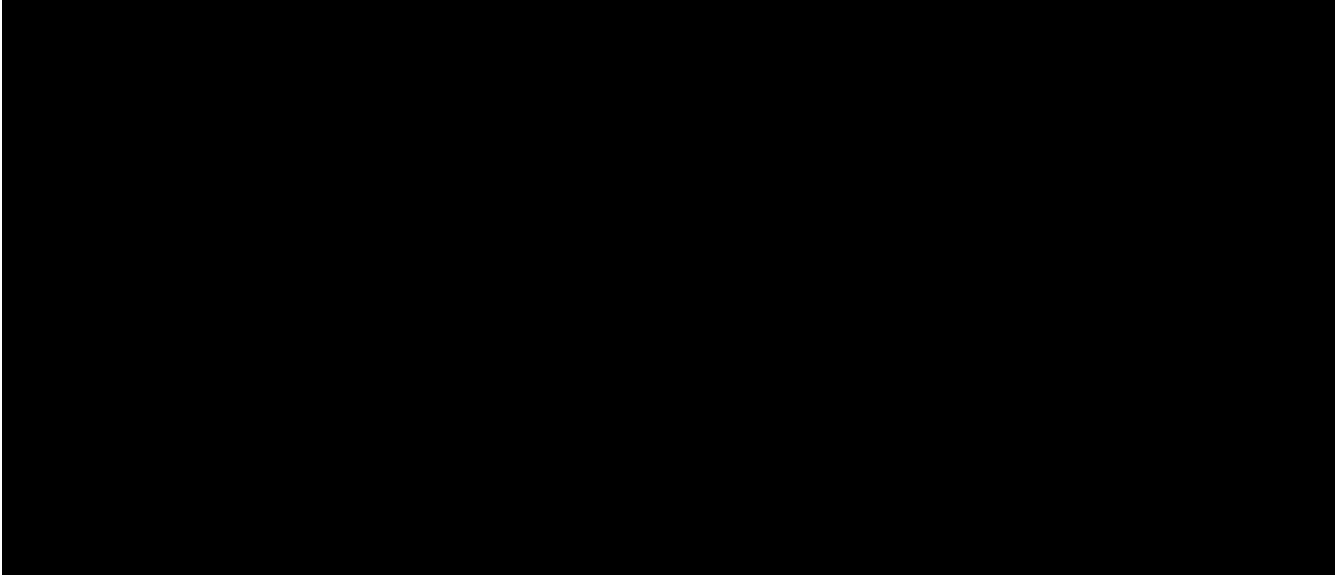
The Team continued to monitor the quarantine levels enforced in the project sites. Beginning mid-June, an upsurge in the number of new infections was recorded by the Department of Health (DOH) due to the entry of a new COVID-19 variants in the country. New weekly cases drastically rose from 40,034 in mid-June to a peak of 133,765 by mid-September. With the increasing number of new infections and the critical utilization rates of health facilities, all project sites experienced higher quarantine levels during the 4th quarter, which included more stringent requirements for mobility and meetings. The table below presents the status of the quarantine levels in the implementation sites.

TABLE 10. QUARANTINE LEVELS IN SAFE WATER PROJECT SITES

SWA Field Sites	2020												2021								
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep		
Metro Manila	Red	Red	Red	Yellow	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Yellow	Yellow	Yellow	Red	Red		
Palawan Province	Green	Red	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green		
Puerto Princesa City	Green	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	Red	Red	Yellow	Yellow		
Negros Occidental Province	Green	Red	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow		
Bacolod City	Green	Green	Red	Green	Green	Red	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow		
Sarangani Province	Green	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow		
General Santos City	Green	Red	Yellow	Green	Green	Green	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow		

Red	ECQ/MECQ
Yellow	GCCQ with alert levels 1-5, 5 being the most restrictive
Green	MGCQ

In addition to the quarantine status declared by the Inter-Agency Task Force (IATF) for the Management of Emerging Infectious Diseases, city and municipal local government units in project sites also enforce strict measures, such as granular lockdowns, within their jurisdiction to contain the spread of COVID-19. These granular lockdowns depend on the local situation and reported clusters of COVID-19 infections in the area. They often happen in the city/ municipal centers where government offices, private commercial businesses, and high concentrations of residences are located. The resulting restricted mobility affects the implementation of project activities in these areas. Several of Safe Water’s LGU partners closed their offices due to the rising number of infections among their officials and employees, who were placed under isolation. These office closures, episodic lockdowns and stricter quarantine measures directly affected several project activities scheduled during the quarter.



The Team continued to implement different work arrangements designed to suit the unique situation of the project offices' locations. For the Manila Office, all staff members were on a work from home arrangement for the whole quarter, except on August 3 – 4 where team members were required to report to the office for a meeting to prepare important project events. The site offices set their own arrangement monthly as cleared by project management and based on the prevailing pandemic situation and quarantine restrictions being imposed in their respective areas.

STAFFING

The project hired three (3) LTTA staff between July to September 2021. These included: (1) Operations and Human Resources Manager (due to resignation of former Operations and Human Resources Manager); (2) Communications, Outreach and Gender (COG) Manager (due to resignation of Communications Manager); and (3) Private Sector Engagement Associate (new position). The project hired three (3) STTA staff: (1) Field Coordinators for the Output - Based Aid with Blended Finance pilot implementation, one each for the two pilot areas – Suyac Island in Negros Occidental, and Alabel and General Santos; and (2) Finance Administrator for General Santos City Office to handle the financial management functions of the office while the LTTA Finance Administrator is on maternity leave.

The Team continued to engage the following Home Office staff to provide support for effective and efficient project implementation that allowed the project to achieve its accomplishments during the period despite the challenges and limitations brought about by the COVID-19 pandemic.

██████████ – Home Office Project Director, provided overall technical oversight in the project implementation.

██████████ – Home Office Project Manager for Safe Water, provided technical management oversight and support. Responded to USAID requests for contractual information, supported recruitment and on-boarding of key staff, led monthly and quarterly reviews with the project leadership team.

██████████ . Home Office Associate, provided support in the recruitment and on-boarding of project staff including preparation of TORs and relevant documents for USAID approval.

TABLE II. SUMMARY OF TECHNICAL AND SUPPORT STAFF BY LOCATION (AS OF SEPTEMBER 30, 2021)

Categories	Total	Staff Type		Location			
		Technical	Operations	Manila	Palawan	Negros Occidental	GenSan
No. of staff on board	66	46	20	35	9	10	12
Total Long-Term Technical Assistance Staff	49	30	19	21	9	9	10
No. of STTA staff	3	2	1	-	-	1	2
No. of staff resigned during the quarter	1	-	1	1	-	-	-
No. of staff for recruitment	7	6	1	-	3	2	2

██████████ - Provided guidance in the development of contracts for procurement documents and contracts of implementing partners. Provided guidance in ensuring compliance with USAID contractual requirements.

██████████ – Provided timely technical support to staff on Technical and Administrative Management Information System (TAMIS). TAMIS serves as a workflow and reporting tool that integrates activity management, project administration, impact and performance monitoring, and streamlines subcontract management along with other tasks.

██████████ - Field Accounting System (FAS) Specialist – Conducted virtual training and technical assistance to Safe Water Finance Team in the hardware and software set-up, and comprehensive support in the implementation of DAI Field Accounting System.

In support of various activities, major procurements completed during the 4th Quarter include:

TABLE 12. BREAKDOWN OF MAJOR PROCUREMENTS DURING 4TH QUARTER (JULY-SEPTEMBER 2021)

DESCRIPTION	TOTAL (US\$)	DATE OF PURCHASE ORDER
IT Supplies: Toner, LCD Project and Teleconferencing Camera, and Zoom Subscription	US\$ 14,012.19	July 06, 2021
Renewal of Internet Subscription	US\$ 12,000.00	August 18, 2021
One (1) unit Project Vehicle	US\$ 28,787.72	August 12, 2021
Inception Report: Technical Approach and Workplan	US\$ 16,934.40	August 31, 2021

Safe Water procured one (1) unit, 2020 Chevrolet Trailblazer Wagon for its Manila Office. The vehicle will be used both for operational and technical activities of the project. The Team also procured LCD, Teleconferencing camera for field teams, and a Zoom Subscription.

As part of their capacity building activities, the Procurement Team continued its bi-weekly discussions on the different components of DAI procurement systems and procedures. The regular discussions focus on procurement regulations, knowledge sharing of on-the-ground experiences, challenges, and solutions. The Procurement Team also continued its monthly review of transactions to ensure all backup documentation and procurement processes are audit ready.

PLANS FOR THE NEXT QUARTER

1. Coordinate with external auditors for the completion of the Audited Financial Statement for the Year ending in 2020, and submission to Bureau of Internal Revenue and Securities and Exchange Commission.
2. Issue Request for Proposal for Calendar Year 2021 statutory audit by second week of October.
3. Assess ICA LOE and travel needs with inputs from component team leaders for budget preparation, both for internal use and for submission of quarterly accruals to USAID.
4. Engage short-term consultant to assist in finance records archiving.
5. Develop Year 3 Project Procurement Plan to ensure efficient and timely delivery of goods and services that contribute to effective implementation of activities.
6. Continue to recruit qualified personnel for long-term operational and technical staff, as well as short-term consultants needed by the project. This includes filling the position of the outgoing Deputy Chief of Party. The following LTTA positions are targeted to be filled in the next quarter:
 - Three (3) Water Resources Management (WRM) Officers
 - Three (3) Water Supply and Sanitation (WSS) Managers
7. Update the COVID-19 Project Continuity Plan and Return to Work Guidelines to strengthen the policies and procedures in place, and ensure compliance with DOH, DOLE, IATF guidelines.