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# **USAID Safe Water QUARTERLY REPORT**

Third Quarter (Year 2: April – June 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, Geosciences Foundation Inc., and CEST Inc.

This report describes the accomplishments of the Safe Water project from April to June 2021, the 3rd Quarter of its second year of implementation. It also provides a summary of the planned activities for the fourth quarter ending September 2021.

## COVER STORY

### IMPROVING OPERATIONAL EFFICIENCY, SERVICE DELIVERY AND BUILDING CAPACITY OF WSPS

After conducting assessments of various water service providers (WSPs) in Safe Water sites, the Team is preparing recommendations to address operational inefficiencies, develop projects and build capacity of these WSPs. Safe Water Team is implementing a suite of technical assistance activities to LGUs and WSPs such as: various types of assistance for 14 projects (as of the 3rdQ) to get to implementation stage, 5 LGUs trained on proposal preparation for WSS projects and 6 WSPs trained and being mentored on strategic business planning.

An example is the technical assessment of the Alabel Waterworks Water Treatment Plant (WTP) located in Sitio Nop, Brgy. Spring in the Municipality of Alabel. The Alabel Waterworks WTP was built in 2018 with a design capacity of 2,500 cubic meters per day. A month after the LGU operated the facility, technical problems manifested and the WTP has since been mothballed. This has resulted to inadequate supply and consequently less people served. Had it been operational the LGU could have served about 3,500 additional households. At the request of the LGU, Safe Water fielded a STTA

#### Assessment of the Alabel Waterworks Water Treatment Facility

The assessment revealed that the WTP's flocculation tank was limited to a maximum capacity of 1,500 cubic meter per day while the plate clarifiers to only 2,000 cubic meters per day. Both structures were found to be below the plant's design capacity of 2,500 cubic meters per day.

The under-capacity can be traced to the following problems: short flocculation time which does not allow destabilized particles to agglomerate into a size that can be removed by sedimentation and corroded clarifier plates that limit treatment capacity and affect the quality of treated water. In addition, the WTP does not have a backwashing system to clean the filter media and there is no facility for dewatering collected sludge.

Based on the assessment conducted, the following were the recommendations to operate the WTP based on the design capacity of 2,500 cubic meters per day:

- construction of new flocculation tanks with slow mixers to meet required flocculation time
- construction of new plate clarifiers made of fiber glass or PVC to replace corroded plates
- installation of backwashing system to maintain filtering capacity
- construction of sludge pond to dewater sludge that settle at the bottom of the plate clarifiers

The estimated cost of the proposed improvements is PHP 4.4 million. The Team expects the local chief executive to propose the funding in the 2022 budget.



Above: Inspection of Flocculation Tank  
Below: Existing Plate Clarifier

Treatment Process Specialist to assess the corrective measures to operationalize the plant and to ensure its operational efficiency (see *Box for details of the assessment*). The SW Team provided proposed designs and estimated costs for the above recommendations to upgrade Alabel's WTP. The Team is also assisting in the preparation of a Program of Work (POW) to be completed in the next quarter. Once Alabel Waterworks acts on these recommendations, 21,000 people from the LGU stand to benefit from improved water quality.

Apart from the assessment of the WTP, the Team is also assisting Alabel Waterworks in drafting a POW to optimize operation of its existing septage treatment plant and in the automation of its billing and collection system.

SW is also building the capacity of Alabel Waterworks, through structured training and mentoring in the following areas:

- Prepare proposals for national government grant programs. After the Team's training, Alabel Waterworks applied for the FALGU funding for an intake/impounding facility along Maribulan River.
- Craft its 5-year strategic business plan
- Monitor water quality, a critical first step for the preparation of its Water Safety Plan.

The Team is also poised to assist Alabel Waterworks adopt utility governance reforms, as it has signed up for the pilot implementation of the Central Management System (CMS)—which will put under the LGU's supervision decentralized community-based water systems and to require common set of performance standards, O&M guidelines and tariff setting methodology.

With Alabel Waterworks as an example, Safe Water will continue to undertake and scale-up interventions such as these for other WSPs in the project sites to realize the goal of improving access to safely-managed water and sanitation services in the Project's target communities.

# EXECUTIVE SUMMARY

This report presents the accomplishments of the Safe Water Project (SW) for the 3<sup>rd</sup> Quarter (April to June 2021) of its second year of implementation. It also provides a summary of the planned activities for the 4<sup>th</sup> Quarter (July to September 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 SW 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 SW Team (the Team) accomplished the activities summarized in Table I.

**TABLE I. SUMMARY OF YEAR 2 3RD QUARTER KEY ACTIVITIES AND ACCOMPLISHMENTS**

OBJECTIVE	KEY ACTIVITIES
Objective 1: Increased access to resilient water and sanitation services	<ul style="list-style-type: none"> <li>• Project development assistance to WSPs such as new water source development, assessment of water treatment and septage management facilities, water systems improvement, preparation of project proposals, program of works (POWs) and pre-feasibility studies</li> <li>• Training and mentoring of WSPs in strategic business planning, project proposal preparation and water quality monitoring</li> <li>• Assistance to provincial governments in the preparation of Provincial Integrated Water Security Plans</li> <li>• Preparations for the pilot implementation of the Central Management System (CMS)</li> </ul>
Objective 2: Improved sustainable management of water resources	<ul style="list-style-type: none"> <li>• Facilitation of management planning for priority watersheds and strengthening of organizational capacities of watershed management councils</li> <li>• Completion of hydrologic studies for five watersheds and presentation of findings to various partners and stakeholder groups</li> <li>• Development of local stakeholders’ capacity for climate and hydrologic risk assessment</li> <li>• Resource mobilization to support community livelihood and implementation of watershed management activities</li> <li>• Scaling adoption of Payment for Ecosystem Services</li> <li>• Capacity building for Water Demand Management (WDM) at the local level through conduct of re-run of basic WDM training and research and materials development on local WDM practices</li> </ul>

Objective 3: Improved water sector governance	<ul style="list-style-type: none"> <li>• Mobilizing financing for resilient WSS services through the identification and facilitation of access to national government resources, GFI and MFI portfolios, and the promotion of PPP and innovative financing schemes (PES and OBA-BF)</li> <li>• Support for the implementation of the Philippine Water Supply and Sanitation Master Plan (PWSSMP) and the operationalization of the Unified Resource Allocation Framework (URAF)</li> <li>• Technical secretariat support to the NEDA-led WSS Network</li> <li>• Development of Policy Tools and Knowledge Products such as Technical Notes supporting the Water Convergence Program to support advocacy for higher budget allocation for WSS investments and Concept Briefs on OBA-BF and PES</li> </ul>
Cross-cutting Activities	<ul style="list-style-type: none"> <li>• Continuation of Gender Equality and Women's Empowerment (GEWE) assessment</li> <li>• Continuation of Baseline Assessment in other SW sites</li> <li>• Revision of MEL Plan</li> <li>• Preparations for the Philippine Water Challenge</li> </ul>

The activities which contributed to targets this quarter are shown in Table 2 (the cumulative achievement on targets are shown in Table 5).

**TABLE 2: ACHIEVEMENTS DURING THE QUARTER**

INDICATOR	TARGET IN YEAR 2	CONTRIBUTION FROM ACTIVITIES THIS QUARTER
Number of WSPs with increased operational, technical and financial management capacity	5	<b>8 WSPs:</b> Six (6) LGUs in Sarangani applied learnings from the SW Training on Preparing Water System Design in their respective projects. General Santos City WD has also utilized financial stress test introduced by SW. In Palawan, San Vicente waterworks considered SW's recommendation to install water flow meter to improve their operations
Number of coordination mechanisms institutionalized at the local, watershed and regional levels	4	<b>8 mechanisms:</b> In Palawan, two TWGs and one committee were commissioned to lead in the formulation of watershed management plans with assistance from SW. In Sarangani, SW spearheaded the creation of Environment and Natural Resource Committees (ENRCs) in three LGUs (Maasim, Glan & Malapatan), and the Water Security Councils for the Provincial and Municipality of Alabel
Value of new funding mobilized to the water and sanitation sectors (In US \$)	10,000,000	<b>USD 6.06M mobilized</b> comprising of USD 3.52 M commercial loan for water supply expansion in Kabankalan, project will benefit 29,000 in 2023 when the project will be completed; USD 1.9 M DPWH barangay water supply projects assisted with the review of the program of works and site validation, project will benefit 7,850 people by end of 2021; USD 600,000 mobilized from LGU budgets (e.g. Provincial Government of Negros Occidental supplemental budget to support the implementation of the Provincial Integrated Water Security Plan and Provincial Government of Sarangani support to Alabel for water supply rehabilitation) , that will benefit about 50,000 people by end of Y3; and USD 45,000 for the OBA-BF pilot implementation.
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		<b>4</b> comprising of: <ol style="list-style-type: none"> <li>1. Study &amp; POW for Alabel water treatment plant;</li> <li>2. Study &amp; POW for Alabel septage treatment plant;</li> <li>3. Detailed design of standard septic tank for Awesome Fund in Sagay, Negros Occ. and Alabel, Sarangani; and</li> </ol>

INDICATOR	TARGET IN YEAR 2	CONTRIBUTION FROM ACTIVITIES THIS QUARTER
		4. Investigation and recommendation (equivalent to POW) on proposed well drilling for Manapla WD.
Amount of greenhouse gas (GHG) emissions reduced or avoided (Metric Tons)	75,000	An estimated <b>4,557 metric tons of GHG emission prevented</b> by initial activities in Bago watershed under the P4WatER Project partnership as part of the interventions for the conservation of the existing 12,645 hectares of natural forests
Number of people benefiting from adoption and implementation of measures to improve water resources management	150,000	<b>665 people gaining benefits</b> through improved coffee farming from an on-going partnership concerning three POs in Sarangani
Number of people receiving livelihood co-benefits	15,000	<b>1,957 people receiving co-benefits</b> (increased environmental awareness and protection of forest resources, improved farming practices) from on-going partnerships spearheaded by SW between private sector and upland communities on watershed protection / conservation in Negros Occidental and Sarangani.
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	<b>7 watershed stakeholders:</b> Four (4) partners from Sarangani formulated their respective operations plan for livelihood activities with upland farmer groups; three (3) POs acquired hands-on training on coffee production that would contribute to forest protection / conservation.
Amount of investment mobilized (in US\$ equivalent) for sustainable landscapes, as supported by USG assistance.	10,000,000	<b>USD 376,195 mobilized</b> from (i) Provincial Government of Negros Occidental approving a supplemental budget of USD 249,195 to support implementation of landscape activities under the Provincial Integrated Water Security Plan (PIWSP); and (ii) USD 127,000 mobilized from partnership with KASILAK (Sarangani)
Number of policies or plans developed, enhanced, or implemented to promote water security	10	<b>8 policies:</b> EOs issued creating 2 TWGs and 1 committee in Palawan to work in the formulation of watershed management plans (Palawan); and creation of Environment and Natural Resource Committees (ENRCs) in 3 LGUs, 2 Water Security Councils (Provincial and Municipality of Alabel) in Sarangani.
Number of mechanisms developed and/or enhanced for exchanging knowledge on water security	4	<b>1 mechanism:</b> Negros Occidental Water Security Program lodged in the Provincial Website
Number of water and sanitation sector institutions strengthened to manage water resources or improve water supply and sanitation services	20	<b>5 WSS institutions:</b> PIWSP of Negros Occidental; Alabel Water Security Council and 3 POs from GreenTropics in Sarangani
Number of tools, technologies, or measures implemented to manage water resources or improved WSS through Safe Water activities	10	<b>5 tools:</b> 3 Technical Notes submitted to NEDA supporting the Water Convergence Program to strengthen budget advocacy for higher WSS investments; Concept Brief on the OBA-BF; and Installation of water flow meter of San Vicente waterworks

INDICATOR	TARGET IN YEAR 2	CONTRIBUTION FROM ACTIVITIES THIS QUARTER
Number of partnerships developed and/or institutionalized to manage water resources or improve water supply and sanitation services as a result of USG assistance	6	<b>2 partnerships:</b> MOA with PDRF, Manila and Maynilad for the PhilWC; and MOU with SUNLight for contract-growing scheme
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	46 persons attended a webinar session entitled “Because Women Count” organized by the Provincial Government of Negros Occidental, with SW staff as a resource speaker.

In addition to continued work on 3<sup>rd</sup> Quarter Activities, major activities planned for the 4<sup>th</sup> Quarter are:

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

1. Continue assessment of WSPs in the remaining LGUs of the three SW sites using the WSP diagnostic tool to identify technical assistance needs for project development and/or capacity building
2. Continue/carry out on-going and previously identified TAs for WSPs (i.e., mentoring on strategic business plans, training on O&M improvement, automation of billing and collection system)
3. Continue activities related to the pilot implementation of CMS in identified LGUs
4. Continue assistance to provincial governments in the formulation of their respective Provincial Water Security Plans
5. Continue working with Water.Org and MFIs on household water connections and toilet facilities
6. Facilitate the construction of toilets and septic tanks in selected poor households in Sagay City and Alabel through DAI’s Awesomeness Program using the output-based aid and blended finance (OBA-BF) mechanism.

#### OBJECTIVE 2: IMPROVED SUSTAINABLE MANAGEMENT OF WATER RESOURCES

1. Complete Montible and Narra Watershed Management Plan and continue IWMP formulation for Palawan Flora and Fauna Watershed Reserve (PFFWR), Lake Manguao, Malogo and Siguel.
2. Formulate LGU watershed conservation plans of Malungon and Alabel in Sarangani province
3. Continue negotiation and engagement of GFI for the conduct of hydrologic studies for remaining watersheds in SW sites and training on hydrologic assessment
4. Continue the process of organizing watershed management councils in Malogo and Siguel watersheds and reactivation of BMRB, Bago and PFFWR Management Councils
5. Monitor/continue work plan implementation by partners such as the conduct financial literacy training for POs, coffee farmers’ field training and other watershed conservation and restoration activities

6. Facilitate LAWIN training in Negros Occidental, Sarangani and Lake Manguao
7. Conduct PES Orientation for Negros Occidental and data gathering for valuation of EGS and cost revenue analysis for BMRB, and Irawan Watershed
8. Continue case documentation of WDM in the private sector and identify local partners for WDM advocacy

### OBJECTIVE 3: STRENGTHENED WATER SECTOR GOVERNANCE

1. Continue to link LWUA and DBP for co-financing of WD septage management projects around Manila Bay area, pipelined in 2022; Follow-up endorsement of P4 B project pipeline for DBP sole financing
2. Assist NEDA in advocating for continuing NG assistance for WSS investments and higher budget allocation for national government executing agencies under the Water Convergence Program
3. Continue assistance to NEDA in the preparation and implementation of the guidelines for Growth with Equity Fund, proposed in the 2022 budget to support funding requirements of LGUs for water and sanitation, roads and evacuation centers
4. Prepare for the pilot implementation of OBA-BF in Sagay and Alabel
5. Provide support to NEDA in the implementation of the PWSSMP (i.e., review section on financing to ensure alignment with URAF, provision of policy studies and analyses as need, and continue to provide technical secretariat support to the WSS Network, relatedly, convene a donors' forum after the launch of the PWSSMP on August 13, 2021)
6. Prepare/ enhance training modules on water utility governance and efficiency improvement (i.e., CMS and ring-fencing, business planning, O&M improvement and tariff setting)
7. Tap knowledge mechanisms and establish local water alliances in the project sites

### CROSS-CUTTING ACTIVITIES

1. Prepare for launch of the Philippine Water Challenge on July 29 and other related activities (i.e., conduct webinars on innovative water solutions; search and screening of applicants)
2. For Gender Equality and Women's Empowerment, continue GEWE assessment and trainings, undertake training needs analysis (TNA) among partner POs to determine needed gender-related capacity-building activities, and follow up LGUs' interest in the Gender Equality Executive Leadership Course
3. For Communications and Outreach, continue to produce weekly highlights, resume publication of monthly newsletters, identify longitudinal stories with technical and field teams and provide support to component activities such as the Philippine Water Challenge and launch of the PWSSMP
4. For Monitoring, Evaluation and Learning (MEL), continue baseline assessment for additional municipalities and cities prioritized in the work plan; revise MEL Plan based on the results of the Pause and Reflect Session and on-going discussion with USAID on the modification of life of project targets; and continue the development of web-based M&E system.



## I. INTRODUCTION

USAID designed the Safe Water project to assist the Philippine Government 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. SW 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. Of those with access only about 50% has piped water supply. The rest rely on communal faucets or point sources that are not regularly tested for water quality. 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. This may have been brought about by highly disaggregated water utilities, mostly small, with no economies of scale, poor financial viability and technical capacity. NWRB's registry of water service providers list a total of 27,000 entities, mostly unregulated thus not bound by external oversight on performance and tariff setting. 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 (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 of 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 that 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.

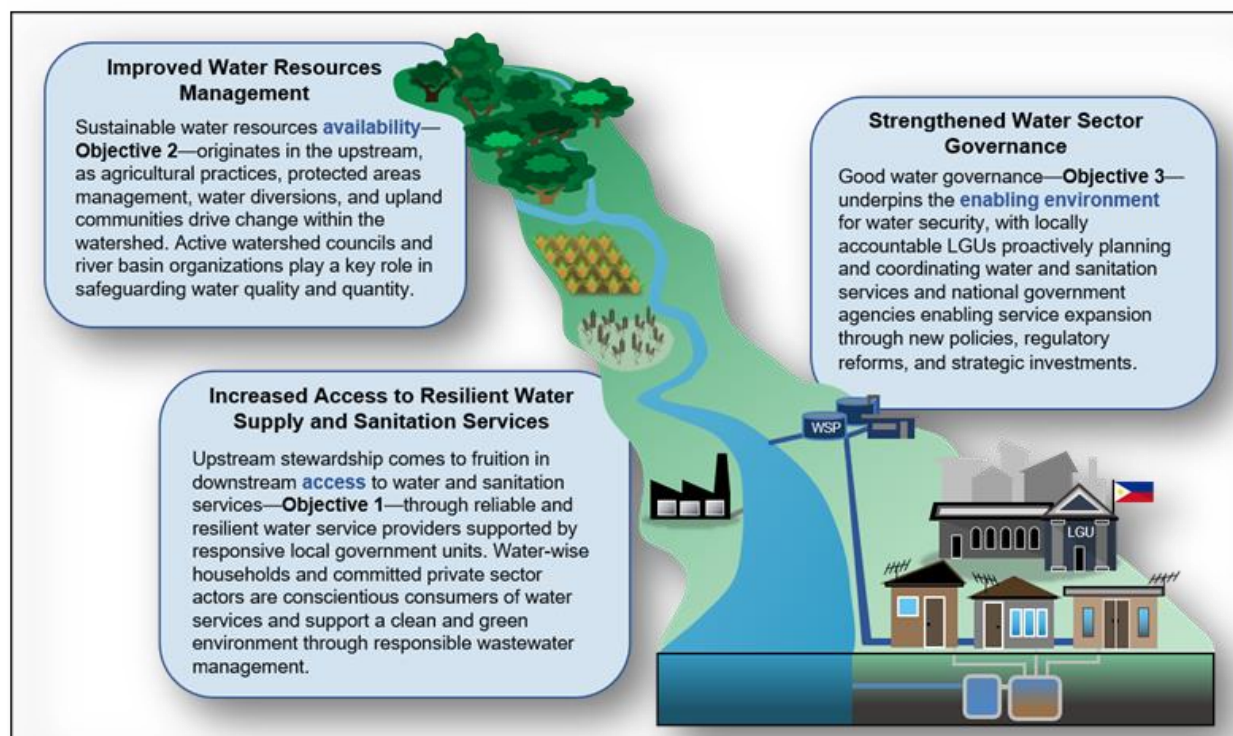
3. **Enabling Environment.** The Philippines' water and sanitation sector is highly fragmented with no apex body. Multiple national and local government institutions are involved in WASH governance and service delivery. Economic regulation (license to operate and tariff setting) is also fragmented and 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 PhP1.3 trillion, 25 times more than historical public investments.

## I.1 ACTIVITY OVERVIEW

The primary purpose of SW 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 Integrated and Inclusive Water Security Framework (*Figure 1*) 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.

**FIGURE 1: SAFE WATER INTEGRATED AND INCLUSIVE WATER SECURITY FRAMEWORK**



SW 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

SW 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 2) and watersheds (Table 3) 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: SW TARGET CITIES AND MUNICIPALITIES FOR YEAR 1 AND YEAR 2**

YEAR	PUERTO PRINCESA CITY AND PALAWAN	BACOLOD CITY AND NEGROS OCCIDENTAL	GENERAL SANTOS CITY AND SARANGANI
Year 1	Puerto Princesa City, Coron, Dumarán 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: SW TARGET WATERSHEDS COVERED FOR YEAR 1 AND YEAR 2**

YEAR	PALAWAN	NEGROS OCCIDENTAL	SARANGANI
Year 1	Irawan Montible Itangil* Abongan* Lake Manguao*	Bago Malogo Binalbagan*	Buayan-Malungon River Basin Siguel Pange*
Year 2	Aborlan Catchment Busuanga Cataban Malasgao Baton Sandoval Buayan	Sicaba Himugaan Grande	Lun Padidu Lun Masla Glan

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

## 2. RESULTS BY RESULTS ANALYSIS

### 2.1 ACHIEVEMENTS BY OBJECTIVES

This section presents the key activities and accomplishments of the SW Project in the 3<sup>rd</sup> Quarter of Year 2.

#### OBJECTIVE I

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

Outcome I.1: Number of people gaining access to basic or safely managed drinking water services as a result of USG assistance

Outcome I.2: Number of people receiving improved service quality from an existing basic or safely managed drinking water service as a result of USG assistance

Outcome I.3: Number of people gaining access to limited, basic or safely managed sanitation services as a result of USG assistance.

Outcome I.4: Number of people receiving improved sanitation service quality from an existing limited or basic service as a result of USG assistance

The following are the major activities in the 3<sup>rd</sup> Quarter, the biggest effort being spent on project development.

#### a. Project Development Assistance to WSPs

The Safe Water Team continues to implement technical assistance (TA) activities started in Year 1 and 2 to water service providers (WSPs) as well as identify priority assistance in project sites.

#### PALAWAN

- i. The Team is assisting Taytay LGU in the assessment of Lake Manguao as a sustainable water source of two water systems in the municipality; one existing and another committed for construction. The major threat that Lake Manguao currently faces is the reported progressive lowering of the water level. Lake Manguao will be included among the catchments where hydrologic studies will be conducted by Geoscience Foundation Inc. (GFI).
- ii. The Team is currently assessing the water demand of the barangays in Aborlan for its water source requirement. The Aborlan LGU-run waterworks unit is considering a new water source to supply barangays near its boundary with Narra Municipality. This will decrease dependence on the bulk supply from Narra and potentially reduce its cost given that Narra passes on part of its non-revenue water (NRW) to Aborlan. To correct this inequity, SW recommended the installation of mother meters at three points crossing the boundary of the two towns. Puerto Princesa City WD will be donating its old but usable water meters to Aborlan.
- iii. The initial investigation carried out by the Team on the LGU-run waterworks systems of Aborlan, El Nido, Taytay, San Vicente and Narra revealed identical problems in their water treatment facilities – the need for very frequent cleaning of filter media. The Team identified the textile layer as the possible cause of clogging in the filtering process. The SW Treatment Specialist will prepare specific recommendations to address this problem.

- iv. 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.
- v. Following technical advice received from the Team, the LGU-run waterworks of San Vicente has begun installation of production meters in their water sources to help measure and reduce their NRW.
- vi. The Team assessed the water systems of Dumarán LGU-run waterworks and identified the following needs: improving the barangay water systems funded by Salintubig in Barangays Capayas and Danleg, including addressing the turbidity problem in Brgy. Cayapas; design and installation of submersible pump for a new well that will replace the collapsed well in the pier area of Brgy. Sta. Teresita; and the conduct of a water supply analysis for the water system of Brgy. Bacao (which was previously non-operational but is now running) due to intermittent operations caused by a leak in the reservoir and low pump pressure.
- vii. The Team is also facilitating the release of pending LWUA loans to Aborlan, Roxas and Taytay WDs in coordination with the LWUA Advisors and engineers. These WDs are encountering stiff competition from the newly constructed LGU-run water systems, hence borrowed funds for source development, and improvement of water treatment facilities and expansion of distribution network.
- viii. Other on-going SW assistance in Palawan includes:
  - preparation of the program of works (POW) for the expansion of the water distribution system in Narra Municipality; the WSP has received 181 paid water connection applications but has yet to prepare the corresponding program of works for the expansion project.
  - upon the request of San Vicente Municipality, evaluation of the study done by the Infrastructure Group of the Provincial Government of Palawan for a PHP 525 million water supply project, to identify deficiencies in the design or identify uses in case of excess capacity
- ix. The Team also identified new TA opportunities such as:
  - assistance in the implementation of a NRW reduction program for Narra LGU-run Waterworks
  - reconstruction of the networks' as-built drawings and establishment of hydraulic models for: Aborlan, Dumarán, El Nido, Narra, Roxas, San Vicente LGU-run Waterworks and Taytay WD
  - automation of billing and collection system of Aborlan and Dumarán LGU-run Waterworks

## NEGROS OCCIDENTAL

- i. The Team is preparing a high-level technical study for a surface bulk water supply facility for Murcia WD, intended to serve Murcia for its expansion areas and Bacolod City for its supply gaps—Bacolod is currently serving about 30% of the population within its franchise area. With inputs from the WD, the Team completed the assessment of the dependable flows of four alternative rivers - Magsungay, Caliban, Puncian and Pula, and developed three viable source combinations/schemes. The Team is currently working on the concept design, and costing for river intake structures and water treatment plants.
- ii. At the request of Kabankalan City WD, the Team is assisting the WD prepare a feasibility study for surface water source development to serve the Upper Kabankalan cluster of barangays which are currently unserved. The WD has identified two potential sources, namely, Tabla and Magballo

Rivers. The LGU has pledged funding support to the WD for this endeavor. To date, the Team has completed the scope of work for the pre-feasibility study.

- iii. The Team is ready to sign a MOA with Kabankalan City WD for its construction supervision assistance to the WD's service expansion project, funded by a PHP 160 million loan from Land Bank. The project will consist of a new spring source, reservoir and distribution system. The construction has yet to start and when completed will benefit about 5,800 households.
- iv. The Provincial Government of Negros Occidental (PGNO) expressed interest in developing a bulk water supply project utilizing Malogo River as source, to serve the Cities of Talisay, Silay and Victorias and the Municipalities of EB Magalona and Manapla. These areas are projected to require about 14 MLD additional water supply by year 2030 and more if they rest or retire some of their existing groundwater sources. Upon the recommendation of the Team, PGNO agreed to explore public-private partnership (PPP) financing/implementation. The Team is facilitating a TA from the PPP Center for project preparation, bid and transaction advisory using the Project Development and Monitoring Fund (PDMF). The PDMF is a revolving fund managed by the PPP Center for project development. The reimbursement of the fund may come from the winning bidder of the PPP project or the proponent agency if bidding fails.
- v. The PGNO also plans to develop septage management services for a cluster of Municipalities around Malogo, and allocated funds for the household sanitation survey. The Team agreed to assist the PGNO prepare the feasibility study.
- vi. The Team is currently evaluating the existing water treatment plant of San Carlos City Waterworks to address turbidity during rainy periods. The report has been drafted and will be finalized after site validation.
- vii. Manapla WD is following the Team's recommendation to drill a new well that will replace its existing wells that have turbidity problems, instead of installing water treatment equipment which would be as costly and but less sustainable. Manapla WD has commissioned a new geo-resistivity survey (as it was unsuccessful in getting a copy of a previous geo-resistivity survey report from LWUA). The WD has requested the Team to review this report.
- viii. Cadiz City has expressed interest in implementing a septage management program. Although Cadiz City Water District has a joint venture agreement (JVA) with Primewater, septage management is not part of the JVA. In a meeting convened by the City Mayor to establish cooperation among SW Team, the City, WD and Primewater, the Team agreed to assist the City Government prepare the feasibility study.
- ix. Other on-going SW assistance in Negros Occidental include:
  - study for additional spring source for La Carlota City WD for water service expansion
  - study for additional spring and well source for Sipalay City WD for water service expansion also
  - implementation of NRW reduction program for Escalante City WD which was found to have 62% NRW in a 2018 study funded by NEDA
  - automation of personnel, inventory and customer records management, and customer queuing system for San Carlos City LGU-run Waterworks. This package of assistance will improve the operation and services of the waterworks system that has about 12,000 existing connections.

- ix. SW has also identified new TA opportunities such as:
  - review of POWs of DPWH-funded Level 2 barangay water systems and/or O&M training for La Carlota, Bago and Bacolod LGUs
  - review of POW for Candoni Municipality's water supply project funded through the PAMANA program<sup>1</sup>
  - assistance in the automation of the billing and collection system of Manapla and La Carlota City WDs

## SARANGANI

The following are the on-going technical assistance to Alabel and Malapatan Municipalities:

- i. As a follow through of the SW training on project proposal preparation, the Team is assisting Alabel Municipality complete its project proposal for the development of Maribulan River as a water source of an expansion area for FALGU funding. Malapatan LGU, on the other hand, is preparing a proposal for a small water impounding structure for NTF-ELCAC funding.
- ii. The Team is assisting Alabel LGU-run waterworks prepare the POW for the improvement and retrofitting of its existing water treatment plant, a 2,500 m<sup>3</sup>/day facility that was found defective after only a month of operation. The POW is expected to be completed in July 2021.
- iii. The Team is assisting Alabel with the improvement and optimization of its existing septage treatment plant. The Team is drafting the POW which will be completed in July 2021.
- iv. The Team is also assisting Alabel Waterworks with the automation of its billing and collection system that will improve the operation and services of the waterworks system that has about 2,800 existing connections. Both are still finding the most cost-effective way to do it, that is, either develop a system applicable to many WSPs or subscribe to a service provider.

### **b. Trainings and Mentoring of WSPs**

- i. SW trained and coached provincial and municipal engineers in Sarangani on water system design and proposal preparation using the tool developed by the DILG Salintubig Program. This resulted in two proposals prepared by Malapatan and Alabel Municipalities for national government grant funding, as discussed above.
- ii. The WSS Team held one-on-one mentoring sessions with WSPs for the finalization of their spreadsheets as part of their five-year strategic business plans. The WSPs currently being assisted are: the LGU-run waterworks of El Nido, San Vicente and Quezon in Palawan and Alabel Waterworks in Sarangani; and the WDs of Taytay in Palawan, Murcia and La Carlota City in Negros Occidental and Savesegrow Coop. in Sarangani.
- iii. The Sarangani WSS Manager introduced the Business Planning tools to Glan and Maasim WDs. Both are small water utilities with service coverage of less than 3,000 households. They have limited capacity to prepare strategic business plans. SW held in-person business planning

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<sup>1</sup> The PAyapa at MAsaganang PamayaNAn (PAMANA) is the government's framework for peace and development implemented in conflict-affected communities. One pillar in this framework is building resilient communities by improving access of these communities to basic social services.

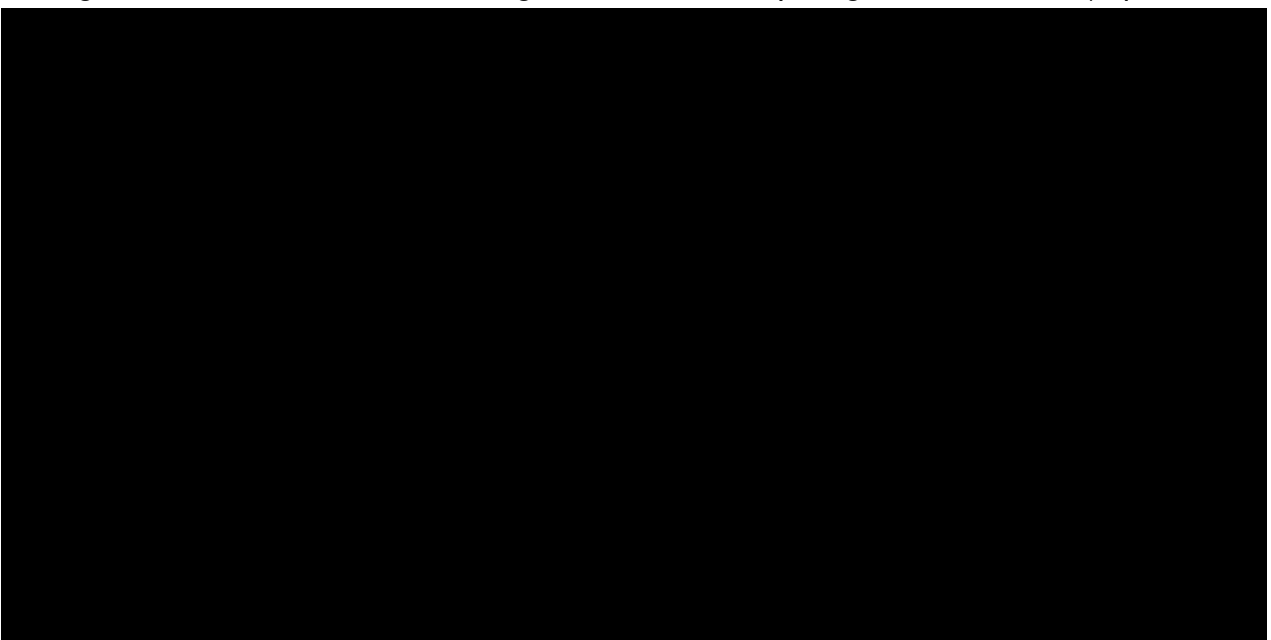
workshops with active participation from the WD Board of Directors, key officials and staff. Each WD identified its vision, mission, goals, strategies and targets, which will be the basis of the performance improvement and expansion plan and corresponding investment program.

- iv. As part of the Water Safety Planning, the Team conducted Water Quality Monitoring training for waterworks personnel, health officers and sanitary inspectors in Alabel Municipality.
- v. SW presented the results and promoted the use of the Financial Stress Test to the water district participants in the 42<sup>nd</sup> PAWD Annual National Convention on May 28, 2021. SW ran the model for six WDs to determine the impact of the COVID-19 pandemic on their financial position, and to use this information to manage their situation.

### c. Preparation of Provincial Integrated Water Security Plan

Negros Occidental manifested a strong commitment to achieving water security. They adopted SW's recommendation to prepare a Provincial Integrated Water Security Plan (PIWSP). To facilitate this, the Governor of Sarangani created a Provincial Integrated Water Security Council and its Technical Working Group (TWG) tasked to lead, coordinate and facilitate the consultations with stakeholders to contribute to the preparation of the plan.<sup>2</sup> The Team held an orientation workshop for the TWG on May 19, 2021 on the PIWSP Framework, including the process, data requirements and activities involved in drafting the plan.

In Negros Occidental, the Provincial Government manifested its commitment to water security planning through the launch of the Provincial Integrated Water Security Program in a blended (in-person and



Negros Occidental Provincial Administrator [REDACTED], PIWST Head, enjoins the team to draft an **“urgent, bold and all-encompassing plan”** and commits funding to make the water security plan a reality.

<sup>2</sup> The Governor of Sarangani formalized the creation of the Provincial Integrated Water Security Council and TWG through the issuance of Executive Order 18, series of 2021 on May 24, 2021.



virtual) event. The event highlighted PGNO's intention of crafting a provincial water security roadmap that is guided by science, evidence and data. During the event, the PGNO also launched the official webpage (<https://www.negros-occ.gov.ph/piwsp-securityframework/>) for the PIWSP. The webpage provides information on the status of water access, water resources management and water governance in the Province. As the planning process progresses, the webpage will also provide updates and activities where various stakeholders can participate or get their voices heard.

Another expression of the Province's commitment is the allocation of supplemental budget for various water security related activities. The total budget allocation is PHP 50 million, and to date PHP 21 million worth of activities, including conservation of Malogo watershed and provision of household toilets to communities living along Malogo River has been approved by the legislative council.

In Palawan Province, the Team has not started the process for water security planning, pending the agreement from the Provincial Government. The Team has repeatedly reached out to the Provinces focal group, the Provincial Government of Palawan Infrastructure Group, but have not gotten traction. The Team presumes this is probably due to more immediate priorities of the PGP Infrastructure Group that is in charge of water supply development in the province. The Team got information from the Infrastructure Group's representative that given likely change in administration after the next elections, it is uncertain if the Infrastructure Group will continue to operate. Meanwhile, the Team is pursuing direct assistance to Puerto Princesa Water District and other municipalities.

#### **d. Preparations for the Establishment of Central Management System (CMS)**

The Team continued coordination with the LGUs of Alabel and El Nido for the pilot implementation of the CMS. The Office of the Mayor of Alabel has issued an EO creating a Task Force for CMS implementation. SW is currently assessing other LGU candidates for CMS pilot implementation in Negros Occidental after the withdrawal of San Carlos City.

## **OBJECTIVE 2**

### **OBJECTIVE 2: IMPROVED SUSTAINABLE MANAGEMENT OF WATER RESOURCES**

Outcome 2.1: Amount of GHG emissions reduced or avoided (in metric tons equivalent) related to sustainable landscapes as a result of USG assistance

Outcome 2.2: Number of people benefiting from adoption and implementation of measures to improve water resources management as a result of USG assistance

Outcome 2.3: Number of people receiving livelihood co-benefits (monetary or non-monetary) associated with USG sustainable landscapes activities

Outcome 2.4: Changes in runoff-ratio in targeted catchments

Outcome 2.5: Changes in water quality as measured by water turbidity

Outcome 2.6: Changes in the volume of groundwater recharge / infiltration

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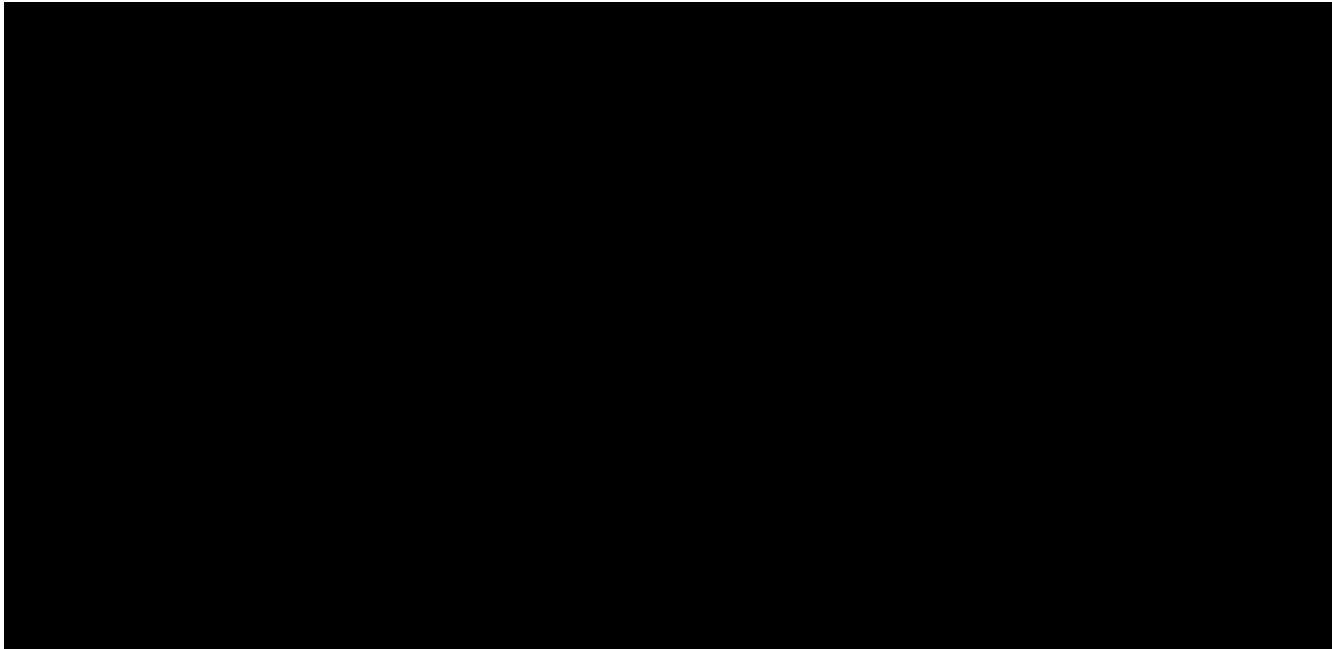
The progress of planned activities for the third quarter of the Safe Water’s water resource management (WRM) component is as follows:

**a. Facilitation of Management Planning for Priority Watersheds**

The formulation of the integrated watershed management plans (IWMPs) is progressing in priority watersheds of Palawan and Sarangani provinces. With data collection and mapping completed in March 2021, the Safe Water field team in Palawan, guided by the WRM Specialist, facilitated a series of virtual workshops where the planning team of Montible watershed formulated its vision, mission, goals and objectives and identified priority watershed management actions and strategies. The team identified implementation activities and is now preparing the estimated budgetary requirements to implement the IWMP. Meanwhile, the Irawan watershed planning team continued their data gathering and mapping activities with the Safe Water field team facilitating online meetings to check progress and results of the preliminary data analysis.

Apart from facilitating the preparation of IWMP for Irawan and Montible watersheds, the SW field team also assisted Narra, Palawan in formulating its LGU watershed restoration and conservation plan. Safe Water conducted an orientation workshop on the formulation of a Narra municipal-wide IWMP on May 18-19, 2021. Thirty-six (36) members of Narra Watershed Regulation and Evaluation Committee (N-WREC) and its technical working group (TWG) attended the orientation workshop. The workshop sessions allowed them to characterize and map watershed resources, identify data gaps in watershed planning, identify upland and lowland livelihood opportunities, and determine drivers of forest cover change.

The SW field team in Palawan also facilitated the issuance of Executive Order No. (EO) 2021-046 in Taytay creating the Technical Working Group for the formulation of the management plan for Lake Manguao Municipal Conservation Area and Ecotourism Zone. The TWG, which includes Safe Water as a member,



will integrate watershed management (IWM) into the draft management plan of Lake Manguao which is focused on biodiversity conservation and ecotourism. A critical IWM intervention in the draft management plan is the hydrologic assessment to estimate the surface water discharge and groundwater recharge as basis in computing available water from Lake Manguao's watershed. The hydrologic study will also identify high groundwater recharge areas which have to be protected from inappropriate land conversion.

In Sarangani province, the TWG organized in Siguel watershed, started data gathering in Maasim, Sarangani in parallel with the formulation of the LGU watershed conservation plan. However, field data gathering in Kiamba could not proceed since the technical consultation with MLGU Kiamba has been rescheduled repeatedly due to exposure of municipal officials to COVID-19. In addition to IWMP formulation, the SW field team in Sarangani is also assisting the municipalities under the Buayan-Malungon River Basin (BMRB) and Siguel watershed, namely Alabel, Malungon and Maasim prepare their respective LGU watershed conservation plans (LWCP). Alabel and Malungon is about to start writing their LWCP while Maasim is still completing the needed data and information to facilitate data processing and analysis. The LWCP covers the entire watersheds within each municipality and is expected to result in the inclusion of watershed conservation activities in the LGU's annual investment plan.

In Negros Occidental, watershed management planning has been stalled due to strict enforcement of border lockdowns as a result of rising COVID-19 cases in the province. In lieu of municipal level field activities, the SW field team in Negros Occidental focused its assistance to the PGNO in crafting the provincial integrated water security plan which led to the PGNO's allocation of about Php 50 million to support WSS and WRM activities under its CY 2020 supplemental budget.

#### **b. Organized/Strengthened Organizational Capacity of Watershed Management Councils/Committees (WMCs)**

The Team assisted Narra, Palawan in the formation of its watershed management council (WMC) and the TWG by facilitating the issuance of Municipal Executive Order Nos. 2021-139 and 2021-144 creating the Narra Watershed Regulation and Evaluation Committee (N-WREC) and the N-WREC technical working group, respectively. The Team oriented Members of N-WREC and its TWG on the formulation of Narra municipal-wide IWMP. This enabled them to understand the current condition of Narra's watersheds, particularly the threatened areas where forest loss is occurring, and deepen their appreciation of the interplay of various actors and institutions in co-managing water resources. In the case of Montible watershed and Lake Manguao, consultation meetings with different stakeholders were put on hold due to the COVID-19 lockdowns in Puerto Princesa City and Taytay, Palawan.

In Sarangani, the Team worked with DENR XII and the TWG for Siguel Watershed to finalize the draft MOA organizing the Siguel Watershed Management Council. The MOA was presented to the identified members of the Siguel WMC during its first meeting held last June 24, 2021 at General Santos City. The draft MOA is tentatively scheduled for signing in the next quarter. As previously reported, DENR XII with SW assistance, is reactivating the Buayan-Malungon River Basin Management Council by facilitating the signing of the MOA among Council members. The MOA is now being reviewed by the legal office of DENR XII before it is finalized for circulation and signing by the BMRB Management Council members.

In Negros Occidental, the draft new Executive Order, reconstituting membership of Bago watershed management council (BWMC) which SW and the DENR-PENRO prepared, was already submitted to the



Participants from Narra, Palawan located critical areas as stakeholders discuss the formation of its watershed management

PGNO for review. Safe Water and the DENR-PENRO are awaiting the PGNO's comments on the draft EO for finalization and eventual signing by the Governor. For Malogo watershed, the draft Executive Order organizing the Imbang-Malogo watershed management council is still under review by the Provincial Government.

### c. Completion of Hydrologic Study

In the second quarter, GFI completed the hydrologic studies for five priority watersheds: Montible, Bago, Malogo, Buayan-Malungon and Siguel. Dr. C.P. David, lead of the GFI Study Team,

presented the findings to USAID, NEDA, LUWA and DENR, and to LGUs and other partners during the Pause and Reflect sessions held in Bacolod and General Santos City.

In the 3<sup>rd</sup> Quarter, the hydrologic studies were presented during the following SW activities: Pause and Reflect session in Palawan in May 2021; orientations on the formulation of provincial integrated water security plan (PIWSP); SWA-DENR entrance conference; and in the 1<sup>st</sup> meeting of the Siguel WMC in Sarangani Province. The hydrologic studies have always elicited interest among stakeholders to address water security challenges. Realizing the importance of the hydrology studies in the formulation PIVSP, SW decided to conduct hydrologic studies for all watersheds that are potential sources of water for LGUs in SW covered provinces. These studies will start in the fourth quarter.

### d. Develop Local Stakeholders' Capacity for Climate and Hydrologic Risk Assessment

After Manila Observatory (MO)'s completion of its first task order, the Team discussed with MO expansion of the preliminary climate risk analysis to include vulnerability analysis focusing on risk priorities identified during the blended webinars held last February 2021. The participants - stakeholders from each of the five watersheds identified the risk priorities in their respective watersheds: drought and flood for Montible (Palawan); drought in Bago and flooding and landslide in Malogo (both from Negros Occidental); and flood and fire in Buayan-Malungon while drought, flood and landslide for Siguel (both from Sarangani). Based on this discussion, further engagement of MO is programmed to commence in Year 3. This next engagement will be useful to partner LGUs and water districts, in informing their plans such as the Comprehensive and Forest Land Use Plans, Local Climate Change Action Plan and Emergency Response Plans, among others.

### e. Resource Mobilization to Support Community Livelihood and Implementation of Watershed Management Actions

Safe Water continues to forge partnerships to support community livelihood and implementation of watershed management plans. In the 3<sup>rd</sup> Quarter, Safe Water signed an MOU with SUNlight Foods Corporation (SFC) a leading supplier of fruit preserves to industry market leaders such as Selecta, Gardenia and the Jollibee Group of companies. This partnership will provide market access to communities who wish to become ube suppliers to SFC through a contract-growing scheme. The Team

will facilitate the social and technical preparation of communities while ensuring the sustainable management of the land where ube will be cultivated.

In the previous quarter, the Team reached out to Ecumenical Church Loan Fund (ECLOF Philippines) as a possible livelihood partner. ECLOF, a microfinance institution with a strong presence in Palawan, requested Safe Water to identify and assess livelihood projects that they can provide loans to. However, this scanning activity was held in abeyance due to COVID-19 mobility restrictions in Palawan. The Team will pursue the ECLOF partnership in the next quarter.

SW field teams also began to operationalize the partnership agreements signed in the previous quarters, though joint preparation of work plans with partners and initial implementation of the formulated work plans. In addition, livelihood and resource assessment and capacity building for people's organizations (POs) were undertaken in some sites.

#### NEGROS OCCIDENTAL

- i. The P4Water Project funded by Coca-Cola Foundation is being implemented in 9 LGUs within the Bago and Malogo Watersheds from January 2021 to January 2024. The project aims to rehabilitate 22 natural springs, provide sustainable livelihood to at least 1,000 sugar and rice farmers and establish savings associations among members of 23 barangays. During the 3rd Quarter, Safe Water assisted MUAD-Negros in profiling of springs for rehabilitation. By the end of the quarter, 17 springs have been assessed. Construction of nurseries and training of nursery caretakers on plant propagation is ongoing as of this report. MUAD has completed the usufruct agreement with farm owners for the nursery sites. Formation of monitoring teams has also commenced. The Team, led by Safe Water's MEL Specialist, also facilitated the M&E planning session that enabled MUAD-Negros create its MEL plan.
- ii. SW Field Team led the site assessment and facilitated soil analysis for prospective ube cultivation sites covered by MUAD-Negros last June 24 and 25 with the following POs: 1) Brgy. Ara-al Agrarian Reform Beneficiaries Association La Carlota City; 2) United Ilijan Farmers Association, Bago City; 3) Friends of the Highlands Agrarian Reform Cooperative Bago City; and 4) Brgy. Minoyan Integrated Forest Protection and Farmers Association, Murcia.
- iii. SW coordinated with Negros Island Federation of Agrarian Reform Cooperatives (NIFARCO) on partnership for livelihood initiatives in Ilog-Hilabangan and Binalbagan Watersheds. NIFARCO issued a Board Resolution expressing interest in the SFC contract growing scheme.
- iv. Using the livelihood assessment results commissioned by Safe Water for Ilog-Hilabangan and Binalbagan Watersheds, the SW field team conducted scoping and coordination with: 1) LGUs of Sagay City, Cadiz City and Municipalities of Calatrava and Toboso on potential livelihood initiatives in Himogaan, Sicaba and Grande River Watersheds; and 2) Alter Trade Philippines, Inc. for possible partnership regarding turmeric and ginger production.

#### SARANGANI/GENERAL SANTOS CITY

- i. SW field team conducted joint operations planning workshops with Kasilak, Mahintana, CLAFI and Greentropics. The operations plan provides for the overall goal and objectives of the partnership in improving communities' family income thru provision of livelihood opportunities, and implementation of reforestation activities. M&E workshops were also conducted to come up with indicators and targets to guide and gauge the results of the interventions.

- ii. The SW field team together with CLAFI and Greentropics and in coordination with Sarangani Province conducted the first module on Coffee Farmers' Field School in Maasim. Thirty-five (35) coffee farmers from three (3) People's Organizations, namely: Muto Ladal Farmers Association, Datal Basak Organic Farmers Association and HOLIK Farmer's Association attended the June 10-11, 2021 training held in Sitio Datal Basak, Maasim. The participants were oriented on the following: proposed Mt Busa Protected Landscape law wherein IP prior rights are respected; difference between climate and weather; and pest management. Greentropics CEO taught coffee farmers about market demand and opportunities for coffee, the how's to of pruning and its advantages, proper planting of coffee seedlings on hilly land and intercropped with other forest trees, and facilitated the actual planting of coffee seedlings, and stressed the importance of forest, water and life.



*Farmers from the peoples' organizations in Sarangani Province applied their new skills and techniques in their coffee farms.*

- iii. SW field team and Kasilak started implementation of the operations plan particularly, the replication of bamboo dike technology in Barangay Lower Mainit in Malungon, Sarangani, to address river bank erosion that leads to increased water turbidity especially during the rainy season. Kasilak also identified possible bantay-ilog volunteers from among the eight (8) POs it is assisting, and the sites where bamboo nurseries will be established. These volunteers will be mainly responsible for water quality monitoring and will act as barangay communicators on various river easement laws and waste disposal regulations.
- iv. Results of the community profiling and capacity assessment done with Kasilak-assisted POs in barangays Alkikan and Kiblat in Malungon, Sarangani were presented to respective POs with the presence of MENRO and OMAG of Malungon. The assessment results will guide Kasilak and the LGU on the capacity building requirements of the POs to strengthen their organizational management skills, especially in terms of financial management.

## PALAWAN

- i. The Safe Water field team organized and registered Tidawan Watershed Women's Association (TIWWA) in November 2019 as a formal association and a self-help organization to address economic issues such as low family income, unemployment, lack of capital, lack of skills and education, and poor financial literacy. Economic challenges are usually the drivers of deforestation in upland communities. For instance, lack of capital to implement sustainable alternative livelihood has constrained many communities to effectively protect existing forests. The field team started to address this issue by introducing the concept that develops the habit of saving among members of the association. It also coached and mentored TIWWA members in establishing their

community-managed credit facility that provides loans at a very low (3%) interest rate. Established in January 2021, TIWWA members have generated Php 60,000 savings by end of June. A small portion of the savings has been set aside as “social fund” for use of members in times of emergency.

- ii. In collaboration with the Narra LGU, the SW field team conducted community profiling and livelihood assessment in three (3) priority barangays (Dumangueña, Aramaywan, and Urduja) on June 8-10.<sup>3</sup> A total of 94 participants (34 men, 60 women) attended the activity: 20 in Dumangueña; 23 in Aramaywan; and 51 in Urduja. Potential alternative livelihood activities identified include: 1) agroforestry - planting of fruit trees such as lanzones, rambutan, durian, citrus/pomelo, avocado, and jackfruit, possibly intercropped with pineapple and banana; 2) vegetable production; 3) root crops and ginger; 3) livestock and poultry raising; and 4) tilapia production.



*Participants from Narra, Palawan located critical areas as stakeholders discuss the formation of its watershed management council.*

## **f. Scale Adoption of Payment for Ecosystem Services (PES)**

The Team conducted PES orientation workshops for watershed stakeholders in BMRB in Sarangani and for Irawan in Puerto Princesa City, Palawan. The concepts and principles of PES were explained, including the ecosystem goods and services (EGS) provided by watersheds and how to sustain these EGS through PES. Following the orientation, Sarangani PLGU decided to include PES as one of the tasks of the Provincial Integrated Water Security Team. In Palawan, PCSD may take the lead in PES establishment in the province. Last June 23, 2021, core TWG members in Sarangani were also oriented on data requirements for Cost Based Valuation and Cost and Revenue Analysis. These analyses are crucial for the PES institutionalization process since they are the basis for PES negotiation later on. PES activities in Negros Occidental did not push through as planned due to the COVID-related lockdowns implemented by LGUs, and the conflicting schedules of the PGNO related to provincial integrated water security advocacy activities.

## **g. Capacity Building for Water Demand Management at the Local Level**

### **I. WDM Training Series**

The Team held a second training for online Basic WDM on June 24-25, 2021. A total of 91 participants coming from WSPs, government offices, business (including owners and management

<sup>3</sup> Previous livelihood assessments covered Irawan, Montible and Lake Manguao communities

officers of local hotels and resorts from Safe Water sites), academe and NGOs attended the training. Together with the first batch of participants on March 24-25, Safe Water has already trained 149 individuals on Basic WDM representing more than 40 organizations across Safe Water sites. Eight personnel from NEDA who are handling engineering and general services participated in the June batch.

WDM Level 2 is a hands-on training on water audit and developing water efficiency program. Since this is an in-person training and travel restrictions were declared to and from Safe Water sites, the planned July 14-15 training has been reset to Year 3.

## 2. WDM Research and Materials Development

The Team completed a market research of locally available water efficient fixtures and this report was shared with WDM participants as supplementary reference to the training module. The research revealed that:

- I. Scanning of the available water efficient fixtures in the local market validated that product labeling is non-existent for most of the products and only a few brands/ product practices such;
- II. The Philippine National Standards (PNSI under the Department of Trade and Industry-Bureau of Product Standards (BPS) has not set any standards on its efficiency and performance thus, all products in the local market are not mandated to undergo certification from BPS, unlike for household appliances for energy efficiency;
- III. The Philippine Green Building code provided water fixture performance requirements indicating the different types of fixtures and its corresponding maximum flow rate. However, its implementation is still not in place.

Development of the trainers' guidebook will follow after the conduct of WDM Level 2 training to document the training process and content. The Team has approached Ayala Land Inc. (ALI) and San Miguel Corporation (SMC) to document their WDM activities as best practice examples from the private sector. Proposed case documentation protocol, content and non-disclosure agreement with respect to proprietary company information is currently being reviewed by ALI and SMC management.

### **h. Preparations for the Philippine Water Challenge (PhIWC)**

During the quarter, DAI-Safe Water, Philippine Disaster Resilience Foundation (PDRF), Manila Water Company and Maynilad Water Services Inc. signed an MOU as co-organizers of the Philippine Water Challenge (PhIWC). The PhIWC is envisioned to be an annual competition to identify innovative solutions to the country's WSS challenges.

Activities this quarter focused on: developing content of the PhIWC Portal which will provide



*The Philippine Water Challenge logo represents the value of innovations in solving water supply and sanitation challenges.*



information on the challenge themes, application requirements, screening process, evaluation criteria and selection of winners. PDRF will host the PhIWC Portal. Other activities included: finalization of PhIWC logo, drafting of challenge primer and communications plan, identification of sponsors and preparations for the official launch of the challenge. The Team also supported PDRF in the solicitation of prizes and mentoring commitment.

## OBJECTIVE 3

### OBJECTIVE 3: STRENGTHENED WATER SECTOR GOVERNANCE

Outcome 3.1: Number of policies or plans developed, enhanced, or implemented to promote water security and WSS service provision

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

Outcome 3.2: Number of mechanisms developed and/ or enhanced for exchanging knowledge on water security

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The major activities in the third quarter are as follows:

#### a. Mobilizing Financing for Resilient WSS Services

##### 1. Monitoring and Facilitating Access to NG Resources and Mobilizing Local Budgets for WSS

The Team continued to monitor utilization of the 2021 national government (NG) budget allocation for WSS and helped facilitate access to these funds by LGUs in the project sites. The Team provided technical assistance in proposal preparation, site validation and preparation of documentation requirements to facilitate LGU applications for: 1) Financial Assistance to LGUs (FALGU); and 2) Support to Barangay Development Program to End Local Communist Armed Conflict (SBDP-ELCAC). The Team also assisted in site validation and POW review of WS projects with identified funding allocation from DPWH and PAMANA. As of June, a total of USD 7.75 million (PHP 387 million) of NG funding has been mobilized for WS projects in the project sites.

The Team provided technical assistance in project identification and proposal preparation to help obligate and disburse local budget allocations. SW helped PGNO move its 2021 supplemental budget amounting to USD 1 million (PHP 50 million). A total of USD 0.42 million (PHP 21 million) has been approved by the Provincial Sanggunian for water resources management and rainwater harvesting projects. Another USD 0.40 million (PHP 20 million) plus is pending approval for sanitation-related projects. SW also helped leverage local funding of ALabel for WS rehabilitation with USD 180,000 (PHP 9 million) from the Provincial Government.

##### 2. Facilitation of LWUA-DBP Co-Financing Arrangement

The Team continued to actively engage LWUA and DBP to pursue the agreed co-financing arrangement. The Team facilitated discussion between LWUA and DBP on the former's proposed wholesale loan for re-lending to WDs. This plan was pushed back pending review of LWUA's current domestic borrowing capacity (its charter capped this at PHP 1 billion). LWUA reconfirmed prior agreement for co-financing with the bank and committed to refer PHP 4 billion worth of projects for DBP's sole financing. DBP can proceed with due diligence (credit check and project appraisal) on these loans directly with the WDs. LWUA reiterated that no new MOA is

needed for the financing arrangement. As of end June, LWUA has yet to endorse these projects to DBP.

The Team is also monitoring the implementation of water supply expansion projects for five WDs in the project sites (Pulupandan, General Santos City, Glan, Maasaim and Malungon) programmed for funding by LWUA in 2022.

### 3. Support to the Government's URAF/ Water Convergence Program

With the issuance of Presidential EO 138 (June 1, 2021) providing the implementation guidelines for the Mandanas ruling<sup>4</sup>, SW closely monitored the 2022 NG budget allocation of key implementing agencies (LWUA, DILG, DPWH, DOH, NWRB and DPWH) for WSS investments. The Team assisted NEDA integrate the Water Convergence Program of the URAF, consisting of the budget proposals of implementing agencies for WSS investments. The Team assisted NEDA review the proposed budgets and their alignment with PWSSMP's objectives and contribution to the investment requirements in the sector. NEDA submitted the Water Convergence Program to DBM in early July 2021.

SW assisted in the preparation of NEDA's letter and technical notes to DBM to support the continued provision of NG financial assistance to LGUs through the budget of key implementing agencies under the water convergence program. SW continues to strongly advocate for continued allocation and prioritization of NG assistance for WSS consistent with the URAF. NG assistance will not only help address inequalities in the net fiscal capacities of LGUs to implement their various programs and projects following the Mandanas ruling but also augment and leverage local funds for WSS investments. These investments are helpful to address health and social impacts of the pandemic and climate change, as well as support economic recovery.

EO 138 requires NG to establish a Growth Equity Fund (GEF) to address marginalization, unequal development and disparities in net fiscal capacities of LGUs with the Mandanas ruling. The GEF will be part of the budget allocation for 2022 aimed to provide investment support to provinces and municipalities belonging to below median poverty incidence and per capita national tax allocation. SW assisted NEDA draft the justification and guidelines for the inclusion of sanitation in the priority menu of projects (including local roads, water supply, and evacuation centers) for submission to DBM. Sanitation programs have been historically underfunded, and without government subsidies, sanitary toilets remain unaffordable for poor households.

### 4. Mobilizing MFI WASH loans

According to Water.org new WASH loans were mobilized in the project sites by 6 partner MFIs within the quarter, but the data is still being collated and not yet available as of this writing. Cumulative accomplishment reported in the last quarter is as follows: from August 2020 to March 2021, a total of 15,988 WASH loans amounting to PHP 125 million (US\$2.5 million) have been mobilized, providing 75,383 people with access to water supply, basic or improved sanitation services.

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<sup>4</sup> Supreme Court jurisprudence that increases the tax base of computing the IRA of LGUs to include not only internal revenue taxes but also custom duties and tariffs and other taxes on national wealth, as mandated under the RA 7160. With the Mandanas ruling, total IRA allocation of LGUs in 2022 will increase by 55.7% to Php 1,083 B from 2021 level of Php 695 B. The full implementation of this ruling will be in 2023.

## 5. Improving MFI Access to GFI Wholesale Lending for WASH Loan Portfolio

SW also continues to work closely with Water.org in facilitating access of MFIs, cooperatives and small water utilities to DBP and potential LBP wholesale lending for WASH. MFIs in particular are exploring GFIs as sources of funds to augment not only their micro-lending for livelihood activities but also for their WASH portfolio. Demand for these loans continues to increase, especially with the pandemic. 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 have put this initiative on hold.

## 6. Promotion of PPP and Innovative Financing Schemes: PES and OBA-BF

The Team explored PPP Center (PPPC) technical assistance and use of the Project Development and Monitoring Fund to develop potential PPP projects for WSS projects in the project sites. Based on the baseline assessment conducted by SW, PPPC prepared an initial assessment of potential PPP projects that can cover any of the following: development of a new bulk water source, upgrading the existing water system and expansion of service coverage, operations and maintenance of the water supply system including distribution, billing, and collection, and septage management. To further assess the PPP potential of the WSS projects, PPPC can assist SW and the LGUs/WDs in the conduct of multi-criteria analysis and preparation of project concept notes. PPPC can also provide assistance to LGUs and WDs in applying for the Project Development and Monitoring Facility (PDMF), a fund that can be tapped for the engagement of consultants for the preparation of full feasibility study, approval process, and bid management until award of the PPP project. PGNO has expressed interest in implementing a PPP for bulk WS supply for the Malogo area. SW facilitated an orientation by the PPPC for the PGNO and Cong. Benitez' staff on the potential project. SW will continue to assist PGNO mobilize PPPC and PDMF assistance for the potential project.

The Team actively promoted the implementation of innovative financing schemes such as the PES and OBA-BF. The PES scheme is currently being replicated and scaled up as a sustainable financing mechanism for watershed conservation and protection in Irawan, Montible and Quezon in Palawan; Bago in Negros Occidental; and BMRB in Sarangani. The cities of San Carlos and Bago currently implement PES, the proceeds from which are being used for the conservation of the Bago watershed. SW will assist Bago City in improving its PES collection system and reinvestment plan, and other interested LGUs (Murcia, La Carlota and Talisay) in the Bago watershed. SW will also assist interested LGUs in the Ilog Hilabangan watershed comprising of Himamaylan, Kabankalan, Sipalay, Candoni, Cauayan and Ilog.



Meeting of Safe Water Project with Mayor Salarda, [REDACTED], Municipal Health Officer and Engr [REDACTED], Municipal Environment and Natural Resource Officer to orient about the OBA-BF.

Orientation on the OBA-BF was conducted with LGUs of PGNO, Sagay, Ilog and Alabel to get their interest to implement the financing scheme. Sagay and Alabel wanted to explore it further but both LGUs do not have the budget this year to implement it. In view of funding constraints to pilot OBA-BF, the Team applied for grant funding from a new program launched by DAI, the AWESOMENESS Fund. The Fund is DAI's internally generated grant pool that finances innovation and research activities that can lead to improved development outcomes. Safe Water was awarded USD 30,000 to pilot OBA-BF in Sagay and Alabel Municipalities. Preparations for the pilot is underway, starting with finalizing the MOA among DAI-Safe Water, the two LGUs and two MFIs, Negros Women for Tomorrow Foundation and ASA Philippines.

**b. Support for the Implementation of the Philippine Water Supply and Sanitation Master Plan (PWSSMP) and Unified Resource Allocation Framework (URAF)**

1. Support for the Creation of the Department of Water Resources (DWR) and Water Regulatory Commission (WRC)

The Team will continue to provide technical support to NEDA in the review and deliberations of the consolidated bill (latest version is March 13, 2021) by the House Committees on Government Reorganization and Appropriations in the plenary hearing.

2. Operationalization of the URAF

The NEDA Secretariat already requested for NEDA Board confirmation through ad referendum of the NEDA Board Resolution Adopting the Operating Plan of the Unified Resource Allocation Policy for WSS Services. The latest draft resolution incorporates the implementation of the Mandanas ruling, EO 138 provisions and comments and recommendations of Infrastructure Committee members. Upon approval of the NEDA Board resolution, SW will assist NEDA in the preparation of the URAF Grants Implementing Rules and Regulations (IRR).

The Team also provided assistance to NEDA in the review of parallel financing initiatives. The team prepared a Technical Note on the alignment of URAF with the Sustainable Development Framework and Roadmap which provides the guide and action plan to scale finance needed to achieve international and local commitments towards achieving inclusive growth and sustainable

development. The SD roadmap adopts the NCCAP and CCAM DRR which also highlights the need for a comprehensive review and subsequent restructuring of the entire water sector governance covering resilience assessment of major water resources and infrastructures, management of WSS and demand and quality, and promotion of water resources conservation. Reviewed and prepared recommendations on the ADB Inception Report for the Local Government Financing Study in the light of URAF. The study will also inform the rationalization of NG grants, prioritization of projects to receive NG support and NG-LGU cost sharing schemes.

### 3. Other Reform Initiatives

Aside from the bills on DWR and WRC and URAF Guidelines, other initiatives espoused in the PWSSMP that SW supported during the quarter are:

POLICY REFORM	IMPLEMENTATION STATUS
Proposed NWRB and LGU cooperation in planning, implementing and enforcing integrated and cohesive land use and water resources management (KRA 3)	SW prepared the draft MOA which is being reviewed by NWRB and LGU of Malungon. The proposal was prompted by the request of the Municipality of Malungon in Sarangani for SW's assistance in the review of a draft local ordinance aimed to regulate the use of water sources in the LGU. NWRB confirmed that they are exploring similar collaboration with LGUs and agreed to review the draft MOA prepared by SW and may test same in water-stressed LGUs that they are currently working with.
Integration of water availability and demand analysis in the CLUP guidelines to strengthen WRM and water use regulation in the LGUs (KRA 4)	An initial discussion with DHSUD was conducted and cooperation on the preparation of toolkits and supplemental guide to CLUP guidelines will be further studied.
Guidelines institutionalizing water security planning (KRA 4)	SW will explore incorporation of water security planning in the updating of the PDPFP guidelines with NEDA and DHSUD; To be informed by the PWISP preparation
PES Provincial Policy (KRA 6)	To be supported by results of PES replication/ scaling up in selected LGUs

The Policy Agenda agreed with NEDA identifying specific policy, advocacy and knowledge sharing initiatives supporting the 8 key reform action plans of the PWSSMP to be implemented under the project was confirmed by NEDA in a meeting on April 7, 2021 and included in the PWSSMP dashboard.

### c. Technical Secretariat Support to the Government WSS Network

The Team, with NEDA coordinated the series of events implemented by various WSS Network members to commemorate Environment Month in June. SW prepared and circulated the directory of events among network members which participated either as host, resource institution or panelist in the series of events.

DATE	OFFICE/ AGENCY/ PARTNERS	ACTIVITY TITLE	VENUE
June 8	Provincial Government of Negros Occidental and USAID Safe Water Project	Launching of the Provincial Integrated Water Security Program	Blended; in-person event in the Provincial Capitol and via online
June 10	DENR Offices and partners	DENR @ 34 Celebration/ World Environment Day Celebration / Philippine Environment Month	Online
June 24-25	USAID Safe Water Project	Water Demand Management (WDM) Level I Training	Online

June 25	DENR Offices and LGUs	Arbor Day	Tree planting activities
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#### **d. Development of Policy Tools and Knowledge Products**

During the quarter, the Team produced the following knowledge products:

- Technical Notes supporting the Water Convergence Program to strengthen budget advocacy for higher WSS investments, specifically: 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
- Concept Briefs on OBA-BF and PES were also prepared for all SW sites. These were used during orientations for pilot implementation of these financing schemes in select LGUs.

### **CROSS-CUTTING ACTIVITIES**

#### **GENDER EQUALITY AND WOMEN'S EMPOWERMENT(GEWE)**

To better inform and adapt the project's Gender Action Plan (GAP), SW continued its GEWE assessment. The findings revealed that:

- Women account for less than 50% of decision-makers in WSPs and sector institutions in all project sites. As of this report, only two local partners, Maasim's iWASH Committee and Bago City Water District (including 2 barangay-managed water systems), have 50% of decision-making positions held by women.
- LGU personnel at the different levels, excluding those from government-run water utilities, have undertaken basic orientation on gender and development (GAD) and gender-sensitivity (GST). Among those not run by LGUs, only five (5) out of 17 water utilities surveyed have undertaken gender-related training activities for their staff-members.
- Women's participation in WSS- and WRM-related projects or activities were mostly related to employment, income-generation, entrepreneurial and livelihood programs, but not on technical skills related to WSS and WRM.

Given these initial findings, SW continued qualitative data gathering for the GEWE assessment and designed **specific interventions building on the four (4) GAP strategies:**

#### **a. Maximizing LGU Gender and Development Focal Point System (GADFPS) in WSS and WRM interventions**

To get buy-in for this GAD strategy, the Team profiled gender allies and champions. Profiling in Palawan has been completed while that of Negros Occidental and Sarangani are nearing completion. This profile of gender allies and champions will serve as a network for obtaining requests and identifying training needs on GEWE. The profiles will form part of the results of the final report on the GEWE assessment report. An example of a profile of two gender champions is outlined below:

*Ms. Jenn Rausa, Spokesperson of Puerto Princesa City Water District, and Ms. Jonalyn Sibug, Supervisor of the Narra Water Supply System, represent the invaluable women in the water*

*sector. Both joined the water utilities after finishing college and have been serving their posts in the last five years. They account for less than 30% of women in key positions across water utilities and service providers in the country. Safe Water works with and supports the women like Jenn and Jonalyn who in many ways are trailblazing the path for more women in water utilities.*

In Sarangani, SW received requests from water districts in the municipalities of Maasim and Glan to develop their Gender and Development (GAD) Plans and Budget. The Team is consolidating resource materials and providing guidance in the appointment of their GADFPS, particularly for the Maasim Water District, in order to meet their GAD requirements. The Team will continue this process next quarter by conducting a GAD planning write shop.

#### **b. Increasing Professional and/ or Leadership Opportunities for Women**

The Team identified two strategies for increasing women's potential nomination and appointment to leadership positions in water utilities: (1) advocacy highlighting the value of women's leadership; and (2) identification of women's leadership programs in the sector.

The advocacy component of the first strategy will be discussed in the succeeding GAP strategy in section (c). For the second strategy, the Team reviewed the following women's leadership programs:

- Gender Equality Executive Leadership Program (GEELP) under USAID Engendering Utilities Project
- International Labor Organization (ILO)'s Women Entrepreneurs and Development for Gender Equality (WEDGE) Module
- Philippine Commission on Women (PCW)'s related materials on women's leadership

The recommendations from the review will be released next quarter and will be linked with: (1) exploring opportunities for supporting women's paid participation in leadership programs; (2) integrating women's leadership modules in SW training activities; and/ or, (3) creating a SW-led women's leadership program in the sector.

### c. Shifting Social Perceptions and Valuation of Women's Input

Building on the first two GAP strategies, the Team implemented advocacy activities during the quarter through orientations and support to USAID's #ChooseToChallenge campaign.

1. **Orientations.** In Negros Occidental, SW's Gender Focal Person and Livelihood Coordinator participated in the training "Because Women Count" organized by the Provincial Council of Women. The SW Team participated in the planning of the event and recommended focus on women and water (along with three other areas, migrant women, women in leadership and women and housing) and spoke on the role of women in WSS and WRM. In response to positive feedback during the webinar, a regular learning event on gender and water issues for water districts will be jointly organized by SW and the Provincial Council on Women starting August.



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

In Sarangani, the Team delivered an orientation on SW's GAP with livelihood partners including Mahintana Foundation and CLAFI during their operations planning activity to ensure that their work will contribute to the GEWE-related indicators of the project.

2. **USAID's #ChooseToChallenge Campaign.** During the International Women's Month, USAID supported the global campaign called #ChooseToChallenge. USAID featured different women leaders and how they've benefitted from USAID interventions in its social media accounts. In a two-minute video, USAID also highlighted two of six women leaders in environmental protection benefiting from SW interventions, namely:
- Ninfa Benitua, a female people's organization (PO) leader from Negros Occidental
  - Jenn Rausa, City Water District Community Relations Officer from Palawan

### d. Improving Safe Water Staff and Local Partners' Understanding of Gender Equity

As a refresher to the internal GEWE training in Year 1, the Gender Consultant held an orientation on GEWE concepts including the introduction of Sexual Orientation, Gender Identity, and Expression (SOGIE) for SW staff. The SOGIE orientation was adapted from the USAID training series conducted among all implementing partners' gender focal points.

The project also finalized the training needs assessment (TNA) design during the quarter. This will be rolled out next quarter to ascertain the strengths and limitations of SW staff and local partners on GEWE. SW will design its capacity building activities on GEWE based on the TNA's findings.



## COMMUNICATIONS AND OUTREACH

During the reporting period, Communications and Outreach focused on the following:

1. Enhancement of the power point presentation of the Philippine Water Supply and Sanitation Master Plan in preparation for an earlier schedule (albeit postponed) launch
2. Creation of social media content related to USAID's Earth Day campaign. For USAID's social media campaign for Earth Day (themed #RestoreOurEarth), the project's submissions were featured on the USAID Philippines Facebook page, specifically:
  - Yamang Bukid Farm: [Providing alternative livelihood opportunities to watershed communities](#)
  - [Green Tropic Coffee: Encouraging farming communities to take care of the environment](#)
  - USAID engagement with the Manila Observatory and the Geosciences Foundation to research the impact of climate change on water resources (25 April)
  - USAID partnership with Kasilak Development Foundation Inc (KDFI) on the use of bamboo dikes to rehabilitate river banks within the Buayan-Malungon River Basin (BMRB; 24 April)
  - USAID partnership with Coca Cola Foundation and the Multisectoral Alliance for Development (MUAD) of Negros to protect water resources & help local communities rehabilitate 22 springs & reforest parts of the Bago and Malogo watersheds (17 April)

Other social media submissions featured during the quarter included:

- USAID and Puerto Princesa Water District train local watershed stakeholders in Palawan's Montible Watershed in water quality monitoring (28 May)
- Introduction of Output Based Aid with Blended Finance (OBA-BF) to Sarangani Province's Alabel Municipality to improve sanitation facilities (19 May)
- Glan municipality (Sarangani Province) participation in USAID's Water Demand Management workshop (6 May)
- Sarangani Pause and Reflect Session (4 April)

## MONITORING, EVALUATION AND LEARNING (MEL)

Safe Water aims to achieve 27 intermediate results and outcomes over a five-year period that will serve as evidence of its success in meeting the objectives of the project. In Y2, SW committed targets under 20 intermediate result / outcome indicators. Targets covering nine (9) indicators have already been achieved.

The progress in achieving the targets as of 3<sup>rd</sup> quarter of year 2 vis-a-vis project objectives as discussed in the previous sections are summarized in Table 5.

**TABLE 5: USAID PERFORMANCE MANAGEMENT TRACKER**

Indicators by Objective	Type (F/C)	Baseline I	LOP Target	FY 2021 Target	FY 2021 Actual				
					Q1	Q2	Q3	Q4	Total
<b>Objective 1: Increased access to resilient water supply and sanitation services</b>									
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	13,659	10,280			23,939
	<i>Basic</i>	1,539,312							
	<i>Safely Managed</i>	1,260,760			13,659	10,280			23,939
	About 5,000 households (with 23,728 939 members) from the project sites accessed loans amounting to about USD 45133,264000 (PHP 221.5664M) from Water.org to cover fees to avail of connections or services from safely managed drinking water facilities. SW 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 1.2: 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					
O 1.3: Number of people gaining access to limited or basic or safely managed sanitation services as a result of USG assistance	F		210,000	20,000	18,313	33,074			51,387
	<i>Basic</i>	2,556,952			18,313	33,074			51,387
	<i>Limited</i>	1,821,283							
	<i>Safely Managed</i>	1,375							
About 10,30750 households (with 510,387545 members) from the project sites accessed loans amounting to about USD 21.0698M (PHP 10299.8415M) from Water.org to construct their own basic sanitation facilities (water-sealed toilets & septic tanks). SW is currently assisting LGUs / WSPs with; preparation of FS, 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.									
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					
<b>Objective 2: Improved sustainable management of water resources</b>									
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	75,000			4,557		4,557
	GHG emissions prevented is attributed to activities in Bago watershed under the P4WatER Project such as: profiling of springs for rehabilitation, construction of nurseries and plant propagation. An additional 79,000 metric tons of GHG emissions will be avoided towards end of Y2 with the implementation of watershed management plans in: Montible watershed (21,000 MT), 10 watersheds in Narra (45,000 MT), and BMRB (13,000 MT)								
O 2.2: Number of people benefiting from adoption and implementation of	F	0	600,000	150,000			665		665
	SW facilitated 12 partnerships between watershed communities and private institutions to mobilize resources and implement sustainable watershed management and livelihood activities.								

Indicators by Objective	Type (F/C)	Baseline I	LOP Target	FY 2021 Target	FY 2021 Actual				
					Q1	Q2	Q3	Q4	Total
measures to improve water resources management as a result of USG assistance	Three partnerships from Sarangani have already demonstrated benefits among its members (665 household members) in terms of improved farming practices (actual coffee planting) that would provide additional income to households while protecting and increasing forest cover.								
O 2.3: Number of people receiving livelihood co-benefits (monetary or non-monetary) associated with USG sustainable landscapes activities.	F	22,450	160,000	15,000		508	1,957		2,465
	All 12 partnerships have benefited various proponent / farmer groups with 2,465 individuals gaining increased environmental awareness and protection of forest resources from various SW 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	TBD	Decreased						
	<b>Results of Hydrologic Studies in five watersheds (Baseline)</b> <b>Annual Run-off ratio (1975-2005):</b> 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	TBD	Improved						
	<b>Results of Hydrologic Studies in five watersheds (Baseline)</b> <b>Water Quality by Section of River</b> (Turbidity measured in Formazin Nephelometric Units, FNU's): Upstream, 24.82; Midstream, 53.26; Downstream: 59.46								
O 2.6: Changes in the volume of groundwater recharge / infiltration	C	TBD	Increased						
	<b>Results of Hydrologic Studies in five watersheds (Baseline)</b> <b>Annual Ground Water Recharge / Infiltration (1975-2005):</b> 940.3 million cubic meters, equivalent to 21% GW recharge rate against the 4.5 billion cubic meters annual volume of rainfall.								
<b>Objective 3: Strengthened water sector governance</b>									
O 3.1: Number of policies or plans developed, enhanced, or implemented to promote water security	C	35	50	10	1	4	8		13
	Actual achievements initiated by SW include: <b>Palawan (5):</b> 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. <b>Negros Occidental (1):</b> EO creating the Provincial Integrated Water Security Team (PIWST) <b>Sarangani (7):</b> EOs creating (i) Provincial Integrated Water Security Team (PIWST); (ii) Provincial Integrated Water Security Council (PIWSC); (iii) Alabel Water Security council (iv) Malungon ENRC; (v) Malapatan ENRC; (vi) Maasim ENRC; and (vii) Glan ENRC								
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			5		5
	Achievements as a result of SW TA include: <b>Negros Occidental (1):</b> PGNO has mobilized the PIWST to work on its PIWSP using results of the hydrologic studies <b>Sarangani (4):</b> Alabel Water Security Council with increased technical knowledge on science-based approach in managing water resources through various SW workshops / trainings; and three POs from Green Tropics Enterprise (Sarangani) that have applied improved farming practices acquired from training sessions facilitated by SW.								
<b>Intermediate Results (Outputs / Foundational Outcomes) by Objective</b>									
<b>Objective 1: Increased access to resilient water supply and sanitation services</b>									
IR 1.1: Number of WSPs with increased operational, technical, and financial management capacity	C	188	30	5	4		8		12
	Achievements include: (i) SW TA to 5 WSPs (Culion WD, Taytay WD, PPCWD, El Nido WSS Office & 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 SW with their current / proposed projects; and (iii) installation of water flow meter in San Vicente waterworks (as recommended by SW).								

Indicators by Objective	Type (F/C)	Baseline I	LOP Target	FY 2021 Target	FY 2021 Actual				
					Q1	Q2	Q3	Q4	Total
through Safe Water activities									
IR 1.2: Number of coordination mechanisms institutionalized at the local, watershed, and regional levels through Safe Water activities	C		48	4	2	2	8		10
	<p>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:</p> <p><b>Palawan (3):</b>            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 Technical Working Group (TWG) for Integrated Watershed Management Plan of Narra</p> <p><b>Negros Occidental (1):</b>            Creation of PIWST</p> <p><b>Sarangani (6):</b>            Creation of ENRCs in the municipalities of Maasim, Malungon, Glan, and Malapatan; Provincial Integrated Water Security Council; and Alabel Water Security Council</p>								
IR 1.3: Value of new funding mobilized to the water and to the water and sanitation sectors as a result of USG assistance (US\$)	F	0	75,000,000	10,000,000	1,110,198	1,399,387	6,060,000		8,569,585
	Public						600,000		600,000
	Private				1,110,198	1,399,387	5,460,000		7,969,585
	Investments mobilized through SW activities include: (i) WASH loans worth US\$ 2.51M providing 31,706 people with access to improved WSS services in the provinces of Palawan, Negros Occidental and Sarangani under SW and Water.org partnership; (ii) loans from commercial funding institutions e.g., DBP, LBP, MFIs, others worth US\$ 5.03M; and (iii) PGNO Issuance of Certificate of Approved Budget worth USD 214,200 to implement PIWSP.								
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	TBD	TBD			4		4
	SW 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.								
<b>Objective 2: Improved sustainable management of water resources</b>									
IR 2.1: Number of hectares under improved watershed management through Safe Water activities	C	2,136	330,000	10,000					
	The Y2 target is anticipated to be achieved in Montible watershed through the creation of the WMC, allocation of budget and implementation of WMP. 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	C		50	8			7		7
	SW achievements, which are accounted in Sarangani include: (i) SW assistance to 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; and ii) 3 POs (Datal Basak, Mutoladal, and Holik								

Indicators by Objective	Type (F/C)	Baseline	LOP Target	FY 2021 Target	FY 2021 Actual					
					Q1	Q2	Q3	Q4	Total	
monitor water and forest resources sustainably, using data and innovative technologies										Farmers Association) that acquired hands-on training on coffee production that would contribute to forest protection / conservation.
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	Amounts mobilized include USD 9.92M from FFSI; USD 375,334 from partnerships for livelihood / landscape activities in Negros Occidental and Sarangani; and USD 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						SW is engaging upland communities as monitors to enforce watershed conservation laws. Key activities to achieving this in the succeeding periods include mobilization of patrollers and training on LAWIN system.
<b>Objective 3: Strengthened water sector governance</b>										
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		2	WSS Network; and (ii) PGNO Water Security Program (and website). Towards end of Year 2, SW will continue to explore development of mechanisms for knowledge exchange on water security thru: (i) Palawan Knowledge Platform; (ii) local water alliance(s); and (iii) Philippine Water Challenge.
<b>Cross-cutting</b>										
Number of tools, technologies, or measures implemented to manage water resources or improved WSS through Safe Water activities	C		30	10	6	7	5		18	Various tools, technologies, or measures that have been developed / enhanced through SW 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; 13) Hydrologic Studies; 3 Technical Notes submitted 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 Concept Brief on OBA-BF 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	6	86*	45	2		13	fourteenThirteen (142) partnership agreements have been signed with the following: <b>Palawan (3):</b> Puerto Princesa City Water District (PPCWD); Yamang Bukid Farm (YBF); and Palawan Council for Sustainable Development (PCSD) <b>Negros Occidental (1):</b> Coca-Cola Foundation Philippines Inc. and Multi-stakeholder Alliance for Development-Negros (MUAD-Negros) <b>Sarangani (4):</b> Mahintana Foundation; CLAFI, Kasilak Development Foundation; and GreenTropics Coffee Enterprise (GreenTropics) <b>Across Sites (65):</b> PBSP; Water.org; FSSI; SUNlight Foods Corporation and MOA with PDRF, Manila Water and Maynilad for the PhIWC
Percentage change of women in decision-making positions in WSPs or sector	C	32%	50%	0						

Indicators by Objective	Type (F/C)	Baseline I	LOP Target	FY 2021 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		46
	SW 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%
	<p>Accomplishments include:</p> <p><b>Palawan:</b> 81 out of 109 (74%) members of Irawan-based IPs and women's associations registered with DOLE thru SW TA, are women.</p> <p><b>Sarangani:</b> 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.</p>								

## 2.2 ADDRESSING IMPLEMENTATION CHALLENGES

The COVID 19 pandemic continues to adversely impact the activities of the project:

**Increasing COVID 19 cases and tightening of restrictions.** The escalation of COVID 19 cases in all SW sites continue to affect implementation of field activities. Several scheduled activities had to be postponed to comply with LGU restrictions on face-to-face meetings as part of health safety protocols. Furthermore, cases of infection among the direct stakeholders affected follow-on interaction or implementation of agreements.

### COVID 19 cases among Safe Water Team Members.

**Limitations on the use of virtual meeting platforms.** Virtual platforms are greatly affected by unreliable internet connection. In many instances, Safe Water orientation/ workshops are hampered by poor internet connections not only on part of SW but among workshop participants as well. Blended activities had been undertaken to remedy this situation but only few participants could be accommodated in the in person meetings as mandated by LGU health protocols.

### OBJECTIVE I

**Travel-related constraints.** Aside from long distances, movement to the sites is constrained by government restrictions due to escalation of COVID-19 cases. This has resulted to the postponement of some site assessment and validation activities for priority projects in Palawan and Negros Occidental.

**Postponement of Capital Expenditures by WSPs.** Because of the impact on COVID-19 on the finances of WSPs, only a few WSPs are able to spend for capital expenditures (CAPEX) during the pandemic. A big WSP like General Santos City WD has even deferred its loan for the construction of its septage treatment facility due to the pandemic.

**Long project gestation of WSS Projects and other TA.** Most of SW's technical assistance on project development such as like bulk water supply development, NRW reduction and septage management programs have a long gestation period. Some are likely to materialize beyond SW's LOP, especially big ticket projects like the shift of General Santos City WD to surface water source. The same can be said for capacitating LGUs on design and project proposal preparation in prioritizing WSS projects. For WSPs with major infrastructure projects such as the construction of PPCWD's Montible River water supply facilities, it will take a couple of years before another major project can be implemented. Although these projects may not directly contribute to access targets within the life of Safe Water, they address long term water security outcomes for a significant number of the unserved and underserved population, and therefore essential to plan and execute well. The Team is augmenting its field staff complement to meet the growing technical assistance needs of both these big ticket and small community-based or efficiency improvement projects.

**Income limitations of target communities.** Most poor households in the project sites cannot afford the cost of standard septic tanks. SW will continue to promote innovative financing schemes such as the OBA-BF to allow these communities access to improved sanitation services.

**Political economy challenges in Palawan.** The SW Team has been unable to move forward on initiatives such as the Provincial Integrated Water Security Planning in Palawan and a discussion on

suggested improvements to some facilities designed and built by the PGP-Water Infra Group. The Group was formed by the incumbent governor as an ad-hoc group that will focus on water supply issues in the province. The governor designated the head of the Group to be the focal person the project should liaise with. However, the Team has not gotten traction with the focal person and her team despite repeated requests for meetings and submission of proposal to start the water security planning process for the province. The Team surmises that since it is the governor's last term and the appointment of the Group is co terminus with him, they may be busy completing on-going projects. SW has been working directly with cities and municipalities and water districts within the provinces, still effective, albeit a protracted process. In view of this situation, the Team will defer the preparation of the provincial water security plan until after the national and local elections in May 2022.

## OBJECTIVE 2

**Postponement of activities due to COVID 19.** Technical consultations with Kiamba Municipality was postponed due to municipal officials' exposure to COVID 19 positive case. The watershed management planning for Lake Manguao originally scheduled May 24-26 was cancelled until further notice upon advice of the LGU due to rising cases of COVID in Taytay. The field staff in Negros Occidental were also notified by LGUs of Victorias City, Murcia, Manapla and E.B. Magalona to cancel their consultation meetings with LGU staff since they are on lock down due to reported spikes in COVID 19 cases. As a result, most of the SW activities were conducted online and where possible, face-to-face activities were limited to a few participants.

**Limited DENR engagement in SW activities.** DENR field offices had reservations in working with SW in the absence of a formal MOU between DENR and the USAID Safe Water Project. SW had to course through the provincial governments any request for DENR participation in SW activities to be able to secure DENR data and maps and engage them in watershed management planning and other WRM activities. Fortunately, towards the end of the third quarter USAID and DENR signed the MOU for joint collaboration in Safe Water and SIBOL project.

## OBJECTIVE 3

**Implementation of the Mandanas Ruling.** The Supreme Court's Mandanas Ruling will reduce NG assistance to LGUs and provide bigger national tax allocation (NaTA) to LGUs starting 2022 raising their budgets by 55%. The policy will impact on the availability of financing for URAF which was expected to come from the key implementing national agencies' budgets. With the corresponding devolution of functions previously supported by NGAs, investment in WSS services may also take a back burner at the local level and will need to be supported by other financing sources. Note that IRA cannot be earmarked by national government. LGUs will be adjusting to the full implementation of the Mandanas by 2023 and will be preoccupied with the preparation of their transition devolution plans.

The Team, through the Water Convergence Program led by NEDA, has actively promoted continuing NG budget support for WSS including in the preparation of implementing guidelines for the GEF for sanitation grants. TA and capacity building assistance to LGUs and WDs will continue to be guided by the URAF framework and water utility glide path to improve utility governance and increase access to financing for WSS investments. SW will also provide assistance to LGUs to a) ensure alignment and integration of water security related projects and activities in the local planning, investment programming and budgeting processes, b) improve their access to other financing sources such as GFI and private sector/ commercial windows, and c) adoption of PPPs for identified clustered projects, and innovative financing schemes such as OBA-BF for sanitation and PES for watershed conservation and protection.



**Inertia on Legislative Reforms.** The Team has been supporting NEDA advocate for the passage of the Department of Water and Water Regulatory Commission bills in Congress, two critical institutional reforms that address fundamental governance weaknesses. Progress has been made at the House of Representatives, where the bills are now being scheduled for plenary discussion. However, the Senate's response is less urgent. While the bills are not being opposed, there is no champion that will jockey for prioritization over other bills. It may be too late now to expect passage of these bills in the current Congress. The most that the Team is jointly working on with NEDA is to get the bills passed at plenary stage of the lower house, so that they are automatically filed in the next Congress.

## 3. PROJECT OPERATIONS AND ADMINISTRATION

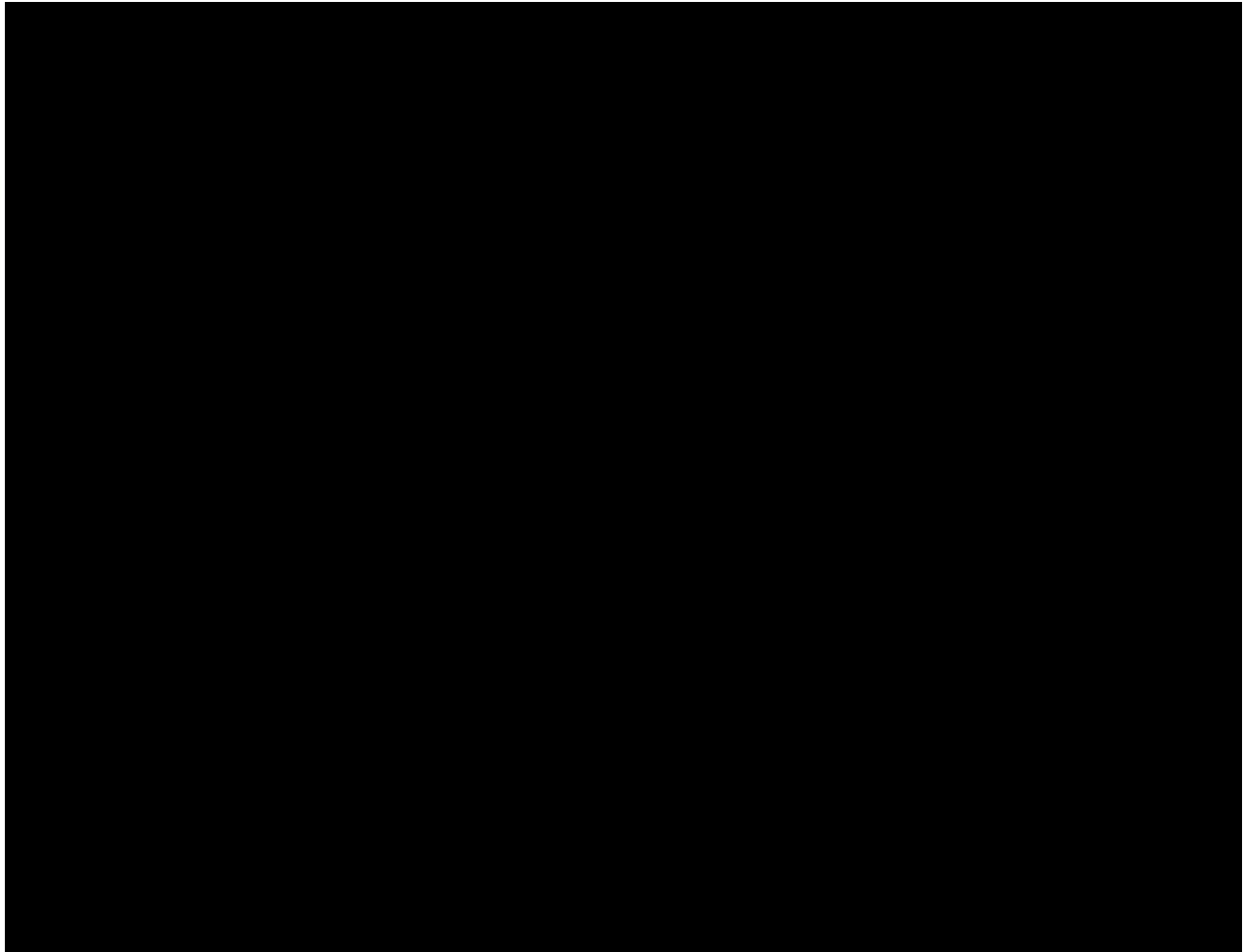
This section provides highlights and summary of the financial performance and human resources and operational activities resulting from various key actions by the management team.

### 3.1 MANAGEMENT AND OPERATIONS

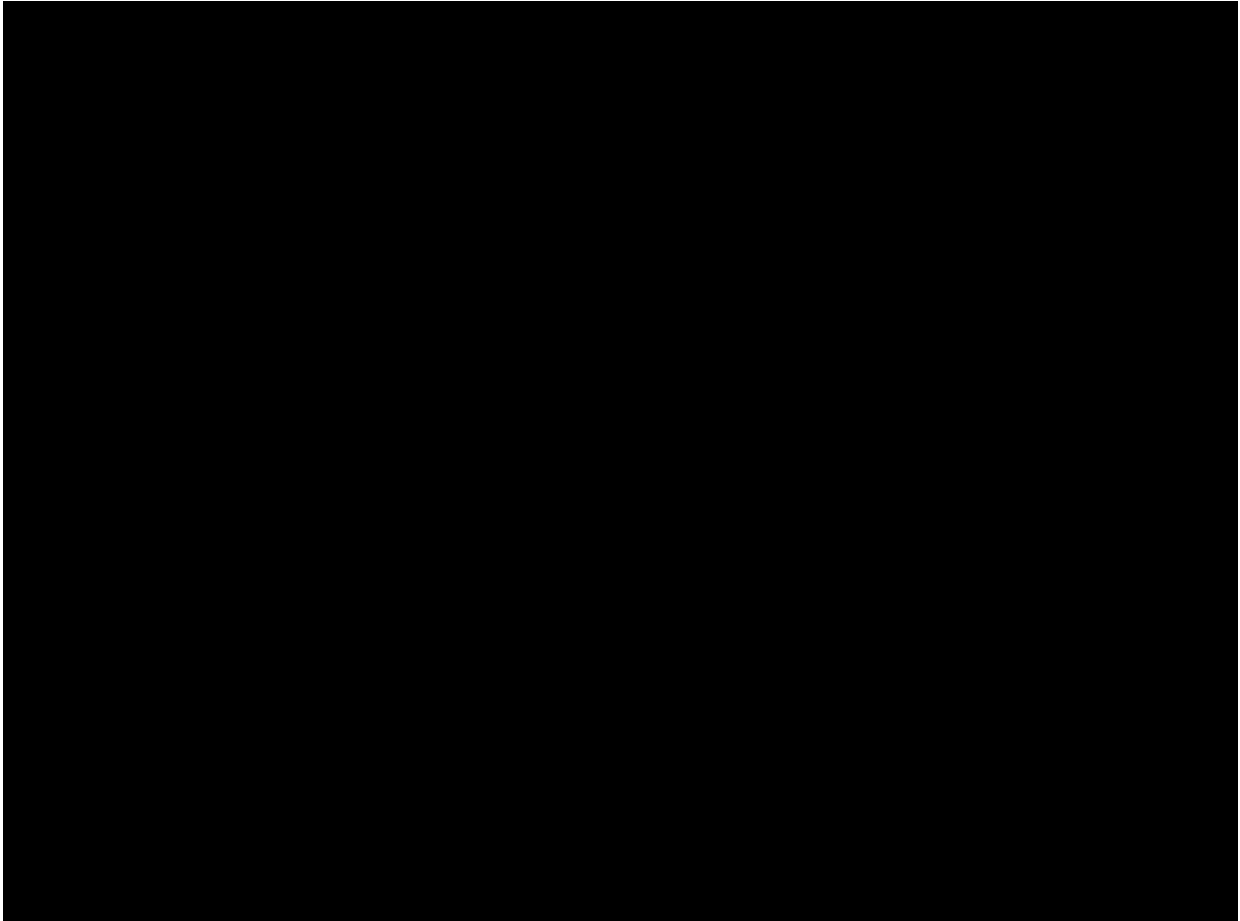
The Chief of Party and Deputy Chief of Party continued to lead, coordinate and manage the day-to-day operations and implementation activities of the Safe Water Project. DAI Headquarters continues to provide backstop administrative, finance and technical support and guidance on implementation concerns.

#### CONTRACTUAL MODIFICATIONS AND UPDATES

The CO approved the proposal submitted by DAI for revised targets for some of the indicators and fee schedule to account for external and unforeseeable events affecting the implementation of the project. These include the adverse impacts of COVID-19, the implementation of Mandanas Ruling, and consideration of the upcoming 2022 elections. The revised schedule of targets is already reflected in Table 5. The official approval was covered by Contract Modification #P00003.



The Team also requested additional long term staff positions, including six for WRM and WSS officers/managers to enable the field teams address the expanding project activities in a timely manner, and upgraded the Human Resources Officer to an Operations and Human Resource Manager position. The COR and CO approved nine (9) additional LTTA positions, namely: (i) Administrative Associate, (ii) Office Cleaner, (iii) Private Sector Engagement Associate, (iv) 3 Water Supply and Sanitation Managers, and (v) 3 Water Resource Management Officers. The updated project organizational structure is presented below:



The project had three (3) resignations during the period: Field Technical Manager – Bacolod; Communications and Outreach Specialist, and Human Resource Officer. The project hired five (5) staff including replacements for those who resigned, during the quarter, bringing the total on-boarded staff to 61. These include: (1) Operations and Human Resources Manager, (2) Water Resource Management Manager – Bacolod, (3) Administrative Associate, (4) Office Cleaner, and (5) Project Driver. The position of the Communications and Outreach and Gender Specialist was filled up in July 2021.

The project also hired nine (9) new STTA staff, and issued a second contract to an existing STTA staff. These include: (1) Treatment Process Specialist, (2) Graphic Designer, (3) Sustainable Livelihood Assessment Consultant, (4) Photographer / Audio Visual Professional, (5) Technical Writers (2), (6) Management Information Systems Specialists for the MEL System (2), and (7) Finance Manager. A current STTA staff, the Financial Specialist for Strategic Business Planning of Water Services Provider, was issued a new contract during the quarter.

A summary of Safe Water staff by type and base is presented in Table 6.

**TABLE 6: SUMMARY OF TECHNICAL AND SUPPORT STAFF BY LOCATION AS OF JUNE 30, 2021**

CATEGORIES	TOTAL	STAFF TYPE		LOCATION			
		Technical	Support	Manila	Palawan	Negros Occidental	GenSan
No. of staff on board	61	42	19	33	9	9	10
Total Long-Term Technical Assistance Staff	47	28	19	19	9	9	10
No. of STTA staff	14	14	-	14	-	-	-
No. of staff resigned during the quarter	3	2	1	2	-	1	-
No. of staff for recruitment	11	10	1	3	2	3	3

The Project continued to engage the following home office staff to provide support for effective and efficient project implementation, that allows the project to achieve decent accomplishments during the period despite the challenges and limitations brought about by the COVID-19 pandemic.

- [REDACTED] – Home Office Project Director, provide overall technical oversight in the project implementation
- [REDACTED] – Home Office Project Manager for Safe Water, provide technical management oversight and support. Respond to USAID requests for contractual information, support recruitment and on-boarding of key staff, lead monthly and quarterly reviews with the project leadership team.
- [REDACTED] – Project Associate, support recruitment, procurement, records management, ensure accurate invoicing and financial reporting,
- [REDACTED] - Home Office Associate, provided support in the recruitment and on-boarding of project staff including preparation of TORs and relevant documents for USAID approval
- [REDACTED] - provide guidance in the development of contracts for procurement documents and contracts of implementing partners; and ensure compliance with USAID contractual requirements
- [REDACTED] – 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.
- [REDACTED] - Field Accounting System (FAS) Specialist – conduct virtual training and technical assistance to SW finance team in the hardware and software set-up, and comprehensive support in the implementation of DAI Field Accounting System
- [REDACTED] – provided training on FAS to the new Finance Manager, and Finance Associate based in the Manila Office

## SUBCONTRACTOR MANAGEMENT

The project drafted the scope of work for the first Task Order of CEST, Incorporated. The engagement includes the fielding of water services and sanitation engineers to provide technical advice for projects.

The Team also drafted the second Task Order for Geoscience Foundation, Inc (GFI), to prepare the hydrology studies of the other watersheds in the three sites and to develop a training program for DENR and NWRB to be able to do hydrology studies for other watersheds in the Philippines.

## PROCUREMENT

In support of various activities, major procurements completed during the quarter in review are shown in Table 7.

**TABLE 7: BREAKDOWN OF MAJOR PROCUREMENT DURING 3RD QUARTER (APRIL - JUNE 2021)**

DESCRIPTION	TOTAL (US\$)	DATE OF PURCHASE ORDER
Installation of Internet for Bacolod Site office	US\$ 570.82	May 28, 2021

Safe Water site office in Bacolod City awarded the installation of internet service to the Philippine Long Distance Telecommunication (PLDT) Company. Internet connectivity is a justified procurement as it serves all project activities, both technical and operations. This service not only improved communication between Manila and other site offices but with partners and other stakeholders particularly in the conduct of virtual meetings and workshops.

## ASSESSMENT FOR CLIN 0002 ACTIVATION

Upon the discussion of the Team and the project COR, the Team conducted an assessment of the COVID crisis to inform USAID’s decision to activate CLIN 0002 of Safe Water. CLIN 0002 provides USAID flexibility to respond quickly to unanticipated events and changing circumstances that will impact on or are related to the achievement of SW Project objectives. The assessment report offers a brief situation analysis of COVID-19 impacts in the Philippines, rationale for CLIN 0002 activation, and a results framework and illustrative activities that the project could implement to support COVID-19 recovery.

## UPDATES ON COVID 19 PROJECT CONTINUITY PLAN

The Team continued to monitor the quarantine levels enforced in the project sites. Of the seven areas monitored (see Table 8 below), three (Puerto Princesa City, Sarangani Province, and General Santos City) experienced an upgrade in their respective quarantine level during the quarter. One area, Metro Manila, experienced a downgrade, while the remaining three (3) areas maintained their quarantine levels. The table below presents the status of the quarantine levels of the implementation areas.

**TABLE 8: STATUS OF QUARANTINE RESTRICTIONS**

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

<b>Enhance Community Quarantine</b>	ECQ	Movement of persons heavily restricted; only establishments involved in basic essential commodities and services are allowed to operate; gatherings strictly prohibited.
<b>General Community Quarantine</b>	GCQ	Establishments to operate at 50% capacity. Regulated movement of persons for work; gatherings allowed up to 30% of venue capacity
<b>Modified GCQ</b>	MGCQ	Regulations for movements of persons is the same as GCQ; gatherings outside residence are permitted up to 50% of venue capacity

The project management also continued to track the vaccination of the project staff. [REDACTED]

[REDACTED]

[REDACTED]

The project adapted office reporting schedule on the quarantine conditions. Presently the Manila team reports to the office 3 days a week. The site offices follow their own schedule for office reporting and WFH arrangement based on local conditions, subject to approval of project management.

## 4. PLANNED ACTIVITIES FOR THE NEXT QUARTER

The planned activities for the next quarter are:

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

1. Continue assessment of WSPs in the remaining LGUs of the three SW sites using the WSP diagnostic tool to identify technical assistance needs for project development and/or capacity building
2. Continue/carry out on-going and previously identified TAs for WSPs
3. Conduct training on O&M improvement
4. Continue activities related to the pilot implementation of CMS in identified LGUs
5. Mentor and assist first batch of WSPs in finalizing their Strategic Business Plans; identify and conduct training for the next batch of WSPs; and update Strategic Business Planning Guidebook to incorporate URAF provisions
6. Continue assistance to provincial governments in the formulation of their respective Provincial Water Security Plans, specifically:
  - conduct of data analysis workshops and stakeholder consultations in Negros Occidental and Sarangani
  - drafting of the Provincial Integrated Water Security Plans
7. Finalize task order of GFI for the conduct of: hydrologic studies for the remaining watersheds in the three sites; and training for NWRB, DENR and other site representatives on hydrologic studies
8. Continue working with Water.Org and MFIs on household water connections and toilet facilities
9. Facilitate the construction of toilets and septic tanks in selected poor households in Sagay City and Alabel under the Awesomeness Fund. SW is recommending the use of Water.org's toilet and septic tank design which is compliant with national standards.
10. Follow-on study on the most advantageous surface water source for General Santos City WD which will be identified by the pre-FS under USAID/SURGE
11. Assist Maasim LGU-run Waterworks in the automation of its billing and collection system

### 4.2 OBJECTIVE 2: IMPROVED SUSTAINABLE MANAGEMENT OF WATER RESOURCES

1. Complete Montible and Narra Watershed Management Plans. Specific activities include formulation of implementation activities and estimated budget and writing of the plan
2. Continue IWMP formulation for Palawan Flora and Fauna Watershed Reserve (PFFWR), Lake Manguao, Malogo and Siguel. Specific activities include data collection, thematic mapping, and assessment of the watershed conditions
3. Formulate LGU watershed conservation plans of Malungon and Alabel in Sarangani province
4. Continue negotiation and engagement of GFI and MO for the conduct of hydrologic study, training on hydrologic assessment and expanded climate risk assessment in target watersheds within SW covered provinces
5. Continue the process of organizing watershed management councils in Malogo and Siguel watersheds and reactivation of BMRB, Bago and PFFWR Management Councils
6. Monitor work plan implementation by partners and continue work plan implementation such as the conduct financial literacy training for POs, coffee farmers' field training and other watershed conservation and restoration activities
7. Facilitate LAWIN training in Negros Occidental, Sarangani and Lake Manguao

8. Conduct PES Orientation for Negros Occidental and data gathering for valuation of EGS and cost revenue analysis for BMRB, and Irawan Watershed
9. Continue providing support for WDM at the local level. The Team will follow on discussions with Ayala Land, Inc. and San Miguel Corporation for case documentation of WDM in the private sector, and will identify local partners for WDM advocacy

### 4.3 OBJECTIVE 3: STRENGTHENED WATER SECTOR GOVERNANCE

#### MOBILIZING FUNDS TO IMPROVE WSS ACCESS AND SERVICE DELIVERY

1. Continue to link LWUA and DBP for co-financing of WD pipeline projects for 2022; Follow-up endorsement of P4 B project pipeline for DBP sole financing
2. Continue to study and facilitate MFI access to the GFIs' lending window to expand their WASH portfolio with Water.org
3. Assist NEDA in pushing for continuing NG assistance for WSS investments and monitoring their allocation in the 2022 budget under the Water Convergence Program
4. Continue assistance to NEDA in the preparation and implementation of the GEF guidelines
5. Provide follow up assistance to PGNO for additional allocation of its supplemental budget for sanitation investments
6. Strengthen advocacy and provision of TA for prioritization of WSS and WRM Program, Projects and Activities (PPAs) in LGU AIPs and budgets for the 2022 investment programming and budget preparation starting July to October
7. Prepare for the pilot implementation of OBA-BF in Sagay and Alabel. The pilot implementation schedule is between July and October 2021.

**TABLE 9: PROPOSED OBA-BF PILOT IMPLEMENTATION SCHEDULE**

ACTIVITY	TIMEFRAME/ DURATION
<b>A. Preparatory Phase</b>	July 5- 30
1. Confirmation of MFI and LGU Partner/s/ Signing of MOAs	July 5-30
2. Preparation of marketing materials	July 19- Aug 6
3. Design and costing of sanitary toilet	July 9
<b>B. Implementation Phase</b>	July 12- October 15
4. Identification of potential beneficiaries	July 12- 23
5. Site Characterization and assessment of affordability to pay (to determine grant-loan ratio)	July 12- 23
6. Program launch/ orientation and marketing activities/ Demand creation (HHs)	July 12-30
7. Identification and orientation of Independent Verifier	July 12- 23
8. Affordability/ credit check of potential borrowers in the short list	July 19-30
9. Loan agreements between MFI and HH beneficiaries for HH equity and construction arrangement	Starting 1 <sup>st</sup> week of Aug
10. Issuance of subsidy vouchers to HH beneficiaries with approved	Starting 1 <sup>st</sup> week of Aug
11. Construction of sanitary toilets/ Construction supervision	2 <sup>nd</sup> week Aug to Sept 15
12. Independent verification	4 <sup>th</sup> week of Aug to Sept 25
13. Reimbursement of subsidy vouchers	Sept 15- 30
14. Documentation of results and drafting final report	Sept 15 - October 15

#### SUPPORT TO THE IMPLEMENTATION OF THE PWSSMP

- I. Provide technical support to NEDA in the following:
  - a) launching of the PWSSMP on August 13, 2021
  - b) review of the key implementing agencies' work plans for the key action areas of the PWSSMP
  - c) review of the PWSSMP section on financing to ensure alignment with URAF



- d) updating and adjustments of the PWSSMP action plans, including mobilization of the URAF TWG
- e) provision of policy studies and analyses on the DWR & WRC, NWMC and water security related initiatives as needed
- f) preparation of communications and advocacy plan and materials for the roll out and localization of the PWSSMP and operationalization of the URAF
- g) technical secretariat support to the WSS Network

## STRENGTHENING WSS INSTITUTIONS AND KNOWLEDGE SHARING

1. Prepare/ enhance training modules for the conduct of LGU and Regional Watsan Hubs' trainings on water utility governance and CMS including interim measures for efficiency improvement (tariff rationalization, O&M improvement, NRW assessment) and ring-fencing, business planning, tariff setting using existing tools
2. Prepare IEC materials for the pilot demonstration of the OBA-BF scheme
3. Tap knowledge mechanisms and establish local water alliances in the project site
4. Development of knowledge products such as:
  - a) Updating of CMS Manual which was developed under WASHFIN and will include an updated Ring-Fencing Guide
  - b) WDM Trainer's Handbook (Basic Level); and Intermediate Modules
  - c) Documentation of WDM Practices in the Private Sector
  - d) Training Modules on Hydrology and Water Management

## 4.4 CROSS-CUTTING

### PHILIPPINE WATER CHALLENGE

Prepare and implement the USAID-approved communications and social media calendar and toolkit promoting the Philippine Water Challenge

### GENDER EQUALITY AND WOMEN'S EMPOWERMENT

1. Conduct training needs analysis (TNA) among partner POs to determine needed gender-related capacity-building activities/training
2. Continue the GEWE assessment
  - a) Conduct interviews of women leaders in the water districts and WSPs
  - b) Complete analysis of interview with women leaders
  - c) Translate initial findings into knowledge and communications products
3. Conduct GEWE trainings as requested by partners:
  - a) Completion of GAD Planning and Budgeting requirements for partners
  - b) Learning sessions on gender analysis for partners (particularly CLAFI and Green Tropics)
  - c) Training of trainers (ToT) for Negros Occ on gender justice/gender-transformative approaches
  - d) Gender orientation of water districts in close coordination with the Provincial Council of Women (PCW)
4. Explore stakeholders' interest on the Gender Equality Executive Leadership Course and other relevant women's leadership programs in the sector in and outside the country

## COMMUNICATION AND OUTREACH

1. Build shared understanding
  - a) Publish monthly newsletters for broader WSS community of practice to provide information on webinars, studies, events
  - b) Determine longitudinal stories with technical and field teams
  - c) Produce technical Briefers on major project activities such as the preparation of water security plans, activities of the partnerships with various stakeholders including work with communities for conservation or livelihood development and innovative financing
  - d) Provide weekly highlights for print, online, and social media
  - e) Provide communications support to the finalization of reports, e.g. hydrologic assessment report, water security framework
2. Provide communication support to component activities
  - a) Philippine Water Challenge
  - b) OBA Blended Finance Pilot Implementation
  - c) Provincial-level Water Summit
  - d) Internal capacity development: technical writing, photography/ videography, storytelling
3. Generate national interest for WSS and WRM issues
  - a) Support NEDA in PWSSMP Launch
  - b) Produce communications material related to international and national celebration campaigns

## MONITORING, EVALUATION AND LEARNING (MEL)

1. Revision of the MEL Plan

The SW MEL Plan, approved by the USAID in July 2020, is being revised to take into account changes in the results framework (inclusion of additional indicators), adjustments of LOP and periodic targets, new insights on the learning questions, assumption that has to be considered, and improvements or innovations made in gathering and processing of data for a more efficient tracking of project activities, milestones and outcomes. SW will submit the revised MEL Plan to USAID on July 30, 2021.

2. Continue Baseline Assessment for Year 2 Sites

The SW Team will continue gathering and analyzing data for Year 2 sites.<sup>5</sup> This involves collection of secondary (or quantitative) data from various documents and records as well as primary (or qualitative) data through key informant interviews (KIIs) or focus group discussions (FGDs) with officials/staff from LGUs, DENR Regional Offices, water districts and other stakeholders.

3. Develop SW Web-based M&E System

SW will develop a web-based M&E system to manage the collection and processing of all data/information gathered and track work plan progress more efficiently. The system will facilitate real-time reporting of progress and results/outcomes by site and generate dashboards and data sets that will inform decisions related to project implementation.

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<sup>5</sup> The Baseline Assessment Report for Year 1 sites has been submitted and approved by USAID. It will continue to be updated to cover additional sites that SW will cover throughout the LOP.

#### 4. Collect feedback from Project Beneficiaries/Stakeholders

SW shall collect feedback from various WSS/WRM institutions and stakeholders benefitting from SW assistance. The Team will document (i) improvements in perceptions, knowledge and skills of WSS/WRM institutions in performing their functions (e.g., planning, operations or delivery of services, measures) as well as access to greater financial resources that are vital to water security; (ii) experiences from improved access to WSS services; (iii) benefits from implementation of livelihood and landscape activities as key to watershed conservation (e.g., higher incomes, greater awareness on watershed protection, improved knowledge and skills on farming practices); and others.

#### 5. Conduct M&E Planning Sessions with Partner Institutions

SW will continue M&E planning workshops with partner institutions and proponent groups (farmer organizations) pursuing landscape and livelihood activities in the watersheds. The sessions will provide standard procedures and instruments to be used in monitoring and reporting progress in implementing their operation plans. The results framework and M&E plans will be the basis of operationalizing M&E with partners.

#### 6. Establishing capacity and mechanism for water quality monitoring.

Through training activities, SW team will build capacity of POs in the upland areas to conduct water quality monitoring (e.g. turbidity). Prescribed procedures and data collection instruments will be used to realize monitoring activities twice a month by taking samples from water monitoring stations installed in various parts of the watersheds. The data will be submitted to the LGUs for processing and analysis. Quarterly, LGUs shall provide the WMC results of water quality monitoring as part of the bases to understand the condition of the watershed and in developing policies / plans for evolving conservation activities. SW site teams will request from the LGUs copies of the quarterly reports.

#### 7. Strengthening community's engagement to monitoring conservation law enforcement practices.

SW will strengthen involvement of POs as “monitors” of the watershed conservation law enforcement by capacitating them in the conduct of LAWIN Forest Biodiversity and Forest Protection System patrolling activities. Introduced by the DENR, LAWIN is an on-line system that employs science to formulate measurable conservation targets, automates data encoding, monitors patrol efforts, produces geo-referenced data, and enhances coordination between monitoring and law enforcement. The patrolling activities will be conducted monthly by the POs. The results will be managed and reported by the LGUs to the DENR, WMC and SW site teams, quarterly.

### 4.5 PROJECT OPERATIONS AND ADMINISTRATION

I. Continue recruitment of qualified personnel for operations and technical staff, and short-term consultants needed by the project. The following positions are targeted to be filled up in the next quarter:

- a) LTTA positions
  - Operations and HR Manager

- Private Sector Engagement Associate
  - Three (3) Water Resources Management (WRM) Managers or Officers
  - Three (3) Water Supply and Sanitation (WSS) Managers or Officers
- b) STTA positions
- Two (2) Output-based Aid and Blended Finance (OBA-BF) STTAs
2. Implement procurement tracker developed in June 2021 beginning July 2021. The procurement tracker will provide an overview of the status of each procurement. It will be an additional mechanism to ensure that all procurement activities are in accordance with DAI and USAID procurement policies.
  3. Finalize procurement of one (1) service vehicle for the Manila office. The procurement is expected to be completed by mid-September 2021. Approval of the 12 percent VAT-exemption is being worked out with the Bureau of Internal Revenue with the assistance from USAID. Additional computers will also be procured for the use of incoming field technical staff.