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Philippines Energy and Environment Project/Training

Activity: Philippines Energy and Environment Project/Training
Program Area: Energy Sector Governance
Implementer: The Academy for Educational Development
Geographic Focus: Asia & Near East
Country: Philippines
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The Jeepney, a popular form of transportation in Manila, is also one source of the city's infamous pollution.


commerce, industry, and daily life - are fundamentally linked in their heavy reliance on energy resources. Energy in the Philippines is principally used by six sectors that rely on power or fuels to operate: power generation; transport; industry; commercial sector; residential sector; and agriculture. Of these sectors comprising the broader Philippine energy sector, power and transport are the most heavily dependent on energy. USAID engaged the Academy for Educational Development to implement the Philippines Energy and Environment Project/Training (PEEP/T) to provide support to the Government of Philippines (GoP) as it moves forward with its energy sector reform efforts.

Project Background

The Philippines' power sector continues its transition from a state-owned control to a privatized, regulated sector. Concurrently, the country is in the process of developing recently discovered natural gas fields, with the goal of using the gas to generate electricity and as a transportation fuel. The Philippines' power and transport sectors - which provide electricity and mobility essential for

Development Objective

PEEP/T was designed to accelerate the restructuring of the electric power industry and policy reforms in the transportation sector through training capacity building, and technical assistance. Direct benefits of this program included increased government capacity to implement proposed regulatory and demand-side changes, reductions in vehicle emissions, efficient development of existing natural



gas prospects, assistance with reorganization of the leading power industry players, increased communications and stakeholder participation in energy sector policy and decision-making, as well as improved knowledge of electricity spot-market development.

Project Activities

PEEP/T project activities fell into four categories

- 1) Institutional Capacity Building (ICB) Support. Institutional capacity-building activities for the partner government agencies include support in organizational development (strategic planning & change management) and training through provision of basic and advanced levels of knowledge and skills, supplemental tool kits, methods and approaches, opportunities for practicum and for exchange and expertise and experiences via conferences and workshops.
- 2) Communication and Outreach (IEC Support). These activities aimed at improving knowledge, understanding, and ultimately public practices that have an impact on energy policy and regulations in the Philippines. Public meetings and consumer education through participatory strategies constituted one arm of this process, while social marketing provided the foundation for behavioral change strategies in the areas of vehicle emissions, energy conservation and utilization and consumer affairs.

3) Training and Workshops. USAID provided numerous training courses and briefings to high-level personnel and staff in areas of major importance, including implementation of energy restructuring legislation, proposed natural gas legislation, substantive and structural elements of the natural gas industry, effective regulatory communications strategy, power supply contracting and management, and CAA Implementation.

4) Technical Assistance. USAID provided numerous short-term technical consultants to assist in specific area of energy reform in the Philippines, namely change management and reorganization, energy sector regulation, whole-sale energy spot market (WESM), natural gas sector development and regulation, electricity industry restructuring, natural gas vehicle emissions standards.

USAID also sponsored two international study tours to the US and Thailand for high-level GOP personnel to promote GOP understanding of development and regulation of natural gas and renewable energy resources. The Thailand study tour provided an in-depth opportunity for learning about another Asian country's experience with the extraction, transportation, marketing, and regulation of natural gas. The San Francisco study tour provided an examination of renewable energy resource development and promoted cooperation between the GOP and elements of the U.S. natural gas industry.

Project Results

Increased knowledge and understanding by GOP energy personnel and legislators of broad range of fiscal, regulatory, and business issues associated with energy sector restructuring, as well as the development and regulation of natural gas and renewable energy.

PEEP/T produced several key reports for the ERC and DOE:

- A Comparative Evaluation of the Technical and Financial Features of Various NGV OEM Models from the US (e.g. Blue Bird), Latin America (Mercedes of Brazil), Europe and Asia (Tata of India, Hino of Japan, and Hyundai of Korea).
- The Fiscal Autonomy Review: Comparative Study of Regulatory Fiscal Autonomy around the World, which examined different funding mechanisms for national-level energy regulatory authorities around the world.
- Technical Evaluation of the Philippine National Standards & ISO standards of the DOE and Bureau of Product Standards (BPS) and Development of NG standards by the Philippine government agencies.
- An Introductory Primer to Market Monitoring and Surveillance of Wholesale Electric Power Markets, which introduced the basic concepts underlying the monitoring and policing of wholesale electric power markets.

- Cebu and Mindanao Strategic Communications Plans, which assisted the DOE in communicating electricity shortages and power outages as well as the need for energy conservation to stakeholders on these two key islands.



The Tricycle Taxi, a popular form of transportation in Manila, is also one source of the city's infamous pollution. The PEEP/T program sought to reduce emissions by directing communications programs at drivers that raised awareness of the cost-effectiveness of cleaner burning natural gas engines.

Development Impact

These activities provided a solid base of knowledge for GOP energy personnel, including those at the nascent ERC and those working on the implementation of energy sector restructuring, and a more advanced level of learning for high-level decision makers in the legislative and executive branches, thus increasing the likelihood of private sector investment in the Philippines' energy sector.



Lessons Learned

During the last two years, PEEP/T staff learned several valuable lessons that have contributed to the program's overall success: (1) Continuing needs assessments make technical assistance relevant and responsive to the needs of the Government. (2) A well-defined monitoring and evaluation system is vital for effective policy implementation. (3) Joint planning and implementation with partners make capability building activities more effective. (4) Communicating to internal stakeholders is just as important as communicating to the external public. PEEP/T has worked with the GoP and relevant agencies to build an effective monitoring and evaluation system into every program activity. (5) Defined goals and outcomes are key to project implementation and energy reform traction

in the Philippines – prioritizing short-term and long-term goals facilitates sector achievement and progress.

At present, there is heavy emphasis on informing, educating and communicating social issues to the public to create awareness and get their acceptance/support. However, it is equally important to open communication lines among internal stakeholders of an agency/ organization to achieve the same purpose. It is especially critical in government agencies as their activities/operations can potentially affect their constituents. In a complex transition phase, coordination among the myriad of government and private sector energy stakeholders is critical to the reform of the energy sector in the Philippines.

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