

Data Sheet

USAID Mission:	Philippines
Program Title:	Environment and Energy
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	492-004
Proposed FY 2004 Obligation:	\$7,860,000 DA; \$1,140,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$8,076,000 DA; \$5,320,000 ESF
Year of Initial Obligation:	FY 1995
Year of Final Obligation:	2007

Summary: The USAID Environment and Energy Program assists the Government of the Republic of the Philippines (GRP) to address conflict, declining natural resource productivity, and environmental health of the Filipino people, due to over-exploitation and poor governance of the dwindling supply of fish, forests, water, and clean air. With particular focus on the conflict-affected areas of Mindanao, the program brings renewable energy to unelectrified communities of former rebel combatants, raising both quality of life and prospects for peace. Energy and air quality activities promote an adequate, clean, and affordable supply of electricity to increase economic competitiveness and avert impending power crises; provide electricity to the thousands of communities; and reduce vehicle emissions to improve public health. Environmental governance activities help strengthen the ability of national and local governments to manage the use of forests, fisheries, and water, particularly in Mindanao, and manage solid waste, all with an emphasis on transparency, accountability, and stakeholder participation.

Inputs, Outputs, Activities:

FY 2004 Program:

Improve performance in energy and air quality sectors (\$3,380,000 DA, \$800,000 ESF). USAID will electrify 1,680 households in 56 remote rural communities of former rebel combatants with sustainable renewable energy systems (such as solar and micro-hydro) through the existing partnership with Mirant Philippines. Mirant procures and installs the equipment while USAID supports training and organization of communities to successfully manage, finance the operation of, maintain, and protect these systems. USAID will provide the GRP Department of Energy (DOE) and its affiliates with more technical analysis, training, and study tours to increase competition and efficiency in the generation and retail supply of electricity. In addition, advisors will continue to strengthen the new, independent Energy Regulatory Commission (ERC) in deciding over 100 rate cases through unbundling transmission and distribution cost components. Advisors will continue to assist the DOE and legislators to develop implementing rules and policies to encourage the development of the natural gas and renewable energy sectors in order to increase private sector investment and avert power crises. USAID will promote greater public awareness of the health impacts of excessive vehicle emissions and support the effective operation of private sector emission testing centers (thereby increasing the use of preventive maintenance of transportation fleets). USAID will also partner with the private sector to promote cleaner-burning fuels in the transport sector, such as Compressed Natural Gas-powered buses. Principal cooperators include the Academy for Educational Development, Winrock, US Department of Energy, and US Energy Association.

Improve environmental governance (\$4,480,000 DA, \$340,000 ESF). USAID will promote greater transparency and accountability in the enforcement of environmental laws by assisting local governments to develop and implement forest land use plans to reduce illegal logging and deforestation that threatens watersheds and provides a locus of conflict. USAID will provide legal assistance to at least 30 communities to mitigate conflicts in the management of natural resources, particularly in the Autonomous Region of Muslim Mindanao. USAID will sponsor multi-stakeholder consultations and provide training to identify solutions to over fishing in four target eco-regions. USAID will continue sponsoring cross-site visits and training to local governments for the design and implementation of solid waste management

projects (such as recycling, composting, and proper waste disposal). USAID will improve water quality management by assisting the Department of Environment and Natural Resources (DENR) to implement the pending Clean Water Act and advising local governments on the design and implementation of low-cost wastewater systems. USAID will assist selected local governments to audit energy use in water supply systems to conserve water and electricity. USAID will also assist DENR and the private sector to implement a voluntary environmental compliance program to improve corporate governance and reduce industrial pollution. Training will be provided to the judicial system to strengthen capacity to handle environmental cases. Principal contractors and grantees include Development Alternatives, Inc.; Tetra Tech EM; Center for International Environmental Law; ACDI/VOCA; PADCO, Inc.; Marine Aquarium Council; Alliance to Save Energy; and the Peace Corps.

FY 2005 Program:

Improve performance in energy and air quality sectors (\$3,376,000 DA, \$4,320,000 ESF). USAID plans to electrify an additional 3,300 households in 110 communities of former rebel soldiers in conflict-affected areas of Mindanao and other parts of the country with renewable energy systems. The USAID program will supply solar-powered potable water to at least 2,050 homes, provide 6,140 students with access to renewable energy-powered distance learning facilities, support microfinance activities and establish solar-powered satellite telecommunications facilities in at least 35 isolated communities. USAID will expand partnerships with private sector firms. USAID will strengthen the ERC's ability to regulate over 140 utilities and cooperatives and intensify efforts to reduce vehicle emissions through constituency building, increased enforcement and private sector partnerships. Principal cooperators include Winrock, US Department of Energy, and US Energy Association.

Improve environmental governance (\$4,700,000 DA, \$1,000,000 ESF). USAID will provide technical assistance to establish downstream user fees for upland environmental services (e.g., water supply), continue legal assistance to at least 40 communities to reduce conflicts over forest and coastal resources, and devolve authority for managing forests to local governments. Assistance in expanding community-based management of forests will directly support efforts to promote peace in conflict-affected areas, though at a level reflecting limited program funding. USAID will assist key stakeholders to address over fishing through participatory consultations and policy reform. USAID will expand assistance to selected local governments to build their capacity to invest in low-cost waste water treatment and sanitation systems, and implement integrated solid waste management. Implementers will be the same as in FY 2004.

Performance and Results: USAID provided renewable energy-powered electricity to 2,520 households and public facilities in 84 communities of former rebel soldiers in conflict-affected areas of Mindanao. Households now have cleaner and brighter lights for activities such as childcare, school work and income generation. Due to USAID assistance on rate making, the ERC issued 36 decisions to separate generation and transmission rates of the most critical electric utilities, covering 70% of all consumers and providing the foundation for introducing competition in generation, transmission and retail sale of electricity. USAID training and communications assistance helped establish 300 private vehicle emissions testing centers nationwide, enabling vehicle owners to comply with Clean Air Act requirements. USAID assistance in policy reform helped DOE generate over 40 investors' interest in natural gas exploration and pipelines.

Seventy-five local governments committed \$764,000 to reduce illegal logging and destructive fishing and improve solid waste management. Fifteen municipalities placed an additional 3,421 hectares of coastlines under improved management in 2003, for a total area of 35,291 hectares placed under improved management by 121 municipalities. One hundred and ten communities improved their ability to monitor and protect 4,048 hectares of marine sanctuaries, thereby increasing coral cover and giving severely depleted fish stocks a chance to recover. Fifty-three farmer leaders representing over 32 cooperatives were trained in cacao production with at least 4,000 cacao seedlings distributed to 11 community nurseries in Western Mindanao. USAID published a technical design of solid waste management used by at least 17 local governments in establishing materials recovery facilities. Through USAID assistance, one corporation improved the environmental performance of over 100 suppliers through the "Greening the Supply Chain" program.

US Financing in Thousands of Dollars

Philippines

492-004 Environment and Energy	DA	ESF	MAI
Through September 30, 2002			
Obligations	51,554	0	117,757
Expenditures	34,586	0	117,757
Unliquidated	16,968	0	0
Fiscal Year 2003			
Obligations	13,667	0	0
Expenditures	10,018	0	0
Through September 30, 2003			
Obligations	65,221	0	117,757
Expenditures	44,604	0	117,757
Unliquidated	20,617	0	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2004 NOA			
Obligations	7,860	1,140	0
Total Planned Fiscal Year 2004			
Obligations	7,860	1,140	0
Proposed Fiscal Year 2005 NOA			
Obligations	8,076	5,320	0
Future Obligations	13,300	3,000	0
Est. Total Cost	94,457	9,460	117,757