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Environmental Cooperation-Asia (ECO-Asia), a program of the United States Agency for International Development (USAID), promotes regional cooperation on the environment by demonstrating best practices and sharing experiences across Asia. Focus areas include: improved access to clean water and sanitation; improved environmental governance; sustainable management of natural resources and biodiversity conservation; and investment in clean energy technologies. For more information, please visit [usaid.eco-asia.org](http://usaid.eco-asia.org)

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## ■ WATER AND SANITATION

### SUSTAINABLE WATER SERVICES



#### **China and Philippines Water Utilities Launch Twinning to Improve Operational Performance.**

On December 4, 2008 the Yancheng China Water Company (YCWC) and Philippine Metropolitan Waterworks and Sewerage System (MWSS) signed a Memorandum of Understanding and developed a joint work plan establishing a twinning partnership to replicate the MWSS Public Assessment of Water Services system (PAWS) in Yancheng. The PAWS will help Yancheng monitor the performance of its contract water service operator, and will serve as a model for other Chinese cities that contract for water services. The signing ceremony was part of a three-day workshop that included site visits, trainings on implementation tools and procedures, and best practices sharing. MWSS

subsequently hosted YCWC from December 8 to 12 in Manila for a hands-on training on developing PAWS. USAID supports the partnership under the WaterLinks network through its Environmental-Cooperation Asia (ECO-Asia) program.

#### **Philippine and Vietnamese Utilities Initiate Twinning Partnership to Ensure Safe Water Supply in Danang.**

Manila Water Company Inc. (MWCI) and Danang Water Supply Company (DAWACO) have agreed to work together on improving Danang's capacity to distribute safe water by addressing chlorination in Danang's water distribution network. Two senior MWCI staff visited DAWACO and conducted a rapid assessment of its water quality management system, which revealed a lack of adequate procedures, equipment and chemicals. MWCI recommended practical corrective actions that DAWACO could undertake in the near term. USAID supports the partnership under the WaterLinks network through its Environmental-Cooperation Asia (ECO-Asia) program.



#### **Indonesia and Malaysia Utilities Sign MOU on Promoting Sustainable Sanitation.**

On December 5, 2008, Indah Water Konsortium (IWK) of Malaysia and the water company in Medan, Indonesia signed a Memorandum of Understanding to engage in a one-year partnership on promoting sanitation in Medan, a city of two million people. The partnership, fostered by WaterLinks, will develop and implement sanitation promotion campaigns in Medan to help the water company increase domestic sewerage connections. The signing ceremony was part of a two-day workshop that reviewed the Medan Master Plan for Sewerage and Sanitation and provided training. USAID supports the partnership under the WaterLinks network through its Environmental-Cooperation Asia (ECO-Asia) program.



**Surabaya Water Utility Trained on Ensuring Continuous Water Supply.** As part of a twinning partnership facilitated by the WaterLinks network, three experts from Ranhill Utilities Berhad of Malaysia trained eleven technical and managerial staff from the water company in Surabaya, Indonesia on improving pressure management, which will lead to continuous water supply in Surabaya's central service area. In the workshop held on December 2-3, 2008, Ranhill provided practical training on pressure monitoring, data collection, and data analysis. Over the coming weeks, Surabaya will monitor the pressure in its water distribution network to capture baseline conditions and then, with Ranhill assistance, use this information to improve system performance. USAID supports WaterLinks through its Environmental-Cooperation Asia (ECO-Asia) program.

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## ENVIRONMENTAL GOVERNANCE

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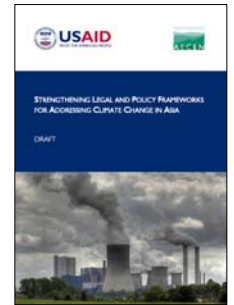
### ASIAN ENVIRONMENTAL COMPLIANCE AND ENFORCEMENT NETWORK (AECEN)

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**AECEN Annual Forum Promotes Stronger Environmental Law Enforcement.** The Asian Environmental Compliance and Enforcement Network (AECEN) organized its fifth annual forum on November 24-26, 2008 in Bali, Indonesia on enhancing decentralization to strengthen environmental enforcement. Over 120 environmental compliance and enforcement officials from 11 Asian countries, Europe and North America shared experience and reaffirmed their commitment to promoting improved environmental compliance in Asia. Member agencies shared best practices, and undertook specialized training. AECEN also presented the first AECEN Award for Commitment and Outstanding Service by a Woman to Ms. Tang Xinqun, the Deputy Director General of the Chongqing Environmental Protection Bureau in China. USAID's ECO-Asia program serves as the secretariat to AECEN, the leading platform for promoting environmental governance in Asia.

**USAID and UNEP Issue Draft Report on Strengthening Legal and Policy Frameworks for Climate Change in Asia.** USAID and UNEP jointly prepared a draft report, *Strengthening Legal and Policy Frameworks for Addressing Climate Change in Asia*, surveying China, India, Indonesia, Japan, Philippines, Thailand and Vietnam. The report identifies existing legal and policy advances to address climate change in Asia, evaluates the enforcement of those requirements, and identifies opportunities to address policy and enforcement gaps. USAID, through the Asian Environmental Compliance Enforcement Network (AECEN), and UNEP commissioned legal experts in each country to assess each country's legal and policy framework for addressing climate change and to identify opportunities to strengthen climate change response. To gain feedback on the preliminary assessment, several of the study authors presented their draft papers at the AECEN Forum in Bali and at the Clean Air Initiative-Asia Better Air Quality Conference in Bangkok, both in November.



**USAID Facilitates Thailand-Japan "Twinning" on Natural Resources Damages and Ecosystem Rehabilitation.** Thailand's Pollution Control Department and Japan's Ministry of Environment, represented by Institute for Global Environmental Strategies (IGES), launched a new twinning partnership in Bangkok in October on developing a policy for assessing natural resource damages and rehabilitation costs, which is a priority environmental issue both in Thailand and the region. Japan's Ministry of Environment is a pioneer in Asia in addressing soil and groundwater contamination, and will assist Thailand to develop a policy and institutional framework for preventing and managing soil contamination. The Asian Environmental Compliance and Enforcement Network (AECEN), supported by USAID, arranged the partnership through its member-to-member twinning program.

**Asian Judges Trained on Environmental Damage Awards at USAID-Supported Judicial Forum.** The Supreme Court of Indonesia hosted a regional training on natural resources damages assessment and environmental capacity building for the judges from around the region on November 22-23, 2008 in Bali, Indonesia. The judicial forum aimed to strengthen the capacity of judges and courts to review and award appropriate compensatory and punitive damages in environmental cases. The training covered major issues in environmental damage assessment, and discussed how natural resources valuation tools and criteria are used in actual cases. In addition, the participants reviewed national priorities for strengthening judicial capacity on the environment. The forum was sponsored by USAID-funded AECEN and the Economy and Environment Program for Southeast Asia (EEPSEA).

### ASEAN WILDLIFE ENFORCEMENT NETWORK (ASEAN-WEN)

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**Malaysia Makes Major Seizures.** As part of the USAID- and U.S. Department of State-supported ASEAN Wildlife Enforcement Network, Malaysia's Department of Wildlife and National Parks seized shipments of more than 7,000 live monitor lizards and almost 900 owls in several actions during early November. The protected species were believed to be bound for China. Officers also began to monitor websites more closely, which are facilitating trade in protected species, allowing them to confiscate 15 pythons. These large seizures caught the attention of National Geographic News, which noted ASEAN-WEN as a key regional initiative cracking down on the illegal trade threat to Southeast Asia's biodiversity.

**Cooperation between Thai Police and U.S. Fish & Wildlife Service Leads to Conviction of Monkey Smugglers.** On December 8, 2008 two women were convicted of smuggling a rhesus macaque monkey into the United States from Thailand. The Natural Resources and Environmental Crime Suppression Division of the Royal Thai Police assisted with the investigation by providing information and support to a U.S. Fish and Wildlife Service Special Agent based on communication channels established by ASEAN-WEN. The information helped U.S. authorities build a solid case against the duo. This story received international media interest from CNN, MSNBC, Fox News, NPR and other outlets, helping to increase public awareness of the multi-billion dollar trade.

**ASEAN Wildlife Enforcement Network Highlighted at IUCN World Conservation Congress.** The ASEAN-WEN Support Program participated in an expert panel titled, "Illegal and Unsustainable Wildlife Trade," in a workshop on October 6, 2008 at the IUCN World Conservation Congress in Barcelona, Spain. Hosted by the U.S. Department of State and Wildlife Conservation Society, and chaired by U.S. Assistant Secretary Claudia McMurray, the workshop centered on the global issue of the multi-billion dollar illegal wildlife trade. The Support Program highlighted accomplishments of ASEAN-WEN and discussed wildlife trafficking links to other forms of organized crime.

**Combining Synergies to Protect ASEAN's Biodiversity.** As part of ASEAN-WEN's proposed sustainability plan, several areas of future collaboration were identified and discussed at a joint meeting in Bangkok on October 28, 2008 between the ASEAN-WEN, ASEAN Centre for Biodiversity (ACB) and a researcher from the UN University's Wildlife Enforcement Monitoring System. ASEAN-WEN and ACB will explore ways to collaborate on key areas such as training, utilizing the ASEAN-WEN Program Coordination Unit's library, collaborative fundraising, communications, and lessons learned from the Wildlife Enforcement Monitoring System. The ASEAN-WEN Support Program invited ACB to observe a Thai-Lao forest ranger training course in February 2009.

### ASIA REGIONAL BIODIVERSITY CONSERVATION PROGRAM (ARBCP)

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**Electric and Water Utilities Pledge \$3.2 Million Under Pilot Payment for Forest Environmental Services in Vietnam.** The USAID-funded Asia Regional Biodiversity Conservation Program (ARBCP) sponsored a stakeholder roundtable meeting between the stakeholders related to water regulation, soil conservation, and aesthetic environmental services in over 160,000 hectares of forest area in Lam Dong Province Vietnam. At the meeting, the Electric Authority of Vietnam, Saigon Water Company, Bien Hoa Water Company, and 59 tourism concessions formally pledged to pay a total US\$3.2 million to protect these forests and the services they provide under Vietnam's Pilot Payment for Forest Environmental Services Policy. The payments will generate incomes of \$730 for each of 3,000 households living in the area, an average 350 percent income increase over current levels. The ARBCP-supported policy development is the first of its kind to be adopted by electric and water utilities in Southeast Asia and is expected to generate hundreds of millions of dollars for forest conservation in Vietnam. ARBCP is now working with the Royal Government of Cambodia to craft a similar pilot policy and will work with the ASEAN Center for Biodiversity to promote this type of policy development broadly across the region.

**ASEAN Endorses Regional Cooperation on PES Schemes.** Cambodia's Chair to the ASEAN Senior Officials on the Environment (ASEON) endorsed the ASEAN Center for Biodiversity's (ACB) role in promoting regional cooperation on PES schemes. The ACB is actively promoting the development of enabling PES legislation in ASEAN countries with technical and financial support from the USAID-funded Asia Regional Biodiversity Conservation Program (ARBCP). The ACB is working with the ARBCP and partners UNESCAP and ADB to assist the Cambodia Ministry of Environment to establish its own national pilot PES legislation based on an ARBCP-supported Vietnam model. The Cambodia ASEON endorsement supports ASEAN Member States, ARBCP, ACB, UNESCAP, and ADB plan to hold a series of regional technical support meetings that will catalyze PES legislation and pilot activity development in other ASEAN nations and ultimately to develop regional support mechanisms for supporting coordinated transboundary ecological services agreements.

## **Vietnam Selects USAID Biodiversity Program as Model for Payment for Environmental Services Policy.**

Lam Dong Province in Vietnam will include a sustainable forestry model approach of the USAID-funded Asia Regional Biodiversity Conservation Program (ARBCP) as a pilot site in the implementation of its national payment for environmental services policy. The ARBCP demonstration site has led to the reduction of deforestation and degradation on 880 hectares through enrichment plantings of threatened timber species, while increasing local incomes through public-private partnerships in bamboo, essential oils, and cacao production systems. With ARBCP support, the province will expand its work with PES watershed and carbon emission reduction credit buyers as well as private sector forest-based commodity producers. The province will apply the model as a basis for further investments in biodiversity-friendly agroforestry and forestry enterprises and ecosystem services delivery across the province and the entire Dong Nai River Basin, and other conservation landscapes across the Greater Mekong subregion.

## **RESPONSIBLE ASIA FORESTRY AND TRADE (RAFT)**

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### **USAID Facilitates Implementation of New Legislation Supporting the Legal Timber Trade.**



On December 10, 2008, a seminar on "Changes in International Timber Trade Legislation," held in Jakarta, Indonesia, was attended by over 120 representatives from timber industries, non-government organizations, and government agencies. The seminar highlighted recent amendments to the U.S. Lacey Act and the EU Forest Law Enforcement, Governance and Trade Legislation Proposal. The event was hosted by the U.S. Embassy in Jakarta and the Delegation of the European Commission to Indonesia in collaboration with the Ministries of Forestry and Trade of the Republic of Indonesia, and was supported by USAID's Responsible Asia Forestry and Trade (RAFT) program. Presentations from the US Department of Justice and others increased participants' understanding of the legal requirements under the new legislation and the implications for stimulating legal trade in timber products. When fully implemented, these legislative changes will benefit both timber-producing and consuming countries, through reduced demand for illegally-sourced wood products, enhanced support for companies that practice legal

and sustainable forest management, and increased tax revenues and support for effective natural resource governance.

### **USAID Supports Certifying Tropical Forests in Malaysia.**

Under USAID's Responsible Asia Forestry and Trade (RAFT) program, WWF Malaysia is working in collaboration with the Sabah (State) Forestry Department to begin certifying 270,000 hectares of tropical forest using FSC certification standards at the Ulu Segama Malua (USM) forest management unit in southeastern Sabah, on the Malaysian side of Borneo. The agreement was reached at a USM certification taskforce meeting held on November 13, 2008 in Sandakan, Malaysia. The certification process will take around two years to complete and involves forest restoration, high conservation value assessments, resolution of any pending community conflicts and setting up best forest management practices over a 50-year period. Forest certification is a market-based, non-regulatory conservation tool that is gaining momentum across the forest products supply chain. The RAFT program is actively pursuing forest certification across the major timber producer countries in Southeast Asia to promote responsible forest management and trade from the forest, through the timber supply chain, to the end consumer. For additional information on RAFT please go to <http://www.raftprogram.org/web>.

### **USAID Supports Project to Monitor Timber Flows from Indonesia to U.S. Markets.**

The project which was commenced on October 6, 2008 forms part of an overall Verification of Legal Origin (VLO) project that the Tropical Forest Trust (TFT) is implementing for The Nature Conservancy (TNC) under USAID's Responsible Asia Forestry and Trade (RAFT) program. Through the VLO project, TFT is working with a number of forest and factory enterprises to guide them towards meeting Smartwood's Standard for Verifying Legal Origin. The project utilizes Helveta's CI World™ technology to track timber flows in Indonesia from the standing tree through wood processing and export to the U.S. With the recent passing of the Lacey Act in the USA, U.S. business will increasingly need to take charge of their wood supply chains and prove, at a minimum, that they are procuring wood from legal origins. This project will have a significant impact on the future trade in tropical hardwood products destined for the U.S. market.



## U.S. SUPPORT TO THE CORAL TRIANGLE INITIATIVE (USCTI)



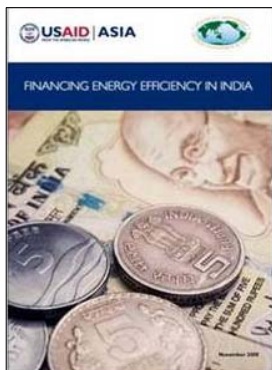
### Senior Officials Ratify the Coral Triangle Initiative (CTI) Plan of Action in Manila.

On October 23, 2008 in Manila, Philippines, senior representatives from the six countries within the Coral Triangle ratified the Plan of Action that will serve as a road map to restore and protect more than 6 million kilometers of oceans and coastlines in Southeast Asia and the Pacific. Taking part in the second senior officials meeting under the CTI, U.S. Ambassador to the Philippines Kristie Kenney reinforced the U.S. Government's support, "The Coral Triangle Initiative builds on three decades of assistance that the U.S. Government has provided for coastal resources management in the Asia-Pacific." The U.S. Government recently provided more than \$40 million in new funds for the CTI through USAID and the U.S. Department of State to support system-wide improvements regarding enhanced livelihoods, improved governance, and increased best practices and protection measures.

## CLIMATE AND ENERGY

### CLEAN DEVELOPMENT AND CLIMATE PROGRAM (CDCP)

**Indian State Takes Concrete Steps to Create Energy Conservation Fund with USAID Support.** Representatives from key Indian agencies and financial institutions met in the state of Kerala, India on October 23-24, 2008 to discuss and endorse a report outlining a proposed framework for a State Energy Conservation Fund (SECF). The report was developed by the USAID ECO Asia Clean Development and Climate Program (CDCP), under its partnership with Kerala's Energy Management Centre. This report is expected to form the basis for a government decision in January 2009, authorizing the establishment of the Kerala SECF. India's Energy Conservation Act of 2001 mandates that all states in India create such funds; to date, however, no Indian state has established a fund that works directly with banks to finance energy conservation projects. ECO-Asia CDCP's activities in India are funded by USAID and the U.S. State Department through the Asia-Pacific Partnership on Clean Development and Climate.



### USAID/APP Report: Indian Energy Efficiency Investments Offer Low-Risk, Attractive Returns.

The current investment potential for electricity efficiency in India could top US\$6 billion, according to a new report issued this week by USAID's ECO-Asia Clean Development and Climate Program. (CDCP) The authors of the report note that "investments in industrial energy efficiency hold the potential to weather significant market fluctuations because they are provided to companies that have increased incentives to reduce energy costs during economic downturns to enhance competitiveness." The report details several barriers to energy-efficiency investments and describes available financial instruments to overcome these barriers. The report was commissioned by the U.S. State Department through the Asia-Pacific Partnership on Clean Development and Climate (APP) and USAID. With the support of APP and USAID, CDCP is already helping two Indian states establish the first public funds dedicated to financing energy efficiency projects. The report can be downloaded at [http://www.cleanenergyasia.net/rs\\_dtl.php?id=333](http://www.cleanenergyasia.net/rs_dtl.php?id=333).

### New Lamp Guidelines to Reduce Greenhouse Gas Emissions in Asia by 10-12 Million Metric Tons Annually.

Representatives of Asia's largest lighting companies met in Shanghai and finalized industry standards that will ensure the quality of energy-saving compact fluorescent lamps (CFLs). When implemented, the guidelines will improve consumer satisfaction with the lamps, save energy, and reduce carbon dioxide emissions initially by as much as 10-12 million metric tons annually. The guidelines address a growing problem identified by USAID in a 2007 report: up to 50 percent of CFLs sold in Asia are of low or poor quality, giving off less light and burning out faster than claimed. The industry standards were developed by the Asia CFL Quality Charter, a new industry group that includes Philips, OSRAM, General Electric, Havells-Sylvania and several of the largest Chinese manufacturers. Together, these manufacturers account for an estimated half of Asia's CFL production. Beginning in early 2009, the Charter will develop a product marking scheme and public database of qualified products. The Asia CFL Quality Charter is supported by the USAID ECO-Asia Clean Development and Climate Program, in partnership with the Australian government, as part of the Asia-Pacific Partnership on Clean Development and Climate.



**Partnership to Finance Energy-Efficient Lighting in India.** The USAID ECO-Asia Clean Development and Climate Program (CDCP) and C-Quest Capital, LLC (CQC) signed a memorandum of understanding in December 2008 to cooperate in the development of innovative financing mechanisms for energy-efficient lighting projects in India. Under the agreement, USAID's CDCP will work with CQC to identify projects that can use carbon financing mechanisms to increase the rate of adoption of energy-saving lighting in India. The two organizations are presently working to implement a pilot project in Andhra Pradesh State that will use carbon financing to fund installation of 700,000 CFLs, with an ultimate target of 10 million CFLs in the state. In another project, CDCP is working with CQC to develop a nationwide CFL project with the Indian Ministry of Railways that will install 2.6 million CFLs in an estimated 650,000 households. When fully developed, these two projects will result in cumulative reduction of 4.6 million metric tons of carbon dioxide (CO<sub>2</sub>).

## GUANGDONG ENVIRONMENTAL PARTNERSHIP (GEP)

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**USAID's Guangdong Environmental Partnership Program Partners with Chinese University.** The Institute for Sustainable Communities (ISC) and Lingnan (University) College, agreed to establish China's first Environment, Health, and Safety (EHS) Academy, a key component of the USAID-funded Guangdong Environmental Partnership (GEP) Program. Fifty representatives from academia, business, government, and non-governmental organizations attended a ceremony at Lingnan College where the Academy was announced. Graduates of the Academy will expand the pool of qualified EHS managers for industries in Southern China, where they can promote adoption of international environmental best practices and standards, increased energy efficiency and reduced emissions. Representatives from the Guangdong Bureau of Worker Safety and the U.S. Consulate in Guangzhou expressed strong appreciation and support for the project on behalf of the Chinese and U.S. Governments.