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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

PROJECT PAPER

PHILIPPINES

Elementary School Construction
{Economic Support Fund}

492-0342

February 1980

UNCLASSIFIED

**PHILIPPINES
ELEMENTARY SCHOOL CONSTRUCTION
PROJECT PAPER**

492-0342

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PROJECT AUTHORIZATION

PHILIPPINES

Elementary School
Construction
Project No. 492-0342

Pursuant to Part II, Chapter IV, Section 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Elementary School Construction Project for the Philippines (Cooperating Country) involving planned obligations of not to exceed Eighteen Million United States Dollars (\$18,000,000) in grant funds over a two (2) year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing local currency costs for the project.

The project consists of construction of about 1,025 three-room typhoon-resistant elementary schools and a limited number of larger (10-18 room) typhoon-resistant elementary schools, providing a total of approximately 3,150 classrooms complete with desks, chairs, and blackboards. In addition, some of the schools in areas without proper facilities will be provided with drinking water, electricity and sanitary facilities on a case-by-case basis.

The Project Agreement(s) which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Goods and Services

Goods and services financed by A.I.D. under the project shall have their source and origin in the Cooperating Country except as A.I.D. may otherwise agree in writing.

b. Other

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, the Cooperating Country shall furnish

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in form and substance satisfactory to A.I.D., evidence that a Special Account has been established in a Philippine financial institution which will be jointly controlled by A.I.D. and the Cooperating Country, and which will serve as the repository of the peso equivalent of periodic dollar transfers.

- c. The Cooperating Country shall covenant to provide sufficient administrative and instructional staff, books and other instructional materials for classrooms constructed under the Project.

Clearances:

AA/Asia, John H. Sullivan
 AA/PPC, Alexander Shakow
 GC, Norman Holmes

	Date	Initial
	4/2/80	CH
	4/18/80	AS
	4/18/80	NH

Signature *D. Bond*
 Administrator

Apr 13, 80
 Date

Am
 GC/Asia:HEMorris:hp:3/21/80
 X28092

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input checked="" type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____	DOCUMENT CODE 3
2. COUNTRY/ENTITY Philippines	5. PROJECT NUMBER 492-0342		
4. BUREAU/OFFICE ASIA	04	5. PROJECT TITLE (maximum 40 characters) Elementary School Construction	

6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 1 2 3 1 8 1	7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY 8 0 B. Quarter 3 C. Final FY 8 0
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8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY 80			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	()	(18,000)	(18,000)	()	(18,000)	(18,000)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country		1,800	1,800		1,800	1,800
Other Donor(s)						
TOTALS		19,800	19,800		19,800	19,800

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ESF	629B	636				18,000		18,000	
(2)									
(3)									
(4)									
TOTALS						18,000		18,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 680	11. SECONDARY PURPOSE CODE 623
---	--

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)			
A. Code	BR	BU	
B. Amount	12,800	5,200	

13. PROJECT PURPOSE (maximum 480 characters)

To provide the Government of the Philippines (GOP) with Economic Support Funds for improving community access to basic elementary education throughout the Philippines.

14. SCHEDULED EVALUATIONS Interim MM YY 0 3 8 1 Final MM YY 1 2 8 1	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY	Signature <i>Anthony M. Schwarzwalder</i> Title Director, USAID/Philippines	Date Signed MM DD YY 03 03 80	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 03 04 80
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PROJECT PAPER

PHILIPPINES - ELEMENTARY SCHOOL CONSTRUCTION

I - SUMMARY AND RECOMMENDATIONS

A. PROJECT DATA SHEET (Attached)

B. RECOMMENDATIONS:

It is recommended that a grant of \$18,000,000 be authorized from Economic Support Funds (ESF) to the Government of the Philippines (GOP) for the Elementary School Construction Project. The total amount of the authorized grant is to be obligated in FY 1980.

C. PURPOSE:

The project will provide ESF monies to the GOP for improving community access to basic elementary education throughout the Philippines.

D. DESCRIPTION OF THE PROJECT:

The project will support the construction of approximately 1,025 new typhoon-proof three-room school buildings, as well as a limited number of larger schools, which together will provide approximately 3,150 classrooms equipped with adequate student desks and chairs, as well as blackboards and teachers' desks. In addition, selected school buildings in rural areas or other areas without proper facilities may be provided with drinking water, electricity, and sanitary facilities on a case by case basis. The new construction will alleviate the current shortage of classroom space. Improved facilities will also permit use of elementary schools as community meeting halls or disaster control points, as well as sites for after-school hours adult education and technical training for out-of-school youths (dropouts).

E. SUMMARY OF FINDINGS:

The analyses in the Project Paper (PP) conclude that the project is technically, financially and socially feasible and that planning is sufficiently developed for implementation to begin. Specific findings of the analyses are:

1. A severe shortage of adequate classrooms exists throughout the Philippines, particularly at the elementary level (grades 1-6), and is compounded by the dilapidated state of some existing facilities.

2. GOP designs of planned new school buildings were reviewed and endorsed by USAID engineers and by a U.S. consulting engineering firm as to their structural soundness.
3. The Elementary School Construction Project which will cover nearly all provinces in the Philippines will have an impact on people from almost every religious and cultural group in the country. The leadership at all levels has strongly supported earlier programs to build typhoon-resistant schools, and the teachers, PTA groups and students enthusiastically cooperate in community projects to landscape and beautify the areas surrounding these schools.
4. The proposed engineering design and technical standards are reasonable, and the cost estimates are accurate in view of the current inflationary trend.
5. The implementation of the Project is fully within the capability of the GOP.

F. IMPLEMENTATION:

The Government of the Republic of the Philippines (GOP) will be the Grantee; the executing agency will be the Base Land Development Authority or its designees. The Ministry of Public Works, in coordination with the Ministry of Education and Culture, will be the implementing agency.

G. STATUTORY REQUIREMENTS:

Project-specific statutory requirements have been met.

H. ISSUES:

FID issues have generally been satisfactorily addressed. Remaining concerns of a technical nature are discussed in connection with proposed implementation arrangements.

II. PROJECT BACKGROUND AND DETAILED DESCRIPTION

A. BACKGROUND

General

On January 7, 1979, the U.S. and Philippine Governments concluded negotiations on the 1947 Military Bases Agreement by signing an amendment to that Agreement which stipulated, among its provisions, that certain lands of Clark Air Force Base and Subic Naval Base would be returned to Philippine Government jurisdiction. The Executive Branch of the United States Government also made a "best efforts" commitment to secure from the U.S. Congress funding for additional economic assistance to the GOP in the form of Economic Support Funds (ESF). These additional monies are to be used, to the extent possible, to finance appropriate projects to develop the reverted base areas and to improve economic and social conditions in the areas and communities near the base facilities and beyond. Funds in excess of the absorptive capacity of the areas are to be available to finance projects country-wide.

The purpose of the Elementary School Construction Project is to provide the GOP with \$18 million (of an estimated total of \$200 million over a five-year period) of ESF funds for improving community access to basic elementary education throughout the Philippines. More specifically, the project will support 100% of the costs of constructing and equipping about 1,025 typhoon-resistant three-room elementary schools throughout much of the country, as well as a small number of larger elementary school facilities.

The decision to utilize the major portion of the FY 1980 ESF package for school construction was based on consideration of the following factors:

1. The GOP has a large on-going elementary school construction program, and plans and specifications for the proposed school buildings are already on hand at the Ministry of Public Works (MPW).
2. Programs for construction of large numbers of similar typhoon-resistant schools were previously implemented with AID support (RP-US Bayanihan) and by the MPW in its own continuing program.
3. The type of school proposed is widely accepted throughout the Philippines and the project can be readily implemented in conjunction with the on-going MPW school building program.

Educational Setting

The current GOP constitution provides that a free elementary education is the right of every Filipino between the ages of 7 and 12. Consequently, school attendance is high; for instance, about 98% of the children in

that age group are expected to be enrolled at the elementary level in school years (SY) 1978-87. Also, due to a high birth rate, the school age population can be expected to expand. Enrollment at the elementary level grew from 7.1 million in SY 1973 to 7.9 million in SY 1979, and it will continue to increase annually by 100,000 or more so that by SY 1982-83 it is anticipated that there will be roughly 8.3 million elementary students in the Philippines.

While enrollment is high, the quality of education suffers from lack of adequate facilities to provide a suitable learning environment. Latest DP estimates reveal an overall shortage of elementary classrooms of more than 75,000. This is composed of an absolute or raw shortage of 25,000 classrooms, plus an additional 50,000 existing classrooms which need replacement.

Rather than turn away elementary school age children, the government subjects many to double or even triple sessions. Others attend classes in substandard, run down, and in many cases dangerously dilapidated buildings. Still others attend school in makeshift quarters such as donated space or chapels or even out-of-doors when their schools have been destroyed as the result of typhoons, floods or fires. Further, many rural schools are without water, electricity or adequate sanitary facilities.

Two previous AID-assisted school construction projects were implemented in recent years. The first program involved the construction of 513 specially designed typhoon-resistant, three-room school buildings in 1971 using contingency funds for emergency disaster relief following the 1970 typhoons. Again, following the severe typhoons of 1972 and as a part of the \$50 million disaster recovery grant, an additional 2,022 units of the same type were constructed in 1973-1976.

These specially designed typhoon-resistant schools have been very popular as they have withstood the tests of subsequent typhoons, and they are therefore in widespread use as community meeting centers and disaster relief control points. Consequently, the current GOP school building program is utilizing a similar design to upgrade the structural quality of all rural elementary schools throughout the Philippines. The long-range impact of reliance upon this type of design concept will be to greatly reduce the periodic major repair or replacement of schools caused by typhoon damage.

Other Donors

A recent World Bank Pre-Appraisal Mission to the Philippines has been involved in developing a proposal for an FY 81 IBRD elementary education sub-sector project directed towards: improving administrative and planning capabilities of the elementary education system, especially at the regional and sub-regional levels; and, reducing disparities in the provision of elementary education both among and within regions, with an emphasis on improving access, retention and achievement. This would

be accomplished through loan financing, some or all of the following: staff development for organizational management at the regional and/or national level and for school management, and teacher supervisory responsibility; staff development for teacher competency in subject areas, as well as teaching methodology; construction and furnishing of physical facilities for regional education office and perhaps actual elementary school construction as well; and, development and/or purchase of equipment and instructional materials.

While it can be assumed that the World Bank will provide some support to the Philippine elementary education sub-sector beginning perhaps as early as FY 81, including assisting the Ministry of Education and Culture (MEC) with decentralization and improved planning capacity, eventual Bank support of construction may be only minimal.

AID will continue to keep abreast of IBRD plans. Regardless of actual outcomes of the Bank decision process, Bank sub-sector support will complement AID's Project by contributing to GOP elementary education staff development, and possibly to an increased pace of construction as well.

In addition, an on-going Bank-financed text book development project has the objective of supplying one book for every two Filipino elementary students by 1983. By the end of the current year, the GOP anticipates that the target will have been met for pupils in grades one through three.

GOP Planned Elementary School Construction

The Ministry of Public Works (MPW) and the Ministry of Education and Culture (MEC) of the GOP have prepared an ambitious 10-year plan to eliminate the severe shortage of minimum standard classrooms in the elementary grades in the Philippines (See Table I). The shortage is estimated at more than 75,000 classrooms including both new and replacement requirements. Taking into account the projected increase in population and needed replacement of run-down, unsafe and typhoon damaged buildings, it was estimated that construction of approximately 14,000 classrooms per year would be required to eliminate the backlog over the ten-year period.

Projections were also made for an accelerated 5-year plan calling for construction of 21,000 classrooms per year from 1980 through 1984 (Table II). However funding constraints make attainment of this target unlikely. (During the preceding five years (1970-1975) actual construction averaged approximately 8,500 classrooms per year including those constructed with AID assistance. However, this was probably well below the implementation capability of the GOP agencies involved had adequate funds been available.)

In 1980 GOP budget for school building and rehabilitation totals approximately \$48.0 million (360,000,000 pesos) whereas, in 1979, the total was \$56.4 million (412,500,000 pesos) of which \$29.0 million (212,500,000 pesos) was from normal budgetary sources and about \$27.4 million (200,000,000 pesos) was a supplementary allocation from calamity funds established to assist in replacing schools damaged in the 1978 typhoons. Construction of a

TABLE I
 MINISTRY OF PUBLIC WORKS (MPW)
 TEN-YEAR ELEMENTARY SCHOOL
 BUILDING PROGRAM
 (1980-1990)

SCHOOL YEAR	ANNUAL CR INCREMENT DUE TO POPULATION INCREASE	REPLACEMENT OF DAMAGED DILAPIDATED CLASSROOM	TOTAL ANNUAL CLASSROOM REQUIREMENTS	PLANNED IMPLEMENTATION	
				CLASSROOM PER YEAR	BACKLOG
1978-79	:	:	:	:	75,427
1979-80	2,258	4,380	82,065	10,908*	71,157
1980-81	2,287	4,380	77,824	13,925	63,899
1981-82	2,358	4,380	70,597	13,925	56,672
1982-83	2,348	4,380	63,400	13,925	49,475
1983-84	2,379	4,380	56,234	13,925	42,309
1984-85	2,410	4,380	40,099	13,925	35,174
1985-86	2,442	4,380	41,996	13,925	28,071
1986-87	2,474	4,380	34,925	13,925	21,000
1987-88	2,506	4,380	27,886	13,925	13,961
1988-89	2,540	4,380	20,881	13,925	6,956
1989-90	2,579	4,380	23,909	13,909	0

*Programmed

TABLE II
MINISTRY OF PUBLIC WORKS (MPW)
FIVE-YEAR ELEMENTARY
SCHOOL BUILDING PROGRAM
(1980-1985)

SCHOOL YEAR	ANNUAL CR INCREMENT DUE TO POPULATION INCREASE	REPLACEMENT OF DAMAGED DILAPIDATED CLASSROOM	TOTAL ANNUAL CLASSROOM REQUIREMENTS	PLANNED IMPLEMENTATION	
				CLASSROOM PER YEAR	BACKLOG
1978-79	:	:	:	:	75,427
1979-80	2,258	4,380	82,065	10,908*	71,157
1980-81	2,287	4,380	77,824	21,000	56,824
1981-82	2,318	4,380	63,522	21,000	42,522
1982-83	2,348	4,380	49,250	21,000	28,250
1983-84	2,379	4,380	35,009	21,000	14,009
1984-85	2,410	4,380	20,799	20,799	0

*Programmed

planned 9,769 elementary classrooms in 1980 would utilize about 80% of the total allocation, with the remainder being budgeted for new high school classrooms, home economics units, industrial arts buildings and limited repair and rehabilitation of damaged or run-down schools. Clearly, budgeted new elementary classroom construction is substantially less than 5 year (21,000) or 10 year (13,925) school building programs. Therefore, assuming that 10,908 were in fact built in 1979 and that 9,769 will be constructed in 1980, the backlog in 1981 would still remain more than 68,000 without proposed ESF assistance.

(Additional data on the nature and extent of classroom deficiencies and past and present construction programs may be found in Annex B.)

B. DETAILED DESCRIPTION

General

This project consists of constructing and equipping about 1,025 typhoon-resistant elementary school buildings in communities throughout the Republic of the Philippines, at a cost of \$18,000,000. It is anticipated that all of the proposed school buildings will be constructed in an 18-month period, following the signing of a project agreement, and will be financed from ESF sources. These school buildings will provide about 3,150 classrooms annually accommodating approximately 126,000 school children, children who are currently utilizing substandard, crowded facilities often on a part-time, split-session basis.

The project will thereby assist the GOP in further reducing its serious shortage of classrooms which, despite government efforts to build new facilities, becomes more critical every year as typhoons damage existing substandard structures and the number of school-age children increases. By constructing approximately 3,150 classrooms, the project will have the effect of eliminating approximately 13 percent of the raw shortage or 4.2 percent of the GOP's estimated backlog.

Project Elements

To maximize community impact, schools financed under this program will be provided as a complete package, including appropriate equipment, so that the community can utilize the buildings immediately upon completion of the construction. The major elements of the package are:

1. School building complete with windows, doors, shelving, storage space, and movable interior partitions to provide flexibility for multi-purpose use by outside of school groups and organizations,
2. Teachers desk or desks and blackboards,
3. Student desk-chairs,
4. Adequate lighting where electric power is available, including connection to rural electric cooperative lines,
5. Adequate drinking water whenever possible,
6. Sanitary facilities (type determined on a case to case basis),
7. Landscaping and fencing where new compounds are being developed*, and
8. Assignment of administrator and teachers, and provision of books and other instructional materials by MEC.*

*These elements of the total package will not be AID-financed.

Cost of Elementary/Total Costs

This project will consist of approximately 1,025 three-room primary schools and 5-10 central school buildings of 10-18 rooms. The smaller school buildings will be distributed mostly in rural areas in the typhoon-prone regions of the Philippines. A slightly larger than normal allocation will be given to Region III due to the proximity to the military bases. The larger schools will be constructed in areas near the bases as determined by the Base Authority to satisfy certain public relations needs. These locations are Angeles City, Mabalacat, Bamban, Capas, Olongapo and Lotolan-Iba. Estimated cost are as follows:

Three-room schools	-	1,025 @ \$16,000	=	\$ 16,400,000
10-18 room schools	-	5-10	=	<u>1,600,000</u>
		TOTAL	=	<u>\$ 18,000,000</u>

Beneficiaries

Since public elementary education through grade 6 is provided by the Government of the Philippines without cost, the immediate beneficiaries will be school children in the 1st to 6th grade age group. The provision of 3,150 new classrooms will directly benefit approximately 126,000 school children annually (at a GOP average of 40 children/class). Since most of these classrooms will be provided in rural communities where many of the more well-to-do families send their children to private schools, the major ty of the beneficiaries will be children of the rural poor. Secondary beneficiaries will be those members of the community who use the facilities in non-formal learning programs and as gathering places for other community activities.

Since rural employment is a major concern in the Philippines, maximum use of local labor and community participation will be encouraged in the construction of the school buildings whether by contract or administration. This will provide short-term indirect benefits to those who might otherwise be unemployed.

Although ESF monies will support construction nationwide, priority attention will be given to construction of primary schools in low income areas in Region III in the general proximity of the U.S. bases at Angeles City and Olongapo. After requirements are met in these locations, the project area will be expanded to other areas as defined by the GOP agencies involved. (Classroom requirements by region are shown in Annex B.) Classroom construction will be allocated in direct proportion to need.

School Allocations

₱ 12 million (\$1.6 million) of total project funds will be set aside for the larger schools. The remaining ₱123 million (\$16.4 million) will support the construction of three-room units throughout the country.

The MPW allocation procedure is directly proportional to the existing deficiency. Determination of actual classroom deficiency was accomplished

by MPW by aggregating data assembled by district and city engineers in consultation with local school officials.

Table III indicates MPW allocations for three-room schools funded under this project (see Project Area Map, Annex D). Assuming a cost of ₱120,000 per furnished unit, a total of 1,025 three-room buildings will be constructed in the National Capital Region and the other regions.

TABLE III

Allocations of ESF-Funded Three-Room
Typhoon-Resistant Schools

Region	: Classroom : Requirement	: Percentage : Distribution	: No. : Units	: Funding Require- : ments (₱000)
NCR (Metro Manila)	: 6447	: 13.3	: 136	: 16,320
I (Ilocos)	: 2860	: 5.3	: 54	: 6,480
II (Cagayan Valley)	: 3290	: 6.3	: 64	: 7,680
III (Central Luzon)	: 4633	: 20.5	: 210	: 25,200
IV (So. Tagalog)	: 6835	: 14.1	: 145	: 17,400
V (Bicol)	: 3076	: 5.8	: 59	: 7,080
VI (W. Visayas)	: 5824	: 11.9	: 122	: 14,640
VII (Central Visayas)	: 4113	: 8.1	: 83	: 9,960
VIII (Eastern Visayas)	: 4370	: 8.7	: 89	: 10,680
X (Nothern Mindanao)	: 1059	: 1.3	: 14	: 1,680
XI (Southern Mindanao)	: 2631	: 4.8	: 49	: 5,880
TOTAL	: 45138	: 100	: 1,025	: 123,000

PART III - PROJECT ANALYSES

A. TECHNICAL ANALYSIS

General:

With the exception of the larger schools around the bases, the type and size of school buildings to be constructed in the project will be identical throughout the Philippines. Typically, the school buildings will be three room typhoon-resistant structures capable of withstanding winds up to 140 mph (225 kph) and constructed of durable, long-lasting materials requiring a minimum of maintenance. Some units, where the need exists, will be provided with electricity, sanitary facilities, and potable water.

As noted earlier, the basic package will include an appropriate number of student desk/chair combinations, as well as teachers' desks and chairs and blackboards. To the extent feasible, these will meet MEC standards for elementary school facilities.

Design Considerations:

The MPW has been utilizing a standard design which meets the above criteria in its own on-going school construction program. The Bagong Lipunan School Building (BLSB) is known as the Type I design and is very similar to the RP-US Bayanihan School Building constructed under previous USAID assisted programs. The design and specifications (Annex E) were reviewed and endorsed by USAID engineers and a U.S. based consulting engineering firm.

On the basis of AID and GOP previous experience with the design, AID agreed in principle in November 1979 to finance Type I schools built anytime after October 1, 1979 in Typhoon Zones 1 and 2 which include all of the Philippines except for a portion of Mindanao where the risk of typhoon winds is less. AID also agreed to consider modifications in design which would not reduce the degree of its typhoon resistance but which would significantly reduce costs. MPW is currently exploring such design modifications. Designs which modify the Bagong Lipunan Type I will be submitted to AID for approval prior to the initiation of construction.

Existing GOP designs for the larger elementary school buildings are also being reviewed with a view toward non-structural modifications which would reduce costs. Final designs will also be subject to AID review.

In agreeing upon a suitable and affordable design with MPW, it was not possible to accommodate all proposed MEC standards for elementary school construction. MEC had proposed that elementary classrooms be larger, that sanitary facilities be more elaborate, and that equipment be more extensive

than is possible within GOP budget allocations for 1980 elementary school construction. In the case of this project, attainment of proposed MEC standards would have resulted in a substantial cost increase. AID and the GOP agreed therefore to compromise on standards somewhat, in order to build more classrooms similar to those constructed by MPW under the GOP's own school construction program.

B. FINANCIAL ANALYSIS AND PLAN

General

With the exception of certain relatively minor costs (including engineering overhead and supervision) and the costs of landscaping and fencing to be borne by the GOP or local community organizations, ESF will contribute 100% of the local costs of construction. The major cost elements to be financed are actual costs of construction, including labor, materials, and contractor profit, and the costs of furnishing the classrooms. No foreign exchange costs are involved.

The GOP will assume responsibility for all operating costs, including maintenance, after completion of the buildings. Operating expenses such as teachers' and administrators' salaries and instructional materials, including books, will be borne by MEC. MPW will be responsible for all maintenance and rehabilitation costs and will make in-kind contributions to the costs of construction.

School Cost Estimates

The cost of each three-room furnished school building is estimated to be \$16,000 or ₱120,000. This amount represents approximately \$ 12,670 or ₱95,000 for the basic building and \$3,330 or ₱25,000 for furnishings. A detailed cost estimate appears in Table IV. Tables V and VI present further cost breakdowns.

₱12 million (or \$1.6 million) of the ESF grant will be utilized to build five-ten larger schools (10-18 classrooms) in the vicinity of the Clark Air Force and Subic Naval Bases. The costs of the larger schools are estimated to range from roughly ₱1.9 million or \$250,000 (10 classroom size) to more than ₱ 3 million or \$425,000 each for the 18 classroom Bagong Lipunan type school buildings, including furnishings. Detailed cost breakdowns appear in Tables VII and VIII.

Project Costs

The total project cost is estimated to be \$19.8 (see Table IX). A total of \$18 million from ESF sources will finance costs of materials and labor in addition to contractor profits, furnishings and other contingency items.

TABLE IV
Cost Estimate
3-Room Elementary School
(by Contract, 2/15/80)

<u>Item</u>	<u>Cost</u>	<u>Percentage</u>
1. Materials	P 58,650	49
2. Labor	<u>12,450</u>	10
Subtotal	71,100	
3. Contingency @ 7.5%	<u>5,333</u>	4
Subtotal	76,433	
4. Contractor Profit @ 10%	<u>7,643</u>	6
Subtotal	84,076	
5. Furnishings (P8333/room)	<u>25,000</u>	21
Subtotal	109,076	
6. Inflation @ 10%	<u>10,908</u>	10
TOTAL	P <u>119,984</u> *	<u>100</u>
say	P 120,000	

*This total includes inflation (calculated at an average of 10% in view of short project duration) but excludes engineering overhead and costs of supervision which are an in-kind GOP contribution.

TABLE V

Cost Breakdown - Labor and Materials
3-Room Elementary School

<u>Item</u>	<u>Materials</u>	<u>Labor</u>	<u>Total</u>
1. Earth Work	₱ 1,550	₱ 190	₱ 1,740
2. Concrete Works	20,430	4,090	24,520
3. Carpentry Works	13,890	2,350	16,240
4. Tinning Materials	8,410	1,730	10,140
5. Hardware	2,750	610	3,360
6. Fabricated Materials	6,380	2,060	8,440
7. Form Lumber, etc	2,620	710	3,330
8. Painting	2,620	710	3,330
	<hr/>	<hr/>	<hr/>
Totals	₱ 58,650	₱ 12,450	₱ 71,100

TABLE VI

Cost Breakdown - Furnishings
3-Room Elementary School

<u>Item</u>	<u>No.</u>	<u>Unit Cost</u>	<u>Cost</u>
1. Pupil's chair/desk	120	₱ 188	₱ 22,560
2. Teachers desk	3	450	1,350
3. Teachers chair	3	85	255
4. Blackboard	3	65	195
5. Bookcase	3	100	<hr/> 300
		Total	₱ 24,660
		say	₱ 25,000

TABLE VII
Cost Estimate (2/15/80)
10-Room, 2-Story Elementary School
(by Contract)

<u>Item</u>	<u>Cost</u>	<u>Percentage</u>
1. Materials	1,065,655	57
2. Labor	<u>307,306</u>	16
Subtotal	1,372,961	
3. Contingency @ 7.5%	<u>102,972</u>	5
	1,475,933	
4. Contractor Profit @ 10%	<u>147,593</u>	8
	1,623,526	
5. Furnishings @ \$8,333/room	<u>83,333</u>	4
	1,706,859	
6. Inflation @ 10%	<u>170,686</u>	<u>10</u>
TOTAL	1,877,545*	100
	1,900,000	

* This total includes inflation (calculated at an average of 10% in view of short project duration) but excludes engineering overhead and costs of supervision which are an in-kind GOP contribution.

TABLE VIII

Cost Estimate (2/15/80)
 18-Room, 2 Story Elementary School
 (by Contract)

<u>Item</u>	<u>Cost</u>	<u>Percentage</u>
1. Materials	1,764,795	56
2. Labor	<u>529,652</u>	17
Subtotal	<u>2,294,447</u>	
3. Contingency @ 7.5%	<u>172,084</u>	5
	<u>2,466,531</u>	
4. Contractor's Profit @ 10%	<u>246,653</u>	8
	<u>2,713,184</u>	
5. Furnishings (@ ₱8,333/room)	<u>149,994</u>	4
	<u>2,863,178</u>	
6. Inflation @ 10%	<u>286,318</u>	10
TOTAL	<u>₱3,149,496*</u>	<u>100</u>

*This total includes inflation (calculated at an average of 10% in view of short project duration) but excludes engineering overhead and costs of supervision which are an in-kind GOP contribution.

TABLE IX

Total Project Costs (\$000)

	<u>AID</u>	<u>GOP</u>	<u>TOTAL</u>
1. Construction (labor, materials, etc.) of 1,025 3-room schools	\$16,400		
2. Construction (labor, materials, etc.) of 5-10 10-18 room schools	1,600		
3. Engineering Overhead/ Construction Supervision	_____	<u>1,800*</u>	_____
	\$18,000	\$ 1,800	\$19,800

*In addition to this in-kind GOP contribution, local community organizations are expected to contribute fencing, landscaping and other amenities to local schools.

The Philippine contribution of roughly \$1.8 million or ₱13.5 million includes MPW in-kind costs associated with design overhead and supervising construction. Local community organizations will assume responsibility for fencing, landscaping, and otherwise improving the school compounds. In addition the GOP is assuming full responsibilities for operating and maintenance costs, as noted earlier.

AID may also assume responsibility for other costs associated with the project such as modification of school building design. More specifically, AID may support, if so requested by the GOP, studies or design modifications with ESF monies set aside for Project Design activities associated with the ESF-funded projects. AID and the Authority will also provide routine project monitoring and evaluation.

Recurring Costs

Inasmuch as the classrooms to be provided under the project will in large measure replace existing dilapidated facilities or alleviate the current necessity for double and triple sessions, there will not be a requirement for large numbers of additional teachers or books or other instructional materials. The GOP will covenant to provide additional personnel and instructional materials, including books, as needed, in addition to routine operating expenses and maintenance when the need arises. AID's experience with previous school building programs is that the GOP budgeted sufficient funds for such expenditures.

Reasonableness/Firmness of Costs

Despite the short - 18 months - duration of the project, an average inflation factor of ten percent has been calculated in projected building costs in view of recent high rates of inflation which, led largely by increases in fuel costs, have affected the construction industry. Current projected classroom costs reflect recent inflation. In addition, a contingency factor has been included despite the simplicity of intended project design. In the event that either item has been over-budgeted, MPW will build additional three-room schools.

C. SOCIAL ANALYSIS

In summary, the project to construct typhoon-resistant, permanent type school buildings is socially sound. Educators and lay people alike recognize the necessity of adequate buildings to the nation's education goals. Benefits will accrue directly to elementary school children in the form of additional classrooms resulting in an improved learning environment. All public school children in areas where schools are built will benefit, but because the poor are numerically the greatest portion of the country, they will benefit proportionally. No opposition to the project has been identified; no groups will be adversely affected. As this project will be an integral part of the GOP's ongoing school construction program, no social disruption is foreseen. The Filipino people place a high value on

education and there is considerable motivation for the project. No serious obstacle exists to project implementation, but project managers are cautioned to devise strict procedures for school building allocation and monitor them scrupulously.

A detailed social analysis appears in Annex F.

D. ECONOMIC ANALYSIS

General

As noted earlier, the current GOP Constitution guarantees a free elementary education for all Filipino children through grade VI. Accordingly, the GOP has engaged in a continuing program of classroom construction in an effort to eliminate the raw shortage of classrooms, as well as replace those being utilized although they are in dangerously deteriorated or typhoon-damaged condition.

In view of the nature of the project benefits - improved access to basic elementary education - the project does not lend itself to rigorous cost-benefit or internal rate of return analyses. However, it can be examined in terms of both the incidence of benefits and cost effectiveness.

Benefit Incidence

Provision of additional well-equipped classroom in typhoon-proof buildings will provide benefits to a wide spectrum of individuals and groups. Students will benefit from an improved learning environment at the outset. When the raw shortage of classrooms is met and deteriorated facilities have been replaced as the result of the project and the GOP's construction program, sufficient space will then be available for broader learning opportunities such as home economics, industrial arts, and special library study programs, as well as after-school programs for adults and drop-outs. The community and the nation as a whole will benefit from the improved education of its youth, especially if the result is fewer drop-outs at an early age.

Continued construction of a large number of school buildings will also benefit the local labor market, as the project generates employment for unemployed and underemployed laborers and semi-skilled tradesmen, as well as providing a training ground for trade apprentices. Small contractors will also benefit not only monetarily, but also by developing better management skills and project operations backgrounds which may qualify them for larger, more sophisticated contracts at a later date.

A more detailed discussion of benefits and benefit incidence is contained in the Social Analysis.

Cost-Effectiveness

For reasons stated at the beginning of this section, an economic analysis utilizing cost-benefit or internal rate of return methods is not practical for this project. Therefore, a cost-effectiveness approach is used:

1. **Alternative Measures** - The alternative to constructing additional classrooms to eliminate the backlog and accommodate the growing population would be to utilize classrooms on a double- or triple-session basis. Due to the severe shortage of existing classroom space, this approach is already in effect in most areas of the Philippines.
2. **Alternative Cost Analyses** - Alternative designs utilizing less costly materials could be developed or currently exist which would satisfy the project purpose of providing additional classrooms. However, these alternative designs, such as simple wood-frame structures, would not meet the design criteria of resisting typhoon winds of 225 kilometers per hour (140 mph). Further, even in the absence of such criteria, buildings of that type with lower initial cost would entail higher maintenance costs and have a substantially shorter usable life. For these reasons, recommended designs are considered cost-effective.

As noted elsewhere, the GOP is continuing to revise designs for the three-room building in an effort to reduce costs without sacrificing structural soundness. The MPW also plans to subject designs for the ten- and eighteen-room buildings to similar scrutiny with a view toward reducing costs significantly. To the extent that greater cost effectiveness is achieved, it will be possible to increase the number of classrooms constructed under the project.

E. ENVIRONMENTAL STATEMENT

As indicated in the approved IEE which accompanied the PID, it is not anticipated that the project will have more than a marginal impact on the environment. Planned sanitary facilities will not be able to improve the environment more than slightly.

PART IV - IMPLEMENTATION PLANNING

A. ADMIN. STRATIVE ARRANGEMENTS

Government Administrative Arrangements

The GOP will be the grantee, and the executing agency will be the Basic Land Development Authority. The Ministry of Public Works (MPW), in coordination with the Ministry of Education and Culture (MEC), will be the implementing agency. The Regional Directors of MPW and MEC will administer the Project in their respective regions, with MPW having the responsibility for contracting and construction supervision as well as some construction by force account, and MEC having the responsibility for providing administrative and instructional personnel as well as books and other instruction materials.

Employing procedures established for the GOP's on-going school construction program, the MPW central office will coordinate planning and design with MEC, as appropriate. Regional MPW offices will let contracts as required and supervise construction and/or arrange for construction by administration. Under the regional engineer of MPW, the district engineer in each province will be directly responsible for the actual construction of the school buildings.

Where construction is done by contract, the contractor will be responsible for providing complete, furnished buildings. Where construction is by force account, on the other hand, MPW and MEC will jointly arrange to procure furnishings relying on trade schools to produce them where possible.

Assessment of Institutional Capability

In general, the MPW is well organized administratively and has performed well in past programs providing high quality construction in a timely manner. MPW has the capability, through its regional and district engineers offices, to absorb the additional construction proposed under this program without adversely affecting existing commitments. These offices collaborate effectively with counterpart MEC offices which will be involved in the designation of school locations, teacher assignments and administration, provision of instructional materials, and recurrent costs support.

More specifically, the MPW has years of experience in school construction using tested and acceptable designs which are readily adaptable for this project. MPW districts have established teams of supervisory tradesmen and a large pool of available labor to insure prompt implementation whether by force account or by contract. In the case of those schools which are to be constructed by contract, supervisory tradesmen will also be available to serve as construction inspectors. Utilizing the same or similar personnel, the engineer offices in each province have the capability for inspection and maintenance after construction. An adequate number of small contractors are available country-wide to absorb additional work generated by this program. Also, in view of the high level of unemployment in the Philippines and the seasonal agricultural requirements in most areas, there is always an abundant supply of laborers eager to accept short

or medium term employment associated with construction by contract or force account. Since most of these laborers would otherwise be unemployed, there will be very little manpower diversion from other areas or projects.

MEC has indicated that the classrooms to be built under this program will largely be staffed by existing administrators and teachers, MEC has generally supplied sufficient administrative and instructional personnel. It anticipates being able to supply books under the World Bank text book project.

AID Project Administration

Monitoring and evaluation of the project for AID will be the responsibility of the Office of Project Development and Monitoring (OPDM). In this connection, the office will be responsible for checking a sample of completed schools and approving disbursements for each tranche to provide a continuing flow of funds. OPDM is staffed with U.S. direct-hire project officers and engineers, as well as local engineers and administrative personnel.

B. IMPLEMENTATION PLAN

General

As noted, design of all buildings and appurtenances will be the responsibility of MPW in coordination with MEC and subject to joint AID/Authority approval. Construction and procurement of furnishings will be accomplished by MPW and turned over to MEC upon completion. Teachers, books, and other instructional materials will be provided by MEC upon completion of construction.

In most cases, construction will be undertaken by competitive bid contracts and negotiation. However, if MPW can demonstrate that force account construction is more advantageous for certain elements of work, force account construction will be permitted. Whenever this procedure is utilized, a more stringent set of monitoring controls will be enforced. The amount of construction undertaken by contract as opposed to force account will be determined by the MPW regional directors, and it is expected to vary by region depending upon MPW staffing considerations and the availability of contractors in sufficient number.

MPW will provide independent monitoring of the construction satisfactory to the Authority and AID which will also spot check a sample of schools. The provision of furnishings will also be monitored by the implementing agencies. This arrangement will provide necessary oversight for administering a modified fixed amount reimbursement (FAR) procedure outlined below.

Implementation Schedule

The ESF funds will be used for:

1. Construction of school buildings.
2. Purchase of furnishings.
3. Construction of wells, electrical and sanitary facilities as required.

No GOP contribution for construction will be required. However, the MPW will provide for engineering and design, project inspection, administrative overhead and any lands required for school sites from its own funds. These costs are estimated to total about 10% of construction cost.

The disbursement period of the grant will be the 18-month period immediately following the signing of the project agreement. Since no offshore procurement is included in the project, construction contracts can be let immediately following the first release of funds or, in the case of force account work, construction could start immediately following obligation.

The following implementation schedule is considered reasonable:

<u>Action</u>	<u>Date</u>
1. Grant Authorized (AID/W)	April 1, 1980
2. Grant Agreement Negotiated and Signed (GOP/USAID)	May 1, 1980
3. Conditions Precedent Met	May 1, 1980
4. Force Account Construction Begins - Region III	May 15, 1980
5. Contract Construction Begins Region III	June 15, 1980
6. Project Assistance Completion Date	December 31, 1981

The MPW anticipates that, for schools built by contract, it will be able to complete bidding procedures and contractors will be ready to begin work within one month of receipt of the advance. MPW estimates that the three-room buildings can be built in forty-five calendar days. Thus total projected elapsed time for construction is anticipated to be seventy-five calendar days or two and one-half months per school. Using these assumptions the implementation plan (Annex G) illustrates projected scheduling for all planned three-room schools. The larger schools in Region III will be constructed simultaneously with the three-room units. In the case of the larger schools, AID and the Authority will review and approve contract awards.

Financial Arrangements

Upon obligation of the grant, AID will disburse the total amount of the dollar funds to the GOP. The GOP will in turn establish a peso "Special Account" for the equivalent amount of the grant in the Central Bank or other Philippine financial institution which will be jointly controlled by AID and the Bases Land Development Authority. Funds will be disbursed from this "Special Account" to the MPW for implementing the project.

The GOP has no budget for this project because it is additive to its own elementary school construction program. For this reason advances will be made from the "Special Account" to the MPW in amounts corresponding to the estimated peso requirement for the four scheduled tranches of schools.

Releases of advances for each succeeding tranche will be contingent upon satisfactory progress (50 percent completion) of schools built under the previous tranche. Release based upon partial completion will hasten draw-downs of funds and thereby project completion. Each advance of funds will be earmarked for one or more regions in order to facilitate management and bidding procedures, as well as consolidate monitoring and reporting activities. Regional tranches and amounts allocated are estimated as follows:

First advance	- Region III	₱ 37.2 M (\$4.96 M)
Second advance	- NCR and Regions I & II	₱ 30.5 M (\$4.06 M)
Third advance	- Regions IV, V & VI	₱ 39.1 M (\$5.22 M)
Four advance	- Regions VII, VIII, X and XI	₱ 28.2 M (\$3.76 M)
	TOTAL	₱135.0 M (\$18.0 M)

Prior to the advance of funds for any tranche of school buildings, cost estimates will be reviewed by the implementing agency, the Authority, and AID and agreement reached on the approximate amount to be credit for each school building. On that basis a modified Fixed Amount Reimbursement Agreement (FARA) will be executed. The final amount to be reimbursed for each tranche (credited) will be based on actual costs certified by MPW and agreed to by AID and the Authority.

The fourth and final advance will be adjusted as necessary depending upon differences in actual costs versus estimated costs of previous tranches. In the event the contingency factors and inflation rate were overestimated, additional schools could be added. Conversely, if costs were underestimated, fewer schools would be built.

Each advance of funds for the four tranches will be liquidated by a financial report and certification from MPW to AID and the Bases Land Development Authority accounting for the funds expended under each tranche. In the

event there are excess funds advanced for any tranche these funds will be returned to the "Special Account" for reprogramming into subsequent tranches.

Reporting Requirements

Progress reports will be submitted to AID and the Authority by MPW on a monthly basis. Each report will indicate chronologically by geographic location, the name of school site, starting date, expected date of completion, as well as percentage of work accomplished. In addition, MPW will submit a summary report indicating status of completion for prior and present months activities and projected program targets for ensuing months.

These reports will provide the basis for AID spot checking of a sample of schools and thus for release of funds under the modified FAR plan outlined above.

To account for and liquidate the advances of funds, a financial report will be submitted to AID and the Authority no later than thirty days after the completion of each tranche of schools.

C. MONITORING AND EVALUATION ARRANGEMENTS

AID Monitoring Responsibilities

AID will monitor the project during construction in order to approve succeeding disbursements. In view of the large number and widespread location of proposed schools, only a sample of the three-room schools will actually be checked regarding compliance with plans and specifications. (Disbursements on the remainder will occur on the basis of GOP certification of completion as spelled out in the preceding discussion of reporting requirements.) All of the larger 10-18 room schools will be inspected both during and following completion of construction.

Evaluation

The MPW and MEC do not formally evaluate the GOP's elementary school construction program. However, as a basis for each year's allocation of new classrooms, a joint re-study of shortages is undertaken between March and June of each year. In addition, these annual surveys document the status of the GOP effort to eliminate the backlog of classroom requirements. No other GOP evaluation is anticipated.

For its part, AID does not plan an external evaluation of the project. However, two routine AID/Authority evaluations will be undertaken: one approximately nine months after the start of the project and another upon completion. These evaluations will be in-house and funds are therefore not budgeted for them. They will address, among other concerns, the following questions:

1. Was construction completed in accordance with plans and specifications? At what actual cost?

2. Were furnishings supplied on a timely basis? At what cost?
3. Are teachers and books in place?
4. Are classrooms being fully utilized during school hours? After school? During holidays?

C. CONDITION PRECEDENT, COVENANTS AND NEGOTIATING STATUS

Conditions Precedent

Only routine conditions, such as the designation of a representative for the project, are anticipated.

Covenants

In view of the fact that the proposed ESF assistance is in addition to planned development assistance, as well as being additive to the GOP's own elementary school construction program, the GOP will be asked to covenant to provide required staff and operating expense support for the project. More specifically, at the time of obligation, the GOP shall, unless AID agrees otherwise in writing, assure provision of sufficient administrative and instructional staff, books and other instructional materials, and any other routine operating expenses for schools constructed under the project.

Negotiating Status

The project has been under intensive discussion with the implementing agencies - MPW and MEC - as well as GOP officials concerned with the utilization of ESF funds generally. The project itself was identified by the GOP as its highest priority for the FY 80 ESF allotment.

The PP has been reviewed by the GOP and there is agreement on all substantive elements of the project, including allocation of classrooms, construction priorities, disbursement procedures, and proposed covenants. USAID does not, therefore, see any obstacles to or expect any delays in execution of the project agreement.

LIST OF ANNEXES

- A - FID Approval Cables**
- B - Data on GOP Actual and Planned Elementary School Construction**
- C - Logical Framework Matrix**
- D - Project Area Map**
- E - Perspective and Floor Plan - Three-Room Unit**
- F - Social Soundness Analysis**
- G - Implementation Plan**
- H - Statutory Checklist**
- I - Mission Director's Certification**
- J - Draft Project Description and Budget for Project Agreement**

ANNEX A

APAC PID APPROVAL CABLE

UNCLAS STATE 163072

SUBJECT: ELEMENTARY SCHOOL CONSTRUCTION (492-0342)

1. APAC APPROVED DOLS 18.0 MILLION PID FOR SCHOOL CONSTRUCTION WITH COMMENTS BELOW.
2. IN CONTEXT OF GRANT FINANCING, AND FORCE ACCOUNT CONSTRUCTION, APAC PRINCIPAL CONCERNS WERE ESSENTIALLY AS FOLLOWS:
 - A. ACCURATE COST ESTIMATING FOR ARRIVING AT FAR FIGURES;
 - B. SOUND CONSTRUCTION WILL REQUIRE SOME MEASURE OF INSPECTION AND CONTROLS; AND
 - C. NEED FOR ASSURANCES AND SCHOOL PRE-OPERATIONAL ACTIONS WITH REGARD TO OPERATING BUDGET, TEACHER STAFFING, ETC.
3. APAC DISCUSSION FOCUSED ON PID PROPOSAL TO FINANCE 100 PERCENT OF CONSTRUCTION COSTS USING FAR PROCEDURES. AS ONE MEANS OF ADDRESSING ABOVE CONCERNS, APAC SUGGESTED USAID CONSIDER DESCRIBING PROJECT MORE BROADLY THAN SCHOOL CONSTRUCTION SO THAT AID CONTRIBUTION WOULD BE LESS THAN 100 PERCENT.
4. PAC ALSO AGREED THAT ADVANCES BE MADE FROM SUBJECT PROJECT FUNDS RATHER THAN PL 480 FUNDS. ADVANCES SHOULD NOT EXCEED LEVEL REQUIRE TO SATISFY CONSTRUCTION CASH-FLOW (WORKING CAPITAL) NEEDS OF IMPLEMENTING AGENCY, RATHER THAN A LARGE INITIAL ADVANCE AS CONTEMPLATED IN PID.
5. ALSO, POUCHING SOME COMMENTS MADE BY PPC TO RISHOI, OCD, FOR CONSIDERATION IN PREPARATION PP. CHRISTOPHER

UNCLASSIFIED

ANNEX B

DATA ON GOP ACTUAL AND PLANNED ELEMENTARY SCHOOL CONSTRUCTION

I. Overall Summary Accomplishment: GOP
School Building Program
1968 - Present

P E R I O D	No. of Units Completed	Equivalent Classroom Completed
January 1, 1968 - June 30, 1968	3416-3R	10,248
FY - 1968 - 1969	4419-3R 689-2R	14,635
FY - 1969 - 1970	10501-3R 2020-2R	35,543*
FY - 1970 - 1971	1978-3R 687-2R	7,308
FY 1971 - 1972	2699-3R 293-2R	8,683
FY 1972 - 1973	2660-3R 216-2R	8,412
FY - 1973 - 1974	1849-3R 83-2R	5,713
FY - 1974 - 1975	4012-3R 75-2R	12,186
FY - 1975 - 1976	3784-3R 29-2R	11,410
July 1, 1976-Dec. 31, 1976	1720-3R 23-2R	5,206
CY - 1977	2209-3R	6,627
CY - 1978	1731-3R	5,193
Jan. 1, 1979 - June 30, 1979 (Supplementary Program)	1635-3R	4,905
July 1, 1979 - Dec. 31, 1979 (Regular CY 1979 Program)	1988-3R	5,964 (on-going)
CY - 1980	<u>3256-3R</u>	<u>9,768 (")</u>
T O T A L	<u>47857-3R</u> <u>4115-2R</u>	<u>151,801</u>

*These are mostly pre-fab steel frames only provided through Japanese reparations; local communities contributed both materials and labor to finish classrooms.

II. Classroom Requirements Inventory
(As of Start of School Year 1978 - 1979)

Region	No. Schools	Total Enrollment	CR Requirements	Existing No. CR	CR Deficiency	No. CR to be Replaced	Total CR Need
NCR	387	621,210	14,118	8,859	5,283	1,440	6,723
I	2715	1,846,151	17,946	17,886	530	3,376	3,906
II	1989	367,989	10,833	10,721	741	3,284	4,025
III	2230	772,700	21,016	20,325	1,859	3,737	5,596
IV	3,499	956,721	26,619	25,053	2,655	6,737	9,392
V	2,521	598,304	17,379	16,618	1,809	3,751	5,560
VI	2,577	711,120	20,079	19,270	1,363	5,715	7,078
VII	1,959	489,661	14,023	13,083	1,543	3,423	4,966
VIII	2,857	550,076	13,867	13,261	958	4,207	5,165
IX	1,457	345,972	10,196	9,262	1,197	4,398	5,035
X	2,059	443,181	12,250	11,271	1,366	3,182	4,548
XI	1,872	539,598	14,488	12,536	2,537	4,363	6,900
XII	1,302	347,362	10,127	9,092	1,463	2,682	4,145
T O T A L	27,404	7,790,045	202,941	187,057	23,304	49,735	73,039

III. GOP CY 1980 ELEMENTARY SCHOOL BUILDING PROGRAM*
(AMOUNT IN THOUSAND PESOS)

Region	New Construction/		Repair/Rehab.		Home Economics		Industrial Arts		Total Amount
	Replacement								
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	
N C R	177	14,694.8	55	9,922.5	5	375	5	325	25,317.3
Region I	600	15,029	55	1,128	11	825	11	715	17,697.0
II	604	15,138.4	51	1,078	7	530	7	460	17,206.4
III	866	20,335	55	1,437	11	825	10	650	23,247.0
IV	1,163	29,197.1	79	1,997	19	1,430	18	1,170	33,794.1
V	697	17,409.5	58	1,344	9	675	9	585	20,013.5
VI	1,172	29,404.3	68	1,986	14	1,050	13	845	33,285.3
VII	702	17,616.2	45	1,180	13	975	12	780	20,551.2
VIII	690	17,248	71	1,308	8	600	8	520	19,676.0
IX-A	108	2,884.3	8	201	3	240	3	195	3,520.3
IX-B	639	16,017.3	41	1,159	6	450	5	325	17,951.3
X	636	16,300.5	42	1,130	14	1,050	14	910	19,390.5
XI	966	24,140.5	69	1,663	7	525	7	455	26,783.5
XII	749	12,761.6	44	1,270	8	600	7	455	21,086.6
TOTAL	9769	254,176.5	741	26,803.5	135	10,150	129	8,390	299,520.0

*Excludes planned high school new construction and rehabilitation.

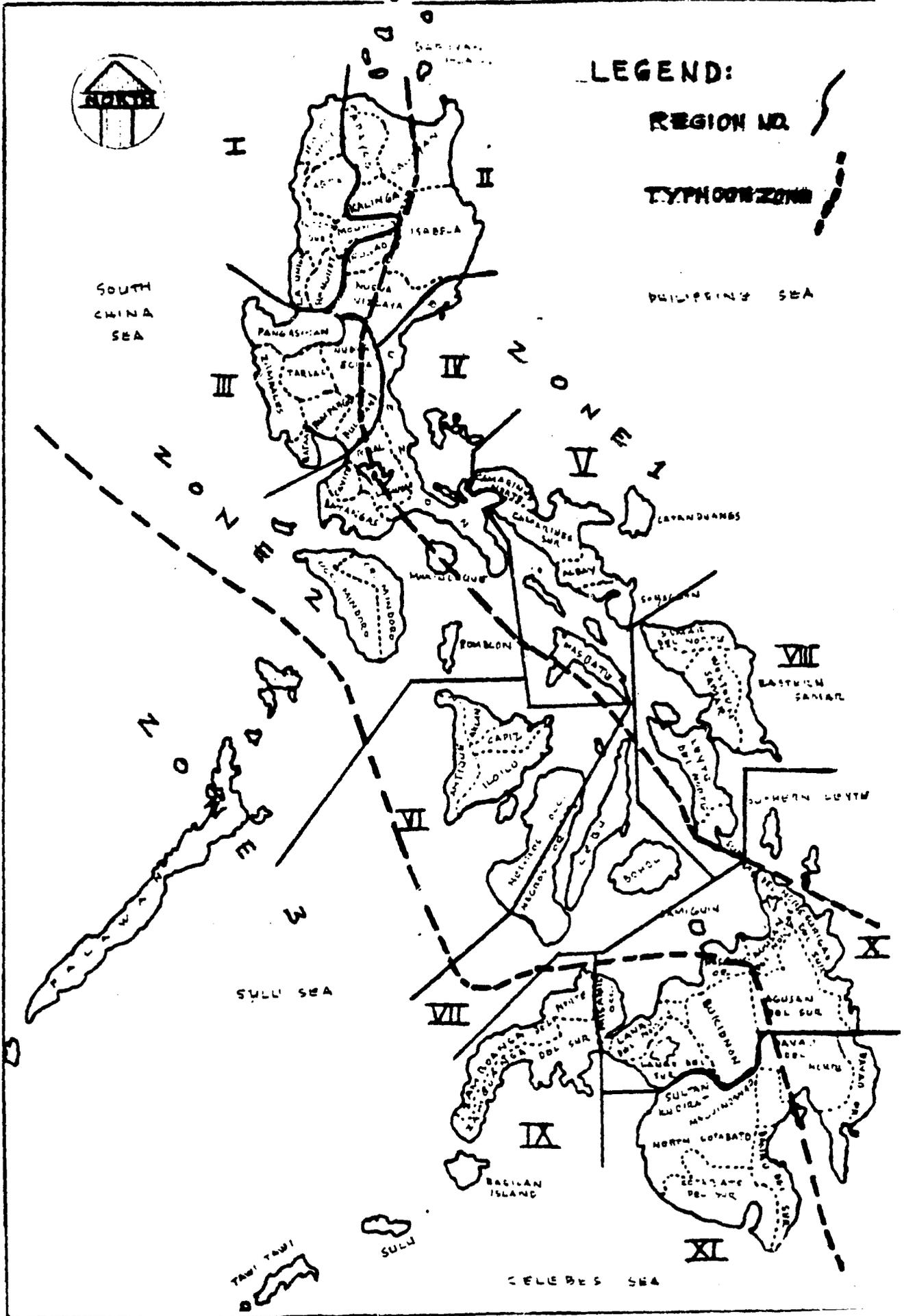
**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

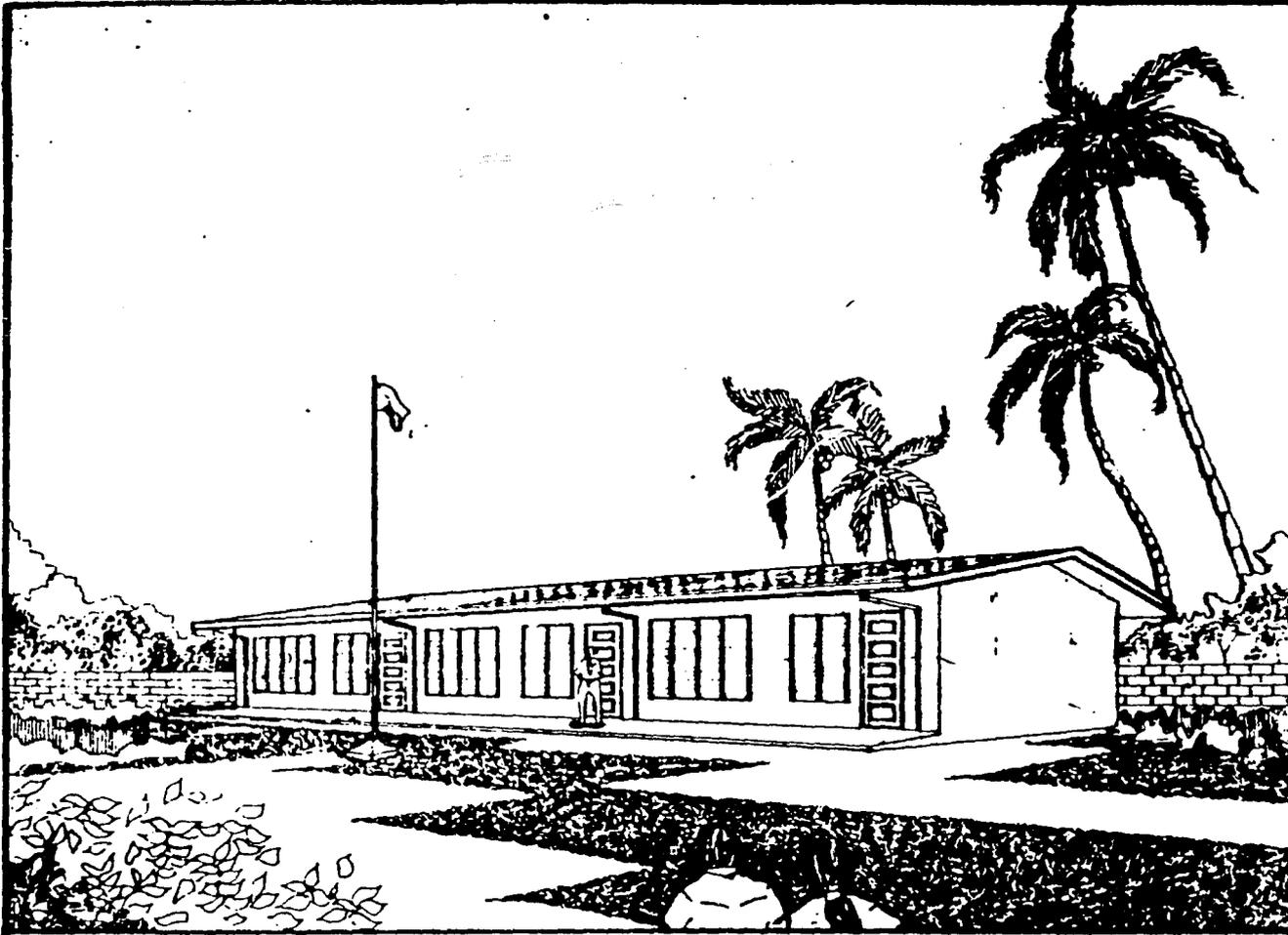
Life of Project:
From FY 1980 to FY 1981
Total U S Funding \$18,000,000
Date Prepared: February 1980

Project Title & Number: ELEMENTARY SCHOOL CONSTRUCTION (492-0342)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS												
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p> <p>IMPROVE THE QUALITY OF EDUCATION AVAILABLE TO ELEMENTARY SCHOOL CHILDREN IN THE REPUBLIC OF THE PHILIPPINES.</p>	<p>Measures of Goal Achievement: (A-2)</p> <p>ENHANCED ATTITUDES OF STUDENTS, TEACHERS AND PARENTS REGARDING QUALITY OF EDUCATIONAL FACILITIES.</p>	<p>(A-3)</p> <p>INTERVIEWS WITH PARENTS AND TEACHERS.</p>	<p>Assumptions for achieving goal targets: (A-4)</p> <p>IMPROVED LEARNING ENVIRONMENT RESULTS IN INCREASED LEARNING LEVELS.</p>												
<p>Project Purpose: (B-1)</p> <p>IMPROVE COMMUNITY ACCESS TO BASIC ELEMENTARY EDUCATION.</p>	<p>Conditions that will indicate purpose has been achieved: End-of-Project status: (B-2)</p> <p>APPROXIMATELY 120,000 CHILDREN UTILIZING NEW CLASSROOMS.</p>	<p>(B-3)</p> <p>VISUAL INSPECTION AND RMC REPORTS.</p>	<p>Assumptions for achieving purpose: (B-4)</p> <p>SCHOOLS WILL BE UTILIZED WHEN CONSTRUCTED</p>												
<p>Project Outputs: (C-1)</p> <ol style="list-style-type: none"> 1. SCHOOL BUILDINGS CONSTRUCTED 2. DESKS AND BLACKBOARDS 	<p>Magnitude of Outputs: (C-2)</p> <ol style="list-style-type: none"> 1. ABOUT 1,025 THREE-ROOM SCHOOL BUILDINGS AND A LIMITED NUMBER OF LARGER SCHOOLS FOR A TOTAL OF APPROXIMATELY 3,150 CLASSROOMS. 	<p>(C-3)</p> <ol style="list-style-type: none"> 1. MONITORING DURING CONSTRUCTION AND COMPLETION REPORTS. 2. do 	<p>Assumptions for achieving outputs: (C-4)</p> <p>ODP ADHERES TO CONSTRUCTION SCHEDULES.</p>												
<p>Project Inputs: (D-1)</p> <p><u>USAID</u></p> <ol style="list-style-type: none"> A. \$18 MILLION GRANT (ESF) B. MONITORING DURING CONSTRUCTION <p>2. <u>ODP</u></p> <ol style="list-style-type: none"> A. DESIGN AND CONSTRUCTION SUPERVISION B. CONTRACTING AND CONTRACT MANAGEMENT C. ASSIGNMENT OF TEACHERS AND INSTRUCTIONAL MATERIALS D. ROUTINE OPERATING EXPENSES E. LAND AS REQUIRED <p>3. <u>LOCAL COMMUNITY ORGANIZATIONS</u></p> <ol style="list-style-type: none"> A. LANDSCAPING AND FENCING AS REQUIRED 	<p>Implementation Target (Type and Quantity) (D-2)</p> <table border="0" style="width: 100%;"> <tr> <td></td> <td align="center">FY 80</td> </tr> <tr> <td>1. <u>USAID</u></td> <td></td> </tr> <tr> <td> A. ESF FUNDING</td> <td>\$ 18.0 MILLION</td> </tr> <tr> <td> B. MONITORING</td> <td>INCL ABOVE</td> </tr> <tr> <td>2. <u>ODP</u></td> <td></td> </tr> <tr> <td colspan="2">VALUE OF IN-KIND CONSTRUCTIONS WILL TOTAL APPROXIMATELY 10% OF ESF INPUTS.</td> </tr> </table>		FY 80	1. <u>USAID</u>		A. ESF FUNDING	\$ 18.0 MILLION	B. MONITORING	INCL ABOVE	2. <u>ODP</u>		VALUE OF IN-KIND CONSTRUCTIONS WILL TOTAL APPROXIMATELY 10% OF ESF INPUTS.		<p>(D-3)</p> <ol style="list-style-type: none"> 1. PERIODIC PROGRESS REPORTS 2. ODP REPORTS OF EXPENDITURES 	<p>Assumptions for providing inputs: (D-4)</p> <p>FUNDING UNINTERRUPTED</p> <p>ODP PROVIDES FUNDING FOR CONSTRUCTION MANAGEMENT, STAFFING, ETC.</p> <p>TEACHERS AND BOOKS AVAILABLE.</p>
	FY 80														
1. <u>USAID</u>															
A. ESF FUNDING	\$ 18.0 MILLION														
B. MONITORING	INCL ABOVE														
2. <u>ODP</u>															
VALUE OF IN-KIND CONSTRUCTIONS WILL TOTAL APPROXIMATELY 10% OF ESF INPUTS.															

ANNEX C





P E R S P E C T I V E

GENERAL FEATURES OF THE BUILDING

- THREE (3) ROOMS
(8.00m. x 8.00m. PER
CLASSROOM)
- LONG SPAN-GAUGE 26
CORR. G.I. ROOFING
- WOODEN ROOF
TRUSSES/ RAFTERS
- REINFORCED CONCRETE
COLUMNS and BEAMS
- CONCRETE HOLLOW
BLOCK WALLS
- FOR TYPHOON ZONE-
WIND VELOCITY-140 MPH
(225 KPH)

PERSPECTIVE AND FLOOR PLAN

ANNEX I

ANNEX F

SOCIAL SOUNDNESS ANALYSIS

Introduction

Since 1945, education in the Philippines has expanded rapidly but growth in government outlays has failed to match the swiftly increasing enrollments. The country is short roughly 75,000 elementary classrooms. The shortage is met by overcrowding and by the continued use of substandard buildings. Predictably, the quality of education suffers.

Success in meeting the demand for classrooms will depend on the ability of the national government to provide more funds for the construction of new buildings, the repair and maintenance of existing ones, and the rehabilitation of others. The widening gap between the demand and supply of school buildings is compounded by the rising costs of construction and the scarcity of financial resources to support the school building program. Limited budgetary releases make it difficult for the Ministry of Public Works to fill the mounting requests for school buildings, repairs, and maintenance, and the backlog continues to grow.

The Elementary School Construction Project will provide about 1,025 new typhoon-proof three-room school buildings and a limited number of larger schools resulting in some 3,150 classrooms equipped with desks, chairs, and blackboards. Also, certain school buildings in rural areas, or other areas without proper facilities, will be provided potable water, electricity, and sanitary facilities.

This Annex to the project paper will focus on the compatibility of the project with the sociocultural environment, motivation for the project, the distribution of benefits, and possible obstacles to the project's successful implementation.

Education in the Philippines

Education in the Philippines has been influenced chiefly by the Spanish and American systems of education. When the Spaniards, and later the Americans, assumed the reins of government, they introduced educational practices reflecting the ideologies of their respective societies and inculcated ideals representing their cultures. The objective of Spanish education was a religious one. The school was used to spread Christianity and religion was the core of the curriculum.¹

The educational system instituted by the Americans was an outgrowth of their avowed aim to develop the Philippines into a self-governing democracy. Three weeks after the Spanish surrender in Manila, military authorities were operating seven schools and the passage of the Education Act of 1901 by the Second Philippine Commission, established a general system of public instruction.

¹/ Antonio Isidro, The Philippine Educational System, Third edition (Manila: Bookman, Inc., 1949), pp. 2-6.

The first American teachers in the Philippines were the soldiers. Soldiers were chosen for the job at the request of William Howard Taft who was convinced that the best way to pacify the Filipino was to offer him a tool by which he could govern himself, namely, education. The following year, Manila's primary schools had 4,500 students and plans were underway for establishing throughout the islands a compulsory system of free education, to be carried out in English.

But the soldier-teachers were at best a temporary expedient. The real groundwork for the Philippine education system was laid by the civilian teachers. On August 21, 1901, an army transport ship, the THOMAS, docked in Manila with 540 young Americans aboard. These teachers were to be entrusted with what President McKinley called, "the extension of a system of primary instruction which shall be free to all and which shall tend to fit the people for the duties of citizenship and for all the ordinary avocations of a civilized community."¹

Assigned to communities throughout the islands, the "Thomasites", as they were called, taught regular classes, trained Filipino teachers, and set up evening adult classes. Often the teachers' simple dwellings had to double as classrooms until the local government officials could be convinced of the need for a school. Many teachers actually designed the building, supervised construction, and rolled up their sleeves to take part in it.

No schoolhouses were available. When none could be built, old ruins were cleaned up and provisional sides and roofs were made of bamboc, coconut leaves, or grass, whichever happened to be most convenient. Short bamboo uprights were sunk into the ground and on top of these were fastened a network of long bamboc poles which served both for seats and desks.²

Such were the classroom conditions under which the first teachers in the Philippines worked.

The Philippine School System

The Philippine school system may be viewed as belonging to the general class of bureaucratic organizations with a hierarchy of power and well-defined positions with corresponding statuses and roles. The formulation of educational policy lies with the national Board of Education which is chaired by the Minister of Education and Culture. The administrative responsibilities for public education rest with MEC.

^{1/} Message of President William McKinley of April 7, 1900. The Government of the Philippines, Arturo M. Tolentino (Manila: Garcia Publishing, 1950), p. 497.

^{2/} Gerconina Pecson and Maria Racelis, Tales of American Teachers in the Philippines. (Manila: Carmelo and Bauermann, Inc., 1959).

Annex F-3

The formal system of education is organized on a 6-4-4 structure. The school year runs from mid-June to mid-April and includes about 200 days. Elementary education is free. Normal entry age to basic education is seven years. The curriculum is heavily weighted to language instruction (the vernacular, Filipino, and English) accounting for almost 47 percent of the time in grades one and two and about 32 percent of the time in the other four grades. The country's literacy rate is 87 percent.

The educational field is recognized as one in which the female's status is equivalent to that of the male's. About 45 percent of all children enrolled in elementary schools are female.

Source of Funds and Past Projects

The source of funds for the annual construction of school buildings is the Public Works Act. However, there are other organizations and governments that are in one way or another rendering assistance. For example, the Federation of Filipino-Chinese Chamber of Commerce and Industry initiated donations in the early 1960s. They have extended such assistance through their provincial chapters and by 1978 had funded construction of more than a thousand classrooms. There are plans for making this project a continuing one.

Parent Teachers Associations sometimes donate or finance the construction of school houses, but such buildings are generally of temporary or light materials and of short duration. Furthermore, various teachers and administrators stated their reluctance to solicit funds from the PTA as members simply "lack the money". Also, pressure groups such as parents and lay leaders while expressing a general endorsement of education, have negative attitudes when it comes to material aid for the improvement of school plant facilities. Therefore, while local participation might ease the problem of scarce financial resources, the outlook is not bright.

Two previous USAID-assisted school construction projects have been implemented since 1971. Together the programs constructed 2,535 three-room, typhoon-resistant buildings. These structures are praised by school administrators and teachers as being the "best school buildings in the Philippines."

Field Studies and Findings

Bataan, one of the six provinces comprising Region III of the country, was selected as the area for the social soundness investigation. Generalizations from these findings should be drawn and applied to other areas of the country with care.

Bataan is a mountainous peninsula in the southwestern part of Luzon and surrounded by fishing grounds from which many of its inhabitants derive their livelihood. Although the province is presently self-sufficient in staple food, the rapid increase in population through natural growth and immigration creates an urgent need to open up new lands for agricultural production. Industries developed in the 1960s have continued to grow. The province has a high literacy rate with 84 percent of the population, aged six and over able to read and write. Bataan is predominantly rural.

Annex F-4

Formal education in Bataan is undertaken by the public and private schools. A Provincial Schools Superintendent heads all schools in the province. As of School Year (SY) 1978-79, there were 125 public elementary schools with an enrollment of 50,775 pupils. An analysis of the school population from SY 1973-74 to SY 1978-79 revealed an average yearly increase of 1,523 pupils. It is expected that this rate of growth will increase to 1984-85. This will mean an additional 14,596 pupils, or a projected enrollment of over 65,000.

Field studies in Bataan involving visits to eight elementary schools and discussions with head teachers, district supervisors, principals, and personnel from the Division Office of the Ministry of Education and Culture resulted in the following findings pertinent to this project:

- crowded classrooms exist
- there is a felt and expressed need for additional elementary school buildings
- the proposed project would benefit poor people
- there is motivation for the project and no opposition to it

Currently there is a shortage of 296 classrooms in Bataan. The province needs 113 new classrooms and 183 replacement classrooms. (See Table 1) Normal maintenance of many buildings has been neglected so long that the cost of renovation precludes doing so. In its recent request to the Ministry of Public Works, Bataan Province requested 66 school buildings of 3 classrooms each. The Ministry of Public Works has approved 30 buildings, or 90 classrooms, leaving a backlog of 36 buildings, or 108 classrooms.

Throughout Bataan there are acute classroom shortages; some schools have initiated double sessions. In some cases, high school students share buildings with elementary students and classrooms designed for 40 pupils often contain sixty or more. Specifically:

- The Hermosa Elementary School contains an average of 48 pupils to the classroom. Snack time is held on a stage outside as the canteen is used for a classroom.
- While the average number of students per classroom in the Balsik Elementary School is 33, there are 63 students in grade five and 53 in grade four.
- Grade six in the Casupan Elementary School contains 55 pupils. Grade five has 60, grade four has 49, and grade three has 58. With a clothing factory scheduled for erection in 1980 enrollment is expected to increase.

- Throughout the province only one school has a separate administration building; the remainder utilize classrooms.
- The Thomas Pinpin Elementary School has an average of 45 students to the classroom. Its home economics building, condemned in 1976, remains in use.
- The majority of schools lack special rooms for such subjects as science and home economics. Frequently they have no library.
- The Naparing Elementary School, located 16 kilometers outside Subic Naval Base, is a barrio school containing only the first grade. The class enrollment of 45 is housed in a barangay building because there is no school building.

Table 1
Present and Projected Public Elementary School
Building Requirements for School Years
1979-80 to 1990-91. Province of Bataan

School Year	Academic Classrooms		
	Total	New	Replacement
1979 - 1980	296	113	183
1980 - 1981	54	42	12
1981 - 1982	59	47	12
1982 - 1983	64	52	12
1983 - 1984	56	44	12
1984 - 1985	54	42	12
1985 - 1986	80	68	12
1986 - 1987	90	78	12
1987 - 1988	102	90	12
1988 - 1989	101	89	12
1989 - 1990	100	91	9
1990 - 1991	100	91	9
Total	1156	847	309

Beneficiaries

Elementary school children are the direct beneficiaries of this project. The proposal to construct 3,150 new classrooms will benefit approximately 126,000 pupils in grades one through six. Teachers, as well as the communities as a whole, will also benefit.

The target beneficiaries, public school children in rural areas, generally come from poor families. In Bataan, for example, their fathers are farmers and fishermen, drivers, seasonal laborers. Although the mothers sometimes work outside the home as small scale vendors or wash women, the majority can be classed as housewives. The school buildings to which these children come each day are generally in need of maintenance and repair. Classrooms are crowded. Public school pupils throughout the Philippines routinely sit three and four to a desk designed for two. Even casual observation tells one the learning situation is poor. The population of each school visited was described by the principal, the supervisor, or the teacher as "humble" and "poor". More than one teacher remarked that, "Sometimes these children do not come to school because they have had nothing to eat." Many are malnourished. The executive director of one of the larger schools stated that, "Children in these schools do not meet the standard height and weight of normal Filipino children." A teacher with forty years experience in the Bataan public school system confirmed what is suspected. "The main cause of absences and dropouts is poverty."

This project will benefit elementary school children by providing additional classrooms. This means an improved school environment. In those schools where potable water, electricity, and sanitary facilities are made available, students and teachers will benefit through a healthier environment which will markedly affect the work of both.

Teachers will benefit from additional school buildings through a reduced number of students in their classrooms. Faced with the instruction, guidance, and management of forty students in a class is difficult, but when the enrollment swells to fifty and beyond, the teacher has an almost impossible task.

Communities in which schools are constructed will benefit through the use of the buildings for purposes other than formal education. Assemblies, training classes, seminars, and vocational programs for adults and out-of-school youth are regularly held in school buildings. The buildings can also be used as emergency centers and for shelter during typhoons.

While the project will be countrywide affecting people from almost every religious and cultural group, the vast majority of beneficiaries will be the Christian lowland Filipino who makes up about 88 percent of the population. Muslims and other minorities have no cultural differences from the Christian majority in so far as school building requirements are concerned.

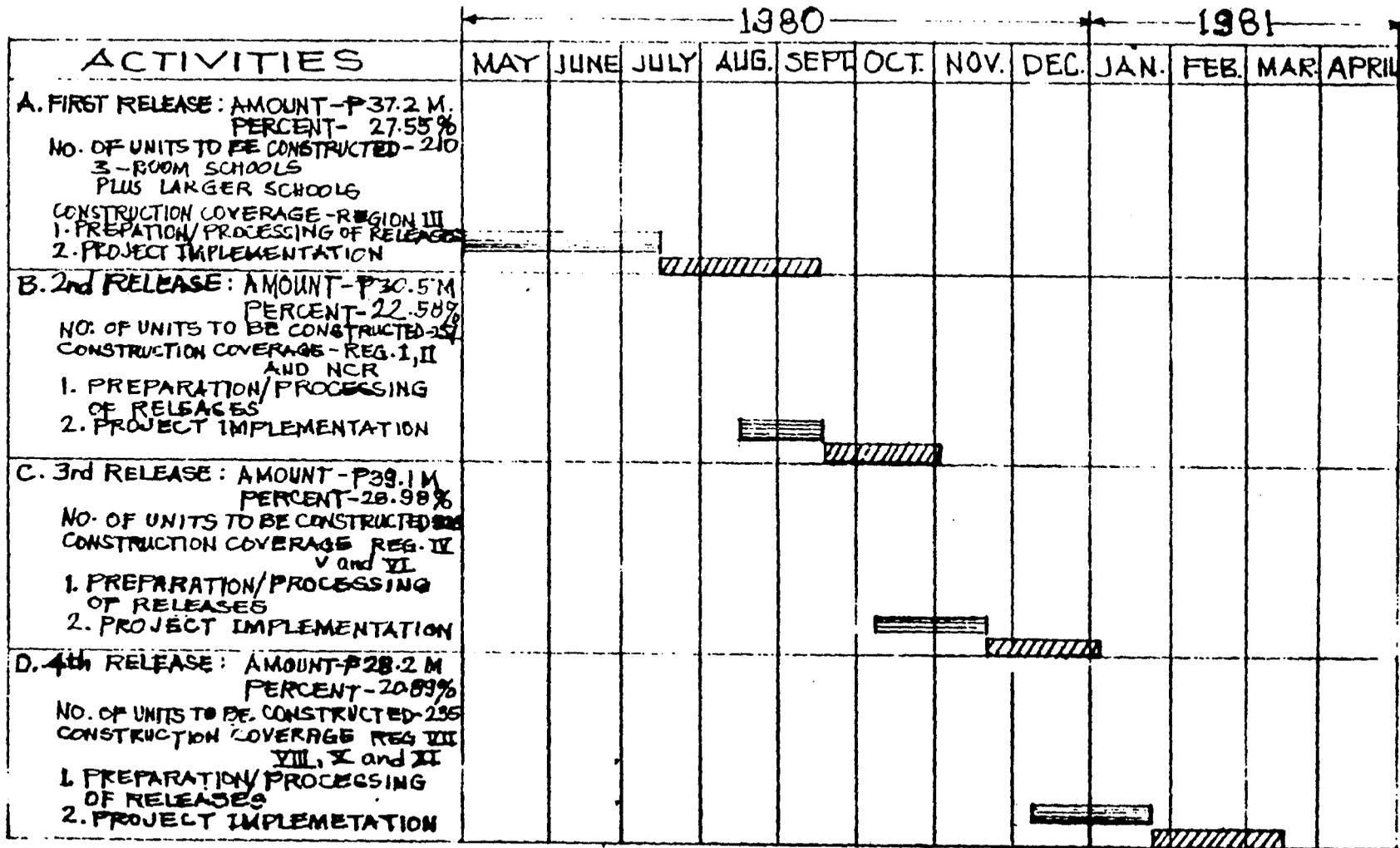
Motivation for the Project

Motivation for the project is excellent. Filipinos are education-minded and parents express fervent hopes and plans for their children's future through better schooling. A farmer interviewed remarked, "The road to success used to be through the land; now it is through education."

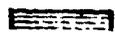
A project to construct schools does not have to be "sold" to Filipinos. All individuals interviewed displayed genuine enthusiasm for the project saying that they "could not imagine any opposition to it." The Provincial School Superintendent stated, "The nation would welcome more schools."

Previous AID supported programs and the Bagong Lipunan School Building Program have long been popular infrastructure projects in the Philippines. Because the project is not introducing new technology or innovations, participants will not be required to adopt new behavior patterns. Also, the project does not depend upon a financial contribution from the recipients. Instead, it is additive to an ongoing building program by the Philippine government and will be perceived as such. There are no groups to be adversely affected. Community members, officials, and educators all recognize the need for additional schools and see project benefits as contributing to the improved well-being of their children. No social obstacles to implementation are anticipated.

SCHOOL BUILDING PROGRAM FOR FINANCING FROM THE U.S. ECONOMIC SUPPORT FUND (RELATIVE TO THE BASE AGREEMENT) SCHEDULE OF ACTIVITIES, RELEASES & PROJECT IMPLEMENTATION



LEGEND:

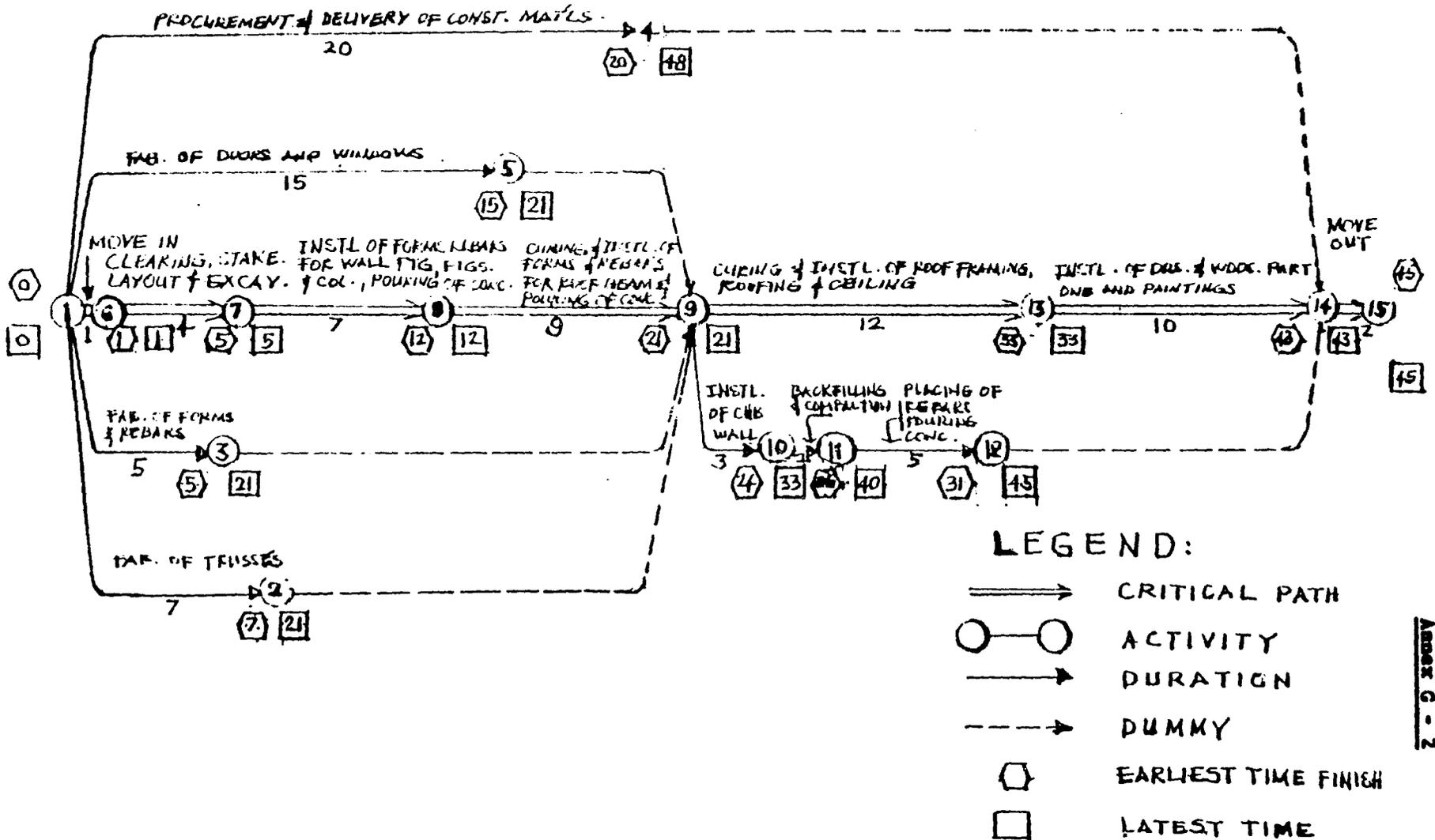


PREPARATION/PROCESSING OF RELEASES



PROJECT IMPLEMENTATION/CONSTRUCTION

PERT/CPM THREE CLASSROOM PRE-FAB. BAGONG LIPUNAN SCHOOL BUILDING TYPE I



PROJECT CHECKLIST

CROSS REFERENCES: Is Country Checklist
up to date? YES

Has Standard Item
Checklist been reviewed
for this project? YES

A. GENERAL CRITERIA FOR PROJECT

1. FY 80 App. Act Unnumbered; FAA Sec. 634A; Sec. 653(b); (a) Describe how authorizing and appropriations Committees of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)?

a) N/A. Prior notification not required for ESF projects.

b) No.

2. FAA Sec. 611(a) (1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

a) Yes.

b) Yes.

3. FAA Sec. 611(a) (2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

3. No further legislative action required.

4. FAA Sec. 611(e) If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

4. Yes.

5. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

6. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

7. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

8. FAA Sec. 612(b); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.

9. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

10. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

5. No regional application. Project is part of ESF grant to Philippines.

6.
a) No international trade implications; all building materials locally produced.

b) Project elements will be subject to competitive bidding by local contractors.

c) N/A. No cooperative or loan involvement.

d) Will discourage monopolistic practices by open bidding.

e) No improvement of technical practices. Project utilizes accepted existing design and construction practices.

f) Project will utilize local labor cooperatives where applicable.

7. N/A. No foreign exchange component in project.

8. The GOP will provide local currency for approximately 10% of this project. The Philippines is not an excess local currency country.

9. No.

10. Yes.

B. FUNDING CRITERIA FOR PROJECT1. Development Assistance Project
Criteriaa. FAA Sec. 102(b); 111; 113; 281a.

Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

(1) (105) for education, public administration, or human resources development; if so, (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people in developing countries in such disciplines as are required for planning and implementation of public and private development activities.

(2) (107) is appropriate effort placed on use of appropriate technology? (relatively smaller, cost-saving, labor using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.)

a) Project construction will employ rural poor laborers who might otherwise be unemployed or underemployed. Majority of construction will be in rural poor areas and will benefit rural poor children by providing an enhanced learning environment.

b) N/A.

c) Project assists ongoing GOP school building program.

d) Most school teachers, supervisors, and school administrators in the Philippines are women.

e) N/A.

(1) a) Although ESF funded, project will increase opportunities for non-formal education as well as for formal education. Since most schools will be constructed in rural areas, the major beneficiaries will be the rural poor

b) No training component in project.

(2) Yes.

c. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least developed" country)?

c. N/A. ESF funded.

d. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?

d. No.

e. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

e. Project supplements existing GOP school building program. Constitution of Philippines guarantees free education to all through grade six.

f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

f. Yes.

2. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102?

a. Yes.

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

b. No.

ANNEX I

CERTIFICATION PURSUANT TO SECTION 611(e)
OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

I, ANTHONY M. SCHWARZWALDER, the principal officer of the Agency for International Development in the Philippines, having taken into account, among other things, the maintenance and utilization of projects in the Philippines previously financed or assisted by the United States, do hereby certify that in my judgment; the Philippines has both the financial capability and the human resources to effectively maintain and utilize the proposed Elementary School Construction Project.

The judgment is based upon the project analysis as detailed in the Elementary School Construction Project Paper and is subject to the conditions imposed therein.

Anthony M. Schwarzwald
Anthony M. Schwarzwald, Director
USAID/Philippines

22 Feb. '80

Date

DRAFT PROJECT DESCRIPTION AND BUDGET FOR PROJECT
AGREEMENT

This Grant of eighteen million U. S. Dollars (\$18,000,000) from Economic Support Funds (ESF) sources will assist the Government of the Philippines (GOP) in constructing and furnishing three-room typhoon-resistant elementary schools throughout Typhoon Zones I and II of the Philippines, as well as a number of larger schools in Region III. As such, the Project will assist the GOP in reducing its serious shortage of classrooms which, despite government efforts to build new facilities, becomes more critical each year as typhoons damage existing structures and the number of school-age children increases.

The schools built under the project will be provided to the community as a complete package, including appropriate furnishings, so that they can be utilized immediately following construction. The project will, therefore, provide funding for: 1) school buildings complete with windows, doors, shelving, storage space, and moveable interior partitions of a modified Bagong Lipunan Type I design capable of withstanding winds up to 140 mph (225 kph); 2) teachers desks and chairs; 3) student desk-chairs; 4) blackboards and book cases; 5) adequate lighting where electrical power is available, including connection to rural electric cooperative lines; 6) adequate drinking water (if on-site source available); and 7) sanitary facilities (type to be determined on a case-by-case basis).

The project will be jointly monitored by USAID/Manila under the Office of Project Development and Monitoring and by the Bases Land Development Authority. The Grant will be executed by the Authority; it will be implemented by the Ministry of Public Works (MPW) in coordination with the Ministry of Education and Culture (MEC). The GOP will be the Grantee.

By the end of the project, it is anticipated that there will be approximately 1,025 three-room elementary schools and between five and ten larger (10-18 rooms) facilities. Together they will account for about 3,150 classrooms which will accommodate roughly 126,000 children annually.

The GOP will provide as an in-kind contribution for design and engineering overhead and construction supervision. The value of these items is estimated at roughly ten percent of projected construction costs. In addition, the GOP will provide sufficient funds to cover routine operating expenses of the schools. Specifically, MEC will assign administrative and instructional personnel, and provide books and other instructional materials, as well as other routine operating expenses. MPW will provide for routine maintenance of the school buildings as the need arises. Finally, local communities will be expected to provide for landscaping and fencing when new school compounds are involved.

Upon obligation of the Grant, AID will disburse the total amount of dollar funds to the GOP which will in turn establish a peso "Special Account" for the equivalent amount of the Grant which will be jointly controlled by AID and the Authority. Funds will be disbursed from this Special Account for implementing the project.

Advances will be made from the Special Account to MPW in amounts corresponding to the estimated peso requirement for four planned tranches of schools as follows:

(1) First advance (Region III)	₱ 37.2 million
(2) Second advance (NCR, Regions I & II)	₱ 30.5 million
(3) Third advance (Regions IV, V & VI)	₱ 39.1 million
(4) Final advance (Regions VII, VIII, X, & XI)	₱ 28.2 million
TOTAL	₱ 135.0 million

Each advance will be earmarked for one or more regions. The release of advances for each succeeding tranche will be contingent upon fifty (50) percent completion of schools built under the previous tranche. Each advance will be liquidated by a financial report and certification from the implementing agency to AID and the Authority accounting for funds expended. In the event there are excess funds advanced for any tranche,

these funds will be returned to the Special Account for reprogramming into subsequent tranches. Precise procedures for advancing funds will be set forth in Implementation Letters.

Prior to construction getting underway, the Ministry of Public Works will finalize designs for both the modified Bagong Lipunan Type I three-classroom unit and for the larger (10-18 room) units. Design proposals will show appropriate concern for bringing sanitary facilities, and especially waste disposal systems, up to minimum standards. These designs will be reviewed and approved by both the Authority and AID. Detailed implementation plans will also be submitted for joint review and approval.

MPW will, as appropriate, manage the competitive bidding and contracting process. It will also be responsible for contract management. Contracts under the project will be for completed and furnished schools.

In the event that some schools are constructed by force account, MPW shall provide completed school buildings. It shall, in coordination with MEC, arrange for the provision of furnishings in a timely manner.

Upon completion of the furnished schools, whether by contract or force account, they will be turned over to MEC. MEC, in turn, will assign administrative and instructional personnel and pupils to the schools, in addition to providing instructional materials and routine operating expenses. MPW will covenant with the Authority to maintain schools constructed under the project.

Progress reports will be submitted to AID and the Authority by MPW on a monthly basis. Each report will indicate, for each geographical location, the names of schools begun, expected dates of completion and percentage of work accomplished. MPW will also submit a summary report indicating overall status of project activities and project targets. These reports will provide the basis for advancing funds for subsequent tranches of schools.

To account for and liquidate the advances, a financial report will be submitted by MPW to AID and the Authority no later than thirty days after the completion of each tranche of schools.

A description of planned costs is presented, according to project outputs, in the following table. This table presents the estimated cost of constructing four planned tranches of schools and thus is the basis for calculating projected advances. Total costs were calculated using an estimated cost of ₱120,000 (including a contingency and inflation factor) per furnished three-room unit and assuming that a total of ₱12,000,000

will be set aside for the construction of five or more larger schools (10-18 rooms) in Region III.

Elementary School Construction Budget

(₱7.5 = \$1)

<u>Tranche</u>	<u>No. Schools</u>	<u>Amount (000,000)</u>
I. Region III		
3 room units	210 (₱25.2m)	
10-18 room units	5-10 (₱12.0m)	₱ 37.2 (\$5.0)
II. NCR and Regions I & II	254	₱ 30.5 (\$4.1)
III. Regions IV, V, VI	326	₱ 39.1 (\$5.2)
IV. Regions VII, VIII, X, XI	235	<u>₱ 28.2 (\$3.7)</u>
TOTAL		₱ 135.0 (\$18.0)