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Auditor General

AUDIT REPORT

LOCAL WATER PROJECT

LOAN NUMBERS 492-U-033/042

PROJECT NUMBERS: 492-0263
492-0309

USAID/PHILIPPINES

Audit Report Number 2-492-80-18

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Area Auditor General East Asia
Agency for International Development

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EXECUTIVE SUMMARY

I. INTRODUCTION AND PURPOSE OF AUDIT

To help alleviate a serious public health hazard caused by unsafe water and inadequate service the USAID/Philippines and the Philippine Government have signed the following two combination grant and loan agreements:

<u>YEAR</u>	<u>LOAN AGREEMENT</u>	<u>GRANT AGREEMENT</u>	<u>TOTALS</u>
1974	\$14,000,000	\$ 750,000	\$14,750,000
1976	<u>20,000,000</u>	<u>1,000,000</u>	<u>21,000,000</u>
	<u>\$34,000,000</u>	<u>\$1,750,000</u>	<u>\$35,750,000</u>

At a level of \$34 million AID's share of foreign donor loan financing, totaling \$124 million, represents about 27 percent. The utilizing agency is the Local Water Utilities Authority (LWUA) which used the proceeds from the first AID loan to finance five provincial water systems. The second loan originally was to provide funds for the improvement/construction of about 30 local waterworks systems, and the related engineering and consulting services.

Expenditures as of March 31, 1980 for the two AID loans were \$12.6 million and \$2.7 million, respectively, and all grant funds have been spent (See Exhibit A).

The purpose of our audit was to determine whether AID loan and grant funds were spent in accordance with AID regulations, the program was being managed efficiently and economically, and project objectives were being achieved.

II. CONCLUSIONS

In less than seven years' time significant achievements have been accomplished by the Government of the Philippines (GOP) Local Water Utilities Administration (LWUA). Starting in 1973, with neither a staff nor a water district or

organization, LWUA, in 1980 can call on a core group of more than 530 engineers and water technicians, and point to 118 water districts, 95 of which have already qualified for conditional certificates of conformance, the prerequisite for receiving donor funds.

Many of the difficulties so far have been less related to the engineering aspects of the task, but in convincing users and customers of the needed changes in lifestyles necessary to support local water districts institutional reforms. The pace at which Local Water Districts agree to enter sizable long-term debt does not lend itself to precision forecasting. Therefore overcoming inherent skepticism and conservatism probably account for most of the slippage in the completion schedule, for the five water districts improved by the first loan. Because the number of water districts to be constructed under the second loan has doubled from 25 to 30, to almost 60, completion of the second phase is likely to occur at least two years later than originally planned.

The expansion of the number of subprojects to almost sixty was an event that took place after the second loan agreement was signed. In the absence of any restrictions the GOP decided to double the impact, realizing the importance of reaching more people, quickly, yet also facing up to GOP funding limitations, as well as the reluctance of water districts to incur too much debt. Servicing twice as many water districts has strained the resources of LWUA to the point where adherence to the original time schedule is no longer realistic. This situation is being aggravated further by virtue of other donors becoming involved in funding other water projects for which LWUA provides logistic support.

There exists at least one subject requiring clarification and redirection. At issue is whether or not USAID/Philippines should repeat efforts to ensure the availability of a minimum number of public faucets. Without overstepping its jurisdictional boundaries USAID could explore again whether or not a commitment for the inclusion of an appropriate number of public faucets could be made, notwithstanding LWUA's current policy against providing any kind of free service.

While LWUA's capital contributions were right on target during the three years period 1974 through 1976, a significant (average of 60%) shortfall has occurred, since. But because of the delay in implementation, both the project consultant and Mission officials minimize the impact. LWUA has alleviated its reduced cash flow by relending AID loan funds at rates up to 9%, whereas its own cost of capital, from AID loan sources, was only 2 or 3%. The disparity in interest rates was not discussed in project papers, loan authorization or loan agreement documents. We were therefore unable to determine a) whether those involved in the AID/W loan approval/authorization process were aware that the AID funding, at concessional interest rates, would in effect be relent by LWUA at substantially increased interest rates, and b) what effect this knowledge might have had on loan approval.

We also noticed that loans from LWUA to the water districts frequently exceeded the amounts of the estimated subproject costs.

In view of the several major topics requiring additional in-depth attention, a major comprehensive joint evaluation is likely to be productive, particularly since the project was dropped from the AID Administrator's list of potential candidates for special impact studies.

Three recommendations in our report focus on the most important mandate compliance and effectiveness improvement subjects.

BACKGROUND

Approximately half the population of the Philippines, outside the Greater Manila area, lives in communities of 20,000 or more people. These communities, in varying degrees, have had to exist with water systems which provided unsafe water, unreliable and insufficient service, an inadequate rate structure and other administrative shortcomings. The inadequate water systems in these communities have contributed to a public health hazard resulting in a high prevalence of water-borne diseases in the Philippines.

In an attempt to develop a solution to this problem, the GOP requested financial assistance from the Agency for International Development (AID) to make feasibility studies for waterworks in provincial areas. A 1970 prefeasibility study by a team from the U.S. Department of Health, Education and Welfare, caused the Government of the Philippines (GOP) to contract with a joint venture of Adrian Wilson International Associates, Inc. and James M. Montgomery Consulting Engineers, (JMM). Inc. to perform feasibility studies of the local water situation. This contract was financed under AID Loan No. 492-U-023 and was completed in June 1973.

These studies contained two thrusts: 1. The organizational and institutional aspects of water supply, at both the national and local level, specifically the needs for technical, managerial, financial and regulatory assistance to communities wishing to improve and expand their water utilities system, and 2. The technical and economic viability of six specific provincial water supply systems.

As a result the GOP, by Presidential Decree No. 198 in May 1973, provided for the formation of independent locally controlled public water districts and established a new organization, the Local Water Utilities Administration (LWUA). Decree No. 198, stressing the creation of a high priority national water policy, gave LWUA the charter to provide technical and financial assistance to the provincial systems as well as exercising regulatory control.

In response to a GOP request for assistance, AID and the GOP

on May 1974 initiated Local Water Development Project No. 492-56-521-263 under which AID agreed to provide the following:

1. A \$750,000 grant to finance the institutional development activities of local water development, including \$100,000 for participant training;
2. A \$15 million loan (subsequently amended to \$14 million), to finance up to five provincial water systems, for the cities of Bacolod, Cagayan de Oro, Davao, San Pablo and Tacloban. The Loan (No. 492-U-033) was to finance all of the foreign exchange costs of goods and services (including consultants) required for the project, with the balance used to reimburse the GOP for eligible local costs. The use of loan funds was limited to one-half of the total project costs. Interest was set at two percent during the 10 year grace period and three percent for the remaining 30 years. All loan funds were to be committed by June 30, 1979, and the terminal disbursement date was extended to March 31, 1980.

By 1976 USAID/P felt that progress to date indicated additional U.S. funds were needed and could be effectively and expeditiously used. The Mission, therefore, provided an additional loan (No. 492-U-042) for \$20 million, and an additional grant (492-0309), for \$1 million. The loan was to provide funds for the improvement/construction of about 30 local waterworks systems, engineering and consulting services to the Local Water Utilities Administration (LWUA); a laboratory and waterworks training facility and specialized training in the U.S. The grant provided some of the foreign exchange cost for the U.S. consultants.

In July 1974, LWUA entered into a contract with James M. Montgomery Consulting Engineers (JMM) to provide technical assistance for institutional development at LWUA, and in the local water districts, engineering design and advisory services and a water resources evaluation study for the City of Baguio. The total cost of this contract and amendments which terminates December 31, 1980 is \$7,925,919. About \$6.3 million is USAID-funded, for the foreign exchange cost of the contract, and funded through the two loans and two

grants. About \$1.6 million (Peso 12 million) is provided for the contractor's local cost by the GOP/USAID/P trust fund and PL 480 title II generated proceeds. Throughout the life of the contract the Contractor was to provide about 80 person/years of technical assistance. To date, about 76 person/years of technical assistance have been furnished.

The Local Water Utilities Authority (LWUA) sanctioned by the Presidential Decree No. 198, is a quasi government corporation. All capitalization is provided by the GOP. The authorized capital of LWUA is Peso 2.5 billion (\$333.3 million) and LWUA is authorized to contract foreign loans up to \$500 million. The GOP does not fund any of LWUA's recurring operating expenses. Operating funds for LWUA are generated through the difference in cost of funds becoming available to LWUA through authorized capital or foreign loans, and the interest rate at which LWUA relends funds to the local water districts. During the six (6) years since it was established, LWUA has grown into an organization of more than 530 employees, with GOP-provided capitalization of P314.2 million (\$41.9 million) and foreign loans and credits from four donors of \$117 million (including a recent \$38 million World Bank Loan) and an interest free credit of 7 million from the Danish Government. Expenditures for the two AID loans were \$12.6 million and \$2.7 million, respectively as of March 31, 1980. All AID grant funds have been expended.

SCOPE OF AUDIT

Our audit of the Local Water Development Project was designed to determine whether: 1) AID loan and grant funds were spent in accordance with AID regulations; 2) the program was being managed in an efficient and economical manner; 3) the objectives of the project were being achieved.

Our review included an examination of selected documents and correspondence, interviews with concerned USAID/Philippines officials, contractor representatives, LWUA officials and Local Water District officials. We inspected the recently completed water works in Davao and Cagayan de Oro.

A prior audit, in 1976, of this project included no recommendations. Both the report findings and the entire draft of this report have been discussed with Mission officials and their comments were considered and included in the report, as appropriate.

STATEMENT OF FINDINGS AND RECOMMENDATIONS

PROGRESS AND IMPEDIMENTS TO FASTER PROGRESS

Since the signing of the Provincial Water Utilities Act of 1973, substantial progress has been made by LWUA and the local water districts. In 1973, LWUA did not exist and there were no accredited local water districts. Today LWUA has more than 530 employees and by now 118 water districts have been organized. Ninety five have received Conditional Certificates of Conformance (CCC), while an additional 23 have CCCs pending.

LWUA has extended loans, in varying amounts, and originating from various donors, to all water districts to whom a CCC has been issued.

LWUA's considerable progress has not been easy or without problems. LWUA, with the assistance of its consulting engineers (JMM), has made substantial headway in the various engineering departments. Both feasibility studies and project design engineering reflect professionalism.

On the other hand, project aspects dependent on and sensitive to cultural or social change proved to be problem areas at inception and continue to be so now. There exists a need for greater awareness that the organization, establishment and management of a local water district requires that its users/customers make many changes in their "life style".

What would appear to be a simple change from paying a few pennies each day for a few "cans of unsafe water" to paying a dollar or so, once a month, for a virtually unlimited supply of safe water, requires a major turnaround in the attitudes and habits of people.

The development or improvement of a water district supply system requires that the water district incurs a sizeable long term debt. Experience has taught LWUA that acceptance by the local water districts of the long term debt should not be taken lightly. Significant public relations efforts are being made to heighten the local water district's awareness of all implications. In most instances, the local water district, at inception, lacks the technical and administrative skills required to effectively manage a commercially viable water district. LWUA must provide technical assistance in a large number of areas to enable the new water districts to manage their affairs. These social, cultural and technical institution

building efforts are, without exception, time consuming, and planners tend to underestimate the energy and patience that need to be invested to ensure success.

At the start of the project, virtually all materials required for the construction of a water system had to be imported. Now, five years later, most of these materials are being manufactured to suitable specifications in the Philippines. Only a few special items, such as large pumps and certain types of brass fittings, need to be imported. Therefore, a beneficial project fallout has been a broadening of the host country manufacturing base, with a related increase in employment.

PROJECT STATUS AND FACTORS THAT CONTRIBUTE TO IMPLEMENTATION DELAYS

Because implementation of Loan 492-U-033 (\$14 million) was delayed 18 months, its initial terminal date for disbursement (TDD) of September 30, 1978 had to be extended correspondingly, to March 31, 1980, when the GOP presented its final billing for local construction costs. As a result, loan disbursements are now essentially completed. Project goals have been met, but certain important compliance matters were ignored. For instance: Mission files lacked many of the required LWUA, Consultant and USAID/P progress and evaluation reports for the various activities funded by this loan. Their absence greatly complicated our ability to pin point readily the reasons for the implementation delays. LWUA and Consultant reporting on follow-on Loan No. 492-U-042, as a result of USAID/P's interventions, is much approved. Therefore we make no further recommendation.

We concluded the 18 months delay in implementing Loan No. 492-U-033 was caused by many of the same types of problems referred to in the corresponding reports for Loan No. 492-U-042. They fell into two categories:

1. Cultural/Social change problems, i.e.
 - 1.1. People accepting the premise that water, a natural resource should be paid for; and
 - 1.2. Members and officials of a water district deciding to incur a long term debt; and

2. Operational problems -

- 2.1. Difficulties in identifying potential construction contractors,
- 2.2. Extended periods of time (up to 3 months) required by the GOP to approve construction contracts, and
- 2.3. Delays in clearing imported project commodities through customs.

Establishing realistic time frames for the sensitive first category, involving institutional changes, is virtually impossible. However, we believe the project design should more fully consider the availability of qualified contractors, as well as GOP procedures concerning contract approval and customs clearance.

Implementation of Loan No. 492-U-033 is complete. This eliminates the need for us to make any recommendation to project design.

The implementation of Phase II, funded by Loan No. 492-U-042, is delayed at least two years. AID/Washington, in early 1980, approved the extension of the Terminal Date of Disbursement (TDD) from March 31, 1981 to June 30, 1983.

The project, as originally designed, envisioned the construction and/or repair of 25-30 relatively small waterworks. The project paper stated that construction would be started on the 25th subproject (83%-100% of all the planned subprojects) by December 31, 1978. In reality, only three (5%) of the revised number of 60 planned subprojects were under construction by then. The project paper indicated that construction would be completed on the last subproject by November 30, 1980. Construction has started on only six (10%) of the 60 targeted subprojects.

Shortly after signing the loan agreement the GOP recognized the a) importance of reaching a maximum number of people as quickly as possible, b) limited GOP funds available for water development, and c) problems of small water districts incurring long-term debts of approximately \$1 million each.

As a result, the GOP decided to construct and/or repair about 60 subprojects instead of the 25-30 originally planned, by scaling down each subproject's average size to less than half of that originally contemplated.

USAID/P did not take exception to the GOP's revised plan, based on an unrestricted Loan Agreement, which does not stipulate the number of subprojects to be constructed.

Progress through February 29, 1980 was as follows;

<u>Implementation Phase</u>	<u>No. of Subprojects</u>	<u>% of Total Proposed Sub-Projects</u>
1. Subprojects essentially completed	3	5
2. Subprojects under construction	3	5
3. Notice to proceed with construction recently issued	2	4
4. Subprojects being bid	4	7
5. Subprojects ready for bidding	6	11
6. Subprojects being designed	19	33
7. Feasibility studies underway	<u>20</u>	<u>35</u>
Total	<u>57</u>	<u>100</u>

USAID/P acknowledges that the project is two years behind schedule. The Mission and the Consultant indicate the project may be completed by the revised TDDA which is June 30, 1983. In view of the progress to-date we concur that there exists a slight possibility of meeting the revised completion date. Realistically, however, we believe the project will substantially overrun even the revised completion date.

USAID/P officials concede that the implementation schedule included in the project paper was overly optimistic. In our opinion, the major reasons for the delays in implementation are:

- 1) the GOP's doubling the number of subprojects to be constructed, and
- 2) the strain exerted on LWUA's administrative and engineering capabilities by the approximate \$83 million in loans from other donors to implement subprojects essentially the same as funded by AID.

The administrative and technical requirements placed on LWUA to organize each small water district and to design and construct a small waterworks are about the same as those required to organize a large water district and to design and construct a large water system. Instead of organizing, designing and constructing about 25-30 subprojects, LWUA is now attempting to complete in excess of 100 subprojects, funded by various donors.

MAKING WATER AVAILABLE TO THE POOREST SECTION OF THE POPULATION

Frequently a person looking at the LWUA water project asks: "How do these water districts help the poorest section of the population?" The reason for this particular concern is traceable to the frequent repetition of the current Congressional Mandate whereby assistance to the rural poor is being thought of as a principal prerequisite for any development assistance.

In the case of Loan No. 492-U-033 it should be noted that:

1. It preceded the Congressional Mandate;
2. It was essentially infra-structure oriented by aiming at two specific goals:
 - 2.1. The creation of a viable and self-supporting group of local districts combining an equitable rate structure with an organization capable of being self-sustaining;
 - 2.2. The physical rehabilitation of a badly deteriorated water pipe system.

In the case of Loan No. 492-U-042 condition 1 no longer applied, but condition 2 remained as relevant as it had been before.

With water districts' continuing viability being the primary goal, and the project paper agreeing to it, the availability of water to everybody, regardless of economic status, became an issue only when looked at from the Congressional Mandate point of view, rather than a project-specific point of view. It has been generally conceded that even under a social pricing system that attempts to slant the rate structure in favor of the less advantaged there will be some rural poor who will not be able to afford even the most modest water levy. But the vast majority of the population is in the position to do so, although it means the revision of some consumption habits of long standing, whereby users paid on a current spot basis, rather than committing themselves to a once-a-month period payment.

The Congressional Mandate point of view, favoring access to water for everybody, regardless of ability to pay, finds support by noting that other donors, as for instance the World Bank have insisted on the installation of public faucets. There also exists the very real concern that the primary goal of continued self-sustaining water district viability is jeopardized by introducing public faucets. The World Bank project implementation has not progressed to the point where the concessionary aspect has been tested in practice. Some officials are of the opinion that the introduction of public faucets is likely to cause a major trend of consumers to take advantage of it thereby threatening a narrowing of the paying customers base.

While the AID project paper was committed to the provision of public faucets the Loan Agreement which is the binding document did not require public faucets. We believe it to be inappropriate to require a revision in the thrust of the project at this point. What might be more appropriate is to reactivate the subject once more, in the light of the current trend by other donors, and determine whether LWUA could modify its current policy to one that is more responsible to the terms of both the Congressional Mandate and the World Bank project. With each specific sub-project being subject to USAID/P approval, the best vehicle for exploring such redirection would be at the time the next sub-project is being submitted.

USAID/P in commenting on our draft report indicated the subject of public faucets was discussed with LWUA a number of times. LWUA presented a number of reasons why public faucets would not be included in sub-projects. USAID/P

respectively, of our annual or semi-annual requirements. These significant shortfalls have seriously threatened the successful implementation of our development program for the water districts.

These shortfalls also mean that future water supply projects would either be scaled down or would be implemented on a priority basis."

The consultant and USAID/P officials claim the GOP capital subscription shortfall is not delaying project implementation. However, LWUA's absorptive capabilities are certainly strained.

The principal reason why the GOP capital subscription shortfall is not affecting project implementation is because of the overall two years delay discussed elsewhere in this report. The sociological/cultural problem related to the organization of water districts, coupled to the bottleneck at LWUA in performing feasibility studies and completing sub-project final designs have, to date, greatly eased LWUA's needs for immediate capital.

In order to avoid compounding further completion delays there ought to exist a reasonable assurance of GOP funds being available, when needed.

LWUA's mandate from the GOP is that its various sources of capital must assure its viability and ensure its remaining self-sustaining.

All operating costs, including the salary cost of its more than 530 employees must be funded by LWUA.

The primary source of these funds is the difference between the 9% interest rate charged by LWUA for loans to the water districts, and LWUA's own cost of capital. Most of the other donors' loans (\$76 million) to COP and LWUA, at 8% or more interest are significantly more costly than AID's \$34 million loans at 2% or 3%. The GOP input is at face value.

LWUA lends its funds at 9%, while borrowings other than from AID are at 8%. Thus little or no LWUA operating working capital is available from these funds. Virtually all of LWUA's operating funds are being generated from GOP and AID sources. The creative use by LWUA of AID loan funds, by generating income to LWUA averaging 6-7% through the spread between the relending rate of 9% and the AID borrowing rate

of 2 to 3% was not discussed in the project paper loan authorization or loan agreement document. We were therefore unable to determine - a) whether those involved in the AID/W loan approval/authorization process were aware that the AID funding, at concessional interest rates, would in effect be relented by LWUA at substantially increased interest rates, and b) what effect this knowledge might have had on loan approval. LWUA confirmed that all loans by LWUA must be at the same rate of interest, and that it will not consider loaning AID funds at a lesser rate of interest.

A Philippine News Agency (PNA) release, dated February 26, 1980, quotes the President of the Philippines as reaffirming the current interest rate LWUA charges on loans it extends to various water districts.

During the Open Forum period, following a recent induction ceremony of officers of the Philippine Association of Water Districts (PAWD), in Baguio City, the Filipino Chief of State cited the view of the National Economic and Development Authority (NEDA) whereby any reduction in that rate "will have an adverse effect on LWUA's viability."

In a related review of that event PNA said that "in its report to the President, NEDA confirmed that LWUA is just breaking even with the current interest rate, considering that it must meet its own operating expenses, and, since half of its funds were borrowed from foreign banks, debt servicing requirements". The dispatch concluded by stating that the President "said that if LWUA's viability is not maintained the Agency will not be able to continue with its Mission to financially assist the water districts".

USAID/P officials do not anticipate additional loans of this type for LWUA. However, USAID/P, when considering any future loans of this type, should in its project paper make full disclosure of the rates of interest to be charged on any relending of AID funding. The loans from LWUA to the water districts are frequently for a significantly greater amount than the estimated sub-project cost. The estimated total project cost for the five sub-projects funded under Loan No. 492-U-033 was Peso 208 million (revised to Peso 201 million); LWUA loaned Peso 232 million to the water districts. The

estimated total project cost for Silay City, an Interim Demonstration Program sub-project funded by Loan 492-U-042 is Peso 3.2 million, whereas LWUA has loaned Silay City Peso 4.2 million for the sub-project (to date documents are completed for only two sub-projects financed by the second loan).

Neither the USAID/P, the Consultant, nor LWUA officials with whom we spoke were able to explain to our satisfaction the reason for such an unusual handling of LWUA's situation.

LWUA's approval of loans in excess of the estimated total project cost is principally pertinent in that it relates to its overall project implementation capability. As noted earlier, GOP's financial input has been less than planned. Therefore, by granting of loans in excess of the designated project cost directly inhibits LWUA's ability to fund other projects.

Recommendation No. 2

USAID/Philippines, in consultation with LWUA, determine the reasons for, and impact of the LWUA's practice of loaning the water districts substantially more funds than included in the sub-project design and sub-project agreement.

PROJECT EVALUATION

The frequency with which individual projects should be evaluated is either stipulated in the Project Paper or is left to the judgment of Mission officials. In the case of the two water project loans neither Project Paper contained such a stipulation. Therefore the timing of any project evaluation was discretionary.

We noted three evaluations of the projects. One is a major comprehensive ongoing effort initiated in 1975 by the U.S. Bureau of Census and a contractor to, in effect, test whether potable water results in better health. Another was a 1979 effort by outside consultants funded

by AID which indicated that an improved water system increases the potential for economic development. Finally, USAID/P evaluated the project in February 1979.

USAID/P action to have LWUA correct the problems identified in that 1979 USAID evaluation was not timely, as evidenced by the fact that the agenda items developed in the course of the evaluation were not forwarded to LWUA until six months later, in August. At the time of our review LWUA had not as yet provided a written response. However, the issues were informally discussed during the evaluation and formally at a December 1979 meeting that was attended by USAID/P and LWUA officials.

Topics included, among others, shortening the entire planning/design/construction cycle, accelerating commodity clearance through customs, and intensifying public relations efforts in order to expedite the successful organization of water districts. The fact that LWUA has hired a freight forwarder provides tangible evidence that these evaluations are useful, and -- even more importantly - are being acted on.

The 1974 to 1977 files included little material by either USAID/P, the Consultant or LWUA, to reflect the project implementation status. Yet since that time there has been a significant improvement: At USAID/P's insistence the project reporting by both the Consultant and LWUA have become very much better.

We believe that, in view of the various conditions described in this report concerning the project, a comprehensive joint evaluation should be scheduled as soon as possible addressing, minimally the following topics.

1. Delays in completing feasibility studies;
2. Delays in completing sub-project designs;
3. Shortfall in GOP financial input;
4. Scheduled completion of consultant's contract by December 1980 and its effect on project implementation

loan agreement provisions requiring consultant approval of all feasibility studies and designs;

5. LWUA's policy to provide water districts loans in excess of the total estimated project costs.

Before making a formal recommendation we determined that the current series of special AID Administrator's evaluations no longer included a review of the water projects, although we understand that at one time some consideration had been given to cover them.

Recommendation No. 3

USAID/Philippines schedule an in-depth evaluation of the Local Water Project.

EXHIBIT A

FINANCIAL STATUS OF PROJECT
MARCH 31, 1980
(000)

LOAN FUNDS

	<u>Loan No. 033</u>	<u>Loan No. 042</u>	<u>Total</u>
Loan Amount	\$ 14,000	\$ 20,000	\$ 34,000
Disbursed	<u>12,600</u>	<u>2,700</u>	<u>15,300</u>
Available for Disbursement	<u>\$ 1,400</u>	<u>\$ 17,300</u>	<u>\$ 18,700</u>

GRANT FUNDS

	<u>Project No. 0263</u>	<u>Project No. 0309</u>	<u>Total</u>
Obligations	\$ 750	\$ 1,000	\$ 1,750
Expenditures	<u>750</u>	<u>1,000</u>	<u>1,750</u>
Unliquidated Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

REPORT RECIPIENTS

USAID/Philippines

Director 5

AID/W

Deputy Administrator 1

Bureau for Asia:

Assistant Administrator 1

Deputy Assistant Administrator (Audit
Liaison Officer) 1

Office of the Philippines & Thailand Affairs 1

Bureau for Development Support:

Office of Development Information and
Utilization (DS/DIU) 4

Bureau for Program and Management Services:

Office of Contract Management (SER/CM) 3

Office of the Auditor General:

Auditor General (AG) 1

Executive Management Staff (AG/EMS) 12

Plans, Policy & Programs (AG/PPP) 1

Area Auditor General:

AAG/W 1

AAG/Africa (East) 1

AAG/Egypt 1

AAG/Near East 1

AAG/Latin America 1

Office of Legislative Affairs (LEG) 1

Office of Financial Management (FM) 1

Office of the General Counsel (GC) 1

OTHER

Auditor General, Inspection and Investigations
Staff (AG/IIS/Manila) 1