

UNCLASSIFIED

**Annual Budget
Submission**

FY 1985

BEST AVAILABLE



PHILIPPINES

JUNE 1983

Agency for International Development
Washington, D.C. 20523

UNCLASSIFIED

FY 1985 ABS SCHEDULE

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ACTION PLAN

SUMMARY OF MISSION LONG-TERM STRATEGY

The overall goal of USAID assistance is broadly-based economic growth and poverty alleviation in the Philippines. The assistance effort has four components: bilateral DA, ESF, PL 480, and DA centrally funded projects. The current DA strategy, embodied in our FY 82 to FY 85 CDSS submissions, evolved from an indepth analysis of poverty. It focuses on selected poverty regions and seeks to increase long-term productive employment through four basic programs (rural enterprises, rainfed resources, community level resource mobilization and management, and fertility and infant mortality reduction). Each program is being thought of as at least a ten year undertaking. Based on feedback from ongoing design/implementation efforts and new Agency policy, we have made the current CDSS somewhat broader than its original more limiting poverty focus. The ESF strategy focuses on economic growth with a particular, but not exclusive, emphasis on development around the military bases. This is being achieved through the development of institutional capacity within the GOP and its local agencies so that subprojects can be implemented successfully and funds linked to the 1979 military bases review can be disbursed rapidly. The Mission's DA and ESF funded energy program supports directly CDSS efforts to help the rural poor and also addresses national issues which are critical to the long-term growth and development of the country. The PL 480 activities contribute to CDSS poverty alleviation efforts. The roughly 100 centrally funded projects, which provide about \$5 million annually, support broad Agency and GOP development objectives and contribute to the Mission's bilateral program.

Under each strategy component, activities support Agency policy initiatives and Bureau Strategy.^{1/} Development of indigenous institutions is a key element of virtually all projects. Ongoing policy dialogue efforts (See Annex I) will be augmented by a new Training & Development Issues (TDI) Project focusing on key policy issues which cut across or fall between other USAID policy dialogue efforts. In addition to our private enterprise program, we are trying to maximize private sector involvement in the implementation of other portfolio activities. The adoption of U.S. technology has been, and will continue to be, a very major factor in Philippine development and in the Mission's portfolio.^{2/} The Mission's large energy program and proposed hydrogeological project have strong technology transfer components.

Mission long-term strategy has received considerable attention in recent months. When details of the possible future ESF program become known after the military bases review, the Mission will develop a revised strategy in collaboration with the GOP. The strategy will cover all USAID assistance

^{1/}The FY 84 CDSS submission focuses on relationships between the CDSS and the Administrator's four major policy initiatives.

^{2/}A cable documenting the role of technology transfer in Mission activities is being prepared and will become Annex II of this Action Plan.

activities and is expected to be submitted to AID/W in January according to the normal CDSS schedule.^{3/}

<u>Key Benchmarks</u>	<u>Date</u>
1. Completion of a revised Mission Strategy	1/84
2. Establish multi-agency TDI Steering Committee	2/84
3. Completion of first policy studies under TDI	6/85

BASIC PROGRAMS

A. Rural Enterprise Program

The Mission's long term commitment to rural enterprise development is an outgrowth of the CDSS objective to generate productive employment in areas outside of Manila. By accelerating the formation and growth of labor intensive private enterprises, this program will contribute to efforts to absorb the rapidly expanding labor force, reduce migration to Manila, and decrease regional income disparities. The program supports directly the Agency and Bureau emphasis on private enterprise for development and focuses on the priority small and medium scale rural enterprise sector.^{4/}

The program contains four basic components: (1) the initial component of the Small and Medium Enterprise Development (SMED) Project* to assist rural enterprises (linked to growth centers outside Manila) through SME associations and to study policies with a view toward removing constraints to rural enterprise development; (2) the proposed new SMED component, Private Enterprise Promotion, that will strengthen a variety of private institutions which provide necessary services to SMEs in areas outside Manila; (3) the ESF-funded Markets Development Project to improve the infrastructure for trade in rural areas; and (4) the proposed addition to the Small Farmer Systems II Project* which will help develop agro-enterprises owned and managed by farmers' associations. These four components will involve several activities: policy analysis and development, institutional development, technical assistance and training for rural entrepreneurs and their associations, pilot credit programs, and various subprojects targeted on production and marketing constraints.

<u>Key Benchmarks</u>	<u>Date</u>
1. First markets constructed	8/84
2. Completion of initial research on private and public involvement in Philippine business	8/84
3. Long-term consultants arrive under SMED	10/84
4. First subprojects developed under SMED	4/85
5. Private Enterprise Promotion component obligated	7/85

^{3/}Given home leaves, transfers, and the annual Mission fall caucus, it is not possible to develop an integrated and properly researched strategy before January 1984.

^{4/}"A.I.D. Policy Paper: Private Enterprise Development," May 1982.

*Project narrative included in this ABS.

B. Rainfed Resources Program

This multi-year program focuses on community-based management of upland, lowland, and coastal rainfed natural resources and the development/adoption of suitable technology for these areas. The program involves several components, most of which fall under the broad Rainfed Resources Development (RRD) Project*: (1) policy analysis and dialogue designed to improve natural resources monitoring and management; (2) institutional development at national and local levels; (3) development and site-specific testing of pilot agro-forestry activities; (4) assessment of coastal fish stocks and development of environmentally sound fishing practices; (5) on-farm trials of new farming systems (in Bicol under RRD Project and under Farming Systems Development - Eastern Visayas Project); (6) proposed new Rainfed Agriculture Research component of RRD; and (7) proposed new Upland Access component of RRD. The overall program supports Agency and Bureau policies and strategies regarding institutional development, agriculture research, policy dialogue, and technology transfer. The program has been underway for nine months; current efforts are focused on organizational concerns, initial steps of implementation, and identification/design of essential new components.

Key Benchmarks

	<u>Date</u>
1. Analysis of GOP institutional capacity to conduct fish stock assessment	12/83
2. Initiation of five policy studies/analyses	5/84
3. Initiation of Bicol farming systems program	5/84
4. New Rainfed Agricultural Research and Access components obligated	8/84
5. Start three institutional strengthening agreements	10/84
6. Start five agro-forestry pilot activities	1/85
7. Completion of first RRD biennial evaluation	3/85
8. Report on first year on-farm trials under Farming Systems Development - Eastern Visayas Project	3/85
9. Recommendations from first round of policy studies/dialogue	9/85

C. Community Level Resource Mobilization and Management Program

This long term program will develop and expand community level capacity to mobilize and manage resources for self-reliant and participatory development activities. This major element of the CDSS is consistent with Agency and Bureau emphasis on developing institutional capacity at the community level to mobilize and manage greater levels of public and private resources (fiscal, human, and organizational). Major program elements include: (1) the original Local Resource Management (LRM) Project* focusing on improved local institutional capacity to plan and implement participatory development activities and to manage financial resources. (2) institutionalization of processes initiated under the Real Property Tax Administration (RPTA) Project; (3) support for local self-help income generating activities under the Rural Service Centers (RSC) Project; (4) proposed new Rural Financial Services component of LRM; (5) technical and financial assistance to cities and municipalities through the ESF Municipal Development Fund (MDF); and (6) support for provincial development activities in areas near the military bases under the ESF Regional Development Fund (RDF).

<u>Key Benchmarks</u>	<u>Date</u>
1. Evaluation of MDF and RDF	4/84
2. Disbursement of first \$50 million under MDF and RDF	4/84
3. Inclusion of RPTA processes and systems into LRM	6/84
4. LRM provincial strategies, annual work plans, and subprojects approved for six provinces	8/84
5. Rural Financial Services component obligated	8/84
6. Evaluation of RSC innovative financing modes	12/84
7. First process evaluation of LRM	3/85

D. Fertility and Infant Mortality Reduction Program

This program will reduce future labor force growth and therefore contribute to the long-term employment objectives of the CDSS. The program's objectives are to improve both access to primary health care services and the long-term financial viability of these services. Agency and Bureau policies and strategies are reflected in the program's component elements, most of which are included in the broad Primary Health Care Financing (PHCF) Project*: (1) policy research, analysis, and dialogue focusing on management and cost effectiveness of PHC service delivery; (2) testing financing schemes which shift health care cost to the private sector and make Government health care services more financially viable; (3) increasing community willingness to pay for PHC services by upgrading the quality of such services under PHCF and Panay Unified Services for Health (PUSH) Projects; and (4) continued emphasis on improving family planning services. These activities will contribute to a gradual, but nonetheless radical, shift in primary health care services from dependence on free, but inadequate, Government services to greater use of higher quality community supported services in the private sector. The GOP realizes that it will not be able to support a separate family planning delivery system after USAID support for such a system ends in FY 1985. Thus, the Mission will assist the GOP with the integration of a strong family planning outreach component into other health service delivery systems.

<u>Key Benchmarks</u>	<u>Date</u>
1. Commencement of two large scale research studies: (a) private and public health sector financing and (b) effectiveness of volunteer village health workers	12/83
2. Initiation of six health care financing schemes	6/84
3. Testing the integration of family planning services with other health and nutrition services	6/84
4. Start four major PHC service support activities	1/85

TRANSITION ACTIVITIES

A. Energy Program

This program, which spans both DA and ESF, has three major goals: (1) increased production and use of alternative energy systems (with an emphasis on biomass), (2) reduced energy consumption (with increased productivity) through energy demand management, and (3) foreign exchange savings through

reduced oil imports. These goals are consistent with Mission strategy objectives of generating productive employment, developing rainfed resources, and increasing productivity in the national economy. The program also directly supports all of the Agency's and Asia Bureau's major policy emphases. The energy program has four basic components: (1) Nonconventional Energy Development Project; (2) conversion of fuelwood (to electricity, gas for powering irrigation pumps, and charcoal for domestic and industrial uses) under the ESF Rural Energy Development Project; (3) biomass fueled refrigeration and small boat engines under the Energy Technology for Fisheries (ETF); and (4) Technology Transfer for Energy Management (TTEM) Project* focusing on more efficient use of energy in the modern sector. The components involve several activities: local and national institutional development; pilot projects for equipment adaptation; fuelwood research and production; information dissemination through various media and workshops; and technical assistance and training for national and local entrepreneurs and enterprises.

Key Benchmarks

Date

- | | |
|---------------------------------------------------|-------|
| 1. Approval of final subprojects in Noncon Energy | 10/83 |
| 2. Selection of power plants supplier | 3/84 |
| 3. ETF and TTEM projects obligated | 5/84 |
| 4. ETF and TTEM long-term consultants arrive | 7/84 |
| 5. First evaluation of ETF project | 10/85 |

B. Water Activities

While maintaining a strong institutional development emphasis, the Mission is shifting its support for potable water activities to promote greater U.S.-Philippine technological cooperation. This shift is part of a move toward a middle income strategy. FY 85 will mark the end of the last large credit focused water project, Barangay Water II (BW II), and the beginning of a proposed new project which will continue hydrogeology activities started under BW II and increase significantly the effectiveness and efficiency of existing water programs.

Key Benchmarks

Date

- | | |
|---------------------------------------------------------------------|-------|
| 1. Completion of 650 community managed and maintained water systems | 12/85 |
| 2. Hydrogeology Project obligated | 12/85 |

C. PVO Activities

PVOs contribute to Mission strategy in several ways: (1) PVOs, which work closely with local beneficiary groups, contribute to Mission strategy formulation and project design by providing information on local development issues/problems; (2) through the Co-Financing Program, PVOs implement subprojects which support the CDSS and/or provide us with feedback information on innovative development approaches; (3) PVOs are involved in implementation of bilateral projects in our regular portfolio, and (4) PVO maternal child health and school feeding activities under PL 480 Title II support the poverty alleviation and the infant/child mortality reduction elements of the CDSS. This latter activity is being phased-over to the GOP.

Key Benchmarks

Date

- | | |
|-------------------------------------------------------------------------------|-------------|
| 1. Final approval of PVO Co-Financing II PP | 2/84 |
| 2. Annually provide \$2 million in grants for at least ten sound PVO projects | FY 84-FY 88 |
| 3. Evaluation of PVO Co-Financing II | 3/85 |
| 4. Completion of PL 480 Title II phase-over | 9/87 |

D. Participant Training

Participant training is an important element of most Mission projects and a major component of the Training and Development Issues Project. While many participants go to the U.S., a large number are trained at excellent institutions in-country.

Key Benchmarks

Date

- | | |
|-----------------------------------------------|-------|
| 1. Overseas training for 100 new participants | FY 84 |
| 2. Overseas training for 100 new participants | FY 85 |

MANAGEMENT CONSIDERATIONS^{5/}

To implement its programs and achieve its benchmarks successfully, the Mission has adopted appropriate management practices: (1) substantial reduction in number of projects; (2) emphasis on broad, umbrella projects featuring rolling design/implementation/evaluation which enable incorporation of new activities as they are identified and needed; (3) adoption of efficient disbursement mechanisms; (5) shifting of implementation responsibility to public and private Philippine institutions; (6) Mission private sector, economic, scientific, and policy analysis expertise upgraded.

^{5/}Management considerations are discussed in more detail in the narratives for Tables I and IX of this ABS.

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)
 COUNTRY/OFFICE PHILIPPINES

		FY 1983	FY 1984		FY 1985	PLANNING PERIOD			
		ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989

AGRICULTURE, RURAL DEVELOPMENT									
& NUTRITION	TOTAL	19045	22600	23200	25900	27000	27000	27000	27000
	GRANTS	5545	3100	4500	2600	5000	5000	5000	5000
	LOANS	13500	19500	18700	23300	22000	22000	22000	22000
POPULATION									
	TOTAL	6053	11000	3100	8100	2000	2000	2000	2000
	GRANTS	2753	4000	---	3900	600	600	600	600
	LOANS	3300	7000	3100	4200	1400	1400	1400	1400
HEALTH									
	TOTAL	12502	5700	2300	5300	9300	8300	8300	8300
	GRANTS	4000	1300	300	800	1500	1500	1500	1500
	LOANS	8502	4400	2000	4500	7800	6800	6800	6800
EDUCATION									
	TOTAL	1100	300	3500	300	300	1300	1300	1300
	GRANTS	100	300	1300	300	300	300	300	300
	LOANS	1000	---	2200	---	---	1000	1000	1000
SEL.DEV.ACT.									
	TOTAL	100	400	7900	400	3400	3400	3400	3400
	GRANTS	100	400	1900	400	600	600	600	600
	LOANS	---	---	6000	---	2800	2800	2800	2800
DA ACCOUNTS									
	TOTAL	38800	40000	40000	40000	42000	42000	42000	42000
	GRANTS	12498	9100	8000	8000	8000	8000	8000	8000
	LOANS	26302	30900	32000	32000	34000	34000	34000	34000
ESF									
	TOTAL	50000	50000	50000	TO	BE	D E T E R M I N E D		
	GRANTS	50000	50000	50000	---	---	---	---	---
	LOANS	---	---	---	---	---	---	---	---

		****	****	****	****	****	****	****	****
DA & ESF									
	TOTAL	88800	90000	90000	40000 ^{1/}	42000 ^{1/}	42000 ^{1/}	42000 ^{1/}	42000 ^{1/}
	GRANTS	62498	59100	58000	8000	8000	8000	8000	8000
	LOANS	26302	30900	32000	32000	34000	34000	34000	34000

PL 480 TITLE I	(TITLE III)	(-----)	(-----)	(-----)	(-----)	(-----)	(-----)	(-----)	(-----)
PL 480 TITLE II		(13738)	(12000)	(7608)	(7281)	(5316)	(-----)	(-----)	(-----)

TOTAL PERSONNEL									
	USDH WORKYEARS	45.5		46.9	45.6	45.6			
	FNDH WORKYEARS	70.0		70.0	70.0	70.0			

^{1/}Plus any future ESF commitments.

NARRATIVE I
LONG RANGE PLAN

The long range plan reflected in Table I results from the Mission's ongoing assessment of its strategy objectives and a continued management commitment to decrease the number of projects, to reduce the grant/loan ratio, and to shift implementation responsibility to Philippine institutions.

Core CDSS Programs. The Mission has made a long-term commitment to the four CDSS core programs.^{1/} A broad umbrella project is the centerpiece of each core program. These umbrella projects, which are actually programs, focus on establishing and strengthening Philippine institutional processes that can solve long-term development problems. They feature an iterative "rolling design" concept based on feedback mechanisms built into the identification-design-implementation-evaluation cycle. The design, implementation, and continuous self-evaluation of initial activities provide information for the identification and design of subsequent activities. The flexible overall project design allows for adding funds for new or expanded activities after in-depth evaluations or on an as needed basis. This rolling design concept focuses attention on implementation and the collection of feedback information needed to manage the program properly.

Portfolio Trends and Management. The number of projects in the Development Assistance portfolio will drop from 20 at the end of FY 83 to 10 by the end of FY 86. This trend results from the Mission's continued emphasis on the CDSS related core programs and careful attention to the non-proliferation of peripheral activity. Streamlining alone will not reduce significantly the project workload of the Mission. However, we also have decentralized project management within the Mission and adopted a team management approach for our broad umbrella projects. These changes, coupled with more reliance on GOP internal management and audit systems, result in effective management of larger, more complex programs with the same level of staff. While the above specifically addresses the DA program, the Economic Support Fund activities operate in the same management environment and lessons learned are exchanged to make both DA and ESF programs more efficient.

Loan/Grant Ratio. Over the six year period covered by this ABS the grant portion of the DA Program will be reduced from 32% to 19%. This trend which was highlighted in last year's ABS is the result of the scarcity of grant funds within worldwide DA accounts and the ability of the Philippines to accept more stringent terms for its economic assistance. We are currently developing a set of Mission specific guidelines that will identify

^{1/}Rural Enterprise, Rainfed Resources, Community Level Resource Mobilization and Management, and Fertility and Infant Mortality Reduction.

categories of activities which we believe are more appropriate for continued grant funding. It is necessary to spell out these conditions so that the Government can understand our position and so that project officers and government implementing agencies can factor this into the project design process.

We have pursued this trend with the GOP over the last three years. While the Government understands USAID's intention, it continues to press for larger grant components in the projects because of its current budget problems and the experimental and somewhat risky nature of some project activities.

Program Implementation Responsibilities. Project design and management within the Mission is shifting from direct hands-on techniques to more collaborative arrangements involving the GOP. Individual ESF subprojects are being designed and implemented by a Secretariat under the Ministry of Human Settlements (MHS). The GOP also is taking greater responsibility and a more active role in the design and implementation of DA projects, especially Rainfed Resources Development, Local Resources Management, and Primary Health Care Financing.

There are many private and public corporations, institutions and organizations in the Philippines with highly skilled staff. Over the years USAID has used this cadre of people as advisers and contractors for programs. The Mission will continue and expand this trend. Consistent with this emphasis, U.S. technical assistance will be used when there are technical and managerial gaps in the Philippine capacity.

Program Mortgage for FY 86. The proposals contained in this ABS would completely mortgage the FY 86 DA Program. This will allow the Mission to focus its staff resources on key implementation activities during FY 86. This mortgaging is consistent with the recommendation contained in the Administrator's Task Force on Implementation and with the Mission's overall effort to design larger programs with sectoral objectives. In addition, we anticipate that staff demands will be heavy in FY 86 with the start-up requirements of a new ESF program.

FY 1985 ANNUAL BUDGET SUBMISSION
 TABLE IV - PROJECT BUDGET DATA

BUREAU FOR ASIA

PROJECT NUMBER AND TITLE	ESTIMATED U.S. COLLAR COST (\$000)		FY 1983		FY 1984		FY 85		FY 86		FY 87		FY 88		FY 89	
	INITIAL DATE	FIN PLAN	THRU	LINE	PIPE	EXPEND-ITURES	EXPEND-ITURES	APPL	THRU	OBLIG	OBLIG	OBLIG	OBLIG	OBLIG	OBLIG	ITEM NO
AGRICULTURE, RURAL DEV. AND NUTRITION																
4920252	FOOD AND NUTRITION		SUBCAT: FNMI		TECHNICAL CODE: 320											
L 74	79	2428	2282	2104	4	---	---	---	---	---	---	---	---	---	---	279
4920275	LIBMANAN/CABUSAO INTEGRATED AREA DEV		SUBCAT: FNLD		TECHNICAL CODE: 64											
L 75	75	3500	3500	3473	1	---	---	---	---	---	---	---	---	---	---	292
4920281	BICOL SECONDARY FEEDER ROADS		SUBCAT: FNRR		TECHNICAL CODE: 252											
L 76	76	10000	10000	10000	468	---	---	---	---	---	---	---	---	---	---	295
4920286	AGRICULTURE RESEARCH II		SUBCAT: FNDS		TECHNICAL CODE: 030											
L 79	81	10000	10000	10000	4481	---	---	---	---	---	---	---	---	---	---	297
4920288	CROP PROTECTION		SUBCAT: FNEX		TECHNICAL CODE: 070											
L 78	78	5000	5000	5000	1756	---	---	---	---	---	---	---	---	---	---	298
4920289	BICOL INTEGRATED AREA DEV III (RINCONADA)		SUBCAT: FNWD		TECHNICAL CODE: 210											
L 79	80	5000	5000	5000	3611	---	---	---	---	---	---	---	---	---	---	299
4920297	RURAL ROADS II		SUBCAT: FNRR		TECHNICAL CODE: 060											
L 78	81	35117	35117	35117	2493	---	---	---	---	---	---	---	---	---	---	306
4920300	COOPERATIVE MARKETING		SUBCAT: FNMS		TECHNICAL CODE: 140											
L 78	79	6000	6000	6000	4278	---	---	---	---	---	---	---	---	---	---	308

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR ASIA

PROJECT NUMBER AND TITLE	OBLIG THRU FY 82	TOTAL CCST- AUTH PLAN	FY 82 PIPE LINE	ESTIMATED U.S. DOLLAR COST (\$1000)		FY 85 FUNCED THRU	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 ITEM NO
				1983- OBLIG- ATIONS	1984- EXPEND- ITURES					
4920301 SMALL FARMER SYSTEMS I					TECHNICAL CODE: 64					
L 78 79 10000 10000	9999		94							310
4920302 INTEGRATED AG PRODUCTION AND MARKETING					TECHNICAL CODE: 070					
G 77 83* 9000 9000	8326		1586	140	1726					311
L 77 77 3000 3000	3000		849		849					312
4920303 BICOL INTEGRATED RURAL DEVELOPMENT					TECHNICAL CODE: 210					
G 78 80 2890 2335	2335		1053		1053					313
4920304 RURAL SERVICE CENTERS					TECHNICAL CODE: 290					
G 78 84* 1697 2696	1687		230	500	345	500	496			314
L 78 84* 300 300						300				
4920310 BICOL INTEGRATED AREA DEV II (BULA)					TECHNICAL CODE: 210					
L 77 78 3000 3000	3000		1461		1000		461			323
4920322 FRESHWATER FISHERIES DEVELOPMENT					TECHNICAL CODE: 070					
G 79 82 1700 1700	1700		392		255		137			333
4920334 SMALL FARMER SYSTEMS II					TECHNICAL CODE: 030					
G 81 81 500 500	500		425		150		150			338
L 81 85* 7100 9900	7100		7091		1500		2000	2800	12/89	339
4920345 PVO CO-FINANCING					TECHNICAL CODE: 200					
G 80 83 3831 3589	2089		1104	1500	710		424			347

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR ASIA

PROJECT NUMBER AND TITLE CBLIG	G DATE	L INIT FIN	AUTH	TOTAL COST- PLAN	OBLIG THRU FY 82	PIPE LINE	FY 82	ESTIMATED U.S. DOLLAR COST (\$000)				FY 85 FUNCD THRU	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 ITEM NO		
								EXPEND- ATTIONS	EXPEND- ITURES	EXPEND- ATTIONS	EXPEND- ITURES							

								FY 1983				FY 1984						
								CBLIG- ATTIONS				OBLIG- ATTIONS						
								EXPEND- ITURES				EXPEND- ITURES						
								SUBCAT: FNDS				TECHNICAL CODE: 070						

4920356 FARMING SYSTEMS DEV. - EASTERN VISAYAS																		
G	81	83	1400	1400	933	933	467	463	340	---	---	---	---	---	---	355		
L	81	81	1600	1600	1546	1546	---	425	375	---	---	---	---	---	---	356		

4920358 LOCAL RESOURCES MANAGEMENT																		
G	82	85*	1500	2500	437	437	563	340	1100	515	400	9/86	---	---	---	359		
L	82	85*	4500	10900	4500	4500	---	845	3800	1280	2600	9/86	---	---	---	360		

4920359 SMALL AND MEDIUM ENTERPRISE DEVELOPMENT																		
G	83	85*	---	2000	---	---	1500	---	---	350	500	12/85	---	---	---	361		
L	83	85*	---	24300	---	---	13500	---	2500	2000	8300	12/90	---	---	---	362		

4920366 RAINFED RESOURCES DEVELOPMENT																		
G	82	85*	1700	2960	685	685	875	100	1000	600	400	9/86	---	---	---	369		
L	82	85*	8300	20100	8300	8300	---	100	7100	4250	4700	9/86	---	---	---	370		

4920367 PVO CO-FINANCING II																		
G	84	88*	---	5000	---	---	---	---	1000	200	1000	12/85	1000	1000	---	372		

4920379 ENERGY TECHNOLOGY FOR FISHERIES																		
G	84	84	---	900	---	---	---	---	900	---	---	---	---	---	---	386		
L	84	85*	---	7200	---	---	---	---	5000	---	2200	9/88	---	---	---	387		

4920382 HYDROGEOLOGY																		
G	85	85	---	300	---	---	---	---	---	---	300	12/85	---	---	---	---		
L	85	85	---	2700	---	---	---	---	---	---	2700	12/89	---	---	---	---		

APPROPRIATION																		
TOTAL																		
GRANT																		
LOAN																		
								138763	204779	132885	47778	19045	21721	17545	25900	1000	1000	
								26646	37162	20796	6849	5545	5146	3212	2600	1000	1000	
								112117	167617	112089	40929	13500	16575	18700	14333	23300	---	---

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR ASIA

PROJECT NUMBER AND TITLE	OBLIG THRU FY 82	TOTAL CCST- PLAN	ESTIMATED U.S. DOLLAR COST (\$000)		FY 85 FUNCED THRU	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 ITEK NO
			1983	1984					
G DATE	PIPE		EXPEND- OBLIG-	EXPEND- OBLIG-					
L INIT FIN AUTH	LINE		ATTICMS ITURES	ATTICMS ITURES	AAPL				
POPULATION PLANNING									
4920277	POPULATION PLANNING II								
G 77	80	11536	10614	62					293
			SUBCAT: PNDD	TECHNICAL CODE: 400					
4920341	POPULATION PLANNING III								
G 81	85	28135	19438	6556	3900	12/86			342
L 81	85	26915	26200	12537	3100	2378	4200	12/86	343
			SUBCAT: PNFP	TECHNICAL CODE: 440					
APPROPRIATION									
TOTAL		66586	56252	19155	6053	8312	3100	5563	8100
GRANT		39671	30052	6618	2753	3805		3185	3900
LOAN		26915	26200	12537	3300	4507	3100	2378	4200
HEALTH									
4920291	BARANGAY WATER I								
L 78	79	6000	6000	135					301
			SUBCAT: HEWS	TECHNICAL CODE: 250					
4920309	LOCAL WATER DEVELOPMENT I								
L 76	77	20000	20000	8622					321
			SUBCAT: HEWS	TECHNICAL CODE: 540					
4920312	PANAY UNIFIED SERVICES FOR HEALTH								
G 78	78	316	316	244					324
L 78	78	5400	5400	3959			1596		325
			SUBCAT: HEDH	TECHNICAL CODE: 510					
4920319	BICOL INTEGRATED HEALTH, NUTR AND POP								
L 79	79	2500	2500	2091					329
			SUBCAT: HEDH	TECHNICAL CODE: 510					

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR ASIA

PROJECT NUMBER AND TITLE	OBLIG THRU FY 82		ESTIMATED U.S. DOLLAR COST (\$'000)		FY 85 FUNCED		FY 86		FY 87		FY 88		FY 89	
	DATE	INIT FIN	PIPE LINE	EXPEND-ITURES	EXPEND-ITURES	APPL THRU	OBLIG	ITEM NO						
4920333 BARANGAY WATER II														
G 80 82	2537	2537	1972	500	700									336
L 80 82	19600	19600	18176	4000	5000									337
4920341 POPULATION PLANNING III														
G 81 85	1700	1700		1700	800	900								341
4920345 PVO CO-FINANCING														
G 80 83	1500	1500	799	300	442	110								348
4920367 PVO CO-FINANCING II														
G 84 88*	1500	1500					300	100	300	12/85	300	300		373
4920371 PRIMARY HEALTH CARE FINANCING														
G 83 85	2500	2500		2000	500	1000	500			12/85				379
L 83 85	15002	15002		8502	500	4000	4500			12/85				380
APPROPRIATION TOTAL	59553	78555	35998	12502	17334	2300	14497	5300	300		300	300		
GRANT	6053	10053	3015	4000	2486	300	2810	800						
LOAN	53500	68502	32983	8502	14848	2000	11687	4500						

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)		FY 85 FUNDED		FY 86		FY 87		FY 88		FY 89	
	OBLIG	THRU	APPL	THRU	OBLIG	ITEM						
G DATE	-TOTAL CCST-	PIPE-	EXPEND-	EXPEND-	EXPEND-	EXPEND-	EXPEND-	EXPEND-	EXPEND-	EXPEND-	EXPEND-	NO
L INIT FIN	AUTH PLAN	LINE	ITURES	ITURES	ITURES	ITURES	ITURES	ITURES	ITURES	ITURES	ITURES	
4920295	ECONOMIC AND SOCIAL IMPACT ANALYSIS/WID											
G 78	80	2500	2500	328	266	---	---	---	---	---	---	305
4920298	REAL PROPERTY TAX ADMINISTRATION											
L 78	81	10000	10000	7167	5630	---	---	---	---	---	---	307
4920345	PVO CO-FINANCING											
G 80	83	750	750	610	300	---	---	---	---	---	---	349
4920367	PVO CO-FINANCING II											
G 84	88*	---	2000	---	---	---	---	---	---	---	---	374
4920381	TECHNOLOGY TRANSFER FOR ENERGY MANAGEMENT											
G 84	84	---	1500	---	---	---	---	---	---	---	---	---
L 84	84	---	6000	---	---	---	---	---	---	---	---	---
APPROPRIATION												
TOTAL	21900	29900	21800	15443	100	8849	7900	1219	400	400	400	---
GRANT	4800	8300	4700	1496	100	804	1900	418	400	400	400	---
LOAN	17100	21600	17100	13947	---	8045	6000	801	---	---	---	---
ECONOMIC SUPPORT FUND												
4920342	ELEMENTARY SCHOOLS CONSTRUCTION											
G 80	80	18000	18000	300	---	---	---	---	---	---	---	344
4920343	PROJECT DESIGN											
G 80	82	7000	7000	5233	---	2000	---	2000	---	---	---	345

FY 1985 ANNUAL BUDGET SUBMISSION
 TABLE IV - PROJECT BUDGET DATA

BUREAU FOR ASIA

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)																												
	FY 1983		FY 1984		FY 1985		FY 1986		FY 1987		FY 1988																		
G	L	INT	FIN	AUTH	PLAN	TOTAL	CCST-	OBLIG	THRU	FY 82	PIPE-	FY 82	LINE	EXPEND-	OBLIG-	EXPEND-	FY 85	FUNDED	FY 86	OBLIG	FY 87	OBLIG	FY 88	OBLIG	FY 89	ITEM			
4920348	CLARK ACCESS AND FEEDER ROADS																												
G	81	81	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	351	
SUBCAT: FNRR		TECHNICAL CODE: 820		---		---		---		---		---		---		---		---		---		---		---		---			
4920361	MUNICIPAL DEVELOPMENT FUND																												
G	81	84	70000	68000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	35000	363	
SUBCAT: SEHU		TECHNICAL CODE: 120		---		---		---		---		---		---		---		---		---		---		---		---		---	
4920365	MARKETS																												
G	82	84	21000	21000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	368	
SUBCAT: FNMS		TECHNICAL CODE: 120		---		---		---		---		---		---		---		---		---		---		---		---		---	
4920374	REGIONAL DEVELOPMENT FUND																												
G	82	84	45000	55000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	382	
SUBCAT: SDIL		TECHNICAL CODE: 890		---		---		---		---		---		---		---		---		---		---		---		---		---	
4920375	RURAL ENERGY DEVELOPMENT																												
G	82	84	25000	26000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	383	
SUBCAT: FNNE		TECHNICAL CODE: 160		---		---		---		---		---		---		---		---		---		---		---		---		---	

APPROPRIATION

TOTAL	191000	200000	100000	100000	80533	80533	50000	24800	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000
GRANT	191000	200000	100000	100000	80533	80533	50000	24800	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000	50000	41000
LOAN																												

PROGRAM

TOTAL	481221	578605	354554	354554	201339	201339	88800	83103	90000	80461	40000	80461	40000	80461	40000	80461	40000	80461	40000	80461	40000	80461	40000	80461	40000	80461	40000	80461	40000
GRANT	271589	291486	156265	156265	100943	100943	62498	39128	58000	50862	8000	50862	8000	50862	8000	50862	8000	50862	8000	50862	8000	50862	8000	50862	8000	50862	8000	50862	8000
LOAN	209632	287119	198289	198289	100396	100396	26302	43975	32000	29599	32000	29599	32000	29599	32000	29599	32000	29599	32000	29599	32000	29599	32000	29599	32000	29599	32000	29599	32000

Project Number: 492-0371

Title: Primary Health Care Financing

Proposed Funding (\$000):

	<u>Grant</u>	<u>Loan</u>
FY 1984	-	2,000
FY 1985	500	4,500
LOP	2,500	15,002

Appropriation Account: Health/Population

Project Purpose: To increase access to and utilization of sustainable primary health care services managed and financed by communities and the private sector.

Targeted Problems: Separate vertical programs in family planning and nutrition, and to a lesser extent in other health care services, have proven to be too costly and inefficient for the GOP to maintain. This organizational problem is a principal constraint to increasing access to primary health care services in the Philippines. At the PID stage in the development of the project, it was hoped that a large scale integration of these services would be tried in at least two regions of the country. However, the GOP was reluctant to launch into such an alternate service delivery system until more was learned about the effectiveness of the current Ministry of Health (MOH) primary health care program and until a variety of smaller financing schemes were tested.

Strategy and Inputs: The original project funded in FY 1983 involves policy research on management and cost effectiveness of primary health care (PHC) delivery systems, testing approaches which shift PHC financing from the GOP to local communities and beneficiaries, and improving the quality of existing PHC delivery systems. The new project component proposed for FY 1985 funding seeks integration of health related services at the local level while continuing to support community financing efforts. This component will provide a "bridge" between the current vertical system of family planning services and provision of these services in an integrated fashion.

The new component will include a variety of activities. The emphasis will be on integrating public and private health services and increasing cost effectiveness by using the private sector where feasible. Methods will be identified and tested for integrating the regional level service delivery

support functions of the MOH, Commission on Population, and National Nutrition Council. Village single-purpose population and nutrition workers will be retrained as integrated PHC workers. Local health care administration will be improved through training and technical assistance.

The project supports policy dialogue, institutional development, and private sector initiatives. Involving communities in financing PHC services in any large-scale manner requires rethinking of old policies which provide free public health services in rural areas. Institutional development is the main focus of efforts to improve community PHC delivery and financing. Finally, the project promotes private sector provision of health care services and commodities.

Beneficiaries: Beneficiaries will be married women of reproductive age, young children, and infants.

Project Number: 492-0359

Title: Small and Medium Enterprise Development (SMED)

Proposed Funding:

	<u>Grant</u>	<u>Loan</u>
<u>FY 84</u>	-	2,500
<u>FY 85</u>	500	8,300
<u>LOP</u>	2,000	24,300

Appropriation Account: Agriculture, Rural Development and Nutrition

Project Purpose: To strengthen the GOP and private sector institutions and networks which serve SMEs and to accelerate the growth of SMEs through more appropriate and participatory assistance approaches.

Targeted Problems: Lack of productive employment opportunities in the rural areas is one of the most serious development problems facing the Philippines. Viable small and medium enterprises (SMEs) in the manufacturing and service sectors outside of Metro Manila can contribute much to resolving this problem and this project will assist them towards this end. Unfortunately, most non-agricultural job opportunities are concentrated in Manila because of the relatively well-developed enterprise support networks and infrastructure in the city. Firms in Manila have the best access to institutional credit, trained manpower, good educational facilities, consultant and other services, ready markets, and basic infrastructure such as electricity, water, roads, and port facilities. Until areas outside of Manila have similar attributes, the growth of non-farm job opportunities is likely to continue to be concentrated in Metro Manila, thus delaying Mission and GOP efforts to create more jobs and higher productivity in rural areas.

Strategy and Inputs: The original SMED project assists SMEs by using enterprise associations and by improving the policy environment. The flexible project design allows for incrementally adding funds for new activities. A new project component, Private Enterprise Promotion, is proposed for FY 1985 funding. The strategy for this component is to improve private institutional support for SMEs in selected areas outside of Manila. The focus on private institutions is appropriate because the public sector support network has long

been overburdened and suffers from chronic funding and personnel constraints. Private institutions that might fill the support gap include institutes concerned with SME training and support programs, private consultant firms interested in SME development, regional universities interested in SME R&D, rural banking institutions, private industrial parks or export processing zones, and intermediary marketing firms that could facilitate the growth of SMEs outside of Manila. The project will determine SME needs and improve the capacity of relevant private institutions to provide key services on a sustained basis.

Inputs are expected to be technical assistance and training, facilities construction, and funds for SME research and experimental SME outreach programs. During component development, regions and institutions will be chosen for priority attention depending on an analysis of SME needs and infrastructure and service availability. The project is a major element of the CDSS and directly supports both the institutional development and private enterprise policy objectives of the Agency.

Beneficiaries: Beneficiaries will be regional SME support institutions, the SMEs themselves, and the small entrepreneurs and underemployed in areas outside of Manila.

Project Number: 492-0366

Title: Rainfed Resources Development (RRD)

Proposed Funding (\$000):

	<u>Grant</u>	<u>Loan</u>
FY 1984	1,000	7,100
FY 1985	400	4,700
LOP	2,960	20,100

Appropriation Account: Agriculture, Rural Development and Nutrition

Project Purpose: To assist the GOP in developing institutional capacities and policy frameworks to support a community-based approach to land and water resource management in settled upland forest, rainfed agricultural areas and coastal zones.

Targeted Problems: The Philippines has an enormously diverse and complex set of agro-climatological zones. These include: steep uplands suitable only for forestry or perhaps agro-forestry, lower and less steeply sloping areas, and low coastal wetlands. Productive use of these rainfed resources on a sustainable basis require a multi-disciplinary, multi-agency effort. Systematic processes must be established for understanding how the people living in and dependent on each area can improve their livelihood in a sustainable fashion.

Strategy and Inputs: The project seeks to focus public and government attention on the resource management needs of rainfed areas. Project activities will provide a data base for policy discussions, develop systems for generation of agricultural technologies, test approaches to community-based resource management, and develop regional and national capacities to expand these new approaches. The original project has three components: (1) resource monitoring and policy analyses; (2) biotechnical research; and (3) development of tested approaches to community-based natural resource management. During the initial year of implementation two additional activity areas (rainfed agriculture research and upland access) were identified. This possibility was recognized in the original project design and the PP allows for addition of funding for priority activities as they are identified.

Research into the adaptation and application of proven technology for upland areas is a key component of the original design of RRD. The interest and commitment of the GOP to activities in upland rainfed areas has developed much more quickly than originally anticipated. Consequently, lest interest and enthusiasm outstrip known technology and result in unwise undertakings, it is essential that the GOP expand its knowledge and technology base for the upland rainfed areas. Such research necessarily requires years to produce usable and effective new technology; therefore, the Mission is proposing the addition of funds in FY 84 to undertake "applied" research on rainfed agriculture resources.

During the design of the Mission's rural enterprise project, an awareness emerged that accessibility is a major constraint to the development of many areas of the Philippines. With 7,000 islands and a rugged volcanic topography, many areas possessing significant development potential cannot make suitable progress because of the difficulty or high cost of getting production out to markets, getting needed inputs, and/or obtaining timely information on prices for their products. The Mission proposes adding further funds in FY 84 to RRD to address the need for minor access roads and trails using labor intensive methods. Pilot work already has demonstrated the technical and economic feasibility of this approach.

The RRD project is an important element of the CDSS. It directly supports Agency and Bureau policies and strategies concerning institutional development, policy dialogue, research priorities, technology transfer, and support of private enterprises.

Targeted Beneficiaries: The direct beneficiaries will be the upland farmers and artisanal fishermen who participate in the pilot activities to be conducted under the project. These and other project activities will provide the basis for successful design and implementation of a broader resource management program that will benefit a much larger target group.

Project Number: 492-0358

Title: Local Resources Management (LRM)

Proposed Funding:

	<u>Grant</u>	<u>Loan</u>
FY 84	1,100	3,800
FY 85	400	4,700
LOP	2,500	10,900

Appropriation Account: Agriculture, Rural Development and Nutrition

Project Purpose: To institutionalize a process at the provincial level for targeted approaches to local development that will promote greater self-reliance, productive employment, and real income growth among disadvantaged residents in rural areas.

Targeted Problems: Traditionally, responsibility and authority for development has been centralized at the national level. During the last decade considerable effort has been made to decentralize development activities to local government. Recognizing that decentralization alone is no guarantee to more responsive local development, the project has taken on the ambitious task of helping the GOP reform local development policy and programming. It aims to reorient existing provincial capacities toward promoting and supporting the efforts of rural poverty groups to help themselves.

Strategy and Inputs: The project helps the GOP to reformulate its local development policies and programming procedures to permit and encourage increased involvement of beneficiaries and local groups. The original LRM involves three separate implementation tracks. The first track works with participating provinces on developing and implementing strategies for assisting defined target groups. The second track seeks to improve local government financial management. The third track tests approaches for linking private sector efforts more closely to local development activities. As activities under these tracks develop and expand they should become increasingly supportive and reinforcing and will eventually merge in later phases of the project.

Recent Mission rural enterprise activities and experience with the on-going Real Property Tax Administration (RPTA) and Cooperative Marketing projects indicate that additional attention must soon be paid to rural financing

systems. The current LRM design contains a major financing component focusing on local government management and allocation of funds. Additional funds for LRM are needed to develop two new finance-related components: (a) a Property Tax component which would replicate and institutionalize processes developed under the RPTA Project, and (b) a Rural Financial Service component to identify and develop ways in which local governments can support and encourage the flow of private-sector credits through such means as modification of existing rules and regulations, promulgation of new regulations, and provision of guarantees and other means to reduce risk. Clearly, this is an undertaking for which no obvious answers are readily available and which will require considerable time and innovation to bring about. The LRM project is the most logical vehicle under which to pursue this effort because of its long time horizon and rolling design which permits adding funds for new activities.

The LRM project is a major component of the Mission's CDSS; it also contributes to Agency and Bureau policies and strategies pertaining to institutional development, policy dialogue, and shifting of development activities and responsibility away from national government entities.

Beneficiaries: Primary beneficiaries will be members of disadvantaged families in the CDSS Regions.

Project Number: 492-0381

Title: Technology Transfer for Energy Management (TTEM)

Proposed Funding (\$000):

	<u>Grant</u>	<u>Loan</u>
FY 84	1,500	6,000
LOP	1,500	6,000

Appropriation Account: Selected Development Activities

Project Purpose: To promote energy conservation in the modern sector through the adoption of new technologies, equipment and improved management systems.

Targeted Problems: The modern sector of the Philippine economy is the principal consumer of imported fuels and electricity. It is estimated that 50 percent to 70 percent (depending on the industry) of the energy consumed is lost through conversion, transmission, heat transfer or stack losses. This results from past planning and capital investment decisions based on lower fuel costs coupled with old and inefficient equipment and outdated operating and management procedures. The economic implications of the situation are severe.

Strategy and Inputs: This project will help the government focus on the macroeconomic implications of the energy problem while developing an appropriate solution. It will help utilities, industrial plants and other businesses reduce high fuel costs without reducing output and services. The project will support the transfer, dissemination, and adoption of appropriate energy efficient U.S. technologies, research findings and management systems. Private sector resources will be used where possible to help the Philippines reduce energy consumption. The project will improve the institutional capacity of the GOP to encourage local businesses to adopt technologies and systems that promote energy efficiency - thereby strengthening the private sector at the same time. The TTEM project supports the Agency's technology transfer, private sector, and institutional development initiatives; it also contributes to the Agency's energy sector strategy which recognizes the importance of energy demand management and energy conservation. The project will establish an energy conservation fund with the Bureau of Energy Utilization (BEU) whose functions include developing and administering conservation programs such as those contemplated for this project. Studies, workshops, consultants, and equipment tests and demonstrations will be funded by BEU either directly or through intermediate private and public institutions.

Project activities will include: (a) introducing new equipment and retrofitting present plant; (b) selecting energy-efficient hardware for existing and new plants; (c) studying energy consumption and losses in various industrial facilities, with special emphasis on boilers and process steam or heat; (d) improving the efficiency and reliability of electric power generation and transmission; (e) managing energy consumption in energy-intensive industries such as petrochemicals, cement, paper and metals; (f) saving energy through waste heat recovery and recycling; (g) establishing ongoing systems for collection and analysis of energy consumption data; (h) calculating financial returns from investment in conservation measures through retrofit and adoption of more efficient processes and equipment; and (i) designing and managing effective energy conservation programs.

Targeted Beneficiaries: The immediate beneficiaries will be the owners and operators of manufacturing plants, commercial establishments, and buildings in the modern sector. To the extent foreign exchange is saved and employment is sustained by these efforts, the beneficiary group is broadened considerably.

Project Number: 492-0334

Title: Small Farmer Systems II (SFS II): Agro-enterprises Amendment

Proposed Funding (\$000):

	<u>Grant</u>	<u>Loan</u>
FY 1984	-	-
FY 1985	-	2,800
LOP	500	9,900

Appropriation Account: Agriculture, Rural Development, and Nutrition

Project Purpose: To create an efficient, institutionalized, farmer managed system that provides small farmers with needed physical inputs, technology, and services for irrigation, production, processing, and marketing.

Targeted Problems: The Philippines rural sector accounts for 80% of the poverty population in the Philippines. Many of these poor people are landless laborers and others have only small farms. Additional and more productive employment is badly needed by these people.

Strategy and Inputs: The SFS II Project design involved four components: (1) construction of irrigation systems in lowlands; (2) institutional development of local farmers' Integrated Services Associations (ISA), provincial federations of ISAs (KAISAs), and the GOP Farm Systems Development Corporation (FSDC) which assists farmer associations; (3) extension of the ISA system into upland areas; and (4) enterprise development activities undertaken by KAISAs. The first two components were continuations of activities previously supported by AID; the latter two were promising, new activities which AID supported on a pilot basis. The proposed amendment will build upon the fourth component, KAISA enterprise development. The strategy for this amendment is to establish agro-enterprises in rural areas with good prospects for this type of development. Selection of enterprises would place priority on maximizing the use of locally-based raw materials. Some key objectives are: (1) to broaden the participation of small farmers in private sector off-farm business ventures; (2) to link small farmer business enterprises with potential markets and sources of capital for investment; (3) to promote enterprises based on agricultural resources in the rural community; and (4) to provide appropriate mechanisms for adaptation, dissemination and use of management technology for rural enterprises. The proposed amendment will provide credit resources and technical assistance. General management and technical support for the amendment will be provided initially by FSDC and later by non-governmental institutions.

The establishment of farmer owned and managed agro-enterprises supports GOP efforts to promote growth and development outside of Manila. It also complements the AID-assisted Small and Medium Enterprise Development Project and contributes directly to the CDSS rural enterprise program. The amendment supports AID's Policy Paper on Private Enterprise Development (May 1982) which places development priority on private enterprises engaged in agriculture, agri-business, and small and medium-scale industry.

Beneficiaries: Beneficiaries of this project will be the underemployed in rural communities, particularly those persons in low paying farm jobs where the potential for more productive employment is limited.

Project Number: 492-0382

Title: Hydrogeology

Proposed Funding (\$000)

	<u>Grant</u>	<u>Loan</u>
FY 1985	300	2,700
LOP	300	2,700

Appropriation Account: Agriculture, Rural Development and Nutrition

Project Purpose: To develop the institutional and technical capacity of GOP and local agencies to undertake effective hydrogeological mapping in selected provinces of the Philippines.

Targeted Problems: Under the Barangay Water Projects I and II (BWP I, II) local government units have gained expertise in the general capacity to plan, design, and implement small scale domestic water systems. There is however a critical gap in this institutional development process. Existing plans do not include the long term establishment of hydrogeological mapping capability. This capability would enable the GOP to map groundwater depth and geological features which affect the utility of groundwater sources. Without hydrological information, wells are being drilled without prior knowledge as to whether water will be reached and if so, at what depth and what flow capacity can be expected from the resulting well. It is virtually impossible to estimate accurately drilling costs without information on how deep the well must be sunk. In some cases, two and three wells have been sunk because wells turned out to be dry holes. This is a serious problem for programs like BWP as well as for all other GOP water programs including the Local Water Utilities Administration, Rural Waterworks Development Corporation, and the Farm Systems Development Corporation which sinks wells for irrigation. The lack of appropriate hydrogeological data and the resulting poorly located and often dry wells are increasing the costs of these programs considerably.

To assist the GOP in correcting this problem, an additional \$1.7 Million was added to BWP II in 1982 to initiate a pilot hydrogeological activity.

Strategy and Inputs: The project will finance workshops, technical assistance, training and equipment to accomplish the following outputs: (1) GOP and local government staffs will be oriented and trained in the basic concepts and potential uses of hydrogeological mapping; (2) GOP and local

government staffs will gain field experience by actually collecting and analyzing data; and (3) hydrogeological facilities will be established, based on the pilot experience. These facilities will conduct ongoing hydrogeological training, collect, analyze and disseminate hydrogeological data, and start the process of mapping areas not included in the BMP pilot activity. With the assistance of this project hydrogeological maps eventually will exist for most areas in the Philippines and these will improve significantly the efficiency of future water projects. In addition, efforts will be made under this project to promote the academic training of hydrogeology in Philippine universities.

This project supports the Agency's institutional development and technology transfer initiatives. Specifically, the project will develop the institutional capacity needed to undertake effective and efficient hydrogeological mapping. Technology which is widely used in the USA and not currently available in the Philippines will be transferred to the GOP and local government units. The project is consistent with CDSS efforts to improve local government capacities to plan, implement and manage development resources. Furthermore, the project is part of a transition to a middle income country strategy that will emphasize U.S.-Philippine technological cooperation.

Beneficiaries: The major beneficiaries of this project will be the rural population in selected provinces of the Philippines who will gain access to lower cost, more reliable, and better quality water.

FY 1985 ANNUAL BUDGET SUBMISSION

Philippines

TABLE V - FY 1985 PROPOSED PROGRAM RANKING		Country/Office				
RANK	PROGRAM ACTIVITY	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
	DESCRIPTION				INCR	CUM
1	4920341 Population Planning III	0	G	PN	3900	3900
2	4920341 Population Planning III	0	L	PN	4200	8100
3	4920371 Primary Health Care Financing	0	G	HE	500	8600
4	4920371 Primary Health Care Financing	0	L	HE	4500	13100
5	4920359 Small and Medium Ent. Dev.	0	G	ARDN	500	13600
6	4920359 Small and Medium Ent. Dev.	0	L	ARDN	8300	21900
7	4920366 Rainfed Resources Development	0	G	ARDN	400	22300
8	4920366 Rainfed Resources Development	0	L	ARDN	4700	27000
9	4920358 Local Resources Management	0	G	ARDN	400	27400
10	4920358 Local Resources Management	0	L	ARDN	2600	30000
11	4920379 Energy Technology for Fisheries	0	L	ARDN	2200	32200
12	4920382 Hydrogeology	N	G	ARDN	300	32500
13	4920382 Hydrogeology	N	L	ARDN	2700	35200
14	4920367 PVO Co-Financing II	0	G	Var.	2000	37200
15	4920334 Small Farmer Systems II	0	L	ARDN	2800	40000
16	PL 480 Title II (CRS/MCH)				(4632)	40000
17	PL 480 Title II (CARE/MCH)				(1034)	40000
18	PL 480 Title II (CARE/School Feeding)				(1615)	40000

					40000	

Narrative for Project Ranking
Table V

The rankings of the Development Assistance (DA) and PL 480 projects and programs in Table V reflect the objectives of the evolving Mission Development strategy and judgements concerning the timeliness of the anticipated impacts from the various projects.

1. Population Planning III has priority ranking again in FY 1985 because reducing the size of the future population and labor force is so critical to the achievement of long-term development in the Philippines. Even though the project is not aimed directly at the specific CDS regions or poverty target groups, it is absolutely essential to their long-term progress. The continued rapid growth of population and labor force potentially could negate all the long-term benefits of other project activities.
2. Primary Health Care Financing will contribute to the strategy objective of reducing fertility and infant mortality by supporting improved financing and delivery of integrated primary health care services which include family planning and nutrition. The project will engage the private sector in service delivery, will have strong local support, and will stimulate an important dialogue on several key policy issues in the population, health, and nutrition sector. As a continuing project which eventually will replace our sectoral population activity, it has priority second only to Population Planning III in our AAPL.
3. Small and Medium Enterprise Development (SMED) is related directly to the Mission's long range goal of broadly based economic growth and increased productive employment for the rural poor. In addition, SMED supports directly the GOP Five-Year Plan objective of reducing regional inequities by promoting enterprise development in areas outside of Manila.
4. Rainfed Resources Development (RRD), a major element of the Mission's long-term strategy, is designed to improved community-based management of rainfed natural resources. In FY 1985 funds will be obligated to improve rainfed agricultural research and to address upland access which has been identified by national, regional, and local groups as the most critical constraint to the development of upland areas.
5. Local Resources Management (LRM) is central to GOP decentralization efforts and is one of the four major program elements of the Mission's long-term strategy. Local groups must mobilize their own resources to have real control over local development initiatives. The FY 1985

budget will provide funds to initiate a Rural Financial Services component and to institutionalize activities initiated under the Real Property Tax Administration Project.

6. Energy Technology for Fisheries is ranked next because it contributes directly the CDSS Rainfed Resources Development objectives, addresses a major poverty group which has been largely overlooked in the past, and responds directly to Agency policies on technology transfer, institutional development, and private enterprise promotion.
7. Hydrogeology, which is the only new project proposed for FY 1985, will focus on the need to establish hydrogeological mapping capability in the Philippines. This capability will avoid the current very wasteful situation where wells are drilled without prior knowledge as to whether water will be reached and if so, at what depth.
8. PVO Co-Financing II is one of the Mission's most important mechanisms for stimulating private efforts in the development process. The project will encourage private U.S. and Filipino voluntary organizations to engage in broad development activities as well as efforts directed toward the specific priorities of the CDSS. While PVOs are involved in our other projects such as Rainfed Resources Development, Local Resources Management, and Primary Health Care Financing, the Mission feels that this project has priority because it finances some important development initiatives of PVO's which may be outside the focus of other projects.
9. Small Farmer Systems II (SFSII) Amendment will contribute directly to the Mission's Rural Enterprise Program by establishing self-sustaining agro-enterprises in rural areas. An important Fall 1983 evaluation of SFS II will provide valuable information on the viability of the SFS approach and the priority of this Amendment. Although the extension looks very promising until the evaluation is complete this activity is ranked relatively low.
10. PL 480 Title II activities are an important aspect of Mission involvement even though they are non-add items in the budget and are being phased-over to the GOP. It is particularly important that the phase-over transition be smooth and therefore this activity will receive priority attention by Mission staff. Within the Title II group, the Maternal Child Health programs are ranked higher because they relate directly to the CDSS objective of reduced infant mortality and fertility and the P.L. 480 Title II evaluation indicated that MCH was more effective than school feeding.

MISSION EVALUATION PLAN
FY 1984/85

Information Needs as the Goal for Evaluation

The overall goal of the Mission's evaluation activities is to collect information needed to properly design, implement, manage, and assess the impact of USAID assisted activities which include Development Assistance (DA), Economic Support Fund (ESF), and PL 480 Title II.

At this time the most important information needs concern the DA program which is evolving from a very specific focus to a broader strategy which incorporates technology transfer, private enterprise promotion, policy reform, and institutional development. At the same time elements of the DA and ESF strategies are beginning to merge, for example the DA Local Resources Management and ESF Regional and Municipal Development Funds. Thus it is difficult to separate DA and ESF needs for evaluative information. However, in general terms, the ESF program's need for evaluative information is somewhat less than that of the DA program because of its uncertain future and resource transfer characteristics which require more monitoring and less evaluation. However, the need for ESF evaluation information is still very real and a major ESF program evaluation is scheduled for late FY 1984. The PL 480 Title II is on a phase-over schedule and will require no evaluation; however, the Mission will continue to monitor the program closely until the phase-over is complete.

The Monitoring - Evaluation Continuum

Monitoring and evaluation form a continuum of activities which provide feedback for decision-making purposes. Monitoring refers to relatively continuous collection of information for managing day to day, week to week, or month to month activities. Evaluations normally are discrete, indepth information collection and analysis activities designed to provide specific information relevant to some important need such as: (1) improving project implementation, (2) identifying broad strategies, (3) designing new program elements, or (4) deciding whether an activity should be continued, redirected, expanded, curtailed, or terminated. This plan is limited to evaluations focused on the latter three needs. Activities which address only the first need often are labelled as "process evaluations" and focus on internal project management. While the Mission uses such activities as a means of improving project management, these strictly "process evaluations" are not included in this evaluation plan because they usually do not provide general lessons that are useful to other Mission, Government, or Agency activities. In contrast, the broader "strategic" or "impact" evaluations covered by this plan are designed explicitly to provide general information useful beyond the specific activity being evaluated.

Evaluation Issues

Starting in its FY 82/83 Evaluation Plan, USAID has worked toward developing an evaluation framework which supports comprehensive GOP and Mission strategic planning and policy review. The Mission's FY 83/84 Evaluation Plan carried the process a step further by identifying specific assumptions and related questions which underpin the Mission's strategy. These specific questions have proven to be quite useful during the past year; they have been incorporated into evaluation designs (scopes of work) and thus have expanded the relevance of the evaluations conducted. This FY 84/85 Evaluation Plan is similar to the FY 83/84 Plan; the list of assumptions and questions has been revised in response to: (1) the Mission's Plan to develop a revised CDSS for FY 1986, (2) new information on Agency policies, (3) the Asia Bureau Strategic Plan, (4) the Sectoral Strategies prepared by the S&T Bureau, (5) the evaluation and research information received during the year, and (6) the changing characteristics of the Philippine development situation. Due to its length, the list of assumptions and questions is presented as Annex I of this Evaluation Plan.

Impact Evaluation

Information on the impact of development activities is important for congressional testimony and for program planning and strategy formation. In all our evaluations, except for early "process" evaluations, we attempt to gather impact information. When possible, we collect quantitative information on the impacts of our activities on the lives of beneficiaries. Unfortunately, this is not always possible.

The purpose of many of our projects is institutional development and reform. While project inputs and some outputs, such as persons trained, can be measured quantitatively, institutional development and reform are not easy to measure nor are their impacts on ultimate beneficiaries. Policy reform is similar; while changes in policy pronouncements, government regulations and procedures are easy to verify empirically, the commitment and actual practice of implementing such changes are difficult to measure. Furthermore, the impact of such policy reforms on ultimate beneficiaries is even more difficult to assess empirically. For these reasons, Mission assessments of institutional development and policy reform generally rely the qualitative judgements of the most knowledgeable experts available based on their interviews with relevant persons, field observations, careful reading of documents, and analysis of other information sources.

A number of our projects involve infrastructural development; i.e., elementary schools, markets, roads, water systems, energy facilities, etc. While the construction, operation and even maintenance of such activities can be monitored closely, it is more difficult to measure their real impact on the lives of beneficiaries. Of course, quantitative data can be collected on the number of persons using the new infrastructure or travel flows or energy savings; however, these are not direct measures of quality of life.

Despite all the above mentioned difficulties of obtaining empirical data on impact, the Mission is placing renewed emphasis on impact evaluation. We are analyzing our current and proposed activities and will select some specific activities which have potential for providing empirical data on impact. For these activities, which probably will be subprojects within our broader umbrella projects, we will design data collection and analysis procedures which will provide impact data for project areas and, where possible, for control groups. A more complete description of our impact evaluation activities will be submitted by July 1, 1983 in accordance with the instructions of the Greenleaf to Schwarzwalder letter of April 28, 1983. Our tentative plans are to collect empirical impact data for some activities within the following projects:

- Rainfed Resources Development
- Local Resources Management
- Primary Health Care Financing
- Bicol Area Development Program
- Panay Unified Services for Health
- Small Farmer Systems II
- Small and Medium Enterprise Development

Evaluation Schedule

The schedule which follows includes the Mission's tentative plan for strategic and impact evaluations during FY 84/85. The dates in the schedule remain flexible because: (1) our information needs are likely to change, (2) project implementation may proceed ahead or behind schedule, and (3) external factors such as droughts may alter project conditions. Every quarter the schedule will be up-dated during the Mission's Project Implementation Review process and submitted to AID/Washington.

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE USAID/Philippines

Project List (Project No. & Title)	Last Eval:		FY 1984		FY 1985		Reasons/Issues	Funding		USAID		Collateral AID Assistance
	Completed:	Start:	To	Start:	To	Source:		(\$000)	Person	Days		
Agriculture, Rural Dev. & Nutrition:												
(1) 492-0286 Agricultural Research II	11/80	3*	3*				PACD = 6/84 This project concentrates on building the capability of Regional Ag Research facilities to develop research programs leading to technology directly responsive to the particular needs of farmers. The evaluation will help determine the validity of the Rainfed Resources Development (RRD) hypothesis. Specifically, the evaluation will inter alia assess whether improved capability of the Philippine agricultural research system is capable of generating new or adaptive technology required for improved rainfed agriculture.	Project: \$30,000	15 days			AID/W IDY 30 person days
(2) 492-0358 Local Resources Mgmt.		4*	4*				PACD = 8/89 The first external evaluation will focus on review of project implementation experience at the input/output level, including the functioning of the processes which link the inputs, outputs, and purposes. It will make recommendations and provide input concerning the direction, strategy and resource levels of the Mission's Community Level Resource Mobilization and Management Program.	Project: \$30,000	15 days			AID/W IDY 20 person days

Mission Evaluation Officer
 Dr. Richard E. Rhoda, Assistant Program Officer
 20% devoted to evaluation (Note: Several other staff devote considerable time to evaluation including Program Officer, Program Economist, Social Science Advisor, Program Specialists and Project Officers).

*Dates changed from FY 83/84 Evaluation Plan

Project List (Project No. & Title)	Last Eval: FY 1984		FY 1985		Reasons/Issues	Funding		USAID		Collateral AID Assistance
	Completed: (Mo./Yr.):	Start: To	Start: To	Start: To		Source: (\$000)	Person	Days	Person	
(3) 492-0366 Rainfed Resources Dev.			1	2	PACD = 9/89 The first biennial external evaluation will: 1) verify that the self-evaluation process is functioning as intended, that critical issues are being addressed, and that project objectives have a reasonable probability of being attained; 2) provide an assessment of redesign requirements, including whether individual components should be continued at the same, higher, or lower levels or terminated altogether, and the funding levels that would be required; 3) verify the suitability for inclusion of suggested new components; 4) provide sufficient information and justification to permit decisions to be made in AID/W for continuation of RRD activities and the next cycle of funding.	Project: \$40,000	21 days			AID/W TDY 21 person days
(4) 492-0334 Small Farmer Systems II		1*	2*		PACD = 9/86 Evaluation will focus on the enterprise development component, on the ability of local farmer service organizations to grow and flourish without government assistance, and on FSOC as an institution (capability, absorptive capacity, and orientation toward "bottom-up" development). Information from the evaluation will be used in making decisions concerning the priority of follow-on activities and their characteristics.	Project: \$40,000	25 days			
(5) Hicol Area Dev. Multi-Project Evaluation: 492-0303 Hicol Integ. Rural Dev. 492-0275 RIAD I (Lilimanan) 9/83 492-0289 RIAD III (Rinconada) 9/83 492-0281 Hicol Secondary Feeder Roads			2*	4*	PACD = 9/83 PACD = 1/82 PACD = 6/85 PACD = 10/82 Impact evaluation of Mission's Hicol Area Development Program will compare quantitative data from the 1978 and 1983 Hicol Multi-Purpose Surveys. Evaluation will be structured to provide information for Mission's Local Resources and Rainfed activities.	PDS : \$50,000	75 days			TDY 75 person days

*Dates changed from FY 83/84 Evaluation Plan

Project List (Project No. & Title)	Last Eval: FY 1984		FY 1985		Reasons/Issues	Funding		USAID		Collateral	
	Completed:	Start: To	Start: To	Start: To		Source : (\$000)	Person	Person	Days	Person	Days
	(Mo./Yr.):	(Qtr):	(Qtr):	(Qtr):							
(6) 492-0359 Small and Medium Enterprise Development			4	4	PACD = 1989 Initial evaluation of Mission's Rural Enterprise Development Program will: (1) assess project directions and processes, (2) make recommendations for improvement, and (3) address information needs for designing/implementing other enterprise development activities.	Project: \$40,000		25 days		25 days	25 person days
<u>Population:</u>											
(7) 452-0341 Population Planning III	4			1	PACD = 12/86 Evaluation will assess the impact of Mission's long term family planning program and provide recommen- dations for improved project management.	Project: \$50,000		25 days		25 days	
<u>Health:</u>											
(8) 492-0312 Panay Unified Services for health	7/81		4*		PACD = 8/84 Late in FY 84 a report will be submitted from this continuous self-evaluation initiated in FY 83. Evaluation will assess the functioning of the project's internal monitoring and evaluation system. It will analyze progress towards implementation of recommendations from the July 1981 evaluation. To extent possible, evaluation will assess impact. Information from evaluation will be used to make decisions concerning subproject design and implementation under the Mission's Fertility Infant Mortality Reduction Program.						
(9) 492-U-033 Provincial Waterworks	6/82		1*	2*	PACD = 3/80 This impact evaluation will compare 1977 to 1983 survey data for project and control areas. The results will provide some hard empirical evidence on the relationship between potable water and health status.			5 days		5 days	BUCEN 1975 -1983

*Dates changed from FY 83/84 Evaluation Plan

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source : (\$000)	USAID : Person Days	Collateral AID Assistance
	Last Eval: Completed Start: To (Mo./Yr.): (Qtr): AID/W: (Qtr): AID/W:	To Start: To (Qtr): AID/W:	To Start: To (Qtr): AID/W:	To Start: To (Qtr): AID/W:				
<u>Economic Support Fund:</u>								
(10) ESF Multi-project Eval.								
492-0343 Project Design		3	4					
492-0361 Mun. Dev. Fund					PACD = 12/85			
492-0365 Markets					PACD = 12/88			
492-0373 Regl. Dev. Fund					PACD = 9/88			
					PACD = 12/87			
					This evaluation will cover the Economic Support Fund	Project: To be		
					program. The evaluation will document programming	deter-		
					and implementation experience and where possible the	mined		
					early development impact on beneficiaries. This			
					information should be helpful in determining the			
					best programming approaches and development			
					activities for any future ESF monies.			
(11) 492-0348								
Clark Access &		3	3			Project: To be	5 days	None
Feeder Roads						deter-		
						mined		
					An important element of this project is trials of			
					different soil/water conservation practices. The			
					evaluation will concentrate on examining the success			
					of these efforts and potential for replication in			
					rainfed areas, especially the reverted lands. In			
					this regard the evaluation will contribute to the			
					testing of the Rainfed Resources Development			
					hypothesis.			

Evaluation Plan
Annex I

SPECIFIC EVALUATION INFORMATION NEEDS

Rainfed Resources Development Hypothesis: Strategies can be found to assist upland farmers and coastal fishermen to make productive, yet sustained use of rainfed and coastal resources that will increase productive employment among these groups.

Program Assumptions and Indicative Evaluation Questions for Rainfed Resources Development:

- a. More productive employment in rainfed areas will ensure an improved stream of income to poor households and thus enable them to satisfy their basic needs.
 - What changes are evident in employment levels and types among target groups?
 - What productivity changes can be documented in target areas?
 - What income strata among the population are benefitting from higher productivity and/or employment opportunities?
 - Is there any reduction in out-migration from targeted areas?
 - What is the role of the private sector in generating productive employment in rainfed areas? How can this role be improved?

- b. Community-managed systems for adapting and disseminating environmentally-sound rainfed resource technologies and practices will lead to more productive and sustainable resource utilization by small scale farmers and coastal fishermen.
 - What new local technologies and practices have been developed? What is their source? their impact?
 - Do small producers accept new practices and technologies? What incentives are operating?
 - What is the quality of locally generated activity proposals? Are they receiving attention and support at higher levels?
 - What is the role of local leaders (formal and informal) in site specific activities?
 - Do target groups have a role in planning and decision making for local activities? By what mechanisms? How can this role be improved?
 - Have any locally developed resource - management approaches been replicated elsewhere?
 - What is the impact of energy needs on productivity? On the the local environment? What new energy technologies are appropriate?

- c. Coordination of public and private sector action at local, regional, and national levels can reverse the deteriorating trend in the productivity of rainfed and coastal resources.

- What incentives are operating to draw or restrict private sector involvement in resource management?
- What mechanisms have developed to facilitate institutional coordination among various private and public organizations?
- What checks are evident on commercial exploitation of the resource base?
- What evidence exists that damage to the natural resource base can be reversed? Is such reversal occurring?
- How are the potential environmental impacts of new technologies monitored? What is the policy impact of this information?
- What national policy changes have occurred in connection with upland and coastal rainfed areas? In which ministries or agencies? Are they sufficient? What types of policy dialogue are most suitable?

Rural^{1/} Private Enterprise Development Hypothesis: Development of off-farm, private sector employment is a necessary component in the process of creating new productive employment opportunities in targeted rural areas and making existing jobs more productive.

Program Assumptions and Indicative Evaluation Questions for Rural Private Enterprise Development:

- a. Long-run employment gains in rural private enterprise are dependent on the rate and pattern of growth and profitability in such industries.
 - What new enterprises have been established in target areas?
 - What are employment trends in existing and new enterprises?
 - What enterprise sectors are growing most rapidly?
Providing most new job opportunities for the poor?
 - Are targeted poverty groups willing/able to qualify for jobs in rural enterprises?
 - Are profits from rural enterprise re-invested locally or elsewhere?
 - Is output per worker rising in target areas?
- b. Entrepreneurs, responding to a favorable investment climate, will make the critical investments leading to jobs which can absorb the rural labor force.
 - What are the sources of investment in existing and new rural enterprise?
 - How do potential entrepreneurs and investors define a "favorable investment climate"? What are the key elements? Are entrepreneurs free to respond to market forces? What analyses, dialogues, or other actions are needed to improve the "investment climate" and the operation of rural private enterprises?

^{1/}"Rural" is used herein to refer to all areas outside of Metro Manila.

- What are the major constraints perceived by entrepreneurs and investors to employing capital in rural areas?
 - What comparative advantages do rural enterprises have over enterprises in Metro Manila? What product lines? In what markets?
 - On what basis are technical support and other public services provided to the private sector? Who qualifies? What is the cost?
 - What evidence exists of private sector concern for local welfare issues and the needs of the rural poor?
- c. Improved coordination among the various entities (private or public) responsible for technical, management, marketing, and financial assistance to rural enterprise, including local business associations, credit sources, and development foundations is necessary for improving the local investment climate.
- What are the key sources of support services for rural enterprises? How are these services linked to national policy agencies? What policy changes are recommended?
 - What mechanisms exist or have been established for private sector inputs to relevant policy determination?
 - What is the cost of institutional mechanisms designed to support rural enterprise? How do these costs compare with levels of investment stimulated?
 - What regional industrial policies and programs have been developed? Are they keyed to bottom-up or top-down information inputs and requests?
 - How are enterprise support programs financed? Are they self supporting or dependent on subsidy?

Local Resources Management Hypothesis: Increased local government authority and capacity to mobilize local resources and to make decisions regarding development priorities and resource allocation will result in expanded productive employment opportunities for the rural poor.

Program Assumptions and Indicative Evaluation Questions for Local Resources Management:

- a. Local mobilization, management, and allocation of resources will result in local development activities which are more responsive to the needs of targeted poverty groups.
- Is local government programming responsive to the needs of target poverty groups? How are such needs assessed?
 - Do target groups perceive employment as a priority need?
 - Are local governments supportive of private sector activity? What current policies are most conducive to private investment? What policy changes are needed?
 - How do local agencies determine priorities? Who participates? Who is excluded?

- What is the role of local PVOs in each local setting? Is their activity coordinated with municipalities? How?
 - Have any local government programming processes been replicated elsewhere?
 - What are the trends in municipal staffing? Qualifications? Turnover rates? Training?
 - How do local people perceive municipally-managed development activities vis-a-vis higher level programs operating locally?
 - Which income groups are benefitting from local project activities?
 - What new resources are being generated by improved local financial management? At what cost?
- b. Improved provincial strategic planning performance (backed by appropriate research capability) will facilitate municipal level, beneficiary-managed development activities.
- How are relationship among provincial and municipal agencies and private sector groups perceived by each?
 - What are the major constraints to effective cooperation?
 - Is there any evidence that stronger provincial planning constrains private and municipal initiative? supports such initiative?
 - What is the current policy framework? What policy changes would improve private and municipal initiative? How can such changes be achieved?
 - What policy and management studies have been produced by support institutions? Are these being utilized? By whom?
 - How dependent are provincial planning processes on technical assistance personnel or external funding?
 - What evidence is there of improved project management? To what can this be attributed?
 - How does the province monitor and evaluate local activities? How is information fed-back into the system? With what effect?
 - Are provincial governments able to influence the budget allocations of line ministries?
- c. National development priorities and programs will support local development programming discretion.
- How much authority do local governments have over locally generated resources and over central resources devoted to lower levels? What are the boundaries on their programming discretion?
 - What are the limits on local freedom to utilize new tax sources? Enforce collection?
 - Is there any demonstrable increase in central government commitment to decentralization?
 - Do nationally-directed programs drain local staff and monetary resources?

- Are the functions and responsibilities transferred to local government clearly delineated?
- What policy reforms would improve local development programming?

Fertility/Infant Mortality Reduction Hypothesis: Increasing the opportunity for the rural poor to find productive employment is dependent on a reduction in the rate of growth of the labor force.

Program Assumptions and Indicative Evaluation Questions for Fertility/Infant Mortality Reduction:

- a. Delivery of services to reduce fertility and infant mortality will lead to a reduction in the rate of growth of the labor force.
 - What is the relationship between contraceptive availability and acceptance? Between acceptance and fertility?
 - What are the major factors in fertility change (e. g. age structure, nuptuality, marital fertility)?
 - What changes are evident in national labor force growth projections? What is the basis for these changes?
- b. Community control of primary health care (PHC) services, including cost absorption, will lead to more effective use of these services.
 - What trends are evident in knowledge of family planning and attitudes toward family size? In contraceptive use? In infant/child health care?
 - Is community cost support of health service delivery forthcoming? On what basis? With what resources?
 - Are new service delivery systems financially viable? How will recurrent costs be financed?
 - What policy changes are needed to facilitate community control of PHC services? How can these be accomplished?
- c. Fertility and mortality reducing services can be combined in a manner that is more cost effective than existing separate service delivery systems.
 - Can family planning field workers assume a broader service role without dissipating their effectiveness?
 - Is combined service delivery backed by adequate agency coordination and administration arrangements? What policy and procedural changes are needed?
 - What are the cost implications of the new approach? How does marginal cost per acceptance compare with traditional family planning service delivery?
 - What are the implications of combined service delivery for quality of services?

- What is the status of field worker recruitment, training, performance? compensation?
- Where are combined services being delivered? Who has access to them? Are remote areas receiving increased coverage?
- How is combined service delivery perceived by local people? Is broader PHC service use evident?

Additional Assumptions

1. The national and local political and economic policy context will support achievement of strategy objectives in the four program areas.

Key Evaluative Questions:

- Do national political priorities (particularly as expressed through budget and staff allocations) support strategy objectives?
- How does the economic policy environment support employment objectives (especially pricing policies, minimum wage policy, and exchange rate policy)? What policy changes are recommended?
- What support is evident for institutional initiatives to support decentralized decision-making, including private sector involvement?
- Does political pressure for visible results constrain the process of building systems and capacities to support long-term benefits? What is the source of these pressures?

2. Rural income gains will translate into increasing demand for goods and services from both public and private agencies.

Key Evaluative Questions:

- How do the rural poor utilize discretionary income? What are priority purchases?
- Does demand for primary health care services rise with socio-economic status?

3. The benefits of development interventions will lead to reduced fertility.

Key Evaluative Questions:

- Does female employment influence family size?
- Does income correlate with fertility? For which income strata?
- What interventions have the greatest fertility impact?

4. Targeted beneficiaries will have access to and will respond appropriately to program initiatives.

Key Evaluative Questions:

- What socio-cultural factors constrain response to project initiatives?
 - What institutional and policy factors constrain response?
 - What is the role of local people in
 - identifying appropriate development ideas?
 - adapting external ideas to local needs and circumstances?
 - committing local resources to project activities?
 - articulating priorities and needs and influencing public policy?
 - What is the role of local leadership in facilitating or constraining local participation?
 - What is the role of local organizations in development activity? Are they new or previously existing?
 - Who is included in local decision-making? Who is excluded?
5. The benefits of program initiatives for targeted beneficiaries can be replicated and/or sustained as appropriate after the phase-out of external assistance.

Key Evaluative Questions:

- What benefits are to be sustained?
- What resources will be required to fund long-term benefit flows? What will be their source?
- Do benefits justify continued external subsidy? If so, what will be its source and what mechanisms will be used?
- Does sufficient administrative capacity exist to ensure benefit continuation?
- Are permanent aspects of service delivery being institutionalized in public or private systems?
- How much of the requirement for financial and administrative input can be undertaken locally?
- What local activities have been replicated elsewhere without donor funding?

TABLE VIII - FY 1982

ORGANIZATION USAID/MANILA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100 -		3600.3	71.7	3672.0	XXXXX
U.S. CITIZENS BASIC PAY	U101	110 -	2699.8		2699.8	60.1
PT/TEMP U.S. BASIC PAY	U102	112 -	.6		.6	
DIFFERENTIAL PAY	U103	116 -	154.9		154.9	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	21.4	71.7	93.1	45
RETIREMENT - U.S.	U107	120 -	190.1		190.1	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129 -	59.2		59.2	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	26.5		26.5	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	29.4		29.4	17
POST ASSIGNMENT - FREIGHT	U112	22	97.8		97.8	17
HOME LEAVE - TRAVEL	U113	212	175.1		175.1	52
HOME LEAVE - FREIGHT	U114	22	110.6		110.6	52
EDUCATION TRAVEL	U115	215	24.0		24.0	18
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215	10.9		10.9	10
<u>FOREIGN NATIONAL DH</u>	U200		11.7	503.6	515.3	XXXXX
BASIC PAY	U201	114	10.0	404.9	414.9	104
OVERTIME, HOLIDAY PAY	U202	115		21.0	21.0	5
ALL OTHER CODE 11 - FN	U203	119		8.8	8.8	XXXXX
ALL OTHER CODE 12 - FN	U204	129	1.7	68.9	70.6	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300		135.4	363.4	498.8	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	128.0	15.6	143.6	5
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	7.4	347.8	355.2	80
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		265.8	680.5	946.3	XXXXX
RENT	U401	235	132.7	420.5	553.2	66
UTILITIES	U402	235	62.2	179.4	241.6	XXXXX
RENOVATION AND MAINT.	U403	259	17.6	58.2	75.8	XXXXX
QUARTERS ALLOWANCE	U404	127		.2	.2	1
PURCHASES RES. FURN/EQUIP.	U405	311	50.9	22.2	73.1	XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.4		2.4	XXXXX

TABLE VIII - FY 1982

ORGANIZATION USAID/MANILA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		653.3	1131.7	1785.0	XXXXX
RENT	U501	234	22.5	289.4	311.9	XXXXX
UTILITIES	U502	234		11.3	11.3	XXXXX
BUILDING MAINT./RENOV.	U503	259	3.9	40.3	44.2	XXXXX
OFFICE FURN./EQUIP.	U504	310	111.2	68.5	179.7	XXXXX
VEHICLES	U505	312				XXXXX
OTHER EQUIPMENT	U506	319	32.6	4.3	36.9	XXXXX
TRANSPORTATION/FREIGHT	U507	22	9.6		9.6	XXXXX
COMMUNICATIONS	U508	230	8.1	40.1	48.2	XXXXX
SECURITY GUARD SERVICES	U509	254		35.4	35.4	XXXXX
PRINTING	U510	24	.8	25.8	26.6	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	91.5		91.5	57
SITE VISITS	U512	210				
INFORMATION MEETINGS	U513	210	146.3	216.8	363.1	1478
TRAINING ATTENDANCE	U514	210				
CONFERENCE ATTENDANCE	U515	210				
OTHER OPERATIONAL TRAVEL	U516	210				
SUPPLIES AND MATERIALS	U517	26	133.2	134.9	268.1	XXXXX
FAAS	U518	257	86.9		86.9	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259		62.6	62.6	XXXXX
ALL OTHER CODE 25	U522	259	6.7	202.3	209.0	XXXXX
TOTAL O.E. BUDGET			4666.5	2750.9	7417.4	XXXXX
RECONCILIATION			3191.5	2750.9	5942.4	XXXXX
OPERATING ALLOWANCE REQUEST			1475.0	-0-	1475.0	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				295.0		
Exchange rate used				8.695		

TABLE VIII - FY 1983

ORGANIZATION USAID/MANILA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		3865.9	79.9	3945.8	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	2730.2		2730.2	58
PT/TEMP U.S. BASIC PAY	U102	112	16.9		16.9	.9
DIFFERENTIAL PAY	U103	116	231.4		231.4	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	37.8	79.9	117.7	48
RETIREMENT - U.S.	U107	120	192.4		192.4	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	67.0		67.0	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	38.4		38.4	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	67.5		67.5	21
POST ASSIGNMENT - FREIGHT	U112	22	196.1		196.1	21
HOME LEAVE - TRAVEL	U113	212	129.4		129.4	44
HOME LEAVE - FREIGHT	U114	22	119.7		119.7	44
EDUCATION TRAVEL	U115	215	29.9		29.9	26
R AND R TRAVEL	U116	215	.9		.9	2
ALL OTHER CODE 215 TRAVEL	U117	215	8.3		8.3	8
<u>FOREIGN NATIONAL DH</u>	U200		15.0	391.2	406.2	XXXXX
BASIC PAY	U201	114	8.8	315.2	324.0	71.6
OVERTIME, HOLIDAY PAY	U202	115		19.2	19.2	3
ALL OTHER CODE 11 - FN	U203	119	.3	2.1	2.4	XXXXX
ALL OTHER CODE 12 - FN	U204	129	5.9	54.7	60.6	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300		41.0	515.1	556.1	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	31.4	24.4	55.8	3
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	9.6	490.7	500.3	94
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		252.3	678.6	930.9	XXXXX
RENT	U401	235	142.6	376.1	518.7	59
UTILITIES	U402	235	66.9	148.0	214.9	XXXXX
RENOVATION AND MAINT.	U403	259	19.2	75.4	94.6	XXXXX
QUARTERS ALLOWANCE	U404	127	1.0	.5	1.5	2
PURCHASES RES. FURN/EQUIP.	U405	311	20.4	77.0	97.4	XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254		1.6	1.6	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.2		2.2	XXXXX

TABLE VIII - FY 1983

ORGANIZATION USAID/MANILA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		635.8	1052.8	1688.6	XXXXX
RENT	U501	234	25.2	284.3	309.5	XXXXX
UTILITIES	U502	234		13.6	13.6	XXXXX
BUILDING MAINT./RENOV.	U503	259	3.2	10.2	13.4	XXXXX
OFFICE FURN./EQUIP.	U504	310	75.0	32.2	107.2	XXXXX
VEHICLES	U505	312	62.0		62.0	XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22	20.3		20.3	XXXXX
COMMUNICATIONS	U508	230	9.9	41.7	51.6	XXXXX
SECURITY GUARD SERVICES	U509	254		36.4	36.4	XXXXX
PRINTING	U510	24	2.2	27.1	29.3	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	86.3		86.3	49
SITE VISITS	U512	210	37.1	208.2	245.3	944
INFORMATION MEETINGS	U513	210	13.4	10.0	23.4	38
TRAINING ATTENDANCE	U514	210	38.8		38.8	12
CONFERENCE ATTENDANCE	U515	210	31.0		31.0	11
OTHER OPERATIONAL TRAVEL	U516	210	3.8		3.8	1
SUPPLIES AND MATERIALS	U517	26	146.1	137.0	283.1	XXXXXX
FAAS	U518	257	72.1		72.1	XXXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259		43.7	43.7	XXXXXX
ALL OTHER CODE 25	U522	259	9.4	208.4	217.8	XXXXXX
TOTAL O.E. BUDGET			4810.0	2717.6	7527.6	XXXXXX
RECONCILIATION			3310.0	2717.6	6027.6	XXXXXX
OPERATING ALLOWANCE REQUEST			1500.0	-	1500.0	XXXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				325.0		
Exchange rate used (as of May 1, 1983)				9.935		

TABLE VIII - FY 1984

ORGANIZATION USAID/MANILA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		3569.2	103.4	3672.6	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	2503.5		2503.5	55
PT/TEMP U.S. BASIC PAY	U102	112	29.2		29.2	1.6
DIFFERENTIAL PAY	U103	116	250.5		250.5	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	37.4	103.4	140.8	49
RETIREMENT - U.S.	U107	120	177.2		177.2	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	63.7		63.7	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	31.5		31.5	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	73.2		73.2	14
POST ASSIGNMENT - FREIGHT	U112	22	135.0		135.0	14
HOME LEAVE - TRAVEL	U113	212	114.9		114.9	39
HOME LEAVE - FREIGHT	U114	22	116.1		116.1	39
EDUCATION TRAVEL	U115	215	29.9		29.9	26
R AND R TRAVEL	U116	215				
ALL OTHER CODE 215 TRAVEL	U117	215	7.1		7.1	6
<u>FOREIGN NATIONAL DH</u>	U200		13.8	400.0	413.8	XXXXX
BASIC PAY	U201	114	11.0	320.0	331.0	72
OVERTIME, HOLIDAY PAY	U202	115	6	17.8	18.4	2.9
ALL OTHER CODE 11 - FN	U203	119	1	3.0	3.1	XXXXXX
ALL OTHER CODE 12 - FN	U204	129	2.1	59.2	61.3	XXXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXXX
<u>CONTRACT PERSONNEL</u>	U300		62.2	505.2	567.4	XXXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	46.5	43.0	89.5	3.5
ALL OTHER U.S. PSC COSTS	U303	255				XXXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	15.7	462.2	477.9	102.8
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		238.9	807.1	1046.0	XXXXX
RENT	U401	235	123.2	445.5	568.7	56
UTILITIES	U402	235	55.4	200.5	255.9	XXXXX
RENOVATION AND MAINT.	U403	259	24.1	65.8	89.9	XXXXX
QUARTERS ALLOWANCE	U404	127	4.0		4.0	3
PURCHASES RES. FURN/EQUIP.	U405	311	24.0	95.3	119.3	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	6.0		6.0	XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.2		2.2	XXXXX

TABLE VIII - FY 1984

ORGANIZATION USAID/MANILA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	<u>U500</u>		<u>869.3</u>	<u>1138.3</u>	<u>2007.6</u>	<u>XXXXX</u>
RENT	U501	234	25.9	297.6	323.5	XXXXX
UTILITIES	U502	234	1.5	17.8	19.3	XXXXX
BUILDING MAINT./RENOV.	U503	259	1.2	13.8	15.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	141.0		141.0	XXXXX
VEHICLES	U505	312	43.6		43.6	XXXXX
OTHER EQUIPMENT	U506	319	22.2	9.0	31.2	XXXXX
TRANSPORTATION/FREIGHT	U507	22	18.4		18.4	XXXXX
COMMUNICATIONS	U508	230	10.9	45.9	56.8	XXXXX
SECURITY GUARD SERVICES	U509	254	2.9	32.8	35.7	XXXXX
PRINTING	U510	24	2.6	29.6	32.2	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	185.8		185.8	133
SITE VISITS	U512	210	19.6	372.9	392.5	950
INFORMATION MEETINGS	U513	210	36.3	1.1	37.4	40
TRAINING ATTENDANCE	U514	210	41.4	1.3	42.7	35
CONFERENCE ATTENDANCE	U515	210	34.1		34.1	15
OTHER OPERATIONAL TRAVEL	U516	210	-	-	-	-
SUPPLIES AND MATERIALS	U517	26	185.9	194.0	379.9	XXXXX
FAAS	U518	257	79.3		79.3	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259		75.0	75.0	XXXXX
ALL OTHER CODE 25	U522	259	16.7	47.5	64.2	XXXXX
TOTAL O.E. BUDGET			<u>4753.4</u>	<u>2954.0</u>	<u>7707.4</u>	<u>XXXXX</u>
RECONCILIATION			<u>3103.4</u>	<u>2954.0</u>	<u>6057.4</u>	<u>XXXXX</u>
OPERATING ALLOWANCE REQUEST			<u>1650.0</u>	<u>-</u>	<u>1650.0</u>	<u>XXXXX</u>

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1983)

319.6
9.935

FSN
Estimated Wage Increases - FY 1983 to FY 1984
Estimated Price Increases - FY 1983 to FY 1984

20%
10%

TABLE VIII - FY 1985.

ORGANIZATION USAID/MANILA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		3638.6	101.5	3740.1	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	2503.5		2503.5	55
PT/TEMP U.S. BASIC PAY	U102	112	29.2		29.2	1.6
DIFFERENTIAL PAY	U103	116	250.5		250.5	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	34.7	101.5	136.2	47
RETIREMENT - U.S.	U107	120	177.2		177.2	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	63.7		63.7	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	31.5		31.5	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	72.3		72.3	13
PCST ASSIGNMENT - FREIGHT	U112	22	181.9		181.9	13
HOME LEAVE - TRAVEL	U113	212	115.5		115.5	30
HOME LEAVE - FREIGHT	U114	22	140.0		140.0	30
EDUCATION TRAVEL	U115	215	29.9		29.9	26
R AND R TRAVEL	U116	215	1.0		1.0	2
ALL OTHER CODE 215 TRAVEL	U117	215	7.7		7.7	6
<u>FOREIGN NATIONAL DH</u>	U200		14.8	427.5	442.3	XXXXX
BASIC PAY	U201	114	11.8	344.2	356.0	72
OVERTIME, HOLIDAY PAY	U202	115	7	16.0	16.7	2.4
ALL OTHER CODE 11 - FN	U203	119	.1	3.2	3.3	XXXXX
ALL OTHER CODE 12 - FN	U204	129	2.2	64.1	66.3	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300		67.6	539.4	607.0	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	50.8	47.3	98.1	3.5
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	16.8	492.1	508.9	102.5
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		265.3	832.3	1097.6	XXXXX
RENT	U401	235	128.5	467.5	596.0	56
UTILITIES	U402	235	57.8	210.4	268.2	XXXXX
RENOVATION AND MAINT.	U403	259	26.4	71.9	98.3	XXXXX
QUARTERS ALLOWANCE	U404	127	4.0		4.0	3
PURCHASES RES. FURN/EQUIP.	U405	311	37.1	82.5	119.6	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	9.3		9.3	XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.2		2.2	XXXXX

TABLE VIII - FY 1985

ORGANIZATION USAID/MANILA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		821.1	1228.6	2049.7	XXXXX
RENT	U501	234	28.1	322.9	351.0	XXXXX
UTILITIES	U502	234	1.8	20.1	21.9	XXXXX
BUILDING MAINT./RENOV.	U503	259	1.3	15.2	16.5	XXXXX
OFFICE FURN./EQUIP.	U504	310	7.7		7.7	XXXXX
VEHICLES	U505	312	43.6		43.6	XXXXX
OTHER EQUIPMENT	U506	319	21.8	3.3	25.1	XXXXX
TRANSPORTATION/FREIGHT	U507	22	20.2		20.2	XXXXX
COMMUNICATIONS	U508	230	11.9	50.5	62.4	XXXXX
SECURITY GUARD SERVICES	U509	254	3.1	36.1	39.2	XXXXX
PRINTING	U510	24	2.8	32.6	35.4	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	213.7		213.7	133
SITE VISITS	U512	210	22.6	428.8	451.4	950
INFORMATION MEETINGS	U513	210	41.7	1.3	43.0	40
TRAINING ATTENDANCE	U514	210	49.0	.1	49.1	35
CONFERENCE ATTENDANCE	U515	210	39.2		39.2	15
OTHER OPERATIONAL TRAVEL	U516	210	-		-	-
SUPPLIES AND MATERIALS	U517	26	206.9	214.3	421.2	XXXXX
FAAS	U518	257	87.2		87.2	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259		50.0	50.0	XXXXX
ALL OTHER CODE 25	U522	259	18.5	53.4	71.9	XXXXX
TOTAL O.E. BUDGET			4807.4	3129.3	7936.7	XXXXX
RECONCILIATION			3111.3	3129.3	6240.6	XXXXX
OPERATING ALLOWANCE REQUEST			1696.1	-	1696.1	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1983)

329.9
9.935

Estimated^{FSN} Wage Increases - FY 1984 to FY 1985
Estimated Price Increases - FY 1984 to FY 1985

20%
10%

ABS TABLE VIII - OPERATING EXPENSE NARRATIVE

Section A: Management Improvement

USAID/Philippines management improvement objective over the OE budget period will continue to focus on reducing costs while sustaining the same level of operations and services. Among the actions planned to achieve this objective are:

1. Intra Area Travel. The Mission is issuing an internal regulation requiring employees travelling on official business within South-east Asia to use the new ASEAN fare schedule whenever possible - a saving of \$260 U.S. per trip. The annual savings are estimated to be in excess of \$6500.
2. Deleasing of High Maintenance Cost Residences. Based on a review of accumulated maintenance cost data, the Mission plans to delease five residences whose maintenance costs are excessive. Replacement leases will be coordinated with the Embassy's current deleasing program. Maintenance costs savings are estimated at \$33,000 U.S. over a three-year period.
3. Computerize Property Management Records. GSO property management records now maintained manually will be converted to computer maintenance within the next year. The saving will annually be \$2,700 as one FSN position could be eliminated. In addition, the General Services Officer will be able to maintain closer control over the property at less cost to his time.

4. FSN Personal Services Contracts. USAID will continue its program to replace by attrition direct hire FSN staff with personal service contractors. This means saving the Mission 4% of salary costs, since employer's contribution for PSC employees under GOP SSS amounts to only 3% as opposed to 7% for direct-hire employees under the U.S. Civil Service Retirement. Based on historical turn-over rates, estimated savings of this program will be \$3,500 over the next three-year period.

5. Residential Preventive Maintenance. USAID has instituted a program of regularly scheduled preventive maintenance visits to each residential unit (shortly to be once monthly). The purpose of these visits is to keep fixtures and appliances in good operating condition rather than replacing them. Not enough experience is available now to estimate the savings resulting from this program.

6. Travel Services Contract. A recently negotiated contract for travel and cashier activities has improved services to travellers/ employees and resulted in significant savings to USAID. USAID will realize savings through reimbursement by the travel contractor of 3-½ of gross billings and are estimated at \$15-20,000 for the next 12 month period.

TABLE VIII - OPERATING EXPENSE NARRATIVE
(In \$000.0)

Section B - Justification for Funding Changes

Changes in the funding required for the major function levels from FY 1983 to FY 1984 are all less than 10%, except for U-400 (Housing) and U-500 (Office Operations). Changes from FY 1984 to FY 1985 for all major function levels are all less than 10%.

The reasons for the more than 10% changes for U-400 (Housing) and U-500 (Office Operations) from FY 1983 to FY 1984 are explained below:

U-400 Housing

The projected increase in housing cost, i.e., rent and utilities, is ^{GAE} based on current and projected increases being demanded by landlords due to a general inflationary trend. Utilities have increased twice over the past year at the rate of 12 percent plus. Therefore, these estimates are considered conservative. Similar projection in costs are being experienced by other elements of the U.S. Mission.

Purchase of Residential Furnishings

This increase is based upon the need to initiate a modest replacement program of residential furniture which is 15 to 20 years old.

U-500 Office Operations

FY'84 funding requirements for this function is \$319.0 more than, FY'83, or an increase of 19%. The increase is principally attributed to the operational travel requirements of both RIG/II and the Mission.

The RIG/II operational travel budget in FY'84 is \$185.8, an increase of \$99.5, or 115% over FY'83 operational travel budget of \$86.3 approved by AID/W. RIG/II FY'84 budget for this item of expense is being submitted in toto since Mission is not allowed to reduce RIG/II operational travel budget.

Mission's FY'84 budget for operational travel is \$506.7, an increase of \$164.4, or 48% over FY'83 budget of \$342.3. This increase is due to a projected increase in project monitoring beginning FY 1984 and the anticipated increase for both domestic and international airline fares. Another factor for increase in operational travel is a recent Mission policy change which authorizes middle and higher graded FSN employees the same per diem rates authorized for U.S. employees. The Missions also increased by 34% its supplies and material requirements due to the following factors: (1) the Mission has expanded its words processing and computer equipment program and therefore software costs have and will continue to increase (2) the Mission relies heavily upon purchase of wide range of expendable supplies from three major sources - local market and from Clark and Subic bases. Purchases from all sources are expected to increase substantially during the next year due to a general inflationary trend.

ABS TABLE VIII - OPERATING EXPENSE NARRATIVE

Section C: Trust Fund

The Mission considers the trust fund portion of the operating expense budget adequate. Furthermore, the budgetary/financial difficulties the GOP faces renders discussion on the expansion of trust funds inappropriate at this time. Over the past three fiscal years, trust funds accounted for approximately 64% of the annual operating expenses excluding U.S. direct hire payroll expenses. Trust funds are expected to cover the same portion of the O.E. budget through 1985.

AUTOMATIC DATA PROCESSING

1. NARRATIVE STATEMENT - ADP

USAID/Philippines is commencing its fifth year of automated data processing operations which began as a pilot installation in 1979. It is now a "mature" facility with state-of-the-art hardware, software, and staff in-place.

There are currently ten major application systems developed and implemented.

- A. Financial and Management Accounting System (FAMAS) - processing the Mission budget operating expense and project expense accounts.
- B. Manpower and Personnel System (MAPS) - processing Mission manpower personnel, vehicle, and housing data.
- C. Contracts Management System (CMS) - maintaining information regarding Mission's active and expired contracts, grants, and cooperative agreements.
- D. FSN Payroll System (FSNPS) - handles the payroll processing for FSN's.
- E. Rural Roads Project Monitoring System (RRPMS) - maintains information to be used as the basis for reliable and timely monitoring of Rural Roads Project implementation.
- F. Excess Property Management System (EPMS) - facilitates the proper allocation of USG excess property and the monitoring of usage of all properties transferred to authorized GOP agencies.
- G. Barangay Water Project Monitoring System (BWPMS) - maintains an accurate and up-to-date computerized base of BWP subprojects as a basis for reliable and timely monitoring of BWP accomplishments.
- H. Economic Support Fund Project Monitoring System (ESFPMS) - maintains an accurate and up-to-date information data-base of ESF projects to provide quick response to inquiries regarding this projects and subprojects.
- I. Population Planning III Project Monitoring System (PPIII PMS) - an OIS-130 based system maintaining complete and up-to-date files of Outreach personnel, sterilization, and Barangay Service Point Officer (BSPD) training.
- J. Panay Unified Services for Health (PUSH) Project Monitoring Control System - an OIS 130 based system maintaining accurate and complete data regarding PUSH environmental sanitation subprojects.

The USAID/P computer installation has the following hardware in place:

One (1) Hewlett-Packard 1000 Series Computer System composed of:

- 21MX-E Series CPU; 512 KB main memory
 - HP2635A Systems Console
 - HP7925A Systems Disk; 120 MB storage capacity

Two (2) 19.6 MB Peripheral Disk Units, model HP7906S

One (1) 9 Track Magnetic Tape Drive, model HP7970B

One (1) 200 LPM Dot Matrix Printer, model HP2607A

One (1) 600 LPM Line Printer, model HP2617A.

Eleven (11) CRT's of various models for user processing.

The hardware was procured from trust funds at a cost of \$185,542 U. S. equivalent. No major procurement is planned for the Hewlett-Packard system in the future. Mission plans are to maintain current hardware and software systems for five additional years and acquire AID standardized equipment (Wang VS) in FY86 or 87.

2. REPORT ON OBLIGATION AND INVENTORY OF ADP SYSTEM

TABLE VIII (a)
OBLIGATIONS OF ADP SYSTEMS

	FY 84			FY 85		
	\$	TF	TOTAL	\$	TF	TOTAL
A. <u>Capital Investments</u>						
1. Purchase of ADP Equipment	0	0	0	0	0	0
2. Purchase of Software	0	5,000	5,000	0	2,000	2,000
Sub-Total	0	5,000	5,000	0	2,000	2,000
B. <u>Personnel</u>						
1. Compensation, benefits, travel	0	35,000	35,000	0	42,000	42,000
2. Work Years	(0)	(5.0)	(5.0)	(0)	(5.0)	(5.0)
Sub-Total	0	35,000	35,000	0	42,000	42,000
C. <u>Equipment Rental & Other Operating Costs</u>						
1. ADP Equipment (ADPE) Rental	0	0	0	0	0	0
2. Supplies & leased software	0	6,700	6,700	0	7,700	7,700
Sub-Total	0	6,700	6,700	0	7,700	7,700
D. <u>ADP Commercial Services</u>						
1. ADP Service Bureau	0	0	0	0	0	0
2. Systems Analysis & Programming	0	65,000	65,000	0	55,000	55,000
3. ADPE Maintenance	0	26,000	26,000	0	29,900	29,900
Sub-Total	0	91,000	91,000	0	84,000	84,000

	FY 84			FY 85		
	\$	TF	TOTAL	\$	TF	TOTAL
E. <u>Total Obligation</u>						
Sum of A3, B3, C3, and D4	<u>0</u>	<u>137,700</u>	<u>137,700</u>	<u>0</u>	<u>135,700</u>	<u>135,700</u>
F. <u>Interagency Services</u>						
1. Payments	0	0	0	0	0	0
2. Offsetting Collections	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total	0	0	0	0	0	0
G. GRAND TOTAL	<u>0</u>	<u>137,700</u>	<u>137,700</u>	<u>0</u>	<u>135,700</u>	<u>135,700</u>

3. NARRATIVE STATEMENT - WP

The WANG OIS-130A system was installed in March, 1982 and just recently upgraded with 2 additional workstations, a disk drive, and one high speed printer. The WP system has greatly improved the Mission's paperwork and document flow and is now in a state of full maturity.

Current plans are to link the WP system to the U.S. Embassy's WANG VS via remote Wangnet. This move would allow us to acquire WANG VS capability and run centrally developed software.

USAID/P has the following hardware:

- One (1) Wang 6530 OIS 130A Master
- Seven (7) Wang 5536-X Workstation
- Three (3) Wang 6581W Daisy Printer
- Two (2) Wang AWS1 Archiving Workstation
- Three (3) Wang 5538 Twin Sheet Feeder
- Two (2) Wang 2260V 10MB Disc Drive
- One (1) Wang 5535 180 CPS Printer

The equipments were ordered using OE funds from FY81 and 82 budgets totalling \$98,621. FY84 funds are for the procurement of "ADP capable" WP workstations and a printer.

SUPPORTING DETAIL WORKSHEET

A. CAPITAL INVESTMENT

2. Purchase of Software : Estimated procurement of proprietary software such as statistical systems, data base inquiry subsystems, etc.

B. PERSONNEL

1. Compensation, benefits, travel : Salaries and wages for FSN staff.

C. EQUIPMENT RENTAL & OTHER OPERATING COST

2. Supplies and leased software : Estimated procurement for computer supplies, expendable and non-expendable based on current actual expenditures, 5,800, plus allowances for inflation and price increase.

D. ADP COMMERCIAL SERVICES

2. Systems Analysis and Programming : Estimated cost of services from ADP contractors (SCV & Co), for in-house training and other systems-related services. Current estimates are lower than last year's submission as systems have already been developed and assistance required would be "special technical support" in nature.
3. ADPE Maintenance : Estimates based on current obligation of 22,300 plus allowance for price increase and inflation.

4. REPORT ON OBLIGATION OF WORD PROCESSING SYSTEM

TABLE VIII (b)
OBLIGATIONS FOR WP SYSTEMS

	FY 84			FY 85		
	\$	TF	TOTAL	\$	TF	TOTAL
A. Capital Investment in WP Equipment	17,000	0	17,000	0	0	0
B. WP Equipment Rental and Supplies	6,000	1,000	7,000	5,500	1,100	6,600
C. Other WP Costs	13,200	0	13,200	14,500	0	14,500
D. TOTAL (Sum of A, B, C)	<u>36,200</u>	<u>1,000</u>	<u>37,200</u>	<u>20,000</u>	<u>1,100</u>	<u>21,100</u>

TABLE IX NARRATIVE
WORKFORCE REQUIREMENTS IN RELATION TO PLANNED PROGRAM

The Mission is taking several steps to meet the challenge of fulfilling the requirements of a sound bilateral program in the face of staff limitations. We are continuing to shift major responsibility for program implementation to the GOP and to Philippine contractors. The ongoing efforts to streamline the portfolio will be accelerated. In addition, the skill mix is being adapted to meet the needs of the program.

Before discussing these points in greater detail, it is important to point out some of the external requirements placed on the Mission. Mission staff is called upon to provide support for almost 100 centrally funded activities which are being implemented in the Philippines. While many centrally funded activities benefit the Mission by contributing to Mission strategy objectives, these benefits are offset by the costs in terms of the demand for Mission staff time. In addition, each year at the request of other missions, we process and provide staff support for some 200 participants from third countries who receive training in the Philippines. A relatively large number of other AID-supported visitors not directly related to the bilateral program also absorb staff time. However, this demand on staff time has dropped in recent years thanks to Agency decisions to hold fewer AID/W sponsored conferences here. Mission staff also provides legal, contracting and controller services for other AID missions or programs and for a sizeable regional audit/investigations staff. Some of these support services may have to be curtailed to insure that limited staff can focus on the needs of the bilateral program.

Another important factor to keep in mind is staff reductions which have been experienced in recent years. Since 1979 our total dollar program has almost (from \$43 M to \$89 M) while our U.S. direct hire staff has declined from 72 to 46. Total FSN staff also has declined. To reach FSN direct hire ceilings, the Mission has increased staff on personal services contracts from 32% of total FSN staff in 1979 to 58% today.

Staff Levels

As described in the Table I narrative of this ABS, the Mission is taking a number of management steps in response to staff limitations.^{1/} If the Mission direct hire staff levels had to be reduced further, we would have to curtail support for activities not directly related to the bilateral program such as centrally funded projects, third country participants, and visitors. In addition, the shift to greater use of contractors would have

^{1/}Focusing attention on core programs, reducing the number of projects in the portfolio, using team project management approaches, and shifting implementation responsibility to Philippine organizations.

to be accelerated. The details of such adjustments will be submitted separately in accordance with ABS guidance.

Shift in Skill Mix. The Mission continues to believe that experienced staff and sound management expertise are the most critically needed skills to insure the success of our program. In addition, we have confidence in the technical and analytical skills of the Americans and Filipinos currently on the staff, particularly in the fields of institutional development and training. However, we recognize a real need to augment our in-house expertise in key areas. In response to this need we anticipate adding three JCC positions with expertise in public policy analysis (especially macroeconomic and health), agricultural policy and planning, and rural credit/financial policy. These JCC personnel will contribute considerably to our efforts in policy dialogue (macroeconomic, health, and agriculture), local resources mobilization and management, primary health care financing, rural enterprise development, and, to some extent rainfed resources development. In late FY 83 a private sector specialist will join the Mission as the Deputy Capital Development Officer. This addition is augmented by the recent hiring of a Filipino private enterprise specialist under a personal services contract. To enhance our science and technology expertise, we recently signed personal services contracts with forestry and aquaculture specialists. As the program adopts a stronger technology transfer position, we will be looking to obtain additional expertise in this important area.

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
011	Mission Director	1	1	1	1
012	Deputy Mission Director	1	1	1	1
021	Program Economist	1	1	1	1
023	Program Officer	1	1	1	1
023	Deputy Program Officer	0.92	0	0	0
023	Asst Program Officer	2	2	2	2
031	Executive Officer	1	1	1	1
031	Deputy Executive Officer	1	1	1	1
036	Computer Systems Analyst	0.92	0	0	0
042	Budget/Accounting Officer	1	1	1	1
043	Controller	1	1	1	1
043	Deputy Controller	0.66	1	1	1
050	Secretary	1	1	1	1
050	Secretary (P/T)	0.6	0.8	0.8	0.8
060	General Services Officer	0.5	1	1	1
060	Asst GSO (P/T)	0.06	0	0	0
072	Com/Rec Supv (P/T)	0.26	0.8	0.8	0.8
100	Vertebrate Biologist	1	1	1	1
100	Project Manager (Agric)	2.16	2.8	2	2
101	Agricultural Econ	2	1.5	1	1
103	Asst Agrl Dvl Off	1	1	1	1
121	Project Manager	1	1	1	1
122	Rural Development Officer	1	1	1	1
122	Dep Rural Dvl Off	1	1	1	1
122	IDI	0	1	0	0
122	Asst Rural Dvl Off	2	2	2	2
122	Proj Manager (Rural Dvl)	1	1	1	1
150	Food for Peace Officer	1	1	1	1
251	Gen Eng Off	1	1	1	1
251	Gen Eng Adv	1	1	1	1
502	Health Dvl Officer	1	1	1	1
502	Asst Hlth Dvl Off	1	1	1	1
502	Public Health Advisor	1	1	1	1
550	Population Officer	0.83	1	1	1
550	Asst Population Officer	0.66	0	0	0
752	Energy Advisor	1	1	1	1
850	Regional Legal Advisor	0.66	1	1	1
931	Contract Officer	1	1	1	1
931	Asst Contract Officer	1	1	1	1
932	Supply Management Off	1	1	1	1
940	Project Dvl Off	1	1	1	1
940	Dep Proj Dvl Off	1	1	1	1
940	Asst Proj Dvl Off	3.75	4	4	4
940	IDI	0.5	0	0	0
---	IDI	0	1	2	2

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

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SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
<u>RIG/A</u>					
081	Auditor	2.26	3	3	3
081	Audit Manager	2	2	2	2
081	Management Auditor	2	2	2	2
082	Reg Insp Gen/Aud	1	1	1	1
082	Dep Reg Insp Gen/Aud	1	1	1	1
<u>RIG/II</u>					
050	Secretary	1	1	1	1
080	Reg Insp Gen/II	1	1	1	1
082	Fgn Asst Inspector	1	1	1	1
<u>ASEAN</u>					
023	Program Officer	1	0	0	0
123	Reg Dvl Off	1	1	1	1
<u>ADB</u>					
014	Dvl Coord Officer	1	1	1	1

TABLE IX(b) - WORKFORCE REQUIREMENTS (F.M. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
020	Program Specialist II	1	1	1	1
020	Supv Training Specialist	1	1	1	1
020	Training Specialist	2	2	2	2
024	Program Specialist III	4	4	4	4
024	Program Assistant V	1	1	1	1
033	Supvy Pers Specialist	1	1	1	1
033	Personnel Specialist I	1	1	1	1
033	Personnel Assistant I	2	2	2	2
036	Computer Programmer	1	1	1	1
040	Supvy Budget Analyst	1	1	1	1
040	Cashier II	1	1	1	1
040	Accountant Sr.	1	1	1	1
040	Accountant III	1	1	1	1
040	Accounting Assistant I	2	2	2	2
040	Payroll Assistant IV	1	1	1	1
040	Voucher Examiner I	1	1	1	1
040	Voucher Examiner III	1	1	1	1
041	Supvy Financial Analyst	1	1	1	1
041	Financial Analyst Sr.	1	1	1	1
041	Financial Analyst I	1	1	1	1
041	Financial Analyst II	1	1	1	1
050	Secretary (Exec)	1	1	1	1
050	Secretary I	4	4	4	4
050	Secretary II	1	1	1	1
060	General Services Supervisor	1	1	1	1
060	Supv Supply Tech	1	1	1	1
060	Supply Clerk	1	1	1	1
070	Admin Assistant IV	1	1	1	1
070	Management Assistant	1	1	1	1
070	Library Supervisor	1	1	1	1
070	Shipping Section Supervisor	1	1	1	1
070	Production Supv III	1	1	1	1
070	Artist, Principal	1	1	1	1
070	Gen Serv Spec II	1	1	1	1
070	Motor Vehicle Dispatcher II	1	1	1	1
070	Chauffeur Sr.	1	1	1	1
070	Chauffeur I	7	7	7	7
072	Mail and File Supervisor	1	1	1	1
072	Records Clerk	2	2	2	2
121	Program Specialist Sr.	1	1	1	1
150	Food for Peace Spec I	1	1	1	1
250	Engineer (Civil) I	2	2	2	2
250	Engineer (Mechanical) II	1	1	1	1
930	Procurement Supervisor	1	1	1	1
930	Procurement Spec II	2	2	2	2
931	Contract Specialist	1	1	1	1
933	Property Utility Spec I	1	1	1	1
933	Property Utility Spec III	3	3	3	3
933	Property Utility Tech	1	1	1	1
933	Property Disposal Clerk	1	1	1	1
<u>RIG/A</u>					
050	Secretary	0.6	0	0	0
081	Supervisory Auditor	1	1	1	1
081	Aiditor	0	1	1	1

TABLE IX(b)(1) WORKFORCE REQUIREMENTS ~~XXXXXXXXXXXX~~

F.N. Personal Services Contract

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
020	Program Specialist Sr	1	1	1	1
020	Program Specialist III	2	2	2	2
020	Program Specialist (Social Science)	1	1	1	1
020	Training Specialist III	1	0	0	0
020	Economic Specialist	0.35	1	1	1
021	Senior Economist	1	1	1	1
021	Economist	1	1	1	1
033	Personnel Asst II	1	1	1	1
036	Computer Specialist	1	1	1	1
036	Computer Systems Analyst	1	1	1	1
036	Computer Programmer	1	1	1	1
036	Computer/WP Operator	1	0.25	0	0
040	Supvry Budget Analyst	1	1	1	1
040	Financial Analyst I	1	1	1	1
040	Accounting Asst I	3	3	3	2
040	Payroll Asst III	1	1	1	1
040	Supvy Voucher Exam	0.25	1	1	1
040	Voucher Exam III	2.5	3	3	3
050	Secretary	2	2	2	2
050	Secretary I	4	3.25	3	3
050	Secretary II	14	14	14	14
050	Secretary III	2.84	3	3	3
050	Clerk Typist	0.5	1	1	1
050	Clerk Typist I	1	1	1	1
050	Clerk Typist II	2	2	2	2
060	Supply Clerk I	1	1	1	1
060	Housing Inspector III	2	2	2	2
070	Library Assistant II	1	1	1	1
070	Language Instructor	1	1	1	1
070	Freight Rate Spec III	1	1	1	1
070	Clerical Asst I	1	1	1	1
070	Travel Clerk	1	1	1	1
070	Receptionist	1	1	1	1
070	Off Machine Operator Sr.	1	1	1	1
070	Off Machine Operator I	1	1	1	1
070	Master Mechanic	1	1	1	1
070	General Clerk	1	1	1	1
070	Auto Mechanic II	1	1	1	1
070	Chauffeur I	8.78	11	11	11
070	Auto Mechanic I	1	1	1	1
070	Mail Clerk Sr.	1	1	1	1
070	Accounting Asst II	1	1	1	1
070	Statistical Asst I	1	1	1	1
070	Program Specialist III	2	4	4	4
070	Program Assistant V	3	3	3	3
070	Admin Assistant	1	1	1	1
070	Utilityman	1	1	1	1
120	Program Specialist Sr.	3	3	3	3
120	Program Specialist	0.26	1	1	1
120	Program Specialist I	1	1	1	1
120	Program Specialist II	0.66	1	1	1
120	Program Spec (Private Sector)	0.35	1	1	1
120	Program Coord Spec	1	1	1	1

TABLE IX(b)(1) WORKFORCE REQUIREMENTS (F.N. PERSONAL SERVICES CONTRACT)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
250	Engineer (Civil) I	3	3	3	3
250	General Engineer I	1	1	1	1
500	Prog Coord Spec	1	1	1	1
500	Medical Consultant	1	1	1	1
500	Medical Consultant (P/T)	0.5	0.5	0.5	0.5
930	Property Util Spec	1	1	1	1
930	Procurement Spec III	1	0	0	0
 <u>RIG/A</u>					
050	Secretary IV	1	1	1	1
 <u>RIG/I</u>					
050	Secretary II	0	1	1	1
 <u>ASEAN</u>					
020	Program Assistant	0.16	1	1	1
024	Program Spec III	1	1	1	1

TABLE IX(c) - JOINT CAREER CORPS

FY 1983

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ORGANIZATION USAID/Philippines

<u>EXPENSE CATEGORY</u>	None		<u>TOTAL BUDGET</u>	<u>UNITS</u>
	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>		
<u>JOINT CAREER CORPS</u>				<u>XXXXX</u>
BASIC PAY				
DIFFERENTIAL PAY				<u>XXXXX</u>
EDUCATION ALLOWANCES				
RETIREMENT				<u>XXXXX</u>
LIVING ALLOWANCES				<u>XXXXX</u>
OTHER SALARIES/BENEFITS				<u>XXXXX</u>
POST ASSIGNMENT - TRAVEL				
POST ASSIGNMENT - FREIGHT				
HOME LEAVE - TRAVEL				
HOME LEAVE - FREIGHT				
EDUCATION TRAVEL				
R AND R TRAVEL				
ALL OTHER CODE 215 TRAVEL				
<u>HOUSING</u>				<u>XXXXX</u>
RENT				
UTILITIES				<u>XXXXX</u>
RENOVATION AND MAINT.				<u>XXXXX</u>
QUARTERS ALLOWANCE				
PURCHASES RES. FURN/EQUIP.				<u>XXXXX</u>
TRANS./FREIGHT - CODE 311				<u>XXXXX</u>
SECURITY GUARD SERVICES				<u>XXXXX</u>
<u>OFFICE OPERATIONS</u>				<u>XXXXX</u>
OFFICE FURN./EQUIP				<u>XXXXX</u>
VEHICLES				<u>XXXXX</u>
OTHER EQUIPMENT				<u>XXXXX</u>
TRANSPORTATION/FREIGHT				<u>XXXXX</u>
SITE VISITS				
INFORMATION MEETINGS				
TRAINING ATTENDANCE				
CONFERENCE ATTENDANCE				
OTHER OPERATIONAL TRAVEL				
SUPPLIES AND MATERIALS				<u>XXXXX</u>
ALL OTHER COSTS				<u>XXXXX</u>
TOTAL O.E. BUDGET				<u>XXXXX</u>

TABLE IX(c) - JOINT CAREER CORPS

FY 1984

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ORGANIZATION USAID/Philippines

Costs for 3 JCCs, married with 2 school aged children, starting Jan. '84, FS1-7, authorized one-2 week TDY to AID/W & 10-3 day TDYs in-country annually.

<u>EXPENSE CATEGORY</u>	<u>DOLLAR FUNDED</u>	<u>FRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>JOINT CAREER CORPS</u>	227,000	- 0 -	227,000	XXXXX
BASIC PAY	129,400	-	129,400	2.25
DIFFERENTIAL PAY	129,900	-	12,900	XXXXX
EDUCATION ALLOWANCES	18,000	-	18,000	6
RETIREMENT	9,100	-	9,100	XXXXX
LIVING ALLOWANCES	-	-	-	XXXXX
OTHER SALARIES/BENEFITS	1,800	-	1,800	XXXXX
POST ASSIGNMENT - TRAVEL	14,400	-	14,400	3
POST ASSIGNMENT - FREIGHT	39,000	-	39,000	3
HOME LEAVE - TRAVEL	-	-	-	-
HOME LEAVE - FREIGHT	-	-	-	-
EDUCATION TRAVEL	-	-	-	-
R AND R TRAVEL	-	-	-	-
ALL OTHER CODE 215 TRAVEL	2,400	-	2,400	2
<u>HOUSING</u>	87,400	- 0 -	87,400	XXXXX
RENT	33,600	-	33,600	3
UTILITIES	11,800	-	11,800	XXXXX
RENOVATION AND MAINT.	9,000	0	9,000	XXXXX
QUARTERS ALLOWANCE	-	-	-	-
PURCHASES RES. FURN/EQUIP.	30,000	-	30,000	XXXXX
TRANS./FREIGHT - CODE 311	3,000	0	3,000	XXXXX
SECURITY GUARD SERVICES	-	-	-	XXXXX
<u>OFFICE OPERATIONS</u>	24,900	- 0 -	24,900	XXXXX
OFFICE FURN./EQUIP	1,500	-	1,500	XXXXX
VEHICLES	-	-	-	XXXXX
OTHER EQUIPMENT	500	-	500	XXXXX
TRANSPORTATION/FREIGHT	500	-	-	XXXXX
SITE VISITS	-	-	-	-
INFORMATION MEETINGS	21,900	-	21,900	33
TRAINING ATTENDANCE	-	-	-	-
CONFERENCE ATTENDANCE	-	-	-	-
OTHER OPERATIONAL TRAVEL	-	-	-	-
SUPPLIES AND MATERIALS	500	-	-	XXXXX
ALL OTHER COSTS	-	-	-	XXXXX
TOTAL O.E. BUDGET	339,300	- 0 -	339,300	XXXXX

FY 1985

ORGANIZATION USAID/Philippines

Costs for 3 JCCs, married with 2 school aged children, FS1-7, authorized one-2 week TDY to AID/W & 10-3 day TDYs in-country annually.

<u>EXPENSE CATEGORY</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>JOINT CAREER CORPS</u>	224,600		224,600	XXXXXX
BASIC PAY	172,500	-	172,500	3
DIFFERENTIAL PAY	17,200	-	17,200	XXXXXX
EDUCATION ALLOWANCES	18,000	-	18,000	6
RETIREMENT	12,100	-	12,100	XXXXXX
LIVING ALLOWANCES	-	-	-	XXXXXX
OTHER SALARIES/BENEFITS	2,400	-	2,400	XXXXXX
POST ASSIGNMENT - TRAVEL	-	-	-	-
POST ASSIGNMENT - FREIGHT				
HOME LEAVE - TRAVEL				
HOME LEAVE - FREIGHT				
EDUCATION TRAVEL				
R AND R TRAVEL				
ALL OTHER CODE 215 TRAVEL	2,400	-	2,400	2
<u>HOUSING</u>	58,600	-	58,600	XXXXXX
RENT	37,000	-	37,000	3
UTILITIES	17,300	-	17,300	XXXXXX
RENOVATION AND MAINT.	3,000	-	3,000	XXXXXX
QUARTERS ALLOWANCE	-	-	-	-
PURCHASES RES. FURN/EQUIP.	1,000	-	1,000	XXXXXX
TRANS./FREIGHT - CODE 311	300	-	300	XXXXXX
SECURITY GUARD SERVICES	-	-	-	XXXXXX
<u>OFFICE OPERATIONS</u>	25,100	-	25,100	XXXXXX
OFFICE FURN./EQUIP	500	-	500	XXXXXX
VEHICLES				XXXXXX
OTHER EQUIPMENT				XXXXXX
TRANSPORTATION/FREIGHT				XXXXXX
SITE VISITS				
INFORMATION MEETINGS	24,100	-	24,100	33
TRAINING ATTENDANCE				
CONFERENCE ATTENDANCE				
OTHER OPERATIONAL TRAVEL				
SUPPLIES AND MATERIALS	500		500	XXXXXX
ALL OTHER COSTS				XXXXXX
TOTAL O.E. BUDGET	308,300	-	308,300	XXXXXX

P.L. 480 Narrative

A) P.L. 480 Title II

The Maternal and Child Health (MCH) feeding category continues to be the primary focus of the P.L. 480 Title II program in the Philippines. Catholic Relief Services (CRS) coordinates its activities with the Ministry of Social Services and Development (MSSD) and with the many Social Action Centers (SAC's) of the Catholic dioceses throughout the country. The CRS feeding program carries a strong nutrition education element for mothers of recipients.

There are two components of the CARE Title II program: an MCH component that it conducts with the Ministry of Health (MOH) and a school feeding component that is administered by the Ministry of Education, Culture and Sports (MECS).

The most recent evaluation rated the MCH feeding category as the most cost-effective of activities being carried out under P.L. 480 Title II. The MCH program also has been particularly successful in bringing third and second degree malnourished children to improved states of health. The Title II program also compliments the Mission's CDSS because it seeks to reduce infant mortality and should lead to a more productive workforce in the future. The gradual phaseover of the P.L. 480 Title II program is continuing and will be completed by FY 87 as scheduled in 81 STATE 239006 (updated for CARE in STATE 258552). However, the ongoing severe drought in Mindanao and the Visayas may argue for some prudent short-term adjustments for humanitarian reasons.

CARE has complied with AID/W guidance in the preparation of its FY 84 AER and Mission is endorsing its program.

The Mission has had some difficulty with its review of the CRS FY 84 AER. CRS has argued that like CARE it should be granted permission for a more gradual phase-over of its school feeding program. CRS states that even though its school feeding program is smaller, the same phase-over principles should apply. CRS has included a school feeding category in its FY 84 AER with a level of 156,000 recipients. CRS also has increased its authorized recipient level under the MCH category from 620,000 to 800,000. It has done this by reducing its ration level to maintain nearly the same overall commodity level. Given these two deviations from the proposed phase-over plan the Mission does not find the AER of CRS adequate. We continue to support however the notion of granting VolAgs flexibility in programming during the remainder of the phase-over period but only if this is exercised within agreed upon parameters. Therefore, during interagency deliberations on the FY 84 CRS program, we ask that appropriate consideration be given to reducing the FY 84 program to the maximum authorized dollar level for the CRS program.

B) Bellmon Considerations

1. Receipt, Storage and Distribution

Only minor problems are anticipated with the abilities of the VolAgs and the GOP ministries to receive, store and distribute P.L. 480 Title II commodities. As highlighted in the Operational Plans of CARE and CRS, commodity management and storage facilities are adequate to meet the needs of both the Title II program and other normal operations. As in the past there continue to be inland transportation and inter-island shipping delays and minor stoppages because of slow payment by counterpart ministries to the freight forwarder. GOP budgetary stringencies during FY 83 again caused some delays, but this did not significantly disrupt the program nor did it result in commodity spoilage. The VolAgs are sensitive to this problem and are alert to intervene with their counterparts so that corrective measures can be initiated.

3. Disincentive Effects

The total quantity of P.L. 480 Title II commodities being requested is insignificant when compared to agricultural production in the Philippines. In addition, one of the major commodities under the Title II program is wheat (i.e. flour and bulgur) which is not grown in the Philippines. Therefore, given the limited amounts of commodities that come into the country and their country-wide dispersal, no substantial disincentive effect to local agricultural production is anticipated.

3. Marketing Impact

The volume and mix of P.L. 480 Title II commodities should not cause any disruption of normal marketing conditions in the Philippines.

TABLE XIII
PL 480 TITLE II

I. Country PHILIPPINES

Sponsor's Name CARE

A. Maternal and Child Health.....Total Recipients 125

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>125.0</u>	<u>CSM</u>	<u>3402.0</u>	<u>809.7</u>
<u>125.0</u>	<u>NFDM</u>	<u>2041.2</u>	<u>224.5</u>
Total MCH		5443.2	1034.2

B. School Feeding.....Total Recipients 563

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>366.0</u>	<u>SFF 12%</u>	<u>3562.5</u>	<u>1104.4</u>
<u>197.0</u>	<u>BW</u>	<u>1918.2</u>	<u>510.2</u>
Total School Feeding		5480.7	1614.6

C. Other Child Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other Child Feeding		_____	_____

D. Food for Work.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Food for Work		_____	_____

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other		_____	_____

II. Sponsor's Name COOPERATIVE FOR AMERICAN RELIEF EVERYWHERE, INC.

CARE-Philippines

FY 1984 PROGRAM PLAN

I. ELEMENTS OF OPERATIONS

A. Identification

This Program Plan is submitted by CARE under the sponsorship of the host country counterparts as listed in Attachment #1. CARE presently has a staff of 1 international and 34 national employees to plan and monitor PL 480 Title II Commodity inputs. CARE's office is located at 429 Victoria Building, United Nations Avenue, Ermita, Manila. Mr. Henry R. Richards is Director of CARE in the Philippines, and resides at #16 Magdalena Circle, Magallanes Village, Makati, Metro Manila.

The Director is supported by the following national personnel.

National Personnel

1	Office Manager
1	Program Manager
2	Nutritionists
1	Home Economist
2	Warehousemen
9	Field Officers
8	Accounting - Administration
10	Support Staff

B. Area, Scope and Condition of Operations

1) Categories of Beneficiaries

a. Maternal Child Health (MCH)

The MCH program supported by CARE with Title II commodities is in cooperation with the Ministry of Health (MOH).

(1) MOH Targeted Food Assistance (TFA)/MCH Programs

This program addresses itself to the problems of improving the nutritional and health status of 2nd and 3rd degree malnourished preschoolers. The TFA program is comprised of four sub-programs.

(a) Malwards (Pediatric Nutrition Rehabilitation Wards)

Malwards, with an average of 19,950 recipients, are wards established in hospitals for treating and rehabilitating severely malnourished preschool children. While children are in the hospital, they receive food and intensive medical care. Their parents are exposed to nutrition, health and family planning education. Pregnant, nursing and malnourished mothers of the malward children are also provided supplementary feeding. When a malward child is discharged from the hospital he/she is referred

to the Rural Health Unit (RHU) for follow-up care through enrolment in the RHU-based TFA/MCH program.

- (b) OB - Malnourished mothers admitted to the OB wards are provided a one-month supplementary ration upon discharge from the hospital and are referred to the nearest RHU so that they and any of their third and second degree malnourished preschool children may be enrolled in the RHU-based MCH Nutrition Program. CARE projects 8,550 average recipients in FY 84.
- (c) RHU - The RHU program is built around the MCH concept. Malnourished expectant and nursing mothers and third and second degree malnourished preschool children are the targeted recipients. CARE expects to reach a monthly average of 96,500 recipients during FY 84. Mothers and eligible children must visit the RHU at least once a month and participate in mothercraft classes and under-fives clinics. The children are weighed monthly to determine nutritional progress. If the child shows no significant improvement in nutritional

status over a six-month period, the reason is assumed to be the mother's lack of interest and they are removed from the program. The maximum period of time that a child can participate in the program is 18 months for children aged 12-72 months, and one year for children aged 0-11 months. Once again, the assumption is that if the mother is interested in the health status of the child, the child should achieve normal nutritional status in this period of time.

Over the years, CARE has supported counterpart agencies' nutrition education efforts. During FY 1982, CARE implemented a carefully designed Nutrition & Primary Health Education Plan through many of the RHUs in five regions in response to nutrition and health needs as perceived at the village level. Ten learning modules were compiled for trainers and mothers' classes, and translated to the dialect of each area. Recognizing the role of rural women in bringing about the changes required to improve health and nutri-

tion in the home, mothers' clubs will be organized as they have proven to be highly effective vehicles for introducing change. During FY 84, the program will expand to include the Visayas and Mindanao areas and will continue to develop innovative audio-visual materials and teaching aids for rural residents.

b. School Feeding Program

This program is supported by CARE in cooperation with the Ministry of Education and Culture (MEC). Beginning this school year, June 1983 through March 1984, the USAID phase-out of the Nutribun program calls for the reduction of the current 880,000 recipient level to 704,000 beneficiaries.

A major drawback of the school feeding program is that the nutribun must be prepared daily. Since most schools do not have bakeries, the nutribun must be baked by an outside bakery and then transported to the schools. These restrictions severely limit the participation of schools located in depressed areas with poor transportation facilities. Now, however, Bulgur Wheat is also being used in the SFP. Its longer shelf-life reduces the number of deliveries and transportation costs, and, since the

commodity can be prepared by anyone, processing costs are also reduced.

The Philippines is one of the few developing countries in the world where all the school teachers have a minimum of BS or BA degrees which has given the teachers the ability to effectively integrate nutrition and health education into classroom and community activities. The nutritional status of children is regularly monitored by the teachers.

Other forms of supplemental feeding include the following programs:

- (1) School Garden Program - Every school that has garden space plants vegetables, rice and/or corn and fruit trees in the garden. The CARE nutribun provides 250 calories and is supplemented with produce from these school gardens at 50 calories per serving.

The School Garden Program is a giant step forward on the road to self-sufficiency but small garden space limits its effectiveness.

- (2) School Health Guardian Food Production Program - This project addresses the national priorities of reducing child malnutrition through increased food production and decreased dependency of donated foods. It also addresses the improved health of the school child

through the National School Health Guardian Project which is an umbrella program involving various child and community health activities such as nutrition education, health and dental care, medicinal herbs production, selective food production, supplementary school feeding, community education, family planning, etc.

The School Health Guardian Program has become integrated with the School Feeding Program because of its importance in supplying the 50 calorie supplement. For the past 4 years, CARE provided the means to increase school garden food production by donating water pumps and garden tools. Although assistance from CARE ended in December 1982, this program is still part of the MEC's program thrust.

2) Project Objectives and Indicators

- a. MCH - The overall objective and purpose of this program is: 1) to improve the nutritional and health status of the second and third degree malnourished preschool children; malnourished pregnant and nursing mothers; and malnourished mothers of preschool children enrolled in the program as well as; 2) to improve the dietary practices of participating families.

Improvement in health and nutritional status will be indicated by the increase in weight-for-age as determined from monthly weighings plotted quarterly on growth charts for each child. The quality of diets of participating families will be measured by comparing what was done before they entered the program with what is done after.

- b. School Feeding Program - The overall objectives of this program are to improve the nutritional status and health of malnourished school children in Grades I through IV and reduce the dependency on foreign food commodities. Progress towards the achievement of these objectives will be the result of weight-for-age gains on the individual growth charts maintained by the school teachers and a survey of school garden produce.

3) Geographic Areas

All the above programs will be implemented throughout the Philippines.

4) Food Distribution at Project Level

- a. MCH - 3 pounds of NFD, 5 pounds of CSM, will be distributed to each recipient each month. The Hospital program recipients are provided food during the period of confinement then they are referred to a RHU for follow-up enrolment in the MCH program. In the RHU-based MCH program, children are also provided

1-2 months feeding in a center before being shifted to a take-home distribution. The nutritional impact of the food is evaluated by monthly weighing of the recipients.

- b. School Feeding Program - A flour recipient receives 2.08 ounces of Soy Fortified Flour for 165 days a year. The flour is first converted into "nutribuns" through processing at either commercial or school bakeries. Bulgur Wheat is prepared at the school and the ration is 59g. daily.

5) Participation by Counterpart Ministries

Prior to establishing a program, the counterpart ministry and CARE sign a contract that outlines the operation of the Title II programs. The contract contains the following points:

- (a) definition of eligible beneficiaries;
- (b) the quarterly food to be provided;
- (c) responsibility for commodity losses;
- (d) a statement that sufficient funds will be allocated to cover (1) transport from the port to the end-use institution; (2) storage facilities; (3) incidental expenses for food preparation including utensils; and (4) CARE personnel and operations costs.

The contract also allows duty and tax-free import of all commodities programmed by CARE.

6) Avoiding Duplication of Distribution

A nationwide Operation Timbang (weighing) identifies the second and third degree malnourished children of a community through weight-for-age measurements.

Since the school children are too old to participate in the MCH program, there is no possibility of duplication in the School Feeding Program.

Lists of schools and TFA centers are periodically compared by representatives of CRS, World Food Program, CARE and other government mother and child program implementing agencies in order to avoid project duplication. Various Philippine Government agencies involved in the PL 480 program also monitor Volag areas of operation and the commodity sources for the individual projects.

C. Control and Receiving-Records, Procedures and Audits

Title II commodities for CARE-assisted programs are received at the Port of Manila. CARE has a separate section in its office which is responsible for receiving, handling, and accounting for all shipments.

- 1) Records - A separate and complete file is maintained for each shipment. In addition, CARE maintains a complete set of records to account properly for the food from the time it is booked in the U.S. until it is consumed by the beneficiaries.
- 2) Procedures - CARE follows a general procedure established by CARE-New York and elaborated upon by

past experience in the Philippines. CARE's Overseas Operations Manual coincides with the procedures and regulations outlined in the USAID Food for Peace Handbook for Title II programs.

- 3) Internal Reviews - Internal Review are conducted annually.

D. Port Facilities and Practices

The existing off-loading facilities at Manila are adequate for handling the Title II commodities requested.

CARE maintains close liaison with the forwarding agents, Transport Contractors, Inc. (TRANSCON) and Pennell Commercial Co. Inc. Duty-free entry of food shipments present no problem and conforms with the terms of the contracts that CARE has with the counterpart ministries. Cargo surveys are conducted by agents appointed by the steamship company as well as by CARE's independent surveyors, Henry Hunter Bayne Adjustment Company and Public Adjusters, Inc. Both ex-tackle and ex-lighter surveys are conducted.

E. In-Country Storage and Transportation

- 1) Storage - Title II commodities enter the Philippines through Manila Port. From Manila they are dispatched by lighter to the clearing and forwarding agent's warehouse. The storage facilities of the clearing and forwarding agent, TRANSCON, are adequate for the quantity of commodity requested. TRANSCON's Manila facilities are composed of 14 warehouses of 58,803 cubic meters with a capacity of 51,500 metric tons. Adequate pallets are available,

ventilation is good, stacking is done and maintained properly, and insect fogging is done regularly.

Storage at the points of end-use, i.e., schools, bakeries, rural health units, etc., is found to be adequate in space available, ventilation, stacking, etc. Storage areas are either of cement or wooden flooring.

In the school feeding program the commodity is dispatched in some cases directly from Manila to commercial bakeries which store the commodity prior to baking the nutribuns. Storage conditions are usually satisfactory at these bakeries for short-term storage of the commodity.

Normally, however, commodities are not stored at any point between the clearing and forwarding agent's warehouse and the end-use point. At the end-use point, commodities are stored either in the place where the food is prepared, or in the house or building of a responsible person or agency. The storage facilities at the end-use points are sometimes inadequate for prolonged storage, but at the same time it is recognized that these facilities are the best available given the present financial conditions and mode of operations.

2) Inland Transportation

Inland transportation on Luzon island consists of truck hauling from the clearing and forwarding

agent's warehouse directly to the end-use point. In some cases the commodity is dispatched to a central warehouse from which delivery is made to an end-use point in the immediate vicinity. In such cases, the commodity moves from the central warehouse to others by a variety of methods, e.g., jeep, bus, headload, cycle and boat. In the School Feeding Program for example, flour is often dispatched by trucks to bakeries where it is converted to Nutribuns. The nutribuns are then distributed by jeep, bus, boat, cycle or by hand.

For the islands other than Luzon, commodity is dispatched from Manila by inter-island vessel. When the commodities reach the designated port of discharge they are received by the consignee and subsequent delivery follows the pattern described above.

Inland transportation is made difficult primarily because the Philippines, consisting of over 7,000 islands, depends heavily on inter-island sea-going vessels to distribute Title II commodities. Commodity distribution by inter-island vessels is very time-consuming and must rely on shipping schedules and cargo space of the vessels.

3) Control of Food

The government counterparts accept all responsibilities for storage of and distribution of Title II foods in the Philippines. However, title to and control of the Title II commodities remain with CARE.

F. Processing - Reprocessing - Repacking

Blending and processing of Title II commodities is carried out only in the School Feeding Program at either commercial or school bakeries. There, the Soy Fortified Flour is blended with yeast, salt, sugar, oil and water and then baked, producing a nutribun. The nutribuns are subsequently distributed to and consumed by the school children.

G. Financing

1) CARE requires in its contracts with the counterpart ministries that the cost of port clearance, internal transportation, storage, distribution and administrative, as well as incidental costs involved in preparing the food at end-use institutions, be borne by the counterpart ministries.

2) Commodity Container Sales

In the MCH and School Feeding Programs, the commodity containers are sold to the highest bidder. The proceeds of the sales are used for program purposes such as the purchase of fuel, spices, supplementary foods and minor maintenance of the nutrition centers or bakeries.

Accounts are maintained by the school teachers and nutrition center in-charges, these accounts are audited by the CARE field officers.

H. Acceptability of Available Foods

1) Acceptability of Food

a. Bulgur Wheat - Bulgur Wheat is one of the commodities used in the School Feeding Program. It is acceptable in the form in which it is received.

- b. Corn Soya Milk - CSM is an accepted commodity.
- c. NFDM - NFDM has good acceptability.
- d. All Purpose Wheat Flour - All Purpose Wheat Flour is also used in the School Feeding Program. Its acceptability is very good.

I. Program Publicity

Due to CARE's size, methods of operation and close cooperation with the Government of the Philippines and provincial governments, there is considerable local knowledge regarding the source of commodity supplies. CARE's primary task in the field of publicity concerns dissemination of nutrition information to beneficiaries, their parents and program counterparts.

J. Domestic Production

The importance and use of PL 480 commodities will not result in a substantial disincentive to domestic production as wheat is not produced in the Philippines. Blended foods such as CSM - milk are produced only in small quantities.

ATTACHMENT I

HOST GOVERNMENT COUNTERPART

Ministry of Education & Culture	Mrs. Silvina C. Laya Executive Director School Health & Nutrition Center
Ministry of Health	Dr. Antonio Acosta Director National Nutrition Service
National Nutrition Council	Dr. Florentino S. Solon Executive Director

It should be noted that the counterpart supervision and administratiOn of the programs involves Provincial, Regional, Divisional District and Local Officials and their staffs in each government Ministry. A well defined and documented administrative system is being managed for each program.*

Regular field visits are carried out to observe and supervise the programs at all management levels.

*Information on specific inputs, and their values, made by counter-part ministries to each program is available from the three ministries.

TABLE XIII
PL 480 TITLE II

I. Country PHILIPPINES

Sponsor's Name CRS

A. Maternal and Child Health.....Total Recipients 620

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>620.0</u>	<u>CSM</u>	<u>18153.6</u>	<u>4320.5</u>
<u>620.0</u>	<u>NFDM</u>	<u>2827.2</u>	<u>311.0</u>
Total MCH		<u>20980.8</u>	<u>4631.5</u>

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total School Feeding		_____	_____

C. Other Child Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other Child Feeding		_____	_____

D. Food for Work.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Food for Work		_____	_____

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other		_____	_____

II. Sponsor's Name CATHOLIC RELIEF SERVICES

PROGRAM PLAN
Fiscal Year 1984

I. ELEMENTS OF OPERATIONS:

A. Identification:

1. a. Distributing Agency: Catholic Relief Services-USCC
- b. Country: Philippines
- c. Program Plan submitted: April 7, 1983
- d. Counterparts:
 - 1) Catholic Bishop's Conference of the Philippines (CBCP), Intramuros, Metro Manila
 - 2) Ministry of Social Services & Development (MSSD) Batasan Complex, Quezon City
 - 3) Ministry of Education, Culture & Sports (MECS) Arroceros Street, Metro Manila

2. Supervisory Staff:

- a. Program Director - Francis X. Carlin - U.S. Citizen
SAIDI Building
Corner Real & Arzobispo Streets
Intramuros, Metro Manila
- b. Program Assistant - Bernard A. Balsars - U.S. Citizen
- c. Executive Assistant - Antonio V. Hukom - Filipino
Citizen
- d. Finance Manager - Roy S. Tolosa - Filipino
- e. Manager, Personnel & Administration - Lilibeth R. Tuy - Filipino
- f. Manager, Auxiliary Services - Alma G. Romero - Filipino
- g. Manager, Operations Department - Hermeraldo R. Catubig -
Filipino
- h. Manager, Internal Audit - Vincent S. Atos - Filipino

B. Agency Agreements

1. CRS has made a written agreement with the Government of the Philippines regarding Title II food distribution.
2. CRS has a blanket agreement known as Diplomatic Note No. 3001 negotiated by the United States Government and Republic of the Philippine Government and signed on October 18, 1956. CRS has also separate agreements with the Republic of the Philippines' Ministry of Foreign Affairs dated January 23, 1957, and January 25, 1957, which detail the implementation of Note No. 3001.

3. These agreements provide:
 - a. Tax and duty free entry of Title II food and other relief supplies.
 - b. Payment by the Philippine Government for inland transportation costs for movement of supplies from the end of ship's tackle to end-users.
 - c. Police protection for the commodities as a guarantee against theft, pilferage, neglect, mishandling or illicit use.
 - d. Permission to identify the supplies through normal communications media as donations from the American people.
 - e. Permission to import all necessary program material and equipment under the same condition as the supplies.
 - f. Admission of non-Filipino personnel for the administration of the program.

C. Area-Scope-Conditions of Operations

1. The program is nationwide, covering 49 of the approximately 65 dioceses throughout the Philippines, and operates in rural and urban areas, including Metro Manila.
2. CRS conducts its TMCHP and Day Care Service Program through the diocesan structure of the local Catholic church and the Ministry of Social Services and Development. PL 480 commodities are channeled through the diocese/MSSD to the parishes/MSSD consignees which operate the nutrition centers. Civic organizations also sponsor nutrition centers in coordination with the diocese. The School Feeding Project is conducted through the Ministry of Education, Culture and Sports.
3. The Government of the Philippines through the Ministry of Social Services and Development provides a fund for the handling and transportation of all commodities except for those used in the Targetted School Feeding Program which are budgeted by the Ministry of Education

Culture and Sports. These funds cover all expenses from ex-ship's tackle to the end-user.

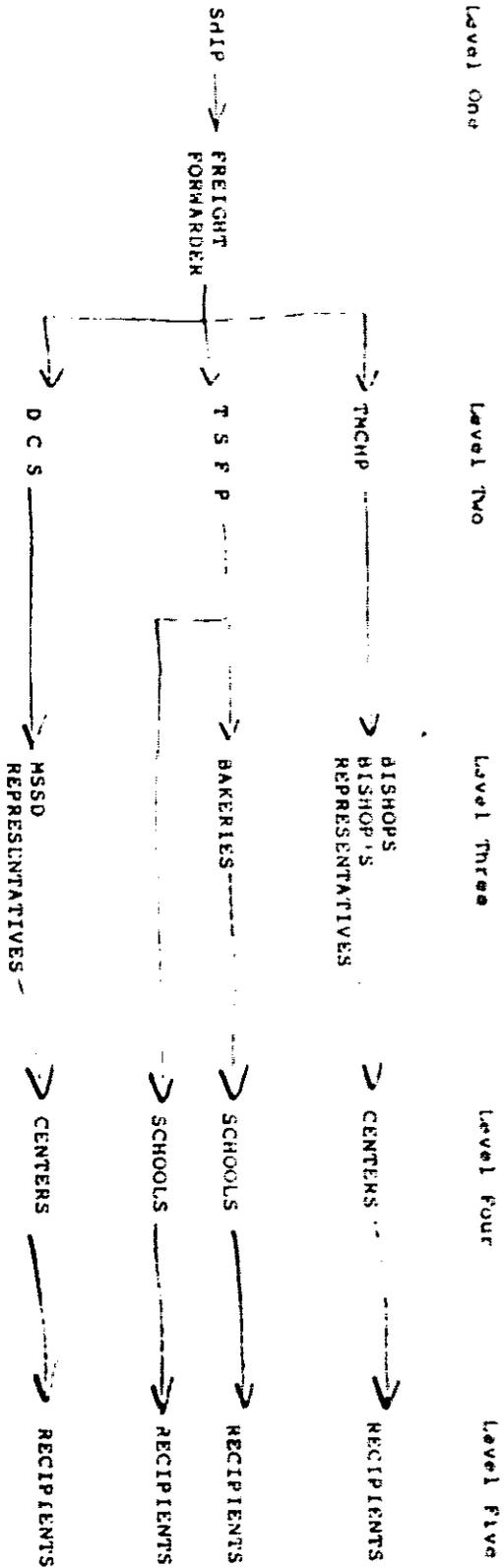
4. The Republic of the Philippines has placed increasing emphasis on nutrition. The National Nutrition Council (NNC) which was created in 1974 coordinates all nutrition programs in the country and formulates the national nutrition policy. CRS is one of the cooperating agency. The Food Assistance Guidelines formulated by the NNC serve to coordinate the programs of the agencies involved. On the local level, our counterpart diocesan nutritionists are members of the Municipal Nutrition Committee which coordinate programs within the localities. CRS is a member of the Council of International Voluntary Agencies of the Philippines which serves as a forum for discussion and coordination among the international agencies.

D. Control and Receipting - Records, Procedures and Audits

1. Figure 1 on Page 5 shows the flow of PL #80 commodities. CRS control systems operate on five (5) levels as follows: On level One, which represents the CRS Manila Operations Department, the following controls and audit procedures are in effect:
 - a. Ex-Ship's Tackle Report) Provide basic information
Ex-Lash Barge Report) as to all losses and condi-
Ex-Pier Survey Report) tion of arrival before
Ex-Container Report) commodity is stored in ware-
Ex-Lighter Survey Report) house for further moveaent
inland.
 - b. Handling Contract: Negotiated between the Ministry of Social Services and Developaent and Ministry of Education, Culture and Sports each calendar year with a qualified forwarder. The contract provides for the forwarder to handle the commodities from ex-ship's tackle to the ultimate recipients.

- c. Bills of Lading are sent in advance to freight forwarder, survey company, the Ministry of Social Services and Development or the Ministry of Education, Culture and Sports.
- d. A ship's file is being maintained on each vessel, containing all cargo details, survey reports, etc.
- e. A commodity ledger is being maintained that contains a record of each commodity by vessel, its packing list number, time of arrival, deliveries and ending balance based on allocations made.
- f. A shipping register by packing list number indicates commodities allocated to programs by vessel and by commodity, date shipped by freight forwarder and commodity allocation letter number.
- g. A daily record of all shipments by the freight forwarder is maintained by a CRS Warehouse Coordinator.
- h. Bi-monthly stock reports are submitted by the freight forwarder.

FIGURE 1 FLOW CHART OF PL 480 COMMODITIES



Coding: TNCMP - Targeted Maternal and Child Health Project
 TSFP - Targeted School Feeding Project
 DCS - Day Care Service Project

Level Two is the Program Level

- a. Each of the four programs/projects maintains files of Masterlist of Allocation.
- b. Each of the programs/projects (except the Targeted School Feeding Project) maintains control cards to provide information on remittances by consignees on the proceeds of sale of empty bags and enrolment fees.
- c. The Targeted School Feeding Project maintain files for individual bakeries. The file contains the baking contract, list of schools served, stock and production reports.
- d. The Targeted School Feeding Project maintains individual files for each area showing the number of participating schools and the bakeries serving them.
- e. The Targeted Maternal and Child Health Project maintains files on each consignee. The file contains signed agreement forms (which certify that the consignee is responsible for handling and distribution of PL 480 commodities according to prescribed guidelines), monthly and quarterly reports to CRS, and correspondence.

Level Three represents MSSD consignees, Diocesan Social Action Centers and Bakeries. As part of an agreement signed with CRS, they are required to maintain the following records:

- a. A stock register showing receipts, distribution and balances.
- b. Files containing delivery receipts, masterlist of allocation, bills of lading, financial records, etc.
- c. Bakeries are required to make weekly production reports and monthly stock reports to the CRS/Manila office.

Level Four represents the TMCH Nutrition Centers, Day Care Service Centers and Schools. Through signed agree-

ments, they are required to maintain the following:

- a. Receipts and distribution records.
- b. A stock register and file of Commodity Allocation Letter.
- c. Copies of monthly distribution reports made to CRS/ Manila indicating amount of food distributed and balances at the end of the month.

Level Five represents the ultimate recipient. All records on recipients are maintained by Level Four Agencies for at least three (3) years after the close of the program year to which they pertain. Program evaluation are being continually executed at Levels Three, Four and Five on a regular, planned basis. In addition, periodic audits are conducted of the entire program.

2. Inland and ocean losses are all reported to USAID and CRS/ New York on a Report of Loss Form. In the case of spoilage, CRS/Philippines will request permission from USAID to dispose of the commodities. Claims against third parties for inland losses will be filed by CRS/Philippines. Claims against third parties for losses which occur en-route to the Philippines will be filed by CRS/NY. All payments against claims made by CRS/Philippines are received by our Finance Department. Finance Department then records such payments. Records of these payments are audited by CRS/NY and are available for audit by USAID. CRS/Philippines retains the first \$100 of the payment and transfer the remainder to United States Regional Disbursing Office (USRDO) in Manila.

E. Port Facilities - Practices

1. At present there are seven (7) ports being used to discharge commodities for the CRS programs. Adequate facilities are provided.
2. Agreements with the host government permit duty-free entry of commodities. At present there are no problems.

3. CRS contracts for an independent survey made on board each vessel by a recognized survey company for each shipment of Title II PL 480 commodities.
4. CRS commodities are exempt from all port/arrastre charges which the host government is paying.

F. Storage Facilities

1. Our present freight forwarder has fourteen (14) warehouses in Metro Manila with an estimated capacity of 2,500,000 bags.
2. Consignees generally have sturdy brick or cement structures (a few have wooden storage areas) that accommodate their quarterly allocations of food.
3. CRS retains control of inventory and distribution of all food in storage.

G. Inland Transportation

1. Facilities available:

Commodities are transported overland by truck and by the Philippine National Railroad. For inter-island shipments the forwarder contracts local shipping lines.

2. Problems involved:

- a. During certain months of the year heavy rains and typhoons occasionally cause delay in inland transportation, especially in the more remote and mountainous areas. However, the Government of the Philippines continues to make progress in its road construction program and the situation is gradually improving.
- b. Pilferage is a common and persistent problem during transport of food. However, CRS, in cooperation with its transport contractor, is gaining some success in mitigating these losses.
- c. Settlement of claims against the forwarder for losses and spoilage is slow and complicated.

H. Processing-Reprocessing-Repackaging

1. The Soy Fortified Flour programmed for the Targeted

School Feeding Project is bake into "nutribuns" by local bakers. The nutribuns are made available at a subsidized cost to elementary school children. The approximate cost of baking a nutribun is US\$0.011.

I. Financing

1. Inland transportation costs from the end of ship's tackle (ocean vessels) to the ultimate consignee are paid by the Philippine Government. Monies for this purpose are budgeted through the Ministry of Social Services and Development and the Ministry of Education, Culture and Sports. MSSD and MECS negotiate a contract with a forwarder to cover payment of the overland and inter-island shipping costs. The contract also covers warehousing, repackaging of damaged commodities and any other incidental expenses that may be incurred while the cargo is in the custody. Salaries, per diem and travel expenses for internal auditors, Regional Representatives are partially provided from the MSSD, MECS budget.
2. CRS provides money for administrative costs which includes salaries for the American and Filipino headquarters staff in Manila and related office and travel expenses.
3. The Targeted Maternal and Child Health Project (TMCHP) has an Unassociated Charges. Monies from these sources are used to cover expenses related to program operations and control including supervision and salaries of field nutritionists, materials and supplies used in the nutrition education component. Expenses incurred at the operation level (feeding and distribution at the local level) are also paid from the Unassociated Charges.
4. A system of empty container sales and control has been implemented. Consignees sell the bags locally and remit P0.25 for each bag (except torn bags) to CRS. The money from this source is expended according to pertinent US regulations. Separate books are maintained covering the

receipts and disbursement of money received from Associated Charges and the sale of empty containers. All records are subject to audit and are maintained in the CMS/Manila office.

J. Acceptability of Available Foods

1. Available foodstuffs are acceptable to all recipients in the different program categories.
2. a. Corn Soya Milk is usually mixed with vegetables in soup or as a one-dish meal. It can also be prepared as a nutritious beverage. Corn and soya are locally grown and consumed.
- b. Soy Fortified Flour is used to make high-calorie, high-protein nutribuns, which are similar to local breads.
- c. Non-fat dry milk is very popular and acceptable among Filipino people for drinking or in combination for cooking.
3. In the TMCHP, the Diocese provides 4 to 8 lbs. of commodities to each recipient depending on the needs of the Diocese. For TSFP, 250 calories and 8.4 grams of protein are supplied by one nutribun. In the Day Care Service Project, only 1.488 kilos of food are given as the other half is provided by the MSSD to meet the nutrient deficiency.
- a. The following table shows the recipient level and ration rate for each program.

<u>Program/Project</u>	<u>Recipient Level Monthly</u>	<u>Monthly Rate (in kilos)</u>		<u>S. F. FLOUR</u>
		<u>CSM</u>	<u>NFDM</u>	
I. TMCHP	550,000	2.44	0.38	
II. Day Care Service	250,000	1.3	0.5	
III. T S F P	156,000			1.17

Category I - There will be twelve (12) distribution during the twelve (12) months of operations as long as the situation permits.

Category II - There will be five (5) distributions per week for twelve (12) months.

Category III - There will be approximately 100 distributions over eight (8) months of operations.

- b. Survey results have pointed out a calorie deficiency among the target group. PL 480 foods given to participants meet a sizeable portion of the Recommended Daily Allowance (RDA) and make a significant contribution towards dietary improvement.
- c. Experience shows that the distribution of donated PL 480 Title II foods does not result in a substantial disincentive to domestic production in the Philippines.

K. Program Publicity

1. An integral program component is the education of the mother participants in proper nutrition, including preparation and use of PL 480 foods thru mothers' classes, home visits, cooking demonstration and other informal gatherings. Through these classes the source of the food and the role of the Philippine Government is conveyed to the participants.
2. The program is publicized thru reports and various activities such as Nutrition Month celebrations, food fairs and exhibits, radio broadcasts, model farms, and others.

L. Estimate of Program Duration

1. The program is oriented to the needs of the poor. As long as those needs exist, the program should continue. Assuming that Title II commodities remain available, the CRS food programs will continue until the human need is alleviated.
2. If Title II food should cease to be available during Fiscal Year 1984, the impact on the poor beneficiaries would be catastrophic but CRS could:
 - a. Targeted Maternal and Child Health Program will be reduced substantially and we will try to intensify local food production which are being implemented in seven (7) areas in the Philippines. The supple-

mental feeding could continue at a reduced level, therefore, using locally grown food. The nutrition education component, which is the major element of the program, will probably continue in some areas using locally grown food as food supplements if available, or without food supplements if necessary.

- b. The Day Care Service Project of MSSD would probably carry on more or less at present levels, using the current transportation budget to buy local food as a substitute for PL 480 food.
- c. Targeted School Feeding Project would probably continue its current level using the GOP funds allocate for inland transportation of PL 480 commodities to purchase indigenous food.

II. PLANS OF OPERATIONS FOR SPECIFIC TYPES OF PROJECTS

See Annexes I through IV for specific plans.

- A. Annex I - Targeted Maternal and Child Health Projects,
Day Care Service and Mothercraft
- B. Annex II - Targeted School Feeding Project
- C. Annex III - Summary of PL 480 Title II Requirements

G. Recapitulations

1. From Catholic Relief Services	\$ 75,789.00
2. From the Diocese	144,973.00
3. From the U. S. Government	7,504,764.00
4. From the Philippine Government	3,359,240.00
5. From Local Civic Organizations	398,200.00
6. From others	<u>1,099,663.00</u>

Grand Total - - - - \$12,582,629.00
vvvvvvvvvvvvvvvv

ANNEX I: TARGETED MATERNAL AND CHILD HEALTH PROJECT, MOTHERCRAFT,
DAY CARE SERVICE

I. BACKGROUND AND RATIONALE

Malnutrition is considered in the country today as a priority problem which necessitates an immediate and multi-sectoral solution. The adverse effects of malnutrition on the social and economic life of the people have been discussed and expounded in several CRS papers and other documents.

The importance of the CRS Nutrition Program as an answer to the problem of malnutrition cannot be over-emphasized. The need for the continuity of the CRS Nutrition Program is best reflected in terms of the program's outreach and effectiveness, especially within the context of the over-all Philippine Nutrition Program.

Based on projections (low impact), it is estimated that there will be a gradual increase in the number of moderately and severely malnourished children.

The program outreach of all Philippine agencies concerned with nutritional rehabilitation will be insufficient to cover all the malnourished pre-school in 1984, with low impact programs; and based on nationwide survey data, malnutrition remains unabated.

At present, the Catholic Relief Services, Philippine Program, reaches approximately 800,000 infants and malnourished pre-school children and pregnant and nursing mothers, via a structure emphasizing the active involvement of diocesan counterparts and the MSSD. The Diocesan structure, based on the present recipient level has gradually evolved through the years, and has just started to be stabilized.

II. GOAL AND OBJECTIVES

With the prevalence of malnutrition among the vulnerable groups particularly pre-school children and pregnant and nursing mothers, Catholic Relief Services together with various dioceses and the Ministry of Social Services and Development (MSSD) will continue to assist the Philippine Nutrition Program

in alleviating the malnutrition problem through the TMCHP, Mothercraft and Day Care Service Projects.

The goal is to improve the nutritional status of the vulnerable groups. Specifically, it seeks to:

- A. Prevent nutritional decline among 0-18 months old children whose weight is below recommended standards.
- B. Attempt to elevate the nutritional status of the severely and moderately malnourished children to the recommended standards in an 18-month period.
- C. Reach the pregnant mothers of identified severely and moderately underweight infants and pre-schoolers, and nursing mothers of infants.
- D. Motivate all participating mothers to adopt desired nutrition, health, family life and food production practices in their own homes.
- E. Motivate the participants towards intensive backyard gardening.
- F. Equip the staff with the skills necessary for smooth program implementation.

III. PROGRAM DESCRIPTION

CRS in cooperation with the Philippine Government and the Dioceses will facilitate the development of centers which will serve as focal points for prevention of malnourishment and rehabilitation of the malnourished and as channels for influencing nutrition and other related practices for mothers. The program will then employ one or a combination of the following patterns:

A. Targeted Maternal and Child Health Project

Where resources and manpower permit, nutrition education shall continue to be carried out together with weighing, follow up visits and food distribution of a month's allocation for 18 months.

Under this scheme, supplementary feeding will be carried out in the home. (2.82 kilos of Corn Soya

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Milk and Non Fat Dry Milk will be given in dry form to each participant on a monthly basis. Prior to the initial distribution of food, participating mothers will be oriented on the program which will include the demonstration of the various ways of preparing supplementary foods. In return for the services rendered them, each program participant will give a monthly enrolment fee to be determined by the Diocese to support the administrative cost of the program.

Qualified participant will be all infants aged 6-11 months except those overweight) and children aged 12-60 months who are severely and moderately malnourished. The mothers of these malnourished children will also be included in the program if:

- They are nursing mothers who breastfeed their infants within 0-6 months after delivery, after which the infants may replace her on the program as participant after proper evaluation.
- They are pregnant in their second or third trimester.

B. Mothercraft Program

The program will proceed in two phases: Phase one will consist of supplementary feeding of the malnourished children in Mothercraft centers. The children will be given Corn Soya Milk prepared with local food ingredients twice daily, six times a week for a period of 12 weeks (3 months). The mothers of these children will assist in the supervision of the feedings and will be given nutrition classes every week. Qualified mothers will also be given 2.82 kilos of food commodities every month in dry form or instead may partake in the daily feedings. By the end of the 12th week, children and mothers will "graduate" from the center. The qualified participants in the project will be the same as in the Targeted Maternal and Child Health Project.

Phase two will be the mother and child's participation in the TMCHP. This will consist of monthly weighing, mothers' classes, follow-up visits and distribution of supplementary foods until the rehabilitation period is completed.

C. Day Care Services

In cooperation with the MSSD, CRS undertakes a day care supplementary feeding program for children ages 2-6 years aimed towards giving nutritional support to children prior to formal schooling. The Day Care Service is basically a child welfare service whereby "substitute mothering" is provided temporarily for pre-school children part of the day through creative and group experiences. CRS input comes in the form of 1.488 kilos of food supplement. MSSD counterpart comes in the form of locally available foods.

IV. PROGRAM COMPONENTS OR ACTIVITIES

There are four program components that will be integrated into the different projects in order to achieve the broad goal of uplifting the nutritional status of the participants. The six major components are:

- A. Nutrition Education
- B. Supplementary Feeding
- C. Food Production
- D. Training
- E. Evaluation
- F. Health

These components will be necessary for program implementation and will work in combination with each other to make the CRS Nutrition Program responsive and realistic in meeting the needs of the target population.

A. Nutrition Education

Maternal education on Nutrition shall be encouraged whenever feasible through the use of various approaches that have been developed for the conduct of mothers' classes. The dissemination of Nutrition information shall be emphasized but this shall be done as needed by the individual centers/dioceses.

B. Supplementary Feeding

Without food, nutrition education would fall short of its objective of improving the nutritional status of the malnour-

rished child and eventually of his family. This food supplementation will continue to be complimentary to the nutrition education component.

Food supplements will be in the form of Corn Soya Milk. The food supplements shall provide approximately 425 calories per day or an estimated 1/3 of the daily requirements for protein. These food supplements will be given to program participants either in cooked or dry form.

C. Food Production

The realization that there must be an eventual phase-out of foreign donated foods has led to the incorporation of a food production component into the program. The project operates around a core phase of Community Outreach and where resources permit, this may be modified and extended to include a Farm Development Phase. Through the Community Outreach Phase, it is hoped that TMCHP families will be able to produce food from their backyards as a supplement to their diet or as a source of income. The promotion of individual backyard gardening, livestock raising and fishery projects among program participants will continue. Other dioceses will be encouraged to implement the same type of projects if feasible.

D. Training

Program implementation will be more effective and efficient if shared by personnel who are adequately equipped with skills necessary to achieve program objectives.

The Diocese will be responsible for the pre-service training for prospective Diocesan Nutritionist and in-service trainings for consignee's nutrition aide. CRS will be responsible for the in-service training for the national staff.

E. Evaluation

Evaluation are integral parts of the CRS Nutrition Program which will be handle by the individual diocese. These can help management and those in-charge of program

operations to get objective information regarding the overall implementations and the impact of the program. (Monitoring in this case is regarded as a part of the evaluation aspect). Information gained would thus give some indication of the progress achieved towards the attainment of program purposes and goals.

Activities under this component include quarterly monitoring of commodity and beneficiary levels.

F. Health

The safeguard of an effective nutrition program is good health. This component is strengthened by a special health-related projects under the program. This project is closely coordinated with our Rural Water Program as well as our on-going medical program which supports rural clinics. The Nutrition and other projects and/or medical program link up is implemented in such a way that priority of the two latter programs/projects shall be on those areas that have on-going TMCH Projects.

V. ADMINISTRATIVE ASPECTS OF THE PROGRAMS

A. Management Structure (TMCHP, Mothercraft, Day Care Service)

The CRS Nutrition Program shall be implemented in 1984 within the existing organizational structure. There will also be field nutritionist who will be responsible for the nutrition education for the participants. Some 2,000 Diocesan consignees and nutrition aides shall support these nutritionists with the assistance of various local volunteers.

B. Funding

Funds for program implementation are expected to come from various sources. These are the following: Operating Budget (CRS New York), Generated Funds, Rice Bowl Funds, USAID, donations from sponsors, etc.

C. Other Resources

Other resources include food, funding for inland transport of these, and diocesan and parish contributions in terms of monetized value of volunteers and use of storage and center facilities.

VI. SCOPE OF THE PROGRAM (TMCHP, MOTHERCRAFT, DAY CARE SERVICE)

The total number of participants in the program for Fiscal Year 1984 will be approximately 550,000 mothers and children in the TMCHP and 250,000 in Day Care Service.

Listed below are the food requirements for each project category:

Program Category	Recipient Level	Ration (kg.)		Total Requirements	
		CSM	NFDM	C S M	NFDM
TMCHP & Mothercraft Infants & Children	440,000	2.44	0.38	12,883,200	2,006,400
Pregnant & Nursing Mothers	<u>110,000</u>	2.44	0.38	<u>3,220,800</u>	<u>501,600</u>
Day Care Service Children	<u>250,000</u>	1.088	0.4	<u>3,264,000</u>	<u>1,200,000</u>
Total - - -	800,000 vvvvvvv			19,368,000 vvvvvvvvv	3,708,000 vvvvvvvvv

VII. COORDINATION WITH OTHER AGENCIES

The implementation of the CRS Nutrition Program is made possible with the administrative, technical and logistical assistance of both governmental and private agencies.

The National Nutrition Council (NNC) is responsible for coordinating all the activities of the government and private agencies engaged in the nutrition program. CRS and the Diocese contribute to the Philippine Nutrition Program by relating to these agencies at all levels. As a member of the Council, CRS and Dioceses, contribute to the review and formulation of guidelines in various aspects of the Philippine Nutrition Program particularly in food assistance. At the regional level, our diocesan counterpart participate actively in the Regional Task Force on Nutrition and other similar committee. The same activity is done in all other levels of program implementation. CRS assists the Day Care Service centers.

CRS is also provided by MSSD with budget for transportation and handling of commodities from Manila to the beneficiaries.

CRS as a resource agency operates through the individual dioceses and their Social Action Centers in the integration of nutrition as part of Family Life and Christian Community Building. The Dioceses are represented by their Bishops in national and major decision making while, at the diocesan level, Social Action Directors monitor the program which involves the administrative and operational aspects of the program. CRS Regional Representatives assist the dioceses by providing technical supervision of Diocesan Nutritionists. Diocesan Nutritionists are assigned to look after the implementation of the TMCHP which in turn is under the direct charge of the consignees and the diocese. Nutrition aides and volunteer mothers help facilitate record keeping, nutrition education and other activities in the centers.

USAID provides food in the form of Corn Soya Milk and Non Fat Dry Milk. CRS also avails of the expertise of the USAID Nutrition advisor.

VIII. MONITORING, EVALUATION AND AUDIT PROCEDURES

Monitoring of commodity and beneficiary levels, as well as nutritional weighing of the program beneficiaries is done quarterly. The quarterly status report shall be used for this purpose.

The program participants shall be weighed at least once every quarter. The children's age and weights, shall then be recorded in their ration cards and/or record notebook.

The nutrition aides/volunteers are usually in charge of this activity. The nutritionists may also take charge of such activity in some areas, while in other areas that have trained volunteers and nutrition aides, she will only supervise.

The weights will then be tabulated in cross-over sheets quarterly by the nutrition aides/volunteers. The initial data

of the nutrition aides should show which particular children are lagging behind in terms of nutritional levels and thus, need special attention.

The nutritionist shall collate the data and shall make a simple analysis that will show the percentage of children who improved, maintained or decreased in nutritional levels. Also, the nutritionists would see in the collated reports of the nutrition aides, an indication of the nutrition aide's workload so that they may be able to assist at providing means to solve any problems. The nutritionist shall then transmit the data/information to her Social Action Director/Bishop and Regional Representative. She shall also send feedback to the nutrition aides.

The Regional Representative in turn would collate the diocesan reports, analyze, and may use these data to evaluate the program's success in the specific dioceses covered and also determine which places are most seriously in need of her attention. She shall then send feedback to the Diocese and also send her report to CRS/Manila.

CRS/Manila staff shall collate the data/information from the different regions, analyze these and make an in depth study. The information would provide the staff an easy reference to assess the over-all impact of the program and provide guidance as to where more detailed study is to be applied. Likewise, the Operations Department can use the information as one of the basis by which plans and guidelines can be formulated or revised.

In addition to operational and status reports that will be sent regularly to the Operations Department, there shall also be other provisions for controlling some other aspects of the nutrition program.

The used of funds, for example, shall be controlled by the Finance Department, such accountable items shall include salaries and travel advances. The aforementioned shall be reported in the form of itinerary of travel, requests for travel advances, travel expense vouchers and memoranda requesting for funding of specific projects/ activities.

For the Regional Representatives, accountability to the Finance Department shall include reimbursement of transportation, per diem and miscellaneous expenses.

The amount of food allocation per person per center and dioceses depending on food availability shall be controlled by the Finance Department and the Diocese. Control is in the form of returned copy of waybill which would show how much, where, how and to whom the food was delivered will be handled by Finance Department. This form would also reflect food damage and shortage. An additional control is maintained by the Finance Department which processes claims for inland handling, reimbursement expenses submitted by the dioceses and bills the centers for empty bags fees and participant contributions, processing of inland claims.

The Audit Department shall also control certain aspects of the Nutrition Program implementation at the diocesan and other levels. The Auditor shall check center records (including remittances), audit the expenses incurred as reflected in the accounting records, and investigate the condition of warehouses, warehousing procedures, actual amount of food received, and the general implementation of the program in relation to the program guidelines.

Administrative matters involving Operations personnel including Regional Representatives such as vacation and sick leaves, office report time, itinerary of travel, use of company vehicles, and expenses incurred, etc. shall continue to have control measures in the form of itinerary of travel, travel expense vouchers, field trip reports, daily time records, applications/reports of vacation and sick leaves and requests through memoranda, etc.

ANNEX II: TARGETED SCHOOL FEEDING PROJECT

I. RATIONALE

In view of the great extent and the adverse effects of malnutrition, and realizing that better nutrition is a fruitful humanitarian and basic development investment, there is an immediate need to answer this problem at all levels and in all sectors of Philippine Society. The CRS Targeted School Feeding Project, in cooperation with the Ministry of Education, Culture and Sports, addresses this problem for underweight school aged children.

II. GOALS AND OBJECTIVES

A. General Objective: To rehabilitate and improve the nutritional health of underweight school children between the ages of 5 - 10 years (Kindergarten and Grades I - IV).

B. Specific Objectives:

1. To supplement the diets of underweight school-children in order to improve their physical and mental development;
2. To improve the attendance of target school children;
3. To instruct teachers, parents and children about the adverse effects of undernourishment through nutrition education;
4. To promote self-sufficiency through the production and utilization of indigenous foods as well as in the development of skills as in the case of schools operating in which work education students comprise the manpower of the project.

III. BRIEF DESCRIPTION OF THE PROJECT

The Targeted School Feeding Project is a joint project of the Ministry of Education, Culture and Sports (MECS) and of Catholic Relief Services-USCC. It is implemented in accordance with an MECS-CRS Agreement, which stipulates, among other pro-

visions, that the MECS provides the funds to meet the inland handling and transportation costs of the food commodities that CRS PROVIDES FOR THE Targeted School Feeding Project. The Agreement includes prescribed guidelines for implementing the project.

IV. SALIENT POINTS OF PROJECT OPERATORS/ACTIVITIES

School children who, after a height-weight survey, are found to be underweight, are served a daily ration of nutribuns. One nutribun supplies the child 250 calories, 8.4 grams protein and essential vitamins and minerals. As a counterpart contribution, the school provides each child with an additional 50 calories from indigeneous food, such as fillings, soup beverage, etc.

The nutribuns are sold to the children at P0.15 (\$0.157) P0.11 (\$0.0115) represents the cost of baking and the P0.04 (\$0.0042) is retained by the school which will be used by the school to pay the nutribuns of indigent children and to cover the project cost within the school. Fillings may be provided to the children by the school at an extra charge (normally P0.05).

V. PARTICIPATION

CRS plans to serve 156,000 schoolchildren in 1984. The bulk of the project will be in the four (4) cities of Metro Manila, i.e., Manila, Caloocan, Pasay and Quezon City. There will also be small programs in Olongapo City, Zambales and in other areas that may be designated by the Ministry of Education, Culture and Sports.

Summarized below is the food requirement for the Targeted School Feeding Project for 1984:

<u>Program Category</u>	<u>Recipient Level</u>	<u>Monthly Ration (kg) SF Flour</u>	<u>Requirement (kg) SF Flour</u>
Targeted School Feeding Project	156,000	1.17	1,460,160

VI. AGENCIES INVOLVED

The Ministry of Education, Culture and Sports is committed to provide the necessary budget for the inland handling and transportation of the commodities used in the School Feeding Project. For FY 1984, CRS has requested the Ministry of Education, Culture and Sports to provide a budget of approximately P804,767.00 to transport 1,460.16 metric tons of flour and P480,000 to cover our administrative cost.

In addition the MECS has the primary responsibilities of carrying on the nutrition education component of the program. It has thus far integrated nutrition subject as an integral part of the curriculum. Nutrition education materials such as growth charts are being provided by MECS. Likewise, seminar-workshops are conducted by MECS for each participating Division Office on an annual basis (usually during the first month of the school year) to re-orient those school personnel directly involved in the program on the mechanics of project operations.

VII. EVALUATION

A yearly comprehensive evaluation will be made to gauge the nutritional impact of the program as well as the attainment of its other objectives.

For control, the CRS Targeted School Feeding Projects is under our Operations Department. The CRS Regional Representatives and the Internal Audit Department will visit the schools to see that the project is implemented in accordance with prescribed guidelines. Regular visits will be made of the bakeries contracted by CRS to produce and deliver the nutribun specifications are strictly adhered to by these contracted bakeries, nutribun samples will be submitted to qualified laboratories on a regular basis for chemical analysis to check the calorie and protein content as well as the dry weight of the nutribuns.