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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

FAMILY INCOME AND EXPENDITURES SURVEY
PROJECT PAPER

(492-0402)

August 1986

Manila, Philippines

**FAMILY INCOME AND EXPENDITURES SURVEY
PROJECT PAPER**

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AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____ DOCUMENT CODE 3
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2. COUNTRY/ENTITY Philippines	3. PROJECT NUMBER 492-0402
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4. BUREAU/OFFICE ASIA/NEAR EAST <input type="checkbox"/> 04	5. PROJECT TITLE (maximum 40 characters) <input type="checkbox"/> Family Income and Expenditures Survey
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 11 23 87	7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY <input type="checkbox"/> 86 B. Quarter <input type="checkbox"/> 7 C. Final FY <input type="checkbox"/> 86
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8. COSTS (\$000 OR EQUIVALENT \$1 = P20.00)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total (Grant) (Loan)	121 (121) (-)	94 (94) (-)	215 (215) (-)	121 (121) (-)	94 (94) (-)	215 (215) (-)
Other U.S. 1. 2. Host Country Other Donor(s)	- - -	138 138 -	138 138 -	- - -	138 138 -	138 138 -
TOTALS	121	232	353	121	232	353

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) EN	200	950	-	-	-	215	-	215	-
(2)									
(3)									
(4)									
TOTALS				-	-	215	-	215	-

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 951 955 958	11. SECONDARY PURPOSE CODE
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12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each) A. Code BR BL BU RGEN TNG TECH B. Amount 125 6
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13. PROJECT PURPOSE (maximum 480 characters).

To provide essential income and expenditures data for planning and evaluation purposes.

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY 1 2 8 7	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY	Signature: <i>Frederick W. Schieck</i> Frederick W. Schieck Title: Director	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY
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PROJECT AUTHORIZATION

Name of Country/Entity: **Philippines** Name of Project: **Family Income and Expenditures Survey**

Number of Project: **492-0402**

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, and in accordance with the authority delegated to me under Redelegation of Authority No. 133.1 dated May 24, 1985, I hereby authorize the Family Income and Expenditures Survey Project (the "Project") for the Republic of the Philippines (the "Cooperating Country") involving planned obligations not to exceed \$215,000 in grant funds, over a one-year period from the date of authorization subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs of the Project. The planned life of the Project is one year and four months from the date of initial obligation.
2. The project consists of technical assistance (TA), other services and commodities to the National Census and Statistics Office (NCSO) to complete the processing of 1985 household income and expenditures survey questionnaires; to generate, analyze and disseminate provincial level income and expenditures data and new consumer price index (CPI) weights; and to set up computer programs for present and future use.
3. The Project Agreement, which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

Source and Origin of Commodities, Nationality of Services - Commodities financed by A.I.D. under the project shall have their source and origin in the Cooperating Country or in the United States except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the Cooperating Country or the United

States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

Signature: *Frederick W. Schieck*
 Frederick W. Schieck
 Director
 USAID/Philippines

Date: Aug. 27, 1986

Clearances:

<u>Typed Name</u>	<u>Initial</u>	<u>Date</u>
Paul R. Deuster	<i>PRD</i>	8/25/86
Keith E. Brown	<i>KEB</i>	8/25/86
James R. Brady	<i>JR Brady</i>	8/25/86
William R. Johnson	<i>WR Johnson</i>	8/26/86
Bryant George	<i>BG</i>	8/25/86
William T. Oliver	<i>WTO</i>	8/25/86
Bruce L. Eckersley	<i>BLE</i>	8/25/86
Brian M. Miller	<i>BMM</i>	8/20/86
John S. Blackton	<i>JSB</i>	27 Aug 86

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**FAMILY INCOME AND EXPENDITURES SURVEY
PROJECT PAPER**

I. SUMMARY AND RECOMMENDATIONS

1. Fiscal Data

Summary fiscal data are provided in the Project Data Sheet. The U.S. share of costs for the project is \$215,000; the Government of the Philippines (GOP) share is \$138,000. The Project Identification Document (PID) for this proposal was approved on March 31, 1986. The AID/W cable approving the PID is included as Annex A.

2. Purpose

The purpose of the Family Income and Expenditures Survey (FIES) Project is to provide essential income and expenditures data for planning and evaluation purposes.

3. Cooperating Country

The Cooperating Country is the Republic of the Philippines, as represented by the National Economic and Development Authority (NEDA). The implementing agency will be the NCSO.

4. Summary Project Description

The Project will fund U.S. Bureau of the Census (BUCEN) TA to NCSO. TA will assist NCSO to complete the processing of 1985 household income and expenditures survey questionnaires, to generate provincial level income and expenditures data and new CPI weights, and to set up computer programs and document them for future use. TA will cover expertise specific to national income and expenditures surveys, particularly in developing methodologies, specifications and computer programs for data editing, error resolution and data updating procedures, imputations, weighting and variance computations, data recodes and calculation of the CPI weights; and uses of other measures to determine data reliability. TA will focus on staff development and the operational and administrative procedures required to improve NCSO's capability to process the data and to give indications of its reliability. The project will also fund associated NCSO requirements for participant travel and training, computer software and accessories, honoraria for project staff for time rendered ex-duty, printing services and supplies, and other local costs. Additional TA will provide guidance to NCSO in determining data reliability and in anticipating more detailed analysis requirements of major data users.

5. Project Costs

	<u>AID (\$)</u>	<u>GOP (\$)</u>	<u>TOTAL (\$)</u>
A. Salaries and Wages of NCSO Personnel	-	44,500	44,500
B. Honoraria for Project Staff	9,000	-	9,000
C. Participant Travel and Training	6,000	-	6,000
D. Technical Assistance	125,000	-	125,000
E. Computer Time	-	63,000	63,000
F. Printing Services and Supplies	60,000	18,800	78,800
G. Other Supplies and Materials	12,000	9,600	21,600
H. Communication Services	-	2,100	2,100
I. Computer Software and Accessories	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total	<u>215,000</u>	<u>138,000</u>	<u>353,000</u>

6. Beneficiaries

Primary beneficiaries will be the NCSO, which is the TA direct recipient, and the GOP and private planning and research bodies and private businesses, which will use the generated data and the CPI. Spread effect beneficiaries are the general population who will receive the benefits of policies and development programs being formulated and implemented on better data bases.

7. Summary of Project Analyses

The analyses in the project paper indicate that the proposed project is technically, socially, economically and administratively feasible. An issue on conformance with Mission policy not to pay honoraria to GOP employees was raised. However, in consideration of the NCSO's constraints on providing this requirement during the present GOP budget year and previous USAID-NCSO arrangements consistent with past Mission policy, an exception was granted. The Project will fund honoraria for NCSO Project Staff but only for the present calendar year. A second issue was raised on USAID's covenanting to obtain prior approval of NCSO to release any detailed raw data for any non-AID

purpose until 1990. It was noted that if U.S. law would require disclosure, USAID should not agree to the covenant since an undertaking by the U.S. in a bilateral agreement not to disclose information does not appear to provide a basis for exemption from Freedom of Information Act (FOIA) disclosure requirements. The Mission would have to deal with the problem in some other way, e.g., by not obtaining the raw data. The issue was resolved by making the covenant subject to U.S. law disclosure requirements.

8. Waivers

A waiver is required for the amount of \$3,000 to authorize USAID to fund the travel of one NCSO computer programmer for participant training in the U.S. NCSO requested this because of the GOP's current financial difficulties. Also, approval by the Mission of payment of Project Staff honoraria is required. The justification for exemption from OMB Circular A-76 for BUCEN TA was authorized for the whole TA package on August 16, 1985. No other waivers are foreseen at this point. However, if the need arises during implementation, waivers may be issued on a case-by-case basis.

9. Recommendations

USAID finds the proposed project both feasible and consistent with GOP and AID priorities. USAID recommends therefore that \$215,000 in grant funds be made available during FY 86 to support implementation of the FIES Project.

II. Project Rationale and Description

A. Project Background

10. Poverty alleviation and productive employment generation are ultimate objectives of development programs common to both the GOP and the donor community. The new government's economic agenda gives priority to problems of poverty, unemployment and underemployment. The new government aims to stimulate investment in labor-intensive, rural-based small and medium scale industries. The Mission's planned program for the next five years has the same focus and will be carried out through macroeconomic policy reform, rural economic growth, and improved, financially viable social services.
11. Translating the GOP and donor objectives of poverty alleviation and productive employment generation into implementable policies and programs, however, has been significantly constrained by the lack of recent income and expenditures data. The University of the Philippines School of Economics (1984) observed that the analysis of income distribution is hampered by difficulties with some important data sets. While quarterly family income data are available on a regional basis up to as recent as 1983, the data are not processed

properly to produce comparable statistics. The computation of the inflation rate has been affected by redefinitions of the consumer price index (CPI) which is based on weights extrapolated from ten-year-old expenditures data.

12. Income and expenditures data are indispensable inputs to development planning and policy impact analyses at the macro level and to location-specific project evaluation and monitoring. Although Philippine family income and expenditures data are available for the year 1975, the latest reliable statistics are for the year 1971. Considering the age of the available data, any analysis which utilizes them will not be reflective of the current, especially the post-1983, economic situation. New data will be needed by the GOP as it implements its policy reform program, and as it formulates and implements its new six-year medium term development plan.
13. Early last year, NCSO initiated the 1985 FIES. USAID urged NCSO to modify its FIES and supported the activity to obtain provincial level data with a \$130,000 grant from FY 85 PD&S. The grant included BUCEN TA in the amount of \$46,700. The balance was used for microcomputer and software procurement and for NCSO local costs. BUCEN TA funding was a response to NCSO's perceived need to improve its capability to undertake the FIES. Initial TA from BUCEN involved an assessment of the capability of NCSO to process the data. BUCEN's principal recommendation was a TA package for automated data processing. BUCEN estimated that an additional amount of \$249,877 was required to fully fund the recommended package.
14. NCSO concurred with the recommendations and indicated that it would be unable to undertake automated data processing without the TA. USAID subsequently obtained supplemental funding but this was not enough to cover the TA cost. This project will cover the remaining unfunded TA cost as well as fund the associated costs of participant travel and training, computer software and accessories, printing services and supplies, other local costs and TA for data analysis. This project brings total USAID assistance to the 1985 FIES to \$488,805. It is the final tranche of USAID assistance to the activity.
15. The 1985 provincial-level FIES was designed with a four-panel sample of about 18,000 respondents in two semesters. The enumeration, protocol editing and data encoding stages have been completed. NCSO is in the process of cleaning the raw data. Preliminary tabulations for seven selected tables have been completed. With the previous TA, NCSO completed the data-keying specifications. NCSO also made significant progress in finalizing the data processing system design and subsystems tests for data entry and pre-edits, and in developing computerized editing programs. In general, NCSO's progress has been excellent to date, notwithstanding recent events that have caused significant work stoppages in the GOP. As of June 30, 1986, the 1985 FIES is 50 percent completed.

B. Project Purpose and Description

16. The project's purpose is to provide essential income and expenditures data for planning and evaluation purposes. This project will contribute to the broader goal of improving the formulation and implementation of poverty alleviation and productive employment generation programs in the Philippines.
17. The 1985 FIES has the following objectives: a) to gather data on family income and family living expenditures and related information affecting income and expenditures levels and patterns in the Philippines; b) to determine the sources and distribution of income, levels of living, spending patterns, and the degree of income inequality; and c) to provide benchmark information for new CPI weights. The survey results will include, among others, sources of income in cash and in kind and breakdown of expenditures by major item and by income group. FIES master and recode file raw data will also be made available on tapes including an NCSO Expenditure Code five-digit breakdown of expenditures by income group.
18. The 1985 FIES covers about 18,000 households in order to provide estimates for each province and each large city. Except for the 1975 Family Expenditures Survey, all other previous NCSO surveys on family income and expenditures were designed to provide only regional estimates. The 1985 FIES is one of the modules of the NCSO Integrated System of Household Surveys. The survey design is a stratified random sample with provinces and large cities as the domain. The primary sampling units (PSUs) are the barangays (villages) which are classified as either urban or rural. The households in each barangay are the secondary sampling units (SSUs).
19. The project will fund BUCEN TA to NCSO. TA will enable NCSO to complete the processing of the FIES data, to generate provincial level income and expenditures data and new CPI weights, and to develop computer programs and document them for future use. The major areas for TA under the project will be in developing methodologies, specifications and computer programs for data editing and updating procedures, imputations, weighting and variance computations, data recodes and calculation of the CPI weights; and uses of other measures to determine data reliability. The TA will focus on staff development and on the operational and administrative procedures required to improve NCSO's capability to process the data and to provide indications of reliability.
20. NCSO has long recognized the need, but has been constrained by its capabilities, to provide data users assurances on the reliability of generated data. This will require training for an NCSO computer programmer in the U.S. who will work with BUCEN specialists in developing FIES-specific programs compatible with NCSO's computer

configuration. Because of the GOP's financial difficulties, NCSO's budget precludes it from assuming the cost of international travel. USAID was requested to cover this cost.

21. In addition to the BUCEN TA package, NCSO needs expertise in FIES surveys that will provide subject matter guidance on determining data reliability. This expertise will also be utilized to provide NCSO guidance in anticipating more detailed analysis requirements of data users. Technical services will be provided by either U.S.-based or local-based economists or both.
22. The project will also fund additional NCSO requirements arising from the doubling of the original sample size and the shift to fully automated processing, e.g. honoraria for project staff for 1986, supplies and materials, and computer software and accessories.
23. Honoraria for the project staff will be for time rendered ex-duty. This is in consideration of the additional work of existing NCSO staff due to the doubling of the sample size and the shift in data processing plans. Since NCSO could not hire additional staff and is already past the middle of the current GOP budget year, NCSO is unable to provide for this additional work. Payment of honoraria was earlier approved by the Mission in 1985 under previous funding for this activity in accordance with Mission policy. The Mission policy has since then changed to a position that does not allow payment for services of government employees. However, because of NCSO's present budget year constraints and the previous arrangement, payments for honoraria will be funded by this project but only for the present calendar year.
24. To meet the demand for and ensure dissemination of FIES data, 500 copies of nine FIES priority tables and analyses for the national summary, 13 regions, 73 provinces and major cities will be printed. In addition, 37 other FIES tables and seven CPI tables for the same geographical breakdown will be constructed and reproduced. At least 50 computer programs are expected to be developed and documented. The project will fund printing services and supplies and other supplies and materials. The project-funded computer software and accessories would link a microcomputer funded by previous AID assistance to the activity with the NCSO mini-computer.

III. Cost Estimates and Financial Plan

25. The total cost of the FIES Project is estimated at \$353,000 of which \$215,000 or 61 percent will be AID-funded and \$138,000 or 39 percent will be assumed by the GOP through its in-kind contribution and budgetary appropriations to the NCSO.

26. AID's financial input to the project will consist of dollar and peso costs of TA for data processing and analysis, participant travel and training, honoraria for project staff, printing services and supplies, other supplies and materials, and computer software and accessories. The costs of AID inputs are estimated as follows:

Technical Assistance (including travel costs)	
U.S. experts (14 man-months)	\$115,000
Local experts (10 man-months)	10,000
Participant Travel and Training	
Training cost (included in TA)	
International travel	3,000
Per diem (4 weeks at \$75 per day)	2,100
Miscellaneous	900
Honoraria for Project Staff	9,000
Printing Services and Supplies	60,000
Other Supplies and Materials	12,000
Computer Software and Accessories	<u>3,000</u>
Total	<u>\$215,000</u>

27. The GOP's contribution will consist of the regular salaries and wages of NCSO staff assigned to the FIES, communication expenses, computer time, supplies and materials, and a portion of the printing costs. The CY 1986 requirements are already available as part of the GOP budget appropriation for NCSO. The CY 1987 requirements have been requested by NCSO last March for inclusion in the 1987 GOP budget. Because of financial difficulties, the GOP has suspended assuming the cost of participant travel. Hence, the cost of participant international travel of \$3,000 will be AID-funded. NCSO will obtain its counterpart funds from the GOP in the regular manner.
28. A contingency factor of 5 percent and annual escalation factors of 5 percent and 10 percent for foreign exchange and local currency costs, respectively, were assumed. Both factors are built in the cost estimates. An exchange rate of \$1.00:₱20.00 was assumed.

Summary Cost Estimate
and Financial Plan
(in U.S. \$)

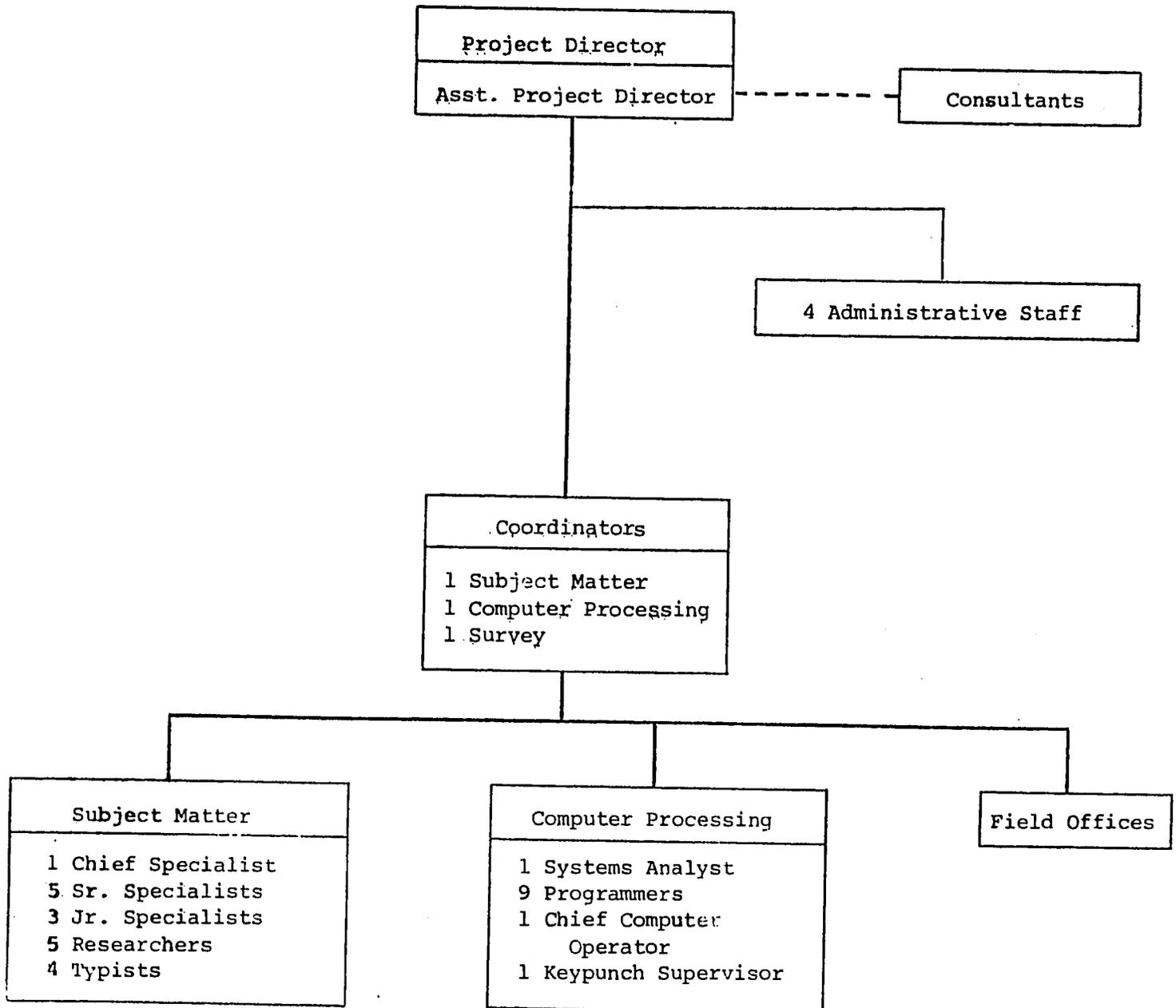
	AID		HOST COUNTRY		TOTAL	
	<u>FX</u>	<u>LC</u>	<u>FX</u>	<u>LC</u>	<u>FX</u>	<u>LC</u>
1. Salaries and Wages of NCSO Personnel	-	-	-	44,500	-	44,500
2. Honoraria for Project Staff	-	9,000	-	-	-	9,000
3. Participant Travel and Training	6,000	-	-	-	6,000	-
4. Technical Assistance	115,000	10,000	-	-	115,000	10,000
5. Computer Time	-	-	-	63,000	-	63,000
6. Printing Services and Supplies	-	60,000	-	18,800	-	78,800
7. Other Supplies & Materials	-	12,000	-	9,600	-	21,600
8. Communication Services	-	-	-	2,100	-	2,100
9. Computer Software and Accessories	-	<u>3,000</u>	-	<u>-</u>	-	<u>3,000</u>
Total	<u>121,000</u>	<u>94,000</u>	<u>-</u>	<u>138,000</u>	<u>121,000</u>	<u>232,000</u>

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IV. Implementation Plan

29. The undertaking of the 1985 FIES is the sole responsibility of NCSO. A project team composed of subject matter and computer specialists was formed at the NCSO to prepare the final plans including systems and programs development. The National Census and Household Surveys Department (NCHSD) monitors the implementation of the plans while the Population and Housing Branch (PHB) undertakes manual processing and analysis of survey results. The Data Processing Staff (DPS) conducts the automated data processing in coordination with PHB. The field offices undertook data collection and initial editing.
30. Immediately upon execution of the project grant agreement, NCSO will review the proposed BUCEN scope of work and request USAID to arrange for BUCEN TA. NCSO also will prepare scopes of work for the services of expatriate and/or domestic consultants for analysis of the data both for their reliability and description of basic relationships. NCSO and/or USAID on NCSO request will arrange for the services of these consultants. Data cleaning will be undertaken until February 1987. Simultaneously, specifications for data processing programs will be prepared and program development will be undertaken. Consultant services for data analysis are expected to commence as early as October 1986. At this time, NCSO will also have chosen an NCSO computer programmer for U.S. participant training in November. By January 1987, additional computer programs will have been developed by the NCSO programmer with BUCEN and installed and utilized at NCSO.
31. Further processing and construction of tables are expected to be completed by mid-1987 although additional preliminary tables could be available as early as December 1986. There will be nine priority FIES tables, 37 other FIES tables and seven CPI tables for the country and for each of the 13 regions, 73 provinces and major cities. By mid-1987, NCSO also will have entered edited, weighted and coded master and recode file detailed data on tapes. The CPI weights will also have been completed. By end-1987, the FIES and CPI tables and their analysis will have been printed or reproduced and made available to users, and processing methods and programs will have been documented for future use.
32. NCSO will prepare a detailed implementation plan and budget based on the timetable below and will undertake procurement. USAID will also undertake procurement for BUCEN TA, participant training, and other items upon NCSO's request. The direct payment method will be utilized to expedite disbursements.

Project Staff Organization
For the 1985 Family Income and Expenditures
Survey



FIES Project
Timetable of Activities

- A. Procurement of Technical Assistance
 - 1. Data Processing August 1986
 - 2. Analysis September 1986
- B. Provision of Technical Assistance
 - 1. Data Processing September 1986-June 1987
 - 2. Analysis October 1986-October 1987
- C. Data Processing
 - 1. Cleaning On-going until February 1987
 - 2. Program Development On-going until June 1987
 - 3. Tabulation December 1986-June 1987
 - 4. Data Reliability
 - a. Statistical Measures October 1986-June 1987
 - b. Variance Analysis
 - 1.) Participant Training November 1986
 - 2.) Methods and Programs Application January-June 1987
- D. Descriptive Analysis
 - 1. Analysis Framework Development January-March 1987
 - 2. Report Preparation April-June 1987
 - 3. Report Finalization July-September 1987
- E. Printing, Reproduction and Dissemination July-December 1987
- F. Methods and Programs Documentation July-December 1987

33. Procurement implementation and financing methods for AID-funded components will be as follows:

<u>Component</u>	<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Approximate Amount</u>
Technical Assistance (U.S. experts)	AID Participating Agency Services Agreement with BUCEN	Direct Payment (Reimbursement to BUCEN)	\$115,000
Technical Assistance (Local experts)	Host Country (NCSO) Personal Services Contracts/Inst. Contracts	Direct Payment to Contractor	10,000
U.S. Participant Training	AID Project Implementation Order	Direct Payment to Contractor/Participant	6,000
Project Staff Honoraria	Host Country Procurement (Project Personnel Designations)	Direct Payment to NCSO Personnel	9,000
Printing Services and Supplies	Host Country Procurement (Purchase Order)	Direct Payment to Contractor/Supplier	60,000
Other Supplies and Materials	Host Country Procurement (Purchase Order)	Direct Payment to Contractor/Supplier	12,000
Computer Software and Accessories	Host Country Procurement (Purchase Order)/AID Project Implementation Order	Direct Payment to Contractor/Supplier	3,000
		Total	<u>\$215,000</u>

34. BUCEN TA will be provided through an amendment to the existing Participating Agency Services Agreement (PASA) with the BUCEN. AID/Washington will continue to be the negotiating agent. BUCEN was previously determined by the Mission to have unique capability for providing FIES-specific TA. The appropriate exemption from OMB Circular A-76 was already authorized by the Mission for the entire TA package. The computer software and accessories will be procured by NCSO if locally available. Otherwise, the Mission will undertake procurement from the United States.

35. Procurement under this Project will not contribute to the Gray Amendment targets because of the very specific TA requirements of the activity. Also, major considerations in the choice of computer software brands and suppliers include the BUCEN's previous experience with existing brands and their responsiveness to NCSO's computer configuration.

V. Monitoring Plan

36. Monitoring of project activities will be formally conducted quarterly based on the detailed implementation plan and budget to be prepared by NCSO. Quarterly progress report forms will be prepared and accomplished by NCSO, indicating for each discrete activity, among others, the workload and unit of work measurement, number of personnel involved, target and actual dates of completion of physical accomplishment for the quarter, and cumulative accomplishments to date. When appropriate, supporting documentation will also be provided including reports, data tapes, printed tables, etc. A second quarterly report form will be prepared and accomplished regarding work performed by the project staff for purposes of payment of honoraria. This form will include the names and designations of project staff, time rendered ex-duty, rate per hour and amount of honoraria due. The names and designations of project staff will be submitted to AID during the first month of project implementation and updated at the beginning of succeeding calendar quarters as necessary. Informal monitoring will be conducted on a day-to-day basis through coordination between NCSO and USAID staff.
37. Expatriate consultants will be required to brief USAID and NCSO on their accomplishments at the end of each visit and submit a formal trip report shortly thereafter regarding progress of the work, problems encountered and recommended solutions. Local consultants will also be required to submit either quarterly reports on accomplishments to NCSO and USAID or at least a contract completion report should the particular contract cover a period of less than one quarter.
38. U.S.-sourced TA direct contracts and U.S. participant training, and other USAID direct procurements will be subjected to the usual USG review procedures. On the other hand, NCSO procurement of project-financed services and items as well as NCSO's counterpart to the project will be reviewed by the Commission on Audit (COA), in accordance with standard GOP procedures. NCSO is audited regularly by COA through a monthly financial audit and a performance audit at the end of the calendar year. COA also evaluates NCSO's systems and procedures as well as its auditing and accounting practices. Formal reports are submitted by the COA branch office responsible for NCSO to the Central Office, which in turn is referred to the Commissioner of Audit for comments and action as necessary. In view of the established procedures of the COA and their satisfactory reputation, USAID has determined that an external audit is not required for the project, and therefore no funds are budgeted for this purpose.

VI. Project Analyses

A. Economic Analysis

39. The economic justification of this Project may be approached in two ways. The first is the expected improvement in GOP development and program planning and policy formulation, and their implementation. The project will ensure the data's early availability and reliability to provide major inputs to the above major GOP activities. The detailed data on income distribution and household expenditures will enable the GOP to better focus on and design appropriate intervention programs for beneficiaries in specific locations. The data on expenditures by income group would provide a basis for analyzing the impacts of policy reforms as well as developments in the economic environment.
40. A second justification is the cost effectiveness of the project's elements. As already mentioned, TA will be designed to provide methods and procedures consistent with the capabilities and needs of the NCSO staff. This is a superior alternative to sending some of the project staff to the U.S. for training. Methods and procedures learned abroad will have to be modified prior to their in-country application. Also, there is great pressure for early availability of the data. Without specifically-designed TA, NCSO may be forced to shift back to its original plan of partly manual processing. This could significantly jeopardize the quality of the data and substantially diminish the benefits from TA earlier provided the NCSO.
41. The FIES is a low-risk, medium gestation but high return activity. The risk is that planned tasks may be delayed and the quality of the data may be affected by internal implementation problems or external events. TA will considerably reduce the risks of delay and poor data quality. With the complete TA, the processed data should be available before end-1987. Without TA and other project components, the information at the best possible level of quality would probably be available only by 1990.

B. Social Soundness

42. The project will require the participation of relatively highly educated Filipinos. This group is well suited to interact with their counterparts abroad in the same disciplines. There are no inconsistencies between project activities and the socio-cultural characteristics of the individuals who will participate in the project.
43. Primary beneficiaries will be the NCSO staff, which is the direct TA recipient, and GOP and private planning and research bodies and private businesses which will use the generated data and the CPI. Spread effect beneficiaries are the general population who will receive the benefits of policies and development programs being formulated and implemented on better data bases.

44. Active participation of women in the process of development is a shared GOP/USAID goal. Under the project, about 70 percent of the NCSO Central Office project staff are women. Three of the four top positions in the Project Staff are also held by women. The detailed data on income and expenditures will provide recent information on the role of women in the economy and on areas for women-directed intervention.

C. Technical Analysis

45. The technologies involved in the project consist of state-of-the-art knowledge in the fields of applied statistics, operations research and computer science relevant to the human resource and equipment configuration of NCSO. The 1985 FIES planning stage involved months of work on the part of NCSO and the Technical Committee on Survey Design of the National Economic and Development Authority (NEDA), particularly on the design of the sample and the questionnaires. Some of the best statistical expertise in-country had been involved in the 1985 FIES planning process. The management and data processing expertise and experience of the BUCEN specific to family income and expenditures surveys will enable NCSO to provide at an earlier time data of the best possible level of quality, and improve NCSO's capability in conducting and processing FIES data. NCSO will benefit from BUCEN software developed specifically for these surveys as well as the latest available microcomputer software that would accelerate data encoding and processing. Private sector in-country equipment maintenance capability is adequate.
46. TA for data analyses would provide NCSO with the means to determine data reliability as well as the capability to produce more user-oriented data. The economics profession in the country is relatively advanced to further process and utilize the data that would result in improved policy deliberations and intervention design.

D. Administrative Analysis

47. The implementing organization, NCSO, has been mandated by law since the Commonwealth Period (previously the Bureau of Census and Statistics) to collect and process primary data on all sectors of the economy for public use. As such, NCSO is the single largest major source of official statistics in the Philippines. It has a well-developed organization whose network reaches the municipal level. The Central Office staff is highly educated in the disciplines of statistics and mathematics. The NCSO has had extensive experience in handling foreign-assisted surveys including those previously funded by USAID.
48. NCSO has an electronic data processing department and a reasonably adequate computer configuration. The weakest part of NCSO with respect to the FIES is the lack of specific experience due to staff turnover since the last FIES was conducted in 1976. Also, while the background of NCSO statisticians is impressive and while NCSO programmers are reasonably adept, there is need to improve the

interaction between subject matter specialists and programmers to improve data processing capability. NCSO also perceives a need to produce data sets that would be more responsive to data user needs in terms of both reliability and form. NCSO could also benefit from advances in computer technology with utilization of user-friendly software packages.

49. The above problems and needs are intended to be addressed by the TA and the other project components. Previous TA provided to the FIES has been readily and effectively absorbed by NCSO. Both NCSO and NEDA officials observe, even at this stage, that when the TA is completed, the documented methods and programs and the backstop system established will enable NCSO to regularly and more quickly provide family income and expenditures data.
50. NCSO had formed a project staff which devotes most of their regular working hours as well as many compensated and uncompensated ex-duty hours to the FIES. In addition, the staff has been extremely dedicated as evidenced by the progress on the work despite the major disruptions caused by recent events.

VII. Conditions and Covenants

51. The responsibilities of the NCSO shall be as follows:
 - a. Process the collected primary information, prepare both the preliminary and final analyses of the results, and disseminate the results.
 - b. Submit ten copies of printed tables and analyses and four copies of unpublished tables to USAID.
 - c. Submit four copies of cleaned, edited and coded master file and recode file detailed data on tapes to USAID, including complete file descriptions, as well as other activity outputs. Receipt of the master file tapes and the master file description by USAID shall be a condition precedent to disbursement of grant proceeds for printing services and supplies.
 - d. Assume other tasks that may be required for implementation of the activities.
52. The responsibilities of USAID shall be as follows:
 - a. Provide grant support for the progress in the execution of activities as provided in the implementation and financial plans up to the amount shown in block 8G of the Project Data Sheet.
 - b. Obtain prior approval of NCSO on the release of any detailed raw data for any non-AID purpose until 1990 unless disclosure of such data is required by U.S. law.

- c. Furnish NCSO one copy of each formal study or report generated by AID from the data and requested by NCSO.
- d. Arrange for procurement of TA services and other services and commodities as appropriate and as requested by NCSO.

VIII. Evaluation Arrangements

- 53. Joint USAID-NCSO end-of-project in-house evaluation will be conducted using applicable AID standard evaluation guidelines. The evaluation will cover life-of-project outputs, end-of-project conditions, achievement of purpose, and the contribution of the project towards meeting the overall goal. TA for analysis may be partly utilized to provide inputs for the evaluation; particularly, on the reliability of the data. The evaluation will also focus on how implementation could have been improved for the benefit of subsequent FIESS.

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ACT: AID-6 INFO: DCM CHRON/

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TO AMEMBASSY MANILA PRIORITY 2444

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UNCLAS STATE 098282

31 MAR 86
CN: 19020
CHRG: AID
DIST: AIDA

AIDAC

I.O. 12356: N/A

TAGS: N/A

SUBJECT: FAMILY INCOME AND EXPENDITURES SURVEY; PID
APPROVAL; PROJECT 492-0402

REFERENCE: (A) MANILA 03970 (B) MANILA 08707

1. IN THE ABSENCE OF POLICY OR OTHER SERIOUS ISSUES,
THE PROJECT COMMITTEE (PC) RECOMMENDED THAT AA/ANE
APPROVE THE PII CONTAINED IN REF (A) WITHOUT AN ASIA AND
NEAR EAST PROJECT ADVISORY COMMITTEE REVIEW. AA/ANE
ACCEPTED THE PC RECOMMENDATION AND APPROVED THE PID.
MISSION IS AUTHORIZED TO PROCEED WITH FF PREPARATION AND
AUTHORIZATION FOR FY 86 FUNDING.

2. PLEASE SUBMIT INFORMATION FOR CONGRESSIONAL
NOTIFICATION. WHITEHEAD

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REPUBLIC OF THE PHILIPPINES
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY
NEDA sa Pasig, Amber Avenue
Pasig, Metro Manila

Annex B

Cable Address: NEDAPHIL
P.O. Box 418, Green Hills
Tel. 673-50-31 to 50

28 April 1986

Mr. Frederick W. Schieck
Director, USAID Mission
M a n i l a

Dear Mr. Schieck,

We wish to endorse the request of the National Census and Statistics Office (NCSO) for additional USAID grant assistance in the amount of \$215,000 to finance the remaining cost requirements of the 1985 Family Income and Expenditures Survey (FIES) Project.

The said amount will cover the costs of technical assistance for data processing and analysis, participant travel and training in Washington, D.C., U.S.A., printing services, supplies and materials, computer accessories and honoraria for project staff.

It may be mentioned that the FIES' data collection activities have been completed and processing of survey returns is now underway. The EDP systems design is being finalized and twenty (20) out of fifty (50) computer programs have already been completed.

The additional grant assistance being requested by the NCSO will ensure the continuity of technical assistance from the U.S. Bureau of Census (BUCEN) at this crucial stage of the project through its completion at the close of CY 1987 and will facilitate the required training of an NCSO personnel as well as the printing of the final reports.

We shall highly appreciate USAID's favorable consideration of this request.

Sincerely yours,

SOLITA COLLAS MONSOD
Minister of Economic Planning &
Director-General

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project:
From FY 1986 to FY 1988
Total U. S. Funding \$15,000.00
Date Prepared: Nov 7, 1986

Project Title & Number: Family Income and Expenditures Survey, (492-0402)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p> <p>To improve the formulation and implementation of poverty alleviation and productive employment generation programs in the Philippines.</p>	<p>Measures of Goal Achievement: (A-2)</p> <p>More focused and better analyzed GOP policies, programs and projects for impacting on targetted income groups by specific locality.</p>	<p>(A-3)</p> <ol style="list-style-type: none"> 1. Philippine development plans and GOP program and project documents. 2. GOP policy pronouncements and their implementation. 3. Impact evaluations of development plans, policies, programs and projects. 4. Research activities conducted by the GOP, the academia and the private sector. 	<p>Assumptions for achieving goal targets: (A-4)</p> <ol style="list-style-type: none"> 1. GOP recognizes the importance of and utilizes major data sets in formulating and implementing development plans, policies, programs and projects. 2. GOP places priority on and institutionalizes regular collection and early availability of major statistical data. 3. Domestic and international political and economic situation remains relatively stable.
<p>Project Purpose: (B-1)</p> <p>To provide essential income and expenditures data for planning and evaluation purposes.</p>	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)</p> <ol style="list-style-type: none"> 1. 1985 family income and expenditure results made available in usable form to planners and researchers. 2. Copies of cleaned, edited and coded data on computer tapes and printouts available in usable form. 3. New Consumer Price Index (CPI) weights available in usable form. 4. Improved NCSO data processing capability with documented new methods and programs in place for future use. 	<p>(B-3)</p> <ol style="list-style-type: none"> 1. Circulation or publication of 1985 family income and expenditures results and analyses. 2. Availability of data tapes and printouts. 3. Revisions of CPI weights. 4. NCSO computer facilities and documentation of methods and computer programs. 	<p>Assumptions for achieving purpose: (B-4)</p> <ol style="list-style-type: none"> 1. NCSO figures are acceptable as creditable. 2. The results are widely circulated. 3. NCSO utilizes the CPI weights for CPI calculation. 4. NCSO remains as implementing agency for future surveys, maintains its computer facilities and programs or establishes backstop system to safeguard against adverse effects of staff turnover.
<p>Project Outputs: (C-1)</p> <ol style="list-style-type: none"> 1. Provincial level family income and expenditures survey results. 2. Provincial level consumer price index weights. 3. Basic analysis of income and expenditures patterns. 4. NCSO staff familiarity with family income and expenditures data collection and processing. 5. Computer systems and programs set up and documented for processing future FIES data. 	<p>Magnituda of outputs: (C-2)</p> <ol style="list-style-type: none"> 1. Printed nine FIES priority tables and analysis for the country as a whole, 13 regions, 73 provinces and major cities. 2. Reproduced 37 other FIES tables and seven CPI tables for the same geographic breakdown. 3. One set of master and recode file data tapes. 4. At least 30 NCSO subject matter specialists and computer specialists trained in the processing of family income and expenditures data. 5. At least 50 functioning computer programs. 	<p>(C-3)</p> <ol style="list-style-type: none"> 1. NCSO publications and reports. 2. Consultants' reports. 3. Data tapes. 4. NCSO methods and programs documentation. 	<p>Assumptions for achieving outputs: (C-4)</p> <ol style="list-style-type: none"> 1. GOP does not change desired outputs, such as requiring additional FIES and CPI tables which might lengthen processing time. 2. NCSO level of staff competence improves or remains unchanged in order to retain benefits of technical assistance and to complete the tasks including encoding processed data on tapes, and documenting methods and procedures. 3. NCSO adopts systematic data cleaning and editing procedures based on recommendations of consultants. 4. NCSO computer hardware continues to be in operational condition during the processing period.
<p>Project Inputs: (D-1)</p> <p><u>USAID</u></p> <p>Technical Assistance Participant Travel and Training Commodities Other Peso Costs</p> <p><u>NCSO</u></p> <p>Local Costs</p>	<p>Implementation Target (Type and Quantity) (D-2)</p> <p>\$125,000 \$ 6,000 \$ 15,000 \$ 69,000</p> <p>\$136,000</p>	<p>(D-3)</p> <p>USAID and NCSO project documentation.</p>	<p>Assumptions for providing inputs: (D-4)</p> <ol style="list-style-type: none"> 1. NCSO staff and work schedules are consistent with planned FIES activities and consultants' TDs. 2. Qualified NCSO staff is available for participant training. 3. GOP budget commitment continues. 4. Consultants and commodities are available as needed.

Best Available Document

5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable generally to FAA funds, and criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

- | | |
|---|------------|
| <p>1. <u>FAA Sec. 481(h)(1); FY 1986 Continuing Resolution Sec. 527.</u> Has it been determined or certified to the Congress by the President that the government of the recipient country has failed to take adequate measures or steps to prevent narcotic and psychotropic drugs or other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971) which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully?</p> | <p>No.</p> |
| <p>2. <u>FAA Sec. 481(h)(4).</u> Has the President determined that the recipient country has not taken adequate steps to prevent (a) the processing, in whole or in part, in such country of narcotic and psychotropic drugs or other controlled substances, (b) the transportation through such country of narcotic and psychotropic drugs or other controlled substances, and (c) the use of such country as a refuge for illegal drug traffickers?</p> | <p>No.</p> |

3. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? No.
4. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No.
5. FAA Sec. 620(a), 620(f), 620D; FY 1986 Continuing Resolution Sec. 512. Is recipient country a Communist country? If so, has the President determined that assistance to the country is important to the national interests of the United States? Will assistance be provided to Angola, Cambodia, Cuba, Iraq, Syria, Vietnam, Libya, or South Yemen? Will assistance be provided to Afghanistan without a certification? The Philippines is not a communist country.
5. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction by mob action of U.S. property? No.

7. FAA Sec. 620(1). Has the country failed to enter into an agreement with OPIC? No.
8. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters? No.
- (b) If so, has any deduction required by the Fishermen's Protective Act been made?
9. FAA Sec. 620(g); FY 1986 Continuing Resolution Sec. 518. (a) Has the government of the recipient country been in default for more than six months on interest or principal of any AID loan to the country? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the appropriation bill (or continuing resolution) appropriates funds?
- 9.a. In July 1985, the Philippines became technically in default because of a brief delay in signing a bilateral loan rescheduling agreement. At that time, the Secretary of State determined that it was in the U.S. national interest to continue assistance to the Philippines. Subsequently, the bilateral rescheduling agreement was signed ending the default. The Philippines is current in its debt repayment under that agreement.
- 9.b. No.
10. FAA SEC. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) Yes, taken into account by the Administrator at the time of approval of Agency OYB.

11. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No.
12. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? (Reference may be made to the Taking into Consideration memo.) The Philippines is in arrears to the United Nations. The cause has been due to the severe economic crisis of the the Philippines, and more recently, the current 1986 deficit projected at \$1.1 billion. This has been taken into account by the Administrator at the time of approval of Agency OYB.
13. FAA Sec. 620A. Has the government of the recipient country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism? No.
14. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures? No.

15. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? No.

16. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) No to both questions.

17. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported illegally (or attempted to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device? No.

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18. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. of Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the Taking into Consideration memo.)

The Philippines is not a member of the Non-Aligned Movement (NAM).

19. FY 1986 Continuing Resolution Sec. 541.

No to all three questions.

Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

20. FY 1986 Continuing Resolution. Is the assistance being made available to any organization or program which has been determined as supporting or participating in the management of a program of coercive abortion on involuntary sterilization?

No to both questions.

If assistance is from the population functional account, are any of the funds to be made available to family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services?

21. FY 1986 Continuing Resolution Sec. 529. Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States?

No.

22. FY 1986 Continuing Resolution Sec. 513. Has the duly elected Head of Government of the country been deposed by military coup or decree?

No.

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

No such determination has been made by the Department of State.

FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

2. Economic Support Fund
Country Criteria

No such determination has been made.

FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the country made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only:
B.1. applies to all projects funded with Development Assistance loans, and
B.3. applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

Yes.

Yes.

A. GENERAL CRITERIA FOR PROJECT

1. FY 1986 Continuing Resolution Sec. 524; FAA Sec. 634A.

Congressional Notification submitted on April 21, 1986.

Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

N.A.

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

No further legislative action is required.

4. FAA Sec. 611(b); FY 1986 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.) N.A.
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? N.A.
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No.
7. FAA Sec. 601(a). Information and conclusions whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. Detailed family income and expenditures data can be utilized to formulate cooperating country policies, plans and programs in these areas.

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). Project will provide information on specific localities for private voluntary efforts and market information for trade and investment.
9. FAA Sec. 612(b), 636(h); FY 1986 Continuing Resolution Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. Only the cost of foreign technical assistance will require dollars. The other project-financed items are provided since the GOP could not finance them.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? N.A.
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.
12. FY 1986 Continuing Resolution Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? N.A.

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16. Does the project or program take into consideration the problem of the destruction of tropical forests? N.A.
14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)? N.A.
15. FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution? N.A.
16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)? Not applicable because of very specific TA requirements of the project which only BUCEN can provide.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance
Project Criteria

- a. FAA Sec. 102(a), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status, (e) utilize and encourage regional cooperation by developing countries?

Detailed income and expenditures data by locality will be useful for policy reform and intervention design that will meet these concerns.

- b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used? Yes. Detailed information will be useful for policy formulation and interventions directed at agriculture, rural development and nutrition.
- c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? N.A. Automated data processing is appropriate technology for FIES.
- d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed country)? Yes. The GOP will contribute 38 percent of total project costs.
- e. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth? Yes.

f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Yes, the detailed data will provide guidance for poverty alleviation and productive employment generation efforts.

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

Information will provide indications of capabilities of people of the country (through income data) and their needs (expenditures data). Technical assistance will improve GOP capability to provide information on the people's capabilities and needs.

2. Development Assistance Project
Criteria (Loans Only)

- a. FAA Sec. 122(b). N.A.
Information an conclusion on
capacity of the country to
repay the loan, at a
reasonable rate of interest.
- b. FAA Sec. 620(d). If N.A.
assistance is for any
productive enterprise which
will compete with U.S.
enterprises, is there an
agreement by the recipient
country to prevent export to
the U.S. of more than 20% of
the enterprise's annual
production during the life
of the loan?

3. Economic Support Fund Project
Criteria

- a. FAA Sec. 531(a). Will this N.A.
assistance promote economic
and political stability? To
the maximum extent feasible,
is this assistance
consistent with the policy
directions, purposes, and
programs of part I of the
FAA?
- b. FAA Sec. 531(c). Will N.A.
assistance under this
chapter be used for
military, or paramilitary
activities?
- c. ISDCA of 1985 Sec. 207. N.A.
Will ESF funds be used to
finance the construction of,
or the operation or
maintenance of, or the
supplying of fuel for, a
nuclear facility? If so,
has the President certified

that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States?

- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N.A.

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

- | | |
|--|--|
| 1. <u>FAA Sec. 602.</u> Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? | Services and commodities will be procured in accordance with standard AID policies and procedures. |
| 2. <u>FAA Sec. 604(a).</u> Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?? | Procurement will be from the U.S. and the cooperating country only. |
| 3. <u>FAA Sec. 604(d).</u> If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? | N.A. |
| 4. <u>FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a).</u> If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) | N.A. |

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries which receive direct economic assistance under the FAA and which are otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? Do these countries permit United States firms to compete for construction or engineering services financed from assistance programs of these countries? N.A.
6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? N.A.
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? a) Yes.
b) The U.S. Bureau of the Census is uniquely suited for technical assistance in survey design and data processing.

8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes.
9. FY 1986 Continuing Resolution Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? Yes.

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? N.A.
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N.A.
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)? N.A.

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? N.A.
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N.A.
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes.
4. Will arrangements preclude use of financing:
 - a. FAA Sec. 104(f); FY 1986 Continuing Resolution Sec. 526. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo Yes.

sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?

- b. FAA Sec. 488. To reimburse persons, in the form of cash payments, whose illicit drug crops are eradicated? Yes.
- c. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes.
- d. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes.
- e. FAA Sec. 662. For CIA activities? Yes.
- f. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes.

- g. FY 1986 Continuing Resolution, Sec. 503. Yes.
To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel?
- h. FY 1986 Continuing Resolution, Sec. 505. Yes.
To pay U.N. assessments, arrearages or dues?
- i. FY 1986 Continuing Resolution, Sec. 506. Yes.
To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)?
- j. FY 1986 Continuing Resolution, Sec. 510. Yes.
To finance the export of nuclear equipment, fuel, or technology?
- k. FY 1986 Continuing Resolution, Sec. 511. Yes.
For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?
- l. FY 1986 Continuing Resolution, Sec. 516. Yes.
To be used for publicity or propaganda purposes within U.S. not authorized by Congress?

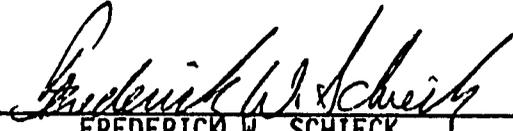
List of Acronyms

AID	-	Agency for International Development
BUCEN	-	Bureau of the Census (U.S.)
COA	-	Commission on Audit
CPI	-	Consumer Price Index
DPS	-	Data Processing Staff
FIES	-	Family Income and Expenditures Survey
FOIA	-	Freedom of Information Act
GOP	-	Government of the Philippines
NCHSD	-	National Census and Households Surveys Department
NCSSO	-	National Census and Statistics Office
NEDA	-	National Economic and Development Authority
OMB	-	Office of Management and Budget (U.S.)
PASA	-	Participating Agency Services Agreement
PHB	-	Population and Housing Branch
PID	-	Project Identification Document
PSU	-	Primary Sampling Unit
TA	-	Technical Assistance
SSU	-	Secondary Sampling Unit
USG	-	United States Government

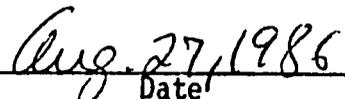
Family Income and Expenditures Survey
(492-0402)

CERTIFICATION PURSUANT TO UTILIZATION OF GRAY AMENDMENT ORGANIZATION

I, FREDERICK W. SCHIECK, principal officer of the Agency for International Development in the Philippines, having taken into account the potential involvement of small and/or economically and socially disadvantaged enterprises, do hereby certify that in my judgement, the services and commodities required under this project can best be provided by the U.S. Bureau of the Census and/or indigenous firms. My judgement is based on the recommendations of the Project and Mission Review Committees.



FREDERICK W. SCHIECK
Director, USAID/Philippines



Date