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FY 1980 ANNUAL BUDGET SUBMISSION

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PROGRAM STRATEGY STATEMENT

1. Introduction

The FY 1978 Mid-Year Review (STATE 088331) indicated concern that U.S. bilateral aid activities in the Philippines were too diverse, that the USAID effort in support of the Philippine Development program lacked adequate focus. This paper is intended to demonstrate that, in fact, a deliberate and coherent strategy has been and is being pursued in selecting the projects to be supported. The "diversity" represents only what is judged to be the minimum mix required to eliminate basic obstacles, and supply basic deficiencies in a complex development strategy designed to permit the upward economic and social mobility of the poor in the target groups.

The long-range goal of the AID program is to make it possible for the greatest number of Filipinos, commensurate with available resources, to achieve a minimally acceptable standard of living on a sustainable basis. AID is attempting to participate in accomplishment of this goal by using its resources to influence Philippine development toward creating productive opportunity, and making available services essential to enable the poor to meet their basic needs. Concurrently, AID is working to induce the Philippine Government to design its development programs in a manner that will enable the rural poor to participate in planning the programs and making the decisions which affect their lives and livelihood. AID activities are only as diverse as the successful implementation of a participation-oriented, basic human needs approach requires to be effective at this stage in the Philippine development process.

As for focus, AID activities are centered on Philippine programs aimed at improving the economic and social welfare of small low-income farmers and other rural groups through: (1) direct support for increasing small-farm income, production and employment; (2) improvements in the quality and access of social and community services; and (3) increased local level participation in the development process. (See Figure 1). Activities within these three areas of concentration are necessarily interrelated and similarly focused. It is not enough to provide small farmers with better seed varieties and better water control to ensure increased production and income. Experience has taught that he also needs assured credit, production inputs, marketing outlets and the benefits of improved social and physical infrastructure.

FIGURE I

ORGANIZATION OF AID ASSISTANCE
TO PHILIPPINE DEVELOPMENT

MAJOR ACTIVITY AREAS		
I. Small Farm Income, Production and Employment	II. Availability and Access to Essential Social Services	III. Local Development and Beneficiary Participation
Supporting Activities	Supporting Activities	Supporting Activities
Small Scale Irrigation	Population Planning II	Local Development
Small Farmer Systems I & II	National Nutrition Outreach	Rural Roads II
Crop Protection	Panay Unified Services for Health	Real Property Tax Administration
Cooperative Marketing	Barangay Water I & II	Bicol Integrated Rural Development
Freshwater Fisheries Development	Agricultural Education Outreach	Bicol Secondary Feeder Roads
Land Tenure Reform	Local Water Development I	Bicol Integrated Area Development II (BULA)
Integrated Agriculture Production and Marketing	Bayanihan Barangay Schools	Fund for Local Government Development
Agriculture Research I & II	Bicol Integrated Health, Nutrition and Population	Rural Service Centers
Artisan Fisheries - Agriculture	5 Central/Regional Projects	Bicol Integrated Area Development III (Rinconada)
Agro-Forestation	3 PVO OPGs	3 PVO OPGs
25 Central/Regional Projects		
2 PVO OPGs		

OTHER SUPPORTING ACTIVITIES			
Participant Training II	Economic and Social Impact Analysis/Women in Dev.	Consulting Services	Nonconventional Energy Development

In order to demonstrate further the coherency and focus of AID assistance activities, it is useful to start where the annual program planning process begins, with a reappraisal of the problem at hand, i.e., the poverty that afflicts a large majority of the Philippine population. The discussion will examine the nature and scope of the Government's efforts to cope with the problem, and assess the extent of other donor assistance. This will be followed by a fuller description of AID's program strategy, and the development activities it can and should support.

AID bilateral resources in FY 1980 and beyond will finance at best only three per cent of the total Philippine development budget. Even assuming a five to one multiplier effect of related GOP resources, this results in only 15 per cent of total development resources. This support can be crucial if applied to selected areas of concentration as AID has attempted, but it certainly cannot be all embracing. Because of AID's limited resources, a number of areas have not been covered, even though some are related to priority needs. However, in the area of concentration and focus, we have attempted to participate in all the activities for which AID resources will be crucial. AID has certainly made no attempt to finance large-scale infrastructure and industrial development projects, though these are currently being given high priority for long-term development purposes by the Philippines and the major donors. This policy of leaving support of larger scale infrastructure to the IFIs is not a recent policy, it is what AID has been doing for some time.

2. The Dimensions and Causes of Poverty in the Philippines

Except for the "upper 10 per cent", the population of the Philippines can presently be characterized as generally "poor." Although average per capita GNP stands at $450 annually, between 80 and 90 per cent of the population have annual incomes of less than $200 per capita. Roughly 2.8 million families, the lowest 40 per cent or "poorest of the poor", have annual incomes under $60 per capita. About two-thirds of the poor live in the country's rural areas.

Approximately one-half of the rural poor are small-scale farmers. While they and their families constitute one-third of the population, they account for only 12 per cent of total income. Another 10 to 15 per cent are landless farm laborers. Other major low-income occupational groups include artisan fishermen, the majority of urban workers (slum dwellers), and swidden (slash-and-burn) farmers.

The major crops grown by the small-scale farmers are rice, corn and coconuts. Most farms are small and fragmented. Of the country's total 2.4 million farm units, about 85 per cent are less than

5 hectares in size; 61 per cent are less than 3 hectares. Full owners represent approximately 60 per cent of all farm operators. The remainder are tenants, most of whom pay at least one-quarter of the value of their crop as rent to landlords.

The causes of poverty in the Philippines are manifold. The majority of the native population was systematically deprived of economic and social opportunities during colonial times. All trade and commerce centered in Manila. Regardless of how bountiful the harvest may have been, the social structure and systems of distributing income kept the peasants at a subsistence income level with minimum social services stifling initiative, and accentuating Malay cultural beliefs that work was not as necessary or rewarding in this bountiful land as elsewhere. People were widely separated, dispersed among thousands of islands and jungle valleys separated by mountain ranges. Separation bred linguistic and cultural differences only partially overcome by the widespread use of English as a lingua franca in more recent times. As the population began to grow rapidly in the current century, the country's limited land area became insufficient to support all who would farm, but industry has not grown rapidly enough to produce jobs for all who do not have access to productive land. Raw materials aside from lumber are scarce; insufficient for a secure industrial base.

These factors have caused a lack of adequate job opportunities for the country's rapidly growing labor force. Surplus labor, plus spotty enforcement of low minimum wage levels, and marginally effective labor organization keeps wages extremely low. Real income of all but the rich declined between the end of World War II and the beginning of this decade. Social services have been as maldistributed as wealth and income, and extension of services as well as early industrialization and development programs were centered on Manila.

While preliminary data from the 1975 Census of Population indicate some improvement over the past five years in the pattern of income distribution, the "top 10 per cent" of the population still claim a disproportionately large share of total income, and the "bottom 40 per cent" a disproportionately small share.

Income Class	Percent of Total Income	
	1971	1975
Bottom 40 per cent	11.7	14.7
Next 30 per cent	22.4	21.4
Next 20 per cent	28.3	25.1
Top 10 per cent	37.6	38.3
	100.0	100.0

The vicious circle of poverty in the Philippines perpetuates a number of other problems as well. Roughly one-third of the country's children and one-fifth of its adults suffer from malnutrition. Less than one-half of the population have access to general health services. Sixty-five per cent of households do not have electricity; only 20 per cent have piped water; more than one-half use open pit toilets.

Most rural families are very large and very poor. The average household has seven persons. Expenditures for food account for 60 per cent of consumption. The average household head is forty years old, and has had only four years of schooling. Children come quickly and frequently; although infant mortality in some rural areas runs as high as 112 per thousand live births during the first year of life, and death claims as many children over one as it does adults throughout the country.

3. Philippine Development Goals and Strategy

The Government is acutely aware of the dimensions of the country's poverty problem and has a long-term commitment to undertake programs to alleviate the situation. As stated in the Foreword to the country's Five-Year Development Plan for 1978-82, Philippine development efforts are aimed "primarily at rectifying the gross economic and social inequities that have accumulated during the course of the country's ascent to nationhood." The Plan acknowledges that in the past, "development was considered simply as the movement towards economic progress and growth, measured in terms of sustained increases in per capita income and gross national product (GNP)." It notes that in the future, the scope of development will be broadened, to include "improvement in the well-being of the broad masses of the Philippine people." This will involve "getting down and reaching the poorest segments of the population: the urban and rural poor, the unemployed, the under-employed, the homeless dweller, the out-of-school youth, the landless worker, the canefield worker, and the sustenance fisherman." The Plan postulates a central role in the development process for the national government, stating that "there is no force in Philippine society today capable of protecting the poor other than the government." This basic development philosophy also underlies the country's Long-Term Plan for development which extends to the Year 2000.

There can be, of course, vast disparities between the rhetoric of the foreword to a development plan and the actual achievement of the goals and purposes stated therein. But the forcefulness with which the Government states its case requires that there be further and closer examination of the extent to which the country is actually committing resources towards the fulfillment of its development goals, and the manner in which these resources are to be deployed.

In presenting the new Five-Year Plan to the Philippine Consultative Group at its annual meeting in Tokyo in December 1977, Dr. Gerardo Sicat, the RP Secretary of Planning, indicated that the Government will attempt to work towards the broader sharing of the benefits of growth called for in the Plan: (1) by increasing per capita incomes, (2) through a more equitable distribution of income, and (3) by moving the economy toward the next stage of industrialization. Higher per capita incomes are to be brought about through GNP growth which is projected to increase from 7 to 8 per cent per year through 1982, while the population growth rate is being reduced from 2.6 per cent at present to 2.3 per cent by 1982. Income redistribution is to be effected through more favorable rural/urban terms of trade, the agrarian reform program, increased industrial wages, the improved delivery of social services, and a more equitable tax structure and collection policy. In addition, the Government is planning to increase its budgetary expenditures for economic and social development over the next 5-10 years, and to expand the share devoted to basic needs programs of major benefit to low-income groups. It will also give increased emphasis to the construction of small-scale rural infrastructure (e.g., rural roads, small-scale irrigation) and to increasing the access of poorer groups to various social services such as health care, nutrition, family planning, education and housing.

The Philippine plan and strategy for long-term development were a major element of the Government's presentation in Tokyo. They received the Consultative Group's endorsement as evidenced by the Chairman's call for new commitments of concessional aid, totalling $750 to 800 million in 1978, and increasing to $1 billion by 1980.

4. Philippine Commitment to Meeting Basic Human Needs

The Philippines is now committing a sizeable share of its available resources to economic and social development programs of major benefit to the country's poor and is planning to increase this share over the next five years. Except for basic infrastructure (power, water control, transport and communications facilities), the bulk of the cost of eventual industrialization will be borne by the private sector. A good indication of the extent to which the Government is actually committed to meeting the basic human needs of its general population can be obtained from a brief analysis of its current and projected budgetary allocations for economic and social development projects. (See Figure 2).

In 1977, Philippine national budgetary expenditures for economic and social development projects amounted to ₱15.4 billion, or roughly $2.0 billion. This represented 59 per cent of the total national budgetary expenditures in that year. In contrast, other Asian developing countries such as Thailand, South Korea, and Malaysia, devote

FIGURE 2

PHILIPPINE NATIONAL BUDGET EXPENDITURES FOR BASIC HUMAN NEEDS
(In Billion Pesos)

Sector	Budgetary Expenditures 1976 (Actual)	1977 (Est.)	1978 (Forecast)	1982 (Proj.)
Agriculture, Fishery and Forestry	1.3	1.6	2.8	5.0
Industry (Small-Scale)[1/]	0.2	0.3	0.2	0.3
Utilities and Infrastructure (Small-Scale)[1/]	1.4	1.8	1.8	3.1
Education and Manpower[2/]	2.0	2.5	2.8	6.0
Housing	-	-	0.8	2.3
Population, Health and Nutrition [2/]	0.8	1.0	1.3	2.6
Social Welfare and Community Development	0.9	1.1	1.1	4.3
Total BHN Expenditures	6.6	8.3	10.8	23.6
Total GOP Budget Expenditures for Development	12.6	15.4	20.6	41.1
Ratio: BHN to Total GOP Expenditures for Development	52%	54%	52%	57%
Total GOP Budget Expenditures	21.3	26.2	33.9	63.1
Ratio: BHN	31%	32%	32%	37%
Other Development	28	27	29	28
Defense & Public Order	19	17	15	14
Other	22	24	24	21
	100%	100%	100%	100%

1/Expenditures for small-scale facilities are estimated at 20 per cent of total budgetary expenditures for these categories.

2/Assumes that 80 per cent of budgetary expenditures in these categories are for basic human needs programs or primary-level facilities.

Sources of Data: National Budgets for 1977 and 1978. NEDA Five-Year Plan for 1978-82.

about half their budgetary expenditures to development activities. Of the $2.0 billion spent on development projects in the Philippines in 1977, approximately $1.1 billion or about 54 per cent were allocated for projects relating to basic human needs fulfillment in areas such as food production, education, population, health, nutrition and housing. By 1982, the final year of the country's Five Year Plan, this ratio is projected to rise to 57 per cent.

In addition to the national government, local governments in the Philippines also spend an appreciable share of their budgetary resources on economic and social development projects. In 1977, these amounted to some 2.1 billion pesos, or roughly $290 million, representing approximately three-fourths of their total expenditures. Local government expenditures, which constituted around 9 per cent of total combined governmental budgetary expenditures in 1977, are projected to increase to 10 per cent of combined expenditures by 1982.

The Government also channels considerable funds for development projects through government-owned banks and public corporations. In 1977, the capital outlays and net lending of these various institutions totalled the equivalent of $3.0 billion. Approximately one-third of the expenditures from these extra-budgetary sources were devoted to projects of the basic human needs type.

5. Improvements in the Quality of Life

An indication that government expenditures on basic needs programs are bearing results is evident from a review of comparative data on the quality of life in the Philippines, and its Asian neighbors. On the basis of a composite index compiled by the Overseas Development Council, the Philippines is shown to rank below South Korea and Taiwan in terms of both GNP per capita and the physical quality of life (PQLI), but above Thailand and well above Indonesia in both categories. While lower than Malaysia in GNP per capita, the Philippines ranks considerably higher in quality of life terms. (See Figure 3). The PQLI is admittedly a rough indicator, but it does serve to tentatively confirm that economic growth in the Philippines is being accompanied by improvements in the general welfare of the Filipino people. The following table pertains:

GNP Per Capita, Physical Quality of Life Index
1960, 1970, 1976

	1960	1970	1975	% annual 1960-70	Increase[1/] 1970-75
-GNP per capita (in constant 74-76 dollars and exchange rates)	257	317	374	2.1	3.4
-PQLI	61	72	75	1.7	0.8

1/In comparing annual increases in PQLI with per capita GNP, it should be noted that the former measurement is indexed, while the latter is not.

FIGURE 3

GROWTH IN GNP PER CAPITA AND IMPROVEMENT IN THE QUALITY OF LIFE FOR SELECTED ASIAN COUNTRIES 1973-1974

	Population, mid-1976 (mil.)	Per Capita GNP 1974 ($)	Physical Quality of Life Index (PQLI)[a]	Per Capita GNP Growth Rate, 1965-74 (%)	Birth Rate per 1,000	Death Rate per 1,000	Life Expectancy at Birth (years)	Infant Mortality per 1,000 Live Births	Literacy (%)	Per Capita Public Education Expend's, 1973 ($)	Per Capita Military Expend's, 1973 ($)
Singapore	2.3	2,240	85	10.0	20	5	67	16	75	49	95
Hong Kong	4.4	1,610	88	5.4	19	5	71	18	77	n.a.	n.a.
Taiwan (ROC)	16.3	810	88	6.9	23	5	69	26	85	9	53
Malaysia	12.4	680	59	3.8	39	10	59	75	41	31	25
Korea, Rep. of	34.8	480	80	8.7	29	9	61	47	88	10	14
Papua New Guinea	2.8	470	34	4.1	41	17	48	159	29	n.a.	n.a.
Philippines	44.0	330	73	2.7	41	11	58	74	83	7	4
Thailand	43.3	310	70	4.3	36	11	58	81	79	7	7
Indonesia	134.7	170	50	4.1	38	17	48	125	60	3	3
India	620.7	140	41	1.3	35	15	50	139	34	2	4
Sri Lanka	14.0	130	83	2.0	28	8	68	45	81	7	2
Pakistan	72.5	130	37	2.5	44	15	50	124	16	2	8
Afghanistan	19.5	110	19	1.1	43	21	40	182	8	1	1
Burma	31.2	100	51	0.8	40	16	50	126	60	3	5
Nepal	12.9	100	25	0.0	43	20	44	169	13	1	1
Bangladesh	76.1	100	33	-1.9	47	20	43	132	22	1	1

[a]/Each country's PQLI (Physical Quality of Life Index) rating is based on an average of its index ratings for life expectancy, infant mortality, and literacy in the mid-1970s.

Source: The United States and World Development Agenda 1977
by John W. Sewell and the Staff of the Overseas Development Council

6. Impact of the Defense Effort on the Economy and the Development Effort

The national budget for 1978 shows defense expenditures totalling ₱5.1 billion, or around $700 million. This represents 15 per cent of total budgetary expenditures for 1978, approximately 2.9 per cent of GNP (See Figure 4). This relative expenditure level compares favorably with those of Thailand, where defense expenditures account for an estimated 20 per cent of the national budget, Malaysia 18 per cent, and South Korea 28 per cent.

This level of expenditures is somewhat burdensome to the economy inasmuch as budgetary deficits during the past three years have averaged 17 per cent of total expenditures. However, these recent deficits resulted mainly from increased governmental outlays for infrastructure development (primarily power, water control facilities and highways), and from shortfalls in expected collections of trade and business-related tax revenues. Historically, the ratio of defense to total budgetary expenditures has averaged 15 per cent. While defense expenditures rose to 20 per cent of total budgetary expenditures in 1975, due primarily to an increase in the size of the army, the 1978 ratio of 15 per cent can be regarded as a return to the secular trend, and reflects the determination of GOP budgetary officials to keep expenditures in line despite the expected continuation of age old insurgency problems in several sections of the country, principally western Mindanao.

All things considered, we do not view the present level as excessively burdensome to the economy, nor as diverting a disproportionate share of resources from the country's development effort. In its current Five-Year Development Plan, the GOP is projecting a decline in the defense expenditure ratio to 14 per cent of total budgetary expenditures by 1982.

It should be noted that the defense budget includes items such as expenditures for national police functions and weather monitoring. (See Figure 5). To the extent that these are not considered defense functions, the apparent impact of defense expenditures on the economy is lessened. On the other hand, it is evident that some proportion of other budgetary expenditures, such as for highway and building construction are, in fact, defense-related though not classified as such. It has been estimated that these could account for as much as 5 per cent of total budgetary expenditures though it would be difficult to identify specific expenditure items from available budget data. Similarly, there has been no systematic attempt made to estimate the imputed economic costs of production, commerce and investment foregone because of insurgent hostilities, particularly in western Mindanao, though they could be considerable.

FIGURE 4

Philippine Budgetary Expenditures for Defense, 1975-78
(In Billion Pesos)

	1975	1976	1977	1978
Budgetary Expenditures for Defense	3.8	4.0	4.4	5.1
Total Budgetary Expenditures	19.0	21.3	26.2	33.9
GNP	114.4	132.1	153.3	175.5
Defense Expenditures Ratio:				
Per Cent of Total Budgetary Expenditure	20.2	18.8	16.8	15.0
Per Cent of GNP	'3.4	3.0	2.9	2.9

Sources of Data: Philippine Budget Commission and NEDA

FIGURE 5

Functional Classification of Defense Expenditures

Category	1978 Expenditures	
	₱Mill	%
Defense	4,385	85.6
Office of the Secretary	32	
Armed Forces	4,262	
Arsenal	91	
Public Order and Safety	573	11.2
Integrated National Police	532	
National Police Commission	35	
Office of Civil Defense	6	
Other	166	3.2
Bureau of Coast and Geodetic Survey	12	
National Computer Center	11	
PAGASA[1/]	36	
Philippine Veterans Affairs Office	107	
TOTAL Defense Expenditures	5,124	100.0

1/Philippines Atmospheric, Geophysical and Astronomical Services Administration

Source of Data: 1978 National Budget

7. Need for External Assistance

The achievement of the goals and targets included in the Five Year Plan will require significant expansion of the government's effort to mobilize development resources from both domestic and foreign sources. To adequately support the Plan, the rate of domestic saving will need to increase from 25.6 per cent in 1978 to 28.4 per cent of GNP by 1982. Although foreign inflows as a proportion of GNP are projected to decrease from 4.9 per cent to 3 per cent in 1982, they will need to be substantially increased in absolute terms. To keep the country's debt burden within tolerable levels, a significant proportion of inflows must be on concessional terms. The Plan for 1978-1982 will require average expenditures for economic and social development programs of around $4.6 billion annually. Of this amount, foreign donor contributions are expected to average approximately $900 million, or roughly 20 per cent of the total.

As in the past, the IBRD is expected to account for one-half of the country's total foreign aid requirements; the ADB about one-fourth and Japan one-eighth. The U.S. contribution is proposed to increase by about 60 per cent between 1977 and 1984, less rapidly than the other major donors, meaning that the U.S. share of overall external assistance to the Philippines will decline from the present 17 per cent.

Present indications are that IBRD lending will continue to be concentrated on public infrastructure and industry, but with an increasing share of its portfolio allocated to agriculture and to the social sectors such as population, health and education, though even here past experience indicates that the emphasis will be on bricks and mortar. ADB lending over the next five years is expected to be concentraded on agriculture, industry and basic infrastructure, with some increase in social development projects. Japan's aid presently finances irrigation, electrification, transport and flood control projects, largely in the Cagayan Valley of Northern Luzon, with significant amounts also going to finance industrial development projects and commercial imports. This emphasis will likely continue, though Japan has publicly announced its intention to shift to more socially-oriented projects.

8. AID's Role in Philippine Development

AID's contribution to the Philippine development program is more significant than the amounts in absolute financial terms would indicate. Over the last several years, the United States' contribution, including PL 480 has amounted to about 5 per cent of total requirements and 17 per cent of external assistance. If our

annual contributions were to continue at about $100 million, with perhaps some upward adjustment for inflation, the US share over the next five years will amount to only 2.5 per cent of total requirements, and 11 per cent of external assistance. Yet, for a number of reasons, United States assistance has been, and can continue to be, a significant determinant of the degree to which development effectively answers the basic needs of the very poor.

- Part of the reason for AID's unique role is rooted in the historical alliance of the two countries - an alliance tested by adversity and found dependable. Despite some erosion, the Philippines remains well disposed toward the United States and eager to adopt and adapt our technology.

-US and Filipino development planners not only share a common language, but a common body of knowledge, acquired in the same schools, within the same social, economic and scientific context.

- AID is willing to support Philippine agencies proposing to accept a higher level of risk to achieve an important benefit for the poor than would be generally acceptable to domestic or international lending institutions, or occasionally even by the more conservative elements of the government itself. A good example is population, at one time considered too risky politically by many in the government, and still considered so by some other donors.

AID assistance strategy involves demonstrating and implementing policy and program approaches, technologies and services that benefit small farmers in particular, and other selected disadvantaged groups. We do this by supporting programs with a higher risk, sometimes experimental, though not necessarily high cost. The AID assistance strategy is thus directly supportive of Philippine efforts to involve a larger percentage of small farmers and other poor rural groups in the development process.

Besides its ability and willingness to accept the high risk associated with projects designed to benefit the very poor, the Government considers that AID's assistance, being more concessional, can be used to reach poorer people. By judiciously mixing grant and loan funds and PL 480 pesos with local government resources, AID can successfully channel resources to a larger proportion of poorer people than could be reached with foreign assistance loaned at higher rates of interest. This has been particularly true for Small Scale Irrigation, Rural Electrification and Local Water Development. The new Title III provision of PL 480, being virtually a grant, will expand the opportunities to reach people at the lower end of the income scale.

At this time, AID is also the only major donor systematically willing and able to furnish the technical assistance required to help the Philippines establish the institutions necessary to manage new programs to reach those most in need. The AID contribution is more labor intensive. We are the one mission willing to keep an adequate permanent staff in the Philippines supplemented by varied contract resources as needed.

We believe, based on substantial past success, that we can continue to use AID's relatively small financial contribution to draw a much larger share of the benefits of development towards meeting the basic needs of the poorest people.

Not least important in achieving this end is the realization among provincial, municipal and barangay administrators that participation of the poor in the benefits of a project is a firm condition of AID assistance being made available to the community. This factor, reinforced by AID's fixed amount reimbursement system, helps offset cultural tendencies toward benefiting those whom we would perhaps call poor by AID's definition, but still relatively better off than others qualifying for assistance. It will be AID's role during the next decade to support efforts to draw development benefits from the metropolitan area to the provinces and rural cities; from the province capitals to the rural municipalities, and from the poblacions to the still more rural barangays and even beyond to the migratory swidden minorities..

9. Key Development Subsectors

In the following sections, the key subsectors or activities within each of the three major areas of AID concentration are identified. These activities are considered critical to the effective implementation of the basic needs elements of the Philippine development strategy. The estimated total AID investment over the six year period FY 1979 through 1984 indicated for each activity is the amount required to make a significant impact on these subsectors.

In the Republic of the Philippines, the "difficult but necessary" basic policy and budgetary decisions to undertake basic needs oriented programs have long been made. The Government has identified the key subsectors and made their commitment. The making of follow-on decisions, of course, is a continuous process. We can usefully offer assistance in elaborating these operational decisions and carrying out the necessary programs. Our role then is to assist in such a way that maximum possible benefit from the total subsector effort accrues to the poor, and that basic needs projects do not have to be shelved due to lack of essential external support.

The amount indicated for each activity is the level of AID assistance estimated to be essential to insure the most efficient use of total resources from all domestic and donor sources in terms of creating a meaningful opportunity for a significant number of poor beneficiaries to meet a basic need on a sustainable basis. The accuracy with which such estimates can be made varies among programs. The annual level of AID commitment over the planning period is based on our considered judgment of how rapidly proposed activities can be initiated or expanded. Actual annual tranches will also depend on performance and availability of funds from domestic and other donor sources.

Detailed project descriptions demonstrating how the poor will benefit, the number to be reached, the methods to be employed and time anticipated for the project to take effect are left to the individual Activity Data Sheets.

A. SMALL FARM INCOME, EMPLOYMENT AND PRODUCTION

Along with nutrition support efforts, AID-assisted agricultural projects designed primarily to raise the incomes via increased production for small farms represent the major way in which the Philippines is contributing to the regional goal of "helping to close the projected food and nutrition gap." In pursuing this aspect, AID supports projects in certain key areas or subsectors that seem the most important and appropriate for support. These projects vary in the extent of their direct impact on the small farmer, but even those which deal in institution building or improved technology have a strong small farmer outreach component. Included are projects in small scale irrigation, cooperative marketing and credit, crop protection, aquaculture, land reform, agricultural research and the Title XII type program involving Kansas State University. In 1980, AID proposes to extend assistance to programs for two other low-income groups, artisan (marine) fishermen/farmers and swidden agriculturalists -- largely ethnic minority-farmers. The latter project will have selective forestry and watershed management dimensions. Several key AID interrelated activities providing direct support for small farm income, employment and production are described briefly below, including proposed assistance projects that will benefit low-income fishermen-farmers.

(1) Irrigation. The availability of an adequately controlled and stable supply of water to rice-centered agriculture continues to be the most important condition for bringing about higher farm incomes, increased agricultural production, greater land productivity and, consequently, higher labor absorption in the productive process. Nearly three-fourths of the 1.4 million

additional hectares targeted to be irrigated by 1987 will be national projects covering more than 1000 hectares. These large-scale projects will be financed in part by the IFIs or other bilateral donors. AID assistance will be focused on the remaining one quarter, the small cooperative-type projects. AID proposes to help double the rate at which the Farms Systems Development Corporation is carrying its program to the farmer by lending the Philippines about 40 per cent of the required financing. This will amount to $50-55 million over the period, increasing from about $5 million annually at present to $9 million annually from 1980-1984.

(2) Crop Protection. Crop losses to vertebrate and invertebrate pests and diseases in the Philippines are among the highest in the world, resulting in phenomenal annual losses of critically needed nutrients and feed grains. One FAO authority has estimated that annual production can be reduced by as much as 35 per cent, by pests and disease. This represents an annual loss to the economy of $1 billion.

In order to help solve this problem, AID is supporting (1) a high priority program at the International Rice Research Institute (IRRI) to produce pest resistant rice strains (centrally funded) and (2) a Philippine effort to establish a nationwide crop protection/pest control research and training system which will respond to the needs of small farmers. Initial AID support for this latter effort was provided through a $5 million loan in late FY 1977. We plan to continue our support through the period at an average $2.5 million annually or an additional $10 million in loans. Thus far, AID is the only donor willing to provide the necessary support to this program.

(3) Cooperatives. The Philippine Development Plan calls for the development of organizations to promote the social and economic well-being of small producers, both farmers and fishermen. The role of farmer-based agricultural cooperatives is to be expanded in the area of marketing, processing, and rural banking. The number of small cooperatives planned is so great, and their needs and objectives so diversified that AID has determined that if our direct support of cooperatives is to achieve substantial results it must be limited to assisting the most basic needs of cooperatives with the highest priority principal functions. AID has thus far provided $1.4 million to help fund a pilot effort under this program with an additional $4.6 million planned for FY 1979. If the pilot is successful, AID will support expansion of the program at an average rate of $5 million annually; $25 million total during the planning period.

(4) Agrarian Reform. Having begun with a fast start and high expectations in 1973, the land transfer program almost inevitably slowed down in recent years, in large part due to the scope and

complexities of the program. Whereas the program target called for some 400,000 farmers to have received 760,000 hectares of land previously owned by 39,600 landowners, by the end of 1977, about 63 per cent of the farmers had received 59 per cent of the land with 6 per cent of landlord compensation paid. The government estimates that it will take until the end of 1980 to reach their land transfer target. Former landowners will have to wait somewhat longer for compensation. The Mission has carefully considered performance to date and prospects for the future in terms of benefit to poor farmers, concluding by submitting a proposal to continue assistance until FY 1982 with a $1 million grant in FY 1979. Details were submitted in the Land Tenure Reform PID.

(5) Crop Diversification and Post Harvest Operations. To pursue successfully its crop diversification strategy, the Philippines must accomplish several basic goals which directly impact not only on the success of the national program, but upon the economic success of millions of small farm families. Continuous cropping rice cultivation practices are already in use by pioneers scattered around the countryside, and returning yields as high as 35 metric tons per hectare, with full annual employment of six persons per hectare. This technology will have to be packaged for the small farm family and extension agents trained to carry it to the small farmer irrigators so that rice production can continue to meet demand while a million hectares of marginal rice land is transferred to production of alternative crops.

At the same time, production packages for alternative crops must be developed, and extension agents trained to bring this to the marginal rice and corn farmers whose future prosperity depends upon getting them into production of some other higher value crop for which there is an effective demand. Simultaneous with these efforts, the country must achieve greater efficiency in marketing, distribution and post harvest operations. AID is already supporting these efforts through the Agriculture Research program to help the Philippines establish an indigenous research capability which is being developed to provide, on a self-sustaining basis, improved technological packages relevant to small farmers in various ecological zones of the Philippines. Further AID assistance in crop diversification and post harvest operations is being provided to the Integrated Agricultural Production and Marketing Project (IAPM), a Title XII type activity which has enabled the Philippines to contract directly with Kansas State University for a team of experts to assist in addressing major problems in these areas.

Support for the research system will continue at about $2 million annually ($10 million total) throughout the planning period. The IAPM pilot, largely forward funded in FY 1977, will continue through 1982 with a final $1.5 million tranche planned for FY 1981. It would be premature to predict at this time whether further support in this area will be required and justified.

Other AID supported activities such as assistance to marketing cooperatives, and construction of secondary access roads, will also directly assist the small farmer to overcome his post harvest problems by decreasing his dependence on middlemen, and increasing his access to markets.

(6) Agricultural Education Outreach. AID is proposing to provide a $1.7 million grant in FY 1980 to help finance the first three years of a Philippine program to assist local agricultural schools. The program will foster an extensive technological outreach program from these schools to the small farmer population, as well as help these schools to train young people, mostly from small farmer families, to help meet the country's requirement for people trained in various phases of on-farm, post harvest and farm support management.

(7) Small Fish Producers. Fish is by far the least expensive and most important source of animal protein in the average Filipino's diet. Total production in 1975 amounted to some 1.3 million metric tons. Only about 37 per cent of the catch was produced by commercial fishing operations; another 8 per cent was produced by fresh and brackish water aquaculture. The major contribution to production, 55 per cent, came from small subsistence, or artisan fishermen. The Philippine target is to increase production by 5.5 per cent annually, to about 1.94 million metric tons in 1982, by increasing the yields of existing production units in capture fisheries and aquaculture, and by selectively expanding production units.

AID proposes to assist the fisheries subsector in two ways. Regarding freshwater fish, the cultivation of fish in rice paddies or the addition of small ponds to rice farms can add a significant supplement to small farmers' incomes while helping to meet nutrition goals. In the case of artisan marine fishermen whose principal income comes from fishing supplemented by farming (usually coconuts), the emphasis is on improving their subsistence or below incomes, be it by better fishing, or marketing of their products, or by moving into other fields.

AID proposes $1.4 million grant assistance in FY 1979 and FY 1980 to help initiate a Freshwater Fisheries Development project. If

the pilot effort successfully increases small producer incomes, AID plans to support expansion beginning in FY 1982 at about $3 million annually.

AID proposes $5 million in grants and loans to help initiate a marine Artisan Fishermen project in FY 1980. If this pilot is successful, AID plans to support expansion at an increasing rate from about $2.5 million annually in FY 1982 to $5 million a year by FY 1984.

(8) Swidden Farmers. Close to one million cultural minority people and other marginal farmers live in the hills as Kaingineros, or slash and burn (swidden) farmers. These people, without land of their own, survive by cutting down the forest on hillside tracts, burning the timber and undergrowth, and farming the land for three or four years, until the unreplenished fertility of the soil becomes depleted. The farmers then move their families to a new spot in the forest where the process is repeated, leaving the old site to grow up in cogon grass, which is a hardy, fast-growing pest, useless for food or grazing, and an effective barrier to both future cultivation and the natural reestablishment of the forest.

The 400,000 Kainginero families (2.4 million people) are among the poorest in the Philippines. Their average incomes are less than $50 per capita annually. Their periodic relocations make it difficult for the government to provide them access to essential social services, particularly schools and health facilities. They have much higher incidences of serious malnutrition, goiter, and infant mortality than the national average. The implements, techniques and crop varieties they use are much more primitive than those employed by their lowland counterparts.

AID proposes to support GOP efforts to assist the Kaingineros increase their income through a pilot agro-forestation project which will provide them employment while assisting to restore watersheds, promote forest second growth, reduce slash and burn deforestation, and developing a potential source of dendroenergy for the Philippines' Nonconventional Energy program. The pilot effort will be a $5.5 million loan and $270,000 grant beginning in FY 1979. If favorable results are achieved, AID will support implementation at an increasing rate up to the most efficient level, and continue support until the activity can become self-sustaining. For this purpose we are tentatively programming a rising level of follow-on support, tentatively beginning with $4 million for FY 1982, and increasing by $1 million annually through the end of the period.

B. ESSENTIAL SOCIAL SERVICES

While AID's principal program focus is on improving the income and quality of life of small farmers, the target group for providing essential social and community services is broader in scope, comprising appropriate target groups wherever they are located. Some programs such as population and nutrition are nationwide and include the urban poor. The Philippines is attempting to reach these target groups through the development of low cost, barangay-based, integrated family planning, health, nutrition and education delivery systems. For two such recent projects, the principal implementing agents will themselves be residents of the barangays in which they will operate. The problems faced are multifaceted: though infant mortality is basically a health problem, it is causally related to population growth. Poor sanitation and lack of truly potable water are important factors. Similarly, malnutrition often exacerbates or leads to major health problems. Even when basic social services are available, the rural poor must be properly motivated to take full advantage of them. Here, education and information play a vital role. Because of these interrelationships, AID is assisting the host government to develop an integrated approach to making essential social and community services more widely available, in order to increase the poor majority's access to them.

(1) Reducing Population Growth. The current GOP Development Plan states that as a matter of national policy population growth will be maintained at levels most conducive to national welfare. In 1960, the IBRD estimated growth rate was 3.2 per cent annually. Current IBRD estimates place it at 2.6 per cent. The Plan's intermediate goal is to reach a 2.3 per cent annual growth rate by 1982.

There is serious discussion within official Philippine circles about formally adopting the goal of achieving replacement level fertility by the year 2000. The projections and goals in the present Five-Year Plan, if extended, can be consistent with reaching that target at the turn of the century. A special committee reviewing program is soon to submit findings and recommendations to the President and the adoption of such a goal, according to some reports, may be among them.

Achieving the ambitious goal of replacement level fertility by 2000 would require that the Government assign a higher priority to the population/family planning program. Actions needed, include upgrading population staff, further strengthening field operations, and intensified integration of population efforts with other supporting development activities. With sufficient emphasis and the necessary resources, attainment of the replacement level fertility by 2000 could be possible.

AID's role in the population program has been and remains a critical one. Having phased out of the operational aspects of what is now an ongoing clinical program, AID's current approach is to provide the technical support needed by the Philippine Government to stimulate private and local government efforts in the more remote rural areas not serviced by hospitals and clinics. The AID-supported National Family Planning Outreach effort, which was designed in mid-1976 and puts considerable emphasis on local government participation and utilization of grassroots-level programming techniques, has now been extended to 85 per cent of the nation. The Philippines contributes about 45 per cent of project costs from national and local budgets. AID assistance at about $5-6 million annually, including contraceptive loan funds, will be required throughout the planning period if the objective of reaching replacement fertility by 2000 is to be achieved. Following the conclusion of a basic cost-sharing agreement in 1976, the Philippines alone has funded all core costs of the extensive clinic program. Overall national budgetary support continues to increase annually. Funding for population/family planning activities in addition to this bilateral project now approximates $7.0 million for FY 1978. Other donors currently provide approximately $1.0 million annually to help support the Philippines population effort. In addition, the World Bank is reprogramming approximately $4 million of a $25 million health and family planning loan to train midwives how to distribute contraceptives, and to provide vehicles for field use. This will compliment the Family Planning Outreach effort supported by AID.

(2) Integrated Health Services. Besides a high population growth rate and the resulting predominantly young population, the Philippines is characterized by a core disease pattern consisting of infectious diseases and malnutrition. Philippine health goals during the next ten years include raising life expectancy at birth from 60 to 64 years. The crude death rate, calculated at around 10.6 deaths per thousand population, is expected to be reduced to 8.8 by 1987. For the same period, infant mortality is expected to be reduced from a conservatively estimated 74 per 1000 live births in 1976, to 56 by 1987. These projections assume that programs covering maternal and child health, environmental sanitation, nutrition and immunization, will be effectively administered during this period.

The AID health strategy is to help the Philippine Government to design and implement several replicable pilot primary health programs and projects at the barangay level, where only a peripheral level of health services are presently delivered. AID has

been working with Philippine officials for three years on the development of experimental, low cost integrated health, nutrition and family planning delivery systems. Two of these programs will be carried out during the planning period to determine a practical basis for a broader, possibly nationwide effort. The Panay Unified Services for Health project was assisted in FY 1978 with a $5.7 million loan and grant. The Bicol Integrated Health, Nutrition and Population project will be assisted in FY 1979 with a $2.5 million loan. If these experiments succeed in making these essential services available to the poor in the pilot areas, AID will assist the Philippines to extend the program with $15-20 million additional assistance beginning in FY 1982, unless other donors can be attracted in the meantime. These projects relate to a $25 million World Bank loan which is being used largely to finance construction and train midwives and other personnel for rural clinical health facilities.

(3) Targeted Nutrition. According to UN standards, the recommended daily food requirement for Filipinos is 2260 calories and 50 grams of protein, allowing 10 per cent for waste and spoilage at household level. What was actually being ingested in 1976 was 1680 calories and 46.5 grams of protein. During the next five years, the Philippines hopes to improve this to 1848 calories and 51.2 grams of protein, or a ten per cent increase over the 1976 figures. The effects of malnutrition are not evenly distributed among the population. The chief victims in the order in which they are effected are the very young (aged 6 mos. to 6 years), pregnant and lactating mothers, and elementary school children up to 12 years old.

To address this problem, the Philippines is preparing to expand its present program in an effort to reach an estimated 9 million beneficiaries who cannot wait for the slower economic solutions to the malnutrition problem, and who are largely incapable of helping themselves effectively. This group represents the 75 per cent of those in need who can feasibly be reached and motivated, and includes about 2.3 million pre-school children, 4 million elementary school age children aged 6-12, and some 2.7 million pregnant or lactating mothers. This effort will cost an estimated $363 million during the planning period, of which the Philippines can finance about 52 per cent. AID is proposing to support the effort with about $5 million in technical assistance, and $143 million in PL 480 Title II commodity food assistance. The World Food Program plans to contribute up to $25 million in food support. UNICEF also intends to support the project, and has thus far committed about $1.4 million. During the program, the government will pursue an intensive program to promote production

of domestic alternatives to the imported foodstuff required by the program. It is anticipated that by 1982, the Philippines will be able to supply about half the necessary food.

(4) Barangay Water Supplies. Closely related to health, nutrition and sanitation problems in the rural Philippines is a fourth significant factor: lack of reliable water supplies. In many areas, particularly during the six month dry season, water is scarce and expensive, costing up to 30 pesos ($4.00) per cubic meter. Without sufficient water, proper hygiene becomes difficult, and sanitation impossible. Much of the benefit of the nutrition program is lost because of contaminated water. Much of the nutritional value of the meager food that is eaten is lost.

Potable water service is available to about 42 per cent of the population largely because of the construction or rehabilitation of piped water systems in urban centers over the past several years. Outside the urban areas, however, only one-third of the population have access to safe water supplies, often at great inconvenience. Many have to go great distances even for water which is dirty or contaminated. To help solve this problem, AID contributed a $3.2 million grant and loan in FY 1978 to help finance a pilot program to establish cooperative type water supplies in communities of less than 5000 - much smaller than those reached by the Local Water Development project. If the pilot succeeds in making low cost, clean water available to the poor, a more extensive, accelerated effort will be supported beginning in FY 1980. AID tentatively plans to support this effort at $10 million annually through the end of the planning period, unless other donors can be induced to assist, as has been the case with earlier AID supported water system projects designed for larger communities.

(5) Basic Education. The Philippine Development Plan considers the country's educational system as central to the development of human resources. Education is to be progressively reoriented towards equalizing educational opportunities, achieving universal literacy, and promoting the economic, social, cultural, and political goals of the country. Formal, informal and non-formal education all have specific roles. The principal AID strategy is to assist the Philippine Government in carrying out experimental or pilot programs that test the feasibility and cost-effectiveness of alternative education approaches designed to meet the needs of the rural poor. Beginning in FY 1979, AID proposes to assist a project to reach out-of-school youth, and to help bring the advantages of basic education to remote, economically disadvantaged rural areas. The $10 million pilot,

of which the AID contribution will be about half, will emphasize programs designed specifically for disadvantaged youth in 300 different communities. This project compliments the massive Philippine program to develop and produce elementary school textbooks, which is being supported with $17 million from a World Bank Loan.

C. LOCAL DEVELOPMENT

The Philippine Development Plan proposes to shift a major share of the burden of planning and implementing development projects from the central toward the local level, where administrators, program managers and decision-makers are more familiar with existing conditions and can be more responsive to local needs. National government agencies will be directed to delegate increasing substantive and administrative authority and functions to their respective regional offices, beginning with the budgeting process. Local executives will be provided additional training and given resources to ensure meaningful local contributions to the development process. These measures will permit the government to institutionalize a participatory planning process which emanates from the bottom upwards. As initiated in 1977, local proposals will be aggregated into regional plans, which in turn will be integrated into the national plan.

Implementation will also increasingly be in the hands of sub-regional entities, particularly sub-regional area development authorities charged with the planning and implementation of multisectoral, Integrated Area Development (IAD) projects. These projects will provide additional national resources and augment those of province and city governments charged with planning and implementing programs directly benefiting their own citizens.

AID's support of Philippine efforts to increase local level participation has several facets. The first and most obvious is supporting the formation of institutions in which the ultimate beneficiaries will directly participate and have a role and voice in the decisions that affect their daily lives -- irrigators associations, farmers pre-coops and coops, electrical coops, nutrition clubs. A notch above but pretty close to the rice root level is the family planning barrio supply point manned by a resident of the barrio, village-based health and nutrition workers selected from the villagers themselves constitute an analogous situation.

Another aspect is our support of increased capacity for planning and awareness of need at the regional, provincial, municipal and barrio

level. That is what PDAP and our support to the Bicol River Basin Commission are all about. Again, the people mainly affected by these activities are for the most part small rice farmers.

(1) Integrated Area Development. The Philippine Bicol River Basin Development Program is the most advanced of several major IAD Programs ongoing in the country, supported by the World Bank (Mindoro), Japan (Cagayan Valley), Australia (Samar) and the United States (Bicol). AID's role, the one which other donors so far are unable or unwilling to assume, is to encourage local participation in the process of framework planning, pre-project studies and initial IAD Projects, so that local residents can develop the capability and competence to manage comparatively large scale development projects, rather than rely on central government entities. At the same time, priority attention is given to involving other donor planners in the process from earliest conception to shorten the time between initiation of a new IAD program and the point at which other donors are willing to provide adequate financial assistance. We expect that the experience gained by IAD planners in the Bicol Region will be readily transferred to other sections of the country.

At this time it appears probable that the ADB will co-finance external assistance to the Rinconada integrated project, and entirely finance assistance to the Naga-Kalabanga project. AID's share of assistance to Rinconada will be 25-30 per cent. Direct AID grant and loan assistance to the Bicol is scheduled to terminate in FY 1981, by which time all of the AID-supported projects should be operational except Rinconada, which will probably be supported by the ADB. At this point the Bicol River Basin Development Program will have demonstrated sufficient competence and reliability in the attraction and management of resources. Following detailed evaluation and impact assessment, AID may assist the Philippines to extend this concept to other depressed areas. AID has tentatively included $14 million for this purpose in the Long Range Plan.

(2) Market and Feeder Roads. While the value of secondary, market and feeder roads to the rural poor has been a subject of considerable debate among development theoreticians in recent years, there is no doubt among development practitioners in the Philippines that accelerated development comes with the roads. Rural electrification, irrigation, water systems, flood control, technical and social services, and production inputs all require surface access to reach a community

effectively and economically. Similarly, the people of the community must have a dependable means of egress to bring farm and other produce to market or to reach credit institutions, medical facilities, schools and other economic and social institutions. This is particularly so in the Philippines because most of the population lives either on the coastal plains, cut by rivers and streams of all sizes or in the valleys among the foothills and mountains.

For the past several years, external financing of roads and bridges by other donors has focused almost exclusively on national and provincial highway systems, designed to be the nation's main economic and commercial arteries. AID has concentrated on assisting local governments to finance small market and feeder roads, which link small rural communities to the main arterial system. Managed by the DLGCD, the AID supported program permits responsible local jurisdictions, using techniques and capabilities first developed under the Provincial Development Assistance Program to select, design and propose the construction of roads and bridges they consider most urgent to meet basic needs of their poorer citizens. This approach provides a mechanism to both test and develop local planning and implementation capabilities. It also produces essential infrastructure effectively and inexpensively, to include adequate provision for maintenance.

To date, the Philippines has nearly exhausted the first AID rural roads loan of some $15 million. In 1978, AID agreed to a second loan totaling $24 million, which will amount to about 55 per cent of the total projected cost. As with all projects supported by AID, the objective will be to reach those most in need with subprojects financed by our assistance. Following the final tranche of the current loan in FY 1980, essential support will be continued through the Fund for Local Government and the use of PL 480 Title III resources.

(3) Real Property Tax Administration. The real property tax is the single most important source of local revenue for local governments at the province or city, municipal, and barangay levels. It is potentially a significant factor in the amount of money that these governments have available to provide administrative and social services to their citizens, and to implement development projects for their benefit. Most local government units have not physically assessed real property since World War II, before the country achieved full independence. Much of the property which has been assessed has been underdeclared by as much as two-thirds of its proper value.

Where local government units have implemented experimental real property taxation improvements, assessed values have increased an average 85 per cent. In 1978, AID agreed to make available $10 million to finance about 60 per cent of the cost of a program to make these tax improvement techniques available to all of the cities outside the Cebu and metropolitan Manila areas, and to about one-third of all the provincial municipalities. Some 816 local government units will participate by FY 1981. This will considerably expand the future resources of these governments, and permit them to extend their development services and operations. If the initial effort proves successful, AID will consider further loans during the planning period in the total range of $20 million to reach the other two-thirds of the municipalities.

(4) Fund for Local Government. Local governments in the Philippines lack a central source of credit to finance development activities. Commercial banks and government-sponsored credit sources do not normally lend to local governments because they prefer rapid turnover of their capital at higher rates of interest than these governments can afford.

Lack of a reliable source of short term credit at reasonable rates has limited participation by some provinces in the Rural Road and Barangay Water programs. Lack of credit has particularly limited development efforts in the poorer provinces.

To enable local governments to take great initiative in answering the development needs of their people, AID proposes to make available an initial loan of $10 million, half each in FY 1979 and 80, to subscribe about 30 per cent of a credit fund. The primary purpose of the fund will be to make low interest credit available to local governments for selected development projects of major benefit to the rural poor. Major local currency support to the fund during the Long Range planning period is discussed in the PL 480 Title III section of this ABS.

(5) Rural Service Centers. In 1978 AID agreed to contribute, over a four year period, about 25 per cent of the cost of a $6 million pilot project to create in a sample selection of 15 rural market towns the administrative capacity to more effectively serve the socio/economic needs of the most disadvantaged citizens within their service areas. At present, the managerial capacity of these market towns is limited.

This pilot project will enable city developers to collaborate with the intended beneficiaries in undertaking small-scale social development projects based on popular participation. Participating communities will also be eligible to participate

in the Rural Roads, Barangay Water, Fund for Local Government, and Real Property Tax Administration projects described elsewhere. If the pilot project is successful, AID will consider a $10-20 million loan later in the planning period to extend the program to other underdeveloped communities.

10. Priority Areas and Needs Not Being Directly Addressed by AID

As noted earlier, AID resources in FY 1980 will finance at best three per cent of the total Philippine development budget. Hence, we cannot cover all of the country's development needs, not even all of its priority needs. The GOP has an all embracing plan for development, one which covers all of the important areas. They receive assistance from a number of other donors. The two IFIs plus the Japanese alone will provide assistance six to seven times the amount of AID's in 1980. AID is an integral part of the overall total and can make an important contribution, but it can assist, after all, only a portion of the action.

As discussed, AID emphasis is on small farmers. This is both appropriate and essential. It is what AID can do and do well. There are, however, other priority problems which AID does not address or is concerned with only to a limited degree. AID does not directly focus on the landless rural poor, certainly a very significant and growing problem. Some of the activities AID supports do have some impact on this problem, however. AID's support of continuing efforts to increase the labor intensiveness of small scale farming helps ameliorate the problem but it does not deal with it head on. The Bicol Commission is concerned with job creation, but AID's contribution in this regard is to their planning skills. Building roads in the Bicol and elsewhere creates jobs. The availability of electrification in rural areas is a factor in creating jobs. AID dropped its proposed agribusiness loan in part because it represented further diversification of effort, plus its chances of success seem low until the Philippines resolves some basic policy issues. Family planning efforts over the long run should reduce the labor supply; health, nutrition and education efforts should increase its quality and employability. But, again, these are indirect, albeit important, contributions.

The preservation and recuperation of forestry reserves and watershed management is another extremely serious and difficult problem here in the Philippines, as it is elsewhere. It is doubtful that AID can make much of an impact in this complex problem area, with all the political and hard decision implications it involves, with the limited resources AID is likely to have for this purpose from

development loans and grants. AID is preparing in conjunction with the Philippines an agro-forestation project with focus on the improvement of the lot of slash and burn agriculturalists. This is anticipated to be a useful pilot watershed management/ resource conservation element, but are restrained in our expectations. AID's nonconventional energy assistance will also have an impact on this problem, but again within limits.

11. Special Development Activities and Concerns

A. ALTERNATIVE ENERGY SOURCES

Philippine development has evolved on an energy base characterized by rapid growth in energy consumption relative to national output, and an extreme and increasing dependence on imported energy in the form of oil. During the 1960's, when GNP was increasing at 5 per cent annually, commercial energy consumption was increasing by 10 per cent per year. By 1972, energy consumption reached 68.2 million barrels equivalent. Of this amount, 93 per cent was accounted for by oil, compared to 87 per cent oil dependency in 1960.

The potential vulnerability of the economy caused by this situation did not gain attention until 1973, when, faced by an impending global oil crisis, national efforts began to be directed toward solution of what has now become the national energy problem. In that year, a National Energy Plan was adopted outlining the issues and initial scheme to deal with the problem.

The plan had three major components:

(1) Identification of the necessary institutional arrangements for national energy management.

(2) A short-term world program covering acceleration of indigenous energy resource exploration, imported supply assurance, stockpiling, fuel allocation, pricing mechanisms, and conservation.

(3) A long-term measure essentially involving the development of alternative energy sources with emphasis on renewable forms.

Substantial parts of this strategy have been implemented, notably concerning institutional arrangements, and redefinition of appropriate contractual schemes to accelerate exploration and development of oil and coal. The power expansion program, however, lagged relative to expectations.

At present, 95 per cent of the fuel currently utilized in the country is imported oil. This is causing serious deterioration

in the balance of payments. In fact, the cost of imported fuel will slightly more than offset the total external assistance projected.

While petroleum is expected to remain the major source of energy, through the end of the century, significant development of hydro and geothermal power resources is under way or planned, together with considerable investment in nuclear power generation. The country is also concentrating on the exploration and development of its own potential petroleum resources. In addition, a specific division of the Department of Energy, established to deal with the problem, is charged with responsibility of exploring possible applications of existing technologies in nonconventional and renewable energy fields to supply a portion of the country's energy needs, particularly in the rural areas.

Finding feasible alternatives to dependence on imported oil is essential not only to the government, but to the average Filipino. It is critical to the poor, whose wish to retain recent gains, and whose hope for a better future is linked directly to the existence of energy resources available for their use.

AID has limited its involvement to assisting the development of nonconventional energy sources. This began with a pioneering loan in 1973 to assist development of geothermal energy resources at Tiwi in Southern Luzon. External assistance for major hydro, nuclear and geothermal power plants, as well as for oil exploration, comes from the IFIs and pivate sector investment. AID has agreed, however, to assist two new projects concerned with development of nonconventional and renewable energy sources. These are the proposed 1979 Agro-Forestation project described earlier, and the Nonconventional Energy project signed in 1978 in connection with the visit by Vice-President Mondale.

AID is contributing 70 per cent toward the $12 million project to explore the development of alternative renewable energy sources appropriate for use in the Philippines. The project will undertake demonstrations in four major areas: direct solar conversion; small-scale hydropower; wind energy, and biomass conversion. The bulk of these activities will be carried out in remote areas which do not have access to conventional power sources. The energy generated is expected to greatly enhance the development potential for such areas. Techniques which prove to be feasible will have the potential for reducing in some degree Philippine dependence on fossil fuels, while promoting the use of environmentally safe, renewable energy resources.

For the short term, the utilization of nonconventional energy resources will be limited to specific small-scale applications based on technologies which are well established and currently available. However, the desire of the country to be more self-sufficient and self-reliant, the continuous increase in the cost of imported fossil fuels, and the need to meet the basic energy requirements of the large sector of the population located in rural areas not served by electricity justifies a start.

The major link between this and the reforestation project will be biomass conversion. This technique uses renewable indigenous fuels including agro-forestry wastes and fuel wood as a substitute for imported oil. If processed properly, these wastes plus the fuel wood could produce the equivalent of about 85 million barrels of oil. An additional benefit if the effort is successful and spreads, would be the generation of off-farm jobs, since biomass systems are typically labor intensive.

B. SOCIO-ECONOMIC INDICATORS

Efficient allocation of development resources requires that executive managers know the relative effectiveness of alternative activities individually and in combination in facilitating the upward economic and social mobility of intended beneficiaries in particular circumstances. In 1978, following nearly two years of collaborative design work between AID and the NEDA, AID initiated support to a project designed to measure the impact of development programs, with particular emphasis on the effect of development on the role of Filipino women. AID will contribute $2.5 million, about 55 per cent of the total financing required. The project will produce a mechanism for assessing the impact of ongoing development activities, the results of which will be fed back into the planning system as the basis for replanning ongoing programs, and allocation of future resources.

The system is expected to be fully functional by 1981 by which time the necessity for further AID support will have been addressed. One possibility at that time would be the utilization of project evaluation funds to co-finance periodic assessments of individual or related AID assisted projects.

Although no other donor assistance is expected during the development phase, major donors will be kept abreast of the program, and encouraged to co-finance impact assessments of the activities they support when the system is sufficiently operational. Since this is the first program of its kind to be actually implemented, the Philippines anticipates considerable interest from both developers and developing countries.

C. PEACE CORPS

There has been participation by Peace Corps Volunteers in several AID supported Philippine programs. These include, but are not limited to the following examples:

Nutrition - AID provides technical specialists to the National Nutrition Center along with funds to support training of provincial nutrition program administrators. Volunteers are assigned to these administrators to assist in organizing and conducting nutrition-related activities at the local level. Volunteers also assist in data collection for management and project planning.

Aquaculture - AID provides grant funds to the Bureau of Fisheries to help support research and extension services. Volunteers assist the project by serving as extension team leaders.

Health - Volunteers in Panay and elsewhere have contributed by sharing their first hand experience in the field to the development of the experimental integrated health delivery system AID plans to support.

Local Development - Peace Corps Volunteers have been serving as planners in provinces and municipalities under the AID-supported Provincial Development Assistance Program where they participate directly with Province Planning Officers in the country's new bottom-up planning approach.

There are several other projects AID supports in which volunteers will have an important role. An inter-agency task force of AID and PC personnel was formed in March 1978 to address ways in which the two organizations could combine their respective resources to more effectively further their common goal assisting the Philippines to respond to basic needs of the poor. Thus far the Small Farmer Systems project has been identified for possible joint effort. It is likely that approximately 20 volunteers will be assigned to work on Small Farmer Systems irrigation projects before the end of the year. Other new bilateral projects tentatively identified as having potential for active PVO participation are Agro-Forestation and Agricultural Education Outreach. Using PL 480 Title II resources, PVOs will assist with implementation of the National Nutrition Outreach project. Under PL 480 Title III, it is proposed to establish a Fund administered by a Committee to be collectively established by the Philippines, AID and PC to finance Philippine projects involving PC Volunteers which help poor Filipinos meet their basic needs.

Meanwhile, the exchange of information between the agencies is being stepped up, and guidelines are being formulated which will

set out specific objectives, relationships and the means to improve coordination. It is expected that there will be joint planning from the earliest stages when Philippine development needs within the purview of both agencies have been identified. We are awaiting the arrival of the new Peace Corps Coordinators to further refine the areas of coordination.

Care is being taken to insure that the resources of each agency will be channeled through responsible Philippine agencies, with roles and relationships being defined in the appropriate project documentation, and agreed upon in advance by all three collaborators. Thus the activities will benefit from increased U.S. support without the volunteers losing their sense of Peace Corps identity and purpose.

D. HOUSING INVESTMENT GUARANTEES

Among the basic needs of families living in the rural service centers are improved shelter and the related municipal and community services. Existing shelter and basic services such as community water supply, solid and human waste disposal and drainage systems are either totally lacking or grossly inadequate to meet existing needs of the families living in these population centers generally and the needs of the poorer families in particular. Population growth trends of many of these rural population centers are in excess of five and one-half per annum and will only exacerbate the existing problems unless appropriate planning is initiated and demonstration projects implemented.

In response to these problems, AID is considering the possibility of using Housing Investment Guaranty resources individually or in combination with other AID resources already planned to develop the local capacity to plan, implement and finance low cost solutions affordable by the beneficiaries and the cities such as sites and services and slum and squatter improvement in order to meet these basic needs of the poorer citizens of the rural service centers.

The World Bank is helping to address urban housing problems with a $32 million loan to support the four-year $65 million Tondo Foreshore project in Metro Manila. This project aims to provide 180,000 inhabitants of this slum and squatter area with secure land tenure and adequate urban services, shelter and sanitation, and incidentally stimulate creation of some 800 jobs through a cottage industry loan program. The project which was funded in 1976 seeks to demonstrate that upgrading and improvement in situ has advantages over settlement, which has previously been the policy adopted by the Government. The project integrates health, nutrition and other social service improvements with physical improvements in water supply, sewage

and drainage, traffic and housing. It is expected to demonstrate an approach replicable in other slum areas of Manila and other major cities.

E. WOMEN IN DEVELOPMENT

Early in FY 1978, Philippine Business for Social Progress, a non-profit, private service foundation, published a 400-page study of the status and role of women in the Philippines, prepared for and financed by AID. A Profile of Filipino Women is basically a literature survey of existing materials on Filipino women in relation to their physical well-being, domestic, educational, economic, legal,social and political status and role.

The study was prepared to enable program planners to identify strategies, provide direction and identify areas of involvement of government and private sectors in programs for the improvement of the status and role of Filipino women. Particular focus was given to rural women and women in cultural community groups in view of increasing interest in focusing developmental efforts on those two groups. We are awaiting substantive AID/W comment and recommendations for application of the study.

Planners in the government, in AID and among other donors have been encouraged to use the study in connection with designing development programs and projects in every field. Each AID assisted project in particular will include particular consideration of how that specific activity can be designed to impact favorably on women, especially in regard to their inclusion in the development process. The results of these design efforts will be subsequently assessed by the AID supported Economic and Social Impact Analysis/ Women in Development project, which is designed to pay particular attention to the nature and extent to which Philippine development projects impact on women, and to feed the results back to management for appropriate action. In general, the Philippines is well in advance of many other countries in the roles occupied by women.

F. PRIVATE AND VOLUNTARY AGENCIES

Our policy to date has been within fund limitations to approve those projects agreeable to the Philippine Government which meet AID criteria on content, feasibility and replicability. At the suggestion and initiative of several PVO's themselves, we are prepared to help them identify appropriate projects for their implementation directly related to areas we support or plan to support, e.g., pilot activities in support of artisan fishermen, or swidden agriculturalists. The organizations make the point that they can be called

upon to efficiently undertake small key activities which USAID cannot so easily or quickly set in motion. Obviously there will be no compulsion in drafting PVO's for such a relationship, we will develop this relationship as they so desire. We are also proposing to set up a local currency fund under Title III of PL 480 to help private and voluntary organizations to finance the local costs of some of their development related programs. At present, we are cooperating with six PVOs in eight projects addressing animal husbandry, agricultural training, nutrition education, rural/community development, health, and family planning. These projects are small in scale and innovative in thrust.

G. AID CENTRAL AND REGIONAL PROJECTS

The Philippines acts as a magnet for AID centrally funded programs looking for a home or laboratory as well as other pilot and experimental programs. Too often these are "pilots" that show no way, and "experiments" that illuminate no new breakthrough, but are professionally rewarding to those involved. Impressive Philippine professional and articulate manpower with extensive U.S. contacts in a number of fields is often irresistible. It has been USAID policy and we continue to advocate and to encourage those AID-funded activities which are supportive of our efforts with the Philippine Government and suggest that those less related be carried out in those countries where the projects are applicable to ongoing USAID activities or who are lesser recipients of Central AID largess. There have been significant instances where centrally funded programs have been of vital importance in the areas supported by the bilateral program (IRRI) or have specifically led to the development of a bilaterally supported activity (crop protection vice pest control). It should be noted that the host government tends to forget the distinction between bilateral and centrally funded activities. AID is AID irrespective of the bureaucratic designation of the players.

H. PARTICIPATING AGENCY SUPPORT AGREEMENTS

Although the only PASA officer presently assigned to the Mission is in the process of converting to AID direct-hire, AID contemplates requesting personnel assistance from other U.S. agencies when necessary. The Artisan Fisheries and Freshwater Fisheries Development projects have been identified for possible PASA technical assistance.

I. COORDINATION WITH OTHER DONORS

The areas of concentration of external donors to the Philippines are worked out within the context of the IBRD-chaired Consultative Group

or bilaterally in accordance with the needs of the Philippines and the particular interests and capabilities of individual donors. While donor-assisted activities in general address priorities identified in the Five-Year Plan for 1978-82, USAID-assisted activities for the most part are well ahead of the other donors in attempting directly to reach the less advantaged elements of the society, particularly those in rural areas. This is no doubt true in many countries. As a result, the possibilities for direct interaction with other donors is reduced, aside from the risk relationship already described. In several activity areas already discussed, irrigation, for example, there is more of a "pie-sharing." The large banks tend to favor large irrigation schemes often in conjunction with power generation. Our support is for small irrigators associations collectively involving hundreds of thousands of hectares and 300,000 small farmers, but individually less than one hundred hectares each, and normally less than one hundred farmers. Separate GOP agencies deal with these programs. An analogous situation exists for electricity. The need is to share information which we do. Little joint planning or participation is required. As the other donors move into more small beneficiary-oriented programs, our coordination will be increased. Such is the case with the IBRD and the UNFPA in the population field. It should also be noted that NEDA takes a much stronger coordinating role than is the case for such agencies in many other less developed countries.

J. CONSULTING SERVICES SUPPORT

As the Philippines pushes to expand its development operations, the need to accelerate project development, and for planning studies has become more acute. However, the Philippines does not yet have fully qualified and experienced professional services in all fields required to meet all of its planning and study needs.

To help provide essential talent not yet available in the Philippines, from U.S. sources on a timely basis, AID proposes to continue a modest level of assistance, up to $1 million annually, to finance consultive services. Earlier loans of this type have led to substantial investment from other donors, particularly the IFIs, in such fields as power, local water systems, water management and area development, with follow-on investment averaging 20 to 1 in ratio to AID's contribution.

K. TITLE XII INSTITUTIONS

AID is giving careful consideration to utilizing Title XII institutions as an integral element of U.S. technical resources devoted to the Philippine agricultural development program. There is already

one Title XII type program involving Kansas State University. Title XII intermediaries may be proposed for involvement in some of the following projects: Agricultural Education Outreach, Agro-Reforestation, Artisan Fisheries - Agriculture, Freshwater Fisheries Development, Land Tenure Reform, and National Nutrition Outreach.

L. EXCESS PROPERTY

AID uses excess property as an integral part of its assistance to Philippine development. Between FY 1975 and FY 1977, property with an original acquisition cost of $23 million has been used as direct inputs to AID supported development projects, either reducing procurement costs, or adding to the total benefits accruing to the poor through those projects. In addition, during the same period, AID has acquired, on a recipient financed basis, property originally valued about $17 million. Philippine Government agencies and PVOs contributed $1.8 million to transport property acquired from offshore sources.

This resource has in some cases contributed substantially to reaching additional beneficiaries with important assistance. For example, it is estimated that provinces have been able to construct an additional 510 kms. of road using excess U.S. Government property, and electricity from excess generators has reached 62,000 families who could not have been reached had not this resource become available to the agencies which manage those programs. In addition, excess equipment and medical supplies have saved lives and supported operations in over 150 hospitals throughout the Philippines.

In the near future the Mission plans to institute a system whereby the excess property program is subjected to the same rigorous review and prioritizing process required for bilateral projects, thus increasing the beneficial impact of this important resource.

TABLE 1 - LONG RANGE PLAN
($ millions)

DECISION UNIT: Philippines

	FY 1978 ESTIMATE	FY 1979 REQUEST	FY 1980 MINIMUM	FY 1980 PROPOSED	PLANNING PERIOD (FY) 1981	1982	1983	1984
Food & Nutrition								
Grants	4.0	4.4	7.1	7.6	4.0	2.4	2.9	3.0
Loans	22.8	34.9	25.0	30.0	24.0	49.0	53.0	60.0
Population								
Grants	2.8	3.2	2.5	2.5	1.0	3.0	-	-
Loans	3.3	2.0	-	-	9.0	-	10.0	-
Health								
Grants	1.0	0.5	0.9	0.9	-	0.5	1.0	1.0
Loans	8.4	2.5	7.0	10.0	10.0	15.0	10.0	20.0
Education								
Grants	0.1	0.7	2.2	2.2	0.4	0.4	0.5	0.5
Loans	-	3.0	-	-	-	-	-	-
Selected Dev. Activities								
Grants	2.6	1.0	0.5	0.5	1.0	-	-	-
Loans	11.1	3.6	4.4	4.4	15.0	-	-	-
Total Functional Accounts								
Grants	10.5	9.8	13.1	13.6	6.4	6.3	4.4	4.5
Loans	45.6	46.0	36.4	44.4	58.0	64.0	73.0	80.0
Other Accounts								
VolAg OPG Grants	0.5	0.6	0.9	0.9	1.0	1.0	1.2	1.2
PDS Grants	0.5	0.6	0.5	0.5	0.4	0.4	0.4	0.4
Total Program								
Grants	11.5	11.0	14.5	15.0	7.8	7.7	6.0	6.1
Loans	45.6	46.0	36.4	44.4	58.0	64.0	73.0	80.0
PL 480 (non-add)								
Title I (100% Title III)	(30.0)	(25.7)	(29.4)	(29.4)	(31.0)	(32.0)	(33.0)	(34.0)
Title II	(19.5)	(31.3)	(37.0)	(37.0)	(25.0)	(25.0)	(25.0)	(25.0)
Housing Guaranties (non-add)	-	-	-	-	-	-	-	-
Personnel (in workyears)								
Mission - U.S.	44.8	56.0	56.0	56.0	56.0	56.0	56.0	56.0
- F.N.	145.1	132.0	132.0	132.0	135.0	135.0	135.0	135.0
TDY - U.S.D.H.	1.2	1.6	1.2	1.2	.9	1.5	1.5	1.5
Contract, other	37.8	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Operating Expenses	5.3	6.3	6.5	6.5	7.0	7.4	8.0	8.5

TABLE III - SUMMARY OF RESOURCES - BY ACTIVITY

(FUNDING IN $000 AND OPERATING EXPENSES-FUNDED PERSONNEL IN WORKYEARS (XX.X))

DECISION UNIT: Philippines

ACTIVITY		PY: 1978			CY: 1979			BY: 1980 MARK			BY: 1980 MINIMUM			BY: 1980 EXPANSION			BY: 1980 PROPOSED		
		FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN
FOOD AND NUTRITION		(26,751)	(8.03)	(9.77)	(39,317)	(14.7)	(8.7)				(32,056)	(13.4)	(7.9)				(37,556)	(13.4)	(7.9)
Land Tenure Reform	0330	-	.1	-	1,000	1.5	-				-	1.4	0				-	1.4	0
Agrarian Reform	0261	366	-	-	-	-	-				-						-		
Aquaculture Production	0266	221	.1	-	-	-	-				-						-		
Freshwater Fisheries Development	0322	-	.13	.17	400	-	-				1,000	-	-				1,000	-	-
Artisan Fisheries - Agriculture	0332		-	-		-	-				5,000	-	-				5,000	-	-
Agriculture Research I	0280	-	.3	.7	-	.3	.4				-	.3	-				-	.3	-
Agriculture Research II	0286	-	-	.1	5,000	.3	.4				-	.3	.4				-	.3	.4
Cooperative Marketing	0300	1,600	-	-	4,400	.2	-				-	.2	-				-	.2	-
Crop Protection	0288	-	.3	-	-	.2	-				-	.2	-				-	.2	-
Integrated Agriculture Production & Marketing	0302	-	2.2	.6	-	1.4	.9				-	1.3	1.0				-	1.3	1.0
Small Scale Irrigation	0274	365	.5	.3	-	.4	.2				-	-	-				-	-	-
Small Farmer Systems I	0301	5,155	.2	-	5,350	1.0	.3				495	1.0	.4				495	1.0	.4
Small Farmer Systems II	0334	-	-	-	-	-	-				5,000	.7	.3				10,500	.7	.3
Food and Nutrition	0252	564	.5	.7	-	-	-				-	-	-				-	-	-
National Nutrition Outreach	0320	-	.4	1.1	1,000	.4	1.1				1,000	.4	1.1				1,000	.4	1.1
Bicol River Basin Development	0260	-	.3	-	-	-	-				-	-	-				-	-	-
Bicol Integrated Rural Development	0303	900	.3	-	680	1.7	-				520	1.7	-				520	1.7	-
Bicol Secondary Feeder Roads	0281	-	.2	.6	-	.5	.5				-	.5	.6				-	.5	.6
Bicol Integrated Area Development II (Bula)	0310	750	.2	.1	-	.4	.2				-	.4	.2				-	.4	.2
Bicol Integrated Area Development III (Rinconada)	0289	-	.2	.1	2,500	.4	.2				2,500	.6	.2				2,500	.6	.2
Libmanan/Cabusao Integrated Area Development	0275	-	.5	.3	-	.6	.3				-	.2	.1				-	.2	.1
Rural Service Centers	0304	490	-	1.0	417	2.6	1.1				791	2.3	0.8				791	2.3	0.8
Local Development	0256	940	.8	1.4	-	-	-				-	-	-				-	-	-
Fund for Local Government	0318	-	-	-	5,300	.2	.4				5,500	.2	.4				5,500	.2	.4
Rural Roads I	0272	-	-	2.6	-	.2	.5				-	-	-				-	-	-

TABLE III - SUMMARY OF RESOURCES - BY ACTIVITY

(FUNDING IN $000 AND OPERATING EXPENSES-FUNDED PERSONNEL IN WORKYEARS (XX.X))

DECISION UNIT: Philippines

ACTIVITY		PY: 1978			CY: 1979			BY: 1980												
								MARK			MINIMUM			EXPANSION			PROPOSED		
		FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN	FUNDING	PERSONNEL US	PERSONNEL FN
Rural Roads II	0297	7,000	-	-	7,500	1.3	2.2				9,500	1.3	2.4				9,500	1.3	2.4
Rural Electrification IV & V*		8,400	.6	-	-	.5	-				-						-		
Consulting Services III	0282	-	.1	-	-	.1	-				-						-		
Rural Electrification Training Centers	498-0260	(250)	.1	-	-	.1	-				-						-		
Agro-forestation	0305	-			5,770	.4	-				750	.4	-				750	.4	-
POPULATION		(6,145)	(4.0)	(1.6)	(5,209)	(3.3)	(1.6)				(2,491)	(3.3)	(1.6)				(2,491)	(3.3)	(1.6)
Population Planning II	0277	6,145	4.0	1.6	5,209	3.3	1.6				2,491	3.3	1.6				2,491	3.3	1.6
HEALTH		(9,400)	(2.6)	(1.0)	(3,000)	(4.6)	(1.6)				(7,887)	(4.9)	(1.8)				(10,887)	(4.9)	(1.8)
Panay Unified Services for Health	0312	5,716	1.0	-	-	1.0	.3				-	1.0	.3				-	1.0	.3
Bicol Integrated Health, Nutrition & Population	0319		1.0	-	2,500	1.1	-					1.1	-					1.1	-
Barangay Water I	0291	3,184	-	.8	-	1.2	1.0				-	.7	.7				-	.7	.7
Barangay Water II	0333	-	-	-	-	-	-				7,887	.8	.5				10,887	.8	.5
Local Water Development	0309	500	.6	.2	500	1.3	.3				-	1.3	.3				-	1.3	.3
EDUCATION		(100)	(.6)	(.6)	(3,700)	(1.2)	(1.3)				(2,200)	(1.2)	(1.4)				(2,200)	(1.2)	(1.4)
Agricultural Education Outreach	0331	-	-	-	-	.3	-				1,700	.4	-				1,700	.4	-
Bayanihan Barangay Schools	0293	-	.6	.4	3,600	.9	1.1				400	.8	1.2				400	.8	1.2
Participant Training II	0308	100	-	.2	100	-	.2				100	-	.2				100	-	.2
SELECTED DEVELOPMENT ACTIVITIES		(13,650)	(.9)	(1.6)	(4,600)	(2.1)	(1.0)				(4,900)	(2.1)	(1.0)				(4,900)	(2.1)	(1.0)
Economic and Social Impact Analysis/Women in Development	0295	1,000	.5	1.3	1,000	.5	-				500	.5	-				500	.5	-
Real Property Tax Administration	0298	4,000	-	.3	1,600	1.2	.8				4,400	1.2	.8				4,400	1.2	.8

*Expenditures are for RE V. Personnel workyears are for RE IV & V.

AID (330-11) (3-78)

TABLE III - SUMMARY OF RESOURCES - BY ACTIVITY

(FUNDING IN $000 AND OPERATING EXPENSES-FUNDED PERSONNEL IN WORKYEARS (XX.X))

DECISION UNIT: Philippines

ACTIVITY		PY: 1978			CY: 1979			BY: 1980											
								MARK			MINIMUM			EXPANSION			PROPOSED		
		FUNDING	PERSONNEL		FUNDING	PERSONNEL		FUNDING	PERSONNEL		FUNDING	PERSONNEL		FUNDING	PERSONNEL		FUNDING	PERSONNEL	
			US	FN		US	FN		US	FN		US	FN		US	FN		US	FN
Consulting Services IV	0287	-	-	-	2,000	.1	-				-	.1	-				-	.1	-
Non-Conventional Energy Development	0294	8,650	.4	-	-	.3	.2				-	.3	.2				-	.3	.2
PL 480 Title I		13,300	1.3	3.2	25,700	1.3	3.2				29,400	1.3	3.2				29,400	1.3	3.2
(of which PL 480 Title III)		(13,300)			(25,700)						(29,400)						(29,400)		
PL 480 Title II		19,606	15	2.4	31,300	15	2.4				37,136	.5	2.4				37,136	.5	2.4
NON-PROGRAM ACTIVITIES		(5,354.8)	(43.2)	(171.7)	(6,267.8)	(45.1)	(166.7)				(5,937.8)	(45.1)	(171.1)				(5,937.8)	(45.1)	(171.1)
Policy Direction and Management			12.5	10.3		12.2	9.9					12.4	9.9					12.4	9.9
Financial Management			3.0	26.7		3	26					3	29					3	29
Mission Support			7.8	85.8		8.6	86					8.6	87.4					8.6	87.4
IDIs			3.9	-		3.0	-					3.0	-					3.0	-
Other (Specify)*			2.4	40.6		3.3	35.8					3.1	35.8					3.1	35.8
Non-Mission Specific Personnel			13.4	8.3		15	9					15	9					15	9
Operating Expenses:		5,322.1			6,307.9						6,500.8						6,500.8		
Personnel		3,411.4			4,089.3						4,119.6						4,119.6		
Housing		738.1			982.8						1,059.1						1,059.1		
Office Operations		1,172.6			1,235.8						1,322.1						1,322.1		
TOTAL		5,354.8			6,267.8						5,937.8						5,937.8		

*See footnote to Step 2 form, "Mission Operating Expense funded personnel requirements."

AID 1330-11 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Land Tenure Reform	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0330			

Purpose: This follow-on to the Agrarian Reform Project, is to expand the scope and intensity of land reform making it more effective to tenant beneficiaries prior to nationwide replication.

Background: AID has been associated with the land transfer program since its inception in 1972. AID's input to the program continues to be in technical areas related to land surveys, mapping, procedures and systems design, training, monitoring, and evaluation. Identification of eligible tenants and issuance of Certificates of Land Transfer (CLT) was originally scheduled for completion in December 1976. However, cumbersome administrative arrangements and inadequate management guidelines slowed the pace of land transfer operations, especially as smaller landholdings began to be affected. Now, however, management has accepted the new procedures and systems, promulgated new management guidelines and established more realistic and meaningful indicators for measuring program performance, for scheduling assignments and field work, and for targeting program completion for major implementation actions.

Progress to Date: More has been achieved in land tenure reform since October 1972 than the combined previous 70 years of reform programs. Under the Agrarian Reform Project, the implementation in 1976 of new documentation procedures and monitoring systems resulted in an overall annual increase of 5% in the issuance of CLT's. This rate will further increase with continued AID support, which the GOP has requested.

Beneficiaries: The total 10-year GOP program will benefit 1,000,000 poor farm families. The two year USAID extension will increase the scope by 180,000 tenants with net farm incomes of $200 or less per annum. Because full-scale replication of the new survey and procedures will allow for complete coverage in identification of eligible tenant beneficiaries, each beneficiary will increase his net farm income as a result of land rental reductions from 50% to 25% of the gross value of his agricultural production. Direct project cost per beneficiary family is about $5.50.

Current Year Program: The matrix below correlates the major activities of the land tenure reform program with the implementation actions which AID technicians will be helping to put in place.

Program Activities	Procedures Design	Procedures Test	Staff Training	Action Research Evaluation
Tenant I.D. & land mapping	AC*	AC	AC	X***
CLT issuance/dist. registration	AC	AC	X	X
Landlord comp.	AC	AC	X	X
Tenant amort.	X	X	TBC*	TBC
Leasehold Oper.	TBC	TBC	TBC	TBC

Budget Year Program: At the end of the FY 80, activities cited in the Current Year Program (FY 79) will be completed.

Major Outputs: With respect to each of the phases of the land transfer program, the following major outputs will be accomplished by the end of the project:

OLT & LHO tenant beneficiaries identified	1,000,000
Parcels surveyed	1,200,000
CLT's issued and registered	600,000
CLT's distributed	500,000
Landlord claims processed	27,000
Amortizing owners	372,000
Leasehold contracts written	300,000
Leasehold contracts registered	200,000

*AC - already completed in FY 78.
**TBC- to be completed by FY 80.
***X - implementation of new systems and procedures in FY 79.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Land Tenure Reform	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 79	FINAL OBLIGATION: FY 79	TOTAL COST: 1,000,000
PROJECT NUMBER: 492-0330 / APPROPRIATION: FN	DATE PP/REVISION: 10/78	DATE LAST PAR:	DATE NEXT PAR: 7/80

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL –					1,000	370	630			525	105
Grant:					1,000	370	630			525	105
Consultant Services (Contract)				11/78-9/80	615	250	365			300	65
Local Procurement Reproduction Services				11/78-9/80	70	20	50			50	–
Excess Property Acquisition				11/78-9/80	80	20	60			40	20
Reproduction, Communications Equipment				11/78-9/80	50	20	30			30	–
Training Activities				11/78-9/80	160	60	100			80	20
Project Evaluation				7/80	25	–	25			25	–
(PL 480 Title I Pesos)				11/78-9/79	(800)	(550)	(250)	10/79-9/80	(350)	(400)	(200)
(Farm Management Support)				11/78-9/79	(200)	(150)	(50)	10/79-9/80	(150)	(150)	(50)
(Samahang Nayon Development)					(600)	(400)	(200)		(200)	(250)	(150)
(Contractor Support Costs)					(158)	(65)	(93)			(75)	(18)
HC AND OTHER DONOR TOTAL –					10,050				LIFE OF PROJECT 19,100		
GOP:											
Operation Land Transfer					750				750		
Information/education					500				550		
Research					750				750		
Land Compensation					7,750				6,550		
Land Registration					250				400		
Program Support-Trust Fund					50				50		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT		4.5	4.5			
TDY (NON-ADD)						
OPERATING EXPENSES	0.1	1.4	1.4			

PERSONNEL INTENSITY

- [x] HIGH
- [ ] MEDIUM •
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM			
	SHORT – TERM		6	6
TYPE B	LONG – TERM			
	SHORT – TERM			

FOOTNOTES

AID 1330–8 (3–78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Agrarian Reform	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0261			

Purpose: Improve effectiveness of the land reform program; strengthen, test and evaluate the most effective small farmer organizations and systems to provide necessary supporting services to land reform beneficiaries; and strengthen agrarian reform research capability while simultaneously producing research studies important for agrarian reform policy and operations.

Background: The target of the Philippine Government is to convert 1,000,000 rice and corn tenants, farming 1.4 million hectares of land, into either independent land owners or tenants under fixed leasehold arrangements. Of that number, an estimated 150,000 tenants on 250,000 hectares in the four provinces of Nueva Ecija, Camarines Sur, Leyte and Iloilo will be reached directly under this project. By improving the effectiveness of the land reform program in these four provinces, the Philippine Government's ability to meet its long-term goal will be enhanced. Over one quarter of the 5.4 million hectares of rice and corn land in the Philippines is tenanted. USAID has provided technical assistance on procedures and systems, statistical reporting, training, information, photo-mosaic production, land mapping and titling, research and program management.

Progress to Date: During FY 76 a thorough internal Mission review of the project was conducted. As a result, the PROP was revised to shift major emphasis of USAID support on the provinces of Nueva Ecija, Camarines Sur, Leyte and Iloilo with specified targets. Of the 150,000 eligible tenants in the project area, 73,000 were targeted to benefit from the land transfer and 77,000 from leasehold operations. Also, 65,000 farmers were to receive their Certificates of Land Transfer (CLT). A total of 93,000 CLT's for 176,000 hectares of rice and corn land had been issued by January 1978, clearly exceeding the project target.

Beneficiaries: The Philippine Agrarian Reform effort will affect at least 1,000,000 rice and corn tenants, under one of two programs. Tenants working on rice or corn holdings of seven hectares or less are covered by the Leasehold Operations (LHO). Under LHO, share tenants become lessees, paying fixed rental arrangements that were often as high as 50%. Over 600,000 tenants are affected by LHO. These new leaseholders are cultivating farms of an average 1.27 hectares. Operation Land Transfer affects rice or corn tenants working on farms of over 7 hectares in size. Some 400,000 share tenants will be converted into amortizing owners under OLT, cultivating an average farm size of 1.92 hectares. Recently, the government has limited the total holdings of landowners in the 24 hectares and below categories to a total retention of 7 hectares of tenanted land, but if they own other agriculture land or private property valued at certain specified levels then they may not retain any land which therefore may increase the tenant beneficiaries under the OLT. The average cost of the U.S. support to agrarian reform is $2.40 per beneficiary family.

Current Year Program: Project terminating in FY 78.

Budget Year Program: Project terminating in FY 78.

Major Outputs: Based on refined implementation in the four (4) project provinces the target number of 150,000 land reform beneficiaries will be exceeded with a significant increase in income resulting from their new ownership status. A new approach to farmer organization development will be tested and proved viable. Agrarian research capability will be developed and providing support to continued agrarian reform policy and operational needs.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Agrarian Reform		Philippines	Minimum	1980
			INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
			FY 74	FY 78	2,382,000
	PROJECT NUMBER	APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
	492-0261	FN	6/76	5/77	6/78

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	366	643	74			74	-				
Grant:	366	643	74			74	-				
Technical Services	175	291	28			28	-				
Commodities	54	193	14			14	-				
Training											
a) Overseas	40	80	5			5	-				
b) In-country	60	60	-								
Others	37	19	27			27	-				
(Project Evaluation)	(12)	(12)									
(Contractor Support Costs)	(25)	(20)	(5)			(5)	-				
HC AND OTHER DONOR TOTAL —									LIFE OF PROJECT		
GOP:	25,025								70,025		
Operation Land Transfer	775										
Information/education	380										
Research	575										
Land Compensation	23,170										
Land Registration	100										
Program Support-Trust Fund	25										

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	4.8					
TDY (NON-ADD)						
OPERATING EXPENSES		0.1				

PERSONNEL INTENSITY

- ☐ HIGH
- ☐ MEDIUM
- ☒ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM	10		
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

AID 1330—8 (3—78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Aquaculture Production	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0266			

Purpose: To increase brackishwater and freshwater aquaculture production, and small fish producer incomes.

Background: The need and potential for increased aquaculture production relates directly to the USAID strategy and the GOP goal to improve nutrition for poor Filipinos. As a part of this strategy, a Fisheries Industry Development Council (FIDC) has been established to implement policy that will accelerate and promote the integrated development of fishery resources. An output of the FIDC has been a comprehensive and consolidated Integrated Fisheries Development Plan (IFDP) delineating the roles and responsibilities of 16 fisheries related agencies. USAID has supported fisheries development with an earlier 4 year project on Inland Fisheries (1971-74). This follow-on to that effort aims to develop institutions to provide aquaculture research, education, and extension services for fishfarmers.

Progress to Date: A brackishwater aquaculture center and a freshwater aquaculture center have been established and are carrying out a program of research, production and extension. A fisheries extension division has been established in the GOP's Bureau of Fisheries and Aquatic Resources. In two pilot regions where extension services have been concentrated since 1974, aquaculture production has more than doubled. Nationally, production has increased only about 20%.

Beneficiaries: Filipinos whose net income are less than $100 per capita/year get 20% of their total protein intake from fish. Fish make up 61% of their animal protein intake. An estimated 4 million low income Filipinos (600,000 families) will benefit by improved nutrition as a result of this project. About 5,000 fishfarm owners and caretakers; 700 extension workers; 200 university employees and many workers associated with marketing and supporting industries have also directly benefitted from the project. The estimated project cost per family is $1.50.

Current Year Program: Project terminating in FY 78.

Budget Year Program: Project terminating in FY 78.

Major Outputs: Cumulatively, the project will result in: Two operational institutions (a Freshwater Aquaculture Center and Brackishwater Aquaculture Center) conducting research, and training students, extension workers, and fishfarmers. An operational Fisheries Extension Division in the GOP with a network of extension workers conducting an outreach fisheries program. The most significant accomplishments will be: new technologies extended to over 2,000 fishfarmers; an increase of 37,500 tons of pond-reared fish; and improved nutrition for 600,000 families.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Aquaculture Production	Philippines	Minimum	FY 80
	INITIAL OBLIGATION: FY 75	FINAL OBLIGATION: FY 78	TOTAL COST: 889,000
PROJECT NUMBER: 492-0266 / APPROPRIATION: FN	DATE PP/REVISION: 1/78	DATE LAST PAR: 7/78	DATE NEXT PAR: 8/78

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	221	284	28			28					
Grant:	221	284	28			28					
Participant Training	34	41	10			10	-				
Laboratory and Extension Commodities	28	61	-								
Technical Services for Research Extension, Hatchery, and Marketing (Contract)	150	173	18			18	-				
Invitational Travel	9	9	-								
(Project Evaluation)	(12)	(12)									
(Contractor Support Costs)	(30)	(18)	(12)			(12)					
HC AND OTHER DONOR TOTAL —	623				4				LIFE OF PROJECT 5,027		
GOP											
Personnel Costs	250										
Operations	190										
Commodities	160										
Program Support Trust Fund	23				4						

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	2.2	0.3				
TDY (NON-ADD)						
OPERATING EXPENSES	0.1					

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM	5		
	SHORT — TERM	1		
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

Peace Corps activities complement this project.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Freshwater Fisheries Development	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0322			

Purpose: Increase freshwater aquaculture production and consumption, increase incomes of small farmers and small fish producers, and improve nutrition.

Background: The potential to produce 200 kg./hectare of fish annually in rice paddies using fish-rice culture and in ponds and natural waters in the Philippines has become a certainty following the field testing of new technology developed jointly by USAID/GOP since 1971. However, shortage of fish seedlings and adequately trained extension workers are primary constraints to major production increases. This project will alleviate these constraints and increase freshwater aquaculture production, directly impacting on the severe malnutrition among the nation's poor.

Progress to Date: A joint USAID/GOP fish marketing study demonstrating a high demand for fish in Central Luzon was completed in December 1977. USAID fish hatchery consultants have made studies and recommended a site suitable for the hatchery. USAID and GOP jointly agreed to use PL 480 Title I funds to construct fish hatchery and extension training facilities. Architectural and engineering plans are being prepared and construction will begin in September 1978.

Beneficiaries: The primary target group is 10,000 (70,000 family members) rice farmers in Central Luzon whose average net family income is less than $390/year (35% of which receive less than $133/year). About 2,000 families will have increased income from selling fish produced in excess of family consumption needs. During the life of the project, the estimated cost per family benefitted is $140.

Current Year Program: The fish hatchery-extension training center will become operational; a core of 50 fish farmers trained in rice-fish culture; 20 extension workers trained and assisting rice-fish farmers; and 20 extension workers trained and assisting in management of fish hatcheries.

Budget Year Program: During FY 80, 50 families trained and growing rice-fish; 5 million fish seedlings produced and distributed to families; 400 tons of fish produced by rice-fish farmers; and rice-fish technology extended to 4,000 farmers.

Major Outputs: A staffed, operational fish hatchery with an annual output of 20 million fish seedlings; an operational extension training center that has trained 200 extension agents and fish farmers; rice-fish culture technology extended to 10,000 rice farmers; improved nutrition for 10,000 families.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Freshwater Fisheries Development	Philippines	Minimum	FY 80
	INITIAL OBLIGATION: FY 79	FINAL OBLIGATION: FY 80	TOTAL COST: 1,400,000
PROJECT NUMBER: 492-0322	APPROPRIATION: FN	DATE PP/REVISION: 9/78	DATE LAST PAR:	DATE NEXT PAR: 9/80

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL –					400	295	105		1,000	800	305
Grant:					400	295	105		1,000	800	305
Technical and Extension Training				2/79-9/79	184	184	–	10/79-9/81	250	200	50
Hatchery Production and Management Advisory Services				1/79-9/79	75	70	5	10/79-9/81	450	275	180
Training and Laboratory Equipment/and Supplies				7/79-2/80	141	41	100	12/79-9/81	250	300	50
Project Evaluation								2/80-10/80	50	25	25
(PL 480 Title I Pesos) –	(667)	(40)	(627)			(627)					
(Construction of Hatchery - Extension Training Facilities)	(667)	(40)	(627)			(627)					
(Contractor Support Costs)					(36)	(36)			(56)	(38)	(18)
HC AND OTHER DONOR TOTAL –	35				608				LIFE OF PROJECT 885		
GOP	35				–				–		
Fish Pond Development Construction	–				533				–		
Operations	–				50				117		
Program Support Trust Fund	–				25				30		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT		1.8	3.0	1.8		
TDY (NON-ADD)						
OPERATING EXPENSES	0.3					

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM		6	
	SHORT – TERM		14	8
TYPE B	LONG – TERM			
	SHORT – TERM			

FOOTNOTES

AID 1330–8 (3–78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Artisan Fisheries - Agriculture	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0332			

Purpose: Establish viable, self-sustaining community systems for improving the general socio-economic well-being of Filipino artisan fishermen-farmers.

Background: The objectives of this project relate directly to the GOP strategy to improve the nutrition and socio-economic well-being of poor Filipinos. The artisan or coastal fisheries sub-sector comprises one of the most severely disadvantaged groups in the Filipino society. Most residents of the 14,000 coastal villages earn their livelihood through capture fisheries and farming. Since problems of artisan fishermen-farmers are multiform, solutions will require a comprehensive and integrated approach, which is consistent with the overall GOP fisheries development strategy.

Project Description: This project includes four primary elements: (1) development of artisan fishermen-farmers training centers with ongoing training programs, (2) development of artisan fishermen-farmers service centers, including beneficiary lead organizations and locally owned facilities, (3) extension training and outreach programs to fishermen-farmers, and (4) development of new and specialized mariculture-agriculture activities.

Beneficiaries: The artisan fisheries sub-sector employs 500,000 to 700,000 fishermen-farmers or about 90% of the total capture fisheries workforce. Including family members, about 4 million people depend on fishing-farming for their livelihood. The direct beneficiaries of this pilot project will be 10,000 fishermen-farmers and their families. Their gross per capita annual income is estimated to be less than $150. Estimated project cost per family benefitted is $500.

Current Year Program: During the FY 1979 the project planning and design will be completed. The PP will be completed in August 1979.

Budget Year Program: During FY 80, 30 extension workers will be trained, and extending technology; a system of two fishermen-farmers service centers and two fishermen-farmers training centers will be organized and staffed; and 500 fishermen-farmers will be trained and using adopted low-cost fisheries technologies.

Major Outputs: The cumulative outputs through LOP will be: improved socio-economic status of 10,000 artisan fishermen-farmer families; two training centers, two service centers and an extension program developed and providing participatory training-outreach services to artisan fishermen-farmers; and two pilot areas tested for intensive development of integrated fisheries-agriculture.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Artisan Fisheries - Agriculture	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 80	FINAL OBLIGATION: FY 80	TOTAL COST: 5,000,000
PROJECT NUMBER: 492-0332 / APPROPRIATION: FN	DATE PP/REVISION: 6/79	DATE LAST PAR:	DATE NEXT PAR: 3/81

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —									5,000	875	4,125
Loan:									3,000	600	2,400
Training of fishermen-farmers, agents, and participants								11/79-12/81	600	100	500
Commodities to equip extension agents and training centers								11/79-12/82	900	100	800
Construction/equipment for service centers								11/79-12/82	1,500	400	1,100
Grant:									2,000	275	1,725
Consultant Services								11/79-9/84	1,150	250	900
Field Support equipment/supplies								11/79-9/84	700	25	675
Project Evaluation								11/80-9/84	150	-	150
(PL 480 Title III Pesos)											
Infrastructure, local procurement					(100)	(80)	(20)	11/79-6/83	(1,900)	(800)	(1,120)
Contractor Support Costs									(154)	(34)	(120)
HC AND OTHER DONOR TOTAL —					50				LIFE OF PROJECT 5,046		
GOP									75		
Personnel					50				-		
Infrastructure					-				50		
Training					-				50		
Commodities					-				46		
Program Support Trust Fund											

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT			3.5	6.0	6.2	6.0
TDY (NON-ADD)						
OPERATING EXPENSES						

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			10
	SHORT — TERM			25
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

AID 1330—8 (3—78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Agricultural Research I	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0280			

Purpose: To increase and improve the indigenous agricultural research capability at four Regional Research Centers and the National Research Center to service the needs of small farmers in ways that will improve their incomes.

Background: In 1973 the GOP created the Philippine Council for Agriculture and Resources Research, a high level national research body, as an integral part of its plan to assign high priority to systematizing and conducting agricultural research. In its long range development plans, the GOP identified 22 priority agricultural projects which will contribute to their overall goals of food self-sufficiency, improved nutrition and conservation of natural resources. The GOP recognizes that increased production is based upon a program of sustained development of improved technology which is dependent upon the output of indigenous research. Studies consistently demonstrate excellent returns on investments in research.

Progress to Date: Infrastructure development at all four centers is over 50 percent completed, and 67 of 90 structures will be completed before the end of FY 78. GOP funded construction completed totals $1.1 million. Letters of Commitment and Letters of Credit to cover $500,000 of AID financed equipment have been issued and an additional $111,000 approved. The IFB's have been prepared for the remaining equipment procurement and approval made for procurement of $116,000 of reference library materials. Over $281,000 of equipment has been procured with GOP funds. Seventy-seven academic person years of graduate study have been completed in-country and four person-months in the U.S. at a total cost of $113,000.

Beneficiaries: Through various extension techniques, research results will provide improved technology to more than 2 million small farmers in the regions served by the selected centers. Total project cost per family is approximately $15.00.

Current Year Program: During FY 79, the activity will improve and expand the indigenous research capability of the country. Results contributing to development of this capability will be procurement of remaining equipment; completion of the remaining infrastructure; 27 staff completing the long-term training and engaged in research; and 30 person months of short-term staff training completed and being applied to research activities. At least 20 research studies will have been completed and the results provided to the extension system.

Budget Year Program: During FY 80, institutions will be further strengthened with staff development to increase capability to conduct research, resulting from completion of at least 40 research projects at the centers which will be provided to the Department of Agriculture for extension to small farmers. Research institutions will be strengthened by an additional 28 staff completing long-term training and 40 person months of other training applied to research for small farmer development.

Major Outputs: The 4 Regional Research Centers shall be adequately staffed, equipped and carrying out well planned research programs on basic food and feed crops; library resources of PCARR, UPLB, SEARCA and IRRI, providing timely access to relevant scientific reports for researchers in the field; research results from the four centers will be systematically provided to the national extension service and other outreach agents for use by 2 million small farmers; and PCARR will be coordinating and monitoring all GOP funded research in agriculture, forestry and fisheries.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Agricultural Research I		Philippines	Minimum	1980
			INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
			FY 76	FY 76	5000,000
	PROJECT NUMBER	APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
	492-0280	FN	3/75		10/78

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978			CY: 1979				BY: 1980			
	OBLIGATION	EXPENDITURE	PIPELINE	FUNDING PERIOD (FR — TO)	OBLIGATION	EXPENDITURE	PIPELINE	FUNDING PERIOD (FR — TO)	OBLIGATION	EXPENDITURE	PIPELINE
AID-FINANCED TOTAL —		2,630	2,369			1,559	810			445	365
Loan:		2,630	2,369			1,559	810			445	365
Training, long-term and short-term		202	834			276	558			345	213
Equipment for selected centers		780	640			640	-				
Infrastructure development at selected centers		1,647	593			593	-				
Advisory services		1	222				222			70	152
Project Evaluation[a/]			80			50	30			30	-
(Contractor Support Costs)			(11)			(5)	(6)			(3)	(3)
HC AND OTHER DONOR TOTAL —	3,026				3,730				LIFE OF PROJECT 13,876		
GOP:											
Infrastructure	1,228				1,141				1,136		
Commodities	258				260				159		
Operations	1,440				2,104				2,530		
Training	100				225				225		
Program Support Trust Fund	-				-				-		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT		1.0	1.1	1.6		
TDY (NON-ADD)						
OPERATING EXPENSES	1.0	0.7	0.3	0.3		

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM	35	53	53
	SHORT — TERM	20	40	50
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

a/ Funds for evaluation originally programmed under advisory services.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Agricultural Research II	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0286			

Purpose: Increase and strengthen the national and regional indigenous agricultural research capability to service the needs of small farmers through development of eight regional research centers.

Bacground: This project is the second phase of assistance to help the Philippine Council for Agricultural and Resources Research (PCARR) develop an indigenous research capability to provide, on a self-sustaining basis, improved technological packages relevant to small farmers living in different ecological zones. The phase I loan for $5 million was to assist in upgrading facilities and personnel at four regional centers and the national headquarters of PCARR. Implementation is well underway. The GOP established PCARR as the approving/monitoring agency for all GOP funded research in agriculture, forestry and fisheries and identified a nationwide network of 16 research centers to consolidate and coordinate all such research. The high priority given to research is based on GOP recognition that indigenous research capability is essential for achieving food self-sufficiency, improved nutrition, and conservation of natural resources. High returns on investment of agricultural research have been clearly demonstrated as well as the case that the poor benefit relatively more than higher income groups from such research. The GOP increased budgetary support for agricultural research from $80,000 equivalent in 1973 to $6.9 million equivalent in 1977.

Progress to Date: A PID and PRP were prepared and approved. A draft PP was prepared but has been held in abeyance following a decision by the PCARR Governing Council to re-evaluate the research network and center development priorities. Finalization of the PP awaits their decision. GOP planned support for this second phase activity is $30 million equivalent for LOP.

Beneficiaries: The research results will be made available through the agricultural extension service and other means to an estimated 750,000 small farmers (3.75 million farm people) in the regions served by the selected centers. Project cost will be approximately $14.00 per farm family.

Current Year Program: Since this activity will commence the third quarter of FY 79, results will be associated with the initial implementation steps including completion of the A & E phase of the infrastructure components; selection of 30 staff who will enter training; completion of the equipment list and specifications; and draft completion of the IFB's and contract arrangements for services of consultants. The planned program and funding for the activity has been modified from the FY 78 CP. Changes include a decrease in loan funds of $500 thousand shifted to grant funding for technical assistance and evaluation. It is envisioned that the technical assistance will be provided under Title XII. The onset of implementation will be slightly delayed but the obligation schedule remains as planned.

Budget Year Program: During FY 80, initial actions on research center physical facilities will be well underway including completed bidding on 50 percent of the commodity component, contracts awarded, construction initiated on 50 percent of the infrastructure, and designs of the remaining infrastructure completed. Manpower development will commence with 84 persons selected and entering training programs. A total of 15 studies will be completed for improving research planning and at least 40 research projects will be underway at the centers in support of small farmer production and marketing needs.

Major Outputs: Eight additional research centers will be staffed with qualified personnel, sufficiently equipped and conducting at least 160 research studies annually, relevant to small farmer problems. Research results will be provided on a sustained basis to extension agents and other appropriate organizations engaged in outreach programs to deliver new technology to 750,000 small farmers.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Agriculture Research II	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 79	FINAL OBLIGATION: FY 81	TOTAL COST: 10,000,000
PROJECT NUMBER: 492-0286 / APPROPRIATION: FN	DATE PP/REVISION: 11/78	DATE LAST PAR:	DATE NEXT PAR: 6/80

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —					5,000	140	4,860			4,150	710
Loan:					5,000	140	4,860			4,150	710
Construction and/or upgrading of infrastructures at selected centers				5/79-12/81	2,400	-	2,400			2,000	400
Equipment for selected centers				5/79-12/81	2,000	-	2,000			1,800	200
Training of staff, long-term and short-term				3/79-6/81	400	80	320			270	50
Advisory Services (contract)				3/79-12/80	180	60	120			60	60
Project Evaluation				5/80-6/80	20	-	20			20	-
(Contractor Support Costs)					(43)	(28)	(15)			(15)	-
HC AND OTHER DONOR TOTAL —					3,800				LIFE OF PROJECT 20,400		
GOP:											
Infrastructure					400				1,000		
Commodities					10				188		
Operations					84				90		
Training					3,306				2,722		
Program Support Trust Fund											

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT		0.7	1.0	1.0	1.0	1.3
TDY (NON-ADD)						
OPERATING EXPENSES	0.1	0.7	0.7	0.3	0.3	0.3

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM		30	40
	SHORT — TERM		15	45
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Cooperative Marketing	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0300			

Purpose: Establish viable, vertically integrated agricultural cooperative systems encompassing marketing, finance, and production which increase small farmer incomes.

Background: There are an estimated two million rice corn farmers in the Philippines, including one million who farm 2.5 hectares or less. The objective of the GOP is to give them the opportunity to become independent, cooperating farmers with access to credit, improved technology and profitable marketing channels. Since 1973, over 20,000 village level farmer associations representing some 950,000 small farmers have been established and are federating to form larger organizations known as Area Marketing Cooperatives (AMC). These cooperatives will increase small farmer incomes, and promise to be more responsive to their production, supply, and marketing needs than the large-scale cooperative program of the 1950s.

Farmer owned Cooperative Rural Banks (CRB) have also been organized to meet the production credit requirements of farmer members. Collectively, the farmer members have generated more than $10 million in cooperative savings. This project is aimed at improving and facilitating the development of a vertically integrated cooperative marketing structure by establishing a nucleus of well managed, adequately financed, efficient and economically viable AMCs and CRBs. The project will enable the cooperative rural banks to finance development needs of 15 targeted area marketing cooperatives and provide with complementary managerial and technical needs.

Progress to Date: The project has been approved and FY 78 funding has been authorized. Conditions precedent to funding disbursement are currently being met. A cooperative finance system is being created and detailed procedures governing the loaning operations of this system are currently being developed.

Beneficiaries: The project beneficiaries are 90,000 farm families belonging to village-level associations which are federated into Area Marketing Cooperatives participating in the project. They are among the poorest groups within the Philippines. Project cost per family benefited would be $67.

Current Year Program: Cooperative Finance System established and extending well-managed loans to five additional AMCs; Marketing Information System organized and servicing all project supported AMCs; and improved accounting and record keeping systems in AMCs and CRBs resulting from management development program.

Budget Year Program: Central cooperative marketing and supply distribution outlet organized and functioning; effective extension programs instituted within 15 AMCs reaching 90,000 small farmers as a result of continued management development; Cooperative Foundation providing effective management development, technical assistance, research and auditing services to project supported AMCs and CRBs.

Major Outputs: A network of 15 Area Marketing Cooperatives that are financially and managerially strong, serving 90,000 small farmers; 8 operational Cooperative Rural Banks systematically financing farmer owned AMCs included in the project; and effective cooperative information and extension systems reaching 90,000 farm families.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Cooperative Marketing	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 78	FINAL OBLIGATION: FY 79	TOTAL COST: 6,000,000
PROJECT NUMBER: 492-0300 / APPROPRIATION: FN	DATE PP/REVISION: 8/77	DATE LAST PAR:	DATE NEXT PAR: 1/80

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL –	1,600	750	850		4,400	3,125	2,125			1,490	635
Loan	1,600	750	850		4,400	3,125	2,125			1,490	635
Cooperative Advisors (HC Contract)	140	20	120	9/78-9/80	260	140	240			140	100
Commodities	25	10	15	9/78-9/80	55	35	35			25	10
Cooperative Loans	1,435	720	715	9/78-9/80	4,085	2,950	1,850			1,325	525
Project Evaluation									(30)	(30)	
(PL 480 Title I Pesos)	(66)	(25)	(41)		(56)	(61)	(36)		(50)	(56)	(30)
(Local Commodity Procurement)	(30)	(15)	(15)	9/78-9/80	(20)	(25)	(10)	10/79-9/80	(20)	(20)	(10)
(Consultant Services)	(36)	(10)	(26)	9/78-9/80	(36)	(36)	(26)	10/79-9/80	(30)	(36)	(20)
(Contractor Support Costs)	(54)	(10)	(44)		(18)	(30)	(32)			(32)	
HC AND OTHER DONOR TOTAL –	3,019				1,883				LIFE OF PROJECT 6,512		
Operations	748				728				735		
Loans	773				634				234		
Management Support	100				100				100		
Farmer's Contribution	1,387				416				541		
Program Support Trust Fund	11				5						

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	1.5	4.4	3.3	2.0		
TDY (NON-ADD)						
OPERATING EXPENSES		0.2	0.2	0.2		

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

a/ PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM			
	SHORT – TERM			
TYPE B	LONG – TERM			
	SHORT – TERM			

FOOTNOTES

a/ Participants funded under IAPM Project.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Crop Protection	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0288			

Purpose: To strengthen the National Crop Protection Center (NCPC) and seven Regional Crop Protection Centers (RCPC) to research, field test and disseminate information on pest control practices and small farmers and to monitor pest problems, assess chemical residue levels and to train agents and village farm leaders.

Background: Field losses from pests is estimated to cause 35 percent reduction in potential annual crop yields, representing a staggering $1 billion. This activity is an integral part of the GOP goal of achieving food self-sufficiency and improved nutrition while protecting natural resources and the environmental integrity.

Progress to Date: The NCPC is currently meeting the Conditions Precedent to disbursement of the loan. The NCPC has more than doubled its staff to undertake a multi-disciplinary approach to developing integrated pest control programs. They are currently engaged in research and training programs in the control of rodents, birds and weeds. They have developed a coordinating committee and identified staff for inter-disciplinary commodity teams.

Beneficiaries: The direct beneficiaries will be the more than 2 million small farmers engaged in rice and corn production, as a first priority, and producers of vegetables, roots, tubers and fruit crops as a second priority, particularly the poor who benefit greatest from a more plentiful and diversified food supply. Project cost will be approximately $2.50 per farm family.

Current Year Program: During FY 79, efforts will be directed at manpower and facilities development. Approximately $1.6 million of equipment will be procured; 10 participants will enter long-term training abroad; 20 participants will enter long-term training in-country; and 23 person months of technical assistance obtained. At least 300 agents and village farm leaders will receive short-term extension training.

Budget Year Program: During FY 80, development of the crop protection network will continue with procurement of $350,000 worth of equipment, 14 persons entering long-term training abroad, and 30 starting long-term training in-country. An additional 300 extension agents and village farm leaders will receive short-term training so that they can inform and assist small farmers on pest control practices.

Major Outputs: A national system of crop protection centers, including the NCPC and 7 RCPCs will be completed, equipped, staffed at approximately half strength and conducting research and training. At least 5,000 extension agents and village farm leaders will have been trained and extending information on the latest pest control techniques. Interim pest control recommendations will be established for major pests in priority crops and a pest monitoring system operating and measuring the extent of losses. Tested research results will be published and a continuous flow of pest management information provided to 2 million small farmers through the agricultural extension system.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Crop Protection	Philippines	Minimum	FY 80
	INITIAL OBLIGATION: FY 77	FINAL OBLIGATION: FY 77	TOTAL COST: 5,000,000
PROJECT NUMBER: 492-0288 / APPROPRIATION: FN	DATE PP/REVISION: 2/77	DATE LAST PAR:	DATE NEXT PAR: 3/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR—TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR—TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL—			5,000			1,953	3,047			1,076	1,971
Loan:			5,000			1,953	3,047			1,076	1,971
Equipment for National and Seven Regional Crop Protection Centers			2,837			1,606	1,231			380	851
Training											
Long Term, U.S.			970			99	871			335	536
Long Term, In-Country			343			64	279			120	159
Short Term, In-Country			33			7	26			8	18
Research Consultants											
Long Term Consultants			697			139	558			193	365
Short Term Consultants			120			38	82			40	42
Project Evaluation									(10)	(10)	
(PL 480 Title I pesos) Contractor Support Costs	(4)	(4)			(37)	(37)			(54)	(54)	
HC AND OTHER DONOR TOTAL—	1,300				1,139				LIFE OF PROJECT 5,619		
GOP	590				426				80		
Infrastructure	180				84				86		
Training	530				629				766		
Operations											
Program Support Trust Fund[a/]	—				—				—		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	0.3	2.6	3.7	3.0	1.4	
TDY (NON-ADD)						
OPERATING EXPENSES	0.3	0.2	0.2	0.2	0.2	

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG—TERM		30	44
	SHORT—TERM			
TYPE B	LONG—TERM			
	SHORT—TERM			

FOOTNOTES

a/To be financed from GOP budget.

AID 1330—8 (3—78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Integrated Agricultural Production and Marketing	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0302			

Purpose: In specified project impact areas, increase small farmer productivity and incomes and improve efficiency of the marketing system for his product.

Background: This project, built upon earlier support to the Philippine national rice production program, consists of four inter-dependent and complementary sub-projects dealing with problem areas critical to increased production and income of small farmers, by addressing recognized needs for: (1) capability to train specialists in agriculture and food systems development; (2) analytical support for national food policies and programs; (3) capability to provide tested technological packages (farming systems) for optimal farm production and management to small farmers, processors, and distributors; and (4) more effective outreach and extension methods of transferring profitable technology to small farmers within the food systems context.

The GOP has engaged Kansas State University (KSU), a U.S. Land Grant University to assist through a Title XII type project in the planning, initiating and carrying out of production and marketing activities for key agricultural commodities produced by small farmers.

Progress to Date: A contract between the GOP and KSU was signed in August 1977. Five long-term KSU technicians are on duty with seven others expected in FY 78. KSU has also provided short term consultant services. Detailed action plans for implementing sub-projects have been completed or are in final stages of preparation. A socio-economic baseline survey has been designed for targeted beneficiaries located near Central Luzon State University (CLSU) and will be pretested, conducted and documented by late FY 78. Five participants have completed long-term training and 12 are currently in long-term training programs in the U.S.

Beneficiaries: Project beneficiaries are 10,000 farm families within a fifteen kilometer radius of CLSU, 500,000 farm families adapting new technological packages developed and refined under this activity. These farm families are clearly in the country's lower income strata. In addition, some 2 million farmers will benefit from improved policy decisions emanating from project activities. Project costs per family benefited would be $23.50.

Current Year Program: A functioning agricultural marketing graduate program will be in place at UPLB and an undergraduate program at CLSU. Two technological packages will be designed, as well as analysts systematically examining and transmitting definitive sets of policy alternatives to policy makers. CLSU will have an established capacity to test and document technological packages and a nucleus of small farmers will have benefited from tech. packages. Approximately 34 advanced degrees abroad will be completed or underway.

Budget Year Program: During FY 80, the agricultural marketing study programs at CLSU and UPLB will have been strengthened by 31 additional locally trained and 61 U.S. trained personnel. Five technological packages will have been tested and documented, and 100,000 small farmers country-wide and 1,500 within 15 kilometers of CLSU will have adapted new technology.

Major Outputs: The project will result in: a capacity to formulate data-based policy alternatives and establish strong linkages between analysts and decision makers; a functioning agricultural marketing (food systems) graduate program at UPLB and undergraduate program at CLSU with a minimum of 125 graduates annually; a minimum of 10 technological packages tested and adopted by at least 500,000 farmers; an improved cooperative and agricultural extension program reaching 1 million farmers; and revised policy measures impacting on 2 million low income farmers

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Integrated Agricultural Production and Marketing	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 77	FINAL OBLIGATION: FY 81	TOTAL COST: 12,000,000
PROJECT NUMBER: 492-0302 / APPROPRIATION: FN	DATE PP/REVISION: 8/76	DATE LAST PAR:	DATE NEXT PAR: 1/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUTS	PY: 19 78 OBLIGATION	PY: 19 78 EXPENDITURE	PY: 19 78 PIPELINE	CY: 19 79 FUNDING PERIOD (FR-TO)	CY: 19 79 OBLIGATION	CY: 19 79 EXPENDITURE	CY: 19 79 PIPELINE	BY: 19 80 FUNDING PERIOD (FR-TO)	BY: 19 80 OBLIGATION	BY: 19 80 EXPENDITURE	BY: 19 80 PIPELINE
AID-FINANCED TOTAL-		2,059	7,160			2,998	4,162			3,288	874
Loan:		22	2,978			886	2,092			1,458	634
Long Term Training		22	872			86	786			152	634
Food/Feed Mill Equipment		-	1,500			500	1,000			1,000	-
Data Processing Support		-	406			100	306			306	-
Library Support		-	200			200	-			-	-
Grant:		2,037	4,182			2,112	2,070			1,830	240
Consultant Services (HC Contract)		1,631	3,262			1,631	1,631			1,550	81
Participant Training (HC Contract)		386	771			386	385			250	135
Consultancy Advisory Services		20	55			20	35			20	15
Workshops, Seminars		-	19			10	9			5	4
Project Evaluation		-	75			65	10			5	5
(PL 480 Title I Pesos)		(150)									
(Staff Housing)		(150)									
(Contractor Support Costs)											
(Project Funded)	(845)	(277)	(568)			(285)	(283)			(283)	
HC AND OTHER DONOR TOTAL-	3,293				3,160				LIFE OF PROJECT 20,250		
Direct Contract Support	667				667				666		
Operating Budget	1,700				1,600				2,990		
Management & Training Support	926				893				1,504		
Program Support[a]											

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 19 78	19 79	19 80	19 81	1982	BEYOND
PROGRAM ACCOUNT	10.2	25.0	28.3	18.0	12.3	
TDY (NON-ADD)						
OPERATING EXPENSES	2.8	2.3	2.3	2.2	0.3	

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE	A=NONCONTRACT B=CONTRACT	FISCAL YEAR 1978	1979	1980
TYPE A	LONG-TERM			
	SHORT-TERM			
TYPE B	LONG-TERM	17	31	32
	SHORT-TERM	18	36	36

FOOTNOTES

[a] Program support costs financed under GOP budget.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Small Scale Irrigation	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0274			

Purpose: To increase small farmer income and participation in development in the project areas.

Background: In April 1975, the Farm Systems Development Corporation (FSDC) was created to promote the development of small scale irrigation associations and to increase small farmer incomes. FSDC concentrates on establishing Irrigators Service Associations (ISAs) of about 70 farmers each, and assisting ISA members to own, operate, maintain, and effectively use small scale pump or gravity irrigation systems. A.I.D. will fund 50 percent of the local currency costs of irrigation, infrastructure, and farm support tools and equipment and 100 percent of the costs of offshore commodities.

Progress To Date: Over the past three years, FSDC has established over 600 ISAs comprised of some 45,000 small farmers whose land can be irrigated by pump or gravity systems. Out of a total of 240,000 hectares of land that FSDC expects to cover by 1985, by March 1978 ISAs have been effected covering 64,000 hectares. An external AID evaluation undertaken in January 1978 indicated that the project was realizing its purposes. AID is continuing to work closely with FSDC and the U.S. Bureau of Census in developing a data system that will accurately measure the impact of the project on production and income.

Beneficiaries: The direct beneficiaries are small farm families who till the soil in areas chosen for irrigator service. More than 60 percent are tenants or lessees. The remainder are owners, part owners, or amortizing owners. The average size of land farmed by a project participant is 1.5 hectares. Although reliable income figures are difficult to obtain, it has long been established that the small farmer in the Philippines is among the poorest of citizens.

Current Year Program: Approximately one year remains before completion of the project. It will be characterized by the continued organization of ISAs, the strengthening of the institutional capability of FSDC, the construction of irrigation systems, and the provision of training to FSDC personnel and ISA members. Assistance to the program will be continued by the Small Farmer Systems project and the proposed Small Farmer Systems II project.

Budget Year Program: The TDD of the Small Scale Irrigation Loan is March 31, 1979. The program, however, will be continued with the follow-on-project entitled Small Farmer Systems. For project results expected during FY 80, please see this section under Small Farmer Systems.

Major Outputs: Upon completion of the project, more than 700 ISAs will be formed composed of approximately 45,700 farmers. Modern rice production techniques will be practiced and farm implements used. Post harvest service centers will be established and training will have taken place. For ISA farmers with several years use of a project-constructed irrigation system, cropping will have increased (on the average) from once to twice a year. Yield will have increased per hectare from 38 cav/ha. to 53 to 70 cav/ha. and the original post harvest processing losses of 30 percent will have been reduced to 15 percent.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Small Scale Irrigation	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 76	FINAL OBLIGATION: FY 78	TOTAL COST: 7,629,000
PROJECT NUMBER: 492-0274 / APPROPRIATION: FN	DATE PP/REVISION: 9/77	DATE LAST PAR: 2/78	DATE NEXT PAR: 12/79[a/]

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	365	5,287	1,753		-	1,743	10			10	-
Loan:	-	4,862	1,500		-	1,500	-				
Fixed Amount Reimbursement	-	4,862	-								
Commodities	-	-	1,500		-	1,500	-				
Grant:	365	425	253			243	10				
Advisory Services	258	323	188			188					
Participant Training	60	53	15			15					
Data Collection & Evaluation	40	20	50			40	10			10	-
Invitational Travel	7	7	-								
Commodities	-	22	-								
(Contractor Support Costs)	(37)	(33)	(4)			(4)	-				
HC AND OTHER DONOR TOTAL —	7,125				5				LIFE OF PROJECT 22,625		
GOP:											
ISA Systems	5,400										
Training	900										
Administration	800										
Program Support-Trust Fund	25				5				-		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	6.2	2.6				
TDY (NON-ADD)	.3	-				
OPERATING EXPENSES	.8	.6				

PERSONNEL INTENSITY

- [x] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM	7		
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

a/ To be evaluated as part of Small Farmer Systems Project

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Small Farmer Systems I	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0301			

Purpose: To increase the incomes of small farmer families in project areas. The sub-purpose is to increase agricultural production and other income generating activities in the project area.

Background: Small Farmer Systems is a follow-on project to Small Scale Irrigation. It consists of establishing small farmer irrigator associations so that members may own, operate, and maintain irrigation and other farm support systems under the GOP's program for assisting small farmers.

Progress to Date: The Small Farmer Systems project is expected to be authorized in the third quarter of FY 1978, and that conditions precedent to disbursement will be met by early FY 1979.

Beneficiaries: Beneficiaries of the project include farmers who own, lease, or sharecrop approximately 1-5 hectares each. More than 60 percent are tenants or lessees. The remainder are owners, part owners, or amortizing owners. The average size of land farmed is 1.5 hectares. FSDC's average cost per hectare for irrigation systems is approximately $200-270 making it perhaps one of the lowest in the world. AID projects costs average about $180 per family.

Current Year Program: Beginning of work on some of the 400 new ISAs to be established and the construction of additional irrigation systems. The first year will assist FSDC in funding such physical infrastructure as irrigation systems, farm machinery, storage and transportation facilities, and water management devices. Training courses for FSDC field staff and ISA members will also be funded.

Budget Year Program: The results expected of the program during 1980 include the installation and operation of approximately 200 irrigation systems, adequate water deliveries established in the new ISAs, an ongoing program to rehabilitate damaged irrigation systems, the establishment and use of farm support systems, and the existence of area level demonstration farms.

Major Outputs: By the end of 1980, the following institutional infrastructure will be accomplished: approximately 250 new ISAs organized, between 500-600 FSDC field staff trained, and an estimated 40,000 farmers and farm families trained. The following physical infrastructure will be completed: approximately 200 new irrigation systems installed and operational, over 100 ISAs benefitting from water management inputs, over 100 ISA systems upgraded or rehabilitated, from 50 to 75 ISAs with farm support systems packages, and 2 to 3 area level demonstration farms in existence.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Small Farmer Systems I	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 78	FINAL OBLIGATION: FY 79	TOTAL COST: 11,000,000
PROJECT NUMBER: 492-0301	APPROPRIATION: FN	DATE PP/REVISION: 4/77	DATE LAST PAR: a/	DATE NEXT PAR: 12/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR—TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR—TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL—	5,155	1,145	4,010		5,350	7,610	1,750		495	1,998	247
Loan:	5,000	1,100	3,900		5,000	7,300	1,600		–	1,600	–
Fixed Amount Reimbursement	3,000	800	2,200	10/79-12/80	3,200	4,500	900		–	900	–
Training	1,000	300	700	10/79-3/81	1,800	1,800	700		–	700	–
Commodities	1,000	–	1,000		–	1,000	–				
Grant:	155	45	110		350	310	150		495	398	247
Advisory Services	140	40	100	10/78-9/79	255	215	140	10/79-2/81	320	273	187
Participant Training				3/79-9/79	20	20	–	1/80-12/80	80	40	40
Prototype Equipment					–	–	–	1/80-6/80	10	10	–
Seminar				11/78-2/79	40	40	–				
Invitational Travel					–	–	–	3/80-9/80	35	35	–
R&D/Demo Centers	15	5	10	10/78-9/79	35	35	10	10/79-12/80	50	40	20
(Contractor Support Costs)	(18)	(6)	(12)		(60)	(60)	(12)		(60)	(55)	(17)
HC AND OTHER DONOR TOTAL—	6				9,158				LIFE OF PROJECT 17,622		
GOP:											
ISA Systems	a/				5,700				6,000		
Training					1,000				1,000		
Administration					900				1,000		
Denmark					1,500				400		
Program Support-Trust Fund	6				58				58		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	.7	5.4	7.3	1.9		
TDY (NON-ADD)		.2	.2			
OPERATING EXPENSES	.2	1.3	1.4	.2		

PERSONNEL INTENSITY

- [x] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG—TERM			
	SHORT—TERM		5	20
TYPE B	LONG—TERM			
	SHORT—TERM			

FOOTNOTES

a/See Small Scale Irrigation Project

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Small Farmer Systems II	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0334			

Purpose: To increase income of small farm families in project areas. The sub-purpose is to increase agricultural production and other income generating activities in the project area.

Background: Small Farmer Systems II is a follow-on project to the Small Farmer Systems Project. It consists of establishing additional small farmer irrigator associations so that members may own, operate, and maintain irrigation and other farm support systems under the GOP's program for assisting small farmers.

Progress to Date: Over the past 3 years FSDC has established over 600 ISA's. An external AID evaluation was undertaken in January 1978 and it demonstrated that the GOP's small scale irrigation program is realizing its objectives.

Beneficiaries: Beneficiaries of the project include farmers who own, lease, or sharecrop approximately 1-5 hectares each. More than 60 percent are tenants or lessees. The remainder are owners, part owners, or amortizing owners. The average size of land farmed is 1.5 hectares. FSDC's average cost per hectare for irrigation systems is approximately $200 - 270 making it perhaps one of the lowest in the world. AID project costs average $180 per family.

Budget Year Program: The Small Farmer Systems II Project is expected to be authorized in the 1st quarter of FY 80. The results expected of the program during 1980 include the installation and operation of approximately 200 irrigation systems, adequate water deliveries established in the new ISAs, an ongoing program to rehabilitate damaged irrigation systems, the establishment and use of farm support systems, and the existence of area level demonstration farms.

Major Outputs: By the end of 1980, the following institutional infrastructure activities will be accomplished: 150 new ISAs organized, and 200 FSDC staff trained. The following physical infrastructure activities will be completed: 75 new systems installed, 150 systems upgraded or rehabilitated, 50 ISAs receiving water management assistance.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Small Farmer Systems II	Philippines	Minimum	1980
	INITIAL OBLIGATION: 1980	FINAL OBLIGATION: 1981	TOTAL COST: 16,000,000
PROJECT NUMBER: 492-0334 / APPROPRIATION: FN	DATE PP/REVISION: 8/79	DATE LAST PAR:	DATE NEXT PAR: 8/81

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR—TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR—TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —									5,000	4,200	800
Loan:									5,000	4,200	800
Fixed Amount Reimbursement								1/81-9/81	4,500	4,000	500
Training								10/80-9/81	250	100	150
Commodities								—	—	—	—
Advisory Services								10/80-9/81	250	100	150
Grant:											
Advisory Services									—	—	—
(Contractor Support Costs)									(12)	(7)	(5)
HC AND OTHER DONOR TOTAL —									LIFE OF PROJECT 20,000		
a/											
Program Support-Trust Fund									—		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT			1.8	5.8	5.2	
TDY (NON-ADD)			0.2	0.2	0.2	
OPERATING EXPENSES			1.0	2.8	2.0	

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM			
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

a/ See Small Farmer Systems I Project Table IV for break-out.

AID 1330—8 (3—78)

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Small Farmer Systems II	Philippines	Proposed	1980
	INITIAL OBLIGATION: FY 80	FINAL OBLIGATION: FY 81	TOTAL COST: 16,000,000
PROJECT NUMBER: 492-0334 / APPROPRIATION: FN	DATE PP/REVISION: 8/79	DATE LAST PAR: a/	DATE NEXT PAR: 8/81

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL –									10,500	4,300	6,200
Loan:									10,000	4,200	5,800
Fixed Amount Reimbursement									6,500	4,000	2,500
Training									500	100	400
Commodities									2,500		2,500
Advisory Services									500	100	400
Grant:									500	100	400
Advisory Services									500	100	400
Contractor Support Costs:									(36)	(8)	(28)
HC AND OTHER DONOR TOTAL – a/									LIFE OF PROJECT 20,000 a/		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT			1.8	5.8	5.2	
TDY (NON-ADD)			0.2	0.2	0.2	
OPERATING EXPENSES			1.0	2.8	2.0	

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM			
	SHORT – TERM			
TYPE B	LONG – TERM			
	SHORT – TERM			

FOOTNOTES

a/ See Small Farmer Systems Project.

AID 1330-6 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Food and Nutrition	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0252			

Purpose: To reduce second and third degree malnutrition among infants and children from 27% to approximately 15% by 1982 through supplementary feeding programs, mass education programs, and improved dietary habits among the rural and urban poor.

Background: Serious malnutrition affects about 30% of the child population. Causative factors include excessive population growth, inadequate food due to low purchasing power, low family income and employment opportunities, low levels of environmental sanitation, limited health services, particulary among the rural poor, and inadequate knowledge of nutrition. The government has organized a nationwide Philippine Nutrition Program which addresses the malnutrition problem, with focus on infants, pre-school children, and pregnant or lactating mothers. Virginia Polytechnic Institute and State University provides technical inputs in support of the government's program.

Progress to Date: With Title II commodities targeted to the malnourished through U.S. Voluntary Agency programs sponsored by CARE and Catholic Relief Services, - about 600,000 pre-school children and mothers and about 1.2 million elementary school-age children are being reached annually, roughly half of those most in need. This food assistance, indigenous food commodities such as Nutripaks, plus promotion of home, community, and school gardens coupled with education programs has effected a 15-20% reduction in the prevalence of pre-school child malnutrition during the past 3-4 years.

Beneficiaries: The average annual income of food recipients is $45, thus the program impacts importantly on the poorest families. Approximately 1.2 million families are being reached at an estimated project cost of $1.81 per family. The estimated value of the food donated is about $18 per recipient.

Current Year Program: This is the final year of the current project with a new 5-year follow-on project in planning stage. As planned in the activity budget, food assistance will continue at a level of about 1.8 million recipients and program planning and implementation at municipal and barangay level will be intensified by use of mobile training teams and Barangay Nutrition Scholars. During the current year, it is expected that the incidence of 2nd and 3rd degree malnutrition among pre-school children will be reduced to below 27 percent, with school-age children improving their body weight as a percent of standard by 1 percent.

Budget Year Program: No further funding is requested.

Major Outputs: Functional Nutrition Programs at the Barangay level in 75% of all Barangays and 90% of municipalities.

Supplementary food programs for 1.8 million recipients with Title II commodities and 0.5 million with mixture of Title II and/or local foods.

Home gardening practiced by 1.2 million rural poor families.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Food and Nutrition	Philippines	Minimum	1980
	INITIAL OBLIGATION: 1974	FINAL OBLIGATION: 1978	TOTAL COST: 2,173
PROJECT NUMBER: 492-0252 / APPROPRIATION: FN	DATE PP/REVISION: 8/77	DATE LAST PAR: 7/77	DATE NEXT PAR: 12/78

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	564	575	420			420	-				
Technical Services											
University Contract	170	225	190	10/78-9/79		190	-				
Personal Services Contract	60	60	-								
Commodities	170	217	70	10/78-9/79		70	-				
Participants	94	34	100	10/78-9/79		100	-				
Information, research and local training	40	39	30	10/78-9/79		30	-				
Evaluation	30	-	30	10/78-9/79		30	-				
(Contractor Support Costs)	(46)	(46)	-								
(PL 480 Title II local currency)	(1,286)	(486)	(800)	10/78-9/79		(800)					
(PL 480 Title II commodities)	(19,500)	(19,500)									
HC AND OTHER DONOR TOTAL —	33,889								LIFE OF PROJECT 83,156		
GOP (Salaries, materials, and construction)	28,885										
UN agencies (commodities,etc.)	3,500										
Others (PVOs,bilateral donors)	1,500										
Program Support-Trust Fund	4										

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	.9					
TDY (ADD NON-OPERATING EXPENSES)	(1.0)					
	1.2					

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM		2	
	SHORT — TERM	7	12	
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

AID 1330-4 (1-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: National Nutrition Outreach	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0320			

Purpose: To establish the capacity of the GOP to plan, implement, and evaluate an integrated, municipal level nutrition-oriented local food production and utilization program focused on the least advantaged income groups.

Background: The malnutrition problem in the Philippines is widely recognized as a major social and economic development deterrent. A national survey has been completed to locate the malnourished and define areas of highest priority for program concentration. A 5-year plan has been developed to overcome malnutrition. This project will support a nutrition-oriented municipal and barangay level food production/assistance program which will lessen the requirements for external food aid.

Progress to Date: Under the predecessor Food and Nutrition Project (492-0252), the GOP established a National Nutrition Council at cabinet level to provide a mechanism for coordinating all nutrition activities, public and private, and to promulgate guidelines and policy directions for program implementing agencies, thus establishing the institutional base for this National Nutrition Outreach Project.

Beneficiaries: Immediate beneficiaries are the families of malnourished children. An estimated 9 million recipients of the poorest classes will benefit directly from food aid; an estimated 4 million low-income families will benefit through improved family nutrition practices at an estimated project cost per family of $1.29.

Current Year Program: Thirty-six municipalities will be selected to serve as initial pilot communities for planning and implementing nutrition-oriented food production or assistance activities aimed at families with malnourished children. On-going PL 480 Title II food assistance will be continued and as feasible be expanded to reach 0.9 million pregnant or lactating mothers, infants, and target pre-schoolers. A school lunch program will reach 1.8 recipients. Municipal and barangay nutrition planning capability will be strengthened as will existing education efforts through home demonstration workers and barangay nutrition scholars.

Budget Year Program: Nutrition-oriented food production/assistance will be extended to 84 municipalities and food assistance to target maternal/child recipients will be increased to 1.2 million while school feeding will continue with 1.8 million recipients.

Major Outputs:

Functional nutrition-oriented municipal food production/assistance programs operational in 84 municipalities with total population of 2.5 million.

1,000 Barangay Nutrition Scholars in place and promoting home gardening and other nutrition activities reaching a population of 10,000,000 beneficiaries.

5,000 Barangays with malnutrition prevention services for infants.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
National Nutrition Outreach	Philippines	Minimum	1980
	INITIAL OBLIGATION: 1979	FINAL OBLIGATION: 1983	TOTAL COST: 5,150,000
PROJECT NUMBER: 492-0320 / APPROPRIATION: FN	DATE PP/REVISION: 5/78	DATE LAST PAR:	DATE NEXT PAR: 10/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL –					1,000	650	350		1,000	960	390
University contract services				10/78-9/79	240	120	120	10/79-9/80	260	250	130
Commodities and equipment				10/78-9/79	400	360	40	10/79-9/80	360	350	50
Participant training				10/78-9/79	160	80	80	10/79-9/80	160	160	80
Information, research and local training				10/78-9/79	160	80	80	10/79-9/80	180	160	100
Evaluation				8/79-10/79	40	10	30	8/80-10/80	40	40	30
(Contractor Support Costs)				10/78-9/79	(82)	(82)		10/79-9/80	(90)	(90)	–
(PL 480 Title II local currency)				10/78-9/79	(500)	(300)	(200)	10/79-9/80	(600)	(560)	(240)
(PL 480 Title II commodities)				10/78-9/79	(31,300)	(31,300)	–	10/79-9/80	(37,000)	(37,000)	–
HC AND OTHER DONOR TOTAL –					5,026				LIFE OF PROJECT 26,528		
GOP salaries, support					4,000				4,500		
VolAg support					300				325		
UN Agency contributions					400				450		
Other bilateral donors					300				350		
Program Support-Trust Fund					26				26		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	.86	1.96	1.96	1.96	1.96	1.8
TDY (NON-ADD)						
OPERATING EXPENSES	4.46	4.46	4.46	4.46	4.46	1.5

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM		2	1
	SHORT – TERM		12	12
TYPE B	LONG – TERM			
	SHORT – TERM			

FOOTNOTES

AID 1330-6 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Bicol River Basin Development	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0260			

Purpose: Create an organizational structure and institutional capability to formulate, plan, manage, monitor, and evaluate an integrated program of development for the Bicol River Basin, including establishment of a feasibility and data base to permit identification of projects and programs which can be implemented through loan or grant financing from external donor and/or GOP resources.

Background: The GOP adopted a national strategy to concentrate development resources in depressed sub-regions with high growth potential. The strategy also calls for decentralization of development planning and management, and regional labor-intensive industrial development. The GOP Bicol Program was established in 1973 as a test case utilizing the integrated area development (IAD) approach. The Program area now covers the economically depressed Bicol River Basin and its influence area of three provinces with a population of 2.3 million (80% rural). Increased equity is to be achieved through land reform, increased small-scale farm productivity, farm and off-farm employment, and access to social services especially in rural areas. A joint GOP/USAID objective is to involve other donors in the Bicol Program and to apply replicable Bicol Program methodology in other IAD projects in the Philippines. The Bicol Program organizational structure includes a decentralized Bicol Program Office with a policy level Bicol River Basin Coordinating Committee and local Area Development Teams, which bring together beneficiaries, local level government and technical agency personnel in the development process. These entities carry out coordinated planning, monitoring, and evaluation.

Progress to Date: The institutional development objectives of the project were generally achieved and documented in 1977 evaluation. Based on a revised Project Paper, FY 1977 became a year of consolidation and transition from framework planning, preliminary technical and socio-economic studies, and initial loan project development to intensive project packaging, implementation and evaluation. To date, the project has helped generate over $60 million in major Bicol component projects and indirectly helped facilitate additional GOP and other donor development activities and private sector interest in the Bicol.

Beneficiaries: An estimated 110,000 families within the Bicol River Basin will be direct beneficiaries of completed projects and activities generated under this grant project. Projects underway will result in improved and expanded irrigation, flood control/drainage, road access, farmers organizations, agricultural extension, domestic water supplies, etc., which are expressed needs by small farmers and other rural poor. The AID cost per family is $18.20 over the life of the project.

Current Year Program: Pipeline activities are scheduled for completion by December 1978 except for short term training at AIT (Bangkok) in April 1979. All project funds will be expended or deobligated by May 1979. Results will include completion of Bicol multipurpose field survey and 2 loan project evaluations, a third AID loan assistance project developed and implementation underway, 4 additional major projects in the feasibility study stage, technical assistance for implementation and monitoring for 3 on-going loan projects, and 7 additional participants trained. Preliminary agribusiness and rural industry promotion activities will also be completed.

Major Outputs:

- Major surveys/evaluations	5
- Major technical studies	15
- Major Bicol loan projects packaged, funded and being implemented	3
- Other major projects under study/ design	4
- Participants trained	31

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Bicol River Basin Development	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 74	FINAL OBLIGATION: FY 77	TOTAL COST: 2,158,000
PROJECT NUMBER: 492-260 / APPROPRIATION: FN	DATE PP/REVISION: 10/76	DATE LAST PAR: 7/77	DATE NEXT PAR: 7/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	-	542	32			32					
Direct Hire	-	-	-		-	-	-				
Contract Services	-	412	17		-	17	-				
Participant Training	-	10	15		-	15	-				
Commodities	-	120	-		-	-	-				
(Evaluation) a/											
(Contractor Support Costs)	-	(2)									
HC AND OTHER DONOR TOTAL —	b/	[redacted]			b/	[redacted]			LIFE OF PROJECT 4,400		
Program Support Trust Fund	40										

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT b/	4.7					
TDY (NON-ADD)						
OPERATING EXPENSES	.3					

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE		FISCAL YEAR 1978	1979	1980
TYPE A (A = NONCONTRACT, B = CONTRACT)	LONG — TERM			
A	SHORT — TERM	4		
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES a/U.S. DH personnel and evaluation covered under follow-on Bicol Grant Project. b/GOP contribution to Bicol Program reflected in follow-on project.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Bicol Integrated Rural Development	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0303			

Purpose: (1) To package and facilitate financing of Bicol Program component projects by external donors and the GOP; (2) to promote increased private sector investment in agribusiness and labor-instensive rural industry; and (3) to provide selected technical assistance for implementation, monitoring and evaluation of Bicol component projects supported by AID loans and grants.

Background: The GOP adopted a strategy in its 4-Year Plan (1974-77) and increased the priority in its 5-Year Plan (1978-82) to concentrate development resources in depressed sub-regions with high growth potential. The GOP Bicol Program was established in 1973 as a test case utilizing the integrated area development (IAD) approach. The Program area now covers the economically depressed Bicol River Basin and its influence area of three provinces with a population of 2.3 million (80% rural). Increased equity is to be achieved through land reform, increased small-scale farm productivity, farm and off-farm employment, and access to social services. This focus is clearly within the AID new directions and USAID/P program strategy. A joint GOP/USAID objective is to involve other donors in the Bicol Program and to apply replicable Bicol Program methodology in other IAD projects in the Philippines. The prior AID grant project (Bicol River Basin Development FY 74-77) successfully supported institutional development and the generation of over $60 million in major Bicol component projects. The organizational structure includes a policy level Bicol River Basin Coordinating Committee, decentralized Bicol Program Office and local Area Development teams. These entities carry out coordinated planning, monitoring and evaluation, with project implementation the responsibility of a lead, technical agency. As of mid-1978, three loan projects were under implementation.

Progress to Date: The basic grant agreement of this follow-on project was approved in March 1978 and procurement of goods and services is scheduled to begin June 1978.

Beneficiaries: An estimated 300,000 families will be direct beneficiaries of public and private sector investment projects supported and/or facilitated by technical assistance financed under this project. Said projects are designed to improve and expand irrigation, flood protection, road access, farmers' organizations, agricultural extension, health services, etc., which are expressed needs by the rural poor per project surveys. Also, studies in agribusiness and rural industry will further support agricultural development and contribute to increasing off-farm employment opportunities. The AID project cost is $7.80 per family.

Current Year Program: Increased emphasis and resources are scheduled for: (a) evaluation of this project, the overall GOP Bicol Program, and 3 component Bicol loan projects, and (b) technical assistance to assure their effective implementation and monitoring. Primary action on rural industry feasibility studies will be shifted to the private sector; GOP/USAID inputs will focus on investment strategy and promotion.

Budget Year Program: Complete (a) follow-on multi-purpose survey and evaluations of 4 Bicol AID loan projects; (b) support on-going projects, develop additional loan packages for other external donors, and promote agribusiness and rural industry development; and (c) provide final commodities and training.

Major Outputs:	FY78	FY79	FY80	FY82
Surveys/project evaluations	2	6	12	17
Major projects ready for financing	1	3	4	6
Participants trained	6	18	28	28
Active AID projects supported	(5)	(7)	(6)	(6)

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Bicol Integrated Rural Development	Philippines	Minimum	1980
		INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
		FY 78	FY 81	2,340,000
	PROJECT NUMBER / APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
	492-0303 / FN	9/79		7/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	FY: 1978 OBLIGATION	FY: 1978 EXPENDITURE	FY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED a/ TOTAL –	900	233	667	1/79-9/82	680	837	510	1/80-9/82	520	620	410
Survey/analysis & evaluation	113	8	105	1/79-9/82	160	160	105	1/80-9/82	150	150	105
Technical Assistance: Project packaging, implement/monitor A.I.D. assisted projects, and rural industry promotion	587	219	368	1/79-9/82	360	478	250	1/80-9/82	260	320	190
Training & commodity support for planning & implementation	200	6	194	1/79-9/82	160	199	155	1/80-9/82	110	150	115
(Contractor Support Costs)	(8)	(8)	-	10/78-9/82	(38)	(38)	-	10/79-9/82	(14)	(14)	-
(Evaluation)				5/79-7/79	(50)	(50)					
HC AND OTHER DONOR GOP: TOTAL –	1,750				1,750				LIFE OF PROJECT 6,500		
Program Office Operations	427				453				493		
Project Dev. & Monitoring	1,038				1,066				800		
Participating Agencies (est.)	285				231				207		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT a/	2.6	7.8	6.7	4.9	.7	
TDY (NON-ADD)	.4	.3	.1	.1	-	
OPERATING EXPENSES a/	.3	1.7	2.0	2.0	2.3	

PERSONNEL INTENSITY: ☒ HIGH ☐ MEDIUM ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM	3		1
	SHORT – TERM	3	12	9
TYPE B	LONG – TERM			
	SHORT – TERM			

FOOTNOTES

a/ Project provides TA Inputs for 3 ongoing and 2 proposed Bicol loan projects. Two AID DH positions changed from Program Acct. to OE in FY79 reducing FY79 CP total cost.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Bicol Secondary and Feeder Roads	DECISION UNIT Philippines	DECISION PKG Minimum	BUDGET YEAR 1980
	PROJECT NUMBER 492-0281			

Purpose: (a) Increase agricultural production, (b) induce employment, (c) improve commercial complementarities, and (d) promote social development in low income rural barangays in the Bicol region.

Background: The project is a component of the overall GOP effort to improve the transport infrastructure base in the Bicol River Basin. A Bicol Farm to Market Road Feasibility Study was undertaken in 1974 and a long-range intermodal study in 1976-77. The findings were that rural access roads in the small farm area of the Bicol River Basin were a precondition to other developments. The first of two project components is the construction of 200 kms. of secondary roads and 254 kms. of feeder roads in 14 subprojects. The roads will traverse intensively farmed agricultural lands and connect relatively isolated communities with existing highways and civic market centers. It will increase the road density in the Bicol River Basin by 50%. The second component includes procurement of about $3 million in road maintenance equipment and a U.S. consultant contract to strengthen the capability of the Camarines Sur and Albay Provincial Engineers' Offices and the Naga and Iriga City Engineers' Offices in road maintenance complementing GOP/PDAP assistance to these provinces. Equipment will serve all provincial class roads (est. 1,100 kms.).

Progress to Date: The project loan agreement was signed April 1976. The GOP satisfied the conditions precedent and organized an interagency Project Management Office (PMO) in Naga City. Three Architect-Engineer firms were hired to prepare the designs for the 14 subprojects which were completed by March 1978. These contracts were subsequently amended to include construction supervision services. One construction contract was awarded and the contractor began work in January 1978. Two additional construction contracts were awarded and are being reviewed by the Presidential Commission. Seven additional construction contracts were bid, contractors selected and are now in the award process. Five subprojects are scheduled for bidding in April 1978. The contract for the road maintenance training program was awarded and work will start in May 1978 (27 work months by a U.S. contractor).

Beneficiaries: The residents of relatively isolated rural barangays within the road influence areas will be the primary direct beneficiaries of the project. Commercial transport owners and employees, and businessmen will also benefit. Detailed impact evaluation studies will measure benefit incidence and other impacts. The number of beneficiaries is estimated at 70,000 families. In 1974, 80% of these families were living below the poverty threshold level ($187 per capita at 1975 prices). Average transport costs are expected to be reduced by 42% for cargo and 40% for passengers. Overall travel time should be reduced by 55%. The estimated AID project cost is $160 per family.

Current Year Program: (a) Continue with the construction of all 14 subprojects, (b) complete the road maintenance training program, and (c) receive and distribute road maintenance equipment. Technical assistance for implementation, monitoring and evaluation are provided under the Bicol grant project.

Budget Year Program: Complete construction of all 14 subprojects and conduct evaluation of implementation and impact on beneficiaries.

Major Outputs: (a) Construction completed on 14 subprojects, (b) roads being maintained by Provincial Engineers' office utilizing project road maintenance equipment, and (c) all provincial class roads being maintained.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Bicol Secondary and Feeder Roads		Philippines	Minimum	1980
			INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
			FY 76	FY 76	10,000,000
	PROJECT NUMBER	APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
	492-0281	FN	11/75	-	8/78

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	FY: 1978			CY: 1979				BY: 1980			
	OBLIGATION	EXPENDITURE	PIPELINE	FUNDING PERIOD (FR – TO)	OBLIGATION	EXPENDITURE	PIPELINE	FUNDING PERIOD (FR – TO)	OBLIGATION	EXPENDITURE	PIPELINE
AID-FINANCED a/ TOTAL –		611	9,389		-	3,812	5,577			5,577	
Eng. Design/Supervision of Construction		533	1,240		-	-	1,240		-	1,240	
Construction		-	5,037		-	1,700	3,337		-	3,337	
Training Consultant		78	112		-	112	-				
Maintenance Equipment		-	3,000		-	2,000	1,000		-	1,000	
(Evaluation)						(15)				(15)	
(Contractor Support Costs)		(4)				(3)					
HC AND OTHER DONOR TOTAL –	3,200				12,900				LIFE OF PROJECT 30,000		
GOP											
Administration/Overhead	400				400				400		
A & E	800				1,500				1,400		
Construction	2,000				11,000				11,000		

PERSONNEL WORKYEARS (XX.X)							PERSONNEL INTENSITY
FUNDING	FISCAL YEAR						
	1978	1979	1980	1981	1982	BEYOND	
PROGRAM ACCOUNT a/	1.3	2.6	1.2	.2			☒ HIGH
TDY (NON-AID)							☐ MEDIUM
OPERATING EXPENSES a/	.8	1.0	1.1	.3			☐ LOW

PARTICIPANTS PROGRAMMED				
TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR		
		1978	1979	1980
TYPE A	LONG – TERM			
	SHORT – TERM			
TYPE B	LONG – TERM			
	SHORT – TERM			

FOOTNOTES

a/AID DH & TA monitoring and evaluation inputs funded under Bicol Grant Project.

Engineering backstopping by Mission (AD/CD).

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Bicol Integrated Area Development II (Bula)	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0310			

Purpose: To implement an integrated project in the Bula area with: (a) resident rice farmers practicing modern, multi-crop technology, utilizing and maintaining new irrigation and road systems, adopting backyard vegetable and livestock projects, (b) reduced home-to-farm travel time, (c) improved land tenure security, (d) increased family planning, (e) improved health, sanitation and nutrition, (f) improved access to primary education, and (g) irrigation and other farmers' organizations functioning effectively.

Background: Initial discussions were held in 1974 with the area residents. That year, USAID also funded a trip to Taiwan for 8 GOP technicians and planners to observe Taiwan's land consolidation projects and in November 1975 a team of Taiwanese consultants arrived in Bicol to begin work on the 100 ha. pilot project. The project includes pump irrigation systems to irrigate 2062 has., drainage systems, service roads and farm access paths, multipurpose community buildings, an elementary school (GOP), homesite development, improved domestic water supply, land consolidation and tenure reform, organizational development and training, and applied agricultural research. The loan will be used to finance the dollar costs of imported equipment (pumps and vehicles) and a portion of local construction costs.

Progress to Date: The project loan agreement for $2,250,000 was signed in January 1978. The GOP expects to satisfy the conditions precedent in May 1978. The test drilling program to determine ground water availability in Phase II and III began in March 1977 and is expected to be completed in May 1978. The Department of Agrarian Reform (DAR) has contracted with an Architect-Engineer firm to review the designs for Phase IA (200 ha.) and to prepare the designs for Phase IB (367 ha.). The work will be completed by June 1978. The construction of the GOP funded 100 ha. pilot project is 60% complete with final completion expected in June 1978.

Beneficiaries: Direct beneficiaries are 1,230 farm families presently tilling an average of 1.5 hectares or rice land each. The families average 6.3 members and are composed of: (a) 76% former tenants eligible to receive ownership titles under land reform laws, (b) 22% squatters with only informal, not legal, tillage rights that will be recognized, (c) 1% leasehold tenants with registered leases, and (d) 1% owner cultivator operating small farms. Approximately 98% of the project beneficiaries (in 1974) were living below the poverty income threshold level ($187 per capita in 1975 prices). The dollar cost of the project per family is $2,440 most of which will be amortized by beneficiary farmers with payment to the GOP over 40 years. The project is expected to increase average annual family income to $1,500 by 1986 in real terms with double crop rice.

Current Year Program: (a) Complete the construction of remaining 200 ha. in Phase IA, (b) begin construction of Phase IB (367 has.), (c) complete design of Phase II (184 ha.), III (286 ha.), and IV (810 ha.), (d) begin design of Phase V (215 ha.), (e) begin construction of Phase IV, and (f) initiate social service outreach and farmer organization activities.

Budget Year Program: (a) Complete construction of Phase IB, (b) begin construction in phases II and III, (c) continue construction in Phase IV, and (d) complete design of Phase V.

Major Outputs: Completion of (a) 11 pumphouses, (b) 19 pumps installed, (c) 154 kms. of irrigation canals, (d) 92 kms. of drainage canals, (e) 76 kms. of service roads, (f) 2062 ha. irrigated land, (g) 7 multipurpose buildings, (h) 1 elementary school house, and (i) 5 ISAs and 123 compact farms organized.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Bicol Integrated Area Development II (Bula)	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 77	FINAL OBLIGATION: FY 78	TOTAL COST: 3,000,000
PROJECT NUMBER: 492-0310	APPROPRIATION: FN	DATE PP/REVISION: 5/78	DATE LAST PAR:	DATE NEXT PAR: 5/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED a/ TOTAL –	750[b]	114	2,886		–	508	2,378		–	738	1,640
Design/construction of irrigation, drainage and access road systems	550	114	2,356		–	414	1,942		–	610	1,332
Equipment procurement (pumps, vehicles, etc.)	200	–	530		–	94	436		–	128	308
Evaluation a/											
HC AND OTHER DONOR TOTAL –	758				1,158				LIFE OF PROJECT 3,555		
GOP:											
Administration/Overhead	158				174				248		
Construction	600				984				1,271		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT a/	1.1	1.7	1.7	1.4	–	
TDY (NON-ADD OPERATING EXPENSES)	.1	.1	.1	–	–	
	.3	.6	.6	.2		

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM	–		
	SHORT – TERM	–		
TYPE B	LONG – TERM	–		
	SHORT – TERM	–		

FOOTNOTE:
a/ AID DH & TA implementation, monitoring, & evaluation inputs funded under Bicol Grant Project. Engineering backstopping by Mission (AD/CD).
b/ CN will be required.

AID 1330-6 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Bicol Integrated Area Development Project III (Rinconada)	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0289			

Purpose: Increase small farm productivity and employment for over 40,000 families residing in the Rinconada area.

Background: The project was identified in 1976 as part of the Bicol River Basin Comprehensive Water Resources Development Study (A.I.D. Consulting Services Loan). It is the key project for water control and storage for several downstream projects being submitted to other external donors (ADB and IBRD) who have expressed interest. The major components include: (a) Water Control - regulation of Lakes Buhi, Bato and Baao, excavation of river channels below these lakes, a drainage channel between Bato and Baao, and rehabilitation and expansion of existing irrigation systems; (b) Agricultural Roads - 5 subprojects involving secondary and feeder roads complementing prior road construction; (c) Watershed Production - vegetative and mechanical methods of watershed management and agroforestation; (d) Agricultural Support Services - crop and fishery extension services, farmer's organizations, marketing, farm family training and land tenure improvements. It is planned that A.I.D. finance; (a) a portion of the design and construction of the Rinconada-Buhi Lake regulation and irrigation systems, and (b) implementation of watershed protection components. (A majority of small-scale rice farmers reside in this area.) Funding would also be made available for engineering design of other feasible Rinconada components subject to other external donor participation and/or major GOP funding. Total project cost is reduced from FY 79 CP level of $23 million to $5 million in order to increase the level of other donor financing.

Progress to Date: The Rinconada Feasibility Study will be completed in August 1978 with PP submission by November. The preliminary review indicated the flood diversion channel from Lake Bato to Pantao Bay to be economically unfeasible due to the high cost. The channel's costs have been deleted from the current AID/GOP proposal.

Beneficiaries: There would be an estimated 350,000 beneficiaries including farmers in the lower Bicol Basin using stored water. About 256,000 people reside in the Rinconada area, 79% of these in rural barrios. In 1974, 61% of the households (6.1 members each) had annual incomes of less than $400. The estimated dollar cost of the project is $90 per family.

Current Year Program: Sign loan agreement; begin design and sign construction contracts of Phase I of Lake Buhi regulation/irrigation which includes a control structure at Lake Buhi outlet, diversion structure in the Barit River and irrigation improvements in the Buhi and Nabua areas; and begin watershed management/agro-forestation activities.

Budget Year Program: Sign loan amendment; continue construction of Phase I; begin design of Phase II including irrigation improvement and expansion in the north Iriga/Baao area; initiate extension and agricultural support activities; begin design of Lake Bato and Lake Baao regulation structures, and rural access roads. It is anticipated that another external donor will enter the project in 1980.

Major Outputs: Control structures at Lake Buhi, Bato, and Baao; 6,000 hectares of improved irrigation system plus Lake Bato storage for up to 15,000 additional hectares; 75 kilometers of secondary roads and 50 kilometers of feeder roads, and 6,500 hectares of watershed reforested.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Bicol Integrated Area Development III (Rinconada)	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 79	FINAL OBLIGATION: FY 80	TOTAL COST: 5,000,000
PROJECT NUMBER: 492-0289	APPROPRIATION: FN	DATE PP/REVISION: 10/78	DATE LAST PAR: - / DATE NEXT PAR: 6/81

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —				7/79-7/84	2,500	300	2,200	7/80-7/84	2,500	1,425	3,275
Watershed Management/Agro-forestation				7/79-7/84	250	50	200	7/80-7/84	250	200	250
Lake Buhi Regulation and Irrigation (design and const.)				7/79-7/84	2,250	250	2,000	7/80-7/84	1,850	1,050	2,800
Ag. & Fishery Extension/Water Management								7/80-7/84	100	25	75
Lake Bato Regulation (AID design input)								7/80-7/84	100	50	50
Lake Baao Regulation (AID design input)								7/80-7/82	50	25	25
Secondary and Feeder Roads Evaluation a/								7/80-7/84	150	75	75
HC AND OTHER DONOR TOTAL —	-				2,500				LIFE OF PROJECT 21,000		
Host Country Engineering design/construction	-				2,500				8,500		
Other External Donors (to be determined)					-				10,000		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT b/	1.7	4.5	3	2.9	2.7	4.3
TDY (NON-ADD)						
OPERATING EXPENSES b/	.3	.6	.8	.8	.5	1.3

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM	-		
	SHORT — TERM	-		
TYPE B	LONG — TERM	-		
	SHORT TERM	-		

FOOTNOTES

a/ In-house organization/management review 7/80; first in-depth evaluation 7/81.

b/ Design, monitoring evaluation TA funded under Bicol Grant Project.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Libmanan/Cabusao Integrated Area Development	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0275			

Purpose: (a) To implement a pilot integrated project for small landowners residing in the Libmanan/Cabusao area with an operational irrigation and drainage/flood control system, complemented by access roads, improved farmers' organizations, extension and applied research, and (b) to establish an organizational and management structure to facilitate coordinated project implementation and completed system operation by GOP technical agencies and local participation.

Background: Given the basin's high growth prospect in a setting characterized by acute poverty, this initial Bicol A.I.D. loan provides for the construction of a 4,000-hectare irrigation and drainage system, plus flood control and salt-water intrusion protection facilities, and access roads in an economically depressed area in the lower Bicol River Basin. Innovative institutional, agricultural and integrated extension components are important features. The lead implementing agency of this multi-agency effort has been the National Irrigation Administration. Other key line agencies are involved in land reform, irrigators' associations, cooperatives for production inputs and marketing, applied research, and extension services. The Bicol River Basin Development Program Office has overall project coordination and monitoring/evaluation responsibility.

Progress to Date: Implementation progress is measured at 55% complete against a scheduled 80%. Delays were due to extremely wet weather which required adjustments in project design, and slowness in awarding of local contracts and execution of contract work. Despite implementation problems, valuable experience has been gained in the process of decentralizing planning and management which has been applied to other Bicol projects. Labor-intensive construction using local residents has increased significantly over that which was planned, and improved drainage has already occurred in partially completed construction.

Beneficiaries: The project provides the means of increasing the income of about 2,500 low income farm families and flood control for an additional 6,000 families. Cropping intensity will be increased to at least two rice crops per year. Yields will be increased from 1.5 to 4.5 M/T per hectare. The A.I.D. project cost per farm family is $1,400. This cost per family is reduced if flood benefits, road access and secondary effects are taken into account for non-farm families as well.

Current Year Program: The current GOP schedule calls for completion of construction of the farm roads, irrigation and flood control facilities, and test running the system including initial irrigation of the project area. Through the agricultural/institutional phase of the project, existing compact farms will be restructured and new compact farms organized. Farmers will receive supervised production, credit and extension services . Technical assistance emphasis will be given to water management.

Budget Year Program: Unless the second extension requires expenditures into 1980, the budget year program will be limited to evaluation and water management.

Major Outputs:
- 4,000 hectares under irrigation
- drainage, flood control completed and operational
- 46 kms. of service roads completed
- organization of 260 compact farms
- organization of a financially viable irrigators' association to operate and maintain the system
- double-cropping and adoption of modern farm technology by project farmers
- conversion of 1560 tenants to leaseholders or amortizing owners.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Libmanan/Cabusao Integrated Area Development I	Philippines	Minimum	1980
	INITIAL OBLIGATION FY 75	FINAL OBLIGATION FY 75	TOTAL COST 3,500,000
PROJECT NUMBER 492-0275 / APPROPRIATION FN	DATE PP/REVISION 6/75	DATE LAST PAR 10/77	DATE NEXT PAR 4/78

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL –	–	500	3,000		–	3,000	–				
Construction of irrigation, drainage/flood control system	–	–	3,000		–	3,000	–				
Commodities: (Pumps; Operation and Maintenance Equipment)	–	500	–								
(Evaluation) a/						(15)				(15)	
HC AND OTHER DONOR TOTAL –	2,913				1,604				LIFE OF PROJECT 4,825		
Host Country	2,833				1,524				–		
Construction											
Agricultural and Institutional Development	80				80				80		
Operation and Maintenance	–				–				125		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT a/	1.2	1.7				
TDY (NON-ADD)						
OPERATING EXPENSES a/	.8	.9				

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM	–	–	–
	SHORT – TERM	–	–	–
TYPE B	LONG – TERM	–	–	–
	SHORT – TERM			

FOOTNOTES

a/ Contract technical assistance funded under Bicol Grant Project.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Rural Service Centers	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0304			

Purpose: To create in each of 15 targeted cities an administrative capacity to serve more effectively needs identified collaboratively by cities and their most disadvantaged citizens.

Background: The smaller market towns (known as chartered cities) in the Philippines are key influence centers in the country's rural ecology. They service the surrounding rural areas, acting as a focal point for rural people who may leave the farm in the continuing search for a better life. As a result these smaller cities aggregate the discontent of the rural poor. With the success of the Provincial Development Assistance Project (PDAP), DLGCD and USAID decided to apply the proven techniques of PDAP to fifteen selected market towns, focusing on solutions to the problems of the poor within the city jurisdiction. This local approach to the poor through changes in established institutions is a main idea in the development policy of both USAID and the GOP. Special emphasis is given to the development of a social action plan for each city that is developed in concert with the representatives of the poor and with the agencies and private organizations whose programs have the same aim.

Progress to Date: Project activities began in 1977, funded by the GOP. Staffs from the fifteen cities have received preliminary training and a complete manual of operations has been written and distributed. Social action training has been given to ten cities and social action plans have been produced and passed by the local legislatures in six cities. Activity has already begun on ten social action projects selected from the approved plans. In addition, preliminary training has been given to five cities for their inclusion into the rural roads and barangay water projects.

Beneficiaries: About 13,000 families in the lower income bracket live within the influence area of this project. Many will receive direct benefit because of employment generated by small scale projects; others may get immediate service as the project opens up social and health services to the disadvantaged. Still other will benefit when parallel projects like rural roads and barangay water began functioning within the city's boundary.

Current Year Program: During FY 79 five new cities will be initiated into the project. They are expected to produce five social action plans, participate in three 4-week training programs in social action planning, working with the poor and administrative development. These five cities will begin work on a total of 25 social action projects. The five cities initiated in 1978 will produce an additional 15 social action projects and the five cities scheduled for 1980 will receive preliminary project training and will organize their social action teams. The 1981 obligation as projected in the 1979 CP has been added to that for 1980 to provide for acceleration and potential expansion of project activities in that year.

Budget Year Program: Fifteen cities engaged in project with 15 social action plans, fully staffed development offices, 100 social action projects completed. Ten cities will be in the rural roads program building 25-75 kilometers of roads and bridges.

Major Outputs: 15 completed social action plans, 100 to 150 trained development staff, 300 completed self-projects, equipment pools and road network plans in ten cities.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Rural Service Centers	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 78	FINAL OBLIGATION: FY 80	TOTAL COST: 1,698,000
PROJECT NUMBER: 492-0304 / APPROPRIATION: FN	DATE PP/REVISION: 3/77	DATE LAST PAR:	DATE NEXT PAR: 3/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	FY: 1978 OBLIGATION	FY: 1978 EXPENDITURE	FY: 1978 PIPELINE	CY: 1978 FUNDING PERIOD (FR — TO)	CY: 1978 OBLIGATION	CY: 1978 EXPENDITURE	CY: 1978 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	490	326	164	10/78-9/82	417	405.5	175.5	10/79-9/82	791	610	356.5
U.S. Personnel (Direct Hire)	191	191	-		-	-	-		-	-	-
Consultants	129.5	50	79.5	10/78-9/82	167	150	96.5	10/79-9/82	464	360	200.5
Participant Training	50.4	10	40.4	10/78-9/82	50	80.4	10.0		100	50	60.0
Commodities	119.1	75	44.1	10/78-9/82	200	175.1	69.0	10/79-9/82	227	200	96.0
(Evaluation Cost)	(20)	-	(20)		-	(20)	-	12/79-2/80	(45)	(45)	-
(Contractor Support Cost)	(25)	(25)	-	10/78-9/82	(30)	(30)	-	10/79-9/82	(70)	(70)	-
HC AND OTHER DONOR TOTAL —	1,304				1,600				LIFE OF PROJECT 4,493		
GOP:											
Personnel Support	329				329				995		
Development Projects	642				929				2,595		
Other	331				331				890		
Program Support-Trust Fund	2				11						

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	3.3	4.3	5	5	4	
TDY (NON-ADD)						
OPERATING EXPENSES	1	3.7	3.1	.2,8	2.8	1

PERSONNEL INTENSITY

- [x] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT # = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM	6	7	7
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

AID 1330-6 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Local Development Project	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0256			

Purpose: Establish a local capacity to deliver services to low income and rural poor families.

Background: Beginning with 2 pilot provinces in 1968 the Local Development Project grew as a support element of PDAP which now covers 28 provinces, focusing on capacity building in administration, financial management, planning, coordination and infrastructure. Processes tested in PDAP extended to most local governments as required by GOP and as project requisites for rural roads, barangay water, real property tax and rural service center. USAID and NEDA also provide PL 480 support to four related subprojects; comprehensive planning reimbursement, specialized technical services to Real Property Tax, pilot grant for installation of an ice plant to help small fishpond owners/operators in one PDAP province and equipment pool development in newer provinces.

Progress to Date: PDAP covers 28 provinces the basis for activity in Rural Roads, Barangay Water, RPTA and Rural Service Center projects. Twenty provinces have road network plans while six have completed comprehensive plans. All 28 provinces are trained in both requirements. Twenty-three provinces have completed position classification and pay plans. All 28 provinces have expanded development staffs, engineering offices, equipment pools and quality control facilities. Over 6,000 provincial officials have been trained in a variety of technical, management and financial skills.

Beneficiaries: Direct benefits go to participating provinces with resultant increased capacity to serve the rural poor. Specific beneficiaries can be identified through projects emerging from PDAP: Rural Roads, Barangay Water, RPTA, Rural Service Centers. Since the overall project aims at building institutions with selected results adopted nationwide, cost per family cannot be accurately determined.

Current Year Program: Residual activities covering personnel administration, road planning, local tax and budget administration will carry on in FY 79. Twelve participants are slated for FY 79 and a final evaluation will be conducted. Due to nearly complete integration of ongoing projects with Current and Budget Year operations, personnel attributions are shown as elements of these projects. FY 78 CP shows total project cost at $5,917,000 and completion date of FY 79. Cost now set at $5,943,000 with completion date of FY 80.

Budget Year Program: Tax and budget contracts as well as planning reimbursement and equipment pool subprojects will phase out. Supervision in FY 80 provided through related projects or by GOP.

Major Outputs: Each of the 28 PDAP provinces will have accomplished following: completed trained development staff headed by a coordinator, property tax program covering all municipalities, complete road network and comprehensive plans, functioning equipment pools and quality control labs, complete pay and personnel classification plans.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Local Development	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 74	FINAL OBLIGATION: FY 78	TOTAL COST: $5,906,000
PROJECT NUMBER: 492-0256 / APPROPRIATION: FN	DATE PP/REVISION: 3/78	DATE LAST PAR:	DATE NEXT PAR: 1/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	940[a/]	811	531			461	70			70	-
Direct Hire	251	251	-								
Consultants	414	253	290			220	70			70	-
Participants	155	97	145[b/]			145	-				
Commodities	120	210	96			96	-				
(Evaluation/PDS)				5/79-7/79	(50)	(50)	-				
(Contractor Support Costs)	(66)	(30)	(36)			(36)					
PL 480 Title I (Non-add)	(2303.9)	(435.1)	(1868.8)			(834)	(1034.8)			(601.8)	(433.0)
HC AND OTHER DONOR TOTAL —	861				904				LIFE OF PROJECT 8,500		
GOP:											
Personnel Support	350				375						
Project Support	475				475						
Program Support-Trust Fund	36				54				10		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	9.3	4.0	.5			
TDY (NON-ADD)						
OPERATING EXPENSES	2.2					

PERSONNEL INTENSITY

- [x] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM	8	12	
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

a/ Included addition to total funding of $87,000

b/Projected increase of $50,000 over revised PROP.

AID 1330-6 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Fund for Local Government Development	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0318			

Purpose: To facilitate more timely implementation of social and economic development projects by local governments; to improve the delivery of local government services to those most in need.

Background: Local government in the Philippines lacks a central source of credit to help fund outlays for development. Commercial bank lending does not encourage local government development while government-sponsored credit sources follow commercial banks in seeking rapid turnover of capital at high rates of interest. Lack of credit prevents local government from more effective and widespread participation in development programs aimed at improving the life of the poor. The Fund would make low interest credit and other funding available to local governments for selected development projects that would contribute to improving the life of the poor in the rural areas and in smaller cities based on specific justification of the individual project. The Fund is a natural follow on to USAID-GOP policy objectives to build a capacity at the local level for undertaking a greater share of development activities and to institutionalize efforts aimed at servicing the rural poor.

Progress to Date: A joint working committee of USAID and GOP technicians has been formed and, in a series of discussions, working papers have been turned into a draft project paper. Field analysis has begun to characterize the types of projects eligible for Fund financing, to develop criteria for the award of loans, and to adapt various PDAP mechanisms and processes for project application and analysis. Budget of $10.8 million requested is $500,000 more in grant funds than requested in the FY 79 CP. The additional funds will augment both tehnical assistance to Fund organization and monitoring capabilities for administration of loans.

Beneficiaries: As projects are processed and approved, beneficiaries will be more precisely defined in terms of aggregated projects. Preliminary criteria will give priority to provinces whose average rural family income is at or below ₱6000 ($130 per capita) and/or whose average family city/municipality incomes are at or below ₱8000 ($175 per capita). Fund beneficiaries will bear a close relationship to those identified in projects like Rural Service Centers, Rural Roads and Barangay Water.

Current Year Program: A decree-law establishing the Fund will be issued; a functioning secretariat will be established with a staff of ten; a procedure for processing applications established and a training program begun to acquaint local units with the Fund and its purpose and procedures. Fund will begin processing limited number of applications.

Budget Year Program: Fund will have a staff of 15 aided by DLGCD/PDAP field technicians and will have processed 75 project applications, of which 50 will have either short or long term loans. All but ten of these processed applications will have been on a fixed amount reimbursement scheme; the others would have been direct grants because of the poverty line involved.

Major Outputs: A Fund for Local Government Development project established by Presidential Decree with a full time executive project director and a technical staff of 25 processing an average of 100 project applications from local governments for short and long term loans plus reimbursement funding totaling ₱30 million pesos a year.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Fund for Local Government Development	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 79	FINAL OBLIGATION: FY 80	TOTAL COST: 10,800,000
PROJECT NUMBER: 492-0318 / APPROPRIATION: FN	DATE PP/REVISION: 6/78	DATE LAST PAR:	DATE NEXT PAR: 6/80

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT a/	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR—TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR—TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL—				10/78-9/82	5,300	3,543	1,757	10/79-9/82	5,500	3,659	3,598
Loan:					5,000	3,333	1,667		5,000	3,333	3,334
Capital for Fund				10/78-9/82	5,000	3,333	1,667	10/79-9/82	5,000	3,333	3,334
Grant:					300	210	90		500	326	264
Consultants				12/78-9/82	300	210	90	10/79-9/82	500	326	264
(Contractor Support Costs)				12/78-9/82	(76)	(46)	(30)	10/79-9/82	(81)	(86)	(25)
(Evaluation Cost)								4/80-6/80	(40)	(40)	
HC AND OTHER DONOR TOTAL—					3,374				LIFE OF PROJECT 10,257		
GOP:											
Counterpart Loan Fund					3,333				3,333		
Project Administration Support					41				89		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT		2	2.5	2	2	
TDY (NON-ADD)			.3	.5	1	
OPERATING EXPENSES		.6	.6	.6	.6	.3

PERSONNEL INTENSITY

- [ ] HIGH
- [x] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG-TERM			
	SHORT-TERM			
TYPE B	LONG-TERM			
	SHORT-TERM			

FOOTNOTES

a/ Data based on draft PP submitted to AID/W 2/78.

AID 1330-6 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Rural Roads Project I (RRPI)	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0272			

Purpose: (1) To stimulate development in relatively isolated and lower income rural areas of the Philippines through the construction of roads and bridges; and (2) develop the capability of selected local governments to plan and implement infrastructure projects on a sustained basis.

Background: The project developed out of the decision by the GOP to initiate a rural roads program planned and implemented primarily at the provincial level. The initial requirement of strengthening provincial planning and administration began in 1966-67 when USAID provided assistance to two provinces under a program called "Operations Spread", i.e., Systematic Programming of Rural Economic and Agricultural Development. The excellent record of this program led directly to its expansion into the Provincial Development Assistance Program (PDAP) which was attached first to the National Economic and Development Authority (NEDA) and later to the Office of Executive Secretary of the President. After 10 years of operations PDAP was, in 1978, phased into the Department of Local Government and Community Development (DLGCD) where it is now called Local Development Assistance Office (LDAO). The PDAP/USAID efforts in provincial development received widespread GOP attention with the implementation of the flood rehabilitation program in eleven provinces following the devastating floods of 1972. Eight of the eleven participants were PDAP provinces. Under the Flood Rehabilitation approximately $11 million was obligated and reimbursed to the provinces for roads, bridges and flood control. In 1974 the Special Infrastructure Projects (SIP) was launched to begin the process of institutionalizing the capacity demonstrated for infrastructure development (especially roads and bridges) and to expand the concepts to additional provinces. The Rural Roads Program was designed based upon that SIP experience and incorporated into the PDAP system.

Progress to Date: The Rural Roads Project I (RRP I) initiated in 1975, is the capstone of the infrastructure effort in the provinces and has, through CY 1977 completed 171 kms. of road and 2589 linear meters of bridges.

Beneficiaries: Poor rural families receive the bulk of benefits from rural roads in the form of access to markets and services which are otherwise inaccessible, participation in the national economy, and saved transport costs. Approximately 910,000 rural poor with per capita incomes under $150 live in the areas where roads will be built. The cost per family benefitted is approximately $26.37.

Current Year Program: The completion of the final 161 kms. of road and 811 lin.m. of bridges by the close of the current year will complete the construction phase of the project.

Budget Year: There will be no Budget Year activities.

Major Outputs: At the end of the project 332 kms. of roads and 3400 lin.m. of bridges will be completed and added to the national inventory of provincial roads. Thirty-two provinces have received extensive training in the planning, budgeting, implementation and evaluation procedures concomitant to effective infrastructure system development.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
RURAL ROADS I	Philippines	Minimum	1980
	INITIAL OBLIGATION FY 75	FINAL OBLIGATION FY 75	TOTAL COST 15,000,000
PROJECT NUMBER 492-0272 / APPROPRIATION FN	DATE PP/REVISION 11/74	DATE LAST PAR 5/77	DATE NEXT PAR 1/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR—TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR—TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —		8,464	4,507			4,507					
Construction		8,464	4,507			4,507					
(Evaluation Cost/PDS)				11/78-1/79	(30)	(30)					
HC AND OTHER DONOR TOTAL —	3,074				1,981				LIFE OF PROJECT 15,050		
Host Country Technical and Administrative Services	3,024				1,981						
Program Support Trust Fund	50										

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT a/	5.8	.4				
TDY (NON-ADD)						
OPERATING EXPENSES	2.6	.7				

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG - TERM			
	SHORT - TERM			
TYPE B	LONG - TERM			
	SHORT - TERM			

FOOTNOTES

a/ .9 Workyear USDH funded from Local Development Projext in FY 78.

AID 1330-6 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Rural Roads II	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0297			

Purpose: (1) To stimulate development in relatively isolated and lower income rural areas of the Philippines through the construction of roads and bridges; and (2) develop the capability of selected local governments to plan and implement infrastructure projects on a sustained basis.

Background: The DAP accords rural infrastructure projects, designed and implemented by local governments, a high priority. In addition, the Department of Local Government and Community Development (DLGCD) gives rural roads top priority in the use of Presidential Decree 144 funds. The current deficiency in rural road linkages is given by the GOP as 125,000 kms. Expenditures on feeder roads have been found to directly benefit the population of the depressed rural areas. The ongoing Rural Roads I project has completed 171 kms. of road and 2589 lin.m. of bridging. 332 kms. and 3400 lin.m. will be completed by the end of that project. Twenty-eight provinces have received extensive training in the planning, budgeting, designing and construction of infrastructure projects. The completed roads and bridges attest to the degree of successful institutionalization of capability.

Progress to Date: For the RRP II project, six provinces and five cities have already been selected as initial new participants and underwent orientation and introductory training in October, 1977. Required training for the remainder of 1977 and 1978 has been provided for. Design work and initiation of construction activity for the first 200 kms. of roads and 2000 lin.m. of bridges was planned for FY 78. Cost increases will likely reduce the road length realized to approximately 180 kms. and the bridges by a similar percent.

Beneficiaries: Since submission of the FY 79 CP, Rural Roads Project II has undergone some changes in design to more definitely reach the rural poor and allow them access to markets and services which are otherwise inaccessible. That segment with annual per capita income of under $150 continues to encompass the bulk of the target group. The resultant modified selection process increased the projected number of beneficiaries to 1,335,000. The cost per family benefited is approximately $36.68.

Current Year Program: The second year of RRP II will witness construction of additional phases of the road systems begun in 1978. An estimated 170 kms. of road and 1500 lin.m. of bridges is planned for construction in FY 79. The FAR value of the total of the projects constructed in FY 79 will approximately be $7.5 million.

Budget Year Program: An additional 180 kms. of road and 1570 lin.m. of bridges are planned for FY 80. Continued rise in the cost of materials and labor, however, may force a reduction of the expectations.

Major Outputs: The project is now expected to result in the completion of approximately 560 kms. of roads and 5500 lin.m. of bridges. This represents some reduction from the output estimates given in the Project Paper and the CP. The difference is accounted for by the change in the handling of the A&E costs as mentioned above, and by the continuing rise in all construction costs. Also, it is anticipated that by the end of the project the program will continue with primarily ADB or IBRD financing.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Rural Roads II		Philippines	Minimum	1980
			INITIAL OBLIGATION FY 78	FINAL OBLIGATION FY 80	TOTAL COST 24,000,000
	PROJECT NUMBER 492-0297	APPROPRIATION FN	DATE PP/REVISION 8/77	DATE LAST PAR	DATE NEXT PAR 1/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	FY: 1978 OBLIGATION	FY: 1978 EXPENDITURE	FY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL –	7,000	1,054	5,946	10/78-9/82	7,500	7,699	5,747	10/79-9/82	9,500	8,199	7,048
Technical Services (A&E)	600	600		10/78-9/82	750	695	55	10/79-9/82	750	695	110
Consultant (local hire)	4	4		10/78-9/79	4	4		10/79-9/80	4	4	
Construction	6,396	450	5,946	10/78-9/82	6,746	7,000	5,692	10/79-9/82	8,746	7,500	6,938
(Evaluation Cost)								11/79-1/80	(35)	(35)	
HC AND OTHER DONOR TOTAL –	5,300				5,958				LIFE OF PROJECT 19,172		
GOP											
Technical and Administrative Services	5,300				5,900				6,850		
Program Support-Trust Fund	-				58				64		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR a/1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT		4.5	4.9	4.9	1.2	
TDY (NON-ADD)						
OPERATING EXPENSES		3.5	3.7	3.6	1.6	

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM			
	SHORT – TERM			
TYPE B	LONG – TERM			
	SHORT – TERM			

FOOTNOTES

a/ 1978 Workyears being carried on RRP I.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Rural Electrification	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0306			

Purpose: Increased production and improved daily amenities made possible by reliable electric power available at reasonable rates in rural areas through local electric cooperatives.

Background: AID support of the GOP's rural electrification program began in 1965 with funding for a survey of the nation's power sector. Relatively large-scale assistance began in 1972 with development loans to defray the foreign exchange costs of electrical commodities to be used in rural electric cooperative distribution systems located throughout the country. The rural electrification program was one of the first government efforts to undertake large-scale investment in infrastructure for rural areas. AID chose to support the activity because of its potential impact on the rural poor population and support of overall rural development activities including irrigation, rural water and small scale industry which are important development problems discussed in the GOP Five-Year Plan.

Progress to Date: The short-term target of the program was to establish an electric cooperative in every province by the end of 1977, and that target has been accomplished. As of February 28, 1978, 104 rural electric coopratives have been registered and 78 of them are at least partially energized. As of that date, more than 500 municipalities composed of almost 6,000 barrios have been energized, and almost 700,000 households have been connected to electric lines to the benefit of their four million members.

Beneficiaries: Recent evaluation findings indicate that about 90% of recipients have per capita incomes of less than $150. Roughly one-fifth of them live in houses of light or salvaged material. More than one third of them possess fewer than seven household items--items such as books, appliances, or furniture. The project beneficiaries are truly poor--poor in income, poor in education, and poor in economic goods. Currently, the program costs about $160 per household connection, and this figure will decrease as connections per kilometer of line increase.

Current Year Program: The program will continue to expand, with new lines being built and additional households being connected. During FY 1979, it is projected more than 300,000 rural households will be connected to electricity and more than 6,000 kilometers of new backbone system electrically linking municipalities in cooperative areas will be constructed.

Budget Year Program: Although AID funding will have been expended in FY 79, commodities financed under REV will be used for more than 4,000 kilometers of backbone construction resulting in about 400,000 more rural households being connected to electricity.

Major Outputs: By the end of FY 1980, the construction of the backbone system should be virtually (more than 90%) complete. Household connections should have passed the 1.5 million level, to the benefit of the 10 million members of those households. The intermediate program target of electrifying all barrios by the end of 1982 should be more than half complete.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Rural Electrification IV	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 76	FINAL OBLIGATION: FY 76	TOTAL COST: 20,000,000
PROJECT NUMBER: 492-0306 / APPROPRIATION: FN	DATE PP/REVISION: 5/76	DATE LAST PAR: 5/77	DATE NEXT PAR: 5/78

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR—TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR—TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —		12,094	5,250			5,250	-				
Consultants		863	250			250	-				
Commodities		11,181	5,000			5,000	-				
Participants		50	-			-	-				
(Evaluation/PDS)	(25)	(25)	-								
(Contractor Support Costs)		(60)	-								
HC AND OTHER DONOR TOTAL —	19,001				21,000				LIFE OF PROJECT 136,000 a/		
GOP:											
Construction	14,500				16,000				17,300		
Local Commodity Procurement	3,000				3,500				4,000		
Administrative Costs	1,500				1,500				1,700		
Program Support-Trust Fund	1				-				-		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	14.7 b/	2.9				
TDY (NON-ADD)	-	-				
OPERATING EXPENSES c/	.6	.5				

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM	-	-	-
	SHORT — TERM	10	-	-
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

a/ LOP funding for RE I-V

b/ Includes M. Brady PSC for evaluation work on total RE program.

c/ DH work-years include time devoted to total RE program.

AID 1330-8 (3-78)

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Rural Electrification V	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 78	FINAL OBLIGATION: FY 78	TOTAL COST: 8,400,000
PROJECT NUMBER: 492-0321 / APPROPRIATION: FN	DATE PP/REVISION: 7/77	DATE LAST PAR:	DATE NEXT PAR: 5/78

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	8,400	5,000	3,400			3,400					
Commodities	8,400	5,000	3,400			3,400					
HC AND OTHER DONOR a/ TOTAL —									LIFE OF PROJECT		

PERSONNEL WORKYEARS (XX.X)	FISCAL YEAR					
FUNDING a/	1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT						
TOY (NON-ADD)						
OPERATING EXPENSES						

PERSONNEL INTENSITY: ☐ HIGH ☐ MEDIUM ☐ LOW

PARTICIPANTS PROGRAMMED		FISCAL YEAR 1978	1979	1980
TYPE A = NONCONTRACT, B = CONTRACT				
TYPE A	LONG — TERM			
	SHORT — TERM			
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

a/See Table IVB for Rural Electrification IV

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Consulting Services III	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0282			

Purpose: To finance prefeasibility and feasibility studies in areas deemed priority by the GOP directly related to rural oriented development projects.

Background: In the overall process of development planning as detailed in the current 5 year plan, the Government of the Philippines (GOP) has a continuing need for expert technical and managerial assistance appraising the feasibility of various investment alternatives and in establishing priorities among viable alternatives. There is general agreement among donors that one of the most serious constraints to foreign participation in development efforts is the lack of adequately studied potential projects. Previous loans have resulted in the Philippines undertaking major development efforts in power development and rural electrification, potable water systems and irrigation for increased food production. These efforts have been funded by both A.I.D. and other donors. The Third Consulting Services Loan, like its predecessors, will finance the foreign exchange cost of prefeasibility and feasibility studies, including consulting and engineering services.

Progress to Date: One study has been completed; two are nearly completed. These 3 studies represent a commitment totalling $1.5 M. USAID is presently reviewing a proposal from the GOP for the conduct of the fourth feasibility study to be financed under this loan.

Beneficiaries: There is an understanding with the GOP that projects proposed for study under this loan must concentrate on activities that are expected to contribute, through resulting projects, to partial alleviation of the problems of the rural poor. Because of the nature of the loan, it is not possible to identify the potential beneficiaries nor estimate per family cost until the projects to be studied have been selected and a decision has been made to implement the proposed project.

Current Year Program: It is expected that funds will be fully committed and disbursed in FY 79. However, there will be a need to extend the current TDD of the loan which is 12/31/78 to 9/30/79, in order to fully disburse the loan.

Budget Year Program: None.

Major Outputs: (All Years) Completed studies (5-10).

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Consulting Services III	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 76	FINAL OBLIGATION: FY 76	TOTAL COST: 2,000,000
PROJECT NUMBER: 492-0282 / APPROPRIATION: FN	DATE PP/REVISION: 12/75	DATE LAST PAR:	DATE NEXT PAR: 6/78

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1976 OBLIGATION	PY: 1976 EXPENDITURE	PY: 1976 PIPELINE	CY: 1979 FUNDING PERIOD (FR—TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR—TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL—		948	527			527					
Consultants (contract)		948	527			527					
(Contractor Support Costs)		(71)	(42)			(42)					
HC AND OTHER DONOR TOTAL—	950				500				LIFE OF PROJECT 2,000		
Host Country											
Consultant Support	950				500						

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	10.3	5				
TDY (NON-ADD)						
OPERATING EXPENSES	.1	.1				

PERSONNEL INTENSITY

- ☐ HIGH
- ☐ MEDIUM
- ☒ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG—TERM			
	SHORT—TERM			
TYPE B	LONG—TERM			
	SHORT—TERM			

FOOTNOTES

330—8 (3—78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Rural Electrification Training Centers	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 498-0260			

Purpose: To provide trained manpower to work in the conceptualization, administration, and technical implementation of rural electrification projects in the developing nations of Asia in order to improve rural electric service.

Background: In late 1975, prompted by the success of the rural electrification program in the Philippines and the strength of the National Electrification Administration as a training institution, USAID and NEA jointly sponsored a 10-day study-tour of rural electrification for policy-level personnel from other Asian countries. During the study-tour in March of 1976, the twenty-four high-level participants from ten countries praised the course for having shown them successful rural electrification in practice and suggested that NEA sponsor more courses in the future. The Acting Administrator of NEA visited AID/W in May of 1976, and during that visit received encouragement from AID's Asia Bureau. As a result, NEA proceeded with plans to organize additional study-tours, and since that time has hosted a half dozen training activities for international participants. This project would strengthen and institutionalize NEA's international training program, a program which has the potential to be a source of rural electrification expertize for the entire Southeast Asia region.

Beneficiaries: Although the immediate benefit of the training centers may not impact directly on the rural poor, the evidence of the Philippine experience leaves little doubt that the introduction of electrical energy into rural areas is one of the more dramatic advances conducive to the improvement of the quality of life for the rural poor. By providing quality training in rural electrification programs, it is planned that the Philippine experience can be transferred to the other developing nations of Asia.

Current Year Program: Two training centers will be constructed, one in Misamis Oriental province and one in La Union province. Teaching methods and materials will be tested, and preparation of the final course curriculum will be undertaken. The first groups of participants will be trained at the centers, and the first evaluation of the effectiveness of the curriculum will be accomplished.

Budget Year Program: The centers will begin their regular operation. Participants from Indonesia, Bangladesh, Pakistan, and other Asian countries will attend courses for planning and decision-making personnel, management and administrative personnel, and technical and engineering personnel. An overall evaluation of the project will also be conducted.

Major Outputs: By the end of FY 1980, the international training program should be fully developed. The two training centers will be held annually for planners, administrators, and management personnel, and three or four times a year for technical and engineering personnel. A major evaluation of the project will have been accomplished.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Rural Electrification Training Centers	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 78	FINAL OBLIGATION: FY 78	TOTAL COST: 250,000
PROJECT NUMBER: 498-0260 / APPROPRIATION: FN	DATE PP/REVISION: 4/78	DATE LAST PAR:	DATE NEXT PAR: 9/80

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 a/ OBLIGATION	PY: 1978 a/ EXPENDITURE	PY: 1978 a/ PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	250	50	200		-	200	-				
Construction	200	50	150			150					
Commodities	50	-	50			50					
(Evaluation/Regional PDS)								6/80-9/80	(50)	(50)	
HC AND OTHER DONOR TOTAL —	75				285				LIFE OF PROJECT 500		
Construction	75				130				-		
Furnishings/Equipment	-				90				-		
Operating Costs	-				65				70		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT						
TDY (NON-ADD)						
OPERATING EXPENSES	.1	.1				

PERSONNEL INTENSITY

- [ ] HIGH
- [ ] MEDIUM
- [X] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM			
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

a/as per State 92943

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Agro-Forestation	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0305			

Purpose: To develop improved, ecologically sound agriculture-forestry production systems in selected watershed areas and increase incomes of hillyland farmers.

Background: Population pressures and scarcity of arable lowlands have forced cultural minorities and marginal farmers to extend slash and burn cultivation to steep slopes of hilly-lands and forest areas. This has caused damage to the watersheds ecosystems, as evidenced by accelerating erosion, decreased tree fertility and flooding. It is estimated that slash and burn cultivation practiced by about one million hillside farmers and commercial lumbering (which the GOP is trying to regulate) has denuded about six million hectares of forest, or 35% of the once-forested lands in the Philippines. About 4 million hectares of these lands are within critical watersheds and require immediate reforestation.

This project is designed to demonstrate in selected watersheds how poor hillside farmers can improve their livelihood and cultivation practices through the use of appropriate technologies which: (1) increase crop and tree production by more suitable interplanting and rotation practices; (2) improve conservation by soil and water management; (3) upgrade land and pasture use management; and (4) provide fuel wood as a relatively inexpensive energy source and raw materials for increased cottage industry output.

The project will also support the GOP's efforts to explore alternative energy sources, check denudation, preserve natural resources, and expand programs to increase farm income and off-farm employment opportunities of disadvantaged hillside farmers.

Progress to Date: A PID and PRP have been approved and a joint GOP-AID team has initiated preparation of the PP. Project sites are being identified and prioritized. GOP interagency relationships are being formalized to coordinate the multi-disciplinary approach to implementation and policy requirements being identified.

Beneficiaries: The first group of project beneficiaries are 1,000 families of hillside farmers who will be reached during the initial pilot phase. During this time approaches will be found which can be replicated and extended to an additional 7,000 hillside families over the three-year project period. Each beneficiary family is expected to increase its net farm income by 20% after three years. Project cost per participating family is about $500.

Current Year Program: Pilot activities will be undertaken in two selected watersheds occupied by 1,000 hilly land farm families. This will result in series of recommendations on ways to improve the income and quality of life for slash and burn hillyland farmers while simultaneously conserving forest reserves, promoting reforestation and promoting sound watershed management. Selected voluntary organizations, private firms and/or educational institutions associated with the project will assist in designing the second phase activities and an applied research program for the development of appropriate farming systems for marginal soils of the hillsides.

Budget Year Program: The project will be expanded to 6 additional watersheds in which 6,000 hillside farmers live. Project participants will have adopted farming systems and be involved in reforestation activities.

Major Outputs: The project will result in: improved farming systems for marginal hilly land farms; clear and effective policies on tenure, land use and watershed management; land surveys, classification of critical and non-critical watersheds; private organizations effectively assisting hilly land communities; 7,000 participating farm families' income raised by 15% and effective methods of stabilizing communities in watersheds tested and demonstrated.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Agro-Forestation		Philippines	Minimum	1980
			INITIAL OBLIGATION FY 79	FINAL OBLIGATION FY 80	TOTAL COST 6,520,000
	PROJECT NUMBER 492-0305	APPROPRIATION FN	DATE PP/REVISION 10/78	DATE LAST PAR	DATE NEXT PAR 11/80

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —					5,770	640	5,130		750	2,030	3,850
Loan:					5,500	420	5,080			1,740	3,340
Survey planning, research and mapping operations				2/79-9/80	880	180	700			200	500
Agro-forestation systems development				2/79-9/81	4,470	200	4,270			1,500	2,770
Education and training support				3/79-9/80	150	40	110			40	70
Grant:					270	220	50		750	290	510
Consultants (contract)				12/79-12/80	240	200	40	10/79-9/81	520	210	350
Commodities				1/80-6/81	30	20	10	11/79-9/81	200	50	160
Project Evaluation								10/80-11/80	30	30	-
(PL 480 Title III Pesos)					(700)	(300)	(400)		(1,500)	(1,200)	(700)
(Watershed Infrastructure Dev.)					(400)	(200)	(200)		(1,000)	(700)	(500)
(Consultant Services)					(300)	(100)	(200)		(500)	(500)	(200)
(Contractor Support Costs)					(78)	(67)	(11)		(144)	(68)	(87)
HC AND OTHER DONOR GOP: TOTAL —					1,527				LIFE OF PROJECT 10,066		
Watershed Management					500				700		
Research					350				400		
Mapping and survey					450				550		
Education/training					200				350		
Program Support-Trust Fund					27				39		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	0.2	2.6	3.8	3.7	3.3	3.1
TDY (NON-ADD)						
OPERATING EXPENSES		0.4	0.4	0.4	0.4	0.4

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM		1	5
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

AID 1330—8 (3—78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Population Planning II	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0277			

Purpose: To assist the Government of the Philippines in reducing the Philippine population growth rate by one tenth of one percent per year during the life of the project.

Background: Family planning services were initiated in public and private clinics and hospitals throughout the Philippines between 1970 and 1976 under predecessor project Population Planning I (492-0220). Population Planning II supports expansion of the service network to grassroots level, with particular emphasis upon assistance to rural and poor urban clientele. The keystone of the program is the National Family Planning Outreach project which has replaced 2,300 part-time, town-based family planning motivators with professional, full-time outreach workers recruited from the districts in which they work. Each outreach worker is to establish and maintain an average of ten local service points from which volunteer workers distribute pills and condoms without charge to their neighbors. Six other activities including voluntary sterilization services support the project.

Progress to Date: More than 3,100 outreach workers have been selected, trained and incorporated into the staffs of approximately 130 provinces and chartered cities. Neighborhood contraceptive distribution points are being set up, and services are reaching hitherto inaccessible areas. Similarly, voluntary sterilization services, for which there is growing demand, are being made more widely available through participating hospitals and clinics.

Beneficiaries: Couples benefitting from free family planning services are expected to reach the 2 million mark by 1980, at a project cost of $13.42 per family. The majority of this group are the rural and urban poor.

Current Year Program: It is anticipated that the population growth rate will be slowed about .1% in 1979 and that the proportion of eligible couples practicing family planning will reach 32% in 1979, compared with 20% in 1977.

Budget Year Program: Similarly, it is anticipated that the population growth rate will decline another .1% and that the prevalence of family planning participation will rise to 35% in 1980.

Major Outputs: Outreach workers trained/deployed: 3,600; local supply points created: 54,365; active contraceptive users: 2,083,544; voluntary surgical contraceptive procedures performed: 256,519. Pills and condoms should be conveniently available in 90-95% of all population clusters.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Population Planning II	Philippines	Minimum	1980
	INITIAL OBLIGATION: 1977	FINAL OBLIGATION: 1981	TOTAL COST: 26,836
PROJECT NUMBER: 492-0277 / APPROPRIATION: PN	DATE PP/REVISION: 5/77	DATE LAST PAR:	DATE NEXT PAR: 9/78

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	6,145	2,924	6,212		5,209	9,857	1,564		2,491	3,561	494
Loan	3,300	–	3,300		2,000	4,700	600		–	600	–
Contraceptives	3,300	–	3,300	10/78-9/79	2,000	4,700	600	10/79-9/80	–	600	–
Grant	2,845	2,924	2,912		3,209	5,157	964		2,491	2,961	494
National Outreach	1,753	1,733	1,733	1/79-12/79	2,150	3,238	645	1/80-12/80	1,757	2,189	351
Vol. Surg. Contraception	513	566	566	1/79-12/79	409	852	123	1/80-12/80	211	292	42
Info., Educ. and Comm.	53	54	53	1/79-12/79	75	106	22	1/80-12/80	56	71	7
Logistics	180	180	180	1/79-12/79	198	317	61	1/80-12/80	230	107	46
Training	70	68	68	1/79-12/79	60	110	18	1/80-12/80	46	55	9
Demographic Measurement	177	227	226	1/79-12/79	229	386	69	1/80-12/80	106	154	21
Operational Research	47	45	35	1/79-12/79	38	62	11	1/80-12/80	35	39	7
Gen Project Support	27	26	26	1/79-12/79	40	54	12	1/80-12/80	40	44	8
Evaluation	25	25	25	1/79-12/79	10	32	3	1/80-12/80	10	10	3
(PL 480 Title I-Program Support)	(500)	(330)	(170)	1/79-12/79	(820)	(785)	(205)	1/80-12/80	(1,000)	(955)	(250)
(Contractor Support Costs	(16)	(16)	–	1/79-12/79	(1)	(1)	–	1/80-12/80	(26)	(26)	–
HC AND OTHER DONOR TOTAL —	4,116				5,639				LIFE OF PROJECT 19,340		
GOP Program Support	3,000				4,454				5,389		
Other Donors (supplemental support)	1,080				1,147				1,200		
Program Support-Trust Fund	36				38				37		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	4	3.6	3			
TDY (NON-ADD)						
OPERATING EXPENSES	5.6	4.9	4.9	4.9	3.9	

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM	12		
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Panay Unified Services for Health	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0312			

Purpose: Provide residents of the poorest barangays in the four provinces of Panay Island access to basic, integrated health services.

Background: The Panay Unified Services for Health Project was conceived early in 1976 primarily in response to the great need to extend basic health and health-related services to far-flung barangays. These barangays, as of yet, have not been reached by conventional health service delivery systems. The PUSH Project aims to recruit, train, equip and deploy a Barangay Health Worker (BHW) in each of the 600 target barangays. The BHW must be a respected resident of the barangay with at least a sixth grade education or equivalent. BHWs will coordinate their activities with family planning outreach workers and Barangay Nutrition Scholars. The BHW will be providing simple, yet essential preventive, curative and health promotive services to the people and link the barangay to the higher levels of the region's health service system. The provision of such primary health services is the principal health sector strategy of the host government.

Progress to Date: The project is expected to be launched in June, 1978. At present the final details of financial administration, health worker training, and management systems are being incorporated in operating handbooks.

Beneficiaries: An estimated 340,000 people in 61,200 households in Panay will be directly benefited. Included in this number are 10,000 children with third degree malnutrition who will be rehabilitated. The estimated cost per family benefited is $94. Between 80-90% of the beneficiaries will be subsistence farmers and marginal fishermen with household incomes of $200 a year.

Current Year Program: FY 1979 results are anticipated as follows: (a) 50% of households in 150 barangays will be using sanitary toilets; (b) 60% of households in 150 barangays will be using water of improved quality; (c) 50% of the target population in 150 barangays will be immunized with BCG and DPT; (d) reduction by 20% of the incidence of second and 3rd degree malnutrition; (e) 150 barangays have access to basic health, nutrition and family planning services at the barangay level.

Budget Year Program:

1. 60% of households in 300 barangays will be using sanitary toilets.
2. 80% of households in 300 barangays will be using water of improved quality.
3. 70% of the target population in 300 barangays will be immunized with BCG and DPT.
4. Reduction by 30% of the incidence of second and third degree malnutrition.
5. 300 barangays have access to basic health, nutrition and family planning services.

Major Outputs:

1. 300 Barangay Health Workers recruited, trained, equipped and deployed.
2. 165 deep wells drilled.
3. 430 shallow driven wells constructed.
4. 1,205 open dug wells improved.
5. 4,770 toilets constructed.
6. 4,200 malnutrition cases rehabilitated.
7. 300 village drugstores established.
8. 100 Rural Health Units supplied with vaccines.
9. 4 provincial laboratories upgraded.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Panay Unified Services for Health		Philippines	Minimum	1980
			INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
			1978	1978	5,716
	PROJECT NUMBER	APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
	492-0312	HE	1/78		6/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978			CY: 1979				BY: 1980			
	OBLIGATION	EXPENDITURE	PIPELINE	FUNDING PERIOD (FR – TO)	OBLIGATION	EXPENDITURE	PIPELINE	FUNDING PERIOD (FR – TO)	OBLIGATION	EXPENDITURE	PIPELINE
AID-FINANCED TOTAL –	5,716	1,162	4,554		–	677	3,899		–	963	2,925
LOAN	5,400	1,106	4,294			603	3,691			907	2,784
1. Institutional development (BHA training, salaries, etc.)	1,426	74	1,352	6/78-5/83		153	1,199			286	913
2. Construction (deep wells, latrines)	2,810	260	2,550	6/78-5/83		362	2,188			526	1,662
3. Equipment & supplies (medical)	688	688	0	6/78-12/79		0	0			0	0
4. Project administration	476	84	392	6/78-5/83		88	304			95	209
GRANT	316	56	260			63	197			56	141
1. Project management training	21	21	0	6/78-9/78		0	0			0	0
2. Participant training	57	13	44	6/78-9/80		26	18			18	0
3. Evaluation	144	–	144	6/79-5/83		21	123			22	101
4. U.S. Consultants	94	22	72	6/78-5/83		16	56			16	40
(PL 480 Title II Commodities)	(100)	(90)	(10)	6/79-5/80	(100)	(100)	(10)	6/80-5/81	(100)	(100)	(10)
(Contract Support Costs)					(13)	(13)			(17)	(17)	
HC AND OTHER DONOR TOTAL –									LIFE OF PROJECT		
GOP	2,979				8				3,019		
Institutional Development	127				–				–		
Construction	1,312				–				–		
Project Administration	1,533				–				–		
Program Support-Trust fund	7				8				8		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	.8	1	1	1	1	.9
TDY (NON-ADD)						
OPERATING EXPENSES	1	1.3	1.3	1	1	.9

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM			
	SHORT – TERM	3	6	4
TYPE B	LONG – TERM			
	SHORT – TERM			

FOOTNOTES

AID 1330-3 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Bicol Integrated Health, Nutrition and Population	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0319			

Purpose: (1) To create an effective rural social services delivery system largely funded from and supported by local resources and institutions. (2) To improve sanitary environment and household water supplies in 400 rural barangays.

Background: This project will be conducted in two provinces within the Bicol River Basin. In accordance with the GOP Five Year Plan, local Bicol planners have identified health services, water and environmental sanitation as major priorities for development and have pledged support for a concerted effort to provide basic health services in an integrated fashion. In making available health, sanitation, family planning and nutritional assistance to low income families the project implements dual health sector strategies of the host government and A.I.D. Under the project Barangay Health Aides will be trained and deployed to work in close cooperation with family planning outreach personnel and Barangay Nutrition Scholars. This project differs from the Panay Unified Services for Health (PUSH) project in important administrative and financial features. Administrative supervision of PUSH will be carried out through existing line agencies under the overall coordination of the National Economic and Development Authority. In the Bicol Integrated Health project, the Department of Health will act as lead agency. The PUSH project requires an in-kind contribution from barangay residents for environmental sanitation infrastructure improvements, while the Bicol Integrated Health project will require both an in-kind and cash contribution.

Progress to Date: The Project Paper is currently being developed.

Beneficiaries: The project beneficiaries will be approximately 400,000 residents of 400 rural barangays. Surveys show that 80% of these people are living in abject poverty in one of the poorest regions of the Philippines, where basic social services are almost non-existent within the least developed barangays. The cost per family that will benefit from this project is $36.25.

Current Year Program: The project is expected to be initiated in mid-FY 1979. During this start-up period the initial emphasis will be on training and deploying Barangay Health Aides. The impact of these barangay health personnel will not be felt until the succeeding project year.

Budget Year Program:
1. Life expectancy increased from 59.1 to 59.3.
2. Infant mortality rate reduced to 69/1000 from 72.1/1000.
3. Crude death rate reduced from 11 to 10.5/1000.
4. Morbidity due to waterborne diseases and intestinal parasitism reduced by 20%.
5. TB cases reduced from 10 to 8/10,000.
6. Severe and moderate malnutrition cases reduced by 20%.
7. Birth rate reduced from 38 to 34/1000.

Major Outputs:
1. 400 Barangay Health Aides recruited and trained.
2. 400 first aid drug and nutrition kits distributed.
3. Environmental sanitation survey of 400 barangays completed.
4. 195 small barangay water facilities constructed.
5. 400 village drugstores established.
6. 500 households assisted in improving water supplies.
7. 1,000 household water-sealed latrines constructed.
8. Drainage ditches constructed in priority areas.
9. Seven Rural Health Centers renovated.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Bicol Integrated Health, Nutrition, and Population		Philippines	Minimum	1980
			INITIAL OBLIGATION 1979	FINAL OBLIGATION 1979	TOTAL COST 2,500
	PROJECT NUMBER 492-0319	APPROPRIATION HE	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR 1/80

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR—TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR—TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL—					2,500	1,297	1,203		-	260	943
Institutional development (BHA salaries and training)				1/79-12/84	623	312	311		-	107	204
Construction (water supply, toilets, drainage, health centers and stations, labs)				1/79-12/84	1,120	327	793		-	103	690
Equipment and supplies (medical)				1/79-6/80	757	658	99		-	50	49
(Evaluation and Monitoring)*				1/79-12/84	(178)	(18)	(160)		-	(30)	(130)
(PL 480 Title I)				1/79-9/80	(50)	(45)	(5)	10/80-9/81	(150)	(140)	(15)
(PL 480 Title II)				1/79-9/80	(234)	(211)	(23)	10/80-9/81	(248)	(246)	(25)
HC AND OTHER DONOR TOTAL—					482				LIFE OF PROJECT 2,839		
GOP											
Institutional Development					73				161		
Construction					176				205		
Equipment					58				8		
Project Management Office					175				66		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	.4	.5	.5	.5	.5	.3
TOTAL NON-PROGRAMMING	(.8)					
	1	1.1	1.1	1.1	1.1	.6

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NON-CONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG—TERM			
	SHORT—TERM			
TYPE B	LONG—TERM			
	SHORT—TERM			

FOOTNOTES
*GOP funded.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Barangay Water I	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0291			

Purpose: To institutionalize the capability of selected local government units to identify, plan, organize, and install functional barangay cooperative water systems with their own maintenance capacity in low income rural farming communities.

Background: Community water systems in most of the Philippines are either non-existent or provide water which is considered unsafe for human consumption. Approximately 80% of the population lives outside an organized system altogether. The remaining 20% of the population that does come under the jurisdiction of a water system is in one way or another seriously inconvenienced or beset by a host of problems related to the provision of an adequate quantity and an acceptable quality of water. This project addresses the foregoing water problems and plays a supportive role in furthering several other Mission and Host Country initiatives. The project specifically contributes to both the Mission strategy and the GOP's Five-Year Development Plan furthering the achievment of: 1) better health, 2) higher productivity, 3) greater employment, 4) more equitable distribution of income, and 5) stronger community institutions.

Progress to Date: The GOP funded a Pre-Implementation Phase of the project during 1977 in order to "test" the concept to be employed under this loan. An amount of $1,142,000 was spent to cover salaries, operational costs, training, and the construction of four sub-projects in four of the participating provinces. Activities in 1977 preparatory to initiating the loan included the following: (1) the establishment and training of a national Project Management Staff, (2) the preparation of developmental administrative procedure, and (3) the selection, organization, and conduct of several training programs for the first 15 provinces and 5 cities scheduled to participate in the project in FY 1978. Also assistance was given by making available U.S. PL 480 Title I peso for local purchase of basic hand tools and light equipment in support of local government waterworks maintenance and repair shops.

Beneficiaries: This project will benefit up to 200 small, rural, basically farming and fishing communities. Such communities will be representative of the lowest 60 percent of the nation income group with a largest percentage falling in the lower 40 percent (40%) of the country's income strata. Project costs per family benefitted will range from $50 to $100 depending upon the physical characteristics of the area to be served and the level of service to be delivered.

Current Year Program: In FY 1979 the program will expand its offering to an additional 7 local government units, initiate the construction of up to 160 more waterworks systems, and organize the recipient communities.

Budget Year Program: Budget year activities will consist of completing all construction and organization activities associated with projects initiated in FY 1979. The number of projects to carry over will not exceed 20% of those begun in FY 1979. (See BWP II for other Budget year activities.)

Major Outputs: The project will terminate during FY 80 with the preparation of 37 local government units, trained and experienced in the implementation of small water systems. It is expected that up to 200 subprojects and barangay water associations will be realized during the period of the loan.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Barangay Water I	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 78	FINAL OBLIGATION: FY 78	TOTAL COST: 3,184,000
PROJECT NUMBER: 492-0291 / APPROPRIATION: HE	DATE PP/REVISION: 4/77	DATE LAST PAR:	DATE NEXT PAR: 5/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR—TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR—TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL—	3,184	274	2,910			1,330	1,580			1,580[a/]	
Loan	3,000	250	2,750			1,250	1,500			1,500	
Construction	3,000	250	2,750			1,250	1,500			1,500	
Grant	184	24	160			80	80			80	
Consultants	164	24	140			70	70			70	
Participants	20	-	20			10	10			10	
(Contractor Support Costs)	(49)	(13)	(36)			(23)	(13)			(13)	
(Evaluation Cost/PDS)				3/79-5/79	(50)	(50)	-				
HC AND OTHER DONOR TOTAL—	1,068				2,136				LIFE OF PROJECT a/3,204		
GOP											
Admin. and Operations	135				269						
Training and Organization	160				320						
Salaries and Tech. Asst.	265				530						
Project Construction	500				1,000						
Program Support Trust Fund	8				17						

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	.8	2	.5			
TDY (NON-ADD)		.5	.2			
OPERATING EXPENSES	.8	2.2	1.4			

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE	A = NONCONTRACT B = CONTRACT	FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM		2	2
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

a/FY 80 activities will involve primarily completion and certification of final systems. Personnel requirements and GOP support for FY 80 reflected in Barangay Water II.

AID 1330—8 (3—78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Barangay Water II	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0333			

Purpose: To institutionalize the capability of selected local government units to identify, plan, organize, and install functional barangay cooperative water systems with their own maintenance capacity in low income rural farming communities.

Background: Community water systems in most of the Philippines are either non-existent or provide water which is considered unsafe for human consumption. Approximately 80% of the population lives outside an organized system altogether. The remaining 20% of the popula tion that does come under the jurisdiction of a water system is in one way or another serious convenienced by problems related to the provision of an adequate quantity and acceptable quality of water. This Project addresses the foregoing water problems and plays a supportive role in furthering several other Mission and Host Country initiaves. The Project specifically contributes to both the Mission strategy and the GOP's Five-Year Development Plan by furthering the achievement of: (1) better health, (2) higher productivity, (3) greater employment, (4) more equitable distributions of income, and (5) stronger community institutions.

Project Description: The Barangay Water II Project is an ongoing joint effort of the U.S. and Philippine governments. It aims at providing domestic water to small rural communities and developing local government capacity to plan and implement water systems. This phase of the Project will: (1) further expand the activities to new provinces and cities, (2) strengthen the institutional capacity of the existing structure, (3) strengthen the current procedures and policies, and (4) develop sufficient local government absorptive capacity to permit more extensive financing later on by the World Bank.

Beneficiaries: This Project will benefit up to 1,000 small, rural, basically farming and fishing communities. Such communities will be representative of the lowest 60 percent of the nation income group with a largest percentage falling in the lower 40 and lower 20 percent of the country's income strata. Project costs per family benefitted will range from $50 to $100 depending upon the physical characteristics of the area to be served and the level of service to be provided.

Current Year Program: This Project is a follow on to the first Barangay Water Program. Activities in the operational year will consist of project development and documentation.

Budget Year Program: Fiscal year 1980 will witness the preparation of an additional 10 local government units to join the program and the construction and organization of up to 350 more barangay water systems.

Major Outputs: This Project will terminate in FY 1983 with the preparation of an additional 30 local government units to implement water systems. It is expected that up to 1,000 sub-projects and barangay water associations will be realized during the three year period of the loan.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Barangay Water II	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 80	FINAL OBLIGATION: FY 82	TOTAL COST: 15,887,000
PROJECT NUMBER: 492-0333 / APPROPRIATION: HE	DATE PP/REVISION: 8/79	DATE LAST PAR:	DATE NEXT PAR: 5/81

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —								1/80-6/83	7,887	1,552	6,335
Loan									7,000	1,250	5,750
Construction								1/80-6/83	7,000	1,250	5,750
Grant									887	302	585
Consultants								1/80-6/83	805	250	555
Participant Training								1/80-6/83	30	-	30
Commodities								1/80-6/83	52	52	-
(Contractor Support Costs)								1/80-6/83	(62)	(62)	-
HC AND OTHER DONOR TOTAL —									LIFE OF PROJECT 10,318		
Host Country											
Admin. and Operations									360		
Training and Organization									450		
Salaries and Tech. Asst.									750		
Project Construction									1,440		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT			3	4	4	
TDY (NON-ADD)						
OPERATING EXPENSES			1.3	1.6	1.6	.5

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM			
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

AID 1330-8 (3-78)

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Barangay Water II		Philippines	Proposed	1980
			INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
	PROJECT NUMBER	APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
	492-0333	HE	8/79		5/81

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —								1/80-6/83	10,887	4,052	11,835
Loan:									10,000	3,750	11,250
Construction								10/79-6/83	10,000	3,750	11,250
Grant:									887	302	585
Consultants								1/80-6/83	805	250	555
Participant Training								1/80-6/83	30	-	30
Commodities								1/80-6/83	52	52	-
(Contractor Support Costs)								1/80-6/83	(62)	(62)	-
HC AND OTHER DONOR TOTAL —								LIFE OF PROJECT	10,318		
GOP:											
Admin and Operations									360		
Training and Organizations									450		
Salaries and Tech. Asst.									750		
Project Construction									1,440		

PERSONNEL WORKYEARS (XX.X)	FISCAL YEAR						PERSONNEL INTENSITY
FUNDING	1978	1979	1980	1981	1982	BEYOND	
PROGRAM ACCOUNT			3	4	4		☐ HIGH
TDY (NON-ADD)							☒ MEDIUM
OPERATING EXPENSES			1.3	1.6	1.6	.5	☐ LOW

PARTICIPANTS PROGRAMMED		FISCAL YEAR		
TYPE A = NONCONTRACT B = CONTRACT		1978	1979	1980
TYPE A	LONG - TERM			
	SHORT - TERM			
TYPE B	LONG - TERM			
	SHORT - TERM			

FOOTNOTE:

AID [illegible]

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Local Water Development I	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0309			

Purpose: To assist with the institutional and physical development of national and local water utilities districts in order to provide potable water to low income communities.

Background: The Philippines has one of the highest morbidity and death rates for water-borne diseases in Asia. This has been attributed to the poor quality and quantity of water provided by local water systems in the provincial areas. Following the recommendation of a study conducted by a U.S. Department of Health team, the GOP established the Local Water Utilities Administration (LWUA) in May, 1973 to assist the local water districts in providing potable water to combat this health problem. Through previous AID loans and grants for construction and technical assistance, LWUA has established five comprehensive water systems, completed feasibility studies for several small systems, and developed its national and local capacity to continue a potable water program. Under the present project, the $20 million AID loan provides for engineering design, participant training, procurement of laboratory and training equipment, technical services and reimbursement of construction costs of 25-35 small waterworks systems eligible for water system development or upgrading.

Progress to Date: AID has accepted 10 system feasibility studies and approved these for loan financing. Construction has started in 2 systems. Planning and design work for another 20 water systems are in various stages of completion.

Beneficiaries: The beneficiaries will include the approximately 200,000 families that will obtain potable water from the LWUA-assisted water districts. Water rates are governed by size of household pipe connection which the resident may select based upon his family income. The AID cost per family is approximately $100.

Current Year Program: During FY 1979, a second $500,000 grant will finance the continuation of technical advisory services for management and institutional development of LWUA and the local water districts. 10-15 systems will be under construction and detailed design will be completed for the water systems eligible for AID financing. LWUA's laboratory and training facilities will also be operational.

Budget Year Program: During FY 1980, all AID-financed water systems will be under construction, 10-15 systems will be completed.

Major Outputs: 25-35 water districts organized and water systems constructed/improved.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Local Water Development I	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 76	FINAL OBLIGATION: FY 79	TOTAL COST: 21,000,000
PROJECT NUMBER: 492-0309 / APPROPRIATION: HE	DATE PP/REVISION: 11/77	DATE LAST PAR:	DATE NEXT PAR: 9/78

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	FY: 1978 OBLIGATION	FY: 1978 EXPENDITURE	FY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	500	2,245	17,902	10/78-12/78	500	6,381	12,021		-	3,884	8,137
Loan:		1,745	17,902			5,881	12,021			3,884	8,137
Consultants (contract)		942	1,984			1,500	484		-	484	-
Commodities (Lab. Equip.)		68	21			21	-		-	-	-
Participants		100	-			-	-			-	-
Water Systems Construction		635	15,897			4,360	11,537			3,400	8,137
Grant:	500	500			500	500					
Consultants	500	500	-	10/78-12/78	500	500	-				
(Contractor Support Costs)	(118)	(43)	(75)		-	(60)	(15)			(15)	-
(Evaluation Cost)	(20)	(20)	-	8/79-9/79	50	(25)	(25)			(25)	(-)
(PL. 480 Title I Pesos)	(2,667)	(880)	(1,787)		-	(1,174)	(613)			(613)	-
Consultants	(1,440)	(533)	(907)			(734)	(173)			(173)	-
Commodities	(1,227)	(347)	(880)			(440)	(440)			(440)	-
HC AND OTHER DONOR TOTAL —	1,220				5,500				LIFE OF PROJECT 18,750		
GOP:											
Construction	640				4,400				3,400		
Consultants	380				500				120		
Administrative Support	200				600				400		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	10.8	14.5	3.7	-		
TDY (ADD / NON-)	-	.1	-	-		
OPERATING EXPENSES	.8	1.6	1.6	1.4		

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG - TERM			
	SHORT - TERM	50	-	-
TYPE B	LONG - TERM			
	SHORT - TERM			

FOOTNOTES

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Agricultural Education Outreach	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0331			

Purpose: To increase the number of small farmers and other rural inhabitants using adapted low-cost income-producing technologies; increase the number of trained public and private technicians serving the agricultural sector at the lowest levels; and increase participation of the rural poor in self-government.

Background: The 1978-82 GOP Five-Year Development Plan encompasses a concerted attack on the problems of poverty, unemployment, and social injustice. As part of that attack, the GOP has given a mandate to state colleges and universities to transfer their expertise, and scientific and technological knowledge to the rural population so they will better benefit from this reservoir of expertise and knowledge. This project is complementary to USAID's Development Assistance strategy in that it will serve as an integrating force, drawing upon low cost technologies developed under other USAID funded projects, particularly the Integrated Agricultural Production and Marketing project.

Project Description: The new technologies generated over the last several years need to be cheaper and more suited to the needs of poor farmers. This project will assist six agricultural colleges to develop and extend low cost technologies suited to the needs of the rural poor, and to adapt these technologies to different regions of the country. USAID assistance will be in the form of U.S. technical consultants, textbooks and periodicals, some specialized training, instructional materials/education equipment, and establish a scholarship and loan fund. To insure beneficiaries interest, they will be required to construct village training centers from local materials with their own funds and pay a portion of trainer's salaries.

Beneficiaries: The target beneficiaries will be small farmers, women, out-of-school youth, lower and middle-level technicians and managers serving the agricultural sector and other rural inhabitants who will receive training in farm/home support skills and 28,000 students receiving degrees whose family income are less than $300 per annum. Spin-off from the direct beneficiaries is also estimated to reach an additional 1.3 million rural persons. Project cost per direct family benefitted is $7.65.

Current Year Program: During FY 79, GOP and USAID technical experts will complete project planning and design and finalize a PP. A search for possible sources of local and U.S. technical assistance will be completed. Initial funding and contract negotiations will begin in FY 80.

Budget Year Program: In FY 80 sources of activities inputs will be identified and contracted. At 6 colleges area coordination bodies will be established; student scholarship and loan funds will be operational; research areas identified for applied research technologies; 500 farmers trained; 1,500 students completing undergraduate degrees; and 12 faculty completing the first year of M.S. programs.

Major Outputs: Area coordination bodies established at each of 6 colleges with direct linkages to 150 barangays; three low-cost farming system alternatives for small scale farmers developed in each of 6 agricultural colleges; 39,000 rural inhabitants trained including 20,000 farmers, 9,000 women, 5,000 out-of-school youth, and 5,000 others; 28,000 mid-level managers and technicians trained and serving barangay development programs; 3,000 barangay level institutions strengthened and directly participating in rural and community development. In an effort to mobilize resources external to the project, an integrated but autonomous scholarship and loan fund organized and actively soliciting support from public and local and foreign private sources to provide 10,000 scholarships and 10,000 loans to poor students.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Agricultural Education Outreach	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 80	FINAL OBLIGATION: FY 80	TOTAL COST: 1,700,000
PROJECT NUMBER: 492-0331	APPROPRIATION: EH	DATE PP/REVISION: 2/79	DATE LAST PAR:	DATE NEXT PAR: 1/81

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	FY: 1978 OBLIGATION	FY: 1978 EXPENDITURE	FY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —									1,700	780	920
Grant:									1,700	780	920
Consultants (HC Contract)								11/80-7/81	600	500	100
Faculty and Staff Training								11/80-9/81	100	30	70
Library & Instructional Materials								11/80-9/81	610	200	410
Scholarship Fund								11/80-9/81	350	50	300
Farm Support Equipment									40	-	40
(Project Evaluation)								1/81-4/81	(60)	-	(60)
(Contractor Support Costs) (Project Funded)									(90)	(63)	(27)
(PL 480 Title III Pesos) (Physical Plant Upgrading)								11/80-6/82	(1,500) (1,500)	(1,000) (1,000)	(500) (500)
(Excess Property-SITUS)								11/80-9/81	(400)	(300)	(100)
HC AND OTHER DONOR TOTAL —									LIFE OF PROJECT 4,700		
GOP									1,500		
Administrative Support									175		
Operational Budget									663		
Capital Improvements									662		
Program Support Trust Fund									-		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	0.1		5.5	6.0	6.0	
TDY (NON-ADD)						
OPERATING EXPENSES		0.3	0.4	0.4	0.4	0.1

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM			
TYPE B	LONG — TERM			
	SHORT TERM			

FOOTNOTES

AID 1330-6 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Bayanihan Barangay Schools	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0293			

Purpose: To provide relevant basic education and essential facilities for integrated learning experiences (including those in agriculture, health, nutrition, and population) to primary school children, out-of-school youth and adults in up to 300 rural villages (barangays).

Background: This is a combined loan/grant project directly linked to current GOP concerns with more than 5 million children and youth between the ages of 7 and 20 who are outside the traditional system of education and the lack of relevance, development orientation, and equity in rural basic education programs. A dire shortage of adequate elementary classrooms also exists in rural areas, especially for use in project activities. The Philippine society places a high value on education. It is essential that basic education be related more practically to provision of social and economic benefits to people in rural areas and to increase their participatory roles in development. The GOP has established a new Bureau for Non-Formal Education and Out-of-School Youth to address needs to prepare this group for more productive roles in the society. This project addresses GOP priority objectives in a non-formal context in addition to improvements for target in-school groups.

Progress to Date: A project paper is being prepared for combined loan/grant authorization in early FY 79. The PP process fully involves host country officials. Issues of relevance, equity, integration of agriculture, health, population, nutrition messages into existing curricula, community participation in project activities, and needs assessment have been resolved to the effect that project schools will use integrated project materials more suited to rural areas and specific impact programs for out-of-school youth and adults are included.

Beneficiaries: The direct target group is 82,000 persons from both in-school and out-of-school groups located in up to 300 rural barangays. This results in a cost of $52.26 per direct beneficiary over the life of the project. Since the project will focus on basic education affecting communities as a whole, an estimated family target group of 50,000 will be benefitted at a cost of $86 per family over a three-year period.

Current Year Program: A rural education delivery system will be developed and in place in selected barangays. Integrated learning materials will have been designed and put in use for primary school children. It is anticipated that project materials will serve as models to demonstrate what the results would be if the system would adopt on a larger scale learning materials developed under this project. In addition to the $600,000 in grant funding requested in the Congressional Presentation for FY 1979, a $3 million loan is also requested for that year to help finance construction of community learning centers in 300 barangays (3 classrooms per center).

Budget Year Program: Out-of-school youth will be participating in integrated learning programs; older age groups will be pursuing non-formal education programs that foster strengthened rural communities.

Major Outputs:

a. Modified learning materials in place for 36,000 in-school youth.
b. Non-formal program developed and installed for 18,600 out-of-school youth and 6,000 adults.
c. 200 learning centers constructed (3 classrooms per center).
d. 660 resident teachers and staff trained.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE: Bayanihan Barangay Schools	DECISION UNIT: Philippines	DECISION PACKAGE: Minimum	BUDGET YEAR: 1980
		INITIAL OBLIGATION: 1979	FINAL OBLIGATION: 1981	TOTAL COST: 4,285
	PROJECT NUMBER: 492-0293 / APPROPRIATION: EH	DATE PP/REVISION: 10/78	DATE LAST PAR:	DATE NEXT PAR: 12/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
FINANCED TOTAL –					3,600	906	2,694		400	2,079	1,015
tial reimbursement of ing center construction				1/79-9/82	3,000	500	2,500		-	1,500	1,000
t					600	406	194		400	579	15
ration of education ls				1/79-9/79	316	216	100	10/79-9/80	155	255	-
ject monitoring/management				1/79-9/79	134	100	34	10/79-9/80	200	234	-
tical Support				1/79-9/79	120	90	30	10/79-9/80	35	65	-
ination				1/79-9/79	10		10	10/79-9/80	10	10	10
ticipant Training				1/79-12/79	20		20	1/80-12/80		15	5
tractor Support)*				1/79-9/79	(216)	(162)	(54)	10/79-9/80	(100)	(129)	(25)
OTHER DONOR TOTAL –					1,033				LIFE OF PROJECT 6,184		
GOP											
truction					519				1,557		
f/Materials Devel.					260				483		
ff Salaries					173				650		
r Costs					73				210		
Support-Trust Fund											

PERSONNEL WORKYEARS (XX.X)

FUNDING	1978	1979	1980	1981	1982	BEYOND
		39.8*	77.5*	72.5*	2.3*	
			(.1)	(.1)	(.1)	
CONTRACTORS	1	2	2	2	1.2	

(1-78)

PERSONNEL INTENSITY

- [ ] HIGH
- [X] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM			
	SHORT – TERM		3	5
TYPE B	LONG – TERM			
	SHORT TERM			

FOOTNOTES

*Estimated workyears provided by prime contractor (local) and subcontractors excluding construction component managed by GOP.

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Participant Training II	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0308			

Purpose: To increase the amount of trained GOP human resources in selected disciplines devoted to mutual GOP and AID development priorities.

Background: This project helps lay the institutional groundwork within various government agencies for dealing with problems which constrain economic and social advancement. Illustrative of eligible training programs are courses in agriculture and fisheries, credit and cooperatives, development administration, intermediate technology, land reform and land tenure, and non-formal education.

Progress to Date: The initial participant is attending a six week program for Administration of Social Service Systems. A program for Management and the Role of Women, along with a course in Policy Formulation for the Human Resources Sector, are currently being explored.

Beneficiaries: The intended and ultimate beneficiaries are those elements of society directly dependent upon a national development administration staffed with well-trained officers. In the selection of training courses, preference is given to those programs where there is likely to be a substantial spread effect by virtue of the participants' position within the host government's development administration. The unit cost is approximately $4,166 per course of instruction.

Current Year Program: During FY 1979 it is expected that 5 long-term participants will begin academic programs, while an estimated 19 other participants will complete short-term training courses in the United States and Third Countries.

Budget Year Program: During FY 1980 an additional 5 participants will receive academic training, with a further 19 to be provided short-term courses and seminars. These programs will be conducted in both the United States and Third Countries as appropriate.

Major Outputs: Major outputs are completion of 15 long-term, academic programs (12 U.S., 3 Third Country) and 57 short-term, non-academic programs (45 U.S., 12 Third Country).

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Participant Training II	Philippines	Minimum	1980
	INITIAL OBLIGATION: 1978	FINAL OBLIGATION: 1980	TOTAL COST: 300
PROJECT NUMBER: 492-0308 / APPROPRIATION: EH	DATE PP/REVISION: 1/78	DATE LAST PAR	DATE NEXT PAR: 4/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	100	72	28		100	103	25		100	100	25
12 U.S. academic programs	33	25	8	2/78-9/79	40	38	10	10/79-9/80	46	45	11
3 Third Cty academic programs	6	5	1	2/78-9/79	7	6	2	10/79-9/80	8	8	2
45 U.S. non-academic programs*	55	38	17	2/78-9/79	46	52	11	10/79-9/80	38	40	9
12 Third Cty non-academic prog	5	4	1	2/78-9/79	6	6	1	10/79-9/80	7	6	2
Evaluation	1		1	4/79	1	1	1	4/80	1	1	1
HC AND OTHER DONOR TOTAL —	59				62				LIFE OF PROJECT 186		
GOP											
Participant Travel	34				35				36		
Participant Salaries	23				24				25		
Participant Allowances	2				3				4		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT						
TOY (NON-ADD)						
OPERATING EXPENSES	.2	.2	.2	.2	.1	

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM	5	5	5
	SHORT — TERM	19	19	19
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

*Shorter term programs will be progressively emphasized.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Economic and Social Impact Analysis/Women in Development	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0295			

Purpose: To help improve the measurement of economic progress, social change, and the impact of development projects, including effects on Filipino women.

Background: The GOP has developed adequate means to measure the achievement of its economic goals, but lacks suitable means to measure the achievement of its social goals, including the extent to which women are participating in and benefiting from the development process. It has also established adequate means for monitoring the progress of individual projects with respect to targeted inputs and outputs, but lacks suitable means for determining the impact of individual projects in relation to the country's long-term development goals. This project provides technical and financial assistance to GOP efforts to fill those gaps in the existing planning system. Under this project, various studies, surveys and training activities will be undertaken to develop and institutionalize more effective means of measuring social progress and the contributions of individual projects to the well-being of the Philippine people.

Progress to Date: The project agreement was signed in April 1978. The GOP has designated the Philippine Institute of Development Studies (PIDS), a GOP research agency, as the overall implementing institution for the project. The PIDS, in turn, has entered into agreements with four major Philippine planning and research institutions to carry out various project components with the assistance of A.I.D. funded consultants. The implementing institutions have finalized their implementation plans and have started recruiting project personnel and consultants.

Beneficiaries: The project is focused on improvement of the planning and design of development projects of major benefit to the rural poor, with some emphasis on quantifying the impact projects have on the integration of women into the development process.

Current Year Program: Continued development of conceptual framework for economic/social indicator system; assessment of existing statistical system; design and implementation of modified and new surveys; continued development and implementation of progress and impact measurement systems for various projects; 4 women in development research studies completed; 1 national survey on women's participation in development initiated; 12 project personnel trained in U.S. on various aspects of social accounting and project monitoring and evaluation; continued training of 70 personnel from regional offices and local governments in project impact measurement and analysis.

Budget Year Program: Modified and new surveys completed; progress and impact measurement systems developed for selected projects; completion of 1 national survey on women's participation in development; 12 project personnel trained in U.S. on various aspects of social accounting and project monitoring and evaluation.

Major Outputs: An operational economic/social indicator system based on improved and new surveys; a series of evaluation studies of the development impact of about 40 projects; about 225 GOP personnel trained in various aspects of social accounting, project monitoring and evaluation; 2 surveys and 4 intensive studies examining Filipino women's participation in development.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Economic and Social Impact Analysis/ Women in Development	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 78	FINAL OBLIGATION: FY 80	TOTAL COST: 2,500
PROJECT NUMBER: 492-0295	APPROPRIATION: SD	DATE PP/REVISION: 6/77	DATE LAST PAR:	DATE NEXT PAR: 6/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	FY: 1978 OBLIGATION	FY: 1978 EXPENDITURE	FY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL –	1,000	474	526		1,000	1,010	516		500	614	402
Design and implementation of economic/social indicator system	111	40	71	1/79-6/80	232	175	128	7/80-12/81	145	157	116
Design and implementation of project progress and impact measurement systems	463	155	308	1/79-6/80	459	571	196	7/80-12/81	288	280	204
Design and implementation of WID studies	148	104	44	10/78-12/80	212	159	97	–	–	97	–
Participant Training	48	20	28	10/78-6/80	74	57	45	7/80-12/81	56	44	57
Project management	155	155	–	10/78-6/80	23	23	–	7/80-12/81	11	11	–
(Contractor Support Costs)	(150)	(33)	(117)		(57)	(83)	(91)		(31)	(54)	(68)
Evaluation	75	–	75	4/80-6/80	–	25	50	4/81-1/82	–	25	25
HC AND OTHER DONOR TOTAL –	467				412				LIFE OF PROJECT 1,967		
GOP Project Support (Mgt)	465				405				435		
Project Support-Trust Fund	2				7				7		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	18.2	107.9	70.4	30.3	1.4	
TDY (NON-ADD)	–	(.08)	(.17)	(.08)	(.17)	
OPERATING EXPENSES	1.8	.5	.5	.5	.3	

PERSONNEL INTENSITY

- [X] HIGH
- [ ] MEDIUM
- [ ] LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM			
	SHORT – TERM	5	5	5
TYPE B	LONG – TERM			
	SHORT – TERM	2	7	7

FOOTNOTES

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE	Real Property Tax Administration (RPTA)	DECISION UNIT	DECISION PKG	BUDGET YEAR
	PROJECT NUMBER	492-0298	Philippines	Minimum	1980

Purpose: To generate additional revenue in 576 municipalities and all city districts (excluding Metro Manila).

Background: Although the real property tax is the single most important source of locally generated revenue for local governments, the annual national average of collectibles versus collections is about 50%. Local government officials are now realizing the significance of the uncollected revenue and the adverse impact it has on local budgets. In the late 1960's and early 1970's the Provincial Development Assistance Project (PDAP) field tested in 28 PDAP provinces an administrative and technical system for real property. This system has been endorsed by both the Department of Finance (DOF) and the Department of Local Government and Community Development (DLGCD). The GOP Five-Year Plan gives stronger emphasis to development of local taxation stating that the taxes "... will be utilized to assist in the redistribution of income as well as other objectives of developmental policy". Because national allotments to local governments are projected to decrease during the plan period, the RPTA system will help meet the financial needs of local governments by providing an efficient and concise administrative system to identify, assess, and record property for the purpose of collecting tax revenues due. Based upon priorities outlined in provincial comprehensive plans, the project is expected to provide a significant increase in local government revenues available for development purposes.

Progress to Date: Although the first loan tranche is scheduled to be signed in FY 78, the DOF and DLGCD signed a Memorandum of Agreement in March 1977 to undertake the project. All governors and mayors have received information on the project and OJT will begin in May 1978 for local staffs. A PDAP-written tax mapping manual has been revised and a system on collection procedures has been written by a USAID consultant in conjunction with DOF and DLGCD technical personnel.

Beneficiaries: This project is not aimed at a specific target group. Rather the increased revenue generated by the project will be available to local governments for development programs. A check of selected provincial development plans indicate the priorities of development schemes and projects targetted towards the poor are dependent upon increased local tax revenues. It is not possible to project a per family cost breakdown for this project.

Current Year Program: In the FY 78 CP, RPTA had a cost of $9,838,000, with tranches in FY 78 and 80. The revised cost is $10 million with tranches in FY 78, FY 79 and FY 80. This is because the tax system will be installed in approximately 300 municipalities and city districts in FY 79. These, along with the approximately 80 units installed in FY 78, will incur $2.0 million in reimbursements. Thus a CN will be required for a $1.6 million tranche in FY 79 to cover these activities leaving $4.4 million requested for FY 80. Training advisory services of $318,000 have been deleted from the project.

Budget Year Program: During FY 80 approximately 300 municipalities and city districts should have installed the system. An additional 300 units which installed the system in FY 79 will be collecting revenue in FY 80. Revenue increases should be $5.6 million.

Major Outputs: Through life of project 816 municipalities and city districts will have installed the RPTA system with 1633 provincial and city staff members trained in the system. Cumulative revenue increases should reach $30 million.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Real Property Tax Administration (RPTA)	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 78	FINAL OBLIGATION: FY 80	TOTAL COST: 10,000,000
PROJECT NUMBER: 492-0298 / APPROPRIATION: SD	DATE PP/REVISION: 2/78	DATE LAST PAR:	DATE NEXT PAR: 12/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR – TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR – TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL –	4,000	3,400	600	10/78-9/82	1,600[a/]	2,100	100	10/79-9/82	4,400	2,400	2,100
Commodities	2,500	2,500		10/78-9/82	–	–	–		–	–	–
Reimbursements for mapping and tax surveys	1,500	900	600	10/78-9/82	1,600	2,100	100	10/79-9/82	4,400	2,400	2,100
(Evaluation Cost/PDS)								12/79-2/80	(40)	(40)	–
HC AND OTHER DONOR TOTAL –	3,550				5,650				LIFE OF PROJECT 13,700		
Host Country											
Personnel/Supplies	1,350				1,850				2,900		
Reimbursements	2,200				3,800				1,600		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	.3		.5			
TDY (NON-ADD)						
OPERATING EXPENSES	.3	2	2	1.8	1.8	

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG – TERM			
	SHORT – TERM			
TYPE B	LONG – TERM			
	SHORT – TERM			

FOOTNOTES

a/ Require congressional notification.

AID 1330-8 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Consulting Services IV	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0287			

Purposes: To finance prefeasibility and feasibility studies in areas deemed priority by the GOP directly related to rural-oriented development projects.

Background: In the overall process of development planning as detailed in the current Five-Year Plan, the Government of the Philippines (GOP) has a continuing need for expert technical and managerial assistance appraising the feasibility of various investment alternatives and in establishing priorities among viable alternatives. There is general agreement among donors that one of the most serious constraints, to foreign participation in development efforts is the lack of adequately studied potential projects. Previous loans have resulted in the Philippines undertaking major development efforts in power development and rural electrification, potable water systems and irrigation for increased food production. These efforts have been funded by both AID and other donors. The Consulting Services IV Loan, like its predecessors, will finance the foreign exchange cost of prefeasibility and feasibility studies, including consulting and engineering services.

Project Description: The loan will finance the foreign exchange cost of prefeasibility and feasibility studies and consulting services including engineering services directly related to the preparation and implementation of development projects in the Philippines. The consulting assistance financed under the loan will assist the GOP achieve more effective management of its limited economic resources.

Beneficiaries: There is an understanding with the GOP that projects proposed for study under this loan must concentrate on activities that are expected to contribute, through resulting projects, to partial alleviation of the problems of the rural poor. Because of the nature of the loan, it is not possible to identify the potential beneficiaries nor estimate per family cost until the projects to be studied have been selected and a decision has been made to implement the proposed project.

Current Year Program: A total of $2.0 million is proposed to finance the foreign exchange costs of American consultants. The studies will be proposed by the GOP from a list of high priority activities, and reviewed and approved by AID. Studies eligible for financing will be concentrated in food and nutrition, health, education and human resources development. At estimated 1979-80 prices, these funds will finance approximately 200 work months.

Budget Year Program: During FY 1980, it is expected that funds will be committed to 3-5 feasibility studies.

Major Outputs: (All Years) Completed studies (8-15).

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Consulting Services IV		Philippines	Minimum	1980
			INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
			FY 79	FY 79	2,000,000
	PROJECT NUMBER	APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
	492-0287	SD	3/79		6/80

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —				10/79-9/82	2,000	-	2,000		-	500	1,500
Consultants				10/79-9/82	2,000	-	2,000		-	500	1,500
(Contractor Support Costs)				10/79-9/82	(160)	-	(160)		-	(40)	(120)
HC AND OTHER DONOR TOTAL —									LIFE OF PROJECT		
GOP:									2,000		
Consultant Support									500		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT			4.2	8.3	4.2	
TOY (NON-ADD OPERATING EXPENSES		.1	.1	.1	.1	

PERSONNEL INTENSITY

- ☐ HIGH
- ☐ MEDIUM
- ☒ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG - TERM			
	SHORT - TERM			
TYPE B	LONG - TERM			
	SHORT - TERM			

FOOTNOTES:

AID 1330-6 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: Non-Conventional Energy Development	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER: 492-0294			

Purpose: The purpose of this project is to determine the technical/economic feasibility of exploiting nonconventional energy resources as an alternative to imported fossil fuels, with emphasis on technologies which appear to be appropriate for low income rural areas.

Background: Currently, approximately 95% of the energy utilized in the Philippines is supplied from imported crude oil. If the present proportion of energy derived from imported crude oil is maintained the import cost within a decade will be an overwhelming burden. Hence, there is a critical need to diversify fuel sources and maximize usage of indigenous resources, particularly in rural areas where conventional energy systems have yet to penetrate or are too costly. The Government of the Philippines, in accordance with its Five-Year Plan (1977-82) has established a national Bureau of Energy Development (BED) under the Department of Energy with broad responsibilities for developing both new energy sources and conservation programs. While the BED will focus on the further development of oil, hydro and geothermal resources, a specific division of BED, the Nonconventional Resources Department, will give similar attention to the possibility of utilizing existing nonconventional technologies to supply a portion of the country's energy needs.

Progress to Date: A loan grant agreement for $8,650,000 was signed in FY 78. This is at variance with the FY 79 CP which reported initial obligation of $5 million in FY 79 and a total loan of $10 million. Actual project funding is less and includes a grant component.

Beneficiaries: The project is basically an applied research activity. Direct beneficiaries will be limited in number, i.e., (1) staff of the BED and other implementing agencies, and (2) the population living in those rural areas (yet to be determined) where the pilot demonstration projects are carried out. Ultimately, assuming it proves feasible to replicate the results on a broader scale, the energy made available for domestic, agricultural, and industrial use should make a significant impact on remote area development and hence benefit a large segment of the rural populace. The total investment required to transfer these benefits is not known at this time.

Current Year Program: During FY 1979, planning and design activities for each individual subproject will be completed with assistance of a long-term project coordinator and short-term technical consultants. Two long-term participants will commence training and five short-term participants will complete a three to four month observation/familiarization trip to an appropriate U.S. institution. The bulk of the equipment required to establish a comprehensive network of solar radiation and wind monitoring stations will be procured, and a survey to determine rural energy use patterns and resources will be initiated.

Budget Year Program: During FY 1980, the bulk of the hardware required for the pilot demonstration projects will be procured and installation/construction commenced. Two additional long-term participants will depart for training and five short-term participants will complete brief observation trips to the U.S. BED will conduct a number of in-country seminars for the exchange and dissemination of information.

Major Outputs: Working field projects in: solar and wind energy (five solar/wind monitoring stations); solar drying and refrigeration units; 20 water pumps; 12 wind turbines one pyrolitic converter; a waste-fired thermal plant; and a dendrothermal plant. In addition 12 micro hydro (100 kw) and 1 mini hydro (500 kw) will be constructed. Six long-term and 20 short-term participants will be trained, and 12 energy workshops will be held.

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
Non-Conventional Energy Development	Philippines	Minimum	1980
	INITIAL OBLIGATION: FY 78	FINAL OBLIGATION: FY 78	TOTAL COST: 8,650,000
PROJECT NUMBER: 492-0294 / APPROPRIATION: SD	DATE PP/REVISION: 3/78	DATE LAST PAR:	DATE NEXT PAR: 12/79

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
AID-FINANCED TOTAL —	8,650 a/	-	8,650		-	585	8,065		-	4,336	3,729
Loan:	7,100	-	7,100		-	218	6,882			3,871	3,011
Commodities	6,000	-	6,000		-	218	5,782			3,871	1,911
Construction/Installation	1,100	-	1,100		-	-	1,100		-	-	1,100
Grant:	1,550		1,550			367	1,183			465	718
Technical Assistance	822	-	822		-	217	605		-	243	362
Participant Training	348	-	348		-	87	261		-	87	174
Research Equipment	175	-	175		-	-	175		-	90	85
Seminars & Conferences	205	-	205		-	63	142		-	45	97
(Contractor Support Costs)	(276)	-	(276)		-	(70)	(206)		-	(80)	(126)
(Evaluation)	(15)	-	(15)		-	-	-			(15)	
HC AND OTHER DONOR TOTAL —					314				LIFE OF PROJECT 3,600		
GOP:											
Planning					180				-		
Construction					-				1,100		
Consultant Support					36				36		
Administrative Costs					80				85		
Program Support-Trust Fund					18				18		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT	-	2.1	3.0	2.8	1.0	.2
TDY (NON-ADD)						
OPERATING EXPENSES	.4	.5	.5	.33	.33	.1

PERSONNEL INTENSITY

- ☐ HIGH
- ☒ MEDIUM
- ☐ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG - TERM	-	2	4
	SHORT - TERM	-	5	5
TYPE B	LONG - TERM			
	SHORT - TERM			

FOOTNOTES

a/ Represents change from FY 79 CP which showed initial funding in FY 79 at $5 M, & total cost of $10 M, all loan-financed.

AID 1330-6 (3-78)

TABLE IVA ACTIVITY DATA NARRATIVE	ACTIVITY TITLE: PL 480 Title I	DECISION UNIT: Philippines	DECISION PKG: Minimum	BUDGET YEAR: 1980
	PROJECT NUMBER:			

Purpose: To provide balance of payments support through concessional financing of U.S. agricultural commodities needed to help alleviate the effects of in-country production shortfalls.

Background: The Title I Program of FY 1978 and those proposed for FY 1979 and FY 1980 will support the Philippines development effort based on the country's continuing need for concessional aid. At the Consultative Group meeting in Tokyo in December 1977, it was determined on the basis of an overall review of the Philippine current balance of payments situation and prospects, along with debt service requirements, that concessional aid amounting to $750-$800 million would be needed in 1978, increasing to $1 billion by 1980. A modest BOP surplus was recorded in 1977 for the first time since the 1974 oil crisis. This was largely based on borrowing; the current account continued to be in substantial deficit. Deficits have been registered during the first two months of 1978 and a net overall deficit is expected for the full year.

Progress to Date: While calling for continued GNP growth of about 7% annually, the GOP development effort is aimed at a broader geographic dispersion of economic opportunity and benefits. FY 1978 Title I assistance is currently being programmed to support attainment of these goals.

Beneficiaries: The Filipino per capita income is approximately $450 per year. Indirectly and in many instances directly, the assistance furnished under Title I impacts on all Filipinos. Self-help measures in each agreement direct that local currency proceeds from Title I sales be utilized in programs designed to raise rural productivity and living standards. On a national basis the estimated program cost per family is $1.68 in FY 1978, $3.24 in FY 1979, and $3.71 in FY 1980.

Current Year Program: Supplementary local currency support for provincial development equipment pools, provincial and regional planning, artisan fisheries, real property tax administration, port feasibility/construction (food handling), local water administration, and family planning.

Budget Year Program: Supplementary local currency support for local government planning, rural schools, agrarian reform, freshwater fisheries, community water systems, family planning, and nutrition.

Major Outputs:

A. Improved local planning capability in 48 provinces.
B. Construction of 900 rural elementary classrooms.
C. Improved living conditions for 180,000 tenant farm families.
D. Construction of a freshwater fish hatchery/extension training center.
E. Improvement of community water supply systems benefiting about 1 million rural people.
F. Provision of family planning services to 2 million eligible couples.
G. Municipal food production and assistance programs for 315,000 households.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	PL 480 Title I		Philippines	Minimum	1980
			INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
	PROJECT NUMBER	APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
U.S.-FINANCED TOTAL —									29,400	29,400	
Loan*											
Commodities (MT)								10/79-9/80	29,400	29,400	
Wheat 90.0											
Corn 25.0											
Cotton 35.0											
Tobacco 1.0											
(or substitute(s))											
Total Value (Est) 29,400											
Ocean Transportation (Differential Cost)								10/79-9/80	(3,000)	(3,000)	
HC AND OTHER DONOR TOTAL —									LIFE OF PROJECT 12,000		
GOP Ocean Transportation Currency Use Payment									6,000 6,000		

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT						
TDY (NON-ADD)						
OPERATING EXPENSES		.2	.4	.5	.8	

PERSONNEL INTENSITY

- ☐ HIGH
- ☐ MEDIUM
- ☒ LOW

PARTICIPANTS PROGRAMMED

TYPE	A = NONCONTRACT B = CONTRACT	FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM			
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

Possibilities exist that some of the above commodities would be changed from Loan to Grant if proposed Title III programs are approved.

AID 1330-4 (3-78)

TABLE IVB ACTIVITY BUDGET DATA

ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
PL 480 Title I	Philippines	Minimum	1980
	INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
PROJECT NUMBER / APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR—TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR—TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
U.S.-FINANCED TOTAL—					25,700	25,700					
Loan*											
Commodities (MT)				10/78-9/79	25,700	25,700					
Wheat 85.0											
Corn 20.0											
Cotton 30.0											
Tobacco 1.0											
(or substitute(s))											
Total Value (Est) 25,700											
Ocean Transportation (Differential Cost)				10/78-9/79	(2,000)	(2,000)					
HC AND OTHER DONOR TOTAL—					11,000				LIFE OF PROJECT 11,000		
GOP Ocean Transportation Currency Use Payment					5,000 6,000						

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT						
TDY (NON-ADD)						
OPERATING EXPENSES	.2	.4	.3	.3		

PERSONNEL INTENSITY

- ☐ HIGH
- ☐ MEDIUM
- ☒ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG—TERM			
	SHORT—TERM			
TYPE B	LONG—TERM			
	SHORT—TERM			

FOOTNOTES

Possibilities exist that some of the above commodities would be changed from Loan to Grant if proposed Title III programs are approved.

AID 1330-8 (3-78)

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE: PL 480 Title I	DECISION UNIT: Philippines	DECISION PACKAGE: Minimum	BUDGET YEAR: 1980
		INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
	PROJECT NUMBER / APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR

ESTIMATED U.S. DOLLAR COST ($ 000)

ACTIVITY INPUT	PY: 1978 OBLIGATION	PY: 1978 EXPENDITURE	PY: 1978 PIPELINE	CY: 1979 FUNDING PERIOD (FR — TO)	CY: 1979 OBLIGATION	CY: 1979 EXPENDITURE	CY: 1979 PIPELINE	BY: 1980 FUNDING PERIOD (FR — TO)	BY: 1980 OBLIGATION	BY: 1980 EXPENDITURE	BY: 1980 PIPELINE
U.S. FINANCED TOTAL —	13,300	13,300	0								
Loan*											
Commodities (MT)	13,300	13,300	0								
Wheat 47,000											
Corn 9,200											
Cotton 3,000											
Tobacco 570											
(or substitute(s))											
Total Value (Est) 13,300											
Ocean Transportation (Differential Cost)	(1,000)	(1,000)									
HC AND OTHER DONOR TOTAL —	7,000								LIFE OF PROJECT 7,000		
GOP-Ocean Transportation	4,000										
Currency Use Payment	3,000										

PERSONNEL WORKYEARS (XX.X)

FUNDING	FISCAL YEAR 1978	1979	1980	1981	1982	BEYOND
PROGRAM ACCOUNT						
TDY (NON-ADD)						
OPERATING EXPENSES	.6	.2	.1			

PERSONNEL INTENSITY

- ☐ HIGH
- ☐ MEDIUM
- ☒ LOW

PARTICIPANTS PROGRAMMED

TYPE A = NONCONTRACT B = CONTRACT		FISCAL YEAR 1978	1979	1980
TYPE A	LONG — TERM			
	SHORT — TERM			
TYPE B	LONG — TERM			
	SHORT — TERM			

FOOTNOTES

Possibilities exist that some of the above commodies would be changed from Loan to Grant if proposed Title III programs are approved.

AID 1330-6 (3-78)

DECISION UNIT OVERVIEW

This overview is supplemented by the more detailed discussion in the Program Strategy Statement at the beginning of this ABS.

1. Long Range Goal of AID support to Philippine development efforts is to make a contribution toward improving the quality of life of those disadvantaged groups that can be targeted within the limited resources AID makes available to the Philippines. AID is attempting to participate in accomplishment of the goal by using its resources to influence Philippine development toward creating productive opportunity, and making available services essential to enable the poor to meet their basic needs.

2. Major Objectives. AID activities are centered on Philippine programs aimed at improving the economic and social welfare of small low-income farmers and other rural groups through: (1) direct support for increasing small-farm income, production and employment; (2) improvements in the quality and access of social and community services; and (3) increased local level participation in the development process. In the pursuit of these major objectives, AID will support projects answering the needs of identified target groups for irrigation, improved production technology, crop protection, access to markets, secure land tenure on reasonable terms, coop diversification and post harvest technology, sufficient nutritious food, health and family planning services, potable water, basic education, and essential local infrastructure including small market and feeder roads and bridges. Aside from these areas of direct, immediate impact on the poor, AID will assist the Philippines to develop nonconventional energy sources which could help relieve the country's dependence on imported fuel to meet its energy requirements, and to develop a mechanism for assessing the impact of ongoing development activities to help insure maximum development effect from available resources.

3. Alternatives. Increasing small farmer income and production can be assisted in many ways including promotion of mechanization, financing production credit, subsidizing the increased distribution and use of fertilizer, and export promotion. But joint analysis with Filipino experts, assisted by studies of world organizations such as IBRD and FAO indicate that the package of projects selected, considering present conditions in the Philippines, collectively have the highest potential for increasing small farmer income and production while adding to rural employment opportunities. Extensive mechanization of small farms would increase unemployment, while calling for levels of investment the country could not afford. In the proposed package, mechanization has

been restricted to appropriate small farm equipment which will increase production or product quality or reduce losses, without adversely affecting on-farm employment. Investigation confirms that, given present Government production credit and fertilizer, subsidy programs for small farmers, investment in irrigation would pay more dividends at this time in terms of increased income and production than further assistance to small farmer credit or fertilizer distribution.

Since the Philippines has reached rice self-sufficiency, the idea of promoting rice production for export was considered. However, it was found that such a program to be meaningful would have had to concentrate on dramatically increasing production on irrigated land. But this in turn would have forced hundreds of thousands of small farmers who subsist by growing rice on marginal land out of the market, with no alternative open to them. Pursuing a rice export policy would also have left the Philippines dependent on imports for many food products and feeds that could be grown in the country. The proposed program on the other hand concentrates on developing more profitable alternatives to rice production for small farmers on marginal lands, while helping those with the best rice land to increase production to meet the needs of an expanding domestic market. The alternative product packages being developed will help meet the country's nutritional needs, while reducing dependence on imports.

Other economically deprived groups besides subsistence fishermen and swidden farmers could have been selected for experimental assistance. These could have included the small coconut farmer, the sugar worker and the urban unemployed. However, the small coconut producer, although far from wealthy, does have developed markets for his goods, the prospect of increasing production by switching to cultivation of new, higher yielding varieties, which are becoming more widely available, and the benefit of new product research co-financed by the coconut growers' association with government and external support. The sugar worker, although deprived is, we consider, the responsibility of the planter for whom he is frequently earning a substantial income. What is called for here is more equitable division of income, government enforcement of minimum wage laws, and enactment and enforcement of minimum standards for provision of essential social services on the haciendas. The groups actually selected are among the poorest in the Philippines, and the most neglected. The plight of the marine artisan fishermen threatened to become worse if high-investment, modern commercial fishing was fostered, while no one rendered them assistance. The swidden farmer left neglected would not only continue to destroy forest cover and watersheds, but also be forced further and further into the mountains, away from basic services, as pressures on available land increase with expanding population and industrialization.

Regarding essential social services, the alternative to Population Outreach program was to satelite outreach workers on the fixed clinics. But this was tried experimentally and did not work as well as the Barangay Supply point experiment, which was accepted as the foundation of the national program. The experimental integrated health projects could have been tried in a great many areas. Panay was chosen because it has the highest percentage of serious child malnourishment and related problems in the country, and local action agencies among the most eager to attempt innovative ways of coping with the problem. It was also considered that results would be more accurately assessed on an island. The Bicol was chosen because health conditions were very poor, the local agencies and communities eager to become involved in planning and implementation, and because the social aspect of the Integrated Area Development effort had not yet been addressed. In education, the IBRD-financed textbook project provides an excellent occasion to renew interest in experimental programs for out-of-school youth and alternative education approaches to meet the needs of the rural poor.

Local development requirements are almost legion. Those included were selected from pilot efforts under the Provincial Development Assistance Program on the basis of having the greatest economic impact on poor rural communities. Particular emphasis was given to road construction, and increasing local tax revenues for development. The selection of target rural service centers was based on size, proximity to PDAP provinces, importance to the Development, and extending itself to other provinces without direct AID support.

Since 1968, the Philippines has switched from pro-natalist policies to a national population program, largely due to AID convincing and support. 17,000 Barangay Supply points are already established. The same has more recently become true of nutrition which was previously accepted as another problem which would have to be borne and for which there was no feasible solution. Statistics show that 80 per cent of the youngsters reached by the program for 18 consecutive months are actually cured of malnutrition.

Modest AID encouragement and support in the field of nonconventional energy has helped launch the Philippines on one of the world's largest geothermal energy production programs. Finally, AID has supported the training of over 6,000 Filipino participants who have influenced every aspect of Philippine development attitudes and programs, and will probably continue to do so for many years to come.

COMMENTARY ON PERSONNEL AND OPERATING EXPENSES

As we described in the opening Program Strategy Statement, the Philippine Government is committing 60 percent of its development budget to activities which respond to basic human needs. The Government places a considerable value on AID's assistance to and involvement in its key basic needs programs. One tangible expression of this is the fact that the Philippines recently increased its monetary support of the AID mission to about 35 percent of total operating expenses. For another, the Government has assigned some of the most capable and talented men in the Philippines to manage high priority AID supported projects. The exceptional ability of the managers of such projects as Rural Electrification, Local Development, and the Small Farmer Production projects were critical to success, particularly in the early stages of implementation and expansion. In fact the only problem encountered has been that some managers of AID-supported projects have drawn such favorable attention by their exceptional achievements that their duties have been assigned additional tasks, or been reassigned to initiate other new projects a little too early in the life of the activity which has earned them this enhanced reputation.

AID has been able to support an expanding basic human needs oriented program with a reduced U.S. direct-hire staff. In FY 1978 AID's grants and loans to the Philippines has increased 65 percent over FY 1977; however, the number of USDH positions on September 30 of this year represents a 23 percent decline since the beginning of FY 1977. The selection of projects in this ABS represent the most essential responses to the most important needs of the largest number of poor people who could be benefited with the AID/W established personnel ceilings. We are able to maintain these in spite of the generally higher personnel intensity of BHN projects compared to other types of assistance, by using USDH personnel only where no other talent is available to perform the required function, or where the function cannot properly be delegated to anyone not an employee of AID.

The priority followed for meeting the personnel requirements of AID assisted activities and for staff support can be sketched like this:

a. A Filipino either employed by the Philippine Government, or available from the private sector.

b. Host country contract with a U.S. institution or private individual.

c. AID contract with a U.S. institution or private individual.

d. USAID Filipino employee.

e. U.S. Government PASA employee.

f. AID USDH employee.

Consideration is given to using PVO and PCV's whenever appropriate. Thus the final selection of personnel represents the minimum operating expense funded workforce necessary to achieve the objectives proposed for the minimum decision package. It should be noted that the proposed decision package represents expansion of two key programs to additional beneficiaries with no increase in operating expense funded personnel. Additional personnel to support the expanded levels for the Barangay Water and Small Farm Systems projects will be furnished by the Philippines from domestic manpower resources and additional contracting with U.S. firms.

FY 1980 ANNUAL BUDGET SUBMISSION
(in $000)

DECISION UNIT: Philippines

DECISION PACKAGE: MINIMUM

ACTIVITY DESCRIPTION

This decision package proposes total bilateral dollar funding of $49.5 million to finance activities for increasing small farmer income and agricultural production, introduction of new production technologies for artisan fishermen and swidden agriculturists, strengthening of community-based organizations and cooperatives, continued activities in integrated health and nutrition, and population outreach, and initiating a program of skill training and relevant education of out-of-school youth.

RESOURCE REQUIREMENTS	1978	1979	1980 This Package	1980 Cumulative Total
Food and Nutrition	26,751	39,317	32,056	32,056
Population	6,145	5,209	2,491	2,491
Health	9,400	3,000	7,887	7,887
Education	100	3,700	2,200	2,200
Selected Development Activities	13,650	4,600	4,900	4,900
Total Program	56,046	55,826	49,534	49,534
PL 480 Title I (non-add) (of which Title III)	(13,300)	(25,700)	(29,400)	
PL 480 Title II (non-add)	(19,606)	(31,300)	(37,136)	
Employment - Full Time Permanent				
US Direct Hire	45	56	56	56
Foreign Nationals	145	129	129	129
TDY	1.2	1.6	1.2	1.2
Total	191.2	186.6	186.2	186.2

Five-Year Projections	1980	1981	1982	1983	1984
Program	49,534	64,375	70,250	77,350	74,500
Personnel (in workyears)					
Mission - US	56	56	56	56	56
Mission - FN	132	135	135	135	135
TDY - USDH	1.2	.9	1.5	1.2	1.4

FY 1980 ANNUAL BUDGET SUBMISSION
(in $000)

DECISION UNIT: PHILIPPINES DECISION PACKAGE: MINIMUM

Short-Term Objectives

--Population growth rate of 2.3% by 1982
--Extension and adoption of new farm technologies in cultivation and water management by 100,000 rice farmers
--Functional nutrition programs in 75% of rural barangays and 90% of municipalities
--Strengthen community-based cooperative organizations involved in water management and product marketing
--Improve immediate access to markets and basic services through construction of 6,000 kms. of feeder roads
--Application of integrated health strategies in two pilot areas
--Improved water supplies for up to 35 municipalities and 400 rural barangays
--Testing of new farming systems and product handling methods for 22,000 swidden farmers and artisan fishermen
--Strengthen tax base and fiscal position of over 800 local government units
--Development of curriculum for rural skills training

Impact on Major Objectives

Achievement of these short-term objectives should contribute to bringing the majority of low-income Filipinos, especially those living in rural areas, into the mainstream of national economic life, assuming GOP financial commitments continue following termination of AID involvement. Concentration on adoption of new farm technologies and concomitant support of cooperative organizations should result in significant income gains for small-scale rice farmers. Attention given to artisan fishermen and upland farmers should provide tested methods by which to expand program focus to impact on these groups nationwide by the end of the planning period. Programs devoted to skills training for out-of-school youth/adults and extension of new production techniques for farm and fishery production through local agricultural colleges will have slight to moderate impact on rural skill levels and employment. Continued attention to infrastructure will provide greater access to basic services for increasing numbers of rural residents. Such services will include programs in integrated health and population which will concentrate on stimulating appropriate behavior changes required to improve health, sanitation, and nutrition levels, and to reduce overall family size. Finally, improving the fiscal position of local governments will increase opportunities for local selection and implementation of development projects.

Other Information

The result of approving no assistance program for the Philippines would mean truncating activities in rural roads, cessation of assistance to barangay-level water programs, substantially lower target achievements in nutrition and population, and prevent planned extension activities from reaching artisan fishermen and swidden farmers. It would also mean termination of the Bicol program even though it is anticipated that by the budget year Mission involvement would be phasing out. Further cuts in direct-hire personnel would seriously hamper monitoring responsibilities since the types of projects being proposed require substantially higher personnel intensities. As the Mission moves into activities involving poorer groups, and which concentrate more on community based efforts, additional local hire may be required to supplement U.S. direct-hire whose level is presently limited by the MODE. Additional contract personnel could act as substitute, but the Mission feels proposed levels for the present 1980 portfolio are already quite high. Different mixes of program content discussed in the Decision Unit Overview would likely be in projects of medium or high personnel intensity.

FY 1980 ANNUAL BUDGET SUBMISSION
(in $000)

DECISION UNIT: Philippines

DECISION PACKAGE: PROPOSED

ACTIVITY DESCRIPTION

This decision package proposes total bilateral dollar funding of $58.0 million to finance activities for increasing small farmer income and agricultural production, introduction of new production technologies for artisan fishermen and swidden agriculturists, strenthening of community-based organization and cooperatives, continued activities in integrated health and nutrition, and population outreach, and initiating a program of skill training and and relevant education for out-of-school youth.

			1980	
RESOURCES REQUIREMENTS	1978	1979	This Package	Cumulative Total
Food and Nutrition	26,751	39,317	5,500	37,556
Population	6,145	5,209	-	2,491
Health	9,400	3,000	3,000	10,887
Education	100	3,700	-	2,200
Selected Development Activities	13,650	4,600	-	4,900
Total Program	56,046	55,826	8,500	58,034
PL 480 Title I (non-add)	(13,300)	(25,700)	(29,400)	
(of which Title III)				
PL 480 Title II (non-add)	(19,606)	(31,300)	(37,136)	
Employment - Full Time Permanent				
US Direct Hire	45	56	56	56
Foreign Nationals	145	129	129	129
TDY	1.2	1.6	1.2	1.2
Total	191.2	186.6	186.2	186.2

Five-Year Projections	1980	1981	1982	1983	1984
Program	58,034	64,375	70,250	77,350	74,500
Personnel (in workyears)					
Mission - US	56	56	56	56	56
Mission - FN	132	135	135	135	135
TDY - USDH	1.2	.9	1.5	1.2	1.4

FY 1980 ANNUAL BUDGET SUBMISSION
(in $000)

DECISION UNIT: PHILIPPINES DECISION PACKAGE: PROPOSED

Short-Term Objectives

(1) To double the pace of which the Small Farmer Systems project is being carried out, thus increasing efficiency of the FSDC, bringing irrigation to twice the number of small farmers annually by 1982, and doubling the projected increase in food production resulting from the project.

Impact on Major Objectives

(1) Twice the number of small farmers will receive irrigation annually by 1982, and the annual increase in food production resulting from the program will double by the following crop year. The employment impact of the project will also double by 1983.

(2) The number of beneficiaries receiving low-cost, potable water will increase 50% annually by the end of 1982, with concomittant improvement in community health.

Other Information

There are no USDH or PSC personnel implications to this proposed package.

EXPLANATION OF TABLE V PROJECT RANKINGS

The criteria which comprise the project rankings on the following Table V reflect measurement of beneficiary incidence, Philippine Government priorities, replicability, and capability of the Mission to design and monitor the activity. Judgments involved in ranking projects against criteria reflected considerable subjectivity. While no specific weighing was given to individual criteria, they are listed below in a general order of importance:

1) Intrinsic merit of the project as perceived by the Mission.

2) What Mission anticipates will be beneficiary perception of project's merit, and hence their support of project activities.

3) Investment to date and likelihood that benefits and/or investment from other sources would continue were AID contributions to cease.

4) Adequacy of Mission personnel to design, monitor/manage, and evaluate the activity.

5) Likelihood of involving other donor participation in the project.

6) Priorities of the central and provincial governments, and the degree to which there may be support or opposition from elites at various government levels and in various sectors vis-a-vis the project.

7) Anticipation of AID/W approval.

8) Degree to which a project activity is an AID/W or Congressional "sacred cow".

9) Extent to which project falls within Mission's area of program concentration.

10) Extent, in terms of duration and amount, of AID financing involved.

11) Whether a project is on-going, represents a follow-on to an existing effort, or represents a totally new type of activity.

TRANSACTION CODE: A BUREAU CODE: 04

TABLE V - PROPOSED PROGRAM RANKING

DECISION UNIT: Philippines

NAME OF DECISION PACKAGE SET: Minimum

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM DESCRIPTION		APPROP ACCT	PERSONNEL INTENSITY	RESOURCE REQUIREMENTS: WORKYEARS (XX.X) FUNDED FROM OPERATING EXPENSES MISSION	OPERATING EXPENSES TDY	PROGRAM ACCOUNT	PROGRAM FUNDING ($ 000) INCREMENT	CUMULATIVE
	DECISION PACKAGE - MINIMUM								
1	0277	Population Planning II (LGO)	PN	H	4.9	-	3.0	2,491	2,491
2	0274	Small Scale Irrigation (LGO)	FN	H	-	-	-	-	2,491
3	0301	Small Farmer Systems I (LGO)	FN	H	1.4	0.2	7.3	495	2,986
4	0334	Small Farmer Systems II (LN)	FN	H	1.0	0.2	1.8	5,000	7,986
5	0288	Crop Protection (LO)	FN	M	0.2	-	3.7	-	7,986
6	0305	Cooperative Marketing (LO)	FN	M	0.2	-	3.3	-	7,986
*7	0320	National Nutrition Outreach (GO)	FN	M	4.5	-	2.0	1,000	8,986
8	0312	Panay Unified Services for Health (LGO)	HE	H	1.3	-	1.0	-	8,986
9	0256	Local Development	FN	H	-	-	.5	-	8,986
10	0297	Rural Roads II (LO)	FN	H	3.7	-	4.9	9,500	18,486
11	0298	Real Property Tax Administration (LO)	SD	M	2.0	-	0.5	4,400	22,886
**12	0303	Bicol Integrated Rural Development (GO)	FN	H	2.0	0.1	6.7	520	23,406
13	0322	Freshwater Fisheries Development (GO)	FN	M	-	-	3.0	1,000	
14	0295	Economic and Social Impact Analysis/ Women in Development (GO)	SD	H	0.5	0.2	70.4	500	24,906
15	0291	Barangay Water I (LGO)	HE	M	1.4	0.2	0.5	-	24,906
16	0333	Barangay Water II (LGN)	HE	H	1.3	-	3.0	7,887	32,793
17	0281	Bicol Secondary Feeder Roads (LO)	FN	H	1.4	-	4.5	-	32,793
18	0330	Land Tenure Reform (GO)	FN	H	1.4	-	4.5	-	32,793
19	0302	Integrated Agriculture Production and Marketing (LGO)	FN	H	2.3	-	23.3	-	32,793
20	0310	Bicol Integrated Area Development II (Bula) (LO)	FN	H	0.6	0.1	1.7	-	32,793
21	0331	Agricultural Education Outreach (GN)	EH	M	0.4	-	5.5	1,700	34,493
22	0318	Fund for Local Government Development (LGO)	FN	M	0.6	-	2.5	5,500	39,993
23	0309	Local Water Development I (LGO)	HE	H	1.6	-	3.7	-	39,993
24	0280	Agriculture Research I (LO)	FN	M	0.3	-	1.1	-	39,993
25		PL 480 Title I	-	L	0.2	-	-	(29,400)	39,993
26	0332	Artisan Fisheries - Agriculture (LGN)	FN	M	-	-	3.5	5,000	44,993
27	0304	Rural Service Centers	FN	H	3.1	-	5.0	791	45,784
28	0293	Bayanihan Barangay Schools (LGO)	EH	M	2.0	0.1	77.5	400	46,184

*Includes PL 480 Title II workyears.

**Includes workyears from Libmanan/Cabusao IAD.

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TRANSACTION CODE: A BUREAU CODE: 04

TABLE V - PROPOSED PROGRAM RANKING

DECISION UNIT: Philippines

NAME OF DECISION PACKAGE SET: Minimum

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM DESCRIPTION	APPROP ACCT	PERSONNEL INTENSITY	RESOURCE REQUIREMENTS: WORKYEARS (XX.X) FUNDED FROM OPERATING EXPENSES MISSION	OPERATING EXPENSES TDY	PROGRAM ACCOUNT	PROGRAM FUNDING ($ 000) INCREMENT	PROGRAM FUNDING ($ 000) CUMULATIVE
29	0305 Agro-forestation (LGO)	FN	M	0.4	-	3.8	750	46,934
30	0319 Bicol Integrated Health, Nutrition, and Population (LO)	HE	H	1.1	-	.5	-	46,934
31	0286 Agriculture Research II (LO)	FN	M	0.7	-	1.0	-	46,934
32	0294 Non-conventional Energy Development (LGO)	SD	M	0.5	-	3.0	-	46,934
33	0308 Participant Training II (GO)	EH	M	0.2	-	-	100	47,034
34	0289 Bicol Integrated Area Development III (Rinconada) (LO)	FN	H	0.8	-	3.0	2,500	49,534
35	0278 Consulting Services IV (LO)	SD	L	0.1	-	4.2	-	49,534
	Summary by Personnel Intensity: Low (2 Projects)			(.9)	-	(4.2)	(29,400)	
	Medium (14 Projects)			(8.9)	(.3)	(109.5)	(18,850)	
	High (19 Projects)			(32.6)	(.8)	(143.0)	(30,684)	
	Total			42.4	1.1	256.7	78,934	

TRANSACTION CODE: A BUREAU CODE: 04

TABLE V - PROPOSED PROGRAM RANKING

DECISION UNIT: Philippines

NAME OF DECISION PACKAGE SET: Proposed

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM DESCRIPTION	APPROP ACCT	PERSONNEL INTENSITY	RESOURCE REQUIREMENTS: WORKYEARS (XX, X) FUNDED FROM OPERATING EXPENSES MISSION	OPERATING EXPENSES TDY	PROGRAM ACCOUNT	PROGRAM FUNDING ($ 000) INCREMENT	CUMULATIVE
36	0334 Small Farmer Systems II (LN)	FN	H	-	-	-	5,500	55,034
37	0333 Barangay Water II (LGN)	HE	H	-	-	-	3,000	58,034
	Summary by Personnel Intensity: High (2 Projects)			-	-	-	(8,500)	
	Cumulative Total			42.4	1.1	256.7	(87,434)	

AID 1330-9 (3-78)

COMMENTARY ON OPERATING EXPENSE AND WORKFORCE

1. Workyears Directly Related to Activities

The host country finances 35 percent of the cost of operating the AID Mission, and assigns competent personnel with regard to AID-financed project activities. The Philippine Government is also able to avail itself of expertise available in the Philippines' private sector by contracting to meet the requirements of particular projects. We consider the need for foreign experts in the Philippines to be extremely low considering the breadth of expertise required to implement fairly sophisticated selection of projects designed to meet the basic needs of the poor. Where possible we collaborate with the Peace Corps or Private and Voluntary Agencies. Where offshore personnel is essential to the success of the program, we have, whenever possible, included grant or loan financing of Philippine contracts with U.S. firms or private individuals for the required services. If the agency of the Philippine Government responsible for executing a particular project has not yet acquired the capability of executing contracts for American services, AID executes the required contracts with U.S. institutions or individuals.

It is only after all these sources have been exhausted that AID directly seeks the required expertise in the U.S. public sector either by attempting to execute a PASA arrangement with an appropriate U.S. Government agency or, as a last resort, utilize U.S. direct hire officers and staff.

Despite this concern to maximize AID staff, the very nature of projects designed to answer basic human needs of a widespread and numerous poor population requires a much higher intensity than assistance modes of the past such as "institution building," an approach having far less direct beneficiary contact particularly when the institution built turns out to be the building and its equipment. Nineteen of the 35 projects to be supported in 1980 have a high personnel intensity; fourteen medium, and only two, PL 480 Title I and Consulting Services, low personnel intensity. Examining the top ten priority projects supported by the Mission, seven are high personnel intensity and three medium, but two of the three medium personnel intensity projects require exceptionally high levels of long-term participant training at the Master's level or above. The remaining medium intensity project (National Nutrition Outreach) would also have to be high personnel intensity except for the fact that much of the resource

management for the PL 480 Title II commodities involved is accomplished by U.S. Voluntary Agency personnel. The second ten projects include seven high personnel intensity activities and three medium. The lowest ten priority projects include only three high personnel intensity and both low and medium intensity projects. There appears, therefore, to be considerable correlation between the priority of the basic human needs to be met and the personnel intensity of the activity designed to meet it.

2.1. The quality and availability of FN personnel as direct hires.

The USAID is fortunate to have available for hire through direct hire and PSC mechanisms a highly skilled, well-educated labor force often experienced in American business and governmental traditions and practices. This has enabled the management of this Mission to undertake a long-term plan for the hiring of fully professional Filipinos (e.g., engineering, economics, nutrition, population and health) and, often, the replacement of USDH by Filipinos. For example, Filipinos have replaced USDH in the participant training program, the printing and audio-visual section, much of the GSO operation and (soon) a U.S. Assistant Program Officer. "Availability" is circumscribed by the fact that (1) private industry can outbid us for top-flight professional talent; (2) Middle East countries and companies working there recognize the value gained by Filipinos' experiences with USAID and offer remuneration packages that our employees cannot refuse; and (3) most importantly, personnel ceilings.

2.2. Alternative mixes of personnel used by a Mission in terms of USDH, FNDH, and Contract Personnel

AID policies and imperatives, coupled with common sense management, limit the degree to which alternative staffing mixes can be employed. For example, it is not possible to station USDH or FNDH employees at the many different sites throughout the Philippines where the projects we support are being implemented given the increasingly stringent ceiling on direct hire employees, "profile" considerations, and the difficulties of internal transportation. Generally speaking, the mix of personnel adopted by this Mission is as follows. U.S. firms and institutions under contract to the GOP are used whenever the GOP entity has the capability and the will to undertake the responsibility. AID direct contracts are used in all other instances when the task of "implementation" can be separated from policy-making activities and the range of responsibilities relating to prudent management and guardianship of USG interests (as distinct from the interest of the firm or institution). Filipino employees are used to assist the USAID Mission (as distinct from the project or GOP entity) with much of the technical (e.g., economics, engineering) expertise required to design and to monitor programs and projects,

as well as to provide program and administrative operations support. Finally, U.S. employees are and must continue to be used to translate legislative mandates and Agency policies into viable strategies, programs and projects, to manage the program, and to assure prudent utilization of resources.

2.3. How the various zero base levels affect the need for Mission personnel other than those directly related to projects.

Noting that the "mark" and "minimum" program levels are identical and that the "proposed" program level entails increased funds with no increase in personnel levels, we point out that the staffing proposals are essentially the "minimum" staff level.

2.4. The impact of MODE restrictions on personnel decisions.

MODE restrictions have not been a significant problem as the USAID Mission has been reducing American direct-hire staff at a rapid rate in recent years. The unique inclusion of PSC's as a part of the MODE at this post has added a bit of confusion at times, but this matter has now been resolved. The recent AID/W ceiling gyrations have led to some difficulties in the determination of MODE ceilings for FY 78.

2.5. Personnel included in the ceiling but not included in the workyear efforts itemized.

None.

2.6. Efforts not related (directly or indirectly) to program activities that require Mission staffing.

We can identify no positions that are required for "efforts not related to program activities." This determination springs from our definition of program activities as "carrying out the Foreign Assistance Act by AID employees and contractors attached to USAID/Manila." As can be seen by inspection of the "Step 2 Form" and its footnotes, substantial Technical Office staff time is devoted to work other than the bilateral projects conveyed by this ABS. These activities, plus those of the Regional Legal Advisor, Regional Contracting Officer, and AG/IIS personnel are certainly considered to be related indirectly, if not directly, to program activities.

2.7. Any plans to upgrade or assume services now provided by AID/W.

The USAID/Philippines Contract Services Division has been receiving ever increasing requests for contracting actions from USAID/Thailand,

USAID/Indonesia and from within USAID/Philippines. Many of these actions are for procurements which in the past have been sent to AID/W, i.e., University contracts, Personal Services contracts with U.S. citizens, and contracts and grants with U.S. based firms and organizations. (Servicing these contracts has also increased the workload of the Controller's Office.) In addition, implementation of the host-country contracting mode has increased office workload substantially.

In recognition of this increased workload in the Area, AID/W has added an Assistant Contract Services Officer to USAID/Philippines and we have been informed that a Contract Services Officer may be assigned to USAID/Indonesia.

3.1. The inflation/exchange rate factors by year.

Our assumption is that the dollar/peso exchange rate will remain constant at approximately $1.00 = ₱7.35 throughout the budget period. While across-the-board inflation factors were not used, certain expense categories are expected to increase as follows:

	% Annual Rate of Increase		
	1978	1979	1980
Local National Salaries and Benefits	10%	10%	10%
Residential Rents and Utilities	10%	10%	10%
Residential Furnishings	10%	10%	10%

It should be noted that there are uncertainties connected with the amount of Trust Funds which will be available for FY 1979 and FY 1980. The amount of GOP-appropriated funds made available to the Mission for operating expenses are negotiated each calendar year. These negotiations begin in January and historically are not finalized until about March of the operational year. To the extent that our projected Trust Fund availabilities are not forthcoming, our dollar allotment requirements will, of course, be affected.

3.2. The use of housing allowance or directly providing residences.

USG-leased residences are provided for the entire U.S. Mission. Being aware of the overhead cost of any USG-leased housing program for residential furnishings, maintenance contracts, and the time and effort of USAID administrative employees, we continually review USG leases vs. LQA to determine which approach is more appropriate.

Many of the variables are known, i.e., present lease costs, contract maintenance, and residential furnishings and equipment costs of the USG lease program. Some unknown variables, e.g., employee time lost to the program while house-hunting, arranging for maintenance and repairs, etc., may be disregarded -- although a case can be made for this being the most important cost of all. The cost of one most important variable cannot really be identified thru a forward looking "survey": the cost of the same house under LQA vs. USG leasing. Therefore, we look for indicators and a very recent one has come to our attention. Mr. X, a contractor, was provided a USG-leased residence at a lease cost of $600/month. Mr. X's contract was due to be terminated shortly, but he had arranged for other employment in Manila and desired to remain in his house. He therefore negotiated independently with the landlord for a private lease and offered the lessor $700. The lessor has rejected the offer and has instead offered the property to USAID at a lower rate giving as his reasons: with a USG lease, he said, he can count on at least a two-year occupancy - and usually four - be confident that the house will not deteriorate through neglect, and can avoid time-consuming negotiations and maintenance requests from the occupant. Therefore, we conclude on the basis of this recent sample and others that the USG residential leasing program continues to be in the best financial interest of the Mission.

3.3. Any significant changes in the expense for Office Operations From FY 78 to FY 80

Shifting the funding for USDH project technicians to operating expenses results in a substantial increase in our operating expense budget for FY 79 and 80 compared to requirements for FY 78. These costs, detailed below, account for about $680 thousand of the total $985 thousand increase in our FY 79 budget. There will, of course, be a corresponding reduction on the project side for these costs shifted to operating expenses. Hence, the cost to the taxpayer remains the same.

Type of Cost	Amount ($000)
--Salaries and Benefits	$457.9
--Residential Rents and Utilities	138.2
--Education Allowances	11.6
--Operational Travel	44.0
--Post Assignment, HL Travel	19.8
--Other Travel	7.6
	$679.1

The timing for filling vacant positions, home leave cycles, lease payment cycles, differences in the size and composition of families, differences in anticipated needs for operational travel and reduced procurement of goods and services account for the following changes in our budget from FY 78 to FY 79:

	Amount ($000)
--Salaries	$25.6
--Post Assignment/HL	76.3
--Operational Travel	30.9
--Lease Payment Cycle	31.0
--Educational Allowance	36.7
--Reduced Procurement	(92.6)
	$107.9

We have also included in our FY 1979 budget a provision for anticipated price increases, as follows:

--Rent and Utilities	$122.5
--Local Employees Pay	42.4
--Other (FAAS, printing, etc.)	33.9
	$198.8

We have projected requirements for FY 80 to be about 3% more than those for FY 79. Our assumption is that the workforce levels and corresponding support will be fairly constant during the period. We will, however, need to replace some vehicles during FY 1980. We have provided funds for this purpose and rate increases for rent and utilities in the FY 1980 budget.

3.4. The factors that define direct hire Foreign Nationals Benefits.

--Salary	:	
--Retirement	:	7% of salary
--Mid-Year Bonus	:	$26.67 p/a
--Cost of Living Allowance	:	$179.59 p/a
--Year-End Bonus	:	One month's salary
--Group Health	:	$0.51 per pay period

3.5. Operating Expenses used to support program funded personnel. Explain.

Direct support costs of project funded employees, where such costs can readily be separately identified, are not included in our

operating expense budget. The amounts shown on Line #53 and Line #81 of the operating expense budget reflect our rough estimate of obligations attributable to project-funded employees for maintenance and furnishings, office space, pooled vehicles and similar general support provided from common facilities.

3.6. Specifically outline any measures that you are now taking or plan to take to use the taxpayers' money more efficiently.

We are quite pleased with our recent successes in negotiating increasing financial support from the GOP to meet our operational needs and are optimistic that our efforts will sustain this trend. To the extent we are successful, a corresponding reduction in dollar operating expense funds will be realized, as follows: ($000)

	1977 (Actual)	1978 (Est.)	1979 (Est.)	1980 (Est.)
Operating Expenses Funded by GOP Trust Funds	1674.4	1837.5	2035.7	2161.1

We will continue to make every effort to keep all operating expense costs to the absolute minimum required to meet our program objectives. We take considerable pride in the fact that we have been successful in keeping our rental rates substantially below the market trend, both for residential and office leases. Other examples of our initiatives are reflected in the following:

--The Logistics Division has developed more precise programming procedures to direct recipient-financed excess property to rural poor target groups while reducing U.S. staff from six to two positions, and Filipino employee positions from 35 to 13 over the past 18 months.

--The continuing effort to reduce the unoccupied time of leased residences has contributed substantially to the reduction in leases from 108 (10/1/77) to 83 at present. This has had a multiplier effect: (1) contractor equipment maintenance personnel will be reduced by nine for a savings of $2,725/mo., (2) contractor warehouse personnel will be reduced by three for a monthly savings of $325, (3) one of two PSC housing inspector positions has been eliminated for a $1,726 savings p/a, and (4) utility vehicles dedicated to the housing program have been reduced from three to two.

--A reduction in personal property holdings played a large role in permitting the USAID to lease a new, smaller warehouse. Although warehouse lease savings are $6,530 p/a, perhaps the greatest savings will derive from the greater availability of employee time due to the new warehouse's proximity to residences and offices.

MISSION OPERATING EXPENSE FUNDED PERSONNEL REQUIREMENTS
(In work years xx.x)

MISSION SPECIFIC PERSONNEL	FY 78 Estimated Actual			FY 79 Estimated			FY 80 Mark			FY 80 Minimum			FY 80 Proposed		
	USDH	FNDH	CONT	USDH	FNDH	CONT	USDH	FNDH	CONT	USDH	FNDH	CONT	USDH	FNDH	CONT
Directly Related to Activities*	17.6	13.5	3.4	28.5	11.2	4.1	28.5	9.8	4.1	28.5	9.8	4.1			
Policy, Direction & Management	12.5	8.7	1.6	12.2	7.9	2	12.4	7.9	2	12.4	7.9	2			
Financial Management	3	22.4	4.3	3	23	6	3	23	6	3	23	6			
Mission Support	5.4	73.3	15.1	6	63	25.6	6	64.4	25.6	6	64.4	25.6			
IDI's	3.9			3			3			3					
OTHER (Specify)	2.4	27.2	13.4	3.3	23.9	11.9	3.1	23.9	11.9	3.1	23.9	11.9			
TOTAL	44.8	145.1	37.8	56	129	49.6	56	129	49.6	56	129	49.6			
END OF YEAR CEILING	56 + 133 = Total 189			56 + 132 = Total 188			56 + 132 = Total 188			56 + 132 = Total 188			+ = Total		

NON-MISSION SPECIFIC PERSONNEL															
Auditor General & IIS	11	3	1.3	12	3	2	12	3	2	12	3	2			
Other (Specify):	2.4	3	1	3	3	1	3	3	1	3	3	1			
Legal Advisor															
Contract Services Officer															
Asst Contract Services Officer															
TOTAL	13.4	6	2.3	15	6	3	15	6	3	15	6	3			
END OF YEAR CEILING	12 + 5 = Total 17			12 + 5 = Total 17			12 + 5 = Total 17			12 + 5 = Total 17			+ = Total		

*From Table V.

O T H E R

Breakdown as follows:

	1978			1979			1980		
	USDH	FNDH	CONT	USDH	FNDH	CONT	USDH	FNDH	CONT
1. Central & Regional	8	22	5	5	14	5	6	14	5
2. New & Terminated Projects	4	1.5		4	1.5		6	1.5	
3. PL-480	1.5			2.5			2.5		
4. VOLAG	2	6		3	6		3	6	
5. Gen Admin	14	297	158	25	266	138	20	266	138
TOTAL WORKMONTHS	29.5	326.5	163	39.5	287.5	143	37.5	287.5	143
OR WORK YEARS	2.4	27.2	13.4	3.3	23.9	11.9	3.1	23.9	11.9

NOTE: The work years indicated here are exclusively for employees assigned to the technical offices of Capital Development, Human Resources Development, Agriculture Development and Provincial Development. The chart particularly reflects the decision to show clerical and program operations activities in the "OTHER" category rather than attempting to allocate such time to specific projects.

5/13/78

BUDGET LINE 80 DETAIL

	1978	
Line 80 OC-259	Office Equipment Maintenance	9.8
	Mag Card Typewriter Rental	10.0
	Warehouse Operations Contract	26.7
	ADP (training, Software Support, Application Development)	84.0
		130.5
	1979	
	Office Equipment Maintenance	11.0
	Mag Card Typewriter Rental	20.0
	Warehouse Operations Contract	22.0
	ADP (training, Software Support, Application Development	50.5
		103.5
	1980	
	Office Equipment Maintenance	11.5
	Mag Card Typewriter Rental	20.0
	Warehouse Operations Contract	22.0
	ADP (training, Software Support, Application Development)	26.2
		79.7

OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980 MARK		FY 1980 MINIMUM		FY 1980 PROPOSED	
				UNITS	$	UNITS	$	UNITS	$	UNITS	$	UNITS	$
PERSONNEL	01				3,411.4		4,089.3		4,119.6		4,119.6		4,119.6
U.S. Direct Hire	02		USDH Workyears	58.2	2,841.7	71.0	3,477.2	71.0	3,438.2	71.0	3,438.2	71.0	
U.S. Citizens Basic Pay	03	110	USDH Workyears	58.2	2,021.2	71.0	2,423.0	71.0	2,401.8				
Part-time, Temp. U.S. Basic Pay	04	112	USDH Workyears										
Differential Pay	05	116	USDH Workyears	49.2	168.3	60.0	211.9	60.0	210.8				
Living Allowances	06	118	USDH Workyears										
Other Pay	07	119	-										
Education Allowances	08	126	No. of Dependents	54.0	97.7	64.0	107.9	62.0	103.6				
Retirement	09	120	USDH Workyears	58.2	141.5	71.0	169.6	71.0	168.1				
Transportation/Travel	10				366.0		506.3		495.7				
Post Assignment - Travel	11	212	No. of Movements	24	64.3	25	73.6	27	81.5				
Home Leave	12	212	No. of Movements	26	78.3	32	126.5	37	125.0				
Post Assignment/Home Leave Freight	13	22			147.5		186.1		190.9				
R & R	14	215	No. of Movements			2	1.3	2	1.3				
Education Travel	15	215	No. of Movements	45	36.0	64	51.2	64	51.2				
Medical Travel	16	215			3.6		3.6		3.6				
Other Travel	17	215			36.3		64.0		42.2				
Other Personnel Benefits	18				47.0		58.5		58.2				
Local Employees	19		FNDH Workyears	151.0	460.1	135.0	452.5	135.0	502.7	135.0	502.7	135.0	502.7
Basic Pay	20	114	FNDH Workyears	151.0	337.0	135.0	346.9	135.0	389.0				
Overtime, Holiday Pay	21	115	FNDH Workyears	151.0	16.9	135.0	17.3	135.0	19.5				
Other Pay	22	119											
Personnel Benefits	23	129	FNDH Workyears	151.0	106.2	135.0	88.3	135.0	94.2				
Benefits for Former Personnel	24	13											
Contract Personnel	25		Workyears	40.1	109.6	52.6	159.6	52.6	178.7	52.6	178.7	52.6	178.7
PASA Technicians	26	258	Workyears										
Other Reimbursable Details	27	111	Workyears										
Experts and Consultants	28	113	Workyears	40.1	109.6	52.6	159.6	52.6	178.7				
Other Technicians	29	255	Workyears										
HOUSING	30				738.1		982.8		1,059.1		1,059.1		1,059.1
Acquisition of Land and Structures	31	320	No. of Residential Units										

Note: Difference in work units between lines 03 and 04 represents employees who waived post differential pay for extra service credits towards retirement.

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980 MARK		FY 1980 MINIMUM		FY 1980 PROPOSED	
				UNITS	$	UNITS	$	UNITS	$	UNITS	$	UNITS	$
HOUSING Continued													
Rent	32	235	No. of Residential Units	61	373.5	70	535.6	70	587.1				
Utilities	33	235	No. of Residential Units	61	152.1	70	235.2	70	246.0				
Renovation	34	259	No. of Residential Units	8	5.0	8	7.5	8	7.5				
Maintenance	35	259	Total Square Feet	86	145.0	92	100.0	86	105.0				
Residential Furnishings and Equipment	36				33.5		74.0		80.0				
Additions to Inventory	37	311	No. of Residential Units	86	5.0	92	25.0	86	20.0				
Replacement	38	311			23.5		32.0		40.0				
Transportation	39	22			5.0		17.0		20.0				
Quarters Allowance	40	172	No. of Residential Units										
Mission Director	41				29.0		30.5		33.5				
Rent	42	235			15.0		15.0		17.0				
Utilities	43	235			5.0		5.0		5.5				
Renovation of Residence	44	259			0.5		0.5		0.5				
Maintenance of Residence	45	259			1.5		1.5		1.5				
Supplies and Materials	46	26			0.5		0.5		0.5				
Furniture Procurement	47	311			1.0		1.0		1.0				
Official Residence Allowance	48	254			2.5		2.5		2.5				
Representation Allowance	49	252			2.5		4.0		4.0				
Vehicles	50				0.5		0.5		1.0				
Acquisition	51	312											
Operation/Maintenance	52	259			0.5		0.5		1.0				
Portion of Lines 31-52 for Program Funded People	53				55.4		43.6		38.5				
OFFICE OPERATIONS	54				1,172.6		1,235.8		1,322.1		1,322.1		1,322.1
Acquisition of Land and Structures	55	320											
Rent	56	234			265.0		305.0		350.0				
Utilities	57	234			10.0		15.0		15.0				
Renovations	58	259			15.0		15.0		15.0				
Building Maintenance	59	259			16.5		25.0		25.0				
Office Furnishings and Equipment	60				63.9		40.0		38.0				
Additions to Inventory	61	310			53.9		25.0		18.0				
Replacement	62	310			10.0		15.0		20.0				

OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980 MARK		FY 1980 MINIMUM		FY 1980 PROPOSED	
				UNITS	$	UNITS	$	UNITS	$	UNITS	$	UNITS	$
OFFICE OPERATIONS Continued													
Other Equipment	63	319					10.0						
Transportation (Freight)	64	22			1.0		6.0		2.5				
Communications	65	230			31.0		35.0		35.0				
Security (Guard Services)	66	259			20.0		25.0		25.0				
Printing and Reproduction	67	24			31.0		35.0		35.0				
Operational Travel	68				308.5		389.7		379.6				
International	69	210			164.7		180.7		173.2				
Domestic	70	210			143.8		209.0		206.4				
Charter/Contract Transportation	71	259											
Vehicles	72				132.5		80.0		150.0				
Addition	73	312	No. of Vehicles										
Replacement	74	312	No. of Vehicles	1	50.0			9	65.0				
Maintenance	75	259	No. of Vehicles	38	7.5	38	10.0	38	10.0				
Automotive Supplies and Materials	76	26	No. of Vehicles	38	75.0	38	70.0	38	75.0				
Other Supplies and Materials	77	26			33.2		20.0		21.0				
FAAS	78	257			114.5		131.6		151.3				
Other U.S. Government Reimbursements	79	258											
Other	80	259			130.5		103.5		79.7				
Portion of Lines 55-80 for Program Funded People	81				39.8		19.2		30.0				

Note: Line 66 includes costs of guards services assigned to Mission Director's residence.

OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.		FY 1978	FY 1979	FY 1980 MARK	FY 1980 MINIMUM	FY 1980 PROPOSED
TOTAL OPERATING EXPENSE BUDGET	82		5,322.1	6,307.9	6,500.8		
Reconciliation							
Deduct from item 82 items not funded from Mission's allotment:							
Object Class 11	83		2,189.5	2,634.9	2,612.6		
Object Class 12	84		184.1	222.2	220.4		
Object Class 13	85						
Net FAAS (from line 78)	86		114.5	131.6	151.3		
Other - Explain on Attachment	87		1,837.5	2,035.7	2,161.1		
Net Allotment Requirements	88		996.5	1,283.5	1,355.4		
Operational Year Allotment Requirement by Quarter							
First Quarter	89			233.0			
Second Quarter	90			327.0			
Third Quarter	91			370.0			
Fourth Quarter	92			353.5			

ADDITIONAL SCHEDULES AND ANALYSES	Attached	
	Yes	No
Use of Trust Funds	x	
ADP Equipment	x	
Budget Line 31 Detail		x
Budget Line 55 Detail		x
Budget Line 80 Detail	x	

TRUST FUNDED MOB ITEMS
(In $000.0)

OBJECT CLASS	DESCRIPTION	FY 78	FY 79	FY 80
11	Personnel Compensation	440.0	498.8	560.4
12	Personnel Benefits	188.6	177.8	179.2
13	Benefits for Former Personnel	-	-	-
21	Travel, Transportation of Persons	139.5	198.4	195.6
22	Transportation of Things	3.0	-	-
23	Rent, Communication, Utilities	690.9	850.7	935.2
24	Printing & Reproduction	29.0	33.0	33.0
25	Other Services	230.0	227.5	231.2
26	Supplies	36.1	20.5	20.5
31	Equipment	80.4	29.0	6.0
32	Land & Structures	-	-	-
	T O T A L	1,837.5	2,035.7	2,161.1

NOTE: The amount of Trust Funds which will be available for FY 79 (or FY 80) Operating Expenses is not known at this time. Trust Fund amounts are negotiated on a Calendar Year basis; the negotiations for 1979 trust fund availabilities are not expected to be finalized until about March or April, 1979.

WORKFORCE REQUIREMENTS - SCHEDULE 1 - EXISTING POSITIONS 001 USAID PHILIPPINES 002

MODE LEVEL	AUTHORIZED CEILING	BUDGETED POSITIONS	REQUESTED POSITIONS	IDI NON-CEILING POSITIONS	TOTAL FILLED POSITIONS	TOTAL VACANT POSITIONS
FY 78 ----	FY 78 ----	FY 79 ----	FY 80 ----	FY 78 ---- 007	FY 78 ------	FY 78 ----
003	004	005	006		010	011
				FY 79 ---- 008		
				FY 80 ---- 009		

LINE NO.	POS NO	POSITION TITLE	PLAN	PROSIDE	IGNIDE	STATUS OF POSIT. END OF FY 78 OR FY 79	DATE POS TO (C) (D) (E) STATUS P=PLAN A=ACTUAL FOR FY78 79 & 80	INCUMBENT TO CONT. IN POS. THRU FY	REPLACEMENT NEEDED BY DATE	VACANT POSITION REQUIRES INCUMBENT BY DATE	FY 78 OR FY 79 IDI GRADUATE TO FILL VACANT POSITION 023 YES	NO	AOSC(S) APPLICABL TO VACANT POSITIONS (4 DIGIT AOSC ONLY)	REMARKS
	013	014	015	016	017	(C) 018 (D) 1 (E) 8	019	020	021	022	024	025	026	
	274921006	MSN DIR	FA	03	01	D		9-80						
	274921011	DEP MSN DIR	FR	01	01	D		5-78	6-78					
	274921013	PROG ECON	FR	03	03	D		8-79	8-79					
	274921015	LEGAL ADV	FR	03	04	D		9-80						
	274921016	SECY	FS	04	04	D		9-80						
	274921022	SECY	FS	05	06	E	A 4-78							No replacement
	274922006	EXEC OFF	FR	02	02	D		9-80						
	274922010	DEP EXEC OFF	FR	03		D				5-78		No	341.02	see 1/ below
	274922016	CNTRCT SVS OFF	FR	03	02	D		8-79	8-79					
	274922020	ASST CNTRCT SRVS OFF	FR	05		D		9-80						
	274922106	LOG MGT OFF	FR	03	04	D		9-80						
	274922100	ASST LOG MGT OFF	FR	04	04	D		9-80						
	274922306	PER OFF	FR	04	04	D		4-79	4-79		Yes			
	274922405	COM/REC SUPV	FS	04	06	D		9-80						
	274923006	CTLR	FR	02	03	D		9-80						
	274923006	DEP CTLR	FR	03	04	D		9-80						
	274923010	BUD ACCTG OFF	FR	03	05	D		7-79	7-79					
	274924006	PROG OFF	FR	02	03	D		8-79	8-79					
	274924011	DEP PROG OFF	FR	03	03	D		9-80						
	274924015	ASST PROG OFF	FR	04	04	D		9-80						
	274924021	ASST PROG OFF	FR	04	04	D		7-78	10-78		Yes			
	274924031	SECY	FS	07	05	D		1-80	1-80					
	274925004	GEN DVL OFF	FR	02	02	D		9-80						see 2/ below
	274925113	EMPL DVL OFF	FR	03	02	D		8-78	8-78					
	274925123	POP ADV	FR	04	03	E		5-78						No replacement
	274925133	POP ADV	FR	04	04	D		6-78	6-78					
	274925140	POP ADV	FR	05		D		9-80		5-78	Yes		685.26	
	274925213	HLTH DVL OFF	FR	03	02	D		9-79	9-79					
	274925220	SH ADV	FR	04	03	D		9-80						see 3/below
	274925310	FFP OFF	FR	03	03	D		9-80						

1/ Formerly E'd but reestablished per SPAR # EMS 78-115 (3-10-78)

2/ Formerly E'd but reestablished per SPAR # EMS 78-95

3/ Formerly E'd but reestablished per SPAR # EMS 78-120 (3-15-78)

WORKFORCE REQUIREMENTS - SCHEDULE 1 - EXISTING POSITIONS 001 USAID PHILIPPINES 002

MODE LEVEL	AUTHORIZED CEILING	BUDGETED POSITIONS	REQUESTED POSITIONS	IDI NON-CEILING POSITIONS	TOTAL FILLED POSITIONS	TOTAL VACANT POSITIONS
FY 78 ----	FY 78 ----	FY 79 ----	FY 80 ----	FY 78 ---- 007	FY 78 ------	FY 78 ----
003	004	005	006		010	011
				FY 79 ---- 008		
				FY 80 ---- 009		

LINE NO.	POS NO	POSITION TITLE	PAY PLAN	PGRADE	IGRADE	STATUS OF POSIT. END OF FY 78 OR FY 79 (C) (D) (E)	DATE POS TO (C) (D) (E) STATUS P=PLAN A=ACTUA FOR FY78 79 & 80	INCUMBEN TO CONT. IN POS. THRU FY	REPLACEMENT NEEDED BY DATE	VACANT POSITION REQUIRES INCUMBENT BY DATE	FY 78 OR FY 79 IDI GRADUATE TO FILL VACANT POSITION 023 YES NO	AOSC(S) APPLICABL TO VACANT POSITIONS (4 DIGIT AOSC ONLY)	REMARKS
012	013	014	015	016	017	018	019	020	021	022	024 025	026	
	274925320	ASST FFP OFF	FR	05	05	D		9-80					
	274925403	HMRS DVL OFF EDU	FR	04	03	D		9-80					
	274926008	AG DVL OFF	FR	02	02	D		8-80	8-80				
	274926012	ASST AG DVL OFF	FR	03	03	D		9-79	9-79				
	274926107	AG ECON	FR	04	04	D		8-80	8-80				
	274926115	LAND REM ADV	FR	04	04	D		9-78	9-78				see 1/ below
	274926217	AG ECON	FR	03	02	D		5-80	5-80				
	274926219	AG ECON	FR	04	04	D		5-80	5-80				
	274926220	AGRON ADV	FR	04	04	E	P 5-78	5-78					No replacement
	274926412	AGRI ADV RES	FR	04	03	D		8-80	8-80				
	274927005	GEN DVL OFF	FR	02	03	D		9-79	9-79				
	274927204	ASST GEN DVL OFF	FR	03	04	D		8-80	8-80				
	274927207	EQP ADV	FR	04	04	D		9-80					see 2/ below
	274927220	EQP ADV HVY	FR	05	04	E	P 6-78	6-78					No replacement
	274927315	CD ADV	FR	04	04	D		9-80					
	274927319	PA ADV TRG	FR	04	04	D		8-79	8-79				
	274927405	PA ADV MUN/LOC GVT	FR	03	03	D		7-78	7-78				
	274927409	CD ADV	FR	04	04	D		6-80	6-80				
	274927415	PROJ MGR	FR	04	04	D		8-80	8-80				
	274929005	CAP RSRS DVL OFF	FR	02	03	D		8-78	8-78				
	274929010	DEP CAP RSRS DVL OFF	FR	03	03	D		9-80					
	274929016	CP PRJ DVL OFF	FR	04	03	E	A 3-78						No replacement
	274929026	CP PRJ DVL OFF	FR	04	04	D		8-79	8-79				
	274929112	GEN ENG OFF	FR	03	03	D		9-80					
	274929122	GEN ENG ADV	FR	03	03	D		9-80					
	274929132	CIV ENG ADV	FR	04		D		9-80		6-78	No	810.01	
	274929142	EQP ADV FRM MCHY	FR	04	03	E	P 5-78	5-78					No replacement
	274929152	HYD ENG ADV WRS	FR	04	04	E	A 3-78	3-78					No replacement
	274929162	HYD ENG ADV WRS	FR	04	04	D		9-80					
	274929313	GEN DVL OFF	FR	02	02	D		9-80					

1/ Formerly E'd but reestablished per SPAR # EMS 78-140 (4-13-78)

2/ Formerly E'd - reestablishment proposed

WORKFORCE REQUIREMENTS - SCHEDULE I - EXISTING POSITIONS 001 USAID PHILIPPINES 002

MODE LEVEL	AUTHORIZED CEILING	BUDGETED POSITIONS	REQUESTED POSITIONS	IDI NON-CEILING POSITIONS	TOTAL FILLED POSITIONS	TOTAL VACANT POSITIONS
FY 78 ----	FY 78 ----	FY 79 ----	FY 80 ----	FY 78 ---- 007	FY 78 ------	FY 78 ----
003	004	005	006		010	011
				FY 79 ---- 008		
				FY 80 ---- 009		

LINE NO.	POS NO	POSITION TITLE	PAY PLAN	GRADE	IDI NON-CEILING STATUS	DATE POS TO (C) (D) (E) STATUS	INCUMBENT TO CONT. IN POS. THRU FY	REPLACEMENT NEEDED BY DATE	VACANT POSITION REQUIRES INCUMBENT BY DATE	FY 78 OR FY 79 IDI GRADUATE TO FILL VACANT POSITION	AUSC(S) APPLICABL TO VACANT POSITIONS (4 DIGIT AUSC ONLY)	REMARKS
	013	014										
										YES NO		
012			5	6	7	019	020	021	022	024 025	026	
	274929340	EC ADV	FR	04	04 D		5-80	5-80				

WORKFORCE REQUIREMENTS - SCHEDULE 1 - EXISTING POSITIONS 001 002

MODE LEVEL	AUTHORIZED CEILING	BUDGETED POSITIONS	REQUESTED POSITIONS	IDI NON-CEILING POSITIONS	TOTAL FILLED POSITIONS	TOTAL VACANT POSITIONS
FY 78 ----	FY 78 ----	FY 79 ----	FY 80 ----	FY 78 ---- 007	FY 78 ------	FY 78 ----
003	004	005	006		010	011
				FY 79 ---- 008		
				FY 80 ---- 009		

LINE NO.	POS NO	POSITION TITLE	PAY	PROSAID	IGNITE	STATUS OF POSIT. END OF FY 78 OR FY 79	DATE POS TO (C) (D) (E) STATUS P=PLAN A=ACTUAL FOR FY78 79 & 80	INCUMBENT TO CONT. IN POS. THRU FY	REPLACEMENT NEEDED BY DATE	VACANT POSITION REQUIRES INCUMBENT BY DATE	FY 78 OR FY 79 IDI GRADUATE TO FILL VACANT POSITION 023	AUSC(S) APPLICABL TO VACANT POSITIONS (4 DIGIT AUSC ONLY)	REMARKS
	013	014											
			0	0	0	(C) 0							
			1	1	1	(D) 1					YES: NO		
012			5	6	7	(E) 8	019	020	021	022	024 025	026	

2	27492	CAP PROJ DVL OFF	FR	04	D	9-80	No	1160.09	See 1/below
3	27492	WTR RESOURCES ADV	FR	04	D	9-80	No	0810.70	See 1/below

1/ New position to be established per State 067943 dated 3-17-78 and Manila 4877 dated 3-28-78.

ADP NARRATIVE

The current ADP plan for USAID/Philippines is to procure ADP hardware and financial accounting software during FY 78. Initial applications will center solely on accounting and budgeting automation in the USAID Controller's Office. The software, once developed and tested, will then be made available to other USAID Missions on a turn-key basis, thus, saving systems development costs for other Missions. It is estimated that initial applications will be operational on January 1, 1979.

The software development cost of FY 1978 (estimate of $78,000) is for the development of an automated financial accounting system, to include (1) Allotment Accounting, (2) Project Accounting, and (3) Budgeting.

Provisions have been made in FY 79 and FY 80 for software development for additional ADP applications to include: (1) detailed budget modeling/forecasting, and (2) excess property management.

The funding priority of the Mission ADP activity is "minimum."

ADP SYSTEMS INVENTORY

	1978			1979			1980		
	$	TF	TOTAL	$	TF	TOTAL	$	TF	TOTAL
1. CAPITAL INVESTMENTS									
A. Purchase of ADP Equipment		53,850	53,850	15,000		15,000	8,000		8,000
B. Purchase of Software									
C. Sub-Total		53,850	53,850	15,000		15,000	8,000		8,000
2. PERSONNEL									
A. Compensation Benefits & Travel		12,500	12,500		12,300	12,300		14,000	14,000
B. Workyears		[2]	[2]		[2]	[2]		[2]	[2]
C. Sub-Total		12,500	12,500		12,300	12,300		14,000	14,000
3. EQUIPMENT RENTAL AND OTHER OPERATING COSTS									
A. ADP Equipment Rentals				1,000		1,000	500		500
B. Supplies and Leased Software	7,625	525	8,150	9,000	3,000	12,000	10,000	3,200	13,200
C. Sub-Total	7,625	525	8,150	10,000	3,000	13,000	10,500	3,200	13,700
4. COMMERCIAL SERVICES									
A. ADP Service Bureau									
B. Systems Analysis & Programming	78,000	2,000	80,000	36,000	10,000	46,000	8,000	13,000	21,000
C. ADPE Maintenance		7,500	7,500		8,000	8,000		8,500	8,500
D. Sub-Total	78,000	9,500	87,500	36,000	18,000	54,000	8,000	21,500	29,500
5. TOTAL OBLIGATIONS	85,625	76,375	162,000	61,000	33,300	94,300	26,500	38,700	65,200
6. INTERAGENCY SERVICES									
7. G R A N D T O T A L	85,625	76,375	162,000	61,000	33,300	94,300	26,500	38,700	65,200

TABLE VI - FUNDING FOR SPECIAL CONCERNS

DECISION UNIT: Philippines

OBLIGATIONS ($ 000)

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	PY: 1978 PROJECT TOTAL	PY: 1978 SPECIAL CONCERN	CY: 1979 PROJECT TOTAL	CY: 1979 SPECIAL CONCERN	BY: 1980 PROJECT TOTAL	BY: 1980 SPECIAL CONCERN
FOOD AND NUTRITION								
492-0261 - Agrarian Reform (G)	FN		366					
		ATNL		46				
		CODC		46				
		LTRG		74				
		RESA		20				
		RESD		25				
		XIIF		366				
492-0266 - Aquaculture Production (G)	FN		221					
		ATNL		77				
		LTRG		108				
		RESA		77				
		XIIF		221				
492-0305 - Agro-Forestation (G-L)	FN				5,770		750	
		ATNL				5,770		400
		ENVR				5,770		400
		LTRG				1,923		133
		RESA				3,846		267
		XIIF				5,770		400
492-0286 - Agricultural Research II (G-L)	FN				5,000			
		ATNL				2,040		
		ENVR				705		
		LTRG				3,188		
		RESA				5,000		
		XIIF				5,000		

AID 1330-16 (3-78)

TABLE VI - FUNDING FOR SPECIAL CONCERNS

DECISION UNIT: Philippines

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS ($ 000) PY: 1978 PROJECT TOTAL	PY: 1978 SPECIAL CONCERN	CY: 1979 PROJECT TOTAL	CY: 1979 SPECIAL CONCERN	BY: 1980 PROJECT TOTAL	BY: 1980 SPECIAL CONCERN
492-0300 - Cooperative Marketing (L)	FN		1,600		4,400			
		CODC		140		260		
		XIIF		1,600		4,400		
492-0322 - Freshwater Fisheries Development (G)	FN				400		1,000	
		ATNL				200		400
		LTRG				100		200
		RESA				100		200
		XIIF				400		800
492-0330 - Land Tenure Reform (G)	FN				1,000			
		ATNL				100		
		CODC				100		
		LTRG				180		
		RESA				40		
		RESD				50		
		XIIF				1,000		
492-0332 - Artisan Fisheries - Agriculture(G-L)	FN						5,000	
		ATNL						1,400
		ENVR						1,400
		LTRG						2,800
		RESA						700
		XIIF						5,000
492-0252 - Food and Nutrition (G)	FN		564					
		WID		446.5				
		RESD		15.5				

AID 1330-16 (3-78)

TABLE VI - FUNDING FOR SPECIAL CONCERNS

DECISION UNIT: Philippines

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS ($ 000) PY: 1978 PROJECT TOTAL	PY: 1978 SPECIAL CONCERN	CY: 1979 PROJECT TOTAL	CY: 1979 SPECIAL CONCERN	BY: 1980 PROJECT TOTAL	BY: 1980 SPECIAL CONCERN
492-0320 - National Nutrition Outreach (G)	FN				1,000		1,000	
		XIIF				120		130
		WID				708		702
492-0303 - Bicol Integrated Rural Development (G)	FN		900		680		520	
		ENVR		30		30		30

AID 1110-18 (3-79)

TABLE VI - FUNDING FOR SPECIAL CONCERNS

DECISION UNIT

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS ($ 000) PY: PROJECT TOTAL	PY: SPECIAL CONCERN	CY: PROJECT TOTAL	CY: SPECIAL CONCERN	BY: PROJECT TOTAL	BY: SPECIAL CONCERN
POPULATION								
492-0277 - Population Planning II	PH		6,145					
		PARA		1,733	5,209	2,150	2,491	1,757
HEALTH								
492-0312 - Panay Unified Services for Health (PUSH)	PH		5,716					
		PARA		992				
492-0319 - Bicol Integrated Health, Nutrition, and Population (BIHNP)	PH				2,500			
		PARA				831		

AID 1330-16 (3-78)

TABLE VI - FUNDING FOR SPECIAL CONCERNS

DECISION UNIT: Philippines

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS ($ 000) FY: 1978 PROJECT TOTAL	FY: 1978 SPECIAL CONCERN	CY: 1979 PROJECT TOTAL	CY: 1979 SPECIAL CONCERN	BY: 1980 PROJECT TOTAL	BY: 1980 SPECIAL CONCERN
EDUCATION								
492-0331 - Agricultural Education Outreach (G)	EH						1,700	
		ATNL						775
		ENVR						550
		LTRG						1,700
		XIIF						500
492-0308 - Participant Training II (G)	EH		100		100		100	
		WID		30		30		30

AID 1330-18 (3-78)

TABLE VI - FUNDING FOR SPECIAL CONCERNS

DECISION UNIT: Philippines

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS ($ 000) PY: 1978 PROJECT TOTAL	PY: 1978 SPECIAL CONCERN	CY: 1979 PROJECT TOTAL	CY: 1979 SPECIAL CONCERN	BY: 1980 PROJECT TOTAL	BY: 1980 SPECIAL CONCERN
SELECTED DEVELOPMENT ACTIVITIES								
492-0924 - Nonconventional Energy Development (L)	SD		8,650					
		ENER		8,650				
		RESD		8,650				
		ATNL		5,000				
		RESA		3,000				
		RESD		3,000				
492-0295 - Economic and Social Impact Analysis/WID (G)	SD		1,000		1,000		500	
		RESD		852		788		500
		WID		148		212		

AID 1330-16 (3-78)

TABLE VI - FUNDING FOR SPECIAL CONCERNS

DECISION UNIT: Philippines

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS ($ 000) PY: 1978 PROJECT TOTAL	PY: 1978 SPECIAL CONCERN	CY: 1979 PROJECT TOTAL	CY: 1979 SPECIAL CONCERN	BY: 1980 PROJECT TOTAL	BY: 1980 SPECIAL CONCERN
PL 480								
Title II								
CARE	FN		8,700		15,100		20,743	
		WID		160		2,050		2,500
CRS	FN		10,906		16,200		16,263	
		WID		3,100		8,000		8,000

AID 1330-16 (3-78)

TABLE VI - FUNDING FOR SPECIAL CONCERNS

DECISION UNIT: Philippines

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS ($ 000) PY: 1978 PROJECT TOTAL	PY: 1978 SPECIAL CONCERN	CY: 1979 PROJECT TOTAL	CY: 1979 SPECIAL CONCERN	BY: 1980 PROJECT TOTAL	BY: 1980 SPECIAL CONCERN
OPERATIONAL PROGRAM GRANTS								
CARE Distance Study System	FN		55					
		PVOU		55				
Langub Human Development	EH		9					
		PVOU		9				
Jeepney Drivers in Family Planning	EH		48					
		PVOU		48				
Palawan Agro-Industrial Development	FN		20					
		PVOU		20				
Community Education Program	EH		451					
		PVON		300				
Sorsogon Crop Diversification	FN		20					
		PVOU		20				
Livestock & Feedgrain Coop	FN				110			
		PVON				95		
Fishermen Service Coop	FN				100			
		PVOU				95		
Rehabilitation of the Handicapped	EH				150			
		PVOU				150		
Vocational Training for the Poor	EH				60			
		PVOU				60		

AID 1330-16 (3-78)

TABLE VI - FUNDING FOR SPECIAL CONCERNS

DECISION UNIT: Philippines

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS ($ 000) FY: 1978 PROJECT TOTAL	FY: 1978 SPECIAL CONCERN	CY: 1979 PROJECT TOTAL	CY: 1979 SPECIAL CONCERN	BY: 1980 PROJECT TOTAL	BY: 1980 SPECIAL CONCERN
Leyte Integrated Development	FN	PVOU			230	230		
Fruit Tree Planting	FN	PVOU					140	140
Sorsogon Socio-Economic Development	FN	PVOU					300	300
Population and Family Planning	PH	PVOU					80	80
Farmers Cooperative Development	FN	PVOU					150	150
Community Development and Self Help	FN	PVOU					200	200

AID 1330-18 (3-78)

MISSION EVALUATION ACTIVITIES

During the last 12 months (May 1977 - April 1978), the Mission followed the Evaluation Schedule set forth in the FY 79 ABS except for some minor rescheduling changes. Twelve project evaluations were completed since the last ABS in May 1977. No major difficulties were encountered in carrying out those evaluations. However, there are some persistent problems which hamper the total Mission's evaluation effort: a) certain GOP entities, as yet, do not place sufficient emphasis on evaluation and this resulted in several evaluation delays; b) inadequate use of evaluation findings in the GOP and among USAID offices in replanning or guiding the direction of future assistance efforts; and c) an apparent lack of interest in the substance of project evaluations among AID/W offices. To the best of our knowledge, only one AID/W office formally commented on one of the Mission's Evaluation Reports during the last 12 months. This suggests, at the very least, a "long lag" between AID/W stated policy regarding the importance of project evaluations (AIDTO CIRC A-231 dated April 23, 1976) and overall Agency practice vis-a-vis evaluations. Nevertheless, it should be pointed out that the overall impact of project evaluations at the Mission level has generally been favorable.

During FY 79 the Mission plans to modify its overall project evaluation approach and methodology. The refinements or improvements planned for FY 79 are as follows:

1. Insuring full compliance with the recently published USAID Order (incorporated as a part of this ABS) establishing a formal, systematized project evaluation system.

2. The Mission will pursue with NEDA the possibility of executing a memorandum of agreement between USAID and NEDA on the frequency of evaluations; how they are to be conducted; who is to participate; and what methodologies or approaches might be used. In conjunction with this effort, USAID and NEDA will review the GOP's institutional capacity for project evaluations and identify possible areas where USAID might be of assistance in strengthening that capability. At a minimum, it is recommended that GOP officials continue to be invited to attend the various Project Design and Evaluation seminars organized by the Professional Studies and Career Development Division of the Office of Personnel and Manpower in AID/W.

3. A concerted Mission effort will be made to establish quantifiable indicators against which program and project performance can be measured in terms of costs and benefits to the target beneficiaries. The Economic and Social Impact Analysis Project is expected

to be helpful in this regard, with Section 102(d) of the Foreign Assistance Act serving as guidance.

4. It is recommended that there be increased dialogue between USAID and AID/W on evaluation findings. AID/W may want to review all project evaluation worldwide and compare the results of similar projects in different countries in an effort to improve the state of the art on project management and evaluation. Possibly, this effort could be coordinated with or by DIS in cooperation with the geographical AID/W bureaus.

Lessons of possible interest outside of the Mission are:

1. Outside consultants assisting in evaluations must be carefully guided and advised to adhere to USAID evaluation guidelines to insure a high level of objectivity and useful end results. (Effective May 1978 all AID financed contracts for evaluation activities must have a copy of the USAID Order on project evaluation attached.)

2. Immediate social and economic change resulting from many AID financed projects is highly unlikely and often the impact from AID projects may take place a number of years after AID support has terminated. Thus, there is a need for AID/W to continue to make PDS funds available to evaluate the impact of AID financed projects completed 5 to 10 years ago.

3. AID should attempt to conduct evaluations in a more scientific manner; using modern research design and sample survey techniques in an effort to increase objectivity to the highest level possible. (The revised Chapter 8B on project evaluation in Handbook 3 provides useful guidance on the use of modern research design and sampling techniques and information on how to increase objectivity in evaluations.)

4. Through the years AID has developed and published various sector strategies. For example, in 1973, a monograph called the AID Education Program Strategy was published, but we do not know what the impact of that strategy has been vis-a-vis AID's New Directions Policy, changes in developing country policies, and changes in other donor policies. It is suggested that AID/W evaluate the impact of these sector strategies.

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
Manila, Philippines

USAID ORDER TRANSMITTAL LETTER	Date: 05/12/78	No.: 369

MATERIAL TRANSMITTED:

USAID Order No. 1221.2 - Project Evaluation

This is a new USAID Order setting forth the procedures to be followed by all offices in the Mission in carrying out AID project evaluation requirements in accordance with Appendix 8-B, Handbook 3, under "Procedures for In-Depth Project Evaluation." All grant, loan and food assistance projects will be covered by this Order.

FILING INSTRUCTIONS:

1. File the attached as USAID Order 1221.2, Issuance No. 369 dated 05/12/78.

2. Write the date and the Transmittal Letter number in the appropriate place on the USAID Order Table of Contents 1200 Series.

3. Initial the Checklist of USAID Order Transmittal Letter Received beside TL# 369.

John J. Garney
Executive Officer

USAID ORDER

AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES AID MISSION TO THE PHILIPPINES

DATE ISSUED	EFFECTIVE	ISSUANCE NO.	USAID ORDER NO.
05/12/78	05/12/78	369	1221.2
SUBJECT: Project Evaluation		SUPERSEDES	

I. PURPOSE

The purpose of this Order is to set forth procedures to be followed by all offices in the Mission in carrying out AID project evaluation requirements. Detailed information on the process of evaluating a single project while it is underway may be found in Handbook 3, Appendix 8-B under Procedures for In-Depth Project Evaluation. All grant, loan and food assistance projects will be covered by this Order.

II. GENERAL

The major aims of a project evaluation are to assess the following:

A. Effectiveness - The extent to which the actual activity objectives have been or are being achieved and why. (Some targets may be reached because of actions outside the project.)

B. Significance - The importance of the progress made in terms of contribution to higher level objectives such as sector goals and country development.

C. Efficiency - Relationship of costs to the outputs received.

D. Implementation Scheduling - Extent to which various GOP and USAID project inputs (technicians, commodities, participant trainees, budgetary support, staff support, etc.) are made available in accordance with project plan specifications and time schedules.

III. MISSION POLICY

Evaluation planning is an important part of the USAID program in the Philippines and the Mission's Evaluation Schedule is an integral part of the ABS. This planning effort is also important in determining the amount of funds and staff needed to carry out the Evaluation Schedule. Without exception, all PPs will include a separate budgetary line item indicating that project evaluations are to be financed from project funds.

Evaluations are particularly useful in confirming (with the logical framework and GOP grant and loan implementation plans as the basis for reference) that established project achievement targets have or have not been met;

SUBJECT:	DATE ISSUED:	USAID ORDER NO.	PAGE NO.:
Project Evaluation	05/12/78	1221.2	2

whether A.I.D. and host country planned inputs were appropriate and available in sufficient quantities; and whether the project design remains valid or should be revised. Also, evaluations help to articulate underlying development problems not anticipated in initial project proposals and guide the Mission and GOP implementation agency toward making sound decisions on which project activities to pursue or to phase out. The ultimate purpose of this effort is to work toward the development goals set forth in long-range Philippine Development Plans and in AID's New Directions Policy.

IV. PROCEDURES

Generally, projects will be evaluated annually. The format recommended in conducting evaluations is the Project Evaluation Summary (PES), however, the joint GOP/AID evaluation may be an expansion of this format.

The Program Officer will serve as the overall USAID coordinator for evaluation policy and implementation. The concerned Project Officer and the Assistant Program Officer (APO) backstopping the project will be responsible for seeing that the project is evaluated on schedule. Consultants recruited by AID or the GOP to assist in evaluations are expected to follow AID evaluation procedures. All implementing documents relating to project evaluation will reference this Order. A copy of this Order will be attached to each USAID-financed contract by CSD or the GOP contracting agency where services involve project evaluation.

Project evaluations will normally be jointly conducted by USAID and GOP personnel. The technical offices will be responsible for coordination with GOP agencies. Completed detailed reports and/or Project Evaluation Summary (PES) reports will be reviewed by the concerned offices in the GOP and in USAID. The Mission Director or the Deputy Director will chair a USAID evaluation review meeting to analyze and approve all final PES reports before they are published and forwarded to AID/W. The Program Office will retain a copy of all completed evaluation in its files and serve as the office of record for all other such documents.

V. ADMINISTRATIVE STEPS TO BE FOLLWED IN UNDERTAKING EVALUATIONS

A. The APO will advise the Project Officer at least 2 months before a project is due for an evaluation.

B. The APO and the Project Officer will meet to discuss the proposed evaluation.

C. The APO and the Project Officer will meet with GOP officials to discuss the proposed evaluation, distribute pertinent documents (e.g., AID Evaluation Handbook), identify evaluators and set a date for undertaking the joint evaluation.

D. The joint evaluation team shall conduct the evaluation.

E. The joint evaluation team will prepare a draft PES. This Project Evaluation Summary may be the only documentation or may be summarized from a more detailed joint evaluation report.

F. The draft PES will be circulated among concerned USAID and GOP officials to comment on accuracy and consistency.

G. The PES will be typed in final, cleared through concerned offices in USAID, and forwarded to the GOP for formal clearance.

H. The Director or the Deputy Director will chair a session of the Mission's Project Review Committee to review and approve PES.

I. Copies of the PES will be distributed to GOP and USAID officials and to AID/W.

J. Follow-Up: Three to six months after issuance of the PES, the APO and Project Officer will review the PES to determine if actions proposed in it were taken, and prepare a brief report to the Director on their findings.

VI. EVALUATION METHODOLOGY

The guiding documents in conducting evaluations will be Appendix 8B of Handbook 3 on Project Assistance and the AID Evaluation Guidelines Handbook (1974). The following tasks should be accomplished in an evaluation:

A. Clarification of Project Design. Using a logical framework and an approved project implementation plan, review the project design, the hierarchy of objectives, progress indicators, and assumptions about necessary conditions. The logical framework and implementation plan set the stage for the evaluation. They are the standard against which performance is to be evaluated. This exercise should determine if the project design is still valid or should be changed.

B. Assessment of Performance. This is the core of the evaluation process. It is at this stage that an objective, critical examination is made of the delivery of project inputs and the production of project outputs, which are normally included in periodic GOP implementation reports or observed and noted by the team. The critical judgment is whether this production of outputs has, in fact, brought progress toward achievement of the project purpose, and finally whether this progress is making a significant contribution to the higher project goal. Emphasis in the evaluation is to be placed upon results and actual progress toward project purpose rather than upon the performance of inputs or action agents.

C. Review. An interactive review of a project's progress assessment (accomplished in step B above) among interested and responsible parties is essential for reaching the best evaluative conclusions concerning the future of the project. When outside Consultants are involved, the Project Officer will be required to make a determination as to whether or not the Contractor

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met the terms and conditions of his/her contract and that any reports or findings were thoroughly reviewed prior to the Contractor's departure from Post. This assures that evaluative findings are useful and relevant and are brought to the attention of the concerned GOP and USAID officers.

d. Project Evaluation Summary (PES). As the final product of the evaluation process, the PES provides a permanent record of the evaluation and the actions or recommendations resulting from it. This form is prepared by the Project Officer and the APO in coordination with GOP officials.

John J. Gariney
Executive Officer

Country/Program: Philippines

Date: April 28, 1978

Period Covered : 4/78 - 9/80

Mission Evaluation Schedule for FY 78 (3rd and 4th quarters), FY 79, and FY 80

(1) Project Title and Number/Subject	(2) Number and Date of last PAR/PES Submitted	(3) Proposed date of next PES	(4) Period to be Covered	(5) Identification of Special Evaluation and Purpose for them	(6) Remarks
FOOD AND NUTRITION (Section 103)					
492-0252 Food and Nutrition (G)	i) PAR 75-04 ii) In April 1977, this project was evaluated as part of PL 480 Title II assessment.	December 1978[a/]	3/78 - 12/78	AID/W evaluation of Philippine Nutrition Program conducted in Feb. 1978 including PL 480 II component. Evaluation of Program also done by independent Philippine firm in 1975, 1977, and 1978.	[a/] The December 1978 evaluation will be a follow-on to the special evaluation conducted in February 1978.
492-0256 Local Development (G)	April 1977	January 1979	5/77 - 1/79		
492-0260 Bicol River Basin Development (G)	July 1977	July 1979[a/]	8/77 - 7/79		[a/] Included as part of follow-on project No. 492-0303 evaluation.

492-0261 Agrarian Reform (G)	PAR 77-03 May 4, 1977	June 1978[a/]	5/77 - 6/78		[a/] 1978 annual and EOP evaluation are combined, rather than having an April 1978 and EOP evaluation as originally envisioned in the 79 ABS. Outside TA required: 1 land tenure specialist for 1 p/m; and 1 AID/W technician for 0.5 p/m.
492-0266 Aquaculture Production (G)	July 1977	August 1978[a/]	8/77 - 8/78	Although this evaluation will concentrate primarily on this project, it will have much broader use in the design and development of the Freshwater Fisheries & Artisan Fish. Projects.	[a/] EOP evaluation. Outside TA required: 3 Contract technicians for 2.5 p/m. each; 2 aquaculturists; and 1 fisheries extensionist.
492-0272 Rural Roads I 492-0297 Rural Roads II[b/]	May 1977[a/]	January 1979	6/77 - 1/79		[a/] Evaluation carried out as input to Rural Roads II PP and evaluation submitted as an integral part of that document. [b/] Follow-on project to Rural Roads I.

492-0275 Libmanan/Cabusao IAD I (L)	February 1977 Oct. 1977[a]	April 1978	11/77 - 4/78		[a] Two evaluations were done in CY 1977. Outside TA required: AID/W engineer for 4 weeks.
492-0280 Agricultural Research I (L)		October 1978[a]	8/77 - 10/78		[a] Evaluation deferred 2 months due absence of Project Officer. Outside TA required: AID/W TDY for 2 p/m. in Ag. research evaluation.
492-0281 Bicol Roads (L)	July 1977[a]	August 1978	8/77 - 8/78		[a] In-house review of organization and design carried out in 7/77. Construction began 1/78.
492-0286 Agricultural Research II (L/G)	New FY 79 Project	June 1980[a]	3/79 - 6/80		[a] Schedule revised to reflect delay in project development Outside TA required: 3 Contract technicians for 1 p/m. each: farm manager; research administrator; and agriculturist.

492-0288 Crop Protection[a/] (L)		March 1979[b/]	10/78 - 3/79		[a/]Project title changed from Pest Control. [b/]Schedule revised to reflect delay in project implementation. Outside TA required: 2 Contract technicians for 3 weeks each: research specialist and an agriculturist.
492-0289 Rinconada Integrated Area Development III (L)	New FY 79 Project	June 1981[a/]	7/79 - 6/81		[a/]This FY 81 evaluation date is predicated on anticipated 3rd quarter FY 79 obligation.
492-0300 Cooperative Marketing (L)	New FY 78 Project	January 1980	6/78 - 1/80		Outside TA required: 3 Contract technicians for 1 p/m. each: coop. finance; coop. mgt.; and agriculture mktg.
492-0302 Integrated Agricultural Production and Marketing (L/G)		January 1979[a/]	9/77 - 1/79		[a/]Evaluation delayed one month to adjust to availability of outside consultants. Outside TA required: 4 p/m. of consultants with background and technical knowledge in small farming technology development and application.

492-0303 Bicol Integrated Rural Development[a] (G)	New FY 78 Project	July 1979	5/78 - 7/79		[a] Follow-on project to Bicol River Basin Development. Outside TA required: 4 weeks TDY from AID/W.
492-0304 Rural Service Centers (G	New FY 78 Project	March 1979[a]	10/77 - 3/79		[a] March 1978 evaluation delayed due to late authorization of Project.
492-0305 Agro Forestation (L/G)	New FY 79 Project	November 1980	1/80 - 11/80		Outside TA required: 3 Contract technicians for 1.5 p/m. each: watershed mgt.; watershed economist; and cultural anthropologist
492-0310 Bula Integrated Area Development (L)	June 1978[a]	May 1979	10/77 - 4/79		[a] June 78 evaluation delayed due to unanticipated length of water drilling operations.
492-0318 Fund for Local Government	New FY 79 Project	June 1980[a]	1/79 - 6/80	Special evaluation required to evaluate progress on Fund organization and initial lending procedures.	[a] Changed due to anticipated FY 79 obligation.
492-0320 National Nutrition Outreach[a] (incl. PL 480 Title II) (G)	New FY 79 Project	October 1979	10/78 - 10/79		[a] Follow-on to the Food and Nutrition Project, which is terminating in FY 78.

492-0322 Freshwater Fisheries Development (G)	New FY 79 Project	September 1980	2/79 - 9/80		Outside TA required: 2 Contract technicians for 1.5 p/m. each: hatcheries mgt.; fisheries extension.
492-0330 Land Tenure Reform[a/] (G)		July 1980	10/78 - 7/80		[a/] Follow-on project to Agrarian Reform with initial funding in FY 79. Outside TA required: 3 Contract technicians for 1 p/m. each in land tenure; mgt. systems; land registration.
492-0332 Artisan Fisheries - Agriculture (L/G)	New FY 80 Project	March 1981	10/79 - 3/81		Outside TA required: 2 Contract technicians for 1 p/m. each: fisheries mgt. and Fisheries-agriculture systems.

492-0314 Rural Electrification II (L/G) 492-0316 Rural Electrification III (L/G) 492-0306 Rural Electrification IV (L/G) 492-0321 Rural Electrification V (L/G)	May 1977	May 1978	6/77 - 5/78		Rural Electrification II, III, IV & V to be evaluated in toto rather than separately.
492-0274 Small Scale Irrigation (L/G) 492-0301 Small Farmer Systems I[b] (L/G) 492-0334 Small Farmer Systems II[c] (L/G)	February 1978 New FY 78 Project New FY 80 Project	December 1979[a]	2/78 - 12/79	A special evaluation team composed of both PSC and AID/W D.H. consultants conducted a study in Feb. 78. A similar make-up is planned for the December 1979 evaluation.	[a] These three irrigation projects will be evaluated as a total program, i.e., each project will not be evaluated separately. [b] Project is follow-on to Small Scale Irrigation. [c] Project is follow-on to Small Farmer Systems I.
492-0282 Consulting Services III (L) 492-0287 Consulting Services IV	June 1977	i) June 1978 ii) June 1980	7/77 - 6/78 7/77 - 6/80		Consulting services loans will be evaluated together rather than separately.

POPULATION AND HEALTH (Section 104) 492-0220 Population Planning I(G)	March 1977[a]			[a] Special evaluation for review of population sector.	Project terminated in FY 77. EOP Evaluation done by an outside contract team.
492-0277 Population Planning II[a] (G/L)		September 1978	7/77 - 9/78		[a] Follow-on to Population Planning I. Joint GOP/USAID evaluation to be conducted annually and at end of project. See STATE 086495 dated 4/4/78 for details.
492-0312 Panay Unified Services for Health (L/G)	New FY 78 Project	June 1979[a]	5/78 - 6/79		[a] Evaluation rescheduled due to project authorization date change. Outside TA required: one p/m. of consulting services of health specialist required.
492-0319 Bicol Integrated Health (L)	New FY 79 Project	January 1980[a]	12/79 - 1/80		[a] Evaluation rescheduled due to change in project authorization date Outside TA required: 1 p/m. of health specialist.

492-0291 Barangay Water I (L/G)	New FY 78 Project	May 1979	3/78 - 5/79		First evaluation of project was conducted in March 1978 to assess applicability of concepts of "pilot" program undertaken in 1977 and provide feedback for broader program implementation in 78 and 79 under BWP I loan. In May 1979 evaluation, effectiveness and adequacy of program's institutional structure, staffing arrangements, administrative procedures, policies will be assessed. EOP evaluation will be in May 1980. Outside TA required: 2 TDY technicians funded under PDS funds to evaluate this project and assist in preparation of PP for BWP II as appropriate.
492-0333 Barangay Water II (L/G)	New FY 80 Project	May 1981	5/80 - 5/81		Outside assistance will consist of centrally funded US Bureau of Census personnel only.

492-0309 Local Water Development I (L/G)	September 1976	September 1978[a/]	10/76 - 10/78		[a/] Evaluation scheduled for 9/77 deferred to 9/78. The Local Water Utilities Administration has on-going contract with Institute of Phil. Culture to evaluate project in 4 phases as follows: Phase I - Preparation of Research Design Phase II - Baseline Survey Phase III - Interim Monitoring Phase IV - Follow-on

EDUCATION AND HUMAN RESOURCES (Section 105) 492-0293 Bayanihan Barangay Schools (L/G)	New FY 79 Project	December 1979[a/]	10/78 - 12/79		[a/] Previously scheduled September 1979, but project not expected to be operational until November 1978. Previous 9/79 evaluation schedule changed due to rescheduling of project authorization date.
492-0331 Agricultural Education Outreach (G)	New FY 80 Project	January 1981[a/]	11/79 - 1/81		[a/] First evaluation to be conducted in FY 81. Outside TA required: 3 Contract technicians for 1 p/m. each: agricultural extension; instructional systems; and development training.
492-0237 General Participant Training (G)	March 1977 77-02	November 1978	10/77 -11/78		Project terminates FY 78.
492-0308 Participant Training II (G)	New FY 78 Project	April 1979[a/]	4/78 - 4/79		[a/] Initial evaluation rescheduled due to change in project authorization date.

SELECTED DEVELOPMENT ACTIVITIES (Section 106)					
492-0262 Tiwi Geothermal (L)	August 1977	August 1978[a/]	8/77 - 8/78		[a/] Project completion report.
492-0294 Non-Conventional Energy (L/G)	New FY 78 Project	December 1979[a/]	9/78 - 12/79		[a/] Changed from original January 1979 date due to 3rd quarter obligation of funds.
492-0295 Economic and Social Impact Analysis/ WID (G)	New FY 78 Project	June 1979[a/]	4/78 - 6/79		[a/] Evaluation rescheduled due to change in project authorization date. Outside TA required: 2 p/m of economist/sociologist; 1 p/m. of AID/W TDY economist.
492-0298 Real Property Tax Administration (L)	New FY 78 Project	December 1979[a/]	6/78 - 12/79	A social and administrative analysis will be conducted in mid-1978. Information derived from this will form the basis for project baseline statistics and social environmental data.	[a/] In-depth analysis of total project. Original March 1978 evaluation delayed due to delay in obligating funds during 3rd quarter FY 78.

OTHER EVALUATIONS					
PL 480 Title II CARE (US VolAg)	April 1977	April 1979	5/77 - 4/79		AG audits were conducted for periods from Jan. to June 77 and July to December 77.
PL 480 Title II CRS (US VolAg)	April 1977	April 1979	5/77 - 4/79		AG audits for July-December 1977 of CRS system of commodity accounting, reporting, food distribution and implementation of program changes required under Handbook 9.

PL 480 TITLE I

1. Revalidation of the DAP Substitute

The USAID/Philippines DAP substitute forwarded to AID/W in MANILA 10908 dated July 5, 1977 remains essentially valid. Details of precise requirements, specific development application and projected beneficiary are updated by PL 480 Title I, II and III proposals in this ABS.

2. Need for Commodity Credit

As already demonstrated in the Strategy Statement at the beginning of this ABS, the Philippines continues to require concessional assistance, including PL 480 support, if reasonable development objectives are to be achieved. The Consultative Group, at its December 1977 meeting in Tokyo determined, on the basis of an overall review of the current and projected Philippines balance of payments and debt service requirements, that the country would require $750-800 million in concessional aid in 1978, in order to meet planned targets. This requirement was projected to increase to $1 billion annually by 1980. The proposed Title I levels would meet three percent of this requirement.

The Philippines recorded a modest balance of payments surplus in 1977, but this was based largely on borrowing; the current account continued to be in substantial deficit. Deficits have been registered during the first two months of 1978 and a net overall deficit is expected for the full year. The country's external debt stood at $6.5 billion as of the end of 1977, an increase of 17 percent over the previous year. The debt service for 1978 is expected to be about 18 percent of projected export earnings. Primarily because of reduced collections of trade-related and business tax revenues, the government has had to rely on borrowings to finance its budgetary deficits which have averaged around 17 percent of expenditures during the past three years.

The proposed Title I levels are fully justified by the productive utilization of the proceeds to help finance the Philippines' development and basic human needs programs. Sixty percent of all government budgetary expenditures is already being devoted to economic and social development projects, about half of which are aimed at meeting the basic human needs of the country's predominantly rural poor population. Most of the balance is devoted to meeting requirements for essential infrastructure. This means that achievement of the ambitious basic human needs targets identified in the current Five Year Plan will be heavily contingent upon the Philippines success in attracting the foreign assistance required to augment domestic resources. Title I assistance would definitely help fill the basic human needs development resource gap.

The Title I commodities requested will not be disincentives to Philippine Agricultural Production. The country does not produce any wheat. All of its marketing needs for wheat products must come from import sources with the United States currently the chief supplier. Domestic cotton production is not expected to increase significantly during the next five years. Now that the Philippines is self-sufficient in rice production the focus is shifting to attain similar results in corn production. The 1977/78 crop produced approximately 3.2 million tons of corn leaving an import gap of about 100,000 tons. Imports in the next few years will continue at this year's level as the sufficiency goal is not likely to be achieved in the immediate future. In the meantime, domestic farmers will continue to benefit from a three year old price support program administered by the National Grains Authority. The final item, tobacco, is proposed very reluctantly by the Mission, only because we have been advised that additional food products which would be more appropriate to Philippine development needs cannot be made available. The proposed tobacco will be part of an import package required to upgrade cigarette production quality by being blended with domestic leaf. Most of the tobacco imported by this country is U.S. leaf under dollar sales. Tobacco imports of at least 8,000 to 9,000 tons annually will be required well into the future.

3. The Development Program

Since the Mission is proposing that all local currency generations from the sale of Title I commodities will be used under the Title III Food for Development program, the specific activities which will receive budgetary support, and the identification of probable benefits and beneficiaries are treated under PL 480 Title III.

4. Recipient Interest and Ability

The Philippine Government has expressed great interest in participating in a multi-year PL 480 program, the local currency generations from which would be applied under Title III through the type of program described later in this ABS, exclusively to meet the basic human needs of poor Filipinos. They and we have collaborated closely on the parameters of such a program, emphasizing the means by which basic needs impact on the poor can be insured prior to the approval of, and release of PL 480 sales proceeds for any particular development activity proposed by government development agencies, local communities, small producers organizations, Private and Voluntary Agencies, Philippine development agencies supported by the United States Peace Corps, or other development agents competent to assess and help meet the basic human needs of the poor. Implementation of the proposed program is well within the ability of the Philippine Government, provided the United States provides the

necessary commodities. All of the specific commodities proposed have been identified by the Philippine Government as beneficial to their economy, uninjurious to domestic production, and additional to their usual marketing requirements.

5. Impact Evaluation

As described in the ABS section on PL 480 Title III, each activity proposed for funding under the program will be required to make provision for evaluation of its implementation and impact. In addition, these activities come within the scope of the AID supported Economic and Social Impact Analysis/Women in Development project, designed to assess the impact on the poor of development activities, individually and in combination. As each project is formally agreed upon, its scheduled evaluation will be included in the Mission Evaluation Plan. Finally, as required under Title III, implementation and impact of each proposed activitiy will be reviewed annually for the purpose of reaffirming or amending the levels and activities proposed for subsequent years.

6. Proposed Budget Year Commodities

The commodities proposed for FY 1980 are wheat, corn, cotton and tobacco in the quantities indicated on Attachment 1, all to be delivered within the budget year. As already stated, the Mission would have preferred an additional $4.7 million in wheat and corn to tobacco, which is included based on our understanding that Washington does not expect sufficient quantities of those commodities to be available for the Philippines, and that the substitution of cotton will not be feasible. Early assurances of supply are preferable but not critical to success of the program.

COUNTRY/PROGRAM Philippines

PL 480 Title I Agreements and Shipments

FY 1978 Estimate

Commodity	Agreements ($)	Agreements (MT)	Shipments ($)	Shipments (MT)	Carryover to FY 1979 ($)	Carryover to FY 1979 (MT)
Wheat	6.9	60.0	6.9	60.0	-	-
Corn	-	-	-	-	-	-
Cotton	3.7	10.4	3.7	10.4	-	-
Tobacco	19.4	4.0	19.4	4.0	-	-

Total Program Value: $30.0

Note: As of April 1978 approximately $13.3 was allocated to the Philippines from FY 1978 Title I availabilities.

FY 1979 Request

Commodity	Agreements ($)	Agreements (MT)	Shipments ($)	Shipments (MT)	Carryover to FY 1980 ($)	Carryover to FY 1980 (MT)
Wheat	9.9	85.0	9.9	85.0	-	-
Corn	1.9	20.0	1.9	20.0	-	-
Cotton	9.5	30.0	9.5	30.0	-	-
Tobacco	4.4	1.0	4.4	1.0	-	-

Total Program Value: $25.7

FY 1980 Request

Commodity	Agreements ($)	Agreements (MT)	Shipments ($)	Shipments (MT)	Carryover to FY 1981 ($)	Carryover to FY 1981 (MT)
Wheat	10.9	90.0	10.9	90.0	-	-
Corn	2.4	25.0	2.4	25.0	-	-
Cotton	11.4	35.0	11.4	35.0	-	-
Tobacco	4.7	1.0	4.7	1.0	-	-

Total Program Value: $29.4

COUNTRY/PROGRAM Philippines

PL 480 Title I Stock Situation
(000 MT)

Commodity Reporting Year (beginning June)	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Disappearance	Ending Stocks
WHEAT:							
1975-76	35	-	550	585	0	535	50
1976-77	50	-	775	825	0	675	150
1977-78*	150	-	760	910	0	750	160
1978-79**	160	-	800	960	0	825	135
1979-80**	135	-	850	985	0	850	135
CORN:							
1975-76	261	2,767	54	3,082	0	2,700	382
1976-77	382	2,843	160	3,385	0	2,970	415
1977-78*	415	2,930	105	3,450	0	3,100	350
1978-79**	350	3,100	150	3,600	0	3,250	350
1979-80**	350	3,300	175	3,825	0	3,400	425
COTTON:							
1975-76	3,157	199	35,105	38,461	0	33,461	5,000
1976-77	5,000	444	23,781	29,225	0	25,225	4,000
1977-78*	4,000	525	28,500	33,025	0	29,000	4,025
1978-79**	4,025	650	33,000	37,675	0	34,000	3,675
1979-80**	3,675	700	35,000	39,375	0	36,000	3,375
TOBACCO:							
1976	58,900	83,248	9,314	151,552	27,789	72,757	51,006
1977	51,006	77,547	10,462	139,015	25,680	72,761	40,574
1978*	40,574	72,050	11,000	123,624	23,670	67,026	32,928
1979**	32,928	85,000	10,500	128,428	22,000	72,000	34,428
1980**	34,428	87,000	12,000	133,428	20,000	73,000	40,428

* Forecast
** Projection

PL 480 TITLE II

1. Basic Needs Problem

As discussed in the strategy statement at the beginning of this ABS, the Philippines has a high rate of malnutrition, particularly among pre-school children, elementary school youth and pregnant or nursing mothers. The basic causes of this widespread problem, which seriously affects 30 percent of the nation's young, are low-income, ignorance of proper nutritional practices, and non-availability of essential nutrients in sufficient quantities. The most recent data available show that Filipinos are ingesting only about 75 percent of the average daily caloric requirement prescribed for them by the UN. This places them fifteenth out of the seventeen Asian countries listed, with only Indonesia and Bangladesh having more serious situations. Worldwide, the Philippines ranked 114th out of 128 countries measured in the FAO report.

2. Philippine Nutrition Strategy

The Philippine Government has designed and is effectively implementing a program with the national objective of eradicating malnutrition. The Philippine Nutrition Program (PNP), formulated in 1974, is the sum total of individual and collective efforts planned and organized to solve the malnutrition problem in the Philippines. The program being carried out in this country of the National Nutrition Council constitutes a priority commitment by the government. As a national integrated scheme to improve the overall status of the Filipino people, the PNP is now an integral part of the government's socio-economic development program. The accomplishments to date have resulted in the PNP becoming a model for similar programs in other developing countries.

The PNP in FY 1980 will be geared towards promotion and maintenance of health, nutrition, and economic productivity, the attainment of which intersects with government objectives in promoting health through maternal and child care, early childhood development and family planning, education, job opportunities, food and agricultural progress and a wide range of efforts to enhance socio-economic programs. As such, projects and implementation will give priority consideration to maintaining the momentum made in improving the nutritional status of the most vulnerable groups, particularly those in the low income bracket. High priority will also be given to providing the neediest with enriched or fortified domestic foods.

For the longer term supplementary feeding programs will continue to be supported with donated foods, but in declining volume as a result of increased local food inputs from targeted food production and other domestic assistance efforts. The Philippine Government is actively engaged in providing local food resources to supplement and also replace imported donated foods used in feeding programs. PL 480 Title II, however, will continue to contribute the highest share of donated foods to the Philippines.

3. Role of U.S. Voluntary Agencies

The Title II programs in the next two years will be conducted entirely by Catholic Relief Services (CRS) and the Cooperative for American Relief Everywhere Inc. (CARE). These two U.S. Voluntary Agencies have played major roles in the development and execution of the PNP. These agencies pioneered the Targeted Maternal Child Health (TMCH), School Feeding (SF) and Other Child Feeding (OCF) programs which have proven to be the most effective type programs to insure that food assistance can impact on the poor of this society. The USAID Mission considers the CRS and CARE FY 1980 program plans important elements in support of the PNP and therefore endorses both programs.

There are several elements of the Title II U.S. VolAg programs which should be highlighted:

a. In 1978 CARE received ISC approval to provide supplementary feeding for one million school children. The program plans for both FY 1979 and 1980 requested the approval level be adjusted upward to 2.25 million. If approved, the combination of resources from Title II (CARE and CRS), WFP, other donors plus local food inputs, would enable the GOP to extend feeding outreach to all school children identified as malnourished in this country who can be reached by feasible means, and whose families can be motivated to accept the necessary assistance.

b. In 1976 a pilot program with the Department of Health was undertaken to establish feeding centers in pediatric and malwards of hospitals, and also to re-introduced TMCH activities at the Rural Health Units. These programs encountered problems two years ago due to the lack of adequate GOP budgeting for internal transportation. Consequently, the programs were suspended until FY 1979 when they were again to be implemented. Assuming the necessary logistical support is provided for these programs in FY 1979, the budget year plan calls for expansion, especially in the TMCH categories.

c. Approximately 1,674 TMCH and mothercraft centers serving 600,000 beneficiaries are currently operated by CRS in the Philippines. Recent studies of some of the registered recipients of these centers revealed that:

(1) In the first survey conducted by the Asian Research Organization, after only three months of feeding children high fortified food, the number of third degree malnourished children decreased by 8.3%, while second degree dropped from 63.1% to 50.4%. The proportion of children with normal weights did not differ significantly.

(2) Another study conducted by the Department of Social Services and Development in 1977 revealed that after enrollment in the program for a period of twelve months, 45% of the recipients using the mothercraft approach improved their nutritional level, 43% did not change, and 12% decreased in nutritional status due to disease or other factors. A remarkable weight increase of 83% of children was shown during the first three months. In another sample of TMCHP recipients, of 499 children surveyed, 50.5% improved, 41.5% remained in their original nutrition status, and 8% moved to a lower health level.

(3) In effect, the TMCHP (whether implemented through the mothercraft approach or through modified mothercraft) has contributed significantly to the improvement of the nutritional status of those reached in the vulnerable age groups.

Over the years CARE and CRS have perfected and maintained very effective humanitarian feeding programs in conjunction with the nationwide Philippine Nutrition effort. This effectiveness permits a planned expansion, as in the case of CARE's School Feeding and Maternal Child Health programs, with assurances that positive nutritional results can be expected regarding additional recipients to be reached. We are also introducing a Title II component to two new integrated health, family planning, and nutrition projects, Panay Unified Services for Health, and Bicol Integrated Health. By design, recipients in all programs are of the poor majority with special effort made to improve conditions for the rural disadvantaged. Few other AID assistance efforts maintain such wide outreach on a persistent basis to the poorest Filipinos.

The US Title II assistance planned for FY 1980 is consistent with and complementary to the U.S. Congressional Mandate on uses of donated foods, as well as the USAID and GOP development programs. CARE and CRS adhere to and use identical, USAID approved guidelines in each of the programs listed below. These programs also align to the strategy contained in the new National Nutrition Outreach Project which is to continue to provide donated foods over the short term in order to permit additional time for municipalities and rural communities to muster food resources for augmentation and eventual replacement of Title II inputs.

4. Multiyear Programming

For the present the Mission believes that Title II resources should be programmed on a year to year basis rather than multiyear. In both FY 1977 and 1978 the GOP failed to allocate necessary funding to support its total obligations for inland handling, storage and transportation. This situation created a multitude of problems including at times commodity shortages, overages, cancellation of plans to expand the number of feeding centers, a cutback in outreach to needy recipients, higher than normal working stocks, termination of some established programming activities, etc. Fortunately, during this period of uncertainty CARE and CRS were able to minimize commodity losses due to the over-extension of shelf life, infestation or other spoilage. Under the circumstances and until such time as firm assurances can be obtained from the GOP that inland handling, storage, and transportation funds are routinely earmarked and reserved to meet obligations, the Title II Program should continue on a year to year basis.

5. PL 480 Programs

a. Targeted Maternal Child Health (TMCH)

The aim of this program remains unchanged since its beginning in 1974; that of channeling Title II food commodities to the most vulnerable malnourished groups (infants, pre-schoolers, pregnant and lactating mothers). CRS outreach has remained limited during FY 1978 when planned expansion was nullified due to the lack of additional GOP funds for inland transportation. CARE on the other hand has planned extending its outreach from about 40,000 recipients in FY 1977 to about 316,000 in FY 1980.

b. Targeted School Feeding Programs (TSF)

The proposed VolAg Title II school feeding programs of 2,425,000 recipients when combined with other donor programs and GOP inputs, should extend supplementary feeding outreach to all needy grade 1 through 4 school children in the Philippines during FY 1980.

CARE's proposed 2,225,000 recipients plus the 200,000 of CRS will provide over 60% of total school feeding needs. This program, monitored by the Department of Education and Culture (DEC), is now internationally recognized as a model for developing countries. DEC uses teachers in its school infrastructure to administer the program and who also provide instruction in good food habits, health, sanitation, and home food production. One of the more significant GOP food contributions for this program comes from the school gardens where vegetables, root-crops and other nutritious foods are produced by the students. CARE also is active in the building of School Nutrition Centers. Approximately 330 centers will be built throughout the country by FY 1980. The School Nutrition Centers (SNCs) serve as a kitchenette where students can receive training in the preparation of nutritious indigenous foods. This program is still in the pilot stage; however, it appears that nationwide expansion is possible following final evaluation in FY 1980.

c. Other Child Feeding Programs (OCF)

CARE and CRS expect to reach slightly over 32,000 malnourished children in institutions such as Orphanages, Kindergartens, Malnutrition Wards (Malwards), Pediatric Wards, etc. All of these recipients are representative of the most disadvantaged population groups of the Philippines.

d. Food for Work (FFW)

The Food for Work programs of CARE and CRS are to support about 36,250 recipients. The projects will be aimed at improving social and economic conditions in rural sectors by encouraging community self-help endeavors and by employing the unemployed and the under-employed. Emphasis will be placed on projects which directly expand food production, reforestation, or provide responses to local disaster relief and rehabilitation needs. In FY 1977 this program also had to be reduced substantially due to the lack of GOP inland transportation funds.

P.L. 480 TITLE II
FY 1980

Country Philippines

Sponsor's Name Catholic Relief Services (CRS)

A. MATERNAL AND CHILD HEALTH.....TOTAL RECIPIENTS 600,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
600,000	CSM	25,920	15,108
TOTAL MCH -		25,920	15,108

B. SCHOOL FEEDING.....TOTAL RECIPIENTS 200,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
200,000	SFF 12%	1,440	426
TOTAL SCHOOL FEEDING -		1,440	426

C. OTHER CHILD FEEDING.....TOTAL RECIPIENTS 18,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
18,000	CSM	583	336
18,000	Sorghum Grits	194	61
TOTAL OTHER CHILD FEEDING -		777	397

D. FOOD FOR WORK.....TOTAL RECIPIENTS 5,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
5,000	Bulgur Wheat	545	129
TOTAL OF FOOD FOR WORK -		545	129

E. OTHER.....TOTAL RECIPIENTS 30,500

ADULT FEEDING

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
2,000	CSM	65	37
2,000	Sorghum Grits	21	7
TOTAL ADULT FEEDING -		86	44

P.L. 480 TITLE II
FY 1980

Country Philippines

Sponsor's Name Catholic Relief Services (CRS)

E. OTHER (Continued)

SNACK PROGRAM

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
28,500	SF Sorghum Grits	210	158
TOTAL SNACK PROGRAM		210	158
TOTAL OTHER -		296	202

P.L. 480 TITLE II
FY 1980

Country Philippines

Sponsor's Name Cooperative for American Relief Everywhere, Inc. (CARE)

A. MATERNAL AND CHILD HEALTH.....TOTAL RECIPIENTS 316,360

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
316,360	Rolled Oats	3,451	1,455
316,360	NFDM	5,177	8,693
316,360	CSM	5,177	2,829
TOTAL MCH -		13,805	12,977

B. SCHOOL FEEDING.....TOTAL RECIPIENTS 2,225,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
2,225,000	SFF 12%	22,000	6,357
TOTAL SCHOOL FEEDING -		22,000	6,357

C. OTHER CHILD FEEDING..... TOTAL RECIPIENTS 14,250

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
14,250	Rolled Oats	155	65
14,250	NFDM	233	391
14,250	CSM	233	127
TOTAL OTHER CHILD FEEDING -		621	583

D. FOOD FOR WORK..... TOTAL RECIPIENTS 31,250

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
31,250	Bulgur Wheat	3,409	824
TOTAL OF FOOD FOR WORK -		3,409	824

SUMMARY OF PROPOSED PL-480 TITLE II PROGRAMS(PHILIPPINES)
(Fiscal Year 1980)

VolAg	Program Category	Recipient Level	PL-480 Title II Requirements (Type)	(Quantity/MT)	Estimated Dollar Value
CARE:-	(1) Targeted Maternal & Child Health(TMCHP)	316,360	- RO (Rolled Oats)	3,451	$ 1,455,215
			NFDM (Dry Milk)	5,177	8,693,533
			CSM(Corn Soy Milk)	5,177	2,828,344
	(2)School Feeding(SFP)	2,225,000	- SFF 12% (Soy Fort.) (Flour)	22,000	6,357,437
	(3)Other Child Feeding(OCFP)	14,250	- RO(Rolled Oats)	155	65,356
			NFDM(Dry Milk)	233	391,282
			CSM(Corn Soy Milk)	233	127,299
	(4) Food For Work(FFW)	31,250	- BW(Bulgur Wheat)	3,409	824,956
	Total....	2,586,860		39,835	$ 20,743,422
CRS:-	(1) Targeted Maternal & Child Healt (TMCHP)	600,000	- CSM(Corn Soy Milk)	25,920	$ 15,108,500
	(2) School Feeding(SFP)	200,000	-SFF 12% (Soy Fort.) (Flour)	1,440	425,800
	(3) Other Child Feeding(OCFP)	18,000	-CSM(Corn Soy Milk)	583.2	336,500
			SFSG(Soy Fort.Sorghum) (Grits)	194.4	61,400
	(4) Food For Work (FFW)	5,000	-BW(Bulgur Wheat)	545.3	128,900
	(5) Adult Feeding(AFP)	2,000	-CSM(Corn Soy Milk)	64.8	37,400
			-SFSG(Soy Fortified) (Sorghum Grits)	21.6	6,800
	(6)Extruded Snack (ESP)	28,500	-SFSG(Spy Fortified) (Sorghum Grits)	210	158,000
	Total...	853,500		28,979.3	$ 16,263,300
	Grand Total.....	3,440,360		68,814.3	$ 37,006,722

PL 480 TITLE III

FOOD FOR DEVELOPMENT

1. General Approach

The Mission is proposing that the entire amount of local currency generated by the sale of PL 480 Title I commodities be used under Title III exclusively to help finance basic human needs projects benefiting the poor. This approach will maximize the favorable impact of PL 480 on the Philippine balance of payments and debt service (see Title I narrative) by entirely eliminating the dollar liability toward the United States incurred by the Philippines under Title I. More significantly, since the local currency generations would be grant funds, the Philippine Government would be able and willing to use them to increase the concessionality of certain basic needs projects in ways favoring beneficiaries in proportion to the degree of their poverty and need.

The intent of this approach is to insure full conformance to the intent of Section 112 by assisting the Philippines to use the proceeds generated by the sale of the commodities described in the Title I narrative of this ABS exclusively for projects or programs which are directly responsive to the basic needs of poor Filipinos. Information demonstrating how and to what degree each activity proposed would respond to the basic needs of a qualified beneficiary group among the poor will be a prerequisite to approval. Provision for assessing the actual effectiveness of the proposed activity will also be a condition of approval.

2. Proposed Program

Food for Development generations will be used to provide local currency support to two classes of basic needs projects:

(1) Philippine Government activities included in the three major areas of assistance described in the strategy statement at the beginning of this ABS which are supported by current or proposed AID loans or grants;

(2) Activities in those same areas of assistance proposed by or involving the participation of other recognized development agencies including the United States Peace Corps, Private and Voluntary Agencies, and Philippine development agencies in the public and private sectors. Over the period 1978-1984, about 85% of Title III generations will be channeled to the AID loan and grant supported project, and 15% to the second category. Attachment 1 provides summary of activities proposed for Title III support.

a. AID Loan/Grant Supported Projects

(1) Fund for Local Government. About two-thirds of the Title III generations programmed through FY 1984 will be obligated for the Fund for Local Government development project described in the ABS. The Title III grant funds will serve to increase the concessionality of the terms under which local governments and cooperatives can borrow from the Fund to finance projects to meet basic human needs. By mixing Title III grant pesos with Philippine Government inputs, and AID loan funds, the average rate of interest the Fund must charge to maintain itself will be substantially reduced. This reduction will be used entirely in favor of projects benefiting the poorer people; in other words, terms will be most favorable for the projects benefiting the poorest groups in the poorest communities.

Development agents requesting loans to finance basic needs projects in the approved categories will be required to include in their proposals:

- an identification of the poor people to be assisted;
- the particular problem of the poor to be addressed by the project;
- the nature and extent of the particular benefits which are expected to accrue to the poor;
- the time frame in which the benefits may be reasonably expected;
- a provision for evaluation of the project to ascertain the degree to which the expected benefits have actually accrued to the intended beneficiaries;
- a project logical framework detailing the inputs, outputs, purpose and goal of the project, the objectively verifiable indicators for each achievement for each year of the project; the means available for verifying achievement; and the important assumptions upon which the scheduled achievement depends. An accompanying narrative will explain the causal linkages;
- a description of the relationship, if any, between the proposed activity and other planned, ongoing or completed development projects of Philippine Government agencies, foreign donors or the private sector.

Title III generations obligated for the Fund for Local Government will be utilized to finance projects in high priority basic needs categories including rural roads, local water, small scale irrigation, rural schools, community health, small scale fish production, and other areas which will be specified in the Fund for Local Government project paper. The levels shown on Attachment I will be designated for each activity, with limited provision being made for transferring resources from one category to another.

Qualified development agents including cooperatives and local water districts submitting proposals meeting the general requirements outlined above for use of Title III will be given terms based on the relative poverty of the beneficiaries, and their own financial situation. It is projected that this will permit and encourage many communities which cannot afford at present to finance such projects, and which might not even be able to meet the terms the Fund would have to set without the addition of Title III pesos to undertake basic needs projects for their poor.

The full details of how Title III funds will be managed and allocated through the Fund, the basis for setting terms, and other details will be developed in the context of the Fund for Local Government Development project documentation.

(2) Population - Title III generations will be used to help finance local costs of the Outreach program, particularly local salaries of fulltime outreach workers, their travel and other costs related to establishment and support of the Barangay Supply Points. Title III support will increase and AID grant funds decrease sharply following the planned final obligation in FY 1980, following which dollar grant funds will be used only to meet foreign exchange requirements other than for contraceptives, which will continue to be loan funded. Title III funds used in this way can make a substantial contribution toward helping the Philippines meet the Asia Bureau regional target of zero population growth by the end of the century. A total of $20 million equivalent in Title III pesos is projected for support to the national population project through 1984.

(3) Nutrition - Title III pesos will be used to help finance local costs of the National Nutrition Outreach effort to reach, cure, and prevent recurrence of malnutrition among children under twelve and pregnant and lactating mothers. An amount equivalent to $7.75 million is programmed for the period 1979-84. Similar assistance is being provided in FY 1978 from a PL 480 Title II Section 206 Grant which authorized the sale of 10,000 tons of non-fat dry milk in the Philippines. These funds will help local communities to develop an effective response to their nutrition problems. Details will be provided in the National Nutrition Outreach project documentation.

(4) Reforestation/Dendro-Energy. Title III will be provided through the Agro-reforestation project to finance local costs involved in employing swidden-farmers (kaingineros) and other landless rural poor families to reestablish forest tracts, the products of which will be used by the Nonconventional Energy project to support experimentation and production of dendro-energy. Details will be included in the documentation for Agro-reforestation and Nonconventional Energy projects.

b. Projects of Other Development Agents

(1) United States Peace Corps - A special Title III fund will be established to provide local currency support to Philippine development projects involving U.S. Peace Corps volunteers, which are designed to meet basic needs of the poor. Project proposals will be required to follow the same human needs/beneficiaries format described above for the Fund for Local Government Development Title III proposals. In addition, the proposals must involve the participation of a Peace Corps volunteer in their implementation and evaluation. Projects may be proposed for grant or loan funding as appropriate. Proposals will be reviewed by a committee empowered to accept or reject, set terms and conditions for grants or loans, and release funds to initiate or continue an approved activity based on actual implementation experience and evaluation results. The committee membership will be determined jointly by the Government of the Philippines, the Peace Corps, and AID.

If the proposed Title III program is approved, this Fund will be established in 1979, as soon as peso generations from the sale of FY 1978 commodities become available. Initial funding will be equivalent to $300,000, with support increasing annually based on performance up to $2 million in 1984.

(2) Private and Voluntary Agencies - A special Title III fund will be established to provide local currency support to projects of United States private and voluntary agencies, which are designed to answer the basic needs of the Philippine poor. Project proposals will be required to follow the prescribed Title III format already described for the other funds. Projects may be proposed for grant funding either in conjunction with an AID centrally funded operational program grant, or combined with other resources from outside AID. Proposals will be reviewed by an executive committee established jointly by AID and the National Economic and Development Authority (NEDA) with powers similar to that described for the Peace Corps related fund. There will also be an advisory committee composed of representatives of private and voluntary agencies eligible to participate in the fund.

If the proposed Title III program is approved, this fund will also be established in 1979 when sales proceeds from the sale of FY 1978 commodities become available. Initial funding will be equivalent to $500,000, with annual allocations increasing based on performance up to $2 million by FY 1984.

(3) Small Basic Needs Projects - Experience has shown that many essential needs of the poor can be met with very small amounts of money if funds are available for immediate reaction. Small communities in remote areas often have essential needs that escape notice because they are too small or too distant to be picked up by planners. Lying across one of the world's disaster belts, violent downpours, winds, and even earth tremors too localized to be called national disasters frequently cause intense hardship to a few poor families. In other cases, erosion of long usage may cause some vital feature of life in a small impoverished community to give out unexpectedly when no means of relief are available. While these occurrences may not be considered individually significant by national or international standards, they are often vital to those affected, and occur with sufficient frequency to warrant consideration by those concerned with the plight of the poor.

To meet these and other requirements for assistance too small to be handled efficiently by the Fund for Local Government, too numerous to be taken care of by private agencies, or too difficult to foresee to be covered by conventional national development plans, we propose with NEDA to establish a fund for small basic needs projects. The same demonstration of basic needs assistance of the poor would be established as for the other special funds described above. Proposals for grant funding for small, high priority, immediate impact projects requiring less than the equivalent of $25,000 would be submitted to a committee for review, approval and immediate release of funds. The composition of the committee will be determined jointly by AID and NEDA, who will also oversee the committee and conduct periodic joint evaluations of its activities and their results.

If the proposed Title III program is approved, the fund will be established in 1979, as soon as local currency generations from the sale of FY 1978 commodities become available. Initial funding will be equivalent to $2 million, increasing to $3 million in 1979 and subsequent years.

ATTACHMENT 1

PL 480 TITLE III
PROJECTED REQUIREMENTS FY 1978-1984
($000)

		1978	1979	1980	1981	1982	1983	1984
I.	Fund for Local Government	24,700	20,000	20,000	20,000	20,000	20,000	20,000
	A. Rural Roads	(6,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
	B. Local Water Systems	(6,000)	(4,000)	(4,000)	(3,500)	(3,500)	(3,500)	(3,500)
	C. Small Scale Irrigation	(6,000)	(4,000)	(4,000)	(3,500)	(3,500)	(3,500)	(3,500)
	D. Rural Schools	(1,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
	E. Community Health	(700)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
	F. Small Scale Fish Prod.	(1,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
	G. Other	(4,000)	(3,000)	(3,000)	(4,000)	(4,000)	(4,000)	(4,000)
II.	Population	1,500	1,500	2,500	3,250	3,500	3,750	4,000
III.	Nutrition	-	1,000	1,000	1,250	1,500	1,500	1,500
IV.	Small Scale BHN Project	2,000	3,000	3,000	3,000	3,000	3,000	3,000
V.	Reforestation/Dendro-Energy	1,000	1,500	1,500	1,500	1,500	1,500	1,500
VI.	PVO/OPG Projects	500	800	1,000	1,250	1,500	1,750	2,000
VII.	PCV Supported Projects	300	400	400	750	1,000	1,500	2,000
	T O T A L	30,000	25,700	29,400	31,000	32,000	33,000	34,000

Table 1

Program Analysis for the Oral and Condom Supplies Needed to Achieve Full Availability

	1977	1978	1979	1980	1981	1982
A. "Full Supply" Analysis						
1. Married Couples of reproductive age 1/	5,436,520	5,603,494	5,775,596	5,952,984	6,135,341	6,322,698
2. 65% of line A 1. (Contracepting couples required to achieve replacement fertility)	3,533,738	3,642,271	3,754,137	3,869,440	3,987,972	4,109,754
3. 50% of line A. 1. (Contracepting couples utilizing orals and condoms)	2,718,260	2,801,747	2,887,798	2,976,492	3,067,670	3,161,349
4. Annual stock requirements for "full availability"						
a. Orals - 1/2 of line A 3. x 13 monthly cycles	17,668,690	18,211,355	18,770,687	19,347,198	19,939,855	20,548,768
b. Condoms - 1/2 of line A 3. x 100 units	135,913,000	140,087,350	144,389,900	148,824,600	153,383,500	158,067,450
B. Annual New Supply from Non-AID Bilateral Sources						
1. Private Commercial Sector						
a. Orals	600,000	600,000	600,000	600,000	600,000	600,000
b. Condoms	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000
2. Other Donors						
a. Orals	2/					
b. Condoms	27,950,688	3/	3/			
3. Host Country Government Procurement						
a. Orals						
b. Condoms						
4. Total In-Country Stock						
a. Orals	600,000	600,000	600,000	600,000	600,000	600,000
b. Condoms	31,650,688	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000

1/ J. Laing, UPPI
2/ See Section D1 for orals contributed through FPOP.
3/ See Section D2 for condoms contributed through FPIA.

	1977	1978	1979	1980	1981	1982
C. Gap to be filled to Achieve "Full Availability"						
1. Orals (line A 4a less line B4a)	17,068,690	17,611,355	18,170,687	18,747,198	19,339,855	19,948,768
2. Condoms (line A4b less line B4b)	104,262,312	136,387,350	140,689,900	145,124,600	149,683,500	154,367,450
D. AID Bilateral Supply Objectives						
1. Orals	1,317,000[1/]	12,100,000	1,083,000	13,038,000	13,665,000	13,224,000
2. Condoms	28,800,000[2/]	25,000,000[2/]	26,900,080	48,847,392	53,743,968	56,734,704
E. Total New Supply						
1. Orals (line B4a plus line D1)	1,917,000	12,700,000	1,683,000	13,638,000	14,265,000	13,824,000
2. Condoms (line B4b plus line D2)	60,450,688	28,700,000	30,600,080	52,547,392	57,443,968	60,434,704
F. Remaining Supply Gap						
1. Orals (line A4a less line E1	15,751,690	5,511,355	17,087,687	5,709,198	5,674,855	6,724,768
2. Condoms (line A4b less line E2)	75,462,312	111,387,350	113,789,820	96,277,208	95,939,532	97,632,746
G. People Gap						
1. Orals (line F1 divided by 13)	1,211,668	423,950	1,314,437	439,169	436,527	517,290
2. Condoms (line F2 divided by 100)	754,623	1,113,873	1,137,898	962,772	959,395	976,327
3. TOTAL (line G1 plus line G2)	1,966,291	1,537,823	2,452,335	1,401,941	1,395,922	1,493,617

1/ Contributed through FPOP.
2/ 25 million per year contributed through FPIA in 1978 and 1979.

General Note: See also Tables I-VI of draft PP Revision 1, which was forwarded to AID/W, April 24, 1978, for added details on beginning inventory, projected in-country stock levels, and funding/procurement timetables under alternative method-mix assumptions. The PP tables were discussed with the Chief of the AID/W P/FP Commodity Branch on his visit to Manila in early April 1978. The following caveats apply:

a) Pipeline data assume continued validity of FPIA's 1977 pledge of 25 million condoms (balance) to the GOP;
b) The GOP will have full latitude in ordering (or not ordering) loan contraceptives; procurement on GOP behalf should be based upon formal GOP request only;
c) GOP reaction to PP Rev. 1 analytical tables will probably not be revealed until the GOP is prepared to discuss the underlying loan package.

Table 2
AID Bilateral Logistic and Financial Analysis of Orals
(Thousand MC)

A. AID Inventory Analysis	Calendar Year				
	1978	1979	1980	1981	1982
1. Beginning of year stock	18,055	23,055	15,440	18,185	19,727
2. Add: Scheduled deliveries	12,100	1,083	13,038	13,665	13,224
3. Less: Expected Use	(7,100)	(8,698)	(10,293)	(12,123)	(13,151)
4. End of Year Stock	23,055	15,440	18,185	19,727	19,800

To Be Completed by AID/Washington

B. Financial Analysis (FY 79)

1. CY 1980 deliveries (Line A 2 above)

2. Estimated cost per unit in FY of purchase

3. Estimated total cost for FY 79 (to be determined by AID/W)

C. Financial Analysis (FY 80)

1. CY 1981 deliveries (Line A 2 above)

2. Estimated cost per unit in FY of purchase (To be determined by AID/W)

3. Estimated total cost for FY 1980 (To be determined by AID/W)

Assumption: 40% of all contraceptors on orals by end of project.
(Middle oral estimate of draft PP Rev. 1 tables.)

Table 3
AID Bilateral Logistic and Financial Analysis of Condoms
(Thousand pieces)

A. AID Inventory Analysis	Calendar Year				
	1978	1979	1980	1981	1982
1. Beginning of year stock	85,977	84,047	76,755	83,931	91,046
2. Add: Scheduled deliveries	25,000[1/]	26,900[1/]	48,847	53,744	56,735
3. Less: Expected Use	(26,930)	(34,192)	(41,671)	(46,629)	(50,582)
4. End of year stock	84,047	76,755	83,931	91,046	97,199

[1/] Includes 25 million pieces contributed through FPIA in 1978 and a second 25 million through FPIA in 1979.

To Be Completed by AID/Washington

B. Financial Analysis (FY 79)

1. CY 1980 deliveries (Line A 2 above)

2. Estimated cost per unit in FY of purchase

3. Estimated total cost for FY 79
(to be determined by AID/W)

C. Financial Analysis (FY 80)

1. CY 1981 deli v eries (Line A2 above)

2. Estimated cost per unit in FY of purchase
(to be determined by AID/W)

3. Estimated total cost for FY 1980
(to be determined by AID/W)

Assumption: 20% of all acceptors on condoms by end of project. (High condom estimate of draft PP Rev. 1 tables.)
Conversion factor: 1 gross = .144 thousand pieces.

AREAS APPROPRIATE FOR CENTRALLY-FUNDED RESEARCH AND DEVELOPMENT

The Mission has not identified any research and development efforts appropriate for central funding which could be operationalized in the near-term to serve the Mission's Country Development Strategy. The existing portfolio of thirty-one R & D activities is quite extensive and varied offering ample opportunity for the present to research problems relevant to Philippine and other country development priorities.

REGIONAL/INTERREGIONAL PROJECTS

High Relevance[1]	Moderate Relevance[1]	Low Relevance[1]
FOOD AND NUTRITION (Section 103)	1. Crop Production and Land Capabilities of a Network of Tropical Soil Families (Benchmark Soils)	1. Multipurpose Household Surveys
1. Agriculture Diversification and Marketing (Project ADAM)	2. Solar Kilns (Feasibility of Using Solar Energy for Drying Lumber in Developing Countries)	2. Research on Integrated Crop Protection Systems with Emphasis on Root-Knot Nematodes
2. Control of Vertebrate Pests	3. Cooperative Post-Harvest Research and Development Program in Southeast Asia	3. Maximizing Symbiotic Fixation of Nitrogen by Grain and Forage Legumes in the Tropics (NIFTAL)
3. Determinants of Irrigation Problems	4. Research in the Artificial Propagation of Milkfish	4. Mineral Research
4. International Rice Research Institute	5. Industrial Extension of Small Scale Agricultural Equipment Developed at IRRI	
5. International Center for Corn and Wheat Improvement	6. Asian Vegetables Research & Development Center	
6. Weed Control Systems for Representative Farms in Developing Countries	7. International Center for Aquaculture	
7. Small Farmer Credit	8. Methodology of Assessing Rural Development Projects	
	9. International Soybean Program	
	10. International Potato Center	
	11. Increasing Livestock Production Through Improved Nutrition Information	
	12.. Rural Electrification Center	

[1]Indicates extent of relevance of Regional/Interregional Projects to USAID/Philippines Program.

High Relevance	Moderate Relevance	Low Relevance
FOOD AND NUTRITION (Section 103)	13. Alternative Rural Development Strategies 14. Urban Functions in Rural Development	
POPULATION AND HEALTH (Section 104)	1. Food and Nutrition Technical Services	1. Regional Malaria Control 2. New Mass Media Approaches 3. Vitamin A Delivery System
EDUCATION AND HUMAN RESOURCES DEVELOPMENT (Section 105) Southeast Asian Ministers of Education Organization (SEAMEO) Regional Center for Education Innovation and Technology (INNOTECH)		

FY 1980 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 4 international and 40 national employees to plan and monitor PL 480 Title II commodity inputs. CARE's office is located at 1010 A. Mabini, Manila. Mr. Jerry S. Lewis is Director of CARE in the Philippines, and resident at 53 Mercedes St., Bel Air Village, Makati.

The Director is supported by the following international and national personnel.

International Personnel - 3 staffmembers

2 Assistant Directors
1 Field Representative

National Personnel - 40 staffmembers

1 Administrator
2 Nutritionists
1 Warehouseman
15 Field Officers
7 Accounting-Administration
14 Support staff

B. Area, Scope and Condition of Operations

1. Categories of Beneficiaries

a. Maternal Child Health (MCH)

The MCH programs supported by CARE with Title II commodities are in cooperation with the Department of Health (DOH) and the Department of Social Services and Development (DSSD).

(1) DOH Targetted Food Assistance (TFA)/MCH Programs

There are 1.3 million 2nd and 3rd degree malnourished pre-school children in the Philippines. This program addresses itself to the problem of improving the nutritional and health status of these children. The TFA program is comprised of four sub-programs.

(a) Malwards (Pediatric Malnourished Wards)

Malwards, with an average of 10,625 recipients, are wards established in hospitals for treating and rehabilitating severely malnourished pre-school children. While children are in the hospital, they receive food, intensive medical care and treatment. The parents of the children 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 enrollment in the RHU-based TFA/MCH program.

(b) Pediatrics - Third and second degree malnourished pre-school children confined to pediatric wards for whatever reason are provided a one-month take-home ration upon discharge from the hospital and are referred to the Rural Health Units for enrollment in the RHU-based MCH Nutrition Program. The FY 80 target is an average of 7,250 recipients.

(c) OB - Mothers admitted in the OB wards who are malnourished are provided a one-month supplementary ration upon discharge from the hospital and are referred to the nearest RHU so that they and any third and second degree malnourished pre-school children in the family may be enrolled in the RHU-based MCH Nutrition Program. CARE projects 6,360 average recipients in FY 80.

(d) RHU - The RHU program is built around the MCH concept. Malnourished expectant and nursing mothers of the third and second degree malnourished pre-school children enrolled in the RHU-based program are the recipients. CARE expects to reach an average of 250,000 recipients in FY 80. Mothers and eligible children must visit the RHU at least once a month and participate in mothercraft classes and well-baby clinics. The children are weighed monthly to determine nutritional progress. If the child does not show significant improvement in nutritional status over a six-month period, his/her enrollment is terminated, the assumption being that the mother does not have the necessary interest to justify the child's continuing enrollment. The maximum period of time that a child can participate in the program is two years 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.

(2) DSSD TMCH Program - This is another MCH program designed to improve the nutritional status of targeted 3rd and 2nd degree pre-school children and malnourished pregnant and nursing mothers. Unlike the TFA program, this program is not run through medical centers. Under the guidance of the

National Nutrition Council local Nutrition Committees, whose members come from local government, national government's local agencies and non-government organizations, are being established throughout the Philippines. CARE is making efforts to bring all the TMCH centers under the umbrella of the local Nutrition Committees as we feel this is important to achieve the total integration of nutrition and health services envisioned under the Philippine Nutrition Program by the NNC. CARE expects to reach an average of 60,000 recipients in FY 80.

Nutrition centers are established by the local Nutrition Committees. Government agencies which are members of the Nutrition Committees have nutritionists on their staff and they are assigned to regularly visit the nutrition centers, which are under the day-to-day care of volunteer workers, to give nutrition and health education to the mothers participating in the program and to guide the volunteer workers in their day-to-day activities.

CARE supports the MCH Programs with materials and equipment. In FY 79 and FY 80 CARE will purchase T-bar scales through the Nutrition Council of the Philippines that are suitable for weighing infants, pre-school and school children and will distribute these to selected centers throughout the Philippines.

b. Food for Work (FFW)

The FFW program addresses itself to the problem of low food production and poor infrastructure development. The cooperating department is the Department of Social Services and Development (DSSD).

Local communities determine their own needs and submit project proposals, which are recommended by the local DSSD office to CARE. CARE Field Officers visit proposed project sites before final approval is given by CARE.

This project supports water resource development, watershed, other food production oriented activities, feeder roads and footbridges on a first priority basis. Infrastructure development projects such as clinics, centers and resettlement housing, also receive support.

CARE plans to reach an average of 31,250 recipients in FY 80 for 365 days a year.

In the Food For Work program it is difficult to predict or determine the recipient levels because projects are based on mandays of work required to complete projects rather than number of laborers. Therefore, in monitoring the commodity offtake of Food For Work projects, our major concern is mandays of work compared to project targets rather than numbers of recipients.

CARE supports the FFW program with materials and equipment. During FY 79 and in FY 80 CARE will provide basic hand tools, e.g., picks, axes, shovels, rakes, wheelbarrows, etc., to selected project sites.

c. School Feeding Program

This program is supported by CARE in cooperation with the Department of Education and Culture (DEC). The target recipients are undernourished and malnourished school children in grades I-IV. CARE plans on providing supplementary food for 2,225,000 recipients in FY 80.

The real nutritional payoff of the School Feeding Program comes in terms of behavioral and mental development. The short-term effects of a calorie-protein supplement on hungry school children are well documented through research studies in many countries. From an educationist's point of view, the increased attention span and ability to absorb and retain what is taught are far more significant than height and weight growth. In a developing country, the development of human resources through education is one of the key components of change.

With the changing Title II priorities, AID did not accept the FY 76 to 80, 5-year CARE/DEC plan for 3,600,000 school recipients. CARE however requests that all due consideration be given the DEC for the maximum support possible. 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. Additionally, medical and dental services are provided through departmental medical and dental personnel and the nutritional status of children is regularly monitored through weight for age charts by the teachers. It is unlikely that funds or food resources will be available in the immediate future to completely phase over the Title II program to the DEC, the DEC still requires Title II support for its integrated services school feeding program and a program with the attributes mentioned above and below deserves maximum Title II support.

Some of the steps being taken to facilitate the phase over from Title II to local resources are:

(1) School Garden Program - Every school that has garden space plants vegetables, rice and/or corn and fruit trees in the garden, the produce of which is used to support the supplementary feeding program at the school.

The CARE nutribun provides 250 calories or 5 nutribuns per week provides 1,250 calories. The nutribun is supplemented with school garden produce every day at 50 calories per serving. However, many schools serve 300 calorie nutribuns for 4 days and a 250 calorie garden produce meal on the 5th day.

The School Garden program is a giant step forward on the road to self sufficiency but due to limited garden space it cannot completely replace Title II commodities.

(2) School Nutrition Centers (SNCs) - SNCs are buildings measuring 18' x 11' which serve as kitchenettes. They are being constructed on the school grounds on a partnership basis by local communities with support by CARE and local government. CARE contributes up to $600 for each center for materials; each Provincial Government matches CARE's contribution and each community contributes approximately $2,000 in the form of free labor.

To date 275 SNCs have been constructed and 13 more are to be completed by the end of FY 79. Fifty SNCs are scheduled for construction in FY 80.

The concept in constructing SNCs is for the SNCs to serve as a basic infrastructure through which a self-supporting nutrition program using indigenous foods will develop.

The SNC serves as a building in which supplemental indigenous foods can be prepared and served to the children. The program is intended to reach primary school children who are not able to either go home for lunch or bring a nutritious lunch from home. The children normally only bring rice from home to eat for lunch. Through the SNCs, school garden produce and locally purchased or donated produce can be prepared and served to the children along with their rice thus providing a nutritious meal. The center serves as a catalyst in expanding the school garden both production wise and variety wise; with priority being given to the production of vegetables with high nutritional value. Involvement of local communities is expected to increase through use of the SNCs as a meeting center for nutrition education purposes and by having the mothers of the school children prepare the indigenous food on a rotating basis for the School Feeding Program.

(3) School Seed Banks - The CARE School Seed Bank program consists of provision of materials and equipment to selected agricultural schools in cooperation with the DEC and the Green Revolution. This material and equipment is intended to increase the production of good seeds at the agricultural schools for distribution to and use in the School Garden Program. The produce from these gardens will be used in local school nutrition programs.

CARE presently supports 15 agricultural schools with materials and equipment and these agricultural schools in turn serve 300 elementary schools with seeds. Further, this CARE project is integrated with a broader AID-assisted project with the same objectives.

Other projects funded by CARE which support the School Feeding Program are:

(a) The Distance Study System - The Distance Study System is an innovative system of continuing education supported by CARE and USAID which utilizes the radio, television, and print media to disseminate programmed information on a national scale. It was instituted by the DEC to provide a graduate level correspondence course in nutrition for teachers in remote areas who do not have access to universities. The teachers are the direct target group of the course but the ultimate beneficiaries are the school children and community members who will be instructed in good nutrition practices by the teachers.

(b) School Health Guardians - The School Health Program and Services Unit of the Department of Education and Culture has prime responsibility for the promotion, protection and maintenance of the health of school children. To attain this goal, the program includes such activities as Basic Health Services, School Feeding, Gardening, Deworming, Alay Tanim (Tree Growing) and Health, Nutrition and Environmental Education. This new project being undertaken by the DEC's School Health Program and Services Unit and CARE is: The Training of Primary School Teachers as Health Gardians.

The primary school teachers are expected to develop competencies in (1) integrating health and nutrition concepts and environmental education into the regular course requirements and classroom activities in the primary curriculum; (2) undertaking height/weight surveys of pupils and using the data as a basis for determining their nutritional status; (3) planning, implementing and evaluating school feeding programs as a means of minimizing/overcoming specific health and/or malnutrition problems; (4) identifying common ailments, treating externally simple cases and/or referring serious cases to professional health workers; (5) utilizing medical herbs and/or plants that have already been tested, tried and found safe for common ailments; (6) preventing, controlling and treating common communicable diseases; (7) taking safety measures and giving first aid treatment in cases of accidents and/or emergencies.

This project is a pilot project that will be implemented in four divisions in four out of the 12 Regions in the country. Based on a successful evaluation, funding will be sought from other than CARE resources to implement the project for all the primary teachers in the Philippines.

(c) Nutrinfo Game. CARE has made available a nutrition game for 50 players which is played similarly to Bingo. The play consists of completing a row of foods, one from each food group.

2. Program Objectives and Indicators

a. MCH - The overall objectives and purpose of this program is to improve the nutritional and health status of the second and third degree malnourished pre-school children; malnourished pregnant and nursing mothers; and malnourished mothers of pre-school children enrolled in the program.

The indicator that will be used to measure progress is the increase in weight-for-age as determined from monthly weighings which are plotted on growth charts for each child.

b. Food For Work- The indicators that will be used to measure progress in the FFW program will be determined on a project-by-project basis since the activities in the projects vary from one area to another.

c. School Feeding Program - The overall objective of this program is the improvement in the nutritional status of malnourished school children in Grades I through IV. Progress towards the achievement of this objective will be the measurement of weight-for-age gains in the individual growth charts maintained by the school teachers for each child.

3. Geographic Areas

All the above programs will be implemented throughout the Philippines.

4. Food Distribution at Project Level

a. MCH - 3 pounds of NFDM, 3 pounds of CSM, and 2 pounds of Rolled Oats will be distributed to each recipient each month. The food is distributed to each recipient each month on a take-home basis, but the nutritional impact of the food is insured through monthly weighings of the recipients. There are two exceptions to this. In the Malward program the recipients are provided food during the period of confinement in the hospital when they are referred to a RHU for follow-up enrollment in the MCH program. The second exception is in the DSSD TMCH program where children enrolled in a center are provided 1 - 3 month feeding at the center, after which the child is shifted to a take-home distribution.

b. Food For Work - The Food For Work recipients receive 5 pounds of Bulgur Wheat for each man/day of work. The food is normally distributed every week to two weeks based on mandays of work accomplished.

c. School Feeding Program - Each 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.

5. Participation by Counterpart Departments

The procedural basis for each of the programs which CARE supports is a contract signed with each of the counterpart departments. Prior to establishing a program, the counterpart department acknowledges the terms of this contract which outlines the mode of operation for the Title II programs. The contract contains the following points:

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

The beneficiaries are identified through community age-for-weight measurements. The collection of this data is known as Operation Timbang (Weighing). Through Operation Timbang the second and third degree malnourished children are identified and listed. Since all the children participating in either of the MCH programs are included in the Operation Timbang list, it is possible to avoid duplication of distribution by insuring that the children selected from the list for program participation are not selected for more than one program. This will be done by harnessing the efforts of the local barangay nutrition committee in each program site.

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

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 cell in its office which is responsible

for receiving, handling, and accounting of all shipments.

1. Records - A separate and complete file is maintained for each shipment. In addition, CARE maintains a complete set of records to properly account 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 stipulates the procedures to be followed and coupled with an experienced international and national staff, CARE is capable of handling the quantum of aid requested for the coming fiscal year.

3. Internal Reviews - Internal reviews are to be conducted semi-annually but CARE hopes that this can be accomplished annually.

   In order to tighten program control, the following steps are being taken:

   a. Monthly Field Officers' training courses to upgrade skills and to keep personnel cognizant of program goals and targets.

   b. Port personnel training courses, to upgrade skills and to keep personnel cognizant of requirements and procedures.

   c. Inventory personnel training courses to upgrade skills and to keep personnel cognizant of requirements and techniques of inventory control and monitoring.

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 agent, Transport Contractors, Inc. (TRANSCON). Duty free entry of food shipments presents no problem and is in line with the terms of the contracts that CARE has with the counterpart departments. Cargo surveys are conducted by agents appointed by the steamship company as well as by CARE's independent surveyor, Henry Hunter Bayne Adjustment Company. Both ex-tackle and ex-lighter surveys are conducted by CARE.

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 commodities requested.

Available to the voluntary agencies by Transcon in Manila are facilities composed of 14 warehouses of 58,803 cubic meters with a capacity of 51,500 metric tons. Also, adequate pallets are available and used, ventilation good, stacking done and maintained properly, and fogging and spraying is done weekly.

Storage at the points of end use, i.e., schools, bakeries, TMCH centers, etc., is found to be adequate in spaces, ventilation, stacking, etc. Storage areas are either of cement or wooden flooring and dirt floors have not been encountered by any of our field officers during their visitations.

Normally, 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 at either the place where the food is prepared, or the house or building of a responsible person or agency. It is not felt that the storage facilities which exist at the end-use point are always adequate for prolonged storage, but at the same time it is recognized that buildings in which the commodities are stored are the best available given the present conditions of finance and mode of operations. There is one exception to the above: 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. Generally, storage conditions are satisfactory at these bakeries for short-term storage of the commodity.

2. Inland Transportation

Inland transportation on Luzon island consist of truck movement from the clearing and forwarding agent's warehouse directly to end-use point. In some cases, the commodity is dispatched to a central end-use point from which it is taken delivery of by another end-use point in the immediate vicinity. In such cases, the commodity moves from the central end-use point to the others by a variety of methods, e.g., jeep, bus, headload, cycle and boat. In the School Feeding Program, the commodity is often dispatched 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.

The main problem faced with inland transportation is that the Philippines, being a nation of over 7,000 islands, depends heavily on inter-island sea-going vessels to distribute Title II commodities. This creates two main problems, the first being that commodity distribution on inter-island vessels is very time-consuming and heavily dependent on shipping schedules and cargo space on the vessels. The second problem is that marine losses are relatively high compared to other forms of transportation and it is legally very difficult to pursue claims against ocean vessels.

3. Control of Food

The counterpart departments accept all responsibility 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 - Repackaging

Blending and processing of Title II commodities is carried out only in the School Feeding Program. At either commercial or school bakeries 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 departments 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, or distributing the food at Food For Work sites, be borne by the counterpart departments.

   Section II shows the financial support of the counterpart departments for the nutrition programs.

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. Soy Fortified Bulgur - Soy Fortified Bulgur is the commodity used

in Food For Work. It is acceptable in the form in which it is received.

b. Soy Fortified Rice - CARE has requested 5,000 pounds of Soy Fortified Rice for testing purposes. If the commodity is found acceptable, we propose to program it along with or in lieu of Bulgur Wheat in the Food For Work program.

c. Wheat Protein Concentrate/Soya - CARE has requested 5,000 pounds of Wheat Protein Concentrate/Soya for testing in the MCH program. If the tests are successful we expect to request a substitution in the FY 79 for more of this commodity.

d. Corn Soya Milk - CSM is used in both the TMCH and TFA programs. Its acceptability is good.

e. Rolled Oats - Rolled Oats are used in both the TFA and TMCH programs. Its acceptability is good.

f. NFDM - NFDM is an accepted commodity.

g. Soy Fortified Flour - Soy Fortified Flour is 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 importation and use of PL 480 commodities will not result in a disincentive to domestic production as wheat is not produced in the Philippines, nor are blended foods such as CSM - milk is produced only in small quantities.

II. INDIGENOUS INPUT TO THE PROGRAM

A total of $16,549,703 in terms of financial, human resources and commodities shall be contributed by the GOP and private individuals/agencies to the program. A breakdown of these inputs by program is shown below.

A. School Feeding

The cost of PL 480 inland freight and warehousing to the GOP for a volume of approximately 48,000,000 lbs. will amount to 1,089,729. Implementing

the program of feeding 2,225,000 school children in about 11,125 schools are 55,625 school teachers administered by the entire government school machinery of Regional Directors, Nutrition Supervisors, and principals at an administrative costs, based on allocated time, at $2,485,075. The cost to provide school children with a 250-300 calorie indigenous food coming either from school gardens or provided by the community at least once a week amounts to $1,393,876. Parent contribution for the nutribun program is $4,961,148.

The total counterpart cost involved in the FY 1979 School Feeding program amounts to $9,929,828.

B. Targetted Food Assistance

The cost of inland freight and warehousing of PL 480 II commodity to the GOP for this program amounts to $336,149. The feeding centers for the program consist of 1,000 Rural Health Units and 120 hospitals. Implementing the program will be 1,120 doctors, 2,000 midwives, and 1,360 nurses administered by the whole machinery of the GOP's Department of Health at a manpower cost of about $1,024,857. The cost of indigenous foods subsidy from the GOP in terms of food condiments/supplements supplying about 75 calories per recipient per day amounts to $267,175. The total approximate counterpart cost of the program amounts to $1,628,181.

C. T M C H

The program will consist of 800 feeding centers manned by 3,200 volunteer workers. The cost of inland freight and warehousing to the GOP amounts to $87,178, the community contribution in terms of supplementary food condiments and maintenance cost amounts to $59,615 while voluntary workers labor cost is equivalent to $1,578,378 in terms of prevailing minimum wage. The total GOP and community counterpart contribution to this project amounts to $1,725,171.

D. Food For Work

The cost of warehousing and inland freight to the GOP amounts to $170,253. The costs to administer and implement the program will amount to a manpower cost in terms of community workers at $3,082,772. Basic construction material cost to be utilized in the different community projects is estimated at a total of $13,500. The total counterpart cost in this project amounts to $3,266,523.

Director
CARE/Philippines

Food for Peace Officer
USAID/Philippines

ATTACHMENT I

HOST GOVERNMENT COUNTERPART

Department of Education and Culture	Mrs. Silvina C. Laya Director School Health and Nutrition Center
Department of Health	Dra. Trinidad A. Gomez Director National Nutrition Service
Department of Social Services & Development	Mrs. Salome Agustin Social Welfare Project Supervisor Bureau of Assistance
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 and District Officials and their staff in each government Department extending down to school teachers and local field officers. 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 level.

ATTACHMENT II

COMPARATIVE COSTINGS OF
U.S. DONATION AND GOP CONTRIBUTION TO
FY 1980

I.

U.S. Donations	PL 480 Title II Commodity (MT)	$ Value
a) Soy Fortified Flour 12%	22,000	$6,357,437
b) Rolled Oats	3,606	1,520,571
c) Non Fat Dry Milk	5,410	9,084,815
d) Corn Soy Milk	5,410	2,955,643
e) Bulgur Wheat	3,409	824,956
T O T A L	39,835	$20,743,422

II.

Counterpart Contributions	Inland Transportation	Administrative Expenses	Food/Material Contribution	Total
a) Department of Social Services & Development	$257,431	$4,661,150	$73,115	$4,991,696
b) Department of Health	336,149	1,024,857	267,175	1,628,181
c) Department of Education and Culture	1,089,729	2,485,075	6,355,024	9,929,828
TOTAL	$1,683,309	$8,171,082	$6,695,314	$16,549,705

ATTACHMENT III

PL 480 Title II REQUIREMENTS IN FY 1980

Sponsor's Name: CARE/Philippines

A. Targeted Maternal & Child Health . . . . . Total Recipients 316,360

No. of Recipients By Commodity	Name of Commodity	Kilograms (000)	Dollars (000)
	RO	3,451	$1,455,215
	NFDM	5,177	8,693,533
	CSM	5,177	2,828,344
Total MCHP		13,805	$12,977,092

B. School Feeding Program . . . . . Total Recipients 2,225,000

No. of Recipients By Commodity	Name of Commodity	Kilograms (000)	Dollars (000)
	SFF 12%	22,000	$6,357,437
Total SFP		22,000	$6,357,437

C. Other Child Feeding Program . . . . . Total Recipients 14,250

No. of Recipients By Commodity	Name of Commodity	Kilograms (000)	Dollars (000)
	RO	155	65,356
	NFDM	233	391,282
	CSM	233	127,299
Total OCFP		621	$583,937

D. Food For Work Program . . . . . Total Recipients 31,250

No. of Recipients By Commodity	Name of Commodity	Kilograms (000)	Dollars (000)
	BW	3,409	$824,956
Total FFWP		3,409	$824,956
GRAND TOTALS		39,835	$20,743,422

PROGRAM PLAN

FISCAL YEAR 1980

1. Elements of Operations

A. Identification

1. a. Catholic Relief Services -USCC

b. Philippines

c. Date Prepared: January 1978

d. Counterparts:

- Catholic Bishops Conference of the Philippines (CBCP)
- Department of Social Services and Development (DSSD) San Rafael Street, Manila

2. The following persons are employed in the Program:

- Program Director	Mr. Terrence M. Kirch - U.S. Citizen SAIDI Building Cor. Real & Arsobispo Streets Intramuros, Manila
- Program Assistant	Mr. Lawrence A. Beach - U.S. Citizen
- Program Assistant	Mr. William G. Applegate - U.S. Citizen
- Program Assistant	Mr. Paul J. Mooney - U.S. Citizen
- Chief Administrator	Mr. Ernesto O. Lacson - Filipino
- Nutrition Program Administrator	Ms. Gloria V. Boren - Filipino
- Shipping Supervisor	Mr. Hermeraldo R. Catubig - Filipino
- Field Section Supervisor(Audit)	Mr. Mario C. Franco - Filipino

B. Agency Agreements

1. Catholic Relief Services-USCC has a written agreement with the Philippine Government relating to Title II food distribution.

2. CRS operates under a blanket agreement negotiated between the United States and the Philippine Government known as Note No. 3001 dated 18 October 1956 and a separate agreement with the Department of Foreign Affairs of the Philippine Government dated 23 January 1957 and 25 January 1957 which details the implementation.

3. The CRS agreement with the Philippine Government provides the following:

a. Tax and duty free entry of Title II food commodities and other relief supplies.

b. Payment by the Philippine Government for inland transportation costs of 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 materials and equipments 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 nation-wide.

2. CRS works with Church and Government Agencies such as diocesan offices, CARITAS, the Department of Social Services and Development, the Department of Health, provincial government and other catholic and civic organizations. The implementation of the Nutribun Program (Targeted School Feeding) mainly in the Manila area is in coordination with the Department of Education and Culture (DEC).

3. The government departments that have an active participation in the program are fully cooperative. Funds for inland handling of the commodities are budgeted through the Department of Social Services and Development. The Department of Social Services and Development negotiates a contract with a local forwarder for the receipt, storage and delivery of the food commodities. This contract has the concurrence of the participating voluntary agencies.

   Through the creation of the National Nutrition Council (NNC) under Presidential Decree No. 491 the Government has increased the priority given to the Nutrition Program. The Nutrition Program is to be implemented by all concerned branches of the Government in an integrated fashion.

   Recognizing the continuing need to marshal greater public, private and international resources for a coordinated attack on severe malnutrition problems, the Philippines First Lady founded the Nutrition Center of the Philippines in July 1974. This center is to help insure mobilization of all sectors of the country and to solicit interest from abroad to support its humanitarian efforts of relieving hunger and preventing retarded physical and mental development and malnutrition in the Philippines with major focus on infants and pre-schoolers. In its researching and planning role, the center will continually examine in depth all nutrition activities, public and private, to determine how improvements can be made and how new interventions or innovations can be introduced in furtherance of improved national nutritional health.

4. Active participation of the NNC described above serves as a clearing house for exchange of information, thus, avoiding duplication and inequities among the programs of the participating agencies.

The International Council of Voluntary Agencies meets monthly to discuss programs and exchange information. These meetings are also attended by representatives from USAID, the Department of Social Services and Development as well as private and government organizations when deemed necessary. Measures are also adopted to coordinate the programs with other voluntary agencies and avoid possible duplication.

D. Control and Receipting - Records, Procedures and Audits

1. Figure 1 on the following page shows the flow of PL-480 commodities CRS control systems are operative on five levels as follows:

   On level one which represents the CRS Manila shipping section, the following controls and audit procedures are in effect:

   a. Ex-Ship's Tackle Report) Provide basic information as to all losses and condition of arrival before commodity is stored in warehouse for further movement inland.
      Ex-Pier Survey Report)
      Ex-Lighter Survey Report)

   b. Handling Contract: Negotiated between the Department of Social Services and Development and Department of Education and Culture each Fiscal Year with a qualified forwarder. The contract provides for the forwarder to handle the commodities from ex-ship's tackle to the ultimate recipient.

   c. Bills of Lading are sent in advance to freight forwarder, survey company, the Department of Social Services and Development or the Department of Education and Culture.

   d. A file is established on each vessel, containing all cargo details, survey reports, etc.

   e. A master commodity control book contains a record of each commodity by vessel, its packing list number, time of arrival, beginning balance and allocations made.

   f. A file card by packing list number indicates commodities allocated to programs by vessel and by commodity, date shipped by freight forwarder and shipping instructions number.

   g. A consolidated commodity record book keeps balances daily by commodity.

   h. A daily record of all shipments by the freight forwarder is maintained by a CRS Warehouseman.

   i. A numerical file is maintained of all shipping instructions which authorize the forwarder to transport specified commodities.

   j. Bi-monthly stock reports are submitted by the freight forwarder.

   Level Two is the Program Level. Each of the six programs maintain the following records in the CRS/Manila Office:

   a. Commodity control record books show the commodities allocated to the program by vessel by commodity and show allocations to consignees and running balances.

b. The TMCH program maintains files on each consignee. The file contains signed agrrement forms which certify that the consignee is responsible for handling and distribution according to prescribed guidelines, the number of recipients, monthly reports to CRS and correspondence.

c. The School Feeding Program maintains a file on each bakery. The file contains the baking contract, list of schools served, stock and production report.

d. The TMCHP maintains a card file on each consignee showing number of recipients, date and amount of commodities shipped and number of shipping instructions.

e. Files of shipping instructions in numerical order.

f. Empty container control cards provide information on total remittances made by each consignee (does not apply to TSFP).

g. The Targeted School Feeding Program maintains individual files for each area office showing the number of participating schools and bakeries serving them.

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

a. A stock register showing receipts, distribution and balances.

b. Files containing shipping instructions, 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 TMCHP Nutrition Centers, Food for Work Projects, Proponents and Schools. Through signed agreements they are required to maintain the following:

a. Receipt and distribution records.

b. Individual growth charts (TMCHP and School Feeding only)

c. A stock register and file of Shipping Instructions (Food for Work only)

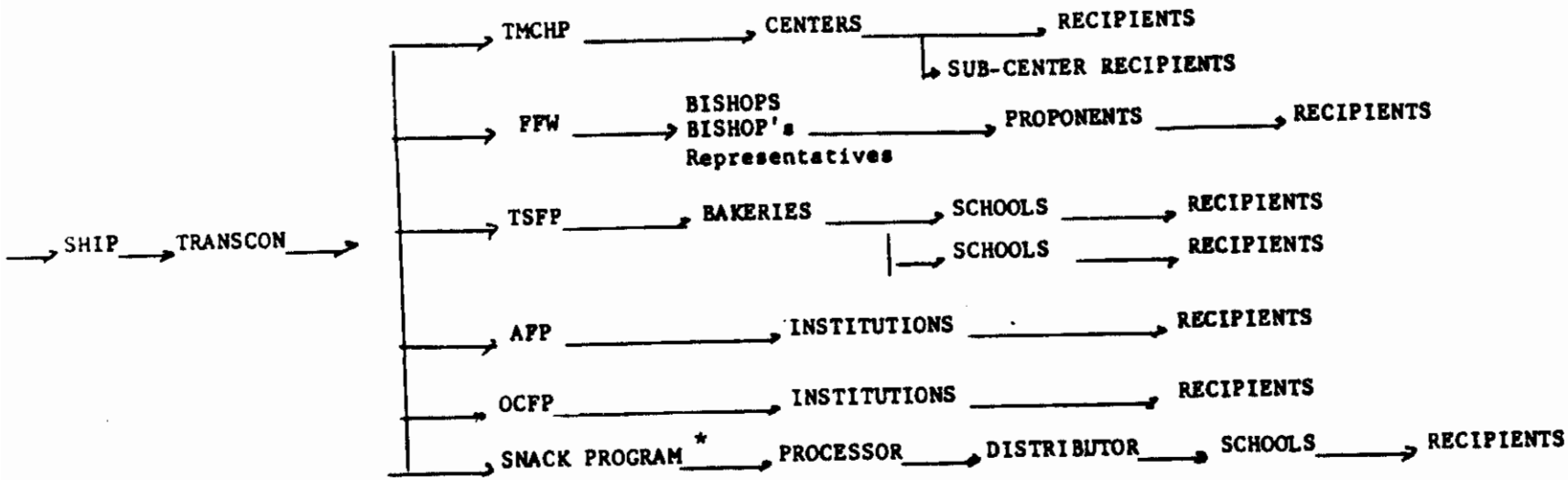
d. Monthly Progress reports (Food for Work only)

e. 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 are maintained for at least three years after the close of the program year to which they pertain.

End use check reports are being continually executed at level three, four and five on a regular, planned basis. In addition, periodic audits are conducted on the entire program.

FIG. I FLOW CHART OF PL-480 COMMODITIES



Code: TMCHP - Targeted Maternal and Child Health Program
TSFP - Targeted School Feeding Program
AFP - Adult Feeding Program
OCFP - Other Child Feeding Program
FFW - Food For Work

* See attached appendix

2. Inland and ocean losses are all reported to USAID and CRS/NY 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 enroute to the Philippines will be filed by CRS/NY.

   All payments against claims made by CRS/Philippines are received by our Shipping Section and are then transferred to the Accounting Section. Both Sections record these payments. Records of these payments are audited by CRS/NY approximately once a year and are available for audit by USAID. CRS/Philippines retains the first $100 of the payment and transfers the remainder to the United States Regional Disbursing Office (USRDO) in Manila.

E. Port Facilities - Practices

1. At the present time only the port of Manila is used to discharge commodities for the CRS program. Adequate facilities are provided.

2. All agreements with the host government permitting duty free entry of commodities are in effect and present no problem.

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 and other charges.

F. Storage Facilities

1. Our present freight forwarder has fourteen (14) warehouses in the Metro Manila area 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 could accomodate their corresponding quarterly allocations.

G. Inland Transportation

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

2. During certain months of the year heavy rains occasionally cause delay in inland trasportation, especially in the more remote areas. However, the Government of the Philippines continues to make progress in its road construction program and the situation is generally improving.

H. Domestic Production

As of this date experience shows that the distribution of donated PL-480 Title II Commodities does not result in a substantial disincentive to domestic production in the Philippines.

I. Financing

1. Inland transportaion costs from the end of ship's tackle(ocean vessel) to the ultimate consignee are paid by the Philippine Government. Monies for this purpose are budgeted through the Department of Social Services and Development and the Department of Education and Culture. The DSSD and the DEC negotiate a contract with the forwarder to cover the overland and inter island shipping costs which are paid upon verification by CRS. The contract also covers survey fees, warehousing, repackaging of damaged commodities and any other incidental expenses that may be incurred.

   Salaries and per diems and travel expenses for end-use checkers and program promoters are partially provided from the DSSD budget which allocates P100,000.00 yearly.

2. CRS provides money for administrative costs which include salaries for the American and Filipino headquarters staff in Manila and related office and travel expenses.

3. The Targeted Maternal and Child Health Program (TMCHP) has an unassociated charge and the Targeted School Feeding Program(TSFP) has an associated charge. Monies from these sources are used to cover expenses related to program control and the nutrition programs including supervision and salaries of field nutritionists, material 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 and the money from this source is expended according to pertinent US regulations.

   Separate books are maintained covering the receipt 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 CRS/Manila office.

J. Acceptability of Available Foods

1. Available foodstuffs are acceptable to all recipients in the different program categories.

   a. CSM is usually mixed with vegetables as soup or in one-dish meals. It can also be prepared as a nutritious beverage.

   b. Bulgur Wheat and Sorghum Grits may be used as rice substitutes or rice extenders and may also be mixed with local foods in soups, main dishes, and native delicacies.

   c. Soy fortified Flour is used to make high calorie, high protein nutribuns.

2. Food rations, the number of distributions for each food commodity and recipient category are established in consultation with the Food and Nutrition Research Institute of the National Science Development Board from reference data of the National Economic and Development Authority and the CRS Program Administration.

These estimates are referred to and compared with the annual estimated requirements of the other U.S. Voluntary Agencies and are also coordinated with the project implementation document and project paper projections of USAID/Philippines.

a. The desired rates are as follows : (kilograms)

	BW	CSM	SFF 12%	S.Grits
(1) Mothers/Pre-School Age Children	-	3.6	-	-
(2) School Feeding	-	-	.9	-
(3) Other Child Feeding	-	2.7	-	.9
(4) Food for Work	2.27	-	-	-
(5) Adult Feeding	-	2.7	-	.9

Category I - There will be 12 distributions during the 12 months of operations.

Category 2 - There will be 160 distributions during the school year of 10 months of operation.

Category 3 - There will be 365 distributions over the 12 month period of operation.

Category 4 - The figures here are the food assistance per 8-hour workday to be received by the volunteer worker in self-help activities during the year. We estimate an average of 5,400 participants working 20 days a month for 12 months.

Category 5 - There will be 365 distributions per year of 12 month period of operation.

K. Program Publicity

CRS representatives and consignees are made aware of the source of foods, program requirements, responsibilities, and the preparation of Title II commodities through (1) CRS guidelines, (2) distribution of recipe booklets, (3) growth charts, (4) mothers classes for the targeted groups and (5) a CRS publication entitled NUTRINEWS printed every two months.

L. Estimate of Program Duration

1. Targeted Maternal and Child Health Program (TMCHP)

The TMCHP has been found to be a very successful method of attacking the malnutrition problem among pre-school children on a massive scale. (See Appendix VII)

At present, outreach of the program is approximately 570,000, two-thirds of which are pre-school children with the balance representing pregnant and nursing mothers.

On the assumption that the resources required are available the program is planned to be implemented for as long as the malnutrition problem is present in the country.

2. Targeted School Feeding Program (TSFP)

The area of concentration served by the CRS Targeted School Feeding Program is in Metro Manila. This arrangement was established by the Department of Education and Culture. While the Philippine Government, assisted by various agencies, has made strides toward developing the agricultural potential of the country's rural schools thus tapping a ready source of counterpart food input. This has not been possible in Metro Manila. Lack of space for agricultural purposes and the increasing congestion in schools which must operate three and even four sessions a day prohibit this type of program. CRS provides each participant with a 250 calorie nutribun while the schools provide each participant with an additional 50 calories from indigenous foods. (With plans to increase the indigenous counterpart and eventually phase out the donated commodities).

3. Food for Work Program (FFW)

Under the CRS integrated development approach* food commodities will be offered for self-help community projects conducted on a voluntary basis. This may seem similar to the previous use of Food-For-Work goods; however, the emphasis is now more on projects that are supportive of other developmental activities at the same time that they are contributory to the community's socio-economic uplift. What this means is the FFW, while still supportive in nature, will be implemented as an integrated program of CRS.

An illustration might be necessary at this point. As a program on its own, FFW can be a potent "pump-primer" for agricultural productivity works. However, since CRS is engaged mainly in Nutrition Education, FFW under this scheme can and should be used to produce such crops as are needed by our client's family for the improvement of its food intake. Later as their food needs are met, and as farmer's capabilities are developed by this initial agricultural endeavor, FFW projects could, if necessary be geared for the production of food surpluses which could result in increased income. This could eventually enable the beneficiaries to finance other community improvement programs entirely on their own, or with the minimum of assistance from outside.

Food for Work Assistance can be used in inter-agency programs as well. For example:

1. in the above illustration agricultural extension workers (CRS or BAEX) could be involved in the implementation of food production projects in which FFW is utilized; or,

2. a tri-sectoral project where DSSD or the local Diocese can come in with the mobilization of the people for the task; the Department of Local Governments and Community Development can contribute the needed materials and CRS can provide the foodstuffs necessary to support the volunteers and their families during the time that they are not earning due to involvement in community work.

II. Plans of Operation for Specific Types of Projects

See appendices for Plans of Operation for specific types of projects.

Appendix	I	- Targeted Maternal and Child Health Program (TMCHP)
Appendix	II	- Targeted School Feeding Program (TSFP)
Appendix	III	- Food For Work Program (FFW)
Appendix	IV	- Other Child Feeding Program (OCFP)
Appendix	V	- Adult Feeding Program (AFP)
Appendix	VI	- Extruded Snack Food Program

Note:

The Extruded Snack Food Program is a pilot project.

III. Contributions to the Program

The anticipated cash contributions to the program are as follows:

	Amount	Source	Purpose
US$	220,000	Catholic Relief Services	Administrative costs
US$	100,000	CRS Rice Bowl	Administrative costs
US$	1,500,000	Philippine Government thru the Department of Social Services and Development (DSSD)	Budgeted to cover inland transportation costs.
US$	13,500	Philippine Government thru the Department of Social Services and Development (DSSD)	Administrative costs
US$	73,070	Philippine Government thru the Department of Education & Culture (DEC)	School Feeding Program
US$	218,263	Anticipated income from Associated and Unassociated Charges	Administrative costs
US$	100,000	USAID/NEDA Grant	Administrative costs

In addition to the above, contributions and funds provided by private sponsors are channeled through CRS/Manila and are used to provide salaries for supervisory personnel and share other program related expenses.

Asst. Program Director
Catholic Relief Services

William T. Doody
Food For Peace Officer
USAID/Philippines

CRS PROGRAMS PROJECTION TABLE

Program Category	Fiscal Year	Recipient Level	Commodity Level(Kg)
Maternal Child Health Program	1980	600,000	25,920,000
	1981	600,000	25,920,000
	1982	480,000	20,945,454
	1983	390,000	17,018,181
School Nutrition Program	1980	200,000	1,818,100
	1981	100,000	909,090
	1982	90,000	818,181
	1983	70,000	636,363
Other Child Feeding Program	1980	18,000	777,600
	1981	10,000	436,200
	1982	7,000	305,454
	1983	5,000	218,181
Food for Work Program	1980	5,000	545,300
	1981	3,000	327,200
	1982	2,000	218,160
	1983	1,000	109,080
Adult Feeding Program	1980	2,000	64,800
	1981	0	0

APPENDIX I
TMCHP

I. BACKGROUND

The Operation Timbang results of CY 1976 indicate a high percentage of malnutrition among pre-school children. Among the malnourished, more than 25% suffer from 2nd and 3rd degree malnutrition. The adverse effects of malnutrition on the children's growth and development cannot be disputed.

CRS, in its effort to support the Philippine Nutrition Program in combatting malnutrition, aims to help promote better nutrition among Filipinos, particularly the malnourished pre-school children and pregnant and nursing mothers, through nutrition educate and supplementary feeding.

Specifically, the CRS Nutrition Program seeks to:

a. Elevate the nutritional status of severely malnourished pre-school participants to 76% of their standard weights for age within 24 months;

b. Improve the nutritional status of moderately malnourished pre-school children to reach at least 76% of their standard weights for age within 18 months;

c. Prevent the occurence of malnutrition among infants;

d. Maintain or improve the nutritional status of pregnant and nursing mothers;

e. Motivate all participant-mothers to adopt desired nutrition, health, family life and food production techniques and practices in their own homes.

II. MANAGEMENT STRUCTURE

We plan to have 250 full time nutritionists who will work in 1,800 centers. The Nutrition Program will be implemented in coordination with the Bishops and will be under their direct administration. The Bishops in turn will delegate the program's supervision to the Social Action Director, or their representatives. Supporting technical and administrative staff shall be composed of the Nutrition Program Administrator and the personnel from the various sections, such as: Operations, Training, Nutrition Communication, Food Production, Evaluation and Research, Day Care Service and Administration.

III. PROGRAM STRATEGIES

A. Selection of Participants

Program participants will be selected through a weight survey of pre-school children (6-60 months), in low-income communities.

In Mothercraft and TMCHP:

1. Infants (6-11 months) except those who are over weight.

2. Children (12-60 months) who are severely or moderately malnourished.

3. Nursing mothers until their children are six months of age.

4. Pregnant women in their second trimester.

In day Care Centers - Supplementary Feeding

- Pre-school children (3 to 6 years old), from low-income families.

B. Weighing

The children shall be weighed monthly, and their weights shall be plotted against a "target growth line" on a growth chart.

The weight responses of the children as recorded in the growth charts will serve a dual purpose; to measure the program's effectiveness, and at the same time, to reinforce the mother's acceptance of the value of good nutrition.

IV. PROGRAM COMPONENTS

The participants will be given food supplements from 18 to 24 months, depending on their degree of malnutrition. Each child will be given approximately 3.6 kg. (8 lbs.) of food commodities per month. Children enrolled in Mothercraft and Day Care Centers shall be given the donated food, cooked with local foods at the centers. On the other hand, those children enrolled in TMCHP shall be given the food monthly in dry form.

The donated food supplements will give approximately 425 calories (1/3 of the child's daily calorie requirement), and 20 grams protein (1/2 of the child's daily protein requirement).

Nutrition education will be incorporated into the program in the form of mothers' classes and food demonstrations. For 1980 this component shall be further strengthened as a result of the projected ratio of 2,500 participants per nutritionist, it is expected that classes will be near the ideal size (about 30 mothers per class). Likewise, teaching aids shall be developed for use in these nutrition classes.

Food production shall also be given priority in program implementation. This is aimed at developing a locally-based self-reliant program.

Aside from supplementary feeding, nutrition education and food production, the following components shall be incorporated into the nutrition program:

a) Training at all levels --- to improve the efficiency of nutrition workers and to increase program effectiveness.

b) Evaluation --- to assess the program's impact and to serve as an aid in determining program direction.

V. SCOPE OF THE PROGRAM - TNCHP

Recipients of food commodities for FY 1980 will be approximately 600,000 (400,000 pre-school age children and 200,000 pregnant and nursing mothers). Another 200,000 mothers will benefit by nutrition education and income generating activities at the centers.

Out of the 600,000 recipients, rations for 50,000 participants shall be allotted to the Department of Social Services and Development - Day Care Service Supplementary Feeding Program. The children included in the Day Care program will receive half the ration of the TNCHP participants. There will then be 100,000 recipients covered by the Day Care Service Supplementary Feeding Program. The other half of the food needs of the children at the centers will be provided by DSSD with local products.

VI. PROGRAM RESOURCES REQUIRED

A. Food Commodities

Food requirements estimated for 1980 are 25,920,000 kg. (57,600,000 lbs.) of CSM. This food shall be distributed among the different Mothercraft, TNCHP and Day Care Centers.

B. Financial Inputs

Funds required for program implementation shall be generated from the following sources and allocated as follows:

1. Transportation Costs - provided by DSSD.

2. Unassociated Charges - shall be paid by each recipient at a maximum rate of ₱1.00 per month. Half of this amount (₱0.50) shall be returned to CRS and the other half will be used by the diocese and the center (₱0.25 for each) for operational expenses at the local level.

3. Associated Charges - School Feeding Program: This will be used to cover the salaries of diocesan nutritionists.

4. CRS Operating Budget - Shall be used to cover the other expenses that will be incurred in the implementation of the program.

5. CRS Rice Bowl themed - Shall be used to cover the other expenses that will be incurred in the implementation of the program.

6. Other

a) DSSD - For parti al administrative costs

b) USAID/NEDA - For partial administrative costs

TABLE I PROJECTIONS OF RECIPIENTS AND FOOD COMMODITIES REQUIRED

FISCAL YEAR	RECIPIENTS	PL 480 COMMODITIES (Kilograms)
1980	600,000	25,920,000
1981	600,000	25,920,000
1982	480,000	20,945,454
1983	390,000	17,018,181

APPENDIX II

TARGETED SCHOOL FEEDING PROGRAM (TSFP)

A. Objective

The primary objective of the School Feeding Program is to help eliminate serious undernourishment in kindergarten and primary grade school children (Grade I - IV) in public schools in Metro Manila by providing a supplement to the daily calorie and protein intake of the children. (Other geographical areas may be approved by the Department of Education and Culture.)

By helping to instill in teachers and students a sense of the importance of good nutrition, the program is also intended to encourage school districts and the local and national government to take steps which would remedy the serious state of undernourishment (see Fig. I) which exists in the elementary schools, especially those in the urban slum areas. This relates to the over-all nutrition intervention schemes which include food assistance, nutrition education, disease prevention and food production. (Where feasible school gardens are encouraged as well as other income generating projects such as the use of school bakeries in the nutribun program.)

B. Operation

The program provides a daily supplement of a Nutribun to the target group of children. The nutribun, weighing 85 grams, provides 250 calories, 1.4 grams of protein, and essential vitamins and minerals. As a counterpart the school provides each participant an additional 50 calories from indigenous foods. The latter may come in the form of fillings, soup, fruit, fruit juices, etc. Thus the child is provided with a total of 300 calories daily.

In Metro Manila, baking is done by commercial bakeries contracted by CRS. These bakeries are closely supervised. Periodic chemical analyses are conducted to ensure the quality of the buns.

The Nutribuns are sold to the children at ₱0.10 ($0.0136); ₱0.08 ($0.0109) represents the baking cost and ₱0.01 ($0.0013) is collected by CRS as an Associated Charge. The other ₱0.01 is used by the school to pay for the snakes of indigent children and to cover the program cost within the school. Fillings are provided at an extra charge (normally ₱0.05).

C. Educational Inputs

All participating schools are provided with nutritional growth charts and the forms needed in monitoring the program. Children are taught how to weigh themselves and identify in which nutritional level they belong. The Health Section of the School is assigned to do the evaluation of the growth response of the children, but classroom teachers actively participate in the weighing and charting of the children and in the distribution of the daily snacks.

D. GOP Inputs

The Department of Education and Culture is committed to provide the necessary funds for the inland handling and transportation of the commodities in support of the School Feeding Program. Subsequent efforts will be made for the eventual phase-out of the donated food commodities.

E. Participation

200,000 school children in the Kindergarten and Primary Level

F. Ration

.9 kilograms Soy Fortified (12%) Flour per person per month
(for nutribuns providing 250 calories for 10 feeding months)
160 feeding days.

G. Annual Requirement

For 200,000 recipients, the total annual food requirements are estimated as follows:

Soy Fortified Flour . . . . . 1,440,000 kgs.

H. Control

CRS Nutritionists and fieldmen visit the school to see that the program is implemented in accordance with prescribed guidelines. They check to see that all the participants receive the nutribuns regardless of ability to pay the P0.10 charge. They also check on the use of funds generated by the program. Likewise, regular audits are made of the bakeries involved in the program.

Receiving procedures, control and supervision of distribution are contained in Section D of the program plan.

The area primarily served by the CRS School Feeding Program is in the heavily urbanized Metro-Manila area. Though the Philippine Government, through its various agencies, has programs for developing the agricultural potential of the country's rural schools (thus creating a ready source of counterpart food input), the schools of Metro Manila pose a special problem. Lack of space for agricultural purposes and the increasing congestion in schools which must operate three or even four sessions a day severely limit this type of program in most schools.

APPENDIX III

FOOD FOR WORK PROGRAM (FFW)

A. Objectives

General:

To assist the Government of the Philippines in its efforts for the socio-economic development of the people both in urban and rural areas.

Specific:

- to provide incentives for people to work for the realization of self-help projects geared toward community development.

- to provide a supportive resource for the overall community organization to promote positive attitudes such as orientation, community consciousness and participation, cooperation, social initiative and creativity necessary for development.

- provide incentives to maximize use of abundant labor available in the rural areas through people's involvement in the construction of infrastructures, institutions, etc.

- provide food supplements to those voluntarily engaged in community projects especially those belonging to the lower economic bracket.

- to support local structures that will enable people to carry out developmental activities on their own or with a minimum of assistance from outside.

B. Operation

The implementation of the Food For Work program will continue during FY' 80 through the diocesan structures. CRS functions as a legal channel for PL 480 resources lending administrative technical support as necessary.

CRS encourages the formation of functional Food For Work Committees at the local level to administer the initial processing of project proposals, to follow-up approved and implemented projects, and to maintain records to ensure reporting requirements are set by each project proponent. Monthly progress and completion reports are required by CRS from the local FFW coordinator. CRS submits a consolidated report to USAID, DSWD and NEDA on a quarterly and annual basis.

C. Education

Guidelines on the concept, objectives, and implementation procedures for FFW are issued to all project proponents. In addition, project participants are encouraged to broaden their development horizons by availing themselves of all resources at their disposal, both government and private. Recipe booklets for the use of PL 480 commodities are distributed to the field. In addition, nutritionists of the Targeted Maternal and Child Health Program stationed in areas where Food For Work is implemented offer cooking demonstrations of the PL 480 commodities to members of the community.

APPENDIX IV

OTHER CHILD FEEDING PROGRAM (OCFP)

A. Objective

The Other Child Feeding Program was created with the main objective of alleviating the prevalent problem of malnutrition among the institutionalized children. These children belong to the pathetic group - orphaned, neglected, abandoned and abused. They need more care and attention because of their condition. However, most of the institutions where these children are can hardly with the demands of everyday life. There is an obvious lack of manpower, technical expertise and funds to provide for the basic needs of the children. The OCFP was designated, therefore, not only to provide supplementary food for the choldren, but also to initiate activities that would uplift the present conditions, especially food service. It not only aims to eliminate the problem of malnutrition but also to prevent its occurence.

B. Plan of Operation

The OCFP, which is part of the Nutrition Department, will be supervised by a nutritionist. She will be responsible, with the OCFP consignee or institutions, in ensuring the attainment of the Program's objectives. The Adult Institutional Feeding Program will also be under her scope of responsibility.

C. Participation

Program participants for Fiscal Year 1980 are institutionalized children, non-institutionalized (or children fed through "communal" kitchens), 15 years below, with priority given to malnutrition wards, orphanages, rehabilitation centers, and temporary shelter homes. There are 18,000 children programmed for 1980.

D. Ration

CSM	2.7 kilos per participant per month
Sorghum Grits	.9 kilos per participant per month
	3.6 kilos per participant per month

E. Annual Requirement

CSM	583,200 kilograms
Sorghum Grits	194,400 kilograms
Total	777,600 kilograms

F. Control

Receipting procedure, control and supervision of distribution of commodities are contained in Section D of the program.

TABLE OF PROJECTION

Fiscal Year	Recipients	PL-480 Commodity
1980	18,000	777,600 kilograms
1981	10,000	436,200 kilograms
1982	7,000	305,454 kilograms
1983	5,000	218,181 kilograms

D. Participation

1,000 average daily workers are programmed for FY'80 working 20 days a month for 12 months. Figuring family size at an average of 5 members, the program will directly benefit 5,000 people each month.

E. Ration

2.27 kilograms of Bulgur Wheat per daily worker per 8-hour workday.

F. Annual Requirements

FY'80 --- 545,300 kilograms of Bulgur Wheat

G. Improvements

Through continued reassessment of its program, CRS has recognized the significance of feedback from both the local implementors and the program recipients, thus enabling the design of a more responsive field assistance development scheme with FFW commodities as a supportive resource. Along with this, the integration of all CRS assisted programs is in itself improving. Additionally, projects within a given area or program are considered in the light of their interrelation with other development projects, whether private or government, as may be appropriate.

H. Control

All FFW project proposals are forwarded to CRS for evaluation and approval by the FFW Evaluation Panel consisting of CRS - USAID - NEDA. Regular field visits are conducted for the purpose of getting better background, and following up on-going or completed projects. Every effort is made, encourage dialogue among the project proponents, the local FFW committees, other agencies involved (government and private) and the recipients for continuous program evaluation to responsively meet the needs of the people.

Monthly progress and completion reports are required from the proponents of for each project supported.

Each consignee signs an agreement with CRS which in effect hols said individual/organization fully responsible for the proper utilization of PL 480 commodities in accordance with Philippine Law and USAID PL 480 Regulations (addendum 1) and CRS FFW Guidelines.

APPENDIX V

ADULT INSTITUTIONAL FEEDING PROGRAM (AIFP)

A. Objective

The Adult Institutional Feeding Program primarily aims to provide food assistance to hospitals, rehabilitation Centers and shelter homes for the sick, neglected, abandoned, and abused adults. The food commodities would greatly ease the financial problems, which have been a major cause of the malnutrition among the residents. The program further aims to uplift the present conditions of the institutions by initiating activities that could provide additional income to eliminate the problem of malnutrition and prevent its occurance.

B. Plan of Operation

The Adult Institutional Feeding Program which is part of the Nutrition Department will be supervised by a nutritionist. She will be responsible with the AIFP consignees or institutions in ensuring the attainment of the program's objectives. (The program will be under the same nutritionist handling the OCFP)

C. Participation

Program participants for Fiscal Year 1980 are institutionalized adults. Institutions qualifying under this category are leprosariums, rehabilitation centers for TB patients, and shelter homes. There are 2,000 adults programmed for 1980.

D. Ration

CSM	2.7 kilos per participant per month
Sorghum Grits	.9 kilos per participant per month
Total	3.6 kilos per participant per month

E. Annual Requirement

Corn Soy Milk	64,800 Kilograms
Sorghum Grits	21,600 Kilograms
Total	86,400 Kilograms

F. Control

Receipting procedure, control and supervision of distribution of commodities are contained in Section D of the program plan.

TABLE OF PROJECTION

Fiscal Year	Recipients	PL-480 Commodity
1980	2,000	86,400 kilograms

C. Participation

The targeted participants of the Snack Food Program are private school children, bothelementary and high school. The 70 tons of Soy Fortified Sorghum Grits programmed for 1980 is estimated to produce 1.5 million 25 grams packages of the snack food. If a school child buys a package of the snack food per day, for the 200 schooldays during the whole schoolyear 1979-80, around 7,500 schoolchildren shall benefit from this snack food program.

With the success of the pilot program in 1978 and 1979, the snack food program aims to maintain its 1979 target. In the previous years, only private school children from elementary and high school were considered in the test market. However, in 1980, pupils from the public elementary and highschools shall be considered part of the expanded project. The rationale for this, is pupils enrolled in these schools come from the low-income group and therefore need more nutritious snacks. This effort will strengthen the goal of improving the nutritional status of our growing populace.

D. Annual Requirement

Soy Fortified Sorghum Grits	70 tons (70,000 kgs.)

E. Control

Receipting procedure, control and supervison of distribution of commodities for this pilot program are currently in planning stages.

For Level two, the Program level, the Snack Food Program maintains the following records in the CRS/Manila Office:

a. Commodity control record books show the commodities allocated to the program by vessel by commodity and show allocation to the processor and running balances.

b. The Snack Food Program maintain files on the processor containing the processing contract, schools served, stock and production balances.

c. The Snack Food Program maintains a card file on each school canteen showing number of processed snack food received, sold and the balance.

d. Files of shipping instruction in numerical order.

TABLE PROJECTION

Fiscal Year	Estimated No. of Recipients	PL 480 Commodity
FY'80	28,500	210 tons (210,000 kgs.)

Note:

Contract, costs of processing and packaging are still being negotiated with Leslie Corporation. USAID shall be furnished with the above data as soon as it has been finalized.

PL-480 Title II Requirements in FY-1980

I. Sponsor's Name: CRS/Philippines

A. Targeted Maternal & Child Health..... Total Recipients.... 600,000

No. of Recipients by Commodity	Commodity Type	Kilogram	Dollars(000)
600,000	CSM	25,920,000	$ 15,108,481.05
Total TMCHP		25,920,000	$ 15,108,481.05

B. Targeted School Feeding..... Total Recipients.... 200,000

No.of Recipients by Commodity	Commodity Type	Kilograms	Dollar (000)
200,000	SFF 12%	1,440,000	$ 425,779.20
Total TSFP		1,440,000	$ 425,779.20

C. Other Child Feeding..... Total Recipients... 18,000

No.of Recipients by Commodity	Commodity Type	Kilograms	Dollar(000)
18,000	CSM	583,200	$ 336,541.39
	Sorghum Grits	194,400	61,414.85
Total OCFP		777,600	$ 397,956.24

D. Food for Work..... Total Recipients.. 5,000

No.of Recipients by Commodity	Commodity Type	Kilograms	Dollar(000)
5,000	Bulgur Wheat	545,300	$ 128,879.89
Total FFW		545,300	$ 128,879.89

E. Adult Feeding..... Total Recipients... 2,000

No.of Recipients by Commodity	Commodity Type	Kilograms	Dollar(000)
2,000	CSM	64,800	$ 37,393.49
	Sorghum Grits	21,600	6,823.87
Total Adult Feeding		86,400	$ 44,217.36

F. Snack Program..... Total Recipients .. 28,500

No. of Recipients by Commodity	Commodity Type	Kilograms	Dollar(000)
28,500	SF Sorg.Grits	210,000	$ 157,960.00
Total Snack Program		210,000	$ 157,960.00
GRAND TOTAL		**28,979,300**	**$16,263,273.74**