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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MANILA, PHILIPPINES

PROJECT PAPER
PHILIPPINE ASSISTANCE PROGRAM SUPPORT
(492-0452)
Volume I

JANUARY 1990

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY

Philippines

3. PROJECT NUMBER

492-0452

4. BUREAU/OFFICE

Asia and Near East

04

5. PROJECT TITLE (maximum 46 characters)

Philippine Assistance Program Support

6. PROJECT ASSISTANCE COMPLETION DATE (FACD)

MM DD YY

01 31 95

7. ESTIMATED DATE OF OBLIGATION

(Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 90

B. Quarter

C. Final FY 93

B. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY 90			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	4,840	6,160	11,000	14,750	10,250	25,000
(Grant)	(4,840)	(6,160)	(11,000)	(14,750)	(10,250)	(25,000)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country		300	300		6,670	6,670
Other Donor Private Sector				4,000	1,000	5,000
TOTALS	4,840	6,460	11,300	18,750	17,920	36,670

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(UST/MA)	291					11,000		25,000	
(2)									
(3)									
(4)									
TOTALS						11,000		25,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To assist the Philippines develop and implement high-priority development projects under the Philippine Assistance Program.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 0 2 9 1 0 1 9 2 1 1 9 4

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

NOTE: The provisions of the payment verification policy regarding methods of implementation and financing, financial capability of recipients, and adequacy of audit coverage have been adequately addressed in these documents.

17. APPROVED BY

Signature

Malcolm Butler
 Malcolm Butler

Title

Director
 USAID/Philippines

Date Signed

MM DD YY
 01 29 94

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

PROJECT AUTHORIZATION

Philippines

Philippine Assistance Program Support

A.I.D. Project No. 492-0452

1. Pursuant to the section entitled "Multilateral Assistance Initiative for the Philippines" in Title II of Public Law 101-167 and Section 103 of the Foreign Assistance Act of 1961, as amended (the "FAA"), and in accordance with the authority delegated to me in Delegation of Authority No. 652, I hereby authorize the Philippine Assistance Program Support Project (the "Project") for the Republic of the Philippines (the "Cooperating Country") involving planned obligations of not to exceed \$25,000,000 in Grant funds over a four year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project. The planned life of the Project is approximately five years from the date of initial obligation. The initial obligation of the Project is subject to the expiration of the Congressional Notification period.

2. The Project will assist the Philippines to develop and implement high priority development projects under the Philippine Assistance Program (PAP), through the provision of technical assistance, commodities and other operational support. The Project will also fund a private sector pre-investment facility to promote investment, especially in and around the Economic Development Zones. The private sector portion of the Project may be obligated through a grant agreement with a non-governmental organization.

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

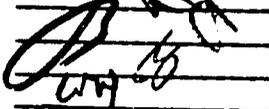
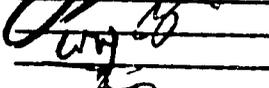
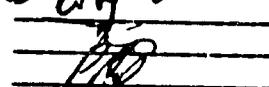
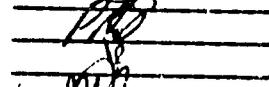
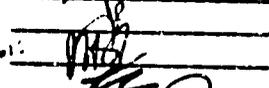
Source and Origin of Commodities and Nationality of Services.
Commodities financed by A.I.D. under the Project shall have their source and origin in the Cooperating Country or in the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the Cooperating Country or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

4. Other. The Cooperating Country shall covenant to use its best efforts to facilitate the establishment and operation of the Project's private sector pre-investment program to promote investment, especially in and around the Economic Development Zones.

By: Malcolm Butler
Malcolm Butler
Mission Director
USAID/Philippines

Date: JAN 29 1990

Clearances:

<u>Name</u>	<u>Initial</u>	<u>Date</u>
OCP:RJordan		1/8/90
PESO:BCornelio		1-5-90
OFFPVC:CBillings (Actg.)		10/30/87
OPHN:WHJohnson		10/30/87
ORAD:KPrussner		1/5/90
OD/PE:PRDeuster		1/4/90
DRM:JAPatterson		1/4/90
CO:JCStanford		1/5/90
OLA:LChiles		1/12/90
OD:RAJohnson		1/28/90

PHILIPPINE ASSISTANCE PROGRAM SUPPORT PROJECT
PROJECT PAPER
(492-0452)

TABLE OF CONTENTS

	<u>Page</u>
<u>PROJECT DATA SHEET</u>	i
<u>AUTHORIZATION</u>	ii
<u>TABLE OF CONTENTS</u>	iv
<u>ACRONYMS</u>	vi
<u>I. SUMMARY AND RECOMMENDATIONS</u>	1
<u>II. PROJECT RATIONALE</u>	3
A. Problem Context	4
B. Relationship to USAID Program	5
C. Relationship to Other Donor Activity	6
D. Relationship to AID Policy and Statutes	7
<u>III. PROJECT DESCRIPTION</u>	8
A. Project Objectives	8
B. Expected Accomplishments and Beneficiaries	8
C. Project Components	9
1. Studies	9
a. Types of Studies	9
b. Criteria	13
c. Guidelines for Analyses	14
2. Operations Support	18
3. Private Sector Pre-Investment Facility (PIF)	20
<u>IV. COST ESTIMATE AND FINANCIAL PLAN</u>	22
A. Cost Estimates	22
B. Funding Mechanisms	26
C. Implementation and Payment Methods	28
D. Audits	28

	<u>Page</u>
V. <u>IMPLEMENTATION PLAN</u>	29
A. Implementing Agencies	29
B. Implementation Arrangements	30
C. Procurement Plan	31
1. Technical Services	31
2. Commodities	33
D. Gray Amendment	33
E. Implementation Schedule	33
F. Monitoring Plan	35
VI. <u>SUMMARIES OF PROJECT ANALYSES</u>	36
A. Technical	36
B. Administrative	36
C. Financial	36
D. Environmental	37
E. Economic	37
VII. <u>EVALUATION PLAN</u>	38
A. Studies and Operations Support (Interim)	38
B. PIF (Interim)	38
C. Final	39
VIII. <u>CONDITIONS PRECEDENT AND SPECIAL COVENANTS</u>	40
VOL. II- <u>ANNEXES:</u>	
A. GOP Request for Assistance	
B. PID Approval Cable	
C. Statutory Checklist	
D. Logical Framework	
E. Illustrative List of Commodities	
F. Background on CCPAP and CODA	
G. Selected Guidelines for Feasibility Study Analyses	
H. Supplementary Project Rationale Information	
I. Initial Environmental Examination	
J. Gray Amendment Certification	
K. List of Potential Projects	
L. Summary Counterpart Contribution	

LIST OF ACRONYMS

ADB	-	Asian Development Bank
CALABAR	-	Cavite, Laguna, Batangas, Rizal Project
CCPAP	-	Coordinating Council of the PAP
COA	-	Commission on Audit
CODA	-	Committee on Official Development Assistance
DA	-	Department of Agriculture
DAC	-	Development Assistance Committee
DLG	-	Department of Local Government
DPWH	-	Department of Public Works and Highways
DTP	-	Development Training Project
EA	-	Environmental Assessment
EIS	-	Environmental Impact Statement
ESFS	-	Economic Support Fund Secretariat
FSN	-	Foreign Service National
GOP	-	Government of the Philippines
IQCs	-	Indefinite Quantity Contracts
L/Com	-	Letter of Commitment
NCR	-	National Capital Region
NEDA	-	National Economic and Development Authority
NGO	-	Non-Government Organization
OCP	-	Office of Capital Projects
ODA	-	Official Development Assistance
PANAI	-	Panay-Negros Agro-Industrial Project
PAP	-	Philippine Assistance Program
PAPS	-	Philippine Assistance Program Support
PESO	-	Private Enterprise Support Office
PID	-	Project Identification Document
PIO/T	-	Project Implementation Orders/Technical Services
PIF	-	Private Sector Pre-Investment Facility
PSCs	-	Personal Services Contracts
RIG	-	Regional Inspector General
TR	-	Technical Resources
USAID	-	United States Agency for International Development

1

I. SUMMARY AND RECOMMENDATIONS

Borrower/Grantee : The Republic of the Philippines
Implementing Entity : Committee on Official Development Assistance (CODA)
Grant Amount : \$25.0 million
Funding Source : Special Initiative/Multilateral Assistance Initiative
Initial Obligation : FY 1990
Project Purpose : To assist the Philippines to develop and implement high-priority development projects under the Philippine Assistance Program (PAP)

Description : The PAP Support (PAPS) Project will provide assistance to conduct feasibility studies, facilitate implementation and coordinate official development assistance provided under the PAP. PAPS has three components: (a) Studies, including funds for technical, economic, environmental, financial, institutional and social soundness feasibility and design analyses for proposed projects for economic development zones, nationwide infrastructure and local or regional small projects as well as funds for sectoral and issue-related analyses; (b) Operations Support, including expatriate and local technical support, training and commodities for CODA and technical assistance for the Coordinating Council of PAP; and (c) Private Sector Pre-Investment Facility for co-financing feasibility studies for potential private sector investments. PAPS assistance is expected to improve the government's capacity to accelerate project preparation activities to absorb increased funding levels.

		(\$000)
<u>Project Budget</u>	Studies	17,000
	Operations Support	2,750
	Private Sector	
	Pre-investment	
	Facility	5,000
	Evaluation/Audit	250
	Total	<u>25,000</u>

Estimated Completion
Date : January 31, 1995

Statutory Requirements : Statutory requirements have been met.

Recommendation : That a \$25.0 million grant to the Republic of the Philippines be authorized for obligation in FY 1990 based on the terms and conditions described in the authorization.

II. PROJECT RATIONALE

The Philippine Assistance Program Support (PAPS) Project will provide assistance to the Government of the Philippines (GOP) to develop and implement high priority development projects under the Philippine Assistance Program (PAP).

PAP developed out of an initiative of a bipartisan group of U.S. Congressmen and Senators who urged President Reagan to take the lead in creating a "mini-Marshall Plan" for the Philippines. The main objective is to mobilize the goodwill and resources of foreign governments to generate sustained economic development in support of the restored democracy in the Philippines. PAP, also referred to as the Multilateral Assistance Initiative (MAI), was formally launched July 3, 1989 at a pledging conference in Tokyo attended by 19 donor countries and various multilateral institutions. The program is expected to provide \$3.5 billion in Official Development Assistance (ODA) commitments to the Philippines for 1989/90 and possibly up to \$14 billion over the next five years. In addition, PAP is expected to attract substantially increased private sector investment through the provision of a favorable policy climate and improved infrastructure support.

To expedite and oversee the expected increased assistance levels of the PAP, the President established the Coordinating Council of the PAP (CCPAP) in January 1989 which is composed of executive, legislative and private sector representatives. In June 1989 President Aquino established a new executive body, the Committee on Official Development Assistance (CODA), under the National Economic and Development Authority (NEDA) Board, to coordinate not only PAP funds but all ODA. CODA includes selected cabinet members and the Governor of the Central Bank. The chairman positions for CCPAP and CODA are held by the same individual, a prominent businessman appointed by the President. In practice, CCPAP will serve primarily as an external liaison with the donors while CODA will focus on internal coordination among GOP executive agencies to ensure expedited utilization of assistance.*

As indicated in the "Philippine Agenda for Sustained Growth and Development" (the "Agenda"), presented by the GOP in Tokyo, PAP supports the GOP Medium-Term Philippine Development Plan, 1987-1992. A principal goal is the alleviation of poverty in the countryside through the development of production-oriented activities in the areas outside the National Capital Region (NCR) in coordination with the private sector. Guiding principles of the CCPAP exemplify this thrust:

- To rapidly expand the productive capacity of the economy;

* See Annex F for Administrative Order No. 128 which establishes CODA and related information.

- To channel resources to rural areas and lay the foundation for a balanced and well-dispersed agro-industrial economy;
- To engage in catalytic projects which should be able to create ancillary activities and attract substantial flows of private investments and generate employment;
- To give priority to high value-added products, preferably using indigenous raw materials, with immediate export potential; and
- To encourage activities which will improve the over-all socio-economic standing and self-esteem of the rural Filipino.

A. Problem Context

Donors and host country officials alike have expressed concern about the capacity of the Philippines to absorb additional assistance because of the slow drawdown rate of already available and committed funds.* The GOP Agenda identified several constraints to accelerated project implementation and higher impact from public investments, including: poor planning, overly conservative cash management procedures and administrative centralization. Inadequate planning is evidenced by the lack of well-prepared and viable project proposals available for donor funding. Two factors have contributed to this situation: the limited amount of funds available for feasibility studies and the lack of GOP capacity to identify and prepare projects. Slow and multiple clearances have delayed fund flows which in turn have impeded project implementation. Centralized and redundant contract approval procedures, audit procedures, and centralized project monitoring have also slowed drawdowns.

The GOP has taken a number of administrative actions to improve project fund utilization--namely, the creation of the Project Facilitation Committee in 1987 to study implementation bottlenecks of foreign-assisted projects and recommend salutary measures, modification of contract review and expenditure pre-audit procedures by the Commission on Audit, and testing of decentralized budgeting and fund release/control functions to pilot provincial governments.

GOP-initiated measures have improved implementation progress but much remains to be done, including: further decentralization of authority for budgeting, contracting and procurement, multi-year appropriation and allotment of foreign-assisted project funding, and agreement allowing foreign donors to work directly with provincial local governments. Most important is the need

* See Annex H for additional pipeline details.

for more resources to undertake feasibility studies and improve project screening systems.*

The PAPS Project will support the objectives set forth in the Agenda by providing additional funds for feasibility studies and support to CODA to improve project selection, development and implementation. It will also directly support efforts to encourage private sector involvement in Philippine development through the funding of feasibility studies and the encouragement of an increased role in economic development zone planning, management and economic activities. The studies will provide the basis for identifying potential private sector opportunities that could lead to greater diversification and expansion of employment opportunities in various areas. The project will also address constraints to expanded growth by financing studies on issues related to increased investment to ensure that projects are reviewed from broader, cross-sectoral perspectives. Finally, the project will provide CODA with required assistance in building institutional capacity through the provision of training at the national/regional/local levels as well as with short-term operational support.

B. Relationship to USAID Program

The emphasis of the PAF is congruent with the USAID program goal of supporting GOP efforts to achieve broadly based, sustainable economic growth through an active partnership of the public and private sectors. The project directly supports efforts to encourage private sector involvement in Philippine development through the funding of feasibility studies for the demonstration projects, among others, and the encouragement of an increased private sector role in economic activities. The studies will provide the basis for identifying potential private sector opportunities that could lead to greater diversification and expansion of employment opportunities in various sites. Additionally, the project will provide funds to private sector entities on a reimbursable basis for pre-investment studies.

The PAPS Project will support the USAID objective of addressing constraints to expanded growth by financing studies on issues related to increased investment and ensuring that projects are reviewed from broader, cross-sectoral perspectives.

Improving infrastructure in rural areas is another USAID objective that is central to PAPS Project activities. The project will provide for numerous technical, environmental, economic and financial feasibility studies for major nationwide infrastructure such as roads, telecommunications, ports, and private power that are required for greater economic growth, especially in areas outside of the National Capital Region.

* See Annex H for information on available feasibility funds.

The PAPS Project will not duplicate existing projects that provide funding for project preparation. The Project Design Project provides support for the Economic Support Fund Secretariat (ESFS), technical services for ESFS-implemented projects and feasibility studies for infrastructure differing in size and nature to that proposed under this project. The Technical Resources (TR) Project provides funds for multi-purpose studies, including, among others, feasibility studies for AID-financed projects. But, much of the TR funding is already programmed for GOP- and USAID-identified needs and the implementing agency, NEDA, has limited capacity to handle the expected volume of studies. The PAPS Project will provide for a quick-response mechanism for large infrastructure and economic development zone activities using expatriate and local consultants through AID-direct contracts. Further, USAID and government institutional framework for PAPS is significantly different from those of the two ongoing projects as is the overall intent.

CODA has also requested assistance in building institutional capacity through the provision of training at the regional/local levels. The USAID-financed Development Training Project (DTP) authorized in September 1989 provides about \$1.5 million for training local government personnel over a five-year period; however, most of these funds will emphasize training in three regions initially. PAPS will fund training or the development of specialized courses to complement the DTP effort. Given the need for capacity building at the local and regional levels, the funds should be readily used. Again, the institution building objective under PAPS is sufficiently different from DTP that merging them would detract from achieving the PAPS objective.

C. Relationship to Other Donor Activity

PAP is a multi-donor program and received pledges in Tokyo from 10 bilateral and multilateral donors, for an approximate total of \$3.5 billion in assistance for 1989. Pledging countries/organizations included: Japan, Japan Eximbank, World Bank, Asia Development Bank (ADB), Italy, France, Germany, Spain, European Community and the United States.* Other donors are also expected to contribute funds for numerous development activities. Plans under PAP include development of up to 16 major economic development zone projects, with five targeted for initial implementation, and other nationwide infrastructure which will be financed by various donors. The PAPS Project will provide operational support to CODA and CCPAP to carry out their multiple functions, including the coordination of donor funding for better integration and effectiveness.

While the project will finance feasibility studies for projects of high priority for USAID funding, it will also finance feasibility studies to be submitted for consideration by other donors. In addition, in cases where other donors are financing feasibility studies but where their requirements for environmental or other key analyses may be limited, consultants could be made available to fill "critical" gaps in analysis. The PAPS Project will also

* See Annex H for a list of pledges.

finance follow-on studies or design work for initial design efforts financed by USAID or other donors, provided that the previous feasibility studies were acceptable and met agreed-to standards. For follow-on detailed design work for which USAID would finance construction, USAID would ensure that required feasibility studies were complete and satisfactory before construction financing. For example, in the case of the General Santos City Agro-Industrial Project, the Government of Singapore has agreed to finance feasibility study preparation but not detailed design work and construction. USAID could provide the follow-on studies/design work and finance selected aspects of the project.

D. Relationship to AID Policy and Statutes

Assistance to be provided under the project will conform to AID policy, regulations and statutory requirements, including project design, implementation, financing modalities, evaluation, and audit requirements.

The project will conform to statutory requirements (e.g., the Lautenberg and Bumper Amendments) which generally restrict AID-financing of certain activities in connection with productive activities that could potentially compete with U.S. exports. The basic limitations are on:

- Projects that support the production of agricultural commodities for export when the commodities would directly compete with exports of similar U.S. agricultural commodities to third countries and would have a significant impact on U.S. exporters.

- Projects involving production, processing or marketing of sugar, palm oil or citrus for export to the U.S. or third countries in direct competition with U.S. producers.

- Projects which support the manufacture for export to the U.S. or third country markets in direct competition with U.S. exports of "import sensitive" articles, specifically textile and apparel articles, footwear, handbags, luggage and certain other leathersgoods. Prohibited export-related activities include feasibility or pre-feasibility studies for, or profiles of, potential investment in the manufacture of the commodities for export, or assistance in the establishment of facilities specifically designed for manufacture of the commodities for export.

USAID will determine on a case-by-case basis whether AID financing of specific studies or facilities is appropriate. Such a determination will be made at such time as sufficient information is available for an informed decision. However, it is not expected that a large number of activities will be excluded from feasibility study financing as a result of these restrictions.

III. PROJECT DESCRIPTION

A. Project Objectives

The goal of the project is to achieve broadly based, sustainable economic growth in the Philippines through an active partnership of public and private interests. The purpose of the project is to assist the Philippines to develop and implement high-priority development projects under the PAP. These projects when implemented will provide increased economic and employment opportunities for Filipinos, particularly in areas outside the NCR. Further, these projects will provide basic infrastructure or other incentives to encourage private investment. The project will also assist the GOP to establish mechanisms to coordinate donor assistance and facilitate project implementation, especially in areas that cross-cut departmental boundaries .

B. Expected Accomplishments and Beneficiaries

Given the nature of this project, the level of outputs can be estimated only. Expected accomplishments include:

- Detailed area development plans, including feasibility studies, detailed engineering master plans, and associated analyses leading to for PAP-funded projects in economic development zones;
- Feasibility studies or detailed design work for major nationwide infrastructure investments proposed under the PAP;
- Feasibility studies for small projects generated by local governments or other entities;
- Studies on selected development issues related to investments in geographical areas or sectors; and
- Pre-investment studies for private investments with priority for economic development zones or other designated growth areas.

The beneficiaries of the project are the Filipino people especially in areas outside the NCR who will benefit from the expanded economic activity expected to result from new infrastructure and private sector investments based on the feasibility and design studies financed by the project. The investments generated should provide increased income and employment opportunities for Filipinos located in targeted economic development areas.

Direct beneficiaries of the project include the agencies and organizations receiving assistance for feasibility studies for proposed project development as well as regional and local government officials who will participate in training activities. Private firms will also benefit directly from pre-investment studies that reduce their pre-investment risk. Other beneficiaries are CODA operations that will receive technical and related support to facilitate coordination and oversight of donor assistance.

While the status of women will not be affected directly as a result of project activity, women are expected to benefit indirectly as individuals and family members from the increased implementation of projects designed or initiated under the project. Further, scopes of work for studies and analyses, when appropriate, will require the collection and analysis of gender-disaggregated data to determine constraints to and opportunities for women's participation and benefits in project activities.

C. Project Components

The PAPS will fund three major components. Two components, Studies and Operations Support, and evaluation and auditing activities will be funded under a bilateral Project Agreement. The third component, the Private Sector Pre-Investment Facility, will be obligated separately through a Grant Agreement or similar mechanism with a qualified Philippine non-government organization (NGO). The components are described below:

1. Studies

The studies component is the largest, budgeted at \$17.0 million. It will be directed at providing necessary analytical information for the government to implement its investment program under the PAP effectively. These funds will be administered by CODA. While the focus of this component will primarily be on public sector oriented investments such as infrastructure, the linking and coordination of these activities with the private sector is critical to optimize PAPS contribution to program objectives.

The following sections present an illustrative list and discussion of the types of studies that may be supported, the general criteria for screening and approval of activities under the studies component and a discussion of guidelines for analysis.

Prior to committing funds for any major engineering design activities, USAID will consult with AID/Washington and obtain necessary concurrences/approvals for AID funding.

a. Types of Studies

The studies to be conducted under this component include area development plans, engineering master plans, feasibility studies, environmental analyses, and associated analyses leading to project proposals for activities which may be funded under the PAP such as "economic development zone" projects and feasibility studies for major nationwide infrastructure investments including roads, ports, telecommunications and power. It is anticipated that the major portion of the funding in the studies component will be used to carry out feasibility studies. However, detailed engineering design work may be financed, provided that feasibility concerns have been satisfactorily addressed. Finally, broad planning assistance, sectoral analyses and studies dealing with macro-, sectoral or geographic issues relating to PAP activities will also be considered for financing.

(1) Economic Development Zones

In an effort to encourage business investment and development outside NCR, the GOP has identified 16 regional growth centers -- "economic development zones." The primary objective of the zones will be to ensure that adequate physical and institutional infrastructure is made available to attract private investment to a region with strong growth potential. Several zones have already been identified as demonstration projects under PAP, including Cavite, Laguna, Batangas, Rizal Project (CALABAR), Panay-Negros Agro-Industrial Project (PANAI), and General Santos City. Some zones will include public or private agribusiness or industrial parks or estates; others will receive necessary integrated infrastructure to attract investments. The project may finance selected studies within a number of zones.

Given the complexity of producing a viable development zone, PAPS is expected to devote considerable attention to the assessment and design of such projects prior to investment decisions. The economic development zones will involve multiple investments to be analyzed and developed and thus will require a wide array of specialists and coordination between public and private entities. Such projects may include physical and institutional infrastructure necessary for a growing economy. The government has already developed a list of potential investments at the zones, most of which will require feasibility study and design. While most studies will involve physical infrastructure, others will collect and analyze data on broader economic or environmental concerns that need to be addressed prior to major zonal investment decisions.

While the studies component is to establish the feasibility and design parameters of the zones, it will not be directed at establishing the feasibility of specific private enterprises or investments. Enterprise specific studies will be financed under the Private Sector Pre-Investment Facility discussed later in this section.

Illustrative studies for determining feasibility may include the following:

- Pre-feasibility Studies: Prefeasibility studies which analyze a variety of technical alternatives for investments may be financed.
- Feasibility Studies: Feasibility studies for some or all elements of proposed investments for economic development zones may be financed. The studies will be carried out to meet Development Assistance Committee (DAC) appraisal standards and will include preliminary designs for proposed investments as well as requisite technical, financial, economic, social soundness, administrative, and environmental feasibility analyses. Technical studies for

infrastructure activities will include architectural and engineering feasibility, among others, depending on the proposed project. Other specialized technical analysis will also be undertaken, depending on the type of project. Financial analyses will provide a basis for determining financial viability and benefits for participants. Economic analyses are important to determine the social profitability of the activity(ies). Environmental analyses will be important to identify potential negative environmental effects and to propose alternative approaches or mitigating measures where appropriate. Social soundness analyses will provide information on the social and cultural appropriateness of activities, potential beneficiaries and participation of target group in project development. Finally, administrative analyses will assess capacity and alternatives for implementing proposed projects effectively. (Section III.C.1.c below and Annex G provide additional detail on feasibility study guidelines.)

- Detailed Engineering Designs: This task would involve the review of previous studies, site investigations, analyses of alternative approaches to design and schematic drawings which would lead to final engineering designs consisting of design calculations, technical specifications, drawings, plans, engineer's cost estimates and bid documents for a project or a project component. Completion of this task would render the activity ready for bidding.

- Other Studies: Other more specialized studies may be required, including: business/investor surveys to determine potential investment activity and constraints, general physical master plans to identify and address land use issues and environmental concerns, resource inventories to assess availability and quantity related to industrial and related plans, assessments to determine available and additional skill needs, transportation requirements to determine adequacy and constraints, and utilities requirements to provide long-term development needs. (See Annex G for more detail on these studies.)

(2) National Infrastructure

PAPS funds will be available to finance studies associated with infrastructure under the national program provided it meets the PAPS studies criteria. In contrast to the infrastructure associated with the development zones, this category refers to large, stand-alone projects. Examples include major roads, power, transportation or telecommunications projects which are important for development nationwide.

Studies for national infrastructure may include pre-feasibility studies to identify and analyze various technical alternatives, feasibility studies (e.g., technical, financial, economic, environmental assessments, social soundness, and administrative), detailed engineering design and other studies determined important to establish project feasibility. The objectives and effort for the feasibility studies will be similar to those described above for the economic zone activities. However, the range of analysis may be narrower and more function specific than the comprehensive economic zone activities. Detailed engineering activities would be undertaken only if the feasibility of the project were established and preliminary commitments for project financing were acquired.

Additionally, PAPS could finance a discrete portion of a large feasibility study for national infrastructure activities such as the environmental assessment for a large powerplant or port expansion. Further, PAPS may finance selected studies for projects to be financed by other donors that have limited capacity to undertake such studies, where full feasibility work would not otherwise be undertaken and where a source of project funding has not yet been identified. In the case of determining the environmental impact of a project, USAID will build such work into the feasibility study for the project so the design work can incorporate the recommendations of the study. However, if there are cases where other donor-financed design has proceeded without the benefits of an environmental analysis, an environmental analysis could still be of significant benefit. Frequently minor design modifications to projects can avoid higher costs for correcting problems at some point in the future.

(3) Small Studies Fund

In accordance with the government's policy of decentralization, CODA anticipates that local governments and associated non-government organizations will propose a number of project ideas which will be small but merit careful consideration for financing under the PAP. Accordingly, CODA and USAID plan to establish under the PAPS studies component a small studies fund capable of responding quickly and with minimal administrative overhead to the need to review the feasibility and assist with the design of these projects. The work will be carried out by contractors under a requirements type arrangement and an initial \$300,000 has been earmarked for this effort. Studies, to qualify for assistance under the small studies fund, should have an estimated cost under \$25,000 in local currency equivalent. Most studies under the fund are expected to be under \$5,000. As appropriate to the scale of the proposed project, the same criteria applicable to the studies discussed under Sections (1) and (2) above will apply and help with similar feasibility studies will be available.

(4) Planning, Sectoral and Issue-Related Studies

Finally, the PAPS studies component can be used for broader, non-project specific studies which could be used in planning and better utilizing PAP resources. CODA will coordinate with appropriate government agencies and private sector entities during the planning and implementation of

the studies. Studies may include: (a) planning of PAP resource allocation among sectors and groups -- e.g., analysis of Economic Development Zones as a basis for recommending guidelines and criteria for zone development and operation; (b) identification of constraints and opportunities in certain sectors where PAP intends to invest -- e.g., airport improvement, telecommunication or selected food processing industries; or (c) identification, analyses and resolution of development issues related to PAP -- e.g., the optimal investment incentive structure for the economic development zones, government contracting practices, construction standards, and assessment of environmental consequences of proposed investments prior to feasibility analysis.

b. Criteria

The criteria for selecting studies to be funded are divided into two groups: primary and secondary. All studies approved for financing under this component must meet the primary criteria. The secondary criteria are important in prioritizing proposed PAP projects to be studied and are not on their own a basis for rejection. The criteria in many cases require a judgment to be made regarding the design and benefits of the project to be studied. Proposals for PAPS assistance should be sufficiently well developed so that this type of information is available in at least a qualitative form before the study is made.

The criteria cited below apply to feasibility studies discussed under Section III.C.1.a as well as those included in the Private Sector Pre-investment Facility described in Section III.C.3.

o Primary Criteria

(1) Increased Economic Growth: The project to be studied should, if implemented, contribute directly to national and regional growth.

(2) GOP Policy Framework: A determination should be made that the achievement of project objectives are consistent with government policies and regulations.

(3) Location: The project to be analyzed should focus particularly, but not exclusively, on areas outside the NCR.

(4) Financing: A determination should be made that there is a reasonable likelihood of project financing prior to undertaking detailed engineering designs.

(5) Environment: Feasibility studies should not be financed if the project will have a substantial and non-correctable negative impact on the environment. A feasibility study, however, would be undertaken where it is anticipated that potentially negative outcomes can be mitigated.

(6) GOP and AID Statutory Requirements: There should be no evident conflict with GOP and U.S. laws.

o Secondary Criteria

(1) Private Sector Priority: The project should enjoy the support of the private sector in the target area(s) and satisfy a demand viewed as central to growth of the area(s).

(2) Trade and Investment: The project should promote or improve the environment for off-farm private investment or non-farm agroprocessing or marketing enterprises, and free and open markets operations.

(3) Multiplier and/or Demonstration Effects: The project should have benefits to the economy beyond those it directly produces -- e.g., job creation and new enterprise development.

(4) Local Resources: The project should economically use locally available resources -- e.g., labor and raw materials-- and encourage the participation of women.

(5) Export: The project should preferably have high value-added output with export potential.

(6) Location: If area specific, priority should be given to projects located in PAP-priority areas.

(7) Technology: Technology (including skills) required to implement, operate and maintain the project should be appropriate to the capacity/capability of the area.

(8) Environment: A projects that is expected to have a beneficial effect on the environment should receive special consideration.

(9) Financing: A project with identifiable financing should be given greater priority.

(10) U.S./Philippine Business Opportunities: Projects which will result in business opportunities for U.S. and Philippine private sector should receive priority consideration.

c. Guidelines for Analyses

DAC's "Principles for Project Appraisal" will serve as the conceptual framework for feasibility studies to be financed under PAPS. DAC guidelines conform to AID policies and requirements that govern project procedures and practices as described in Handbook 3. Design and feasibility work which prepares a project for USAID financing must incorporate necessary analyses to meet DAC standards. The government and other donors also have project standards that must be met before approval -- some more rigid than others.

Generally, the following feasibility tests for proposed projects must be met: technical, economic, financial, social soundness, institutional and environmental. Study scopes of work must incorporate analyses to address requisite feasibility standards. A summary of the types of analyses to be conducted to establish feasibility follows:*

(1) Technical

The technical analysis will establish the technical feasibility of the project design -- i.e., determine that the means selected proposed to achieve the project purpose(s) are technically the most suitable and cost effective. The choice of technology must be consistent with the environment in which it will be used -- social, institutional, economic, etc. Therefore, the technical analysis must take into consideration feasibility aspects of other analyses in arriving at a recommendation for the most appropriate technology for the project. The technical analysis should establish whether the design of a particular project is consistent with the body of knowledge about possible solutions to the development problem to which the project is directed.

The approach and content of technical analyses for a specific project will vary significantly depending on the type of project -- credit, infrastructure, extension, industrial, etc. However, the general question to be answered is whether the technology proposed is the most cost-effective to implement, operate and maintain (sustain) for the project to achieve its objectives.

In many project areas, especially infrastructure, technical analysis methods are standardized. In roads, for example, the analysis looks at design standards, methods of construction, alternative alignments, traffic, volume and load requirements, maintenance safety, etc., and balances these against costs. In other types of projects, for example, industrial, the analysis may look into production technology, labor availability, operations and maintenance requirements, ancillary (support) infrastructures, raw material availability, etc. Again, cost would be considered in relation to the approach.

AID has a statutory requirement that projects to be financed must have adequate planning to establish reasonable cost estimates. This requirement is directly related to technical design selected and the establishment of that design's technical feasibility. Accordingly, any studies for projects which USAID might finance will include a strong requirement for technical analysis.

* See Annex G for feasibility guidelines, including DAC's "Principles for Project Appraisal."

(2) Economic

Economic analysis of projects aims to maximize the use of scarce resources in society (or maximum efficiency in the use of resources) through the identification of economically desirable and worthwhile projects. Proper identification of projects is important because in any economy, the kind of investment activities, not only the quantity or magnitude of investments, is crucial for sustained development.

Economic analysis should include the following:

- Macroeconomic appraisal of the project's relevance to the national, regional and sectoral economic development goals and priorities of the Philippines and of the project's expected economic impact on output, prices, employment, etc.; and
- Quantitative economic analysis to determine whether the project is a worthwhile investment for the country or society as a whole by assessing its economic benefits and costs in relation to alternative investments, in accordance with standard economic appraisal methodologies. In some cases a least cost analysis may be more appropriate -- e.g., when benefits are fixed or cannot be reliably quantified.

(3) Financial

The purpose of a financial analysis is to determine that a project or project entity is financially viable and sustainable in the legal, regulatory and economic environments in which it will operate.

In the case of revenue producing projects, profit or cost recovery over the life of the project is critical to investment decisions. Financial analysis of such projects uses actual and projected costs and revenues to determine the project's viability. It also considers such additional information as the entities present and past financial condition, capital structure, financial management practices and, if appropriate, any planned changes in these factors which might positively or negatively impact on the project's or entity's financial viability. If a project were expected not to recover its costs, and a subsidy from an external source were required, the extent of and rationale for this subsidy would be analyzed as well as the likelihood that the subsidy would be provided over the life of the project.

In the case of non-revenue generating projects, profitability and cost recovery analyses are not appropriate. But financial viability and sustainability concerns, nevertheless, do play a key role in the investment decision. In these projects the analysis focuses on budgetary analysis, the implementing institution's financial capacity practices and least cost analysis. The analysis should also establish the likelihood of resource availability from external sources to sustain the project over time -- e.g., government budgets for operations and maintenance.

(4) Social Soundness

The objective of a social soundness analysis is to determine whether a project is socially and culturally feasible within the values, practices and organizations of the targeted beneficiaries. Further, such analysis should identify alternative actions to sustain positive effects on the target social group(s) and to avoid negative ones.

The extent and depth of a social soundness feasibility analysis will depend on the complexity, location and type of project proposed. Additionally, the analysis may be undertaken in conjunction with institutional, economic and technical analyses. Some general issues which will be addressed for all proposed projects to ensure compatibility and sustainability include: identification of principal beneficiaries and the extent to which the project meets their critical needs, analysis of social and political forces that could constrain project implementation, level and type of beneficiary participation in project identification and development, distribution of benefits (and costs) of the proposed project among the targeted population (e.g., by occupation, sex, age, ethnic, or economic group), and likelihood that targeted beneficiaries will sustain the organizations and practices established under the project. Annex G contains additional detail on social soundness analysis concerns.

(5) Institutional

Institutional analysis is closely related to aspects of the technical and financial analyses and in some cases may be incorporated under them.

The institutional analysis attempts to identify the management implications of the project and establish the capability of the implementing or operating entity to execute the project effectively. It will evaluate the overall institutional context or environment in which the project will function. It will determine the nature and type of skill, organizational capacity, incentives, etc., required of the entity. It will also identify shortcomings or gaps and propose a strategy for institutional strengthening where needed. Strengthening could involve a mixture of technical assistance and training, organizational reform and streamlining of systems and procedures. In considering strengthening, the analysis should review ways in which the design could reduce the management burden on the implementing and operating entity(s). This analysis should be done at an early stage so options can be considered in the design of the project.

(6) Environmental

DAC environmental guidelines will be followed as the conceptual framework for all PAPS feasibility type studies. Because of the strong sensitivity to environmental concerns in the U.S. and the high priority USAID places on this aspect of its economic assistance program, AID Agency Environmental Procedures will be used for determining the type and extent of environmental analysis required for projects to be financed by AID. The

procedures require that the environmental consequences of AID-financed activities be identified and considered by AID and Philippine organizations prior to a final decision to proceed with a proposed activity and that appropriate safeguards be adopted (see Annex G for a summary of AID guidelines and related material).

It is expected that the bulk of the feasibility studies will be for infrastructure and thus require environmental assessments. (For the private sector pre-investment facility, the implementing organization will be responsible for ensuring that productive activities are screened for potential environmental effects and the appropriate analysis undertaken by investment sponsors.) Steps to be followed for the analysis of projects which AID will finance include:

- Initial Environmental Examination to make a threshold decision as to whether an environmental assessment (EA) or Environmental Impact Statement (EIS) will be required;
- Scoping session to identify significant issues to be addressed in the EA or EIS;
- Preparation of an EA or EIS to analyze the foreseeable effects, alternatives, and recommended actions for the proposed activity; and
- Drafting of an EA for government, Mission and ANE/PD/ENV review as part of the project paper documentation for a follow-on project.

In addition to conducting environmental analyses, PAPS will provide long-term technical support for CODA to prepare detailed guidelines particular to the Philippine environment, assist in preparing terms of references for studies and monitor study activity. Further, the technician will assemble and review other donor requirements for environmental analysis and help the government ensure that feasibility studies of projects to be financed by other donors meet DAC guidelines. The involvement of local counterparts in environmental assessments financed under PAPS will be encouraged to develop analysis skills and appreciation for the need to minimize negative environmental effects.

The level of effort for environmental analysis will depend on the nature of the proposed activity. For infrastructure, environmental assessments are expected to be approximately 10-15 percent of the detailed engineering design costs financed under the project.

2. Operations Support

The government has established a CODA office with some staff seconded from other departments and limited equipment and furnishings. The

PAPS Project will provide supplemental assistance to support CODA operations, including specialized institutional development support, technical support, commodities and supplies. Each area is described below:

The institutional development support activities will principally include in-country technical training or related activities for regional and local level personnel in project preparation, implementation and monitoring skills. CODA staff have identified the need to improve the following skills: screening of project proposals, identification of needed feasibility studies, development of scopes of work, bidding procedures, and project management. It is anticipated that these activities, for the most part, will be undertaken in conjunction with ongoing studies for proposed projects. Funding is not expected to exceed \$250,000 for training. Some assistance will be provided for strengthening skills in these and related areas either under the technical support contract mentioned below or under another AID-direct grant or contract to a Philippine organization with appropriate experience. A small amount of funding will also be provided for seminars and conferences to support ODA coordination functions.

The project will support a small corps of technical specialists to provide assistance in programming and monitoring to CODA. Long-term expatriate and Philippine technical expertise in engineering, environmental assessments and project design/finance/economics are viewed as important to: (a) develop terms of reference and develop technical standards and quality control in feasibility studies, particularly for those involving large infrastructure and economic zone activities; and (b) actively monitor the execution of studies to ensure that they are of good quality and meet international donor standards. Technical support in these areas will enable CODA to undertake a broad range of high-level feasibility work to meet USAID and other donor standards for follow-on subproject financing. Additional short- or long-term local assistance in developing information systems, preparing contractable scopes of work and developing training and social analysis approaches may also be needed to accelerate and improve the quality of monitoring and feasibility study activities. The technical support will be provided under an AID-direct contract with the option to increase the level of effort for other specialized expertise as required.

Additionally, a modest amount of assistance may be provided to support CCPAP to carry out its responsibilities. This support will provide CCPAP with a small number of highly qualified consultants through a grant to a non-governmental organization.

Finally, some assistance will be provided for office supplies and equipment, including data processing equipment, copying equipment, overhead projectors, and similar equipment. Funding for these items is not expected to exceed \$325,000. This assistance will be provided either through the AID-direct technical support contract or will be procured directly by USAID.

An estimated \$2.75 million is budgeted for this component.

3. Private Sector Pre-Investment Facility (PIF)

The assistance provided for CODA will play an important role in designing and establishing the feasibility of critical infrastructure and other public sector oriented investments financed under PAP. To complement and help optimize public sector PAP investments, however, private capital must be mobilized. Assistance in establishing the feasibility of potential private sector investments can help in this process.

In order to promote business development, especially in and around the Economic Development Zones, the PAPS Project will provide financing for a private sector pre-investment facility to promote investment. This component will promote private investment in off-farm enterprises as well as on-farm agro-processing or marketing enterprises by reducing pre-investment risk and assisting potential project proponents in identifying business opportunities and developing bankable projects. Investments to be assisted under the PIF's co-financing arrangement will have to meet general programmatic criteria discussed earlier under the studies component. Additionally, investment criteria similar to those used by the U.S. Trade and Development Program for investment support will be applied to screen applications in areas such as capital structure, legal status, nationality of likely investors, credit worthiness of project sponsors, reasonableness of study cost estimates, etc. Criteria will be reviewed from time to time during implementation to ensure its continued applicability.

Technical services financed under this program could include full-scale feasibility studies or portions thereof -- environmental assessments, market research, product research or development, natural resource surveys (e.g., coal reserves), among others. Other project development costs to prepare a project commercially or financially for closing would be considered for assistance.

The proposed funding level for the facility is \$5.0 million and obligations will be phased to avoid pipeline build-up. This amount is expected to finance 30 to 40 technical service activities. Funding will be provided either as dollars for foreign exchange costs or as pesos for local costs. The following financing option is under consideration and will be finalized prior to obligation of funds for this component:

- Cost Sharing Mechanism. The project will assist qualified investors/sponsors by financing, on a cost sharing basis, the costs of identifying business opportunities and/or establishing investment feasibility up to a maximum grant contribution of \$250,000 or 50 percent of acceptable cost, whichever is less. In the case of enterprise specific investment studies for which an investment is made, PIF would cover up to 50 percent or a maximum of \$250,000 as a grant. However, if, after study completion, no investment were made, PIF would cover only up to 25 percent or a maximum of \$125,000 as a grant. The ceiling of \$250,000 will be used initially. However, it may be necessary to adjust this level during implementation if evidence suggests that the level constrains meeting the component's objectives.

In order to reward successful investors and share the burden with unsuccessful investors, the following means for drawing on PIF has been established:

- Studies Grant. Upon completing the study, PIF will reimburse the sponsor 25 percent of the study cost up to a maximum of \$125,000.
- Investment Grant. Upon the investment of capital funds by the sponsor in the project identified in the study, PIF will reimburse the sponsor another 25% of the study cost up to a maximum of \$125,000. Project sponsors would have up to one year from the time they claimed the studies grant to request their investment grant from PIF.

This facility will be available to U.S. and Filipino sponsors which meet PAP and PIF investment criteria as agreed to by the GOP and USAID. Priority will be given to U.S./Filipino joint ventures.

Availability of this assistance will be publicized in the U.S. and Philippines. Contracting for study services will follow generally accepted U.S. and Philippine procurement practices. No more than reasonable prices shall be paid for any services financed under the PIF. Such services shall be procured in a fair and, to the maximum extent practicable, on a competitive basis. While formal competitive procurement may not be required since private sector sponsors may wish to use a specific consulting firm, the sponsors will have to demonstrate prior to the commitment of funds for a study that the study costs are reasonable. Competition is an important way to demonstrate reasonableness.

Funds will be provided to a private sector organization experienced in feasibility type work to administer this activity. In addition to financing studies and related pre-investment activities, a portion of the \$5.0 million earmarked for PIF will finance direct administrative costs of the institution. This institution will be responsible for: (1) promotion of the facility, (2) screening proposals to assure they adhere to program criteria, (3) assistance to proponent enterprises, where necessary, to assure that the study scopes are sound and reasonable in cost, (4) submission of eligible proposals for consideration by the facility's board of directors, and (5) administration of the facility. Detailed requirements for project screening, financing, monitoring, reporting, evaluation, audit, etc., will be incorporated in the cooperative agreement.

A board of review will be established to provide policy guidance, to oversee operations and to approve studies. The board will include three private sector members (e.g., from the US Chamber of Commerce, the Philippine Chamber of Commerce and Industry and the private sector implementing institution) and two government members (e.g., from CCPAP and the Department of Trade and Industry). USAID will have a representative (not a full voting member) on the board to provide guidance on, among other things, USAID procedures and to ensure that PIF funds are used in accordance with U.S. statutory requirements and project objectives.

IV. COST ESTIMATES AND FINANCIAL PLAN

A. Cost Estimates

The PAPS Project has an estimated project cost of \$36.67 million over the five-year life of the project. The USAID contribution is estimated at \$25 million with the GOP contribution of about \$6.67 million in the form of: (1) feasibility studies, (2) personal services, (3) office facilities and equipment, and (4) maintenance and other operating expenses (e.g., travel costs, and supplies and materials). The private sector co-financing contribution under the Pre-Investment Facility is estimated at \$5.0 million for feasibility studies. See Annex L for more detail on the counterpart contribution.

The expected allocation of USAID project costs over the project life as shown in Table I are: studies, 68 percent; operational support, 11 percent; private sector pre-investment program, 20 percent; and, evaluation and audit, 1 percent.

Project expenditures by fiscal year are summarized in Table II. PAPS will be incrementally funded beginning in FY 1990 and will have a planned Project Assistance Completion Date of January 31, 1995.

The planned USAID obligation for FY 1990 is \$11.0 million. The Private Sector Pre-Investment Facility, estimated at \$5 million, will be obligated over a three-year period with \$2.0 million to be obligated in FY 1990, \$2.0 million in FY 1991 and \$1.0 million in FY 1992. Table III reflects the planned AID obligations over the life of the project.

Table I
Estimated Life-of-Project Budget
(\$000)

<u>Project Input</u>	<u>AID</u>	<u>GOP</u>	<u>Private Sector</u>	<u>TOTAL</u>
Studies	\$ 17,000	\$ 3,670	-	\$ 20,670
Operations Support (Support for CODA; Technical Support & Commodities; and Institutional Development)	2,750	3,000	-	5,750
Private Sector Pre- Investment Facility	5,000	-	\$ 5,000	10,000
Evaluation and Audit	250	--		250
 TOTALS	<u>\$ 25,000</u>	<u>\$ 6,670</u>	<u>\$ 5,000</u>	<u>\$ 36,670</u>

Table II
Projection of Expenditures by Fiscal Year
(\$000)

	FY '90 **		FY '91		FY '92		FY '93		FY '94		TOTAL	
	AID	GOP	AID	GOP								
Studies	\$1,950	\$421	\$4,075	\$880	\$6,325	\$1365	\$3,450	\$745	\$1,200	\$259	\$17,000	\$3670
Operations Support (Support for CODA; Technical Support & Commodities; and Institutional Development)	512	559	452	493	517	564	591	645	678	739	2,750	3,000
Private Sector Pre- Investment Facility*	500	-	1,000	-	2,000	-	1,000	-	500	-	5,000	-
Evaluation and Audit	-	-	100	-	-	-	-	-	150	-	250	-
TOTALS	\$2,962	\$ 980	\$5,627	\$1373	\$8,842	\$1929	\$5,041	\$1390	\$2,528	\$ 998	\$25,000	\$6,670
%	11.8	14.7	22.5	20.6	35.4	28.9	20.2	20.8	10.1	15.0	100	100

* Expenditures by private sector entities are estimated at same rate as Facility.

** Based on the proposed CODA budget for FY 1990, projected through 1994.

Table III
Planned A.I.D. Obligations
(\$000)

<u>Element</u>	<u>FY '90</u>	<u>FY '91</u>	<u>FY '92</u>	<u>FY '93</u>	<u>TOTAL</u>
A. FOR OBLIGATION TO THE GOP					
Studies	\$ 7,250	\$ 5,250	\$ 3,500	\$ 1,000	\$ 17,000
Operations Support (Support for CODA; Technical Support & Commodities; and Institutional Development)	1,750	500	500	-	2,750
Evaluation and Audit	-	100	-	150	250
Sub-total	\$ 9,000	\$ 5,850	\$ 4,000	\$ 1,150	\$ 20,000
B. FOR OBLIGATION TO THE PRIVATE ORGANIZATION					
Private Sector Pre- Investment Facility	\$ 2,000	\$ 2,000	\$ 1,000	\$ -	\$ 5,000
TOTAL PLANNED OBLIGATIONS	\$11,000	\$ 7,850	\$ 5,000	\$ 1,150	\$ 25,000

B. Funding Mechanisms

Table IV illustrates the anticipated methods of implementation and financing under PAPS. It is envisioned that the direct payment method of financing will be used for AID-direct contracts, local indefinite quantity contracts (IQCs), AID-direct grants, and possibly host country contracts for studies. Technical support will be provided by an AID-direct contract and financing will be by direct payment. Technical support for CCPAP may be provided under an AID-direct grant to a non-profit organization and direct payment or cash advance/liquidation will be used. Commodities will be procured by the technical support contractor or directly by USAID. Institutional support activities will be under the technical support contract or a separate grant/contract and by AID direct payment. Services for evaluation and audit will be implemented by AID-direct contracts utilizing either purchase orders, personal services contracts (PSCs) or IQCs.

The Private Sector Pre-Investment Facility Component of the Project will be administered by an NGO. The NGO's activities will be implemented under an AID-direct cooperative agreement and the method of financing could either be through direct reimbursement or the cash advance/liquidation mechanism. The use of the cash advance/liquidation method of financing is, however, contingent upon the adequacy of the organization's financial management system which should first be assessed by USAID pursuant to the requirements of AID Handbook 13. In the case of for-profit recipients of the grants under this component, the method of financing will be by direct reimbursement. (Section III.C.3 - Private Sector Pre-Investment Facility discusses financing arrangements under consideration for the actual pre-investment studies.)

Table IV
Methods of Implementation and Financing
(\$000)

<u>Implementation Activity</u>	<u>Method of Implementation</u>	<u>Method Financing</u>	<u>Estimated Amount</u>
Studies	AID-direct and/or Host Country	Direct Payment	\$ 17,000
Operations Support -Technical Support & Commodities; and Institutional Development	AID-direct	Direct Payment or Cash Advance	2,750
Private Sector -Pre-Investment Facility	AID-direct	Direct Reimbursement/ Cash Advance	5,000
Evaluation and Audits	AID-direct	Direct Payment	250
TOTALS			<u>\$ 25,000</u>

C. Implementation and Payment Methods

Payments under the AID-direct and/or host country contracts will be made by USAID on behalf of the implementing agency in US dollars and/or Philippine pesos, at the request of the GOP or the private organization in the case of the pre-investment component. The implementation plan for the Private Sector Pre-Investment Facility component of the Project is discussed in Section III.C.3. Disbursements may also be made directly to the contractors or suppliers by USAID through such other means as the GOP and/or the contractor/supplier and USAID may agree upon in writing.

D. Audits

Responsibility for the audit of all USAID programs and projects lies with the Office of the Regional Inspector General (RIG). USAID will have independent audit rights under the project agreement. It is expected that RIG/A will perform routine audits related to this project. A budget of \$50,000 is set aside to finance non-federal audits which may be required under this project.

V. IMPLEMENTATION PLAN

A. Implementing Agencies

1. GOP

CODA will be the principal implementing agency for the project. CODA was created under Administrative Order No. 128 dated June 23, 1989 to serve as an integrated administrative mechanism under the NEDA Board to coordinate ODA, including PAP funds. The CODA chairman concurrently chairs the CCPAP and includes various executive department secretaries and Governor of the Central Bank.* CCPAP includes executive, legislative and private sector representatives and provides policy and advisory services on ODA-related matters. CCPAP handles all external linkages with donor organizations and national bodies for ODA-funded projects and has assumed responsibility for overall coordination of the ODA demonstration projects. CODA, on the other hand, focuses on internal project development and implementation bottlenecks between and among the government departments and agencies dealing with ODA.

PAPS will provide support to CODA through its two operational offices: (a) the Project Development and Generation Group, which is tasked with project development, including tracking progress from the identification to implementation phase; and (b) the Project Implementation Group, which has responsibility for the monitoring of ongoing project implementation and troubleshooting for problem projects. The two CODA Offices have permanent directors and basic administrative staff. Other positions are being filled by experienced professional personnel seconded from other departments and by recruitment. PAPS will provide major implementation support to the Project Development and Generation Group as this unit has principal responsibility for the project feasibility stage.

CODA will be responsible for screening requests for submission to USAID for funding for studies for proposed projects. The proposals endorsed by CODA may emanate from local government units (LGUs), Regional Development Councils, line implementing agencies, or congressmen and private sector through the CCPAP. While the system for receiving and screening requests is still evolving, CODA staff are planning to develop a system which provides maximum input from and participation by local government officials in implementing studies. Initial orientation meetings may be held to familiarize LGU staff with implementation procedures. CODA will establish a screening process and criteria in conjunction with USAID.

* See Annex F for additional details.

2. USAID

Within the Mission, the Office of Capital Projects (OCP) will be the implementing office for the project. Overall coordination for PAP activities will be provided by the Mission's Office of Development Resources Management (DRM). An OCP U.S. direct-hire project development officer will be assigned to monitor the project under close coordination with the OCP Chief Engineer and Office Chief. A foreign service national (FSN) project management specialist and FSN engineer from OCP will assist with project monitoring.

The Chief of the Private Enterprise Support Office (PESO), a U.S. direct-hire officer, will be tasked to coordinate and monitor the Private Sector Pre-Investment Facility under the project. An FSN specialist will assist with monitoring.

Other USAID staff offices, including the Controller's Office (CO), DRM, the Contracts Management Office (CMO), the Program Economist's Office, the Regional Legal Advisor and the Office of Rural and Agricultural Development, will assist in project implementation and monitoring as needed. Additional FSN staff may be required for CO and CMO (maximum of one each) to support implementation and monitoring of the contracts and grants under the project.

B. Implementation Arrangements

USAID Review and Selection

In order to ensure that studies proposed for financing meet project criteria and conform to pertinent statutory criteria, as well as to assess whether the studies to be financed are for projects which USAID may potentially be interested in financing, the Mission will form a PAPS Review Committee to review studies proposed for financing under the studies component. The Committee will be chaired by the OCP Office Chief or his designee and will be composed of representatives of the Offices of DRM, Controller's, Program Economist, appropriate technical office(s), and the PAPS Project Officer. Additional mission staff will participate as needed. OCP will serve as secretariat to the Committee and the Project Officer will be responsible for agenda development, scheduling, and ensuring that appropriate background material on studies/activities under consideration are distributed and comments/decisions recorded. The Committee chairperson will have authority to approve studies and other activities proposed for financing under PAPS.

The Mission will regularly inform AID/Washington (AID/W) of activities initiated under the PAPS through quarterly project status reports or other appropriate means. Additionally, where the nature of the study may lead to a sizeable, high profile or complex project for PAP (MAI) financing, the Mission will consult with AID/W. In those cases where a feasibility study has been performed and the Mission intends to proceed with detailed design and financing of the project, the Mission plans to submit, for AID/W approval, a Project Identification Document (PID) or PID-like document prior to approving funding for detailed design.

C. Procurement Plan

The authorized source/origin for procurement under the project is U.S. and Philippines. Procurement will follow the relevant AID Handbooks and regulations, including Handbook 1B, Procurement Policies; Handbook 13, Grants; Handbook 11, Country Contracting; Handbook 15, Commodities; Federal Acquisition Regulations and AID Acquisition Regulations as applicable. The procurement plans for technical services and commodities follow:

1. Technical Services

Technical services for the majority of feasibility studies under the studies component will be procured under one or two AID-direct requirements type contracts to conduct full-scale feasibility studies, update feasibility studies or collaborate with GOP agencies and/or consulting firms to implement studies on an as-needed basis. Prospective bidders for the principal contracts will be encouraged to participate as consortia or joint ventures including minority and disadvantaged small businesses and Philippine firms. Procurement will begin shortly after the signing of the Project Agreement, including refinement of the scope of work and advertising in the Commerce Business Daily.

The use of host country contracting for the requirements contracts has been reviewed but considered undesirable as the principal approach for the following reasons:

- First, the implementing agency, CODA, currently does not have the capacity or authorities to undertake host country contracting.

- Secondly, a major concern of both USAID and CODA staff is to utilize an approach that provides maximum flexibility and timeliness. Competing for multiple services initially through requirements contract(s) was identified as an appropriate approach to accomplish these objectives. Individual feasibility study contracts with multiple GOP departments would intensify management effort and time for both USAID and the GOP. Once the large AID-direct requirements contracts are executed, a process which is anticipated to take from five to six months for USAID, the time and flexibility to undertake individual feasibility studies will be reduced. To obtain services based on a prepared scope of work, implementation should be no longer than 45 days, allowing for identifying appropriate specialists and getting them in place. During the proposal process, the competing firms will have to demonstrate the capacity to provide a large range of expertise in a timely fashion. The firm(s) selected will be expected to provide assistance within a 30-day turnaround time.

- Thirdly, the type of contracting envisioned requires strong capacity to implement, including experienced staff, an efficient system of work order preparation and approval, and strong financial capacity to manage

the contract with its multiple, piecemeal orders. GOP agencies are not familiar with or have known experience with this type of contract. Further, USAID experience to date with various counterpart departments [including the Department of Public Works and Highways (DPWH), NEDA, Department of Agriculture (DA), and Department of Local Government (DLG)] for cost reimbursable technical services contracts of \$1.0 million or more indicates that the systems and implementation of procedures are inefficient in terms of time and effort. For example, a recently completed contract with DPWH took 16 months from the receipt of proposals to contract execution and a contract with DLG 25 months from advertising to contract execution. Even smaller contracts of \$500,000 or less with DA have recently taken as much as ten months to execute. The GOP guidelines and lack of experience with contracts involving expatriates appears to increase the time periods. In addition to the time factor, is the lack of available staff qualified to evaluate scopes of work and monitor studies that may not fall in a department's technical capacity. That is, many of the anticipated projects are expected to require multiple specialities, including various social scientists, engineers, transportation, agro-business specialists, etc. Any one GOP department is not likely to have these important backstopping skills.

Notwithstanding the constraints mentioned above, USAID will on a case-by-case basis consider whether, for example, technical studies for large infrastructure activities can effectively be implemented by the GOP through the use of host country contracts. However, the assessment would have to ensure that adequate and qualified staff and streamlined systems are in place to handle the additional workload efficiently. For a limited and case-by-case basis, additional AID-direct contracts may be used for large, discrete studies.

Technical services for smaller project feasibility studies will be provided by three or more locally procured AID-direct indefinite quantity type contracts (IQC) for up to \$100,000 for each. These IQCs will provide engineering, economic, financial, and technical feasibility services on an as-needed basis. Studies financed under the small studies funds should cost less than \$25,000; it is anticipated that most will be about \$5,000 or less. Procurement will begin in late 1989 and Philippine firms will be encouraged to furnish proposals. These contractors will likely work closely with local government officials in carrying out the feasibility analyses.

It is anticipated that USAID will procure technical and related operations support for CODA by contracting through an 8(a) firm. The firm will provide long-term technical expatriate and local technical services, procure commodities and supplies and render other appropriate support. Proposals from one or more firms could be requested. The selected firm may be encouraged to consider a joint venture with a Philippine firm. Procurement will begin in late 1989.

USAID will implement institutional strengthening tasks on behalf of CODA through a grant agreement with an experienced Philippine non-government organization or an AID direct contract. If the latter, the technical support contractor may be encouraged to undertake the activity through a subcontract with a local organization. Support to the CCPAP will be provided through similar arrangements.

Arrangements for technical services for the Private Sector Pre-Investment Facility are discussed in Section III.C.3. This basically involves a cooperative agreement with a Philippine private non-governmental organization for co-financing of pre-investment studies following good commercial practice (maximizing competition where appropriate). The exact procedures will be finalized prior to disbursement of funds for this component.

2. Commodities

Limited commodities will be procured by the project. Procurement will be undertaken locally by the technical support contractor. USAID may procure some commodities directly through a Project Implementation Order/Commodities prior to execution of the technical support contract. An illustrative list of commodities to be purchased under the project is included in Annex E.

D. Gray Amendment

USAID has given full consideration to the potential involvement of small and/or economically and socially disadvantaged enterprises and has determined that there is potential for Gray Amendment qualifying firms as follows:

- Prospective bidders for the large requirement-type contract(s) for feasibility studies will be required to include the participation of Gray Amendment qualifying concerns as subcontractors.
- A qualifying Section 8(a) Small Business Act firm may be sought to provide operations support services for CODA, possibly in conjunction with a Philippine firm.
- Efforts will be made to identify qualifying Gray Amendment firms to provide services for one or more evaluations.

E. Implementation Schedule

The following implementation schedule indicates targeted dates for project actions:

ACTION	DATE	ACTOR
1. Project Documentation		
a. Project Authorization	January 1990	USAID
b. Project Agreement signed (studies and operations support)	January 1990	USAID/CODA
c. Grant agreement signed (PIF)	January 1990	USAID/NGO

ACTION	DATE	ACTOR
2. Initial Conditions Precedent met	February 1990	CODA
3. Contracting Actions (Studies and Operations Support)		
Technical Support		
a. Potential firm(s) identified	January 1990	USAID
b. PIO/T signed	January 1990	USAID/CODA
c. Proposal(s) reviewed	February 1990	USAID/CODA
d. Contract executed	March 1990	USAID/CODA
e. Contractor in place	April 1990	USAID
f. Commodity procurement initiated	June 1990	USAID/CODA
General Contractor(s) for Studies		
a. Advertisement placed (local & CBD)	January 1990	USAID
b. PIO/T signed	January 1990	USAID/CODA
c. RFP issued	January 1990	USAID
d. Proposals reviewed	March 1990	USAID
e. Contractor(s) selection/negotiation	April 1990	USAID
f. Contract(s) executed	May 1990	USAID/CODA
g. Contractor(s) in place	June 1990	USAID/CODA
Local Indefinite Quantity Contracts (IQCs)		
a. PIO/T signed	January 1990	USAID/CODA
b. Advertisement (local) placed	January 1990	USAID
c. RFP issued	February 1990	USAID
d. Proposals reviewed	March 1990	USAID
e. Contractor(s) selected	March 1990	USAID
f. Contract(s) negotiated and executed	April 1990	USAID/CODA
g. Contractor(s) in place	May 1990	USAID
4. Pre-Investment Program Grantee		
a. PIO/T signed	January 1990	USAID/NGO
b. Grant negotiated	January 1990	USAID/NGO
c. Grant executed	January 1990	USAID/NGO
d. Grantee operational	Feb.- April 1990	USAID/NGO
5. Initial Feasibility Studies undertaken		
Studies	June 1990	USAID/CODA
PIF	April 1990	USAID/NGO

ACTION	DATE	ACTOR
6. Evaluation		
a. Mid-Project Evaluation (PIF)	February 1991	USAID
b. Mid-project evaluation (Studies and Operations Support)	January 1992	USAID
c. Final project evaluation (all components)	November 1994	USAID
7. Project Assistance Completion Date	Jan. 31, 1995	USAID

F. Monitoring Plan

Monitoring will take place continuously over the life of the project. The major monitoring responsibility, however, will be borne by CODA as the implementing agency. To facilitate monitoring, CODA will develop and maintain a projects database containing the following key monitoring indicators pertaining to the progress and status of implementation activities:

- Number, type and profile of projects identified for PAPS-funding by region/province;
- Number and type of development plans (master plans), including detailed engineering master plans, environmental impact assessments prepared under this project, and pre-feasibility and feasibility studies for major infrastructure investments as well as for economic development zones;
- Project financial performance vis-a-vis planned budgets and disbursements.

For monitoring purposes, contractors' quarterly and annual reports will be submitted to USAID and CODA on the contractors' activities; status information on the key monitoring indicators; analysis of the implementation experience, problems encountered and lessons learned which can be utilized to improve project implementation.

The implementing organization for the Private Sector Pre-Investment Facility will provide USAID with quarterly and annual reports similar to those noted above for contractors, but including information on the number and type of pre-investment studies and status of the investment studies, i.e., progress toward the investment becoming a reality. It is expected that USAID and the NGO responsible for administration will consult on the applicability of AID statutory requirements to proposed studies, appropriateness of reimbursement mechanism, criteria, cost sharing formula, and any other area that the NGO may request AID involvement. Such consultation will be scheduled at least every six months and as needed.

VI. SUMMARIES OF PROJECT ANALYSES

A. Technical Analysis

Technical analysis for the substantive studies to be conducted under the project are discussed in Section III.C.1.c and Annex G.

B. Administrative Analysis

The principal implementing agency for the studies and operations support component, CODA, is newly established and mechanisms for implementation of project review and implementation monitoring are being developed. Although the organization has no track record, the staff being recruited is of high quality and experienced in project development and implementation. Furthermore, USAID will handle the contracting actions for the feasibility studies and technical support. To help ensure smooth implementation, USAID and CODA will have an initial implementation seminar to work out details on operating procedures and provide more detailed information on USAID requirements. One area needing clarification is the procedure local governments and regions will follow in requesting feasibility studies for proposed projects.

PAPS will place a greater burden on USAID for implementation, including the review of feasibility studies requests, issuance of work orders under the requirements contracts and closer coordination with other donors. The technical support to be provided to CODA (experienced expatriate project development officer, environmentalist, and engineer and local assistance for scope of work preparation, in particular) should ensure that feasibility studies are of high quality. Their efforts should lessen the burden of implementation for USAID staff.

With regard to the Pre-Investment Facility, the selected organization's administrator will have feasibility study experience, an administrative structure and leadership capability necessary to implement the PIF. USAID will monitor the organization's operations regularly and provide help as needed, especially in the early months of facility operations.

C. Financial Analysis

The project is expected to have minimum impact on recurrent costs. Commodity procurement will be limited to computers and other services which can be readily and economically repaired locally. The project will not directly increase GOP staffing requirements since the technical support is being provided to strengthen CODA's capacity to accelerate and coordinate the expanded level of anticipated ODA. Financial analyses for feasibility studies will follow guidelines discussed in Section III.C.3.c and Annex G.

D. Environmental Analysis

The feasibility studies and technical support to be financed by the project will not have a direct impact on the physical or natural environment. On this basis, AID/Washington has approved a categorical exclusion for this project (see Annex I for a copy of the Initial Environmental Examination). However, the project will finance environmental assessments to determine project viability and acceptability as discussed in Section III.C.1.c(6) of this document. Such assessments are expected to contribute to ensuring that activities approved for later funding will not have a significant negative effect on the environment.

E. Economic Analysis

The project is expected to bring about increased incomes due to increased private sector investments, expanded employment opportunities and increased output resulting from properly identified public and private sector investment projects. Well-prepared feasibility studies generally result in more effective and focused projects and programs which can absorb and better use increased investment resources. Quality feasibility studies will ensure the likelihood of more viable projects and minimize the negative impact, except in those cases where unexpected external factors beyond the control of planners arise. When implemented, public sector projects create economic opportunities for increased private sector activities and result in "multiplier" effects on investments. These outcomes are in turn likely to bring about increased employment and value-added output for the benefit of the Filipino people.

Because of the nature of the project's activities, i.e. preparation of feasibility studies, it is not possible to subject the entire project or its individual activities to standard economic analysis. However, since the economic activities to be undertaken as a result of the project have an impact on the economy, the guidelines for standard economic feasibility analysis, presented in Section III, shall be applied to the actual activities financed. The criteria for standard economic feasibility analysis provide assurance that proposed public investment projects will be economically sound and cost-effective.

VII. EVALUATION

Three project evaluations will be conducted -- one interim on the studies and operations support components, one interim on the Pre-Investment Facility and a final on both. On the studies and operations support components, a mid-term evaluation to be initiated in early 1992 will focus on implementation process. The final project evaluation will be conducted two months prior to the Project Assistance Completion Date in FY 1994. An evaluation for PIF will be scheduled about one year into operations; a final, in FY 1994. Independent contractors will undertake the evaluations.

A. Studies and Operations Support (Interim)

The following are the proposed evaluation indicators for the studies and operations support:

- Effectiveness of CODA assistance and the GOP agencies in defining and developing project proposals for funding under the PAP;
- Responsiveness of the project generation mechanisms and operating procedures to screen proposed projects;
- Problems encountered in securing and administering the project inputs (contracting for and management of consulting services) needed to develop the projected outputs;
- Extent to which future projects have incorporated the recommendations/conclusions emanating from the development plans and feasibility studies; and
- For projects that have resulted from studies undertaken by this project: a) to examine their effectiveness in meeting project goals/objectives and b) to assess the contribution of the feasibility and planning inputs provided through this project.

A joint USAID/CODA committee will be organized for these evaluation activities.

B. PIF (Interim)

An evaluation of PIF after approximately 12 months (or earlier if deemed appropriate) of operation will review the overall effectiveness of the mechanism in generating viable studies that have had or are expected to lead to private sector investments in the Philippines. Accordingly, it will look at both the PIF structure and the client or investor side of the program and make recommendations for program continuation or changes to improve effectiveness. The evaluation will analyze questions such as:

- Management effectiveness of the NGO administrator;

- Appropriateness of screening criteria;
- Effectiveness of promotional efforts;
- Whether the PIF is actually addressing a constraint to business development outside NCR;
- Appropriateness of cost sharing formula;
- Quality of studies being financed;
- Private sector reaction to PIF and value they see in providing;
- USAID support to the facility and problem caused by USAID procedures; and
- Adequacy of funding level.

The evaluation team should include private sector business leaders from the U.S. and Philippines as well as one USAID professional experienced with private sector programs.

C. Final

The final evaluation will incorporate the questions addressed in the two interim evaluations and focus on impact in achieving the project purpose--that is, have the studies and related assistance resulted in the development and implementation of high-priority projects (public and private) financed under or in association with the PAP?

VIII. CONDITIONS PRECEDENT AND SPECIAL COVENANTS

In addition to standard conditions precedent (CPs) relating to the opinion of the Department of Justice and designation of additional representatives, the following CPs and special covenants are proposed for the Project Agreement with the GOP:

- CP to First Disbursement of Funds

Agreement in writing to Project Implementation Orders issued by A.I.D. for technical services and related operations support for the CODA and for technical services for studies other than those under the small studies component of the Project.

- CP to Additional Disbursement of Funds

Prior to disbursement under the Grant, or to the issuance of documentation pursuant to which disbursement will be made for any purpose other than to finance technical assistance, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., an implementation plan for the institutional support activities under the Project.

- Special Covenants

(1) The Parties agree that it is desirable to mobilize private capital in order to complement and help optimize public sector investments which are supported under this Agreement through studies and related activities. Except as the Parties may otherwise agree in writing, the Parties agree, therefore, that A.I.D. may provide approximately \$5,000,000, subject to the availability of funds for this purpose, to assist in the establishment of a private sector pre-investment facility in furtherance of the objectives of the PAP. The funds will be made available pursuant to an agreement between a Non-Governmental Organization (NGO) and A.I.D. and will be provided in addition to the funds made available under this Agreement. The Parties agree further that such funds and the agreement between the NGO and A.I.D. will be provided and entered into pursuant to the Agreement on Economic and Technical Cooperation between the Government of the Republic of the Philippines and the Government of the United States with the rights and protections provided thereto.

(2) The Parties agree to establish an evaluation program as part of the project. Except as the Parties may otherwise agree in writing, the program will include, during the implementation of the project and at one or more points thereafter:

- Evaluation of progress toward attainment of project objectives;

- Identification and evaluation of program areas or constraints which may inhibit such attainment;
- Assessment of how such information may be used to help overcome such problems; and
- Evaluation, to the degree feasible, of the overall development impact of the project.

The Private Sector Pre-Investment Facility will be obligated through a cooperative agreement with a private organization. Accordingly, no conditions precedent related to this component are planned for the GOP/USAID Project Agreement.

PD-ABB-034

UNCLASSIFIED 151 6/1/35

AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D. C. 20523

PROJECT PAPER

Annexes A-L

**Philippines (492-0452)
Philippines Assistance Program Support**

UNCLASSIFIED

-42-

PHILIPPINE ASSISTANCE PROGRAM SUPPORT
(NO. 492-0452)

VOLUME II

ANNEXES:

- A. GOP Request for Assistance
- B. PID Approval Cable
- C. Statutory Checklist
- D. Logical Framework
- E. Illustrative List of Commodities
- F. Background on CCPAP and CODA
- G. Selected Guidelines for Feasibility Study Analyses
- H. Supplementary Project Rationale Information
- I. Initial Environmental Examination
- J. Gray Amendment Certification
- K. List of Potential Projects
- L. Summary Counterpart Contribution

ANNEX A

GOP REQUEST FOR ASSISTANCE



5

Republic of the Philippines
Office of the President
Coordinating Council of the Philippine Assistance Program
Manila

Received in DRM _____

Clearance/Action Log _____

31 October 1989

Document No. _____

Assigned to _____

Mr. Malcolm Butler
 Director
 U.S. Agency for International Development
 Ramon Magsaysay Center
 1680 Roxas Boulevard, Manila

RECEIVED
 11-29
 Nov 3 9 49 AM '89
 USAID/CDR

Dear Director Butler:

I am writing in my capacity as Concurrent Chairman of both the Coordinating Council of the Philippine Assistance Program (CCPAP) and the Committee on Official Development Assistance (CODA).

DIV	ACT	INF
OD		✓
PE		
R/A		
FP		
DRM	✓	
EXO		
A/EXO		
PER		
CSD		
DND		
GSO		
TRV		
CZR		
CO		✓
DCP		
OHAD		
OPHN		
CFPPVC		
RIG/A		
RIG/A		
DUE DATE		
11-15-89		

As you are well aware, President Corazon C. Aquino formally launched the Philippine Assistance Program (PAP) during the Tokyo conference to promote a broadly based, sustainable economic growth in the Philippines through an active partnership of public and private interests. It would be imperative, however, that both public and private investments be made with the benefit of sound and comprehensive analytical information. Thus, assistance to help finance the preparation of quality studies for public and private sector investment is needed at this time.

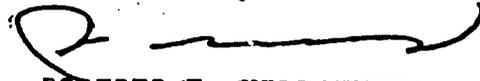
In this regard, we would like to request direct USAID grant assistance to the government in the amount of \$20.0 million for the proposed Philippine Assistance Program Support (PAPS) Project. The project will be implemented by the CODA over a five-year period, with the first tranche expected to be received in FY 1990. The project is designed to assist the government develop and design priority development projects under the PAP the feasibility of critical infrastructure and other public sector oriented investments.

To complement and help optimize public sector PAP investments, we believe that private sector capital must likewise be mobilized. Thus, assistance in establishing the feasibility of potential private sector investments is being contemplated. Accordingly, we would like to inform you that the government would also agree to the provision of \$5.0 million in additional U.S. bilateral grant assistance to promote private investment through a non-government entity for use in co-financing of studies, with Filipino and U.S. private sector investors, necessary to establish the feasibility of priority investments in the Philippines.

45

We believe these support activities are important for the achievement of the PAP objectives and shall appreciate your favorable consideration of this request.

Sincerely,



ROBERTO T. VILLANUEVA
Chairman
~~Committee on Official~~
~~Development Assistance~~

cc: Sec. Raul Manglapus - DFA
Sec. Jesus P. Estanislao - NEDA
Sec. Jose P. de Jesus - Office of the President

ANNEX B
PID APPROVAL CABLE

SIMPLER MANAGEMENT.

- B. PRIVATE SECTOR ROLE.

RECOGNIZING THE PRIVATE SECTOR ROLE IN THE MAI FROM THE START IS A SIGNIFICANT STEP FORWARD. WE LOOK TO THE PAPS PROJECT TO PROVIDE PRACTICAL MECHANISMS FOR INCREASING PARTICIPATION FROM BOTH THE PHILIPPINE AND U.S. BUSINESS COMMUNITIES.

WE NOTE THAT THE PID FOCUSES ON PROSPECTIVE MAJOR PROJECTS INVOLVING THE CENTRAL GOVERNMENT AND LARGE DONOR INPUTS. THESE PROJECTS DO INDEED NEED SUPPORT FOR IDENTIFICATION, DESIGN AND IMPLEMENTATION; HOWEVER, WE ALSO LOOK FOR MECHANISMS TO HANDLE SMALLER PRIVATE INITIATIVES, AND THOSE INVOLVING PRIVATE BUSINESS WITH LOCAL GOVERNMENTS. SOME OF THESE ACTIVITIES CAN START SOONER THAN MAJOR PROJECTS, AND THEY MAY SERVE AS DEMONSTRATIONS WHICH LEAD TO FURTHER PRIVATE INVESTMENTS.

- C. "ECONOMIC DEVELOPMENT ZONES."

WE RECOGNIZE THAT THESE ARE PART OF THE GRAND PLAN FOR THE MAI, BUT HAVE NOTED NEED FOR CONSIDERABLE PREPARATION BEFORE FINAL INVESTMENT DECISIONS IN THE ACTION PLAN CONTEXT -- SEE REFTEL B, III A. (1).

WE ASSUME THAT THERE WILL HAVE BEEN SUFFICIENT DIALOGUE WITH THE ANE BUREAU SO THAT YOU WILL BE SURE THAT WE ARE

ON BOARD BEFORE YOU GO TO THE DETAILED ENGINEERING DESIGN STAGE. THIS STAGE IS NORMALLY FINANCED ONLY WHEN THERE IS A FIRM EXPECTATION THAT FULL CONSTRUCTION COSTS WILL BE FINANCED.

4. SPECIFIC GUIDELINES/COMMENTS:

- A. ENVIRONMENTAL CONCERNS. ACTION ON THE INITIAL ENVIRONMENTAL EXAMINATION (IEE) IS DEFERRED. HOWEVER, WE NOTE THAT RECENT ENVIRONMENTAL WORK ON SUB-PROJECTS OF THE REGIONAL INFRASTRUCTURE FUND PROJECT WAS NOT OF SUFFICIENT QUALITY TO JUSTIFY ENVIRONMENTAL FINDINGS WITHOUT ADDITIONAL ANALYSIS IN AID/W.

WE SUGGEST THAT THE MISSION TAKE ADVANTAGE OF THE CURRENT VISIT (TDY) OF ANE/PD ENVIRONMENTAL OFFICER RON GREENBERG TO DEVELOP APPROACHES TO IMPROVING THE ENVIRONMENTAL INPUTS TO FUTURE DESIGN WORK. WE ARE ESPECIALLY INTERESTED IN THE QUALITY OF THE WORK AT THE DESIGN STAGE, INCORPORATION OF ENVIRONMENTAL COMPONENTS IN PROJECTS THAT ARE IMPLEMENTED, AND IN BUILDING HOST
BT

COUNTRY CAPABILITY FOR ENVIRONMENTAL ANALYSIS. WE WOULD ALSO SUGGEST INCLUSION OF AN ENVIRONMENTAL ADVISER IN THE PROJECT-FINANCED PROGRAM SUPPORT UNIT DESCRIBED IN PARAGRAPH 3 E.

FORMAL ACTION ON THE IEE WILL BE TAKEN FOLLOWING NOTIFICATION OF RESULTS OF DISCUSSIONS WITH GREENBERG.

- B. PROCUREMENT CONCERNS. THE PID INDICATES THAT ONE OR MORE "LEVEL-OF-EFFORT" CONTRACTS WILL BE USED FOR MOST IMPLEMENTATION OF PAPS. WE DID NOT ATTEMPT TO REVIEW THIS APPROACH ON THE BASIS OF LIMITED DETAILS IN THE PID BUT ASSUME MISSION WILL MAKE NECESSARY DECISIONS ABOUT THIS IN IMPLEMENTATION PLANNING IN THE PP.

HOWEVER, IF THIS APPROACH IS FOLLOWED, WE STRONGLY SUGGEST THAT A SECTION 8 (A) SMALL MINORITY BUSINESS SET-ASIDE BE USED FOR PART OF THIS WORK AND/OR THAT LARGER CONTRACTORS BE REQUIRED TO INCLUDE SMALL MINORITY BUSINESSES PARTICIPATION. THE APPROACH CONTEMPLATES A VERY LARGE PROCUREMENT OPPORTUNITY IN WHICH SUBSTANTIAL PARTICIPATION SHOULD BE EXPECTED FROM BOTH SECTION 8 (A) FIRMS AND OTHER MINORITY BUSINESSES.

THE PID ALSO ALERTS ANE/PD TO A POSSIBLE WAIVER FOR CONSULTING SERVICES. IT IS NOT CLEAR WHAT TYPE OF WAIVER IS INVOLVED. ANE/PD WILL SEPARATELY COMMENT ON

THIS TO USAID.

- C. WOMEN IN DEVELOPMENT: THE PID RECOGNIZES NEED THAT STUDIES FINANCED UNDER THE PAPS SHOULD INCLUDE AN ASSESSMENT OF THE PROPOSED ACTIVITY'S EFFECT ON WOMEN. WE SUGGEST IN THIS RESPECT THAT SCOPES OF WORK SHOULD REQUIRE THE COLLECTION AND ANALYSIS OF GENDER-DISAGGREGATED DATA TO DETERMINE CONSTRAINTS TO AND OPPORTUNITIES FOR WOMEN'S PARTICIPATION AND BENEFITS IN PROJECT ACTIVITIES. EAGLEBURGER

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ANNEX C
STATUTORY CHECKLIST

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

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

A. GENERAL CRITERIA FOR PROJECT

1. FY 1990 Appropriations Act Sec. 523; FAA Sec. 634A. If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified? The CN expires November 4, 1990.
2. FAA Sec. 611(a). Prior to an obligation in excess of \$500,000, will there be:
(a) engineering, financial or other plans necessary to carry out the assistance;
and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? Yes
3. FAA Sec. 611(a)(2). If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? N/A

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4. FAA Sec. 611(b); FY 1990 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) N/A.
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? N/A.
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No, the project will provide bilateral financing for technical assistance feasibility studies and commodities under the PAP.
7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to:
(a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.
a) The project's outputs will lead to the development of economic zones which could increase export production and foreign investment.
b) Project will include mechanism to encourage greater private sector investment in the country.
c) N/A.
d) N/A.
e) Project will provide feasibility studies for infrastructure and productive activities that could lead to improved activity in these areas.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). f) N/A.
8. Project will provide incentive for U.S. private investment in form of feasibility study financing; it will also encourage U.S. private sector involvement as contractors of feasibility studies for major nationwide infrastructure investments.

9. FAA Secs. 612(b), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. The GOP will provide a counterpart contribution of 25% of the total project cost, including personal services, office facilities and equipment, maintenance, other operating costs, and feasibility study costs.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? N/A.
11. FY 1990 Appropriations Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? The project will not provide funding for the production of export commodities. It will fund feasibility studies for industrial zones, that could include export activities. USAID will screen proposed studies to ensure that studies for restricted commodities are not funded under the project.
12. FY 1990 Appropriations Act Sec. 547. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? No. These commodities would be especially excluded from financing under the project.
13. FAA Sec. 119(g)(4)-(6) & (10). Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other a) No.
b) No.

- wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?
- c) No.
- d) No.
14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)?
- N/A.
15. FY 1990 Appropriations Act, Title II, under heading "Agency for International Development." If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?
- N/A.
16. FY 1990 Appropriations Act Sec. 537. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.?
- A qualified, registered PVO will be used to implement the PIF activity.
17. FY 1990 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?
- N/A.

18. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). N/A.
19. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2. Does the project use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? The metric system is used by GOP for roads/distance and material procurement. The use of such measures for roads and other infrastructure feasibility studies will not, however, preclude the involvement of U.S. firms or suppliers.
20. FY 1990 Appropriations Act, Title II, under heading "Women in Development." Will assistance be designed so that the percentage of women participants will be demonstrably increased? The project will provide assistance for feasibility studies that may benefit both men and women extensively.
21. FY 1990 Appropriations Act Sec. 592(a). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies, has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account? N/A.

Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

N/A.

Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

N/A.

If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

N/A.

57

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FY 1990 Appropriations Act Sec. 546 (as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

N/A.

b. FAA Sec. 107. Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

No.

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

Projects proposed by local government units will be eligible for direct feasibility studies support under the project.

55

d. FAA Sec. 101(a). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes. A screening process for feasibility studies to be financed will include criteria such as contributing directly to increased economic growth

e. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will:
(1) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions;
(2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries.

- 1) The project outputs are expected to disperse investments of the U.S. and Philippine private sector from cities to rural areas, thereby extending access of the rural poor to expanded economic opportunities at the local level.
- 2) N/A.
- 3) N/A.
- 4) N/A.
- 5) N/A.

f. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Does the project fit the criteria for the source of funds (functional account) being used?

N/A.

g. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Have local currencies generated by the sale of imports or foreign exchange by the government of a country in Sub-Saharan Africa from funds appropriated under Sub-Saharan Africa, DA been deposited in a special account established by that government, and are these local currencies available only for

N/A.

use, in accordance with an agreement with the United States, for development activities which are consistent with the policy directions of Section 102 of the IAA and for necessary administrative requirements of the U. S. Government?

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

N/A.

i. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

Yes.

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

N/A.

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

Projects proposed by local governments units will be eligible for direct feasibility studies support under the project.

l. FY 1990 Appropriations Act, under heading "Population, DA," and Sec. 535. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No.

- Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? No.
- Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? No.
- Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? No.
- In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? N/A.
- Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No.
- m. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.
- n. FY 1990 Appropriations Act Sec. 579. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and Services for operations support will be carried out by a qualifying small business firm, representing approximately 8% of the AID funding. In addition, qualifying Gray Amendment firms may participate in evaluation and as subcontractor under the General Contractor.

private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

o. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a

Yes. The bulk of the feasibility studies will be for infrastructure and thus require environmental assessments based on the environmental procedures set forth in AID Regulation 16 and the Development Assistance Committee (DAC) environmental guidelines for OECD member countries.

The project will also provide a long-term technical advisor on environment to ensure that all studies and plans have adequate environmental assessments.

(1)-(11) N/A.

condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; and (11) utilize the resources and abilities of all relevant U.S. government agencies?

p. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project: (1) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (2) take full account of the environmental impacts of the proposed activities on biological diversity?

N/A.

q. FAA Sec. 118(c)(14). Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas?

1) No.

2) No.

r. FAA Sec. 118(c)(15). Will assistance be used for: (1) activities which would result in the conversion of forest lands to the rearing of livestock; (2) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (3) the

1) No.

2) No.

3) No.

4) No.

colonization of forest lands; or (4) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

s. FY 1990 Appropriations Act

Sec. 534(a). If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

N/A.

t. FY 1990 Appropriations Act

Sec. 534(b). If assistance relates to energy, will such assistance focus on improved energy efficiency, increased use of renewable energy resources, and national energy plans (such as least-cost energy plans) which include investment in end-use efficiency and renewable energy resources?

N/A.

Describe and give conclusions as to how such assistance will: (1) increase the energy expertise of A.I.D. staff, (2) help to develop analyses of energy-sector actions to minimize emissions of greenhouse gases at least cost, (3) develop energy-sector plans that employ end-use analysis and other techniques to identify cost-effective actions to minimize reliance on fossil fuels, (4) help to analyze fully environmental impacts (including impact on global warming), (5) improve efficiency in production, transmission, distribution, and use of energy, (6) assist in exploiting nonconventional renewable energy resources, including wind, solar, small-hydro, geo-thermal, and advanced

N/A.

biomass systems, (7) expand efforts to meet the energy needs of the rural poor, (8) encourage host countries to sponsor meetings with United States energy efficiency experts to discuss the use of least-cost planning techniques, (9) help to develop a cadre of United States experts capable of providing technical assistance to developing countries on energy issues, and (10) strengthen cooperation on energy issues with the Department of Energy, EPA, World Bank, and Development Assistance Committee of the OECD.

u. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA" (as interpreted by conference report upon original enactment). If assistance will come from the Sub-Saharan Africa DA account, is it: (1) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (2) being provided in accordance with the policies contained in section 102 of the FAA; (3) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (4) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take

N/A.

into account, in assisted policy reforms, the need to protect vulnerable groups; (5) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

v. International Development Act Sec. 711, FAA Sec. 463. If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (1) the world's oceans and atmosphere, (2) animal and plant species, and (3) parks and reserves; or describe how the exchange will promote: (4) natural resource management, (5) local conservation programs, (6) conservation training programs, (7) public commitment to conservation, (8) land and ecosystem management, and (9) regenerative approaches in farming, forestry, fishing, and watershed management.

N/A.

w. FY 1990 Appropriations Act Sec. 515. If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

N/A.

2. Development Assistance Project Criteria
(Loans Only) N/A.

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

c. FAA Sec. 122(b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

3. Economic Support Fund Project Criteria N/A.

a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?

b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes?

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

ANNEX D

LOGICAL FRAMEWORK

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project:
From FY 1989 to FY 1994
Total U. S. Funding \$25 Million
Date Prepared: 11 September 1989

Project Title & Number: Philippine Assistance Program Support (PAPS) Project (492-0452)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS																
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1) To achieve broad-based, sustainable economic growth in the Philippines through an active partnership of public and private interests.</p>	<p>Measures of Goal Achievement: (A-2) 1. Increased incomes due to expanded employment opportunities; 2. Increased output resulting from properly-identified public sector projects; and 3. Increased non-farm contribution to GDP from areas outside Metro Manila.</p>	<p>(A-3) 1. Survey of Family Income and Expenditures in assisted areas. 2. Project records, project reviews, monitoring and evaluation reports 3. Surveys of private investments in assisted areas. 4. GDP economic and other statistical indicators.</p>	<p>Assumptions for achieving goal targets: (A-4) 1. Economic and political stability are maintained. 2. GDP economic policies continue to support private sector-led economic development. 3. Business climate continue to improve</p>																
<p>Project Purpose: (B-1) To assist the Philippines to develop and implement high priority development projects under the Philippine Assistance Program (PAP).</p>	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2) 1. Improved quantity and quality of projects for funding under PAP. 2. Improved quantity/quality of feasibility studies for projects. 3. More effective GDP monitoring and coordination of PAP investments. 4. Strengthened human resource capacity at the local/regional level of project identification, preparation and implementation skills. 5. Increased private sector investments in regional economic development zones.</p>	<p>(B-3) 1. Survey of number and quality of projects funded under the PAPS. 2. Survey of Investments data per economic development zone and nationwide. 3. Impact studies. 4. Project records, project reviews, monitoring and evaluation reports on PAP projects.</p>	<p>Assumptions for achieving purpose: (B-4) 1. Assistance under PAPS continues. 2. PAP commitments honored. 3. Willingness of private sector to risk investment outside MCR based on better investment feasibility information. 4. Financial markets willing to assist in mobilizing private resources outside Metro Manila.</p>																
<p>Project Outputs: (C-1) 1. Detailed area development plans, including detailed engineering master plans, environmental impact assessments and feasibility studies for PAP-funded projects in economic zones; 2. Feasibility studies or detailed design work for major nationwide infrastructure investments proposed under the PAP; 3. Feasibility studies for small projects proposed by the local governments, etc; 4. Studies on selected development issues related to investments in geographical areas or sectors; and 5. Pre-investment studies for non-farm industrial investments related to economic zones or other designated growth areas.</p>	<p>Magnitude of outputs: (C-2) Because of the nature of the project, outputs are rough estimates: 1. 3 or more 2. 10 or more 3. 50 or more 4. 4 or more 5. 30 or more</p>	<p>(C-3) 1. Project records and databases 2. Project Reviews. 3. GDP/CODA monitoring reports. 4. Contractors/consultants' reports. 5. Evaluations</p>	<p>Assumptions for achieving outputs: (C-4) 1. GDP policies support private sector investment outside MCR. 2. Quality expertise is available to conduct identified studies. 3. Demand for studies assistance continues.</p>																
<p>Project Inputs: (D-1) 1. Financing for studies. 2. Technical Assistance for the following: a. Detailed area development plans and engineering master plans. b. Feasibility studies. c. Private sector pre-investment studies. d. Support for CODA operations, including institutional development. e. Evaluation and Audit. 3. Commodities.</p>	<p>Implementation Target (Type and Quantity) (D-2)</p> <table border="1"> <thead> <tr> <th>USAID:</th> <th>(\$000)</th> </tr> </thead> <tbody> <tr> <td>Studies</td> <td>17,000</td> </tr> <tr> <td>Operations Support (Support for CODA; Technical Support and Commodities; and Institutional Development)</td> <td>2,750</td> </tr> <tr> <td>Private Sector Pre-Investment Program</td> <td>5,000</td> </tr> <tr> <td>Evaluation and Audit</td> <td>750</td> </tr> <tr> <td>TOTAL</td> <td>25,500.</td> </tr> </tbody> </table> <p>GOP:</p> <table border="1"> <tbody> <tr> <td>Counterpart Contribution</td> <td>3,000</td> </tr> <tr> <td>Private Sector:</td> <td>5,000</td> </tr> </tbody> </table>	USAID:	(\$000)	Studies	17,000	Operations Support (Support for CODA; Technical Support and Commodities; and Institutional Development)	2,750	Private Sector Pre-Investment Program	5,000	Evaluation and Audit	750	TOTAL	25,500.	Counterpart Contribution	3,000	Private Sector:	5,000	<p>(D-3) 1. AID/GOP Project Agreement. 2. Technical assistance contracts 3. Financial records. 4. Progress Reports. 5. Evaluation.</p>	<p>Assumptions for providing inputs: (D-4) 1. Availability of incremental AID funding. 2. Timely availability of GOP counterpart. 3. Active project identification process in place at all levels. 4. Private sector contributions to PIP co-financing made.</p>
USAID:	(\$000)																		
Studies	17,000																		
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TOTAL	25,500.																		
Counterpart Contribution	3,000																		
Private Sector:	5,000																		

ANNEX E

ILLUSTRATIVE LIST OF COMMODITIES

ANNEX E

ILLUSTRATIVE LIST OF COMMODITIES FOR CODA

- 1) Three (3) Desktop Microcomputers (PC-AT) or PS/2s
 - 3.5 Floppy Disk Drive
 - 5.25 Floppy Disk Drive
 - 30 MB hard Disk
 - EGA Card
 - Multi-Synch Monitor
 - 1.2 MB-RAM
- 2) Two (2) PC 386 Microcomputers with:
 - 25 MHZ
 - 4 MB CPU
 - Multi-user interfaces for 8 users
 - 80 MB Hard Disk
 - MODEM external 2400/1200
 - MODEM Pocket TY 1200/300
- 3) Eight (8) IBM PS/2 Model 30 (as terminal with off-line facility)
- 4) Two (2) Lap Top Computers at with
 - 20 MB Hard Disk
 - 1-3.5 Floppy Disk Drive (Better if 2)
 - Backlighting Option
 - Built In Modem
 - Carrying Case
 - Power Pack
- 5) Uninterrupted Power Supply (UPS) to support at least five (5) desk top computers.
- 6) Automatic Voltage Regulators (AVR) to support the UPS and/or desk top computers.
- 7) At least seven (7) EPSON Dot Matrix Printer with 24 pins and wide carriage.

- 8) Two (2) HP Laser Jet Series II Printer with
 - a) Cartridges for fonts (see catalogue)
 - b) Additional 8 x 14 paper (legal size) tray on top of the 8 x 10 paper tray
 - c) Expansion card for desk top publishing purposes
- 9) At least three (3) "Mice" (pointing device) for Page Maker/Desktop Publishing purposes.
- 10) One (1) Telex Magnabyte to be connected/installed in PC/AT No. 3 (Note: Telex Magnabyte can only be used with CGA Card. Not EGA)
- 11) One (1) Portable Overhead Projector (Source of light should be from the box not from above to be able to run Telex Magnabyte).
- 12) Xerox Machine with color printing, photostencilling, transparency production capabilities. THE FASTER THE BETTER.
- 13) Mimeographing machine - (Again the faster the better).
- 14) Whiteboard with automatic hardcopy of written materials capabilities.
- 15) Velobinder or anything better.
- 16) Text & Graphics Scanners.
 - a) Hand held for graphics (check out "Saba")
 - b) Desk top for text
- 17) Computer softwares:
 - a) Lotus 123 vers. 3 or 2.2
 - b) Dbase IV and Dbase III+
 - c) Story board
 - d) Wordprocessing (Word/Wordstar 5.5)
 - e) Desktop Publishing (Page Maker/Windows)
 - f) Harvard Total Project Manager
- 18) PC Tables and chairs for the desktop computers.
- 19) One Fire Vault for diskettes.

Source: Project Generation and Development Group, and Project Implementation Group, CODA

ANNEX F

BACKGROUND ON CODA AND CCPAP

Background on CODA and CCPAP

CODA is one of seven standing committees under the NEDA Board, created under Administrative Order No. 128 on June 23, 1989. CODA has two principal offices: (a) Project Generation and Development Group and Project Implementation Group. The Project Generation and Development Group is tasked with project development and preparation, including the tracking of project proposals from the identification to its pre-implementation phases as these projects are being developed by various implementing agencies. The Project Implementation Group, on the other hand, is tasked with implementation, and monitoring of ongoing ODA projects being implemented by various government departments and agencies.

CODA's project generation group, in particular, was created in response to the lack of well-developed projects, absence of ODA projects in a number of regions, e.g., Region 2, and in poverty alleviation sectors, e.g., social/economic development. The other arm, the project implementation office, is charged with "accelerating" implementing agencies to get stalled or slow-paced projects moving, particularly the 44 projects under the "ICU" (Intensive Care Unit). CODA provides oversight of ODA implementation and has direct link with implementing agencies for project development and implementation. CODA's mandate includes the power to intervene in the implementation of foreign-assisted projects by an agency, e.g., to create a new project team if the old one is not operating as expected, to replace contractors, etc.

The Project Implementation Group currently has the following staff: 4 consultants, 2 full-time coordinators and a number of project facilitation (PF) teams composed of staff from other agencies. The PF teams (10 in all) meet once a month with implementing agencies and report for 1-2 days for a wrap-up meeting with PFC. In addition, they have quarterly PFC meetings and annual workshops. For FY 1990, the implementation group plans to have 24 staff with regular positions, in addition to 6 consultants and 10 full-time technical staff seconded to CODA by implementing agencies. Salaries of these seconded staff will be provided by the implementing agencies. The Project Facilitation Committee (PFC) comprises the core of the Group.

The Project Generation and Development Group will have 8 senior staff and a stable of consultants to be fielded to the regions to assist the local units generate viable and fundable projects, and anticipates a full-staffing of 20 persons, including administrative support staff in FY 1990.

CODA's MIS will develop a project monitoring system common to both implementing and oversight agencies and will use a combination of IBM-PS-2 (microcomputers) and AS-400 (an IBM minicomputer system with a very capable database software). The CODA-MIS will link up the Project Management Offices (PMOs) of implementing agencies to track ODA projects. Currently, the project implementation office tracks the following information: foreign exchange disbursements, physical accomplishments, loans and subprojects on a monthly basis. It does not, however, monitor ESF projects.

In relation to CODA, CCPAP serves as a channel for legislative input on ODA. It provides policy and advisory services on ODA-related matters and has for its members 13 cabinet secretaries, 2 senators/congressmen and 3 representatives from the private sector. CCPAP is functionally divided into two groups: the National Relations Group which serves as the liaison among

15

the executive and legislative branches of government, NGO networks, Regional Development Councils (RDCs), local government units and the private business sector; and the International Relations Group which generally functions as the window to the external assistance community. CCPAP provides marketing support for projects identified for PAP funding; CODA on the other hand, focuses on internal project development and implementation bottlenecks among the government departments and agencies dealing with ODA.

NEDA (Secretariat) on the other hand will provide the following functions for CODA: ODA programming and technical evaluation of projects. NEDA through its Regional Offices, which serve as the secretariat for the RDCs will provide the link to NEDA Central for ODA assistance. The RDCs are responsible for approving provincial plans submitted by provinces. When the project becomes operational, the regional staff will need to be trained to do: a) terms of reference/scope of work, b) manage consultants, and c) screen project proposals, using the standards to be set by CODA. NROs/RDCs will likewise need to be strengthened to prepare specific project proposals using consultants to be fielded at the regional level.

CODA is currently developing standard procedures through which other GOP agencies will prepare and submit requests for specific feasibility and/or engineering design studies.

In addition, the Project Implementation Group, which has the Project Facilitation Committee, (PFC) as its core staff, and the ODA implementing agencies, have had years of experience in administering contracts with U.S. and/or local consultants to carry out feasibility and other investment studies financed by AID and other bilateral and multi-lateral agencies.

Attached are Administrative Order No. 128 creating CODA and the organization and process chart for ODA management showing the linkages among CCPAP, NEDA Board and CODA as well as the responsibilities of these agencies with respect to the ODA process.

PROVIDING FOR AN INTEGRATED ADMINISTRATIVE MECHANISM
WITHIN THE NATIONAL ECONOMIC AND DEVELOPMENT
AUTHORITY FOR UNDERTAKING THE VARIOUS ASPECTS OF
OFFICIAL DEVELOPMENT ASSISTANCE TO THE PHILIPPINES

WHEREAS, foreign capital assistance serves as an important input in the country's development effort;

WHEREAS, it is imperative that the resources derived from official development assistance (ODA) be managed efficiently and effectively to ensure maximum benefits therefrom;

WHEREAS, there is need to establish an integrated administrative mechanism within the National Economic and Development Authority for undertaking the various aspects of the official development assistance (ODA) including programming, coordination of program and project development and of negotiation for foreign assistance, monitoring of and, where necessary, the supervision of project implementation in accordance with the policies set by the National Economic and Development Authority Board;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. There shall be a Committee on Official Development Assistance, hereinafter referred to as the Committee, in the National Economic and Development Authority, which is hereby authorized to undertake the various aspects of the official development assistance (ODA) including programming, coordination of program and project development and of negotiation for foreign assistance, and monitoring of and where necessary, supervision of the project implementation, all in accordance with the policies set by the National Economic and Development Authority Board (NEDA Board).

For this purpose, the Committee shall be composed of as follows:

- Chairman : Chairman of the Coordinating Council on the Philippine Assistance Program
- Members :
 - The Secretary of Foreign Affairs
 - The Secretary of Finance
 - The Secretary of Justice
 - The Secretary of Agriculture

23

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The Secretary of Public Works and Highways
 The Secretary of Trade and Industry
 The Executive Secretary
 The Secretary of Budget and Management
 The Secretary of Socio-Economic Planning
 The Secretary of Agrarian Reform
 The Cabinet Secretary
 The Governor of Central Bank

SECTION 2. The Committee shall be the focal point for undertaking and/or coordinating the handling of ODA, and shall serve as a forum where the public and private sector, particularly non-government organizations (NGOs), can actively interface in project identification and development. Its functional framework shall be basically project-oriented, viz.:

(a) Programming Responsibility. - Assume responsibility for the annual programming of ODA and for the release of ODA funds including counterpart funds in accordance with the policies set by the NEDA Board and existing laws.

(b) Project Development. - Precipitate, provide guidance and information to, and assist as necessary the implementing agencies in the preparation of program and project proposals for foreign assistance.

While the implementing agencies shall have basic responsibility for program and project development, including preliminary engineering and feasibility studies, the Committee shall be responsible for evaluation and approval of program and project proposals in accordance with the policies set by the NEDA Board.

(c) Negotiations. - Coordinate the conduct of negotiations for ODA with foreign sources in close collaboration with the concerned agencies.

The Committee shall look for new and expanded sources of foreign assistance for funding particular programs and projects.

(d) Project Implementation. - Coordinate, facilitate and monitor the implementation of foreign-assisted programs and projects which shall be the basic responsibility of the implementing agencies.

Subject to the approval of the President and as may be authorized by the NEDA Board, the Committee may cause the implementation of projects and programs by organizing management teams for the purpose where necessary in accordance with existing laws.

SECTION 3. The Committee is hereby authorized to call upon any department, bureau, office, agency or any instrumentality of the government, including government owned or controlled corporations, particularly the Office of the President, Department of Finance, Central Bank, Department of Trade and Industry, NEDA Secretariat and Department of Public Works and Highways for assistance, such as detail of personnel, as it may need in discharging its duties and functions.

SECTION 4. This Administrative Order shall take effect immediately.

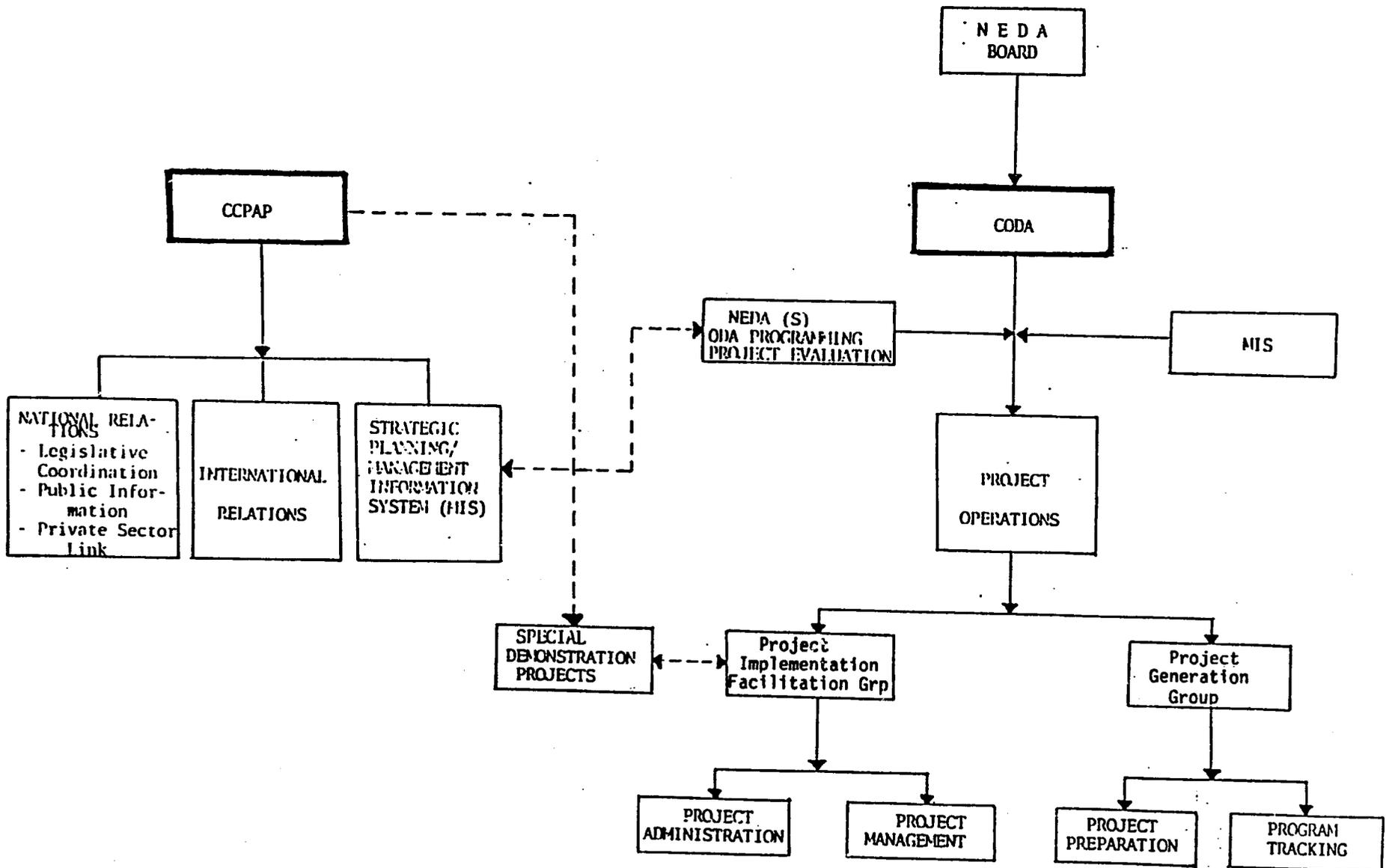
DONE in the City of Manila this 23rd day of June in the year of Our Lord, nineteen hundred and eighty-nine.

Prayeron for Aquino

By the President:

Catalino Macaraig, Jr.
CATALINO MACARAIG, JR.
Executive Secretary

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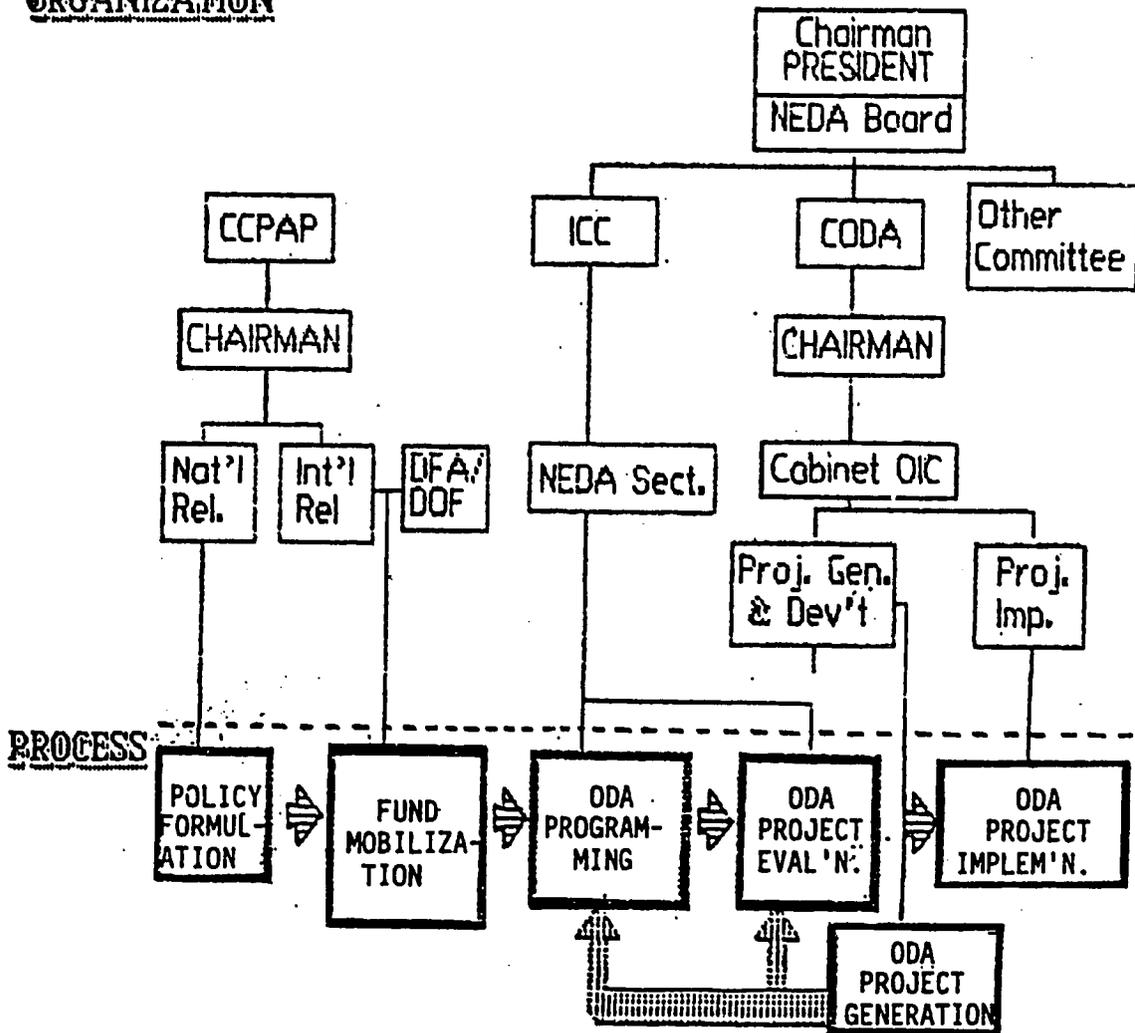


ORGANIZATIONAL CHART
OF CODA AND CCPAP

90

ODA MANAGEMENT: ORGANIZATION AND PROCESS

ORGANIZATION



- CCPAP - Coordinating Council for the
Philippine Assistance Program
- CODA - Committee on Official Development Assistance
- ICC - Infrastructure Coordinating Committee
- DFA - Department of Foreign Affairs
- DOF - Department of Finance
- NEDA Sec - NEDA Secretariat

ANNEX G

SELECTED GUIDELINES FOR FEASIBILITY STUDY ANALYSES

ANNEX G

I. ECONOMIC ANALYSIS (Some Indicative Features)

DETAILED GUIDELINES

A. Quantitative Economic Analysis

Quantitative economic analysis should consist of cost-benefit, cost-effectiveness and least-cost analyses (if possible).

1. Cost-benefit analysis is an assessment of the economic desirability of a project by comparing the real economic benefits of a project with its real economic costs over time. It is a method for weighing alternatives in terms of opportunity costs and their relative contribution to objectives.

2. Cost-effectiveness analysis allows the selection of a design from among alternative options by comparing the costs and benefits/gains of the project. It is also referred to as internal efficiency analysis whereby evaluation is done on the relationship between costs and the stated objectives of any project or whatever indicators of their attainment.

3. Least-cost analysis is intended for projects whose benefits are largely immeasurable and involves a comparison of costs of alternative project designs in order to determine which of those designs represent a least-cost solution, and is, therefore, preferable.

C. Some General Features

In the conduct of cost-benefit, cost-effectiveness, and least-cost analyses (if possible), the following general features, whenever applicable, should be incorporated as a minimum requirement:



1. Both costs and benefits should be calculated on an incremental basis, that is, only those portions of costs and benefits that are due to the project (with project/without project method). Assumptions and methodologies used in the calculations should be stated clearly in the feasibility study to enable verification and review.

2. The costs and benefits of a project are measured against an alternative situation - generally that of not proceeding with the project at all. Thus, benefits and costs are those expected from the project over and above those expected without it. Costs are reduction in income suffered elsewhere due to the project's use of scarce resources. Costs are generally of two types, namely those pertaining to investment or capital cost and those costs incurred in relation to the operations of the project. Benefits are the additions to total income brought about by the project or other non-quantifiable or non-monetary gains resulting from the project.

3. Measure the "real" economic value of any input and output:

a. Use "shadow prices" or "opportunity costs" in place of (nominal) market prices. The goal of economic analysis is to determine the economic feasibility of the project from the point of view of the whole society (whether spending scarce resources in a particular way is sensible for society) but market prices do not often send the correct signals because market prices often do not reflect real resource costs to society due to market failures and institutionalized distortions.

(i) For instance, the existence of unemployment or underemployment is prima facie evidence that the "opportunity cost" of unskilled labor is lower than the market wage. This "opportunity cost" or "shadow wage" is the wage rate that would reduce unemployment to that voluntary level necessary for labor mobility.

(ii) The "shadow price" of foreign exchange is often higher than the market price given by the official exchange rate due to currency, exchange controls, import quotas, high import tariffs, etc.

95

(iii) The "shadow price" of capital indicates the premium placed on saving and investment over consumption in project evaluation. For instance, the Philippine economy has not reached the desired level of saving and investment as shown by the higher rate of planned saving rate than the actual rate in the past years. Because of political and institutional constraints, the government is generally unable to attain the optimum level of saving and investment through the use of monetary and fiscal policies. Real interest rates, especially in times of high inflation are often lower than opportunity cost of capital because of government policy to encourage certain investment activities. Similarly, capital may be undervalued because capital goods are often imported at preferential exchange rates or without significant tariffs or other taxes. There is a need therefore to estimate what social discount rate corresponds to the scarcity value of capital in the economy.

b. Assumptions as to the value of the different shadow prices should be explicitly stated in the feasibility study, including all other assumptions made as to the valuation of inputs and outputs. Immeasurable costs and benefits should be noted, their importance discussed, their likely net positive or negative effect on the project analyzed.

(i) NEDA estimated the national shadow wage of unskilled labor to be 81 percent of their market wage. With regard to skilled labor, NEDA estimated that their shadow wage is equal to their market wage.

(ii) The Philippine peso is estimated by NEDA to be overvalued by a range of around 16-20 percent. Hence, the shadow price of foreign exchange is 1.2 times the official exchange rate.

(iii) The social discount rate currently used by NEDA is 15 percent.

(iv) Contractors are advised to consult NEDA on any updates of these estimates. As to the shadow wage of unskilled labor, it would be desirable if contractors can obtain or provide (and substantiate) location specific shadow wage estimates for unskilled labor.

c. Transfer payments such as subsidies and taxes have to be netted out of the values of inputs and outputs in order to arrive at economic or "real" values. This is done because transfer payments do not involve payments for the use of scarce resources since they only mean that the flow of resources changes only from one person to another.

d. Financial or accounting costs such as interest, depreciation and sinking fund payments should be excluded from the real costs of the project.

e. Local or domestic component of costs should be valued at their market prices while the foreign or imported component plus, if possible, any direct import content of the local component should be adjusted for the shadow foreign exchange rate.

4. Compare inputs and outputs over the economic life of the project through the use of time discounting factor. This is based on the principle of the time value of money. Since project costs and benefits occur unevenly over time, they have to be discounted to be able to compare them.

5. Calculate the net present value (NPV) and the benefit-cost ratio (BCR) by comparing discounted values of costs and benefits or estimate the internal rate of return (IRR) using undiscounted benefits and costs. A project is economically worthwhile if: (1) its IRR is at least equal to the social discount rate of 15 percent; or (2) its NPV is positive or its benefit-cost ratio is greater than one at the given social discount rate.

6. Perform sensitivity analysis on the IRR, NPV and BCR by varying critical assumptions made so as to determine their impact on the project's viability. For instance, in estimating the project's benefits, a critical assumption is made on time savings for road project. Varying estimates of the time savings will show the extent of its effect on benefits, hence on the project's viability.

7. Provide conclusions and recommendations from results, including measures to reduce project risks indicated by the sensitivity analysis.

II. FINANCIAL ANALYSIS

Detailed guidelines for financial analysis are contained in Appendix 3D of AID Handbook 3 and should become an integral part of studies especially if AID funding is being considered for project financing.

The purpose of financial analysis is to ensure that a proposed project will be financially viable and sustainable that the stream of projected expenses can actually be financed as planned. If subsidies are required, they should be transparent and considered in the deliberations on whether to proceed with a project. Financial Analysis is also used to determine the profitability of a project from the standpoint of an individual, public or private entity.

Financial analysis is most valuable in the case of revenue producing projects where profit or cost recovery are key to the investment decision. The analysis is a straightforward assessment and review of the participating entity's past and present financial condition, capital structure, financial practices and if appropriate, planned changes in organization and operating methods, which would impact on an entities financial viability. Financial analysis of revenue producing projects uses actual and projected costs and revenues, taking into account all expenses including taxes, interest and all revenues including items such as government subsidies. The two most common tools used in analyzing the financial impact of the project are the projected statement of sources and application of funds and the projected income statement. The statement of sources and application of funds is used to determine if the project participants will have sufficient and suitably timed cash flows. The projected income statement normally shows the annual income or loss to the participants during the life of the project.

For some projects, an economic analysis will be more appropriate than financial analysis. Economic analysis is concerned with the costs incurred and the benefits obtained by the society as a whole. It uses constructed values, i.e., "shadow prices" and opportunity costs", disregarding all costs which represent transfers between members of the same community, but including costs borne by entities other than the direct participants.

For projects which do not generate revenues, profitability measures and assessments are not appropriate. In these cases, the financial analyses which may be performed are budgetary analysis, institutional analysis and least cost analysis. Analyses would also be directed at establishing the likelihood of resource availability to sustain the project overtime, e.g., for operations and maintenance. Budgetary analyses would indicate the amount and timing of financial resources required to operate and maintain the project and an evaluation of the entity's ability to finance operating costs after AID financing has ended. Institutional analysis would assesses the ability of the entity to manage and discharge its financial responsibilities during implementation and after completion and should recommend any needed changes in financial management practices.

Least cost analysis estimates the monetary value of inputs required under alternative methods of achieving the project goals and identifies the least cost alternative.

38'

III. **ENVIRONMENTAL ANALYSIS** (Guidelines)

OUTLINE FOR ENVIRONMENTAL ASSESSMENT*

1. Executive Summary and Recommendation
2. General Purpose
3. Collaboration with the Government on Preparation
4. Content

Summary: Major environmental issues, mitigation requirements, monitoring requirements and conclusions.

Purpose: Proposed Action and Alternatives (Brief Description) Affected Environment for Major Issues (includes only potential major areas)

Potential Environmental Effects:

- During construction/during operation
- Unavoidable
- Determine if short-term or long-term
- Determine if irreversible/reversible
- Determine if significant/not significant
- Discuss direct/indirect effects
- Negative/positive
- Special topics of concern:

Rare and endangered species

Biologically diverse areas

Tropical rain forests (AID is forbidden by FAA to fund construction or rehabilitation of roads in primary and high quality secondary forests)

Archeological and historical sites

Mitigation plan to reduce/offset negative effects monitoring plan during O&M phase or when effects need to be monitored because they couldn't be determined during the EA.

Conclusions

*Developed for Rural Infrastructure Fund Project.

GUIDELINES FOR SCOPING SESSION REPORT

1. **Executive Summary**
2. **Purpose and location**
3. **Brief description of proposed project with maps, tentative schedule, and diagrams (This should be prepared before the scoping session).**
4. **Matrix of generic effects from proposed project (Prepare before scoping session but leave room to add items). Matrix should cover construction and post-construction. When used early enough, this allows a phased screening of items.**
5. **List of a) potential major environmental effects of the project and b) environmental effects which may negatively affect the success of the project (i.e., for irrigation or hydropower, upper watershed erosion may reduce the life of a project. It is generally less expensive to protect the upper watershed than to reduce the life of a project.)**
6. **List of potential skills needed for analysis.**
7. **Schedule when report is needed.**
8. **Draft scope of work and budget for follow up.**
9. **List of participants invited and attended. Should include national and local GOP officials, NGOs, community representative, AID project officer, and environmental specialist.**

PLANNING STEPS FOR ENVIRONMENTAL SCREENING

1. **Early pre-feasibility stage**
 - o Identify generic environmental problems associated with proposed project;
 - o Obtain or develop a checklist of these potential issues.

2. **Pre-Feasibility to Feasibility Stage (or for AID projects, PID, PAIP)**
 - o Prepare an Initial Environmental Examination (IEE) to determine if an environmental assessment is needed;
 - o Review checklist of projects which are a) categorically excluded, b) always require an EA, and c) may require an EA (gray areas);
 - o The IEE would be about two pages for categorical exclusions, two to three pages for required topics, and 2 to 10 pages for gray area projects.

3. **Feasibility Stage-Scoping Session**
 - o If an EA will be prepared, hold a scoping session early on
 - o Focus on primary major issues
 - o Include GOP, NGOs, community, engineers, AID and environmental specialist in scoping session.
 - o Prepare scope of work for EA.

4. **Feasibility Stage-Environmental, Economic, and Engineering Assessment**
 - o Include environmental considerations in siting stage;
 - o Establish a schedule to have major engineering and environmental outputs that provide feedback at several stages;
 - o Engineering should identify alternatives early on. When alternatives are identified, EA should begin rapid assessment to identify major environmental issues with given approach;

11
- 91 -

- o Use the EA preliminary assessment to screen alternatives;
 - o Conduct field reviews and detailed assessment of major issues on short list of alternatives;
 - o Jointly review options with engineering design. Determine if revisions in engineering design are needed to mitigate environmental effects;
 - o Finish draft EA;
 - o Select final alternative;
 - o Develop a detailed mitigation plan for the selected alternative;
 - o Prepare final EA
5. GOP and Mission Review
- o Should be done at IEE stage, SOW for EA, scoping session, preliminary environmental reviews, draft EA, selection of alternatives, mitigation plan, and final EA;
 - o Mission review should be from a) environmental contractor, b) Mission review committee of Project Officer, Mission Environmental Officer, representatives from project committee.
6. AID/W review.
- o Will take the longest when Mission review is limited and environmental specialist is not hired;
 - o Required for IEE, scoping session report and SOW for EA, draft EA and final EA.

IV. SOCIAL SOUNDNESS ANALYSIS (Guidelines)*

A. Socio Cultural Context: Statement of the Problem in Human Terms

1. In terms of the way of life and basic needs of the people who would be affected by the project, what are the primary problems of poverty and development with which the project would try to deal? A social analysis will be of much greater significance and use if it begins by trying to get at the heart of the problems of the people for whom the project would be designed and does so in terms of their values and socio-cultural organization.

2. In what ways would or could the project attempt to deal with these problems of the people involved?

B. Mutual Adaptability

1. Features of the Social Environment in Relation to the Project

What features of the people's lives are most likely to affect and be affected by the project? In particular, which of their existing coping systems (farming, fishing, herding, land use, water use, marketing, credit, transportation, nutrition, sanitation, health care, reproduction, education...) are likely to interact with the project?

2. Implementation Constraints

Given the changes that would occur during project implementation in the operation of the people's system(s), and given the socio-political forces noted above, what difficulties in implementing the project can be realistically anticipated?

* The set of questions included here are excerpted from a report prepared by Jasper Ingersoll, Mr. Sullivan and B. Lenkerd, "Social Analysis of AID Projects: A Review of the Experience."

13

C. Participation

What sorts of participation did various types of local people and officials have in the identification project? What sort of participation are they having in the design phase, and are they likely to have in implementation and evaluation phases? What resources have they contributed? What evidence exists that they have been consulted? What additional forms of participation could be proposed for project design?

D. Benefit/Cost Incidence

How would the benefits and burdens of the project be distributed among the different types of people in the project population? Of these different types of people (by sex, age, ethnic group, occupation, wealth . . .) who would benefit, who would lose or suffer, and who would not be affected? In addition to type of individuals, would some types of institutions or communities tend to benefit, lose, or be unaffected by the project? What secondary or indirect benefits and costs are likely to flow from project implementation, and which types of people are likely to receive these benefits and incur the costs? In addition to material benefits and costs, what main sorts of psychological and social costs and benefits are likely to result from project implementation, and what sorts of people are likely to become the recipients? How might this change during different stages of the project?

In the light of the issues discussed above, what is the potential of the project for equitable distribution of benefits and burdens among the people to be affected? What realistic social recommendations can be made to improve the equity of distribution of project benefits and burdens among the people affected?

E. Spread Effects: Diffusion, Sustainability, and Replicability

What are the prospects for project results diffusing through space and being sustained through time? More specifically, what are the realistic possibilities of project benefits diffusing to people within the project area but not originally included as beneficiaries, and to people living outside the project area? Given the special and general characteristics of the project in its social setting, what are the prospects of project results being replicated outside the primary project area? Given the degree of fit of the project design in its social setting, what is the potential for sustained project results beyond the projected end of AID assistance? What realistic recommendations can be made to enhance the diffusion and durability of project benefits?

Given the natural tendency of project designers toward optimistic, hopeful projections, social analysts should be especially careful to base their assessment of the future potential of projects on critical analysis of current conditions and realistic appraisal of future trends.

- 95

Illustrative Economic Development Studies

The studies and related analyses for an economic development zone may include the following:

- Business/Investor Survey: Prior to any detailed feasibility work on a zone, basic survey data should be developed and evaluated. This will include collection and analysis of information on the economy of the zone's service area, its relation to the national and regional economy, the zone's business climate and constraints to growth and its comparative advantages. There should also be a survey of potential investor attitudes toward making additional investments in the zone. This initial survey should give some indication as to whether investment benefits to the zone would indeed overcome investment constraints and yield a viable project. These surveys would also identify areas for further analysis.

- General Physical Master Plan: The plan would provide the spatial and cross-sectoral framework for investments. It would identify land-use issues of the zone, especially where an agribusiness complex or industrial park is contemplated, and would also define the overall levels of raw materials and physical inputs to meet the perceived requirements. It would provide an estimated magnitude of the project's requirements for energy, water and sanitation, transport, warehousing, and other utilities. It would develop a rational approach toward developing the project area while ensuring preservation of the natural environment. The plan may further define the requirements for follow-on studies and issues for further analysis.

- Resource Inventory: This study would define the physical resources of the area and compare the inventory against needs to determine the shortfall of required resources. It may involve airphoto mapping of the general area to determine the available resources, the optimization of the placement of utility centers, as well as the physical location of future transport facilities, the timing of utility expansion, and any housing requirements.

- Human Resources Evaluation: This will involve the determination of the number and kind of skilled and unskilled workers available in the zone. For an obvious shortfall, training needs can be identified, such as the need for additional or new non-formal or vocational centers. The evaluation will also determine to what extent the agricultural base requires additional on-farm resources, including such areas as agricultural extension, training and farm credit to maintain and expand any increased requirement in the flow of raw materials to the zone.

- Transportation Requirements: This study would determine an expansion program to provide the necessary transportation support such as roadway improvements, air cargo, sea cargo and ancillary storage facilities to accommodate anticipated production flow -- i.e., an inter-modal transshipping depot and other origin/destination transport network requirements.

- Utilities Requirements: The magnitude of resources for industrial water, potable water, electrical power, solid waste disposal, and sewerage requirements will be determined in accordance with U.S. and GOP standards (and other donors as appropriate). From the resource inventory, recommendations for specific detailed engineering for each utility can be made. The study could provide a long-term plan (20 years) for the zone's utility requirements.

97'

SUMMARY OF AGENCY ENVIRONMENTAL PROCEDURES

(Title 22 Code of Federal Regulations [CFR], Part 216)

The following is a simplified summary of the Agency's Environmental Procedures. Compliance with these procedures is a Federal requirement as well as Agency policy. The text of the procedures, which is contained in Handbook 3, Appendix 2D, should be consulted in all instances.

Purpose:

To implement the requirements of the National Environmental Policy Act (NEPA) as they affect the A.I.D. program

A.I.D. Policy:

1. Ensure that the environmental consequences of A.I.D.-financed activities are identified and considered by A.I.D. and the host country prior to a final decision to proceed with an activity and that appropriate environmental safeguards are adopted;
2. Assist developing countries to strengthen their capabilities to evaluate the effects of development strategies and projects and implement effective environmental programs;
3. Identify impacts of A.I.D.'s actions upon the global environment which affect the common and cultural heritage of all mankind; and
4. Define environmental limiting factors that constrain development and carry out activities that restore the renewable resource base.

Implementation:

1. As part of the Project Identification Document (PID) or Project Assistance Initial Proposal (PAIP) preparation, an Initial Environmental Examination (IEE) is prepared that contains a Threshold Decision as to whether a) an Environmental Assessment (EA) or Environmental Impact Statement (EIS) will be required or b) the project is exempt under a Categorical Exclusion. PP Amendments or Extensions are also subject to the procedures and require the preparation of an IEE.

The IEE is usually prepared by the officer responsible for PID or PAIP design. It is reviewed by the Mission Environmental Officer and the Mission Director or designee, and submitted to the Bureau Environmental Coordinator for approval.

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2. If an EA or EIS is required, the following steps are taken:

- (a) A Scoping Session or process is initiated in the host country by the project officer to identify the significant issues to be addressed in the EA or EIS. The scoping session involves relevant experts and representatives of host governments, private institutions, A.I.D. staff and contractors. This results in a written scoping statement with a discrete list of issues to be addressed in the EA or EIS, those eliminated as not significant, and a scope of work (SOW) for the EA or EIS. The SOW will contain a schedule for analysis, how it will be conducted, and the disciplines required to conduct the work.

The scoping statement is then reviewed by the Mission Environmental Officer prior to review and approval by the Bureau Environmental Coordinator/Officer.

- (b) Prior to or during the preparation of the Project Paper (PP) or PP Amendment or Extension, the EA or EIS is prepared by the office originating the project in accordance with the scoping statement. The EA contains an analysis of the reasonable foreseeable effects of a proposed project/program on the environment, looks at alternatives to the proposed actions, and identifies actions that should be taken during PP design to mitigate environmental effects, and determines funding needed in the project for mitigation and evaluation.
- (c) In cases where a project explicitly plans to design activities for funding during the course of the project, it may not be possible to prepare an EA or EIS prior to the completion of a PP. In these cases, two modifications are required. First, the PP should describe the plan to complete environmental analysis including management options and providing sufficient funding for any required environmental analysis. Second, the EA or EIS must be scheduled and completed in the project along with other implementation activities in such a way that project implementation is not constrained by the absence of adequate planning. Further, the EA or EIS must be completed prior to the point that resources in a project are irrevocably committed.
- (d) The draft EA is reviewed by the Mission and by the Bureau Environmental Coordinator who must clear the EA, even when Missions have delegation of authority for approval of PPs and PAADs.

99

- (e) EISs are required when the proposed action has a potential impact on the U.S., the global environment, or areas outside the jurisdiction of any nation. The review process is more comprehensive for an EIS, involving U.S. Federal agencies and the the U.S. public (see Sec. 216.3 (6) (iii) of the procedures).

Applicability of the Procedures

Under the procedures, there are four categories of activities:

- (1) Exemptions,
- (2) Categorical exclusions,
- (3) Actions that normally have significant impacts on the environment and require EA, and
- (4) "Gray area" where the IEE is required to determine whether significant impacts are or are not likely.

1. Exemptions which require A/AID or AA/AID formal approval:

- international disaster assistance;
- other emergency situations; and
- exceptional foreign policy circumstances.

2. Categorical Exclusions

- Education, technical assistance or training;
- Controlled, experimental research of limited scope;
- Analyses, studies, workshops, meetings;
- Document or information transfer;
- Contributions to international organizations;
- Nutrition, health, population and family planning activities, except for construction components;
- Commodity Import Programs (CIP), when A.I.D. has no knowledge of or control over use;
- Support to intermediate credit institutions if A.I.D. does not review or approve loans;
- Maternal or child feeding programs under Title II or P.L. 480;
- Food for development programs under Title III, when A.I.D. has no specific knowledge or control;
- Grants to PVOs where A.I.D. has no specific knowledge or control;
- Studies or projects that develop the capability of countries to engage in development planning; and
- Activities which involve the application of A.I.D. approved design criteria

100

3. Actions normally affecting the environment

- River basin development;
- Irrigation or water management including dams;
- Agricultural land leveling;
- Drainage;
- Large scale agricultural mechanization;
- New lands development;
- Resettlement;
- Penetration road building or road improvement;
- Power plants;
- Industrial plants;
- Potable water and sewerage, unless small-scale;
- Activities affecting endangered plant and animal species and their critical habitat (wetlands, tropical forests, marine habitat, protected areas);
- Pesticides (assistance for procurement or use always requires an IEE, see Sec 216.3 (b), p.7)

4. Gray areas

- When it is not obvious that a project falls into one of the above categories, it is necessary to prepare an IEE to make the determination. Mission environmental officers can assist in the preparation of these IEEs.

Assistance on The Environmental Procedures

This is a simplified summary of the Environmental Procedures and the text of the procedures should be consulted in all instances. More detailed guidance can be obtained from Mission Environmental Officers and the Bureau environmental staff which includes Molly Kux and Ron Greenberg. ANE/PD/ENV plans to add a staff member from EPA sometime this fall.

In addition, there are environmental IQCs available to assist in carrying out the required EAs. At the present time there are two firms:

- Dames and Moore, Louis Berger, Institute for Development Anthropology and

Tropical Research and Development and KBN Engineering.

Technical assistance is also available from Dr. Mary Lou Higgins, ST/FENR and Dr. Ben Waite, ST/AG office for pesticide use and integrated pest management.

DAC PRINCIPLES FOR PROJECT APPRAISAL

**Principles for the Appraisal, Selection and Design
of Development Projects, as Agreed in the
Development Assistance Committee of the OECD**

DAC PRINCIPLES FOR PROJECT APPRAISAL

As part of their effort to improve aid quality, DAC Members have worked together on a set of principles for project appraisal, covering the whole process from initial project identification to preparation, appraisal, selection and design and to subsequent monitoring and evaluation. In addition to careful economic, financial and technical appraisal, stress is laid on assessments of managerial and institutional capacity, social and distributional effects and environmental impact. This work on individual projects and action to improve developing countries' development policies and programmes are two essential and mutually reinforcing prerequisites for more effective use of external aid and domestic resources. The Principles are therefore complementary to earlier DAC work as reflected in "New Emphasis on Aid for Improved Development Policies and on Strengthened Aid Co-ordination" [PRESS/A(86)61] which were adopted by the DAC in 1986. The project principles stress that project selection must be consistent with well-conceived sectoral programmes.

DAC Members expressed their strong support for the Principles at the High-Level Meeting held on 5th-6th December 1988. They also agreed to review their project appraisal and selection criteria and procedures in the light of these principles and to make adjustments where necessary. They hoped that the Principles will be equally helpful to the multilateral development financing institutions, and to non-governmental organisations undertaking development projects in developing countries. Donors are ready to work together with recipients to ensure acceptable standards of rigour and developmental effectiveness in project selection and preparation.

The Principles incorporate the following essential elements:

- Better investment management and resource use in developing countries are essential for more satisfactory economic and social development. Project survival and viability can be improved through greater rigour in project selection, clearer and more realistic setting of objectives, greater care in design and preparation, fuller involvement of target groups in design and implementation and quicker adjustment when problems are identified. Donors are ready to work together with recipients to ensure acceptable standards of rigour and developmental effectiveness in project selection and preparation.

- The initial selection of projects should be consistent with well conceived sectoral programmes and strategies of the recipient countries. The broader policy framework in which projects operate must be such as to facilitate their success.
- Close consultation between donor, recipient government and affected communities in the formulation of objectives and the appraisal of projects is necessary to ensure that the project responds to the recipient community's needs and that relevant managerial, social and environmental requirements are taken into account in project design.
- The sustainability of projects is determined by a range of factors -- including economic soundness, project design corresponding to the managerial, technical and financial capacity of recipients, compatibility with socio-cultural conditions and, last but not least, environmental sustainability -- all of which must be considered at the appraisal and design stage to ensure project success. It is not in the recipient's interest to proceed with projects which are likely to produce minimal benefits in the short run and to be non-sustainable or non-replicable in the long run.

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	5
Importance of Project Selection and Design	5
Scope of the Principles	5
Transparency	5
II. RECIPIENT-DONOR PARTNERSHIP	5
Strengthening Recipients' Appraisal and Implementation Capacity	5
Donor-Recipient Agreement on Essential Requirements and Assumptions	6
Agreed Terms of Reference for Feasibility Studies	6
III. PROJECT IDENTIFICATION	6
Importance of Initial Project Screening	6
Clear Specification of Objectives	7
Contribution of Sector Analysis and Co-ordination	7
Private Sector Projects	7
Projects with Major Impacts	8
Logical Framework	8
IV. APPRAISAL: GENERAL CONSIDERATIONS	8
Importance of Appraisal for Selection and Design	8
The Central Notion of Sustainability	9
V. TECHNICAL APPRAISAL	10
VI. FINANCIAL APPRAISAL	10
Financial Analysis	10
Appropriate Terms	10
Financial Sustainability	11
Assistance for Local Cost and Recurrent Financing	11
VII. ECONOMIC APPRAISAL	11
Economic Appraisal for Projects with Quantifiable Economic Benefits	12
Importance of Transparency and Consistency in Basic Assumptions and Standards Applied by Donors and Recipients in Economic Project Appraisal	12
Sensitivity and Risk Analysis	12
Cost Effectiveness Analysis for Projects for which Economic Benefits cannot be Quantified	13

VIII.	INSTITUTIONAL ASSESSMENT	13
IX.	PROVISION FOR EFFECTIVE MAINTENANCE	14
X.	IDENTIFICATION AND INVOLVEMENT OF TARGET GROUPS AND SOCIAL AND DISTRIBUTIONAL ANALYSIS	15
	Identification of Target Groups	15
	Distribution of Costs and Benefits	15
	Socio-Cultural Analysis	16
	Role of Women in Development	16
	Demographic Analysis	16
	Involvement and Motivation of Local Institutions and Target Groups	16
XI.	ENVIRONMENTAL ASSESSMENT	17
XII.	PROVISION FOR MONITORING, EVALUATION AND FEEDBACK FROM EARLIER EXPERIENCE	17
	Monitoring	17
	Inspections and Audits	18
	Evaluation	18
	Feedback from Earlier Experience	18
XIII.	SPECIAL CONSIDERATIONS IN THE CASE OF ASSOCIATED FINANCING AND TIED AID	19
XIV.	PROJECT APPROVAL	20
XV.	DONOR ORGANISATIONAL ASPECTS	20
XVI.	REDUCING THE ADMINISTRATIVE BURDEN ON RECIPIENTS AND HARMONIZATION OF DONOR REQUIREMENTS	20
XVII.	FOLLOW-UP	21

DAC PRINCIPLES FOR PROJECT APPRAISAL

I. INTRODUCTION

Importance of Project Selection and Design

1. Better investment management and resource use in developing countries are essential for more satisfactory economic and social development. Project survival and viability can be improved through greater rigour in project selection, clearer and more realistic setting of objectives, greater care in design and preparation, fuller involvement of target groups in design and implementation and quicker adjustment when problems are identified. Donors are ready to work together with recipients to ensure acceptable standards of rigour and developmental effectiveness in project selection and preparation.

Scope of the Principles

2. The principles set out below apply primarily to investment projects. Members will consider the applicability of relevant provisions to technical co-operation projects and aspects of sector assistance. It is important that all types of assistance are subject to consistent selection criteria and appraisal procedures of high standards. It is recognised also, however, that timeliness of aid is a particularly critical factor in meeting acute emergency needs.

Transparency

3. The criteria and standards against which projects are assessed, as well as approval procedures and information requirements applied by donors, should be clearly articulated.

4. Agencies which have not yet done so are encouraged to publish the essential elements of their project appraisal and selection criteria and procedures and make them available to the recipients of their aid and to other DAC Members.

II. RECIPIENT-DONOR PARTNERSHIP

Strengthening Recipients' Appraisal and Implementation Capacity

5. While project financing decisions are taken jointly by donors and recipients, responsibility for project identification, design and implementation rests with the recipient. Strengthening the capacity of

recipient countries through training and institutional development for project appraisal, design and management including budgeting and auditing is an important objective for donor/recipient technical co-operation.

Donor-Recipient Agreement on Essential Requirements and Assumptions

6. The contributions and tasks of donors and recipients respectively in project appraisal and implementation should be fully articulated and agreed. Differences between donors and recipients should be resolved before the project is launched rather than left to the implementation stage. Similarly it is important that essential external conditions and assumptions influencing the project's success should be realistic, fully articulated and agreed with the recipient.

7. The donor and recipient should agree on the specific steps required, and the time needed for each, for all of the main activities, e.g., consultancy, training, recruitment, procurement, legislation, institutional changes, donor procedural requirements and so on. Timeframes for projects should be realistic. The use of critical path programming can be helpful for this purpose. Evaluations show that designers tend to underestimate the time required to achieve the objectives set.

Agreed Terms of Reference for Feasibility Studies

8. Donors and recipients should jointly prepare clear terms of reference for feasibility studies to ensure that issues considered important by both parties are covered. Terms of reference should cover the essential design and sustainability factors reflected in these principles. Feasibility studies should envisage alternative options to enable recipients and donors to make choices.

III. PROJECT IDENTIFICATION

Importance of Initial Project Screening

9. The initial project screening process is crucial. Experience shows that rejection of a project proposal is rare, once major project preparation has started. A thorough and independent scrutiny of the project and its definition must therefore be undertaken before a decision is made to go ahead with fuller project appraisal and preparation. The use of a project identification memorandum as a required preliminary to the decision to proceed with preparations can be helpful as a practical method to ensure that projects do not acquire a life of their own at an early stage. Implausible projects, in particular those which are inconsistent with reviewed investment programmes or for which there might be serious doubts on prospects of sustainability, should be eliminated at the start. The aim is to arrive at a short list of projects which should be subject to more detailed scrutiny.

105

Clear Specification of Objectives

10. A careful specification of the project's objectives is of critical importance for effective appraisal and the successful implementation of an activity. Careful specification of objectives is also essential for subsequent evaluation.

Contribution of Sector Analysis and Co-ordination

11. Experience shows the utility of sector programmes and strategies which establish the government's sector objectives, articulate sector level policies and priorities and identify areas for possible donor support. Greater emphasis could be given to exploring opportunities for a linked series of projects within a given sector, enabling the use of experience and gains in institution-building.

12. Co-ordination among donors and recipients, within the framework of the recipient government's sector strategy, is important to encourage sharing of information and experience, avoid project duplication, promote joint activities, and gain understanding of sector policies and programmes. Other donors' activities and plans in the sector related to the project should, to the extent possible, be noted in project documentation.

13. The initial selection of projects should be consistent with well conceived sector programmes and strategies and, in particular, with public investment programmes (PIPs) and public expenditure programmes (PEPs) which have been the subject of careful review through such aid co-ordination arrangements as may exist.

14. In the absence of such well conceived recipient sector strategies and investment/expenditure programmes particular care is required in project selection and design. In such cases donors can assist recipients in doing analyses which will place the project within a sector framework, and address appropriate policy issues to the extent possible. In particular, project appraisal should take into account major price distortions which may result from such factors as excessive import protection, export taxes, administered prices (including interest rates) and inefficient governmental regulations. It is not in the recipient's interest to proceed with projects which are likely to produce minimal benefits in the short run and to be non-sustainable and/or non-replicable in the long run.

Private Sector Projects

15. Careful consideration needs to be given by donors and recipients to whether a particular project is best handled by the public or the private sector. In some areas the private sector can be more efficient than the public sector. Public sector projects in turn can be supportive of private sector activities. Where donors finance private sector projects, such projects should be consistent with the broader sectoral priorities and programmes of the recipient country. (See also paragraph 25 below.)

Projects with Major Impacts

16. Particular care is required in the case of projects which are likely to have a major economic, financial, social and environmental impact on the economy of the recipient country or a particular region or sector and where therefore defective project selection or design may have particularly serious consequences for the recipient. Such projects may give rise to special appraisal problems because they are likely to affect the basic economic data on which project analysis is based.

Logical Framework

17. The logical framework is one possible method project designers can use in order to examine key elements of a project systematically. The logical framework is helpful primarily as a project planning device and for subsequent evaluations. One of the most important features of the method is the clarification and analysis of assumptions, which is useful for decision-making, design and evaluation of the project. The analysis of assumptions can be developed into an assessment of the risks involved in the undertaking. The logical framework should be used from the earliest stages of the identification process and modified with changes in the objectives, if necessary, as preparation and appraisal proceed.

IV. APPRAISAL: GENERAL CONSIDERATIONS

Importance of Appraisal for Selection and Design

18. The purpose of appraisal is to enable decision-makers to make rational project choices and to contribute to good project design.

19. In view of this dual function the appraisal process cannot be clearly separated from project design. Technical experts will have a major role in project design, but the various forms of appraisal, discussed below, are an integral part of project design. The consideration of options during project design is an example of the interaction between design and appraisal. At the decision stage, appraisal will also enable those concerned to ensure the soundness of a project, the superiority of its design to alternative means of meeting its objectives and its readiness for implementation. The main types of appraisal are discussed in the sections which follow:

- Technical;
- Financial;
- Economic;
- Institutional;
- Social/distributional;
- Environmental.

Their comparative importance will vary from project to project and the order in which they are covered in these principles is not meant to reflect the weight to be given to the various types of analysis. The principles set out

below recognise the differences in the problems encountered in the appraisal and design of investment projects with quantifiable economic benefits which produce marketable output and programmes addressing the needs of specific social target groups.

The Central Notion of Sustainability

20. Project sustainability needs to be considered in all forms of appraisal. It has proved to be a useful general test in judging a project. A project can be said to be sustainable when it is able to deliver benefits for an extended period of time, after the main assistance from a donor has been terminated. The following sustainability requirements and tests are essential (they are further developed elsewhere in these principles).

- A conducive policy environment. Necessary policy changes should be agreed upon before implementation starts.
- Clear and realistic goals.
- Project design corresponding to the managerial and technical capacity of recipients.
- Economic soundness and sustainability.
- Affordability in terms of initial costs and of operations and maintenance.
- Active involvement of local authorities and target groups including women.
- Choice of technologies appropriate to the economic and social conditions of the recipient.
- Realistic timeframes.
- Adequate maintenance and support systems, as well as the capacity to manage them, once external assistance has been terminated.
- Compatibility with domestic socio-cultural environments.
- Environmental sustainability.

21. Due consideration should be paid in the application of the above sustainability criteria to the specifics of the project and the project environment, and the need for flexibility in design and implementation, as well as to expected improvements over time in managerial, technical and maintenance capacity brought about by a continuing development process.

V. TECHNICAL APPRAISAL

22. The technical feasibility study is the basis for other forms of appraisal. Technical experts will need to show that the project can meet its objectives using a technology and standards which are appropriate to the circumstances of the country in which the project will be located. The technical appraisal and specifications will need to take account of the availability of local production capacities, trained personnel, raw materials and other inputs; the suitability of the output to the markets for which it is intended; and the capacity of local agencies to implement the project. Many of the other sustainability tests listed in these Principles should be considered at the technical appraisal stage.

VI. FINANCIAL APPRAISAL

Financial Analysis

23. Careful financial analysis and planning are required, including schedules of expected income and expenditure on capital and current outlays to ensure financial soundness.

24. Financial analysis will be concerned primarily with the financial viability of the project and the entity operating it. But it is also important to take into account the repercussions of the project on public finances generally, including the financial implications of planned project replication.

Appropriate Terms

25. The principal rationale for concessional terms of financial assistance is the recipient country's economic situation and especially limitations on its capacity to mobilise adequate foreign exchange resources for development, rather than the nature of the project financed. In setting terms for end-users, care is required to avoid distorting effects on resource use allocations and income distribution. Two-step financing procedures are a useful device to avoid such distortions; i.e., the project would be expected to carry domestic market interest rates while the concessionary element would accrue to the central government. This is important in the case of revenue-producing projects and particularly projects producing for competitive markets. Project appraisal would make it possible to decide whether it may be justified to pass on all or part of the concessionality in terms to end-users on social or infant industry grounds. But such practices should be consistent with the recipient's broader or sectoral policies; and financial sustainability and equity considerations must also be kept in mind.

712-

Financial Sustainability

26. User charges ensuring cost-recovery are the best safeguard of the financial viability of a project and consequently of its sustained ability to provide continuing benefits to recipients. Where cost-recovery through user charges is not feasible or socially acceptable, it is essential that realistic provisions for financing be made (see paragraph 27 below). User charges and public price policies, giving appropriate weight to overall financial viability and repercussions on vulnerable groups, are an important subject for aid co-ordination between recipients and donors.

27. Where a project is not financially self-supporting, special care must be taken to make certain that the subsidies required to maintain operations are ensured and that this represents a priority use of the recipient's public resources. The ability of recipients to provide adequate public financing for (non-remunerative) projects is often overestimated, with harmful consequences for maintenance and viability. This latter aspect can be reviewed adequately only in the context of the totality of projects having an impact on public sector finances and the recipient country's overall public finance capacity (including the likely availability of external assistance) and will therefore normally require a co-ordinated approach with the financial authorities of the recipient and other donors.

Assistance for Local-Cost and Recurrent Financing

28. In some cases the recipient government may not be able to finance all or part of the local and/or recurring costs out of its own budget. In such cases, donors may wish to consider assistance for such costs in order to ensure the project's completion or continuing operation. Timing and modalities of assistance should be firmly agreed before the launching of the project, combined with realistic phase-out agreements for recurrent-cost financing.

29. Donor flexibility in financing local costs has the additional advantage of ensuring that project design is not biased toward import-intensive techniques because of local-cost financing constraints.

VII. ECONOMIC APPRAISAL

30. Whereas financial analysis is essentially concerned with the financial soundness of the project or of the enterprise or agency carrying out the project, economic analysis is concerned with the larger impact of the project on the sector and the national economy, including production, factor incomes, consumption, public finances and the balance of payments.

Economic Appraisal for Projects with Quantifiable Economic Benefits

31. With respect to projects where economic benefits and costs can be quantified, a systematic quantitative cost/benefit analysis should be undertaken. This includes projects which produce marketable outputs (such as in industrial, agricultural, and power production, transport and communications). But there are some other types of projects (for instance in the area of road-building, water supply, hospitals, tertiary educational institutions) for which quantitative estimates of economic costs and benefits should be attempted, at least for projects with a major potential impact on recipients.

32. There are basically two different types of approach to economic appraisal, which should, however, lead to similar results if the same assumptions are used. One is to apply shadow prices which are estimated to reflect true underlying opportunity costs (which are often significantly different from actual prices and costs). The other method, known as the Effects Method, measures, within a national accounting framework, the changes in the incomes of all the economic agents concerned, including the government, brought about, directly or indirectly, by the project.

33. The economic return of a project constitutes one of the fundamental appraisal criteria. A minimum economic return is not a sufficient test of a project's utility but it is a necessary test for those projects which have returns which can be measured in monetary terms. It is therefore an important element in making choices between alternative opportunities for the use of scarce resources in the interest of the recipient country. Benchmarks for minimum economic returns will vary, of course, depending on the circumstances of the recipient country and final decisions will have to give proper weight to the other elements of project appraisal including social/distributional and environmental considerations (as referred to below).

34. When a project is retained because economic analysis indicates acceptable economic returns, even though adequate financial returns on the basis of actual factor and product prices are not ensured, it is essential to give special attention to the financial/budgetary implications of the project (see Financial Analysis above).

Importance of Transparency and Consistency in Basic Assumptions and Standards Applied by Donors and Recipients in Economic Project Appraisal

35. Members will work with the central planning authorities of recipients and other donors, in the international aid co-ordination arrangements, towards greater transparency in the basic assumptions and standards applied in project appraisal and will seek to achieve improved consistency.

Sensitivity and Risk Analysis

36. Sensitivity analysis is a valuable tool for testing the viability of a project under different assumptions about individual project parameters. Applied at an early stage in the analysis it assists one to identify those

aspects of a project which will require particular attention or, on the other hand, those where expensive data collection and analysis may not be so essential. Its usefulness is not confined to economic analysis. It is an important component of technical and other analyses required to assess the soundness of a project.

37. Risk analysis is an extension of sensitivity analysis insofar as it examines the probability of variations of parameters which are important to a project's success. "Scenario testing" may be useful involving different combinations of possible conjunctions of variables. This is of considerable importance for projects where the prices of inputs and outputs are subject to wide fluctuations or where there may be major environmental impacts. Greater emphasis should be given to designing "robust" projects that can weather uncertainties in the international trade environment.

Cost Effectiveness Analysis for Projects for which Economic Benefits cannot be Quantified

38. For activities for which it is not possible to calculate a meaningful rate of economic return, it is necessary to ensure that all relevant factors on the cost and benefit side, are taken into account through a systematic analysis, even if particular benefits cannot be expressed in monetary terms. It is important to ensure a reasonable relationship between expected benefits and costs in order to be sure that the scarce resources available to the recipient country are used in the most beneficial way also for these kinds of project. In assessing the costs and benefits, important tests are: the number of people reached by the activity ensuring a reasonable spread of resources, the comparative cost per beneficiary; the unit costs of the services rendered; as well as the standard and quality of the services and benefits rendered.

39. The principles set out elsewhere in this document relating to such aspects as clear specification of objectives and target groups, logical framework, financial sustainability, institutional assessment and maintenance, and social/distributional impacts, apply with particular force to these types of project.

VIII. INSTITUTIONAL ASSESSMENT

40. Agencies should carefully consider management implications when appraising a project. This involves an assessment of the implementing or operating agency's capacity to execute the project in question effectively as well as an assessment of the institutional environment in which the project will operate.

41. The institutional assessment constitutes a basis for determining the nature and types of skill, organisational capacity and incentives which will be required of the recipient's implementing or operating agency. Gaps should

be identified and a strategy for strengthening implementation capabilities should be drawn up. The assessment must be made at an early stage in order to allow consideration of options in the design of the project.

42. The institutional assessment should include an examination of the financial management capabilities of the organisation related to its budgeting, accountability, and control of funds and the degree to which its planning process takes into account this information. Particular emphasis should be placed on ensuring that a funds control capability is in place at the time the project is initiated. The project design should provide for monitoring by the institution of financial management during the execution or implementation phase, and maintaining auditing and financial management capability after a project has been completed. The institutional assessment should seek to assess the capabilities of the institution and as necessary propose measures to improve its financial management and auditing capabilities.

43. It is important to assess the duration of the technical assistance required by the implementing agency and other linked organisations and the extent to which local institutions/consultants could provide it. If new staff have to be recruited and trained, new systems and practices have to be introduced into the organisation, or an entirely new agency has to be created, assistance over a long period will often be required. In some of these cases, twinning with another well run institution may be a proper way to strengthen the new implementing agency. To the extent possible, technical support and assistance should be provided through local institutions and consultants. They have a better understanding of local conditions and constraints. If foreign technical assistance needs to be provided, it should be so planned that, on the one hand, it is efficiently used and comes to an end when no longer needed but, on the other hand, continues as long as required to achieve the institution-building objectives.

44. Agencies should carefully consider different options to reduce the management load put on the recipient's institutions, particularly by simplifying project design and appropriate phasing of project activities, conducting joint institutional assessments, and by using available competent intermediaries in the planning and implementation, including community groups and non-governmental organisations. (See also Section XVI below.)

IX. PROVISION FOR EFFECTIVE MAINTENANCE

45. Project design should be oriented towards practicable maintenance. The provision of staff and current operation funds dedicated to maintenance should be assured over the long term and ensure that project management is fully aware of the importance and means of maintenance. Training of all employees in maintenance should be a continuing function of project management. In particular, projects should include an information component dealing with preventive maintenance for maintenance technicians and project beneficiaries. Such training should be planned well in advance and be continued as long as is

necessary to establish the capacity of locally employed staff to carry out maintenance. The training should be appropriate to operative goals of the project as well as to the level of technology chosen for it.

46. Project selection and design should provide at the outset for the clear definition of maintenance responsibility, taking into account the project owners' capacity to provide maintenance and operating resources. There should be adequate agreements with recipient governments, not only at local project authority level but also at central level, in order to ensure the availability of both financial means and technical capacities in operating the facilities and services after completion of the project. The duration of the project execution phase may need to be extended to allow for a more realistic period for the completion of the investment phase.

X. IDENTIFICATION AND INVOLVEMENT OF TARGET GROUPS AND SOCIAL AND DISTRIBUTIONAL ANALYSIS

Identification of Target Groups

47. The target groups intended to benefit from the project and the main agents in its implementation should be carefully specified at the outset whenever possible and appropriate.

Distribution of Costs and Benefits

48. The early specification of intended target groups should be followed by an analysis of the distributional effects of the project. To the extent possible, the distributional analysis would attempt to assess the project impact on various relevant groups. This serves to ensure that projects are truly compatible with the needs and capacities of the intended beneficiaries and participants. The analysis should clarify the groups and individuals who benefit and those who may be harmed by the project, including positive and negative employment effects. In certain cases there may be adverse social effects on some groups even when objectives for the target groups are fully met. The appraisal should assess these adverse effects and consider means for alleviating them.

49. The notion of target groups has limited applicability in the case of projects producing marketable outputs or servicing the needs of the economy or large areas as a whole. In such cases some analysis of distributional effects is nevertheless desirable to ensure that they are not palpably unfair to the weaker or vulnerable groups.

Socio-Cultural Analysis

50. Socio-cultural conditions, structures and traditions need to be analysed in order to identify possible constraints to successful project implementation. This may involve such issues as land and water tenure arrangements, resettlement issues and local organisational arrangements which require sociological and/or anthropological expertise. The socio-cultural analysis should not only consist of an assessment and impact analysis but should also lead to a strategy for enhancing the commitment and sustained participation of the people directly involved.

Role of Women in Development

51. Full attention should be paid to involving women in the planning and implementation of development projects. Development activities have too often been designed in a way which takes insufficient account of women as decision-makers, as producers and as beneficiaries, and of the fact that the income of women is crucial to the raising of the standard of living of the family. Consideration should be given to gender issues at the initial screening stage as well as at the preparation and appraisal stages, including assessments of the costs and benefits. Particular attention should be given to gender composition when considering the division of labour, access to and utilisation of resources, decision-making processes, distribution of income and benefits, time allocation and legal status of women, and the impact that these factors will have on project success.

Demographic Analysis

52. For many types of project, appraisal requires adequate data on demographic patterns including growth of different population strata and migration flows. Where a project affects a large number of people, it may be useful to assess its impact on population patterns, including spatial distribution.

Involvement and Motivation of Local Institutions and Target Groups

53. Donors and recipients should work together to make full use of competent expertise available locally for both the design and implementation of aid-financed projects, taking account of the diversity of country situations.

54. Greater emphasis should be given to ensuring the commitment of recipients' executing agencies through their active involvement in selection, design and implementation. For many types of project, active involvement of end-users and beneficiaries, e.g., through communities and other local organisations, ensuring that the project meets actual needs and circumstances, is essential for project success and mobilising local energies.

XI. ENVIRONMENTAL ASSESSMENT

55. Environmental aspects should be taken into account in the selection and design of projects. Activities which could significantly affect the environment should be subject to an environmental assessment. Particularly sensitive projects and fragile areas have been defined in the annex to the 1985 OECD Council recommendations on environmental assessment of development assistance projects and programmes. (See the 1986 DAC Chairman's Report.) An initial screening of the project should be undertaken in order to determine whether or not an environmental assessment is required and, if required, to define its terms and methodology. The assessment must be initiated at an early stage in order to have an influence on decision-making and on the design of the project. Changes in design due to environmental considerations can sometimes increase the cost of the project or alternatively, as with energy savings, actually increase the stream of benefits. Experience has shown that environmental assessments can be made more efficient if conducted in close recipient/donor collaboration. The public affected by the proposal and other interested parties should be consulted in determining the scope of assessment.

56. The assessment should make a clear statement of the significant beneficial and adverse environmental effects of the project. Attention must be paid to off-site effects (upstream and downstream effects) and to possible time-lags. The assessment should suggest mitigating measures or alternative designs for limiting negative environmental impacts. The environmental assessment process should not stop when implementation starts, but continue throughout the project cycle as a monitoring process. To this end, it should be clarified at the assessment stage how and by whom the environmental impact and mitigation measures should be monitored during and after implementation of the project. Furthermore, due consideration should be paid to the need for strengthening developing-country institutions to implement the environmental measures agreed.

57. Whenever feasible, the positive and negative environmental impacts of projects should be quantified in monetary terms, and incorporated into the economic analysis. There is growing recognition of the importance, for longer-run environmental sustainability, of the polluter-pays and user-pays principle, according to which the environmental costs/benefits should be reflected in product prices.

XII. PROVISION FOR MONITORING, EVALUATION AND FEEDBACK FROM EARLIER EXPERIENCE

Monitoring

58. Provision for effective monitoring to spot and address implementation problems should be made at the project design stage. This will normally involve:

- Establishing a practical information system in the project to track implementation performance and impact to guide project managers in their decisions on the efficiency, effectiveness, impact and sustainability of the project and, in general, introduce course corrections necessary for the achievement of project objectives;
- The setting of quantitative indicators of project progress and performance for subsequent monitoring and impact evaluation;
- Including in the project design designation of responsibility and provision of funding for the information system and monitoring activities;
- Establishing baseline data where they are essential for judging subsequent performance.

Inspections and Audits

59. Provision should be made for establishing and maintaining books and records relating to the project in accordance with generally accepted accounting principles and practices and for ensuring that such books and records are audited regularly.

Evaluation

60. An evaluation plan, including a definition of the broad scope of the evaluation, timing, designation of responsibility and provision of necessary funding, should be built into the project design. It should be clearly determined from the outset against which objectives and standards the evaluation should take place. Baseline data designed for evaluation purposes should be collected and regularly updated during project implementation. The nature and importance of the project provides a guideline for the extent and detail of data collection and a justification for the expense involved.

Feedback from Earlier Experience

61. It is essential to build into the project appraisal and design process the experience learned from past activities, including in particular the results of systematic evaluations ("feedback"). The following mechanisms for effective feedback have been recommended.

- Evaluation findings from past projects are more likely to be acted upon if they are fed into the "working up" of new projects at the earliest possible stage, i.e., at project selection or design.
- Evaluation findings from on-going projects are more likely to have an impact on those projects the more speedily the findings are fed to the project management.

- Evaluation findings are less likely to be overlooked if formal assurance is given, when new projects are being prepared for funding, that relevant evaluation findings have been taken into account. (Formal procedures in themselves may not be enough: evaluation findings must be genuinely applied to project planning.)
- A demonstrated commitment to the use of evaluation resources by senior management is central to the institutionalisation of the feedback process.
- A system for distributing the lessons from experience to development practitioners needs to be designed. Resource support for dissemination, both human and financial, is essential and needs to operate in tandem with substantive efforts to distil lessons learned.
- To be effective, findings must be available to decision-makers in time to affect decision-making, and in a form and quality that makes them relevant to current issues.
- Full use should be made of the available relevant experience and evaluation findings of other donors and the recipient.

XIII. SPECIAL CONSIDERATIONS IN THE CASE OF ASSOCIATED FINANCING AND TIED AID

62. Members have undertaken, in guiding principles adopted by the DAC in 1987, to pay particular attention, when examining the developmental priority of a project to be financed with associated financing or tied and partially untied official development assistance with a grant element of less than 50 per cent, to the following considerations:

- i) It is part of investment and public expenditure programmes already approved by the central financial and planning authorities of the recipient country;
- ii) It has been the subject of review and general endorsement in such international aid co-ordination arrangements as may exist;
- iii) It is being co-financed with an international development finance institution;
- iv) Particular care will be applied in the examination of projects where evidence exists that they had been considered and rejected by an international development finance institution or another DAC Member on grounds of low developmental priority.

63. Efficient procurement can yield substantial benefits to recipients in terms of project price and subsequent operation and maintenance. Where procurement is tied, it should be flexibly administered, including careful choice of supplies in which the donor is competent and competitive. There

must be effective price and quality controls, and waivers especially for situations where local-cost financing or third-country procurement is essential.

XIV. PROJECT APPROVAL

64. While final decisions on project selection and design will be a matter of judgment at policy-making level, it is important that the decision-makers are provided with the best possible objective assessment of the expected costs and benefits and other implications of a project under consideration. Final approval should be given only after all relevant aspects have been gone into.

65. Agencies have adopted different procedures for project approval, providing for different degrees of decentralisation of decision-making authority. A clear administrative distinction must be made between responsibilities for technical aspects of project preparation and appraisal on the one hand and responsibilities for political decisions on project selection on the other. This distinction must be clearly made in both the centralised and decentralised context. The same conditions apply to the initial screening process (see paragraph 9 above).

XV. DONOR ORGANISATIONAL ASPECTS

66. Aid agencies need adequate "in-house" professional staff capable of project appraisal. Agency staff should be able to supervise appraisal work which is contracted out to consultants. The tasks to be performed by consultants should be carefully specified in the terms of reference and the appraisal criteria clearly defined.

67. Operational staff will be urged to apply agency appraisal manuals and standards to the fullest extent possible and should have access to appropriate training as required. Aid agencies may cite relevant DAC principles in appraisal manuals as points of reference for use by operational staff.

68. Close contacts with the field are necessary for effective appraisal work. Adequate overseas representation is therefore desirable.

XVI. REDUCING THE ADMINISTRATIVE BURDEN ON RECIPIENTS AND HARMONIZATION OF DONOR REQUIREMENTS

69. Overburdening the administrative capacity of recipients should be avoided. While effective action to streamline the administration of aid will not be easy, opportunities to harmonize and simplify the requirements exacted from recipient governments should be sought, especially by making greater use

of studies and reports already prepared. Thoughtful consideration of the planning process can achieve both more adequate project planning and avoidance of unnecessary studies and data collection.

70. Information and reporting requirements in project selection, implementation, accounting and evaluation should be related as closely as possible to recipients' own administrative practices and requirements. When recipient systems are considered to require strengthening to ensure effective project preparation and implementation, joint efforts should be made (preferably in multilateral action) to improve standards and capacity for information-gathering in developing countries. Donors should be aware of the burden which requirements for special information place on recipients and should attempt to meet their own particular needs through their own administrative facilities.

71. One approach to simplification has been the adoption of streamlined procedures or the extension of sector aid and other mechanisms through which particular types of project, especially small- and medium-scale projects, can be grouped. Such procedures could be applied, inter alia, to the approval process, the frequency and detail of project reports and the method of procurement. Greater attention should be given to identifying from donor experience how aid cofinancing arrangements can be made more effective by harmonization and work-sharing.

72. While thoroughness in project preparation including data collection is generally justified by the subsequent speed and effectiveness of implementation, restraint may need to be exercised in the amount of documentation requested from recipients and in the elaborateness of targets and cost projections. Furthermore, to reduce duplication of work at the appraisal stage, consideration should be given to the use of feasibility studies commissioned by other donors.

XVII. FOLLOW-UP

73. DAC Members agree to:

- Review their project appraisal and selection criteria and procedures against the above principles and to adjust them where necessary;
- Take stock of these practices in the DAC in three years' time to measure progress against the above standards; project appraisal standards and procedures will also be reviewed as part of the DAC Aid Reviews and other relevant DAC work.

ANNEX B

SUPPLEMENTARY PROJECT RATIONALE INFORMATION

DONOR PLEDGES TO PAPS
Tokyo, July 1989

PAP: The following list suggests the types of projects or emphases that donors will support under the

<u>Potential Donor</u>	<u>Amount (\$000)</u>	<u>Activity</u>
World Bank	700-750	Structural adjustment program & projects
ADB	500-550	Projects and Feasibility studies
Japan	1,002	Principally for Calabar Economic Zone, other projects & technical assistance
Japan Eximbank	600	Debt restructuring
France	57	Energy, telecomo, & aquaculture projects
Federal Republic of Germany	57.54	Various dev. projects
Italy	115	Dev. projects
Spain	25	Various projects
European Community	20	Various projects plus commercial grants
United States	200	Various

Japan is by far the largest donor under the PAP and will undertake much of the infrastructure development of the Calabar project.

ODA PIPELINE AND PAP FEASIBILITY FUNDS

ODA Pipeline

The ODA loan pipeline had grown to \$3.8 billion by the end of 1988, representing a 39.1 percent increase over the 1987 level. This amount does not include the about \$700 million in grants that brings the pipeline to more than \$4 billion in 1988. Total disbursements grew by 14.7 percent in 1987 to a level of \$913 million and remained essentially the same at \$916 million in 1988. But, net new commitments (new commitments less cancellations) grew by 80.6 percent in 1988, thus increasing the overall pipeline.

Looking at the pipeline issue from the projected use over time, however, the \$3.8 billion ODA pipeline includes funds scheduled for drawdown in stages through 1995. Thus, the pipeline, while serious, is estimated at only about \$800 million for loans as of March 1989 when viewed from the disbursement timing angle. Further, the World Bank views the Philippine ODA pipeline as not excessive in terms of the investment requirements of the economy and their experiences in other countries. Nevertheless, both the GOP and foreign donors desire to utilize the available resources more efficiently and effectively.

Feasibility Funds

The 1988 GOP budget included a 200 million peso feasibility studies fund to augment a revolving \$5 million feasibility studies fund from the United Nations Development Programme. However, budget fund releases during 1988 amounted to only P23 million (about \$1 million) because the activity started late in the year. The 1989 appropriation of P300 million includes P40 million (about \$1.9 million) for PAP which is still insufficient. The project will provide additional funds for feasibility studies and implementation support for the CODA that is responsible for improving project selection, development and implementation.

ANNEX I

INITIAL ENVIRONMENTAL EXAMINATION

INITIAL ENVIRONMENTAL EXAMINATION

- (A) PROJECT COUNTRY: Philippines
- (B) ACTIVITY: Philippine Assistance Program Support Project (497-0452)
- (C) A.I.D. FUNDING: \$25 Million
- (D) PERIOD OF FUNDING: FY 1989 - FY 1994
- (E) STATEMENT PREPARED BY: James W. Rette
US Air Force, ORA, Manila, USAID/Philippines
- (F) ENVIRONMENTAL ACTION RECOMMENDED: Categorical Exclusion pursuant to Sections 216.2(c)(1)(i) and 216.2(c)(2)(i).
- (G) ENVIRONMENTAL OFFICER CLEARANCE: Kevin A. Roshing, ORA, USAID/Philippines
- (H) DECISION OF USAID/PHILIPPINES DIRECTOR
APPROVED: Harold Bond
DISAPPROVED: _____
DATE: SEP 14 1989
- (I) DECISION OF AEC ENVIRONMENTAL OFFICER
APPROVED: Radley H. Humberg for Shelly Knox (out of town)
DISAPPROVED: _____
DATE: September 19, 1989

EXAMINATION OF THE NATURE, SCOPE AND MAGNITUDE OF THE ENVIRONMENTAL IMPACT

A. Description of Project:

The purpose of the project is to assist the Philippines to develop and implement high priority development projects funded under the Philippine Assistance Program. The project will finance feasibility studies, technical assistance and limited commodities. Studies will include feasibility/design work for economic development zone and major nationwide infrastructure investments (e.g., roads, ports, telecommunications and power). Feasibility studies for private sector investments will also be financed. Implementation support in the form of operational expenses, equipment and technical assistance will be provided.

B. Assessment of Environmental Impact

The feasibility studies and technical assistance to be financed by the project will not have a direct impact on the physical or natural environment. However, follow-on construction and implementation of subprojects may have significant effects on the environment, especially for infrastructure and selected private sector productive activities. Such follow-on activity would be included under separately authorized projects. Further, the project will finance environmental assessments to determine subproject viability and acceptability. It is expected that such assessments will contribute significantly to ensuring that activities approved for later funding will not have a negative effect on the environment.

C. Recommended Environmental Action:

That a categorical exclusion for this project be approved based on: (1) Section 216.2(c)(1)(i) - "The action does not have an effect on the natural or physical environment" and (2) Section 216.2(c)(2)(i) - "Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment...." are excluded from required assessment procedures.

ANNEX J

GRAY AMENDMENT CERTIFICATION

ANNEX J

GRAY AMENDMENT CERTIFICATION

I, MALCOLM BUTLER, Director of the U.S. Agency for International Development in the Philippines, having taken into account the potential involvement of small and/or economically and socially disadvantaged enterprises, do hereby certify that in my judgment most technical assistance required under this project can best be procured through open competition. However, prospective bidders for the large requirements contracts will be required to submit joint proposals with Gray Amendment-satisfying firms that possess the required capabilities. I have also determined that a contract to provide technical assistance and related support services to CODA may be awarded to an 8(a) firm. Furthermore, for the scheduled external evaluations, involvement of local expertise and Gray Amendment-satisfying organization is anticipated. My judgment is based on the recommendations of the Project and Mission Review Committees.

Malcolm Butler

MALCOLM BUTLER
Director, USAID/Philippines

JAN 29 1990

Date

131

ANNEX K

LIST OF POTENTIAL PROJECTS

REGION CODES
REGION TITLE

- 01 REGION I - ILOCOS REGION
- 02 REGION II - CAGAYAN VALLEY REGION
- 03 REGION III - CENTRAL LUZON REGION
- 04 REGION IV - SOUTHERN LUZON REGION
- 05 REGION V - ILOILO REGION
- 06 REGION VI - WESTERN VISAYAS REGION
- 07 REGION VII - CENTRAL VISAYAS REGION
- 08 REGION VIII - EASTERN VISAYAS REGION
- 09 REGION IX - WESTERN MINDANAO REGION
- 10 REGION X - NORTHERN MINDANAO REGION
- 11 REGION XI - SOUTHERN MINDANAO REGION
- 12 REGION XII - CENTRAL MINDANAO REGION
- 13 NATIONAL CAPITAL REGION
- 14 CORDILLERA AUTONOMOUS REGION
- 66 INTER-REGIONAL
- 99 NATIONAL

STATUS OF PROPOSAL
CODE TITLE

- 111P1 CONCEPT PAPER/IDR
- 121P2 PRE-F/S OR DETAILED PROPOSAL
- 131P3 F/S ONGOING
- 141P4 F/S COMPLETED
- 151P5 D/F COMPLETED

STATUS OF EVALUATION
CODE TITLE

- F FAVORABLE
- NF NOT FAVORABLE
- A AWAITING ACTION FROM FINANCMENT
- U UNDER EVALUATION
- R REFERRED FOR COMMENTS
- D DEFERRED
- O OTHERS

LEVEL OF EVALUATION
CODE TITLE

- IC INVESTMENT COORDINATION COMMITTEE
- PC PROJECT COORDINATION COMMITTEE
- REG REGULAR

STATUS OF FINANCING
CODE TITLE

- 312 F1 IDENTIFIED BUT NOT YET FINANCED
- 313 F2 AUTO-FINANCED
- 314 F3 REGULARLY FINANCED
- 315 F4 FINANCED AND ACCEPTED
- 316 F5 NEW SOURCE/UNDER REVIEW
- 317 F6 APPROPRIAL COMPLETED/ONGOING
- 318 F7 NEGOTIATIONS COMPLETED/ONGOING
- 319 F8 BANK BOARD APPROVED
- 320 F9 E/R /LOAN GUARANTEE STAGED
- 311 F0

PIPELINE
CODE TITLE

- F FIRM PIPELINE
- S SOFT PIPELINE

PHASE LIST OF ODA PROJECTS PIPELINED FOR 1989 AND 1990

RECORD NUMBER	COMMITMENT YEAR	PROJECT TITLE	SECTOR CODE	PROJECT TYPE	ODP LOAN/GRANT COST	PROPOSED AMOUNT	AGENCY	STATUS OF PREPARATION	STATUS OF EVALUATION	STATUS OF PIPELINE FINANCING
** FUNDING SOURCE : ADB										
1	216 1989	FISHERIES SECTOR PROGRAM	01	TA	0.000	0.700 DA/DEHR		P1	F	F9 F
1	217 1989	FISHERIES SECTOR PROGRAM LOAN	01	PA	1100.000	00.000 DA		P1	F	F9 F
1	218 1989	HORTICULTURE DEVELOPMENT	01	TA	0.000	0.350 DA		P2	F	F3 S
1	219 1989	INSTITUTIONAL STRENGTHENING OF	01	TA	0.000	0.500 LDP	LABOR BANS OF THE PHILIPPINES	P3	F	F7 F
1	220 1989	MINOR SHALL HOLDER DEVELOPMENT.	01	TA	0.000	0.075 SPDO		P2	F	F9 F
1	264 1989	LOW INCOME UPLAND COMMUNITIES	02	TA	0.000	0.100 DEHR	DEVELOPMENT (PPIA)	P2	F	F9 F
1	265 1989	LOW INCOME UPLAND COMMUNITIES	02	TA	0.000	0.600 DEHR	DEVELOPMENT (ADTA)	P2	F	F7 F
1	266 1989	LOW INCOME UPLAND COMMUNITY	02	CA	0.000	30.000 DEHR	DEVELOPMENT PROJECT	P1	F	F7 F
1	267 1989	BARANGAY DEVELOPMENT	02	TA	0.000	0.100 DEHR		P2	F	F3 F
1	268 1989	RICHENTERPRISE SECTOR	02	TA	0.000	0.595 BII		P2	F	F9 F
1	269 1989	RIVERINE RESOURCE UPDATE	02	TA	0.000	0.075 DEHR		P2	F	F9 F
1	270 1989	RIVERS REVIVAL STUDY	02	TA	0.000	0.100 EMB		P3	F	F1 S
1	169 1989	IMPROVEMENT OF SRI DEVELOPMENT	03	TA	0.000	0.150 MDO	POLICIES AND PROGRAMS	P2	F	F9 F
1	170 1989	STRENGTHENING OF IRLF ADM.	03	TA	0.000	0.150 CD		P2	F	F9 F
1	171 1989	INDUSTRIAL/ECONOMIC ZONE	03	TA	0.000	0.500 BII	DEVELOPMENT	P1	U	F1 S
1	172 1989	NATIONAL HOSPITAL SERVICES	04	TA	0.000	0.470 DDO	DEVELOPMENT	P2	F	F9 F
1	180 1989	HOUSING FINANCE	04	TA	0.000	0.200 MDO		P1	O	F1 S
1	181 1989	URBAN DEVELOPMENT	04	TA	0.000	0.600 MDO		P1	F	F5 F
1	182 1989	INSTITUTIONAL STRENGTHENING	04	TA	0.000	0.500 DECS	OF DECS	P1	U	F1 S
1	183 1989	ENVIRONMENTAL EDUCATION	04	TA	0.000	0.100 DECS		P1	U	F1 S
1	184 1989	NON-FORMAL EDUCATION	04	TA	0.000	0.320 DECS	(ESTABLISHMENT OF NETWORKING)	P1	U	F0 S
1	185 1989	P-SD AND P-SD TRANSPORT PROGRAM	05	PA	0.000	100.000 DDC/OPW/DEHR		P2	F	F5 F
1	173 1989	ROAD AND ROAD TRANSPORT PROGRAM	05	TA	2.040	2.750 DDC/OPW/DEHR		P2	F	F6 F
1	191 1989	FIFTH ROADS IMPROVEMENT	05	CA	0.000	100.000 DPOW	(NATIONAL ROADS PROJECT)	P1	A	F1 F
1	196 1989	SIXTH ROADS IMPROVEMENT	05	CA	0.000	100.000 DPOW	(RURAL ROADS MEETING)	P1	A	F1 F
1	197 1989	FEDERAL PORTS DEVELOPMENT PROJECT	05	CA	0.000	20.000 DPOW		P1	A	F1 F
1	198 1989	PARITEL BULK TERMINAL PROJECT	05	CA	0.000	20.000 DPOW		P1	O	F1 F
1	161 1989	AMSAT WATER OPTIMIZATION PROJECT	06	CA	0.000	130.000 WSSS		P1	F	F7 F
1	167 1989	INSTITUTIONAL STRENGTHENING OF ADMINISTRATION	06	TA	0.000	0.400 AIA	THE NATIONAL IRRIGATION	P2	F	F9 F
1	168 1989	IRRIGATION SYSTEMS IMPROVEMENT II	06	TA	0.000	0.400 BIA	(WATER RESOURCES)	P2	F	F9 F
1	172 1989	CITY WATER SUPPLY ENGINEERING	06	TA	0.000	0.551 LYDA		P2	U	F3 F
1	174 1989	AMSAT WATER SUPPLY OPTIMIZATION	06	TA	0.000	0.300 WSSS		P2	F	F1 F
1	177 1989	2ND IRRIGATION SECTOR	06	TA	0.000	0.600 BIA	(ECONOMY)	P1	U	F1 S
1	178 1989	PARTICIPATORY APPROACH TO	06	TA	0.000	0.500 AIA	IRRIGATION MANAGEMENT	P1	U	F1 S
1	182 1989	2ND PARITEL SEWERAGE	06	TA	0.000	0.100 WSSS		P1	U	F1 S
1	176 1989	VISAYAS REGIONAL DEVELOPMENT	07	TA	0.000	0.400 DEHR		P1	U	F1 S
1	164 1989	FIFTEENTH POWER SECTOR LOAN	08	PA	845.600	160.000 DPC		P2	F	F7 F
1	175 1989	POWER SECTOR TRAINING INSTITUTE	08	TA	0.000	0.090 MW-DEA-PHILIPPIL-PEPOH		P2	F	F9 F
1	205 1989	CAPITAL MARKET DEVELOPMENT	99	TA	0.000	0.250 SEC		P1	U	F1 S
1	206 1989	HOUSEHOLD MODEL FOR SOCIAL AND	99	TA	0.000	0.225 DEHR	ECONOMIC STUDIES (NENES)	P2	F	F9 F
1	207 1989	NATIONAL AND ENVIRONMENTAL ACTION	99	TA	0.000	0.100 OTHERS	PLAN	P1	U	F1 S
1	208 1989	DEFINERY SECTOR NATIONALIZATION	99	TA	0.000	0.400 BII		P1	U	F1 S
1	209 1989	TRAINING OF STAFF OF PARTICIPATING	99	TA	0.000	0.050 CD	PPI'S	P2	F	F9 F
** Subtotal **						1968.465	753.951			
** FUNDING SOURCE : AUSTRALIA										
1	221 1989	PILOT PROVINCIAL EXTENSION PROJECT	01	TA	10.150	6.400 DA		P1	F	F6 F

16/1

PROOF LIST OF ODA PROJECTS PIPELINED FOR 1989 AND 1990

RECORD NUMBER	COMMITMENT YEAR	PROJECT TITLE	SECTOR CODE	PROJECT TYPE	ODA LOAN/GRANT COST	PROPOSED AMOUNT AGENCY	STATUS OF PREPARATION	STATUS OF EVALUATION	STATUS OF PIPELINE FINANCING
1	271 1989	ESTABLISHMENT OF A NATIONAL DEMONSTRATION PROJECT	02	CA	17.370	6.440 OOST/MARINA/MP	P2	F	F5 F
1	15 1989	PHILIPPINE-AUSTRALIA SCIENCE AND MATHEMATICS EDUCATION PROJECT	04	TA	30.700	12.270 DECS/EDPITAF	P2	F	F5 F
1	16 1989	PHILIPPINE-AUSTRALIA TECHNICAL AND VOCATIONAL EDUCATION PROJECT	04	TA	131.790	17.040 DECS/EDPITAF	P2	F	F5 F
1	18 1990	CONSTRUCTION OF THE CATAVAN BRIDGE	05	CA	0.000	2.310 DPWH	P4	F	F4 F
1	17 1989	CENTRAL VISAYAS WATER SUPPLY AND SANITATION PROJECT	06	TA	513.000	9.470 DPWH/DOH/LCDB	P1	F	F4 F
1	270 1989	LAW ENFORCEMENT ASSISTANCE PROJECT	09	TA	0.000	0.540 DOJ	P2	F	F5 F
** Subtotal **					707.070	54.636			
** FUNDING SOURCE : Canada									
1	163 1989	AIRPORT SECURITY	05	CA	0.000	1.220 DADA/DOIC	P2	F	F5 F
1	212 1989	WATER CATCHMENT PROJECT	06	CA	0.000	0.390 CAPIZ PROV'L GOV'T	P2	F	F9 F
1	152 1989	CAMBANG RIFED FINANCING FACILITIES FOR THE TELECOMMUNICATIONS SUPPORT PROJECT	09	CA	0.000	35.340 DOPC/TELOF	P2	F	F5 F
1	313	POPUL TELEPHONE PROJECT	09		0.000	0.000 DOIC-TELOF	P3	0	F1 S
1	271 1989	TELEPHONE ASSISTANCE PROGRAM II (CAP)	09	PA	0.000	42.000 DECS/DOH/DA	P2	0	F4 F
1	272 1989	NGO SUPPORT PROGRAM	09	PA	0.000	25.700 NGOs	P1	0	F1 F
** Subtotal **					0.000	104.184			
** FUNDING SOURCE : JAPAN									
1	222 1989	DEVELOPMENT OF REGION 8	01	TA	0.000	1.200 OEDA	P2	F	F7 F
1	223 1989	DEVELOPMENT OF REGION 9	01	TA	0.000	0.200 ODA	P2	F	F7 F
1	272 1989	PASIG RIVER REHABILITATION PROJECT	02	TA	0.000	1.420 DPWH	P2	F	F7 F
1	152 1989	CONSTRUCTION OF WATER SUPPLY IN	06	CA	90.000	1.570 LUMD	P5	F	F7 F
1	193 1989	DETAILED DESIGN, TEMPERING, CONSTRUCTION & ASSIST. TO ODA	06	TA	56.000	1.420 LUMD	P3	F	F7 F
1	174 1989	FIELD TESTING OF "BUCKING FILTERS" FOR PUMP	06	CA	1.000	0.500 DPWH	P2	F	F7 F
1	175 1989	FIELD TESTING OF "BUCKING FILTERS" FOR PUMP	06	TA	0.000	0.250 LUMD	P2	F	F1 S
1	176 1989	PROVISIONAL WATER SUPPLY & SANITATION MASTER PLAN	06	TA	0.000	0.250 LUMD	P2	F	F1 S
1	211	POPUL TELEPHONE PROJECT (CAP)	09	CA	7.604	0.000 DOIC-TELOF	P3	0	F1 S
1	273 1989	POPUL TEL	09	TA	0.000	0.300 MOLAN PROV'L GOV'T	P2	F	F7 F
** Subtotal **					154.004	14.076			
** FUNDING SOURCE : NETHERLANDS									
1	244 1989	DEVELOPMENT AND OPERATIONALIZATION OF A COOPERATIVE DEVELOPMENT FOR CAMP BENEFICIARIES	01	TA	0.000	1.000 ODA	P2	F	F1 S
** Subtotal **					0.000	1.000			
** FUNDING SOURCE : EEC									
1	224 1989	SOUTHERN HIRAHANO AGRICULTURE PROJECT	01	CA	0.000	0.000 DA	P2	F	F1 S
** Subtotal **					0.000	0.000			
** FUNDING SOURCE : FRANCE									
1	225 1989	TRAINING OF AGRICULTURAL EXTENSION WORKERS AND COOPERATIVE AGENTS	01	TA	2.070	0.100 DA	P2	F	F2 S
1	273 1989	INTERNAL DEVELOPMENT IN THE ISLAND OF HIRAHANO	02	TA	0.000	6.700 DEMR	P2	A	F1 S
1	46 1989	PLANT CAPACITY EXPANSION FOR PASAR SHELTING AND REPAIRING	03	CA	100.000	25.000 ODA	P2	0	F1 S

135

PHASE LIST OF 000 PROJECTS PIPELINED FOR 1989 AND 1990

RECORD NUMBER	COMMITMENT YEAR	PROJECT TITLE	SECTOR CODE	PROJECT TYPE	LOAN/GRANT COST	PROPOSED AMOUNT	AGENCY	STATUS OF PREPARATION	STATUS OF EVALUATION	STATUS OF FINANCING	PIPELINE
		FACILITY									
1	36 1989	UPGRADING THE FACILITIES OF PTV-4 AND STRENGTHENING ITS CAPABILITY AS A DEPT'S BROADCASTING NETWORK	04	CA	73.000	11.930	PTV-4	P2	U	F6	F
1	37 1989	PHARMACEUTICAL PROJECT	04	CA	0.000	32.000	000	P1	0	F1	S
1	38 1989	UPGRADING OF THE GUARD, JOSE REYES (AND SAN LAZARO HOSPITALS)	04	CA	0.000	0.000	000	P1	F	F1	F
1	39 1989	INSTALLATION OF UNINTERRUPTIBLE POWER SUPPLIES IN THE PETRO MARILLA TRAFFIC SYSTEM	05	CA	0.000	1.000	0PM	P2	F	F1	S
1	40 1989	CRAZY/FIRE RESCUE EQUIPMENT	05	CA	0.000	4.470	001C	P1	0	F1	S
1	41 1989	DAVAO INTERNATIONAL AIRPORT	05	TA	0.000	0.500	001C/A10	P2	F	F1	C
1	42 1989	GEN TURBINE PROJECT	00	CA	0.000	23.160	00C	P4	F	F9	F
1	43 1989	P/S ON THE INSTALLATION OF PRIMARY CYCLE GEOTHERMAL POWER PLANT	00	TA	0.000	3.910	00A	P1	F	F1	S
1	44 1989	SUBMERGIBLE CABLES FOR CEBU INTERCONNECTION LINES	00	CA	0.000	2.200	00C	P1	U	F1	S
1	45 1989	REMODELATION OF ANGA THERMAL PLANT	00	CA	0.000	0.000	00C	P1	U	F1	S
1	46 1989	ACQUISITION OF A REAL TIME DIFFERENTIAL GPS SYSTEM	09	CA	0.000	4.350	0001P	P2	F	F1	S
1	47 1989	REMODELATION OF THE AIRMAIL DISPATCH CENTER AND CENTRAL POST OFFICES	09	CA	68.830	6.790	000-001C	P2	F	F6	F
1	48 1989	POSTAL EQUIPMENT PROCUREMENT PROJECT III	09	CA	11.000	1.500	000-001C	P2	U	F1	F
1	49 1989	NATIONAL TELEPHONE PROGRAM PHASE 1-2 (IMPLEMENTATION)	09	CA	1070.300	43.100	001C-TEL0F	P4	F	F1	S
1	49 1989	POPAL TELEPHONE PROJECT	09	CA	655.400	00.410	001C-TEL0F	P3	0	F1	S
** Subtotal **											
10					2001.400	249.590					
** FUNDING SOURCE - JRC											
1	224 1989	EXTENSION OF FRUIT TREE RESEARCH PROJECT	01	TA	2.053	0.000	001	P2	F	F7	F
1	224 1989	EXTENSION OF CARTOGRAPHY	02	TA	0.000	0.000	000R	P2	U	F1	S
1	225 1989	EXTENSION OF CEBU UPLAND PROJECT	02	TA	4.000	0.000	000R	P2	F	F7	F
1	226 1989	DEVELOPMENT MANAGEMENT OF PROTECTIVE AND PROTECTION FORESTS	02	TA	0.000	10.530	000R	P1	F	F4	F
1	227 1989	PROMOTION OF ENVIRONMENTAL MANAGEMENT BUREAU	02	TA	0.000	0.000	000R	P2	F	F6	F
1	228 1989	COMMUNITY BASED AFFORESTATION	02	TA	0.000	0.000	000R	P1	F	F4	F
1	229 1989	INDUSTRY-RELATED SECTOR PROGRAM	03	CA	0.000	10.100	000	P2	F	F6	F
1	230 1989	INDUSTRY SERVICES FOR SAN FRANCISCO IN REGION II	03	TA	0.000	0.000	011	P2	F	F6	F
1	231 1989	LINKING SELF-HELP GROUPS WITH THE BANKING SYSTEM	03	TA	1.560	0.000	000	P2	F	F4	F
1	232 1989	EXTENSION OF JOINT INVESTMENT PROMOTION PROJECT	03	TA	0.000	0.790	001	P2	F	F7	F
1	233 1989	EXTENSION OF CEBU/CAGAYAN CHAMBER OF COMMERCE PROJECT	03	TA	0.000	0.000	011	P1	0	F1	F
1	234 1989	SUPPORT TO GEN'L. FAMILY PLANNING PROGRAM	04	TA	0.000	0.000	000	P1	0	F2	F
1	235 1989	PROJECT ON FILIPINO WOMEN	04	TA	0.526	0.000	000	P2	U	F2	F
1	236 1989	IMPACT STUDY ON PHILIPPINE DOMESTIC HELPERS IN HONGKONG	04	TA	0.000	0.000	000A	P2	F	F2	S
1	237 1989	ASSISTANCE TO RADIO VERITAS PHASE II	04	TA	0.526	0.550	000 RADIO VERITAS	P2	F	F2	F
1	238 1989	SUPPORT TO DAP	04	TA	0.000	0.000	000	P1	U	F1	S
1	239 1989	IMPROVEMENT OF TRANSPORT INFRA-STRUCTURE IN SMALL ISLANDS	05	CA	31.770	1.700	000M	P4	U	F3	F
1	240 1989	INSTALLATION OF DEEP WELLS IN PALAWAN AND SUBSTATIONS	06	TA	2.105	0.000	000M	P2	F	F6	F
1	241 1989	DALENTAN-SUCAT TRANSMISSION LINE	00	CA	243.000	45.040	00C	P4	0	F3	F
1	242 1989	EXTENSION OF NATIONAL USE OF ENERGY	00	TA	0.000	0.320	00A	P2	F	F6	F
1	243 1989	RURAL TELECOM	09	TA	0.000	1.053	001C-TEL0F	P1	U	F1	F
1	244 1989	STUDY ON MAINTENANCE OF RIP FACILITIES.	09	TA	0.000	0.000					
** Subtotal **											
22					206.140	74.951					
** FUNDING SOURCE - ITALY											
1	227 1989	ACQUISITION OF PATROL BOATS TO SUPPORT THE FISHERY RESOURCE	01	CA	0.000	0.000	00-PFD0	P2	F	F3	S

196

PROOF LIST OF ODA PROJECTS PIPELINED FOR 1989 AND 1990

RECORD NUMBER	COMMITMENT YEAR	PROJECT TITLE	SECTOR CODE	PROJECT TYPE	ODP COST	LOAN/GRANT AMOUNT	PROPOSED AGENCY	STATUS OF PREPARATION	STATUS OF EVALUATION	STATUS OF PIPELINE FINANCING
		MANAGEMENT IN U. PALAWAN								
1	220 1989	AGRO-MARINE MARKETING SERVICES, INC. PROJECT (ACADIAN)	01	CA	370.700	14.950	AGRO MARINE MARKETING SERVICES, INC.	P4	F	FS S
1	229 1989	AN INTEGRATED DAIRY INDUSTRY DEVELOPMENT PROGRAM IN REGION XI	01	CA	15.040	7.020	DA	P3	F	FI S
1	230 1989	CAPIZ SUSTENANCE FARMERS REHABILITATION PROJECT	00	TA	2.450	0.700	CAPIZ PROV L GOV'T	P1	F	FI S
1	231 1989	DEVELOPMENT OF SELF-RELIANT AGRO-USIPIS OWILO-OWILO, PANGA GARCIA, DAVAO	01	TA	10.040	1.336	DAW	P1	F	FI S
1	232 1989	INTEGRATED AGRO-ANIMAL COMPLEX FOR AND DEER CATTLE BREEDING	01	CA	26.000	10.200	STAR FOUNDATION	P2	F	FI S
1	233 1989	MODERNIZATION AND EXPANSION OF FLEETS	01	TA	0.000	60.000	MARINE FISHERY DEV'T FOUNDATION	P1	F	FS S
1	234 1989	NATIONAL FISH DISEASES RESEARCH AND QUANTITATIVE CENTER	01	CA	0.000	21.300	DA-DFAR	P2	U	FI S
1	235 1989	NATIONAL POST-HARVEST HANDLING AND DEVELOPMENT PROGRAM	01	TA	12.700	6.530	PCARD	P2	F	FI S
1	236 1989	RAPIE AGRICULTURAL PROJECT	01	TA	0.350	3.510	DA-FID	P2	F	FS S
1	237 1989	STRENGTHENING AND EXPANSION OF THE DEVELOPMENT CENTER	01	TA	7.420	1.010	PCARD-CENTRAL HINOHANO DIVT.	P2	F	FI S
1	70 1989	SPECIALIZED TRAINING FOR CHAMBER FIRING PROJECT	03	TA	0.000	0.970	DTI-OSMO	P2	F	FS S
1	70 1989	TABAC RURAL INDUSTRIALIZATION TRAINING CENTER	04	LA	3.302	0.760	DTI-OSMO	P2	F	FS S
1	51 1989	HINOHANO INDUSTRIAL TECHNOLOGY CENTER	04	CA	35.000	4.320	PROV'L GOV'T OF SICAL/DAW BOSCO	P2	F	FI S
1	57 1989	TRAINING CENTER FOR EFFECTIVE HOSPITAL EQUIPMENT UTILIZATION	04	CA	0.000	11.510	DAW	P2	U	FI S
1	59 1989	ESTABLISHMENT OF A PLANT FOR THE PRODUCTION OF PENICILLIN, PENICILLIN ACID & 6 AMINO PENICILLIN ACID	04	CA	13.600	2.000	DUST-WLD	P2	F	FI S
1	59 1989	SUPPLEMENTARY FEEDING OF PUBLIC UTILIZING FREEZE DRIED PRODUCTS	04	TA	0.900	0.370	DECS	P1	F	FI S
1	60 1989	LOW COST SELF-HELP SHELTER PROJECT FOR LAMBLED AND HOMELESS SLUM DWELLERS IN METRO MANILA	04	CA	0.100	0.150	DARTAN HOUSING FOUNDATION	P1	F	FI S
1	00 1989	HINOHANO TRANSPORT MASTER PLAN STUDY - PHASE A	05	TA	3.000	0.000	DDIC	P1	F	FI S
1	01 1989	SELENA ATCP REEQUIPMENT	05	TA	0.000	6.750	DDIC	P2	F	FI S
1	02 1989	PROJECT FEASIBILITY STUDY ON WATER TRANSPORT	05	TA	0.000	2.340	PROV. GOV'T OF ZAMBALES	P2	F	FI S
1	53 1989	FLIGHT INSPECTION SYSTEM	05	TA	0.000	3.000	DDIC	P1	F	FI S
1	04 1989	TOLL EXPRESSWAY STUDIES	05	TA	0.000	1.500	DDIC	P1	F	FI S
1	05 1989	TOLL OPERATION STUDY	05	TA	0.275	0.110	DDIC	P1	F	FI S
1	06 1989	F/S FOR THE EXTENSION OF THE REHABILITATION OF THE AIR TRAFFIC CONTROL SYSTEMS OF THE DACTAN AND DACLOD AIRPORTS	05	TA	0.300	0.190	DDIC	P1	F	FI S
1	07 1989	REHABILITATION OF THE AIR TRAFFIC CONTROL SYSTEMS OF THE DACTAN AND DACLOD AIRPORTS	05	CA	1.500	6.700	DDIC	P2	F	FI S
1	08 1989	AGRO INTEGRATED RURAL TRANSPORT PROJECT	05	CA	0.000	10.200	PROV'L GOV'T OF DAVAO	P2	F	FI S
1	09 1989	VISAYAS AND HINOHANO BYROAD POTENTIAL STUDY	05	TA	0.000	3.700	DDIC	P2	F	FI S
1	61 1989	TAGULOG RIVER CONTROL	06	TA	0.026	0.190	DDIC	P1	F	FI S
1	62 1989	CAGAYAN DE ORO RIVER CONTROL	06	TA	0.410	0.190	DDIC	P1	F	FI S
1	63 1989	COMPREHENSIVE SEWERAGE TREATMENT AND DISPOSAL OF CAGAYAN DE ORO CITY	06	CA	0.000	17.500	CITY GOV'T OF CAGAYAN DE ORO	P2	U	FI S
1	64 1989	UPON AND RURAL WATER SUPPLY DEVELOPMENT IN HINOHANO ISLAND	06	CA	0.000	15,045	DDIC	P1	F	FI S
1	65 1989	ISLAND PROVINCES PIPED WATER SUPPLY PROJECT	06	CA	71.940	15.000	CA	P2	U	FI S
1	66 1989	LOPEZ JAENA WATERWORKS	06	TA	0.050	0.015	DDIC	P1	F	FI S
1	67 1989	TLOCOS SUN TRANSDUCTION PROJECT	06	CA	341.470	25.000	HINOHANO	P4	U	FI S
1	68 1989	JALANAN RIVER MULTI-PURPOSE PROJECT II	06	CA	1560.570	09.000	HIA	P4	U	FI S
1	90 1989	COMPUTER-AIDED DRAFTING AND DESIGN (CAD) TRAINING PROGRAM	00	TA	0.000	4.030	DDIC	P1	U	FI S
1	91 1989	TIVE GEOTHERMAL MECHANICAL GAS EXTRACTION SYSTEM	00	CA	22.600	12.000	DDIC	P4	F	FI S
1	92 1989	SUCAT-SIA, NEGRO-BALITANGON-SAN JOSE TRANSMISSION LINE	00	CA	243.000	43.040	DDIC	P4	U	FI S

107

12/22/89

PROOF LIST OF ODA PROJECTS PIPELINED FOR 1989 AND 1990

RECORD NUMBER	COMMITMENT YEAR	PROJECT TITLE	SECTOR CODE	PROJECT TYPE	ODA LOAN/GRANT COST	PROPOSED AMOUNT	AGENCY	STATUS OF PREPARATION	STATUS OF EVALUATION	STATUS OF PIPELINE FINANCING
1	93 1989	DAVAO-DANITO II (UNDER 20K20 PROJECT)	00	CA	32.657	40.000 MPC		P4	U	F1 S
1	94 1989	LUBON-DANIGON INTERCONNECTION PROJECT	00	CA	113.750	27.350 MPC		P3	A	F1 S
1	95 1989	LUBON-DANIGON INTERCONNECTION PROJECT	00	CA	46.330	20.270 MPC		P3	A	F1 S
1	96 1989	LUBON-DANIGON INTERCONNECTION PROJECT	00	CA	0.000	35.277 MPC		P3	A	F1 S
1	97 1989	DANIGON TRANSMISSION GRID	00	CA	113.430	5.210 MPC		P1	A	F1 S
1	98 1989	PALAWAN TRANSMISSION GRID PROJECT	00	CA	102.100	6.570 MPC		P1	A	F1 S
1	99 1989	ROAD III OVERHEAD-ELECTRIC PROJECT	00	CA	0.000	193.000 MPC		P3	A	F1 S
1	100 1989	20 X 20 KM MODULAR GEOTHERMAL DEVELOPMENT OF A PHILIPPINE SYSTEM	00	CA	2270.050	456.010 MPC		P4	U	F1 S
1	101 1989	GEOTHERMAL RESOURCE MANAGEMENT SYSTEM	00	TA	0.464	2.550 OEA		P1	F	F1 S
1	211 1989	LUBON-CATANDUANES INTERCONNECTION PROJECT	00	CA	83.990	0.590 MPC		P3	A	F1 S
1	310	F/S OF THE ESTABLISHMENT OF A VISAYAS AND LUBON HYDROPOWER P.L.S. OF THE CAGAYAN IN HYDROPOWER	00	TA	0.050	0.030 OEA		P1	F	S
1	311	MASTER STUDY.	00	TA	0.940	1.106 MPC		P1	F	S
1	312	PROJECT	00	TA	2.900	0.920 MPC		P1	F	S
1	53 1989	STRENGTHENING THE COMMUNICATIONS DISASTER COORDINATION COUNCIL	09	CA	3.070	4.222 OEA-0.2		P2	F	F1 S
1	64 1989	NATIONAL TELEPHONE PROGRAM, TRUNK 1-3 (IMPLEMENTATION)	09	CA	1733.520	63.920 OEA-11100		P4	F	F1 S
1	69 1989	TELEPHONE UTILIZATION AND TRANSFER INTEGRATED MERCURY POLLUTION CONTROL PROGRAM	10	TA	2.000	2.075 OEA-PCIEED		P1	F	F3 S
1	70 1989	INTEGRATED MERCURY POLLUTION CONTROL PROGRAM	10	TA	10.000	1.210 OEA-11100		P1	F	F3 S
1	71 1989	STRENGTHENING THE CAP CAPABILITY IN BIOTECHNOLOGY AND GENETIC ENG'G OF LOCAL RESEARCH INSTITUTES	10	TA	4.150	3.395 OEA-1101/BIOTECH		P1	F	F3 S
1	72 1989	MICROBIOLOGICAL PROCESSING OF SHEET POTATOES (CANDUE) INTO SUGAR SYRUP, ETHANOL AND FEEDS	10	TA	1.900	0.020 OEA-1101		P1	F	F3 S
1	73 1989	MICROBIOLOGICAL PROCESSING OF HIGHER VALUED COMMODITIES AND CEREALS	10	TA	1.900	0.020 OEA-1101		P1	F	F3 S
1	74 1989	LOCAL PRODUCTION OF SUBSTANTIAL AMOUNTS OF DEXTROSE FROM BEETROOT	10	TA	1.070	0.010 OEA-1101		P1	F	F3 S
1	75 1989	DEVELOPMENT OF FERMENTATION APPLICATIONS	10	TA	0.950	0.700 OEA-1101		P1	F	F3 S
1	76 1989	PRODUCTION OF CERAMIC BRICK AND INCLUDING OF DIPAC ASSISTANCE	10	TA	0.030	0.275 OEA-1101		P1	F	F3 S
1	77 1989	ARCHITECTURE RENOVATION	10	TA	0.750	1.200 OEA-1100C		P1	F	F3 S
** Total **										
64										
** FUNDING SOURCE : JAPAN										
1	230 1989	AID FOR INCREASED FOOD PRODUCTION (AIFP)	01	CA	0.000	22.560 OEA		P2	F	F4 F
1	239 1989	DEVELOPMENT OF AGRICULTURAL MAPPING SUPPORT FOR THE CAMP	01	TA	0.000	4.173 OEA/DAR		P2	F	F4 F
1	240 1989	ESTABLISHMENT OF SOILS RESEARCH AND DEVELOPMENT CENTER, PHASE II	01	CA	0.000	0.950 OEA		P2	F	F4 F
1	241 1989	IMPROVEMENT OF THE CENTRAL EXPERIMENTAL STATION OF THE PHILIPPINE RICE RESEARCH INSTITUTE	01	CA	61.000	17.300 PHILRICE		P5	F	F4 F
1	242 1989	LA TRINIDAD HIGHLAND INTEGRATED RURAL DEVELOPMENT PROJECT	01	CA	13.470	12.350 OEA-1101/1102		P2	F	F4 F
1	270 1989	URBANE WASTE DISPOSAL SYSTEM IMPROVEMENT	02	CA	0.000	0.000 PRES'L TASK FORCE ON WASTE MGT.		P2	F	F4 F
1	155 1989	F/S FOR THE CAYTE EXPORT PROMOTION PROGRAM	03	TA	0.000	0.600 OEA-1101/1102		P2	F	F4 F
1	156 1989	MASTER PLAN STUDY FOR THE INTEGRATED REGIONAL DEVELOPMENT IN THE CALABAR	03	TA	0.000	3.660 OEA-1101		P2	F	F4 F
1	161 1989	COAL MINING TECHNOLOGY DEVELOPMENT PROJECT	03	TA	0.000	5.670 OEA		P2	F	F4 F
1	140 1989	PRODUCTIVITY SKILLS CAPABILITY BUILDING FOR DISADVANTAGED WOMEN	04	CA	11.250	1.070 OEA		P2	F	F4 F
1	151 1989	BRIDGE CONSTRUCTION IN SECONDARY ROADS, PHASE III	05	CA	84.300	3.740 OEA		P2	F	F4 F
					7394.156	1395.567				

138

12/22/89

PROOF LIST OF ODA PROJECTS PIPELINED FOR 1989 AND 1990

RECORD NUMBER	COMMITMENT YEAR	PROJECT TITLE	SECTION CODE	PROJECT TYPE	ODA/DAID/DAID/DAID	PROPOSED AGENCY	STATUS OF PREPARATION	STATUS OF EVALUATION	STATUS OF PIPELINE FINANCING
	93 1989	DAICHI-DAICHI II (UNDER 2020 PROJECT)	00	CA	32.657	40.000 IWC	P4	0	F1 S
	94 1989	LUBON-BANABANG INTERCONNECTION PROJECT	00	CA	113.250	27.350 IWC	P3	0	F1 S
	95 1989	LUBON-BANABANG INTERCONNECTION PROJECT	00	CA	46.330	20.790 IWC	P3	0	F1 S
	96 1989	LUBON-BANABANG INTERCONNECTION PROJECT	00	CA	0.000	35.217 IWC	P3	0	F1 S
	97 1989	ALIBON TRANSMISSION GRID	00	CA	113.430	5.210 IWC	P1	0	F1 S
	98 1989	ALIBON TRANSMISSION GRID PROJECT	00	CA	102.100	6.520 IWC	P1	0	F1 S
	99 1989	AGUS III HYDRO-ELECTRIC PROJECT	00	CA	0.000	193.000 IWC	P3	0	F1 S
	100 1989	20 X 20 MW GEOTHERMAL POWER PLANT PROJECT	00	CA	2290.850	450.010 IWC	P4	0	F1 S
	101 1989	DEVELOPMENT OF A PHILIPPINE GEOTHERMAL RESOURCE MANAGEMENT SYSTEM	00	TA	0.444	2.550 OEA	P1	F	F1 S
	211 1989	LUBON-CATAWANGS INTERCONNECTION PROJECT	00	CA	83.990	0.590 IWC	P3	0	F1 S
	310	F/S ON THE ESTABLISHMENT OF A GEOTHERMAL ENERGY RESOURCE CENTER.	00	TA	0.050	0.030 OEA	P1	F	S
	311	VISAYAS AND BIKINAN OVERPOWER MASTER STUDY.	00	TA	0.900	1.700 IWC	P1	F	S
	312	F/S OF THE CATALAN IS OVERPOWER PROJECT	00	TA	2.900	0.920 IWC	P1	F	S
	51 1989	STRENGTHENING THE COMMUNICATIONS CAPABILITY AND ACTIVITY OF LOCAL DISTRICT COORDINATING COUNCIL	99	CA	1.070	0.000 ODA-101	P2	F	F1 S
	54 1989	NATIONAL TELEPHONE PROGRAM, PHASE 1-3 (IMPLEMENTATION)	09	CA	1232.540	63.920 ODA-101	P4	F	F1 S
	60 1989	TECHNOLOGY UTILIZATION AND TRANSFER TRAINING PROGRAM	10	TA	2.000	2.675 ODA1-PC1000	P1	F	F3 S
	70 1989	INTEGRATED MERCURY POLLUTION CONTROL PROGRAM	10	TA	14.000	1.210 ODA1-PC1000	P1	F	F3 S
	71 1989	INTEGRATING THE R&D CAPABILITY IN BIOTECHNOLOGY AND GENETIC ENG'G OF LOCAL RESEARCH INSTITUTES	10	TA	4.150	3.395 ODA1-ITC/BITECH	P1	F	F3 S
	72 1989	MICROBIOLOGICAL PROCESSING OF SHEET POTATOES (CANNED) INTO SUGAR SYRUP, ETHANOL AND FEEDS	10	TA	1.700	0.000 ODA1-1101	P1	F	F3 S
	73 1989	MICROBIOLOGICAL PROCESSING OF COCONUT AND ITS PRODUCTS INTO HIGHER VALUED COMMODITIES AND CHEM.	10	TA	1.900	0.000 ODA1-1101	P1	F	F3 S
	74 1989	LOCAL PRODUCTION OF SUBSTITUTED FROM DEXTROSE	10	TA	1.070	0.010 ODA1-1101	P1	F	F3 S
	75 1989	DEVELOPMENT OF FERMENTATION APPLICATIONS	10	TA	0.950	0.700 ODA1-1101	P1	F	F3 S
	76 1989	PRODUCTION OF CERAMIC FIBER AND	10	TA	0.030	0.275 ODA1-1101	P1	F	F3 S
	77 1989	UPGRADING OF ODAIC ASSISTANCE FACILITY FOR INDUSTRIAL MACHINERY REHABILITATION	10	TA	0.750	1.200 ODA1-1100	P1	F	F3 S
** Subtotal **					7394.156	1305.567			
** FUNDING SOURCE : JAPAN									
	230 1989	ATD FOR INCREASED FOOD PRODUCTION (ATFP)	01	CA	0.000	22.540 ODA	P2	F	F4 F
	237 1989	SEAP-DOR AG-AGRICULTURAL MAPPING SUPPORT FOR THE CARP	01	TA	0.000	4.173 ODA/DAID	P2	F	F4 F
	240 1989	ESTABLISHMENT OF SOILS RESEARCH AND DEVELOPMENT CENTER, PHASE II	01	CA	0.000	4.050 ODA	P2	F	F4 F
	241 1989	IMPROVEMENT OF THE CENTRAL EXPERIMENTAL STATION OF THE PHILIPPINE RICE RESEARCH INSTITUTE	01	CA	61.000	17.300 PHILRICE	P5	F	F4 F
	242 1989	LA TRIBUNAL HIGHWAY INTEGRATED RURAL DEVELOPMENT PROJECT	01	CA	13.470	12.350 PROJ'L GOV'T OF DENHET	P2	F	F4 F
	270 1989	WASTE GARBAGE DISPOSAL SYSTEM IMPROVEMENT	02	CA	0.000	0.000 PRES'L TASK FORCE ON WASTE MGT.	P2	F	F4 F
	155 1989	F/S FOR THE CAYRE EXPORT PROCESSING ZONE INVESTMENT PROMOTION PROGRAM	03	TA	0.000	0.400 OII/DOI/EPZA	P2	F	F4 F
	156 1989	MASTER PLAN STUDY FOR THE INTEGRATED REGIONAL DEVELOPMENT IN THE CALABAR	03	TA	0.000	3.440 OII/DOI	P2	F	F4 F
	160 1989	COAL BIRING TECHNOLOGY DEVELOPMENT PROJECT	02	TA	0.000	5.070 OEA	P2	F	F4 F
	160 1989	PRODUCTIVITY SKILLS CAPABILITY BUILDING FOR DISADVANTAGED WOMEN	04	CA	11.250	1.070 ODAID	P2	F	F4 F
	150 1989	BRIDGE CONSTRUCTION IN SECONDARY ROADS, PHASE III	05	CA	84.300	3.760 ODAID	P2	F	F4 F

139

12/22/89

PROOF LIST OF ODA PROJECTS PIPELINED FOR 1989 AND 1990

RECORD NUMBER	COMMITMENT YEAR	PROJECT TITLE	SECTOR	CORE PROJECT TYPE	ODP LOAD/COST	GRANT AMOUNT	PROponent AGENCY	STATUS OF PREPARATION	STATUS OF EVALUATION	STATUS OF PIPELINE FINANCING
1	150 1989	NATIONWIDE ROLL-ON ROLL-OFF STUDY	TRANSPORT SYSTEM DEVELOPMENT	05	TA	0.000	0.000 ODA/C	P2	F	F4 F
1	159 1989	F/S FOR THE RESTORATION OF RURAL ROADS DAMAGED BY DISASTERS	05	TA	0.000	0.000 ODA/C	P2	F	F4 F	
1	169 1989	WESTERN BARBERS IMPROVING PROJECT	06	CA	0.000	14,520 ODA	P2	F	F4 F	
1	150 1989	RETRIEVAL OF FLOOD PRONE AREAS IN RETRO-DANILA	06	CA	0.000	3,760 ODA/C	P2	F	F4 F	
1	172 1989	F/S FOR THE CROUCHED DEVELOPMENT IN RETRO DANILA	06	TA	0.000	0,370 ODA/C	P2	F	F4 F	
1	153 1989	FLOR-DILAMMAN RIVER BASIN MASTER PLAN	06	TA	0.000	0.000 ODA/C	P2	F	F4 F	
1	154 1989	MASTER PLAN ON SMALL-SCALE IRRIGATION	06	TA	0.000	0.000 ODA	P2	F	F4 F	
1	157 1989	F/S FOR SALAYAN 3 AND 4	06	TA	0.000	0.670 ODA/C	P2	F	F4 F	
1	160 1989	F/S ON THE NATIONWIDE RADIO-TV NETWORK DEVELOPMENT PROJECT	09	TA	0.000	0.000 ODA	P2	F	F4 F	
1	243 1989	UPGRADING OF ROAD-INDUSTRIAL PROJECT	CHEMICALS RESEARCH AND DEVELOPMENT	10	CA	21.900	7,470 ODA/PIA	P2	F	F4 F
** Subtotal **										
21						191.920	104.563			
** FUNDING SOURCE : FORDA										
1	21 1989	PHILIPPINE ORIENTAL TELEPHONE SYSTEM PROJECT	EXPANSION AND MODERNIZATION	09	CA	26.620	5,337 ODA/ODPC	P4	F	F4 F
1	27 1989	F/S ON RETRO DANILA PAVEMENT PROJECT	IMPROVEMENT AND REHABILITATION	05	TA	0.000	0.000 ODA/C	P2	F	F3 S
1	21 1989	F/S FOR REGIONAL TOURISM ROADS	DEVELOPMENT PROJECT	05	TA	0.000	0.000 ODA/C	P2	F	F3 S
1	24 1989	F/S FOR RETRO DANILA COMMERCIAL PROJECT	05	TA	0.000	0.139 ODA/C	P2	F	F3 S	
1	25 1989	PEEPS DANILA ROAD DEVELOPMENT	DEVELOPMENT STUDY	05	TA	0.000	0.970 ODA/C	P2	F	F3 S
1	26 1989	F/S FOR THE DANILA-CAYTE COASTAL ROAD	05	TA	2.000	0.000 ODA/C	P2	F	F3 S	
1	27 1989	F/S AND O/D OF SELECTED NATIONAL SECONDARY ROADS IN RETRO-DANILA	05	TA	0.000	0.290 ODA/C	P2	F	F3 S	
1	27 1989	F/S AND O/D OF BASIN BRIDGE (LAMP)	05	TA	4.004	0.305 ODA/C	P2	F	F3 S	
1	29 1989	F/S FOR RAISING OF THE LA MESA SPILLWAY RESERVOIR DAM	06	TA	0.000	0.000 ODA/C	P2	F	F3 S	
1	30 1989	F/S FOR RAISING THE WATER LEVEL OF IPO DAM	06	TA	0.000	0.000 ODA/C	P2	F	F3 S	
** Subtotal **						40.624	6.151			
** FUNDING SOURCE : RETRO-DANILA										
1	245 1989	ESPERANZA FISHERY RESOURCE DEVELOPMENT PROGRAM	01	TA	0.000	0.950 ODA/ESPERANZA COMMUNITY DEV'T CENTER	P1	A	F3 S	
1	246 1989	FORMATION OF PROVINCIAL AND TOWN COMMITTEES (PARCONES/BAKES)	01	TA	394.310	36,420 ODA	P1	F	F3 S	
1	247 1989	INTEGRATED RURAL LAND CONSOLIDATION PROJECT	01	CA	0.000	1,770 ODA	P1	F	F3 S	
1	248 1989	PROJECT PLANNING AND MANAGEMENT	01	TA	0.000	0,300 ODA	P2	A	F3 S	
1	249 1989	FORMATION AND EXTENSION OF FARM-SCALE INDUSTRIES IN AGRARIAN REFORM	01	TA	0.000	3,120 ODA	P2	F	F3 S	
1	250 1989	PROVISION OF MARKETING AND POST-REFORM BENEFICIARIES	01	TA	0.000	2,400 ODA	P2	A	F3 S	
1	48 1989	INCREASING CONTRACEPTIVE USE SCHEMES	EFFECTIVENESS THROUGH INNOVATIVE	04	TA	0.000	3,670 ODA/INCH	P2	F	F3 S
1	49 1989	INTEGRATED RESEARCH TO INDIGENOUS POPULATION AND FAMILY PLANNING	MEDICINAL PLANTS FOR FERTILITY	04	TA	0.000	0,910 ODA	P2	F	F2 S
1	50 1989	LOW-COST HOUSING PROJECT	04	TA	0.000	0,100 ODA/RETRO DANILA DEVELOPMENT CENTER	P2	A	F2 S	
1	47 1989	DANILA FLOOD CONTROL AND DRAINAGE PROJECT	06	CA	0.000	0,050 ODA/C	P2	F	F6 F	
1	296 1989	STRENGTHENING CAPABILITIES FOR DECENTRALIZED DEVELOPMENT	09	TA	0.000	15,570 ODA	P2	F	F6 S	
** Subtotal **										

PROOF LIST OF ODA PROJECTS PIPELINED FOR 1989 AND 1990

RECORD NUMBER	COMMITMENT YEAR	PROJECT TITLE	SECTOR CODE	PROJECT TYPE	ODP COST	LOAN/GRANT AMOUNT	PROPOSED AGENCY	STATUS OF PREPARATION	STATUS OF EVALUATION	STATUS OF PIPELINE FINANCING
** FUNDING SOURCE : JAPAN										
1	3 1989	NETO MANILA INTERCHANGE	05	CA	274.000	10.360 OPM		P4	F	F6 F
1	4 1989	SCYP LUNO EXPRESSWAY	05	CA	550.000	19.900 OPM		P4	F	F6 F
1	5 1989	REHABILITATION AND MAINTENANCE OF BRIDGES ALONG ARTERIAL PONDS PROJECT	05	CA	365.000	21.770 OPM		P4	F	F6 F
1	6 1989	DISASTER PREVENTION AND ROAD REHABILITATION PROJECT	05	CA	597.900	30.000 OPM		P4	F	F6 F
1	7 1989	PAMPANGA DELTA DEVELOPMENT PROJECT, FLOOD CONTROL, PHASE I	06	CA	543.500	77.270 OPM		P5	F	F9 F
1	8 1989	ENGINEERING SERVICES FOR NORTH LABANG LAKE SHORE URGENT FLOOD CONTROL AND DRAINAGE PROJECT	06	CA	24.060	3.410 OPM		P4	U	F9 F
1	9 1989	RURAL WATER SUPPLY IV PROJECT	06	CA	291.770	30.640 OPM		P4	F	F9 F
1	10 1989	RURAL WATER SUPPLY OPTIMIZATION PROJECT	06	CA	408.900	67.040 OPM		P4	F	F9 F
1	11 1989	ENG'G SERVICES FOR CONSTRUCTION SUPERVISION AND DETAILED DESIGN OF MALIYOD-DAPAGAN BRIDGE (STAGE I)	06	CA	267.560	34.930 OPM		P4	F	F9 F
1	14 1989	NETO MANILA DEPRESSED AREAS ELECTRIFICATION PROJECT	08	CA	620.000	44.550 OPM		P4	F	F7 F
1	12 1989	NETO MANILA TELEPHONE NETWORK PHASE I, TRUNKS 1-1	09	CA	2001.550	125.100 OPM		P4	F	F6 F
1	13 1989	TELECOMMUNICATION SYSTEM DEVELOPMENT PROJECT	09	CA	145.901	38.070 OPM		P5	F	F6 F
1	274 1989	FINANCIAL SECTOR ADJUSTMENT	99	PA	0.000	300.000 OPM		P2	F	F6 F
1	295 1989	NETO CDD DEVELOPMENT PROJECT II	99	CA	236.200	12.570 OPM		P4	F	F6 F
** Subtotal **					6546.221	641.654				
** FUNDING SOURCE : SWAIN										
1	1 1989	EQUIPMENT UPGRADING OF THE PPHL. DECS COMMUNICATION FACILITIES	04	CA	0.000	10.000 OPM		P2	F	F1 F
1	2 1989	GENERAL HOSPITAL (PHL) IMPROVEMENT	04	CA	7.000	2.270 DECS		P2	U	F1 S
** Subtotal **					7.000	12.270				
** FUNDING SOURCE : SWISS										
1	20 1989	DETAILED ENGINEERING FOR SECTION MEMORIA BRIDGE	05	CA	1.500	0.165 OPM		P1	U	F1 S
1	213 1989	CONSULTANCY SERVICES FOR LOT 1 AND 2	05	TA	0.000	0.075 LRIA		P2	F	F3 S
1	19 1989	CEP: GAS TURBINES	00	CA	0.000	32.540 OPM		P2	F	F1 S
** Subtotal **					1.500	32.740				
** FUNDING SOURCE : UK										
1	251 1989	COFFEE PROGRAM FOR THE HIGHLANDS	01	TA	0.000	1.460 OPM		P2	F	F3 S
1	252 1989	ESTABLISHMENT OF A CONTACT FARMING CELL WITHIN THE GAP	01	TA	0.170	0.660 OPM		P2	F	F2 S
1	253 1989	DESTRUCTION OF AFLATOXIN IN COPRA PROJECT	01	TA	0.000	1.250 OPM		P2	F	F4 F
1	52 1989	STRENGTHENING DISASTER PREPAREDNESS AND RESPONSE EFFORTS IN THE PHILIPPINES	04	TA	0.000	0.140 OPM		P2	F	F4 F
1	51 1989	GAS TURBINES PROJECT	00	CA	626.650	61.130 OPM		P2	F	F9 F
** Subtotal **					626.650	64.640				
** FUNDING SOURCE : UN SYSTEM										
1	255 1989	ASSISTANCE TO DEVELOPMENT OF IMPLEMENTATION OF CAP PROJECTS IN SUPPORT TO THE	01	TA	0.000	0.340 OPM		P2	U	F2 S
1	256 1989	COLLECTION ON AGRARIAN REFORM	01	TA	0.000	0.250 OPM		P2	F	F5 F
1	260 1989	SUPPORT TO THE AGRICULTURAL COOPERATIVES DEVELOPMENT IN THE PHILIPPINES	01	TA	0.000	0.160 OPM		P2	F	F2 S

161

PHASE LIST OF ODA PROJECTS PIPELINED FOR 1989 AND 1990

RECORD NUMBER	COMMITMENT YEAR	PROJECT TITLE	SECTOR CODE	PROJECT TYPE	ODA LOAN/GRANT COST	PROPORTION AMOUNT AGENCY	STATUS OF PREPARATION	STATUS OF EVALUATION	STATUS OF PIPELINE FINANCING
1	200 1989	FIRST NATIONAL WORKSHOP ON FISHERY STATISTICAL INDICATORS	02	TA	0.000	0.024 PCARD	P1	U	F2 S
1	201 1989	FISHERY COMPONENT OF NATIONAL MARINE POLICY	02	TA	0.000	0.000 OFA	P1	F	F2 S
1	135 1989	PROJECT FORMULATION OF PEOPLES PARTICIPATION ACTIVITIES IN RURAL DEVELOPMENT	04	TA	0.000	0.060 AMOC	P1	U	F2 S
1	136 1989	IDENTIFICATION OF NUTRITIONALLY AT-RISK COMMUNITIES AND GEOGRAPHICAL AREAS USING SELECTED INDICATORS	04	TA	0.116	0.100 MIC	P1	U	F2 S
1	137 1989	USE AND VALIDATION OF SELECTED NUTRITION INDICATORS FOR IDENTIFY-ING UNDER DEVELOPED COMMUNITIES	04	TA	0.710	0.251 MIC-DUST/FMR	P2	F	F2 S
1	254 1989	AGRICULTURAL TECHNOLOGIES PHIL/08/001	01	TA	5.626	0.450 PCARD	P2	F	F2 F
1	257 1989	PHILIPPINE FISHERIES PROGRAMME	01	TA	0.000	0.534 OFAR	P2	F	F3 F
1	258 1989	PHILIPPINE SOLENOID DEVELOPMENT PROGRAMME PHIL/08/013	01	TA	5.020	0.325 PCARD	P2	F	F2 S
1	259 1989	SEAFED DEVELOPMENT	01	TA	0.000	1.272 OFAR	P2	A	F3 S
1	261 1989	IDENTITY TEST FOR PHILIPPINE GRADE COORDINATE	01	TA	0.000	0.350 DDI	P1	F	F2 S
1	279 1989	CHEMICAL HAZARD CONTROL AND EMERGENCY RESPONSE PROGRAMME	02	TA	0.900	0.414 MEC	P2	U	F2 S
1	282 1989	STRENGTHENING INSTITUTIONAL CAPABILITIES OF PHILIPPINE AGENCIES IN MARINE POLICY FORMULATION	02	TA	0.000	0.202 OFA	P1	F	F2 S
1	284 1989	TECHNICAL ASSISTANCE ON PRECIOUS METALS EXPLORATION PHIL/08/011	02	TA	9.260	0.504 DMS	P1	F	F2 S
1	185 1989	TECHNOLOGY INFORMATION SERVICES PHIL/06/016	03	TA	2.736	0.035 DUST/DTI	P2	F	F9 F
1	196 1989	DEVELOPMENT OF A TOURISM MASTER PLAN PHIL/09/036	03	TA	0.670	0.600 DDI	P2	F	F2 S
1	125 1989	DEVELOPMENT OF SERICULTURE AS A RURAL BASED AGRI-BASED INDUSTRY PHIL/08/022	03	TA	32.000	0.630 PHMNSD	P2	F	F2 S
1	126 1989	PRE-PLANNING ASSISTANCE FOR THE MASTER PLAN PREPARATION OF AN INDUSTRIAL	03	TA	0.000	0.092 DDI	P2	A	F2 S
1	127 1989	TECHNOLOGY BUSINESS INCUBATORS	03	TA	0.936	0.113 DDI	P2	F	F9 F
1	129 1989	WORKSHOP ON INTEGRATED DEVELOPMENT OF CHEMICAL INDUSTRY	03	TA	0.264	0.156 IFOI	P2	F	F2 S
1	129 1989	WORKSHOP ON THE ESTAB. OF THE INTEGRATED MULTIPURPOSE BATCH PLANT TO PRODUCE LOW TOXIC CHEMICALS	03	TA	0.264	0.156 IFOI	P2	F	F2 S
1	130 1989	ESTABLISHMENT OF THE INTEGRATED SAFETY SYSTEM IN THE CHEMICAL INDUSTRY	03	TA	9.700	0.924 IFOI	P2	WF	F2 S
1	131 1989	FOREIGN DIRECT INVESTMENT ASSISTANCE PROGRAMME	03	TA	0.000	0.200 DDI	P2	F	F9 F
1	132 1989	STRENGTHENING OF THE PHILIPPINE PARTICIPATION IN THE DRUGS ROUND OF GATT MULTILATERAL	03	TA	0.000	0.164 NEDA	P2	F	F2 S
1	103 1989	STRENGTHENING APPRENTICESHIP PROGRAM	04	TA	0.000	0.110 MIRC	P2	F	F2 F
1	104 1989	CIVIL SERVICE SUPERVISORY DEVELOPMENT	04	TA	0.000	0.300 CSC	P1	U	F2 F
1	117 1989	DEVELOPMENT OF A SOCIAL SECURITY PROTECTION IN GOVERNMENT SERVICE	04	TA	0.000	0.347 GSIS	P2	F	F2 S
1	116 1989	STRENGTHENING OF THE SELF-EMPLOYMENT ASSISTANCE FOUNDATION	04	TA	0.000	0.310 DDI/DSMO	P2	U	F2 S
1	119 1989	EMPLOYMENT CREATING SPECIAL PUBLIC WORKS PROGRAMME	04	TA	0.000	0.153 DDI	P2	U	F2 S
1	120 1989	INSTITUTIONAL BUILDING OF THE DEVELOPMENT OF FOOD SCIENCE AND NUTRITION	04	TA	16.741	0.725 CNE-UP	P2	F	F2 S
1	121 1989	GRAPHIC ARTS TRAINING CENTER	04	TA	0.000	0.100 MIRC	P2	U	F1 S
1	122 1989	TEACHING AIDS DESIGN, DEVELOPMENT AND PILOT PRODUCTION FOR COLLEGE OF PHYSICS AND CHEMISTRY	04	TA	0.000	0.929 BTC	P2	U	F2 S
1	123 1989	ASSISTANCE TO SECONDARY EDUCATION ADMINISTRATOR'S TRAINING PROGRAM	04	TA	110.660	13.000 DECS	P2	U	F1 S
1	124 1989	ASSISTANCE TO HUMAN RESOURCES DEVELOPMENT OF DOLE PHIL/09/014	04	TA	45.660	0.200 DOLE	P2	WF	F2 S
1	167 1989	DEVELOPMENT OF CIVIL AVIATION MASTER PLAN PHIL/09/017	05	TA	0.000	0.000 DDI	P2	F	F2 F

142

PROOF LIST OF ODA PROJECTS PIPELINED FOR 1989 AND 1990

RECORD NUMBER	COMMITMENT YEAR	PROJECT TITLE	SECTION CODE	PROJECT TYPE	ODA LOAN/GRANT CODE	PROBANT AGENCY	STATUS OF PREPARATION	STATUS OF EVALUATION	STATUS OF PIPELINE FINANCING	
1	100 1989	PROGRAM IN OPERATING THE TECHNICAL CAPABILITY OF OPM IN ROAD DEVELOPMENT PLANNING	05	TA	0.000	0.300 OPM	P2	F	F2 S	
1	109 1989	SIXTH DAMP POND FEASIBILITY STUDY	05	TA	0.000	0.650 OPM	P2	F	F2 S	
1	110 1989	SEISMIC DESIGN OF BRIDGES	05	TA	0.000	0.103 OPM	P1	U	F2 S	
1	111 1989	APPLICATION OF LABOR-BASED METHODS TO INFRASTRUCTURE PROJECTS (MAIN PHASE)	05	TA	0.000	1.550 OPM	P2	F	F1 F	
1	112 1989	TRAINING IN CIVIL AVIATION	PH/DA/DAI	05	TA	0.000	0.050 DAIC	P1	U	F1 S
1	116 1989	STRENGTHENING WATER RESOURCES	DIVISION OF LOAN	06	TA	1.007	0.607 LWA	P2	U	F2 F
1	113 1989	PILOT PLANT FOR GEOTHERMAL NON-ELECTRICAL USES	PH/DA/DAI	00	TA	0.000	0.354 PHOC	P2	U	F2 S
1	114 1989	DEMONSTRATION AND PROMOTION OF USE OF RICE MILLS FOR ENERGY	BIOMAS TECHNOLOGY	00	TA	0.000	0.290 OEA	P2	F	F2 S
1	115 1989	PEOPLE SENSING ASSISTANCE TO SUPPORT TO DECENTRALIZED PLANNING AND POLICY ANALYSIS IN THE DA DEVELOPMENT PLANNING AND RESEARCH PH/DA/DAI	BIOMAS TECHNOLOGY	00	TA	0.000	0.000 OEA	P2	F	F2 S
1	125 1989	PEOPLE SENSING ASSISTANCE TO SUPPORT TO DECENTRALIZED PLANNING AND POLICY ANALYSIS IN THE DA DEVELOPMENT PLANNING AND RESEARCH PH/DA/DAI	BIOMAS TECHNOLOGY	10	TA	3.436	0.164 H-AMFIC	P2	F	F3 S
1	127 1989	PEOPLE SENSING ASSISTANCE TO SUPPORT TO DECENTRALIZED PLANNING AND POLICY ANALYSIS IN THE DA DEVELOPMENT PLANNING AND RESEARCH PH/DA/DAI	BIOMAS TECHNOLOGY	11	TA	0.000	0.634 DA	P2	U	F2 S
1	127 1989	PEOPLE SENSING ASSISTANCE TO SUPPORT TO DECENTRALIZED PLANNING AND POLICY ANALYSIS IN THE DA DEVELOPMENT PLANNING AND RESEARCH PH/DA/DAI	BIOMAS TECHNOLOGY	99	TA	0.000	0.197 FEA	P2	F	F2 S
1	279 1989	DISTRICT DEVELOPMENT MANAGEMENT SYSTEM IN CANTONMENTS	99	TA	0.540	0.290 OFFICE OF THE PROVINCIAL GOVERNOR	P2	U	F2 S	
1	279 1989	DISTRICT DEVELOPMENT MANAGEMENT SYSTEM IN CANTONMENTS	99	TA	15.029	0.396 ODI	P2	F	F4 F	
1	290 1989	POLICY REVIEW FOR THE SECOND HALF OF THE ADMINISTRATION	99	TA	16.025	6.322 OAG	P2	U	F2 S	
1	301 1989	ANALYSIS OF PROJECTS IN THE FULL YEAR 1988	99	TA	1.947	0.270 ODI	P2	F	F2 F	
1	302 1989	STRENGTHENING OF REGIONAL SUPPORT PROGRAMS	FOUNDATION/CONTINUED CAPACITY	99	TA	23.600	1.216 PEDG	P2	U	F3 S
1	303 1989	TOWARD THE FORMULATION OF A COMPREHENSIVE NATIONAL POLICY ON URBAN AND REGIONAL DEVELOPMENT	99	TA	5.960	0.479 HEDG	P2	U	F2 S	
1	139 1989	DEVELOPMENT OF HOWEL PROCESSING OF AN (EXHIBIT) STUDY ON POWER IN THE INFORMAL SECTOR	TECHNIQUES FOR SHAME	03	TA	2.240	2.304 PIQJ	P2	F	F3 S
1	139 1989	DEVELOPMENT OF HOWEL PROCESSING OF AN (EXHIBIT) STUDY ON POWER IN THE INFORMAL SECTOR	TECHNIQUES FOR SHAME	03	TA	0.000	0.050 POPULATION CENTER	P1	F	F3 S
1	140 1989	OPPIO WORKSHOP ON THE ESSENTIAL OILS INDUSTRY	03	TA	0.000	0.125 ODI-1101	P2	F	F2 S	
1	141 1989	DEMONSTRATION AND TRAINING CENTRE FOR CAD/CAM AND FLEXIBLE MANUFACTURING SYSTEMS	03	TA	0.019	0.500 HEDC	P2	F	F2 S	
1	142 1989	COMMON FACILITIES FOR METAL WORKING IN SELECTED REGIONAL CENTRES	03	TA	0.297	0.090 HEDC	P1	F	F3 S	
1	143 1989	ASSISTANCE IN ESTABLISHING A STONECRAFT PLANT IN CDO	03	TA	0.000	0.020 ODI	P2	F	F2 S	
1	144 1989	COMPREHENSIVE SURVEY ON THE REQUIREMENTS FOR THE IMPROVEMENT OF THE RAIL INFRASTRUCTURE FOR METROLOGY	03	TA	0.095	0.109 ODI/RIZAL TECHNOLOGICAL COLLEGE	P2	F	F2 S	
1	145 1989	F/S ON THE ASEAN COPPER FABRICATION PROJECT	05	TA	0.000	0.250 ODI-011	P1	F	F2 S	
1	146 1989	APPLICATION OF COAL GASIFICATION IN THE PHILIPPINES	05	TA	0.000	0.163 OEA	P1	F	F2 S	
1	147 1989	DEASSESSMENT OF THE HIGHEST F/S FOR A CENTRALIZED COAL PREPARATION PLANT IN CDO	05	TA	0.000	0.063 OEA	P2	F	F1 S	
1	262 1989	UPLAND AND MOUNTAIN AGRICULTURAL SOCIAL FORESTRY	PILOT PROJECT	01	TA	0.117	0.647 DA(not in DA's list)	P2	F	F3 S
1	292 1989	SOCIAL FORESTRY	02	TA	1.171	7.483 ODMR	P2	F	F6 F	
1	334 1989	IRRIGATION PILOT PROJECT	06	TA	0.000	1.140 RIA	P2	F	F6 F	
Subtotal 00										
60						343.734	40.147			
FUNDING SOURCE : US-210-										
1	316	NORMAL SATELLITE TELECOM STUDY	09	TA	0.000	0.500 DAIC	P2	F		
Subtotal 00						0.000	0.500			

143

PROOF LIST OF ODA PROJECTS PIPELINED FOR 1989 AND 1990

RECORD NUMBER	COMMITMENT YEAR	PROJECT TITLE	SECTOR CODE	PROJECT TYPE	ODA LOAN/GRANT COST	COMPONENT AMOUNT	AGENCY	STATUS OF PREPARATION	STATUS OF EVALUATION	STATUS OF FINANCING	PIPELINE
** FUNDING SOURCE : US											
1	263 1989	SMALL COCONUT FARMS DEVELOPMENT	01	CA	690.100	135.000	PHILCOM	P1	F	F6	F
1	189 1989	SRI IV	03	CA	0.000	60.000	CR/IGLF	P2	F	F9	F
1	190 1989	INDUSTRIAL INVESTMENT CREDIT PROJECT (FORMERLY INDUSTRIAL FINANCE PROJECT)	03	CA	0.000	65.000	60P	P2	F	F7	F
1	191 1989	PHILIPPINE HEALTH DEVELOPMENT PROJECT III (PHD III)	04	PA	25.600	70.100	OH	P2	F	F6	F
1	186 1989	ANGAT WATER SUPPLY OPTIMIZATION PROJECT	06	CA	0.000	40.000	WSS	P4	F	F8	F
1	188 1989	MANILA POWER DISTRIBUTION PROJECT	06	CA	0.000	45.500	ODP BELEND TO NERALCO	P2	F	F9	F
1	214 1989	METRO MANILA INFRASTRUCTURE, PROJECT II (MUNITR II)	07	CA	0.000	45.000	OPM	P4	F	F7	F
1	187 1989	ENERGY SECTOR LOAN	00	PA	0.000	390.000	IPC/PMIC/MEA/DEL/ENG/END/NEBA	P2	F	F7	F
1	304 1989	FINANCIAL SECTOR LOAN	99	PA	0.000	300.000	CS	P2	F	F9	F
** Subtotal **					715.700	1170.600					
*** Total ***					22180.752	4916.032					

hpl.

ANNEX I

SUMMARY COUNTERPART CONTRIBUTION

SUMMARY COUNTERPART CONTRIBUTION
(\$000)

GOP

<u>Item</u>	<u>Amount</u>
Studies (Feasibility Studies and other analyses)*	3,670
Personal Services*	1,965
Maintenance and Operating Expense*	808
Equipment Outlay*	127
Miscellaneous*	100
Sub-Total	<u>\$6,670</u>

PIF

<u>Item</u>	
Private sector portion (50%) of Pre-Investment Studies	<u>\$5,000</u>
TOTAL	<u>\$11,670</u>

- * Figures are based on a portion of the 1990 General Appropriations Act funds for feasibility studies for foreign-assisted projects.
- * Figures are based on actual GOP peso budget estimates for FY 90 plus projections through FY 94.

BREAKDOWN OF GOP COUNTERPART CONTRIBUTION (\$'000)

<u>BUDGET ITEMS</u>	<u>FY 90</u>	<u>FY91</u>	<u>FY92</u>	<u>F793</u>	<u>FY94</u>	<u>TOTAL</u>
Personal Services	292	335	385	443	510	1965
Maintenance and Operating Expenses	120	138	159	182	209	808
Equipment Outlay	127	-	-	-	-	127
Miscellaneous	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>100</u>
	<u>559</u>	<u>493</u>	<u>564</u>	<u>645</u>	<u>739</u>	<u>3000</u>

Notes:

1. Figures are based on actual GOP peso budget estimates for FY 90.
2. Beyond FY 90, salaries and MOE are expected to increase at a rate of 15% per year.

147 -

BREAKDOWN OF EXPENDITURES FOR STUDIES
(\$'000)

FY 1990

Various studies and analysis for smaller projects;
environmental analyses for existing FS or for FS to be
funded by other donors

1200

FS/DE for Telecommunications Linkages Project

750

1950

FY 1991

Refinement of FS and/or start of DE for General
Santos Demonstration Area Project

1375

FS for Panay/Negros Demonstration Area Project
or other demonstration area project

1500

Various smaller-scale studies and analyses

1200

4075

FY 1991

Completion of DE for General Santos Demonstration
Area Project

1375

DE for Panay Negros Demonstration Area Project
or other demonstration area project

1500

FS/DE for several major nationwide infrastructure projects

1500

FS for Private Power Project

750

Various smaller-scale studies/analyses

1200

6325

FY 1993

DE for Private Power Project	750
FS/DE for major nationwide infrastructure projects	1500
Various smaller-scale studies/analyses	<u>1200</u>

3450

FY 1994

Various smaller-scale studies/analyses

1200

\$ 17000

6308B