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# **Audit Reports of USAID / Philippine Projects FY 1980-1983**

By

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AUDIT REPORTS OF USAID/PHILIPPINE PROJECTS  
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A. INTRODUCTION AND SUMMARY

All project audit reports\* of USAID/Philippines issued since the beginning of FY 1980 were investigated to identify common problems which plague Mission projects. The analysis focused on the eighty-three recommendations of the eleven project audits issued during the period. The report is divided into four sections. Following the Introduction and Summary is a section describing the general findings of the analysis. The last two sections are essentially annexes which list the audits analyzed and present the actual audit recommendations organized by general categories.

The analysis reveals four common problems which cut across several Mission projects: (1) handling of commodities, (2) GOP handling of funds, (3) reporting and monitoring, and (4) implementation and related planning. These findings suggest that USAID project officers should pay particular attention to these aspects of their projects. In many cases, the issues uncovered in audits seem to be specific to the individual project and do not indicate a common problem across projects.

B. ANALYSIS OF INDIVIDUAL RECOMMENDATIONS

The recommendations were reviewed individually and organized into general categories. Each paragraph below reports on one category.

1. Handling of Commodities (17 recommendations, 6 projects).

The five recommendations from the FY 1980 Population Planning II (PP II) audit indicated that POPCOM should establish more effective methods for handling, reporting and maintaining inventories of family planning commodities. Three recommendations from the FY 1980 Rural Electrification (RE) audit concern proper National Electrification Administration reporting, warehouse controls, and disposal of excess property. Commodity handling was also an issue in the audits of NonCon Energy, Real Property Tax Administration, Freshwater Fisheries,

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\*Three nonproject audits were not included in the analysis: (1) USAID/Philippine Travel Procedures, (2) USAID Impreset Fund/Cashier Operations, (3) Local Procurement Practices.

and Crop Protection. Project officers should monitor closely the commodity handling practices of implementing agencies.

2. Handling of Funds (12 recommendations, 7 projects)

No one problem surfaces as being critical; the recommendations cover a wide range: repayment of funds from a participant, payments to consultants for days not worked, use of construction funds, acceptability of cost submissions, loan practices, deposit of funds in an interest bearing account, and use of PL 480 Title I Trust Fund. The relatively widespread problems associated with the handling of funds suggests that the Mission and GOP should pay particular attention to this factor.

3. Reporting and Monitoring (8 recommendations, 6 projects)

An issue common to five projects was the establishment of effective systems for reporting such things as billings, shipments, subproject work completion dates, and input deliveries. This finding suggests that additional efforts are needed to improve the reporting and monitoring systems of implementing agencies.

4. Implementation and Related Planning (8 recommendations, 6 projects)

The recommendations focus on implementation, financial, maintenance, or training plans. Major changes were recommended in some cases: new implementation, financial, and training plans for Co-op Marketing; major shift in primary implementing agency for Real Property Tax Administration; and a new implementation plan for NonCon Energy. New maintenance and technical assistance plans were recommended for Rural Roads II. Audits for Crop Protection and Freshwater Fisheries were concerned with planning for cooperation between different organizations involved with the projects.

5. Procurement (8 recommendations, 3 projects)

The recommendations were concerned with: commodity selection procedures, exemptions on taxes or duties for project commodities, and acceptable contract costs.

6. Evaluation (7 recommendations, 7 projects)

Three recommendations called for USAID to evaluate the project or parts thereof; another three recommended that the GOP agency undertake evaluation.

7. Implementation Procedures (6 recommendations, 4 projects)

No general pattern emerges; the recommendations span a variety of concerns: criteria for selecting pilot activities, procedures for

ensuring local participation, inclusion of equity considerations in feasibility studies, GOP procedures for accepting completed construction activities, and establishment of a control system for the sale of fish seedlings.

8. Technical Issues (6 recommendations, 3 projects)

The Real Property Tax Administration audit of FY 81 had three recommendations to increase technical assistance efforts for the investigation of local government costs, possible procedural disincentives to local property tax revenue generation, and enhanced monitoring and evaluation. The Rural Roads II audit called for a review of a GOP (MLGCD) design standard (road width) and the funding of two road sections connected to a project funded bridge.

9. Disbursement (4 recommendations, 2 projects)

Three recommendations concerned ESF disbursement for the Elementary Schools Construction Project. The other recommended USAID issue written instructions that advances are to be liquidated on the basis of actual approved disbursements.

10. GOP Counterpart (3 recommendations, 3 projects)

The recommendations were concerned with GOP transport of school furniture and inadequate provision of GOP resources for Freshwater Fisheries and Rural Roads II.

11. Marking Requirements (2 recommendations, 2 projects)

Recommendations concerned the appropriateness and feasibility of enforcing AID marking requirements.

12. Other Issues (2 recommendations, 2 projects)

One recommendation asked the National Electrification Administration to share its lessons and experiences with its counterpart organization in Indonesia. The other concerned GOP commitment towards the Real Property Tax Administration Project.

C. LISTING OF AUDITS INCLUDED IN THE ANALYSIS:

	<u>Title</u>	<u>Issue Date</u>
1.	Rural Roads Program . . . . .	10/15/79
2.	Local Water Project . . . . .	8/11/80
3.	Population Planning II . . . . .	9/23/80
4.	Rural Electrification Program . . . . .	11/10/80
5.	Real Property Tax Administration . . . . .	4/30/81

6. Cooperative Marketing Project . . . . .	3/25/82
7. Rural Roads II . . . . .	4/28/82
8. ESF-Philippines - Elementary Schools Construction - Project Design . . . . .	7/14/82
9. NonConventional Energy Development Project . . . . .	8/31/82
10. Crop Protection Project . . . . .	3/21/83
11. Freshwater Fisheries Development . . . . .	3/30/83

D. AUDIT RECOMMENDATIONS LISTED BY GENERAL CATEGORIES

Issue Date

1. Handling of Commodities

- POPULATION PLANNING II

9/23/80

- a. USAID/Philippines request POPCOM to use quantities of contraceptives dispensed to end users as one of the indicators of program activity and justification for stocks on hand, stressing the need for greater data credibility.
- b. USAID/Philippines seek assurances that future POPCOM physical contraceptive inventories improve in quality, reliability and completeness, and include a reconciliation with the recorded book inventories.
- c. USAID/Philippines ensure that, in conjunction with the 1980 commodity inventory, action is taken by POPCOM to balance pill stocks on hand in the various regions.
- d. USAID/Philippines obtain and verify certification from POPCOM that all 1973 pills in its own warehouses have been destroyed, as well as at such other locations likely to contain major accumulations of 1973 stocks. Concurrently the current potency testing program should be continued in conjunction with instructions to destroy all pills found to be no longer potent, with appropriate certifications.
- e. USAID/Philippines undertake a re-determination of the reported shelf-life failure linkage in Region XI and reduce the findings to writing.

- REAL PROPERTY TAX ADMINISTRATION

4/30/81

- a. USAID/Philippines strongly encourage the MLGCD to implement a formal commodities distribution policy, aimed at meeting specific individual local needs and minimizing (if not eliminating) duplications. Further distributions, within the

meaning of this recommendation, would include, among other things, an immediate survey of actual requirements, coupled to a physical inventory of available resources to satisfy those requirements.

- NONCONVENTIONAL ENERGY DEVELOPMENT 8/31/82
  - a. USAID/Philippines establish the locations of the AID-financed equipment and establish procedures to ensure that this equipment is used for the project, and take appropriate action to recover the cost of equipment that cannot be located or that is not used for the project.
  
- RURAL ELECTRIFICATION PROGRAM 11/10/80
  - a. USAID/Philippines should obtain NEA progress and audit reports and thoroughly analyze them to insure that AID funded materials and supplies are being utilized in an effective and timely manner.
  - b. USAID/Philippines should request NEA to dispose of the excess property at Sangley Point through auction or as may otherwise be desirable.
  - c. USAID/Philippines should inform NEA of the lack of warehouse controls at cooperatives and urge that it devise a plan to ensure implementation of proper warehouse procedures.
  
- CROP PROTECTION 3/21/83
  - a. USAID/Philippines suspend all further procurement for the Crop Protection Project until it receives assurances that the equipment needs of the RCPCs are met.
  - b. USAID/Philippines require the NCPC to take measures to assure that Project commodities are: (a) properly accounted for upon receipt; (b) stored in a secure location; and (c) controlled through the use of locator cards and annual inventory counts.
  - c. USAID/Philippines require the NCPC to improve controls over the receipts and use of vehicles and other project commodities.
  - d. USAID/Philippines take steps to assure the timely delivery of the two airboats at Los Banos to the intended RCPCs.
  
- FRESHWATER FISHERIES DEVELOPMENT 3/31/83
  - a. USAID/Philippines work with project management to develop and implement procedures to account for, inventory and control the use of commodities, including vehicles, and including a

determination of the current operating condition of project vehicles purchased with grant funds.

- b. USAID/Philippines obtain an accounting of the location and operational status of all commodities supplied to the project from US excess property stocks. All future or contemplated deliveries of US excess property to the project should be suspended until such time as BFAR management provides this accounting.
- c. USAID/Philippines (1) work with project managers to adequately and effectively protect the commodities and equipment presently exposed to the elements, either by moving them to temporary structure, or at a minimum, covering them where they are currently located; and (2) determine the extent of damage to the exposed equipment, the effect of any such damage on project implementation, and recover the cost of any equipment damaged through negligence in storage.

## 2. Handling of Funds

### - RURAL ROADS PROGRAM

10/15/79

- a. We recommend that USAID/P encourage the GOP to deposit the special development account trust fund in an interest bearing account.
- b. We recommend that USAID/P analyze the use of the SDA fund and determine whether a more effective use would reduce the maintenance problems in the provinces.

### - RURAL ROADS II

4/28/82

- a. The USAID/Philippines require the MLG to (1) settle costs questioned by our audit, and (2) review and determine the acceptability of costs not included in our audit sample, and obtain refunds as appropriate.

### - LOCAL WATER PROJECT

8/11/80

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

### - NONCONVENTIONAL ENERGY DEVELOPMENT

8/31/82

- a. USAID/Philippines review the appropriate ministry records to determine and assure that funds have actually been disbursed, for approved activities, for advances already unliquidated and

adjust its accounting records under the project to accurately record loan disbursements and accounts receivable.

- b. USAID/Philippines ask the GOP to collect and refund to AID the \$15,194.47 paid for the participant. In the absence of effective action by the GOP, the USAID should obtain a refund from the GOP of \$15,194.47 in accordance with section D.6(b) of the project agreement.

- ESF-PHILIPPINES - ELEMENTARY SCHOOLS CONSTRUCTION  
- PROJECT DESIGN 7/14/82

- a. USAID require that all advances made to the secretariat for travel purposes be refunded immediately if a trip does not take place and within 90 days of completion of travel, if it does take place.

- CROP PROTECTION 3/21/83

- a. USAID/Philippines take the necessary steps to recover payments to consultants for days not worked.
- b. USAID/Philippines (a) request a final accounting on the IRRI/NCPC Technical Services Agreement, and (b) recover any funds from IRRI which were in excess of actual authorized expenses.
- c. USAID/Philippines determine if all planned construction funds have been committed and the planned contracts signed, and if not signed, reassess construction priorities in coordination with the GOP in terms of a more modest facility which will meet project needs and can be effectively completed with actual GOP funds made available.
- d. USAID/Philippines review BFAR's payment procedures for remaining construction contracts to determine whether they are in conformance with required GOP regulations. If they are not, USAID/Philippines require BFAR to modify procedures to ensure that wages and payments are handled in a timely fashion in accordance with GOP regulations.
- e. USAID/Philippines, in collaboration with NEDA, reconcile the accounts to determine how much money was actually transferred to the project from the P.L. 480 Title I Trust Fund and obtain a satisfactory accounting for the use of funds transferred.

3. Reporting and Monitoring

- REAL PROPERTY TAX ADMINISTRATION 4/30/81
  - a. USAID/Philippines request the GOP to verify that work was completed or not completed for those units which received seed money grants: A complete listing of pilot units selected and work completed by the local governments together with completion dates should be submitted to USAID before any new reimbursement agreement is entered into. Concurrently, any new reimbursement agreement should require local government units to establish a separate trust fund account or discrete accounting system for purposes of end-use evaluation, monitoring, etc.
  
- COOPERATIVE MARKETING PROJECT 3/25/82
  - a. USAID/Philippines require the GOP to maintain, or cause to be maintained, records on project inputs so that actual performance can be compared to plans.
  
- RURAL ELETRIFICATION PROGRAM 11/10/80
  - a. USAID/Philippines should request NEA to provide explanations of the differences between shipping reports and disbursements.
  - b. USAID/Philippine should request NEA to provide USAID with a plan detailing present weaknesses and appropriate corrective action in improving the timeliness of billings and the safe transmission of shipping reports to cooperatives.
  
- RURAL ROADS II 4/28/82
  - a. USAID/Philippines require the GOP to submit on a regular basis, acceptable audit reports on this project as required by Section B.5 of the Loan Agreement.
  
- NONCONVENTIONAL ENERGY DEVELOPMENT 8/31/82
  - a. USAID/Philippines obtain evidence from the Ministry of Energy that the windmills in the provinces of Cebu and Negros Oriental are operating properly and delivering water to the areas where it is needed.
  - b. USAID/Philippines obtain evidence from the Ministry of Energy that PAGASA's technical problems for operating the wind monitoring equipment have been resolved and the equipment is operating properly.

- FRESHWATER FISHERIES DEVELOPMENT 3/31/83
  - a. USAID/Philippines obtain an accounting of sales proceeds, and reconciliation of official records and records kept at the breeding pond site.

4. Implementation and Related Planning

- REAL PROPERTY TAX ADMINISTRATION 4/30/81
  - a. USAID/Philippines prevail on the Government of the Philippines (GOP) to reassign project authorities in such a way, whereby the MLGCD's responsibilities will focus on technical assistance, training and various support elements, while the MOF will have primary responsibility for coordination and direction of all RPTA activities including allocation of subsequent grants, loans or equipment purchases made from, or reimbursable by, AID grants.
- NONCONVENTIONAL ENERGY DEVELOPMENT 8/31/82
  - a. USAID/Philippines and the Ministry of Energy develop a revised and realistic implementation plan for the project which includes an assessment of the implementing agencies' capabilities. Funds determined to be in excess of project needs should be deobligated when the plan is prepared and the revised plan should establish a procedure for the periodic deobligation of funds not used in accordance with the revised plan.
- RURAL ROADS II 4/28/82
  - a. USAID/Philippines not approve any more construction projects for financing under the AID loan until the GOP provides the USAID with an acceptable plan to improve the capability of the LGUs to maintain rural roads. This could include the development of a better system for allocating maintenance aid to the LGUs in accordance with their needs and the establishment of an improved maintenance management system for the LGUs.
  - b. USAID/Philippines obtain an acceptable revised technical assistance implementation plan from the MLG to include a schedule of contracts to be awarded under the plan. If the contracts are not executed as planned the USAID should deobligate or reprogram the funds allocated for the contracts.
- COOPERATIVE MARKETING 3/25/82
  - a. USAID/Philippines obtain evidence that the Co-op Bureau has implemented an acceptable plan for the training of Village Co-op members belonging to the current targeted Area Co-ops.

- b. USAID/Philippines withhold release of additional funds under Loan 492-T-051 until the Loan Agreement Annex 1 and Attachments 1 and 2 (Project Description and Budgets) are properly amended and a revised implementation and supporting financial plan is submitted to the USAID which explains the deficiencies in the past operations of the principal agencies and sets forth corrections to be made in order to achieve the objectives of the project. The plan should, as a minimum:
  - 1) clarify the roles of the Bureau of Cooperative Development, Cooperative Foundation of the Philippines, Cooperative Marketing System of the Philippines, Central Bank and the National Economic and Development Authority in the implementation of the project;
  - 2) account for the past use of counterpart resources (both in kind and budgetary);
  - 3) revise the allocation of remaining resources in consonance with the modified responsibilities of the participating agencies and terminal date of the project;
  - 4) set forth the functional and operational relationship between the Cooperative Development Loan Fund and the Cooperative Finance System under the Cooperative Marketing Project.

- CROP PROTECTION 3/21/83

- a. USAID/Philippines obtain an acceptable and workable Memorandum of Understanding which includes the NCPC and BPI, for the coordination of the Crop Protection Program.

- FRESHWATER FISHERIES DEVELOPMENT 3/30/83

- a. USAID/Philippines, in coordination with BFAR, assure that BFAR's 1983 annual work plan includes provision to coordinate FFH-ETC activities with other organizations, including the FAC at Central Luzon State University.

5. Procurement

- REAL PROPERTY TAX ADMINISTRATION 4/30/81

- a. USAID/Philippines, together with GOP project staff establish explicit criteria as to what types of commodities and services are allowable and/or non-allowable for all future expenditures reimbursable from USAID funds.

- b. USAID/Philippines, in planning future procurements provide in the agreements a condition precedent that tax exemptions be available before orders are placed, or assure that budget be available for payment of taxes when commodities arrive.
  - c. USAID/Philippines determine that any taxes or duties paid by the GOP have been reimbursed, as specified in Project Implementation Letter No. 1.
- NONCONVENTIONAL ENERGY DEVELOPMENT 8/31/82
- a. USAID/Philippines settle contract costs questioned under Work Order No. 14 of AID Contract AID/SOD/PDC-C-0306.
  - b. USAID/Philippines resolve and settle costs questioned under the host country contract with the Project Coordinator.
- CROP PROTECTION 3/21/83
- a. USAID/Philippines recover all ineligible freight charges paid to shippers through the Letter of Commitment for IFB 1.
6. Evaluation
- RURAL ROADS PROGRAM 10/15/79
- a. We recommend that USAID/P reevaluate whether the RRP purpose is appropriate or whether the purpose should be redefined in any future AID loans.
- LOCAL WATER PROJECT 8/11/80
- a. USAID/Philippines schedule an in-depth evaluation of the Local Water Project.
- REAL PROPERTY TAX ADMINISTRATION 4/30/81
- a. USAID/Philippines, in the event of an affirmative project continuation decision, commit itself to a comprehensive evaluation, including an examination of objective quantitative data (such as actual trends in assessments and collection figures) and to make a clear distinction between progress and accomplishments under the present project and those of previous ones. Such an evaluation should be held on/about March 1982 to determine if progress warrants continuation of the project beyond the present project completion date of May 15, 1982.

- RURAL ROADS II 4/28/82
  - a. USAID/Philippines obtain assurances from the MLG that: (1) in revising the evaluation system it will consider changing the evaluation format to elicit a description of factors other than roads which affect project impact and assess the control component to determine its usefulness and impact on affected populations, (2) it will provide additional training and monitoring to provincial staff to improve the reliability of evaluation data and (3) it is adequately monitoring the performance and receipt of project evaluations done by provinces.

NONCONVENTIONAL ENERGY DEVELOPMENT 8/31/82

- a. USAID/Philippines require the Ministry of Energy to evaluate the Windmill Dispersal subproject and obtain satisfactory evidence that the problems noted in this report and in the evaluation are corrected.

- CROP PROTECTION 3/21/83

- a. USAID/Philippines take steps to assure that all of the recommendations in the 1980 project review have been adequately addressed.

- FRESHWATER FISHERIES DEVELOPMENT

- a. USAID/Philippines assist BFAR management in developing criteria and procures for measuring project impact within the target area, and assure that a firm schedule is established to perform the impact study.

7. Implementation Procedures

- REAL PROPERTY TAX ADMINISTRATION 4/30/81
  - a. USAID/Philippines impress on the GOP the need for pilot units that will develop and test systems for replication to be chosen carefully. Concurrently, participation criteria should be developed, and should include an actual commitment by local municipal/city officials, local treasurers and assessors. Other criteria must be spelled out and clearly understood by all, to avoid future misunderstandings.
  - b. USAID/Philippines continue to seek an immediate resolution of the demurrage impasse situation, at whatever level is necessary, if all commodities have not been released. While there existed some indication, as of April 2, 1981,

that this may take place in the near future, only the actual occurrence will satisfy this recommendation.

- RURAL ROADS II 4/28/82
    - a. USAID/Philippines assist the MLG to revise the feasibility study format so equity considerations are used for project selection. The format should at least include data on (1) size of landholdings, and (2) relative benefits to various groups in the influence areas of projects. This could be accomplished by including these issues in the scope of work of the technical assistance contract to be financed under the AID loan.
  
  - ESF-PHILIPPINES - ELEMENTARY SCHOOLS CONSTRUCTION 7/14/82
    - PROJECT DESIGN
    - a. The USAID/Philippines request the Ministry of Human Settlements to review the acceptance procedure to ensure that principals are not being requested to give approval prematurely.
  
  - FRESHWATER FISHERIES DEVELOPMENT 3/31/83
    - a. USAID/Philippines work with GOP project managers to institute a control system preventing any individual from exercising sole control and system preventing any individual from exercising sole control and authority over both fish sale and income and deposit to the Treasury.
    - b. USAID/Philippines not release the \$99,412 uncommitted as of December 31, 1982 under the Grant until such time as BFAR has adequately implemented the recommendations in the January 1982 evaluation and in this report. In the absence of effective action by the GOP to implement these recommendations, the USAID should de-obligate that portion of remaining funds not needed to implement Recommendation No. 1 of this report. (Impact study)
8. Technical Issues
- LOCAL WATER PROJECT 8/11/80
    - a. USAID/Philippines explore, at the time of the next sub-project submission, the inclusion of an appropriate number of public faucets, without jeopardising (sic) the USAID project goal of ensuring water district economic viability.

- REAL PROPERTY TAX ADMINISTRATION

- a. USAID/Philippines, in any redesign effort, ensure that the project include a technical assistance component to review procedural disincentives to local property tax revenue generation.
- b. USAID/Philippines, in its redesign effort, should strongly encourage the addition of various technical specialists, either drawn from existing agencies or through contract. Equally strong encouragement should call for monitoring and evaluation of project activities to be a component of the technical assistance assessment.
- c. USAID/Philippines, as part of a redesign and technical assistance effort, undertake a comprehensive study of the actual cost figures supplied by the various local government units, as a prerequisite for determining a realistic basis for the size of future grants or loans.

- RURAL ROADS II

4/28/82

- a. USAID/Philippine obtain evidence from the MLG that the issue of road width has been satisfactorily reviewed, and, if appropriate, the design standards included in Administrative Procedure No. 5 are lowered.
- b. The USAID/Philippines and/or the MLG approve the financing of three unfinished phases of the Maluang-Dongkol Road as well as the Dongkol-Tonato Road to ensure that the Tiawer Bridge will be used as part of a continuous road system.

9. Disbursement

- ESF-PHILIPPINES - ELEMENTARY SCHOOLS CONSTRUCTION  
- PROJECT DESIGN

7/14/82

- a. USAID/Philippines coordinate with the AA/Asia to (1) reach a determination as to whether or not ESF projects under the remaining ESF commitments of about US\$180 million should be financed as non-project or program assistance through cash transfers of ESF dollars or as discrete development projects, and, (sic) (2) ensure that project documentation clearly reflects that determination.
- b. USAID/Philippines coordinate with the AA/Asia and the AID Controller to (1) reach a determination as to whether remaining ESF projects should be financed through up-front dollar advances or periodic reimbursements for equivalent, valid project local currency expenses, and (2) ensure that

project documentation includes clear and specific procedures to implement that determination.

- c. If the determination reached under Recommendation No. 1 results in providing remaining ESF assistance on a discrete development project basis, USAID/Philippines coordinate with the AA/Asia to ensure that all Project Agreements with the Host Government include provisions that (1) require, prior to release of ESF monies, that controls over project funds be set up which are adequate to enable accomplishment of the objectives of the ESF funds granted and to preclude diversion or loss of funds provided to non-project ventures, and (2) clearly spell out disbursement procedures for both ESF dollars and local currencies, including the basis for, methodology, (sic) and timeframe of liquidation of any funds advanced.

- NONCONVENTIONAL ENERGY DEVELOPMENT 8/31/82

- a. USAID/Philippines issue written instructions to appropriate staff that advances of AID funds are to be liquidated on the basis of actual approved disbursements.

10. GOP Counterpart

- RURAL ROADS PROGRAM 10/15/79

- a. We recommend that USAID inform the GOP of their non-compliance with the loan agreement provision for providing adequate resources and require PDAP to begin the agreed upon training programs.

- ESF-PHILIPPINES - ELEMENTARY SCHOOLS CONSTRUCTION  
- PROJECT DESIGN 7/14/82

- a. USAID/Philippines request the GOP to provide assurances that at a minimum, arrangements be made for transportation of completed furniture to schools and some type of new or used furniture be supplied to all new schools constructed.

- FRESHWATER FISHERIES DEVELOPMENT 3/30/83

- a. USAID/Philippines request a complete accounting of past project operating expenses and amounts actually received from the GOP to meet those expenses. These figures should be used to determine what effect the decreased levels of 1983 funding will have on the project.

11. Marking Requirements

- RURAL ROADS II 4/28/82
  - a. USAID/Philippines determine whether the enforcement of AID marking requirements is desirable and take action to either waive the requirement or ensure that the project sites are publicized as required.
- NONCONVENTIONAL ENERGY DEVELOPMENT 8/31/82
  - a. USAID/Philippines develop procedures to ensure that AID-financed facilities and equipment are marked and publicized as required by the project agreement and AID Handbook 11.

12. Other Issues

- RURAL ELECTRIFICATION PROGRAM 11/10/81
  - a. USAID/Philippines should encourage the National Electrification Administration to share its project experiences and lessons learned with its counterpart organization in Indonesia and such other countries as are currently actively involved in rural electrification projects. Such sharing should cover the entire range of project implementation, and not be limited to specific experiences with individual contractors.
- REAL PROPERTY TAX ADMINISTRATION 4/30/81
  - a. USAID/Philippines discuss with the Government of the Philippines (GOP), at the highest possible levels within the Ministries involved, GOP's interest in, and its commitment towards the Real Property Tax Administration Project. In the absence of such a combination of interest and commitment we recommend that the project be discontinued, with deobligation of all uncommitted funds, once disbursements for all authorized expenditures and binding commitments have been completed.