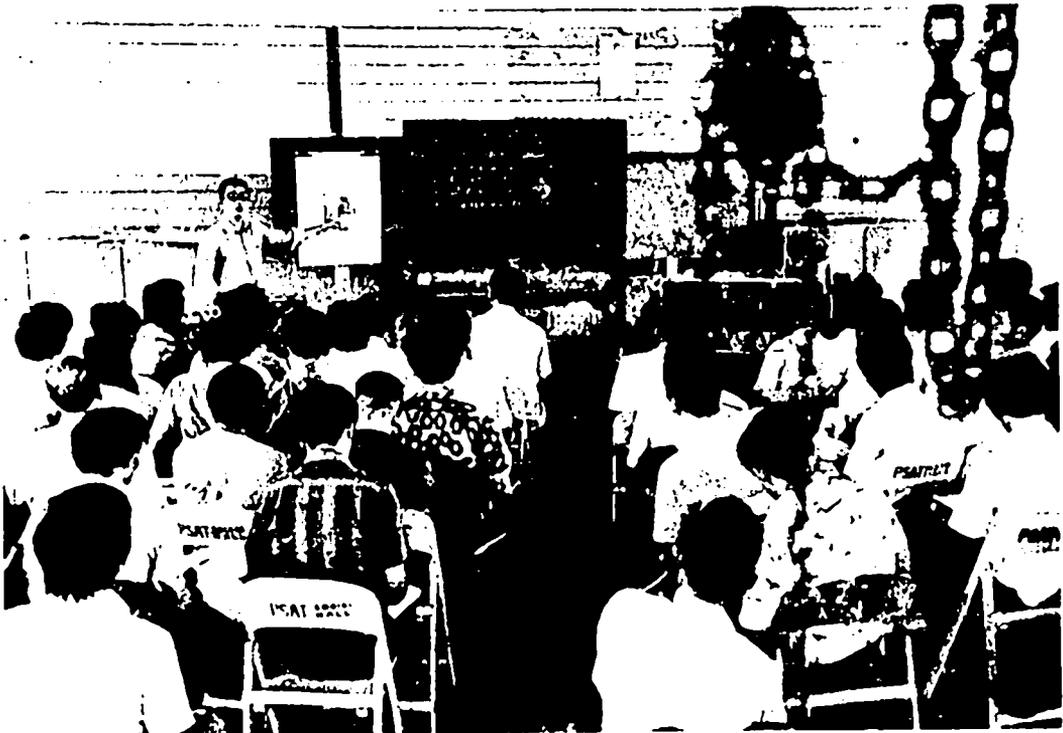


# LOCAL DEVELOPMENT PROJECT PROJECT AGREEMENT

PROJECT NO. 492-11-995-256



Prepared by :

PDAP

USAID/AD/PD

Philippines

28 September 1973

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M.D.  
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DEVELOPMENT INFORMATION CENTER

### INTRODUCTION

This Project Agreement (PROAG) is the first under the new Local Development PROP. Although the face sheet indicates only limited funding, the PROAG narrative and attachments cover the entire range of activities that are planned for FY 74. It is anticipated that additional funding inputs will require only face sheet amendments.

Since 1968, the Philippine counterpart for this program has been the Provincial Development Assistance Project (PDAP). However, on the USAID side, the Local Development Project (492-11-995-256) is the successor to the Provincial Development Project (492-11-995-236). In this regard, the reader may be interested in several innovations in this agreement that were not present in the past.

1. To continue as a participant in the program, the provinces must make an annual request for recertification. The recertification request must indicate compliance with the past program and an agreed joint PDAP/Province Work Plan for the ensuing year. (See Attachment A).
2. New provinces must agree to a specific three-year plan of work and an initial six-month training program. (See Attachment B.)
3. Major pieces of excess property will be supplied to provinces only in a rehabilitated condition. For this excess property, the province will pay 35% of the original acquisition cost (OAC). To remain eligible, the respective province equipment pools must maintain an equipment dead-line rate under 25%. (See Attachment C.)

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4. The provinces can borrow funds for equipment pool facilities or approved development projects. (See Attachment D.)

At the time this PROAG was signed, a Revision No. 1 was already under preparation. This involves far more than the face sheet funding mentioned above. Basically it is a P25 million program limited to only the older PDAP provinces with a proven ability to plan and implement development projects. It is viewed as a "second generation" program. Under this program, provinces will be reimbursed a pre-agreed amount after they have completed an approved project in accordance with agreed plans and specifications. Details of this program will be circulated in a separate document after formal approval.

Thomas L. Rose  
Assistant Director for  
Provincial Development  
USAID/Philippines

23 November 1973

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PRO AG  
USAID/P

**PROJECT AGREEMENT**  
**BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID)**  
**AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**  
**THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY**  
**AN AGENCY OF THE GOVERNMENT OF THE PHILIPPINES**

Under the terms of the Economic and Technical Cooperation Agreement signed April 27, 1951, and the Standard Provisions  Foreign Currency Standard Provisions  annexes attached, it is agreed to carry out a project in accordance with the terms set forth herein.

1. PROJECT NO. <b>492-11-995-256</b>	2. ORIGINAL <input checked="" type="checkbox"/>	3. REVISION NO. <input type="checkbox"/>
4. PROJECT TITLE: <b>Local Development</b>	AGREEMENT NO.: <b>74-03</b>	
5. ANNEX A PROJECT DESCRIPTION AND EXPLANATION		
6. APPROPRIATION: <b>72-1141004</b>	7. ALLOTMENT: <b>454-50-492-00-69-41</b>	

B. AID FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
a. PERSONNEL COSTS PASA				
Contract				
b. PARTICIPANTS				
c. COMMODITIES		150,000		150,000
d. OTHER COSTS AID Direct				
Contract				
e. TOTAL (Dollars)				
f. US OWNED (Pesos)		150,000		150,000
g. GOP FINANCING \$1.00 = Pesos				
h. COUNTERPART Trust Fund - "A"				
- "B"		250,000		250,000
Social		7,000,000 <sup>1/</sup>		7,000,000
Other (PDAP Budget)		643,828 non-add		643,828 non-add
TOTAL (Pesos)		7,893,828*		7,893,828*
b. OTHER				

10. REFERENCES AND REMARKS:  
1/ P2 M for excess property rehabilitation revolving fund.  
 P5 M loan fund to finance equipment pool and/or infrastructure development projects.  
 This agreement provides an initial \$150,000 to cover the purchase of initially planned commodities. Subsequent funding is planned to meet additional requirements.

**CLEARANCES**

s/ G.R. Vigilar PDAP Exec. Director	USAID: s/ T. Rose Project Manager	s/ Grover S. Robinson Controller
	s/ Frank Denton Program Officer	

11. DATE OF ORIGINAL AGREEMENT <b>September 28, 1973</b>	12. DATE OF THIS REVISION	13. EST FINAL CONTRIBUTION DATE <b>June 30, 1976</b>
14. GOVERNMENT OF THE PHILIPPINES s/ Gerardo Sicat Signature: <u>t/ GERARDO P. SICAT</u> Title: <u>Director General</u>		15. AGENCY FOR INTERNATIONAL DEVELOPMENT Signature: <u>s/ Thomas C. Niblock</u> Title: <u>Thomas C. Niblock, Director</u>

\* Error as on original document.

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AN AGENCY OF THE GOVERNMENT OF <b>THE PHILIPPINES</b>		

**I. The Goal, Background and Description**

**A. Goal**

The goal of this project is to improve the quality of rural life by speeding development of those services and service-related incentives, forms of institutional cooperation, and planning and implementing capabilities which are responsive to rural needs.

**B. Background**

The project was developed as a result of efforts initiated in 1966 to support agricultural production in Tarlac and Laguna provinces entitled "Operation SPREAD". Under the pilot approach, the USAID dealt directly with the provinces in identifying and providing the inputs and technology crucial to the province's development.

As a result of the accomplishments and experience of Operation SPREAD the Provincial Development Assistance Project (PDAP) was created in 1968, under which a close working relationship between the National Economic Council (NEC) and USAID was established, and development assistance shifted from direct application to the province involved to working through a GOP national agency specifically established to support provincial development.

From the inception of PDAP, development efforts were focused on sector programs in Agriculture, Infrastructure and Tax Administration. Based on the NEC Four-Year Development Plan adopted in FY71, Family Planning and targeted Nutrition were added as sector priorities.

Following the flood disaster which occurred in July and August of 1972, the Office of the President directed PDAP to assume an additional responsibility, that of extending assistance, through a provincial infrastructure rehabilitation program, to the eleven (11) provinces suffering the greatest losses.

For the Cooperating Government or Agency

For the Agency for International Development

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<b>PROJECT AGREEMENT</b> BETWEEN AID AND <b>NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY</b>  AN AGENCY OF THE GOVERNMENT OF <b>THE PHILIPPINES</b>	1. Project/Activity No. <b>492-11-995-256</b>	PAGE <u>3</u> OF <u>18</u> PAGES
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A common objective of Operation SPREAD, the PDAP program and the Flood Rehabilitation program is the development of institutional capability. This aspect of project accomplishment is believed to be absolutely essential in developing provincial abilities to plan and carry out development programs after outside technical support has terminated.

In November 1972, the PDAP was moved into the Office of the Executive Secretary to the President where it will manage Provincial Development activities as an adjunct of the Development Management Staff.

**C. Description**

The Local Development project being initiated under this agreement is designed to assist provincial governments to respond effectively to rural needs for lowered transport costs, access to markets, equitable taxation, expanded public investments and improved rural employment opportunities. This will be accomplished by providing: 1) technical assistance in development planning, fiscal resource development and road system planning, engineering and development, and the development processes and capabilities by which vertical and horizontal communications are improved between and among national, provincial and municipal government agencies and programs; and 2) providing material assistance for the development planning staff and for the formation of an operating equipment pool.

The first three activities are the functional areas for which by law and the organization of the Philippine Government, the province is the responsible and most appropriate implementing agency.

The other major area of activity pertains to the coordinating role of the province, particularly with respect to meshing of national government agencies operating at the provincial level and below with the programs of provincial agencies.

For the Cooperating Government or Agency  SIGNATURE: _____ DATE: _____ TITLE: _____	For the Agency for International Development  SIGNATURE: _____ DATE: _____ TITLE: _____
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AID 1330-1A (8-63)  <b>PROAG</b> CONTINUATION SHEET  ANNEX <u>A</u>	<b>PROJECT AGREEMENT</b> BETWEEN AID AND <b>NATIONAL ECONOMIC AND DEVELOPMENT</b> AUTHORITY AN AGENCY OF THE GOVERNMENT OF <b>THE PHILIPPINES</b>	1. Project/Activity No. <b>492-11-995-256</b>	PAGE <u>4</u> OF <u>18</u> PAGES
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During FY74, provinces will participate in the program, under two categories, old and new, as follows:

The old provinces are those which entered the program under a prior project agreement and will continue under this agreement and the terms and conditions of Memorandum of Agreement attached as Attachment A. The old provinces with identifying numbers are listed below:

08 La Union	*39 Capiz
13 Pangasinan	*40 Antique
16 Zambales	41 Iloilo
19 Pampanga	44 Leyte
20 Bulacan	52 Misamis Oriental
24 Batangas	61 South Cotabato
26 Camariner Sur	63 Davao del Norte
29 Mindoro Oriental	66 Palawan

\* Substitutions for the provinces of Benguet and Cebu which were included in program of last fiscal year.

The new provinces which will enter the program under this agreement and the terms and conditions of the Memorandum of Understanding attached as Attachment B are as follows:

18 Bataan	58 Lanao del Sur
32 Sorsogon	60 Cotabato

**II. Purpose and Objectives**

**A. Purpose**

The overall purpose of this project is to strengthen the ability of provincial governments to effectively respond to rural needs for lower transportation costs, access to markets equitable taxation, expanded public investment and rural employment opportunities.

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**B. Objectives**

The project will focus primary attention on three provincial development objectives and on establishing more effective coordination of central and provincial government activities as outlined below:

- 1) Developing and institutionalizing an effective provincial development planning and coordination capability.
- 2) Developing and institutionalizing an effective provincial engineering capability, including an effective equipment pool facility and operation.
- 3) Developing and institutionalizing an effective provincial tax management capability.
- 4) Developing and institutionalizing more effective vertical and horizontal communications among national government agencies and private sector activities operating at the provincial level with provincial programs.

**III. Implementation: Introduction, Designations and Responsibilities**

**A. Introduction**

It is agreed that the general principles set forth in the following statement shall apply in the management and implementation of this project.

In seeking the attainment of the overall goal of improving the quality of rural life, this project is designed to develop within the GOP the knowledges, skills, processes, techniques and disciplines which will enable both national and local government entities to perform effectively in identifying and attaining national and local development objectives. Within the context of this agreement this is a process for which PDAP

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For the Agency for International Development

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assumes primary and ultimate development program responsibility. USAID participation is essentially advisory to and supportive of PDAP project-related activities, programs and efforts. Wherever possible, PDAP/USAID participation will be programmed on a joint basis whereby program managers and both central and field level technicians will work in close partnership in designing and implementing development assistance programs. Accordingly, in the implementation of this project PDAP will increasingly assume the initiative in developing the conceptual base, the plans of action and the tools of implementation best suited to the Filipino situation.

**B. Designations**

1. The Executive Director, PDAP, is hereby designated GOP Project Manager. In this capacity he will be responsible for the overall implementation of the project. It is agreed that he will work closely with the US Project Manager on all facets of the project.
2. The Assistant Director for Provincial Development is hereby designated US Project Manager. In this capacity he will act as technical advisor, coordinate the USAID assistance provided for the project, and work closely with the GOP Project Manager in all phases of the project.

**C. Implementation Responsibilities**

1. Project Administration

a) Management

The project will be implemented under the overall direction of the GOP and the US Project Managers who will cooperate and coordinate in the establishment of policy and provide overall supervision on all matters relating to planning, budgeting, managing, implementing and evaluating the project. They will collaborate in determining the priority

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**PROJECT AGREEMENT  
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and level of project resources required to transform PDAP/USAID project policies and objectives into appropriate and responsive central and field activities. They will take the necessary steps to insure that their respective staffs also work closely and harmoniously together, both centrally and in the provinces. To these ends, they will see that two-way communications take place at each level of project activity, that there is agreement on all significant project objectives and related courses of action, and that management and staff efforts in Manila and in the field will reflect a unity of purpose to which both the PDAP and USAID can fully subscribe.

b) Centrally Based Technical Assistance

Centrally based technical assistance includes all specialized development related assistance provided by PDAP or USAID/AD/PD centrally based technicians or consultants to the project or to any of the participating provinces. PDAP and USAID agree to make maximum use of the counterparting of centrally based technicians. Whenever this is not possible or practicable because of staffing or other limitations, each party agrees to establish and maintain current and complete reporting to the other of all significant project related technical assistance activities being performed centrally or in the field.

To carry out the agreed upon program activities, PDAP will assign 8 Area Development Advisors: one Fiscal Management Advisor, one Training Advisor, one Personnel Administration Advisor and 4 Equipment Pool Advisors; and USAID/AD/PD will assign the full time services of one Planning and Systems Advisor, one Fiscal Management Advisor, one Community Development Advisor, two Equipment Pool Advisors, and eight Area Development Specialists, plus additional personnel for the Flood Rehabilitation Program that will be funded under Project 492-11-995-255.

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In consultation with PDAP, USAID/AD/PD will develop requirements and will contract for consultant services to carry out the three specialized studies, related to the development and institutionalization of an effective provincial engineering capability in the project provinces, which are described under 2(b)(5) below.

c) Field Assistance

Field assistance includes all assistance rendered in the project provinces by advisors of PDAP or USAID/AD/PD who are specifically assigned to particular provinces and who reside within the province, or travel on a scheduled basis to the province. In keeping with the stated general principles governing management and implementation of this project, PDAP and USAID agree to make maximum use of field advisors as joint work teams. However, when this is not possible or practicable because of staffing or other limitations, each party agrees to establish and maintain current and complete reporting to the other of all significant project related field assistance activities being performed.

2. Attainment of Project Objectives

Primary attention will be focused on the attainment of three development project objectives. Each objective is listed below, together with the contribution that the respective PDAP and USAID/AD/PD technicians, advisors and consultants will make toward its attainment.

a) To Develop and Institutionalize an Effective Provincial Development Planning and Coordination Capability

This objective encompasses: (1) the organization and operation of a total provincial development organization, including an Economic Development Council with its supporting Working Committees, and the recruitment, organization, training and activation of a Provincial Development Staff; and (2) the development of program

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related capabilities in the Development Council, particularly its Working Committees, and in the Development Staff. PDAP and USAID/AD/PD technical and field assistance will contribute toward attainment of this objective as follows:

- (1) Assist project provinces in the initial organization, orientation and activation of Provincial Development Councils, Working Committees and Provincial Development Staffs. Develop an understanding of the coordinating role of the development organization, particularly the Development Staff. Explain basic development relationships, lay out first steps to be taken and follow up as necessary. (Centrally based PDAP and USAID Area Development Advisors during initial organization stage and subsequently as scheduled, followed by assigned PDAP and USAID Field Advisors.)
- (2) Plan, develop and administer general development training program. Training will be provided for provincial officials and technicians participating in the development program. It will begin as each new province is admitted to the project, and will continue regularly throughout the period of active participation.

PDAP and USAID will develop a participant training component designed to sharpen the development-related knowledge and skills of key provincial officials and technicians. These participants will attend the University of Connecticut, Development Administration Training Course for Provincial Development Coordinators and Senior Development Analysts.

PDAP will design and implement a comprehensive in-country training program covering all associated provincial personnel. The Local Government Center (LGC), Asian Institute of Management (AIM), and the University of the Philippines Training Center for Applied Geodesy and Photogrammetry (TCAGP) will be used for this training.

For the Cooperating Government or Agency

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The PDAP and USAID staffs, using training consultants as needed, will monitor and participate in the proposed comprehensive provincial training program. They will review the program, including the long-range potential of the various training units (LGC, AIM, etc.), determine the deficiencies and make recommendations for modifying and expanding training materials and curriculum.

The detailed requirements for training are included in the Memorandum of Agreement which will be signed by each participating province.

- (3) Assist Provincial Development Councils, Council Working Committees and Development Staffs in the development of program planning, leadership, implementation, coordination, reporting and evaluation capabilities. (Centrally based PDAP and USAID Area Development Advisors at time of initial organization and as subsequently scheduled, followed by assigned PDAP/USAID Field Advisors).
- (4) Develop the following basic systems, techniques and guidances to facilitate the provincial development process, test them and train provincial personnel in their use:
  - (a) Comprehensive provincial planning. (Centrally based PDAP and USAID Area Development Specialists.)
  - (b) Organizational Analysis, Position Classification and Salary Standardization. (PDAP centrally based Personnel Administration Advisor.)
  - (c) Comprehensive Provincial Development Program Monitoring and Reporting. (Centrally based PDAP and USAID Area Development Specialists.)
  - (d) Participating Province Performance Evaluation. (Centrally based PDAP and USAID Area Development Specialists.)

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**PROJECT AGREEMENT  
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(e) Extension of the development process to the municipal and barrio levels through organization of Municipal Development Councils, active involvement of barrio citizens and development of improved channels of two-way vertical communication. (Centrally based PDAP and USAID Area Development Specialists.)

**b) To Develop and Institutionalize an Effective Provincial Engineering Capability**

This objective encompasses: the development of effective Provincial Equipment Pools; the development of comprehensive Provincial Road Network Development Plans; the development of effective Provincial Infrastructure Construction and Maintenance Programs; the strengthening of provincial engineering organization capabilities; and conduct of selected special contract studies related to provincial engineering and infrastructure development. PDAP and USAID/AD/PD technical field and contract assistance will contribute toward attainment of the objective as follows:

- (1) Assist project provinces in developing effective Provincial Equipment Pools, including initial planning, design, financing, budgeting, operation and parts procurement. (Centrally based PDAP and USAID Equipment Pool Advisors, PDAP and USAID Field Advisors.)
- (2) Assist the engineering offices of project provinces in planning, organizing for and carrying out the development of comprehensive Provincial Road Network Development Plans. (Centrally based PDAP and USAID Field Advisors, and assistance from contract specialists engaged in development of country-wide provincial road network survey.)

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(3) Assist project provinces in developing effective provincial infrastructure construction and maintenance programs, including use of modern capital improvement planning techniques and action program budgeting. (Centrally based PDAP and USAID Area Development Specialists and Fiscal Advisors, and PDAP and USAID Field Advisors.)

(4) Assist project provinces in organizing and staffing their engineering organizations and in making available specialized training for selected engineering personnel. (Centrally based PDAP and USAID Area Development Specialists, Centrally based PDAP and USAID Equipment Pool Advisors, and assigned PDAP and USAID Field Advisors.)

(5) Conduct the following special engineering studies designed to lay the groundwork for country-wide development of a program to enhance and extend provincial engineering capabilities. (Contract Technical Assistance as agreed by PDAP/USAID.)

(a) Country-wide provincial road network survey.

(b) Provincial engineering offices capability survey in 15 provinces.

(c) Study of the relative merits of labor-intensive, US capital-intensive development work in rural areas with special emphasis on cost, employment and impact, equipment configuration and production.

c) To Develop and Institutionalize Effective Provincial Fiscal Management Capability

This objective encompasses: the development and administration of comprehensive guidances and training for provincial property tax assessment and collection functions; the administration of specialized training

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in capital improvement programming and action budgeting techniques, and the development and application of systems, guidances and training for improving provincial procurement. PDAP and USAID/AD/PD technical and field assistance will contribute toward attainment of this objective as follows:

- (1) Complete development of comprehensive guidance for property tax assessment and collection functions, test as necessary, publish and develop and administer training course for appropriate provincial officials and technicians. (PDAP and USAID centrally based Tax and Fiscal Advisors.)
- (2) Develop and reproduce training materials and conduct Capital Improvement Training and Action Budget Seminars for new and selected old project provinces, their officials and technicians. (PDAP centrally based Fiscal Advisor and other PDAP centrally based advisors as assigned, with limited USAID standby assistance only from Fiscal Advisor.)
- (3) Conduct special study and develop improved procurement procedures which are legally acceptable, and easily understood and administered. Also develop necessary guidances and related training materials and design and conduct training courses for provincial officials and designated employees. (PDAP and USAID centrally based Fiscal Advisors and PDAP and USAID centrally based Area Development Specialists.)

**IV. Inputs**

**A. USAID**

1. Direct-hire Staff: Subject to AID/W's approval and the availability of personnel, the USAID will provide direct-hire personnel as follows:

For the Cooperating Government or Agency

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- a) Project Management 2
- b) Area Specialists 8
- c) Fiscal Administration Advisor 1
- d) Planning and Systems Advisor 1
- e) Community Development Advisor 1
- f) Equipment Pool Advisors 2

2. Given the availability of funds, the USAID will provide the following:

a) Contract Services:

(1) Technical Services:

Tax Mapping, Property Assessment, and  
EDP Tax System Specialists, and  
Short-Term Consultants

(2) Special Studies

Special studies will be carried out  
through contract as follows:

Country-wide provincial road network survey  
Provincial engineering offices capability  
survey (in 15 provinces)

Study of the relative merits of labor-  
intensive, U.S. capital-intensive  
development work in rural areas with  
special emphasis on cost, employment  
and impact, equipment configuration  
and production.

b) Participant Training

- (1) Observation tour for Governors.
- (2) Development Planning Administration - University of Connecticut in Development Administration (five provincial Coordinators and one LGC staff member).
- (3) Tax Observation - six Provincial Assessors and Treasurers and one from UPTCAGP.
- (4) Tax Observation - six Provincial Assessors and Treasurers and one from LGC.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

16

AID 1330-1A (8-63)  <b>PROAG</b> CONTINUATION SHEET  ANNEX <u>A</u>	<b>PROJECT AGREEMENT</b> BETWEEN AID AND <b>NATIONAL ECONOMIC AND DEVELOPMENT</b> AUTHORITY  AN AGENCY OF THE GOVERNMENT OF <b>THE PHILIPPINES</b>	1. Project/Activity No. <b>492-11-995-256</b>	PAGE <u>15048</u> PAGES
		2. Agreement No. <b>74-03</b>	3. <input checked="" type="checkbox"/> Original or Revision No. _____
		3. Project/Activity Title <p style="text-align: center;"><b>Local Development</b></p>	

c) Commodities

(1) New

PDS Office equipment and vehicles for four provinces (See illustrative listing on page 59 of the PROP.)

(2) Excess Property

Construction equipment and shop tools - an allocation of these items will be made to each province according to the agreed need. (See illustrative listing on pages 61 thru 64 of the PROP.)

B. GOP/PDAP

1. Personnel

In support of the overall coordination and management of the program, PDAP will provide the following personnel:

Project Management	2
Management and Technical Staff	8
Area Specialists	8
Equipment Specialists	4

2. Training (In-country)

PDAP will sponsor in-country training as described under III.C.2(a)(2) and in Attachment A to the New Province Agreement (Attachment B).

C. PL 480 Funding

Under this agreement and the terms and conditions as expressed in the implementing agreements referenced below, local currency funds will be utilized as follows:

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
 TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
 TITLE: \_\_\_\_\_

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<p align="center"><b>PROJECT AGREEMENT</b> BETWEEN AID AND <b>NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY</b></p> <hr/> <p align="center">AN AGENCY OF THE GOVERNMENT OF <b>THE PHILIPPINES</b></p>	1. Project/Activity No. <b>492-11-995-256</b>	PAGE <u>16</u> OF <u>18</u> PAGES
	2. Agreement No. <b>74-03</b>	3. <input checked="" type="checkbox"/> Original or Revision No. _____
	3. Project/Activity Title <p align="center"><b>Local Development</b></p>	

1. A P2-million revolving fund will be established to finance the local rehabilitation and transportation of property obtained under the excess property program. See Attachment C for details.
2. A P5-million fund will be established in PDAP from which provinces may borrow to finance infrastructure development projects and/or equipment pool development. (See Attachment D for details.)
3. P643,900 for the FY 1974 Operating Budget of PDAP. (See Attachment E and Counterpart Agreement CP No. 74165.)

**V. Outputs**

Output indicators for each of the major objectives to be attained within 12 months of the date of this agreement, have been established as follows:

1. Planning

- a) Provincial Development Councils and Working Committees in 14 provinces.
- b) Provincial Development Staffs operating in 15 provinces.
- c) One-Year Action Plan Budgets in 10 provinces.
- d) Provincial Road Network Development Plans in 6 provinces.
- e) Capital Improvement Programs (CIP) in 12 provinces.
- f) Project Monitoring and Data Collection Systems in 6 provinces.
- g) Comprehensive Provincial Development Plans in 3 provinces.

2. Demonstrated Capability to Implement Infrastructure Development and Maintenance Program

- a) Efficiently operating Equipment Pools with an average deadline rate under 20% in 10 provinces.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

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**PROJECT AGREEMENT  
BETWEEN AID AND  
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY**  
  
AN AGENCY OF THE GOVERNMENT OF  
**THE PHILIPPINES**

1. Project/Activity No. <b>492-11-995-256</b>	PAGE <u>17</u> OF <u>18</u> PAGES
2. Agreement No.	3. <input checked="" type="checkbox"/> Original or Revision No. _____
3. Project/Activity Title  <b>Local Development</b>	

- b) Demonstrated capability to construct or reconstruct 50 kms. of feeder roads per year in 9 provinces.
- 3. Demonstrated Capability to Implement an Improved Property Tax Administration Program
  - a) Operation of time-framed municipality-by-municipality Tax Mapping and Reassessment Program in 8 provinces.
  - b) Total assessed valuation increased at rate of 15-20% a year in 6 provinces.
  - c) Operation of time-framed municipality-by municipality Tax Education and Collection Program in 4 provinces.
  - d) Increased total Real Property Tax Collection at rate of 20-25% per year in 3 provinces.
- 4. A Demonstrated Capability to Finance Development Projects
  - a) First year of CIP incorporated in current annual budget in 9 provinces.
  - b) Integrated One-Year Action Program and Budget adopted in 7 provinces.
- 5. A National Government Commitment to Strengthen Provincial Government
  - a) Assignment of special staff (PDAP/USAID) to explore implications of expanded program.

**VI. Reporting and Evaluation**

**Reporting**

The GOP and USAID Project Managers will develop field reporting requirements on each facet of the program as required for effective supervision and monitoring of project progress. A standard report format will be developed and included as an amendment to this ProAg by September 30, 1973. As a minimum

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____	SIGNATURE _____ DATE: _____
TITLE: _____	TITLE: _____

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AID 1330-1A (8-63)  <b>PROAG</b> CONTINUATION SHEET  ANNEX <u>A</u>	<b>PROJECT AGREEMENT</b> BETWEEN AID AND <b>NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY</b>  AN AGENCY OF THE GOVERNMENT OF <b>THE PHILIPPINES</b>	1. Project/Activity No. <b>492-11-995-256</b>	PAGE <u>18</u> OF <u>18</u> PAGES
		2. Agreement No. <b>74-03</b>	3. <input checked="" type="checkbox"/> Original or Revision No. _____
		3. Project/Activity Title <p style="text-align: center;"><b>Local Development</b></p>	

this shall include field trip, monthly and quarterly reports in formats and number of copies specified by the Project Managers, by all PDAP and USAID Area Specialists and Technical Advisors. Other reporting requirements will be included in each sub-agreement negotiated under this project agreement. Distribution will include the PDAP and USAID Project Managers, the governor and appropriate officials of the province reported upon, the NEDA, the USAID Program Office and others as appropriate.

Evaluation

The progress of each province will be monitored through the various written reports and the PDAP/AD/PD monthly staff meetings.

At least one formal review of the progress of each participating province will be held each operating year and performance will be evaluated against the standards as stated in the PDAP/USAID agreements with each province.

An annual PDAP/AD/PD evaluation will be conducted at the end of each operating year to determine progress in the accomplishment of outputs and the attainment of objectives as stated herein above.

For the Cooperating Government or Agency

For the Agency, for International Development

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_  
 TITLE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_  
 TITLE \_\_\_\_\_

ATTACHMENT A

ANNUAL RECERTIFICATION FORMAT AND PDAP/PROVINCE  
AGREEMENT FOR PROVINCES THAT ENTERED PROGRAM PRIOR TO  
1 JULY 1973.

Col. Gregorio R. Vigilar  
Executive Director  
P D A P, Manila

Dear Col. Vigilar

Attached is the annual renewal certification application of the PROVINCE OF \_\_\_\_\_ indicating our desire to continue our participation in PDAP. Attached is a copy of the Board Resolution authorizing the submission of this application.

Copies of the documents indicated in SECTION IV of the application have been previously furnished to your office or are attached herewith. The joint work plan for FY 73-74 (SECTION V) has been approved and signed by your designated provincial representative.

We understand that in the future addition items may be listed to SECTION IV of the application as PDAP develops standard procedures for other provincial functions.

Yours truly,

ATTACHMENT A

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PROVINCIAL DEVELOPMENT ASSISTANCE PROJECT

ANNUAL RECERTIFICATION APPLICATION

- I. PROVINCE OF \_\_\_\_\_
- II. DATE OF ORIGINAL AGREEMENT \_\_\_\_\_
- III. DATE OF CURRENT AGREEMENT \_\_\_\_\_
- IV. DOCUMENTATION REQUIRED BY PDAP

<u>DOCUMENT</u>	<u>PERIOD COVERED</u>	<u>DATE PREPARED</u>
A. Equipment Pool Dev. Plan		
B. Road Network Dev. Plan		
C. CIP		
D. Action Plan/Budget		
E. Annual Report		

- V. JOINT PROVINCE/PDAP WORK PLAN FOR FY 73-74

(See Attached)

Having completed the documentation listed in Section IV above and the work plan identified in Section V, the PROVINCE OF \_\_\_\_\_, as authorized by Board Resolution No. \_\_\_\_\_ dated \_\_\_\_\_ herewith applies for continuing participation in PDAP thru FY 73-74. The PROVINCE herewith affirms its intention to complete the joint work plan and to the best of its ability comply with its obligations under the Memorandum of Agreement with PDAP.

SUBMITTED BY:

\_\_\_\_\_  
GOVERNOR

\_\_\_\_\_  
DATE

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MEMORANDUM OF AGREEMENT

The Provincial Government of \_\_\_\_\_,  
with offices at \_\_\_\_\_,  
represented herein by its Governor, duly authorized, hereinafter  
referred to as the PROVINCE,

- and -

The Provincial Development Assistance Project, represented herein  
by the Executive Director, duly authorized, hereinafter referred to  
as PDAP.

W I T N E S S E T H

WHEREAS PDAP and the PROVINCE have had a working agreement for  
a number of years to promote economic and social development of the  
province; and

WHEREAS a significant number of provincial employees have been  
trained in development planning, fiscal management, equipment  
maintenance and related government functions; and

WHEREAS PDAP has provided a significant amount of equipment for  
the Provincial Development Staff and the Provincial Equipment Pool;  
and

WHEREAS the PROVINCE has utilized the assistance of PDAP to  
prepare an Equipment Pool Development Plan, an annual Capital  
Improvement Program and an annual Action Plan/Budget; and

WHEREAS both parties agree that a continuing working relationship  
could contribute to the further economic and social development of  
the Province;

NOW, THEREFORE, for and in consideration of the foregoing, PDAP and the PROVINCE have agreed as follows:

SECTION I - ANNUAL RECERTIFICATION.

The PROVINCE has requested the execution of this Agreement and has met the requirements established by PDAP in the standard application which is attached as Attachment A and made a part of this Agreement.

SECTION 2 - TRAINING.

The PROVINCE will continue to send participants to PDAP sponsored training program.

SECTION 3 - SPECIAL PROGRAMS.

The PROVINCE and PDAP may execute a separate agreement covering support for the Provincial Equipment Pool or other special programs which from time to time become operational.

SECTION 4 - REPORTING REQUIREMENTS.

A trip report will be prepared each time a PDAP staff member visits the province. A copy of this report will be provided to the PROVINCE within 15 days after the PDAP staff member leave the province. The PROVINCE will submit to PDAP within 30 days after the end of each quarter a report of the progress of program activities. Within 30 days after the end of the fiscal year in lieu of a quarterly report the PROVINCE will submit to PDAP an annual report of accomplishment on the implementation of the program identified under this agreement.

SECTION 5 - DURATION OF AGREEMENT.

This Agreement will be in force for a period of thirteen months beginning 1 July 197\_\_, unless sooner terminated by either party upon written notice to the

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other 30 days in advance, provided that subsidiary agreements entered into between the parties relating to specific undertaking will to that extent only continue in force until completion. However, this Agreement may be extended for additional one year periods at the discretion of PDAF provided the PROVINCE submits a recertification application as specified in SECTION 1 of this Agreement.

Done in the City of Manila, Philippines, this \_\_\_\_\_ day of \_\_\_\_\_ 197\_\_.

PROVINCE OF

PROVINCIAL DEVELOPMENT ASSISTANCE PROJECT

\_\_\_\_\_

\_\_\_\_\_

BY:

BY:

\_\_\_\_\_

GOVERNOR

\_\_\_\_\_

EXECUTIVE DIRECTOR

SIGNED IN THE PRESENCE OF:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

ATTACHMENT B

PDAP/PROVINCE AGREEMENT AND WORK PLAN FOR PROVINCES  
THAT ENTER PROGRAM AFTER 1 JULY 1973.

MEMORANDUM OF AGREEMENT

The Provincial Government of \_\_\_\_\_, with offices at \_\_\_\_\_, represented herein by its Governor, duly authorized hereinafter referred to as the PROVINCE

- and -

The Provincial Development Assistance Project, represented herein by the Executive Director, duly authorized, hereinafter referred to as PDAP.

Recognizing the need for accelerating the economic and social development of the PROVINCE so as to achieve higher standard of living, more equitable distribution of income, and higher quality of life for its people;

Believing that these goals could better be achieved by an active partnership between the National Government and the PROVINCE;

Finding that the role of the PROVINCE as an effective partner in this program is limited by its resources to plan and implement programs and projects and that it is desirous of assistance to improve such capability; and

Conceding that PDAP is agreeable, under the agreement between the Government of the Philippines and the United States Agency for International Development, to provide assistance to the PROVINCE, to expand its capability to formulate and implement on a continuing basis action programs and projects to accelerate the development of the province;

Have adopted the following understanding:

SECTION 1. Program of Cooperation - PDAP and the PROVINCE agree to:

- a. Cooperate in programs designed to achieve the economic and social development of the province;

- b. Address their initial effort to Fiscal Administration, Agricultural Production and Marketing and Infrastructure Facilities, including Equipment Management; provided that this Memorandum of Agreement shall not be construed to preclude the PROVINCE from undertaking programs and projects in other areas of development;
- c. Integrate into the development program projects and activities in rural electrification, rural industries and family planning and nutrition.

**SECTION 2. Obligations of PDAP - PDAP commits to:**

- a. Make available to the PROVINCE services of PDAP staff members or consultants from time to time as need arises or when requested and to provide them with transportation to and from the province and per diems and other allowances authorized in existing regulations;
- b. Assist the PROVINCE in constituting a Provincial Development Staff and in the training of the members thereof and other provincial personnel;
- c. Provide office equipment and vehicles for the PDS as may be required and as may become available;
- d. Provide technical assistance in the preparation and implementation of an Equipment Pool Development Plan;
- e. Provide technical assistance in the formulation of a Multi-year Development Program, Road Network Development Plan, and Capital Improvement Program (CIP) for the province;
- f. Assist in the preparation of a one-year action plan and budget which is based on the CIP and multi-year development plan; and

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- g. Provide, under terms contained in a separate agreement to be arrived at between the parties to this Memorandum of Agreement, equipment obtained under the NEC/USAID excess property agreement as available and consistent with the ability of province to rehabilitate, maintain and utilize.

**SECTION 3. Obligations of the PROVINCIAL GOVERNMENT - The PROVINCE commits to:**

- a. Constitute in the Office of the Governor a full-time Provincial Development Staff composed of at least six technical members as follows:
  - (1) Provincial Development Coordinator - head of staff
  - (2) Project Analyst
  - (3) Fiscal Analyst
  - (4) Agricultural Analyst
  - (5) Infrastructure Analyst
  - (6) Researcher-Statistician
- b. Include above-mentioned positions in the Provincial Budget to insure continuity in local development planning and programs and provide tenure to members;
- c. Provide appropriate office space, clerical support and operational funds to the Provincial Development Staff;
- d. Participate, upon admission to the project, in conferences, seminars and workshops as outlined in Annex A of the Agreement;
- e. Contribute to the cost of training as described in Annex A in an amount estimated to be approximately ₱12,000;

- f. Send participants to PDAP-sponsored training programs and conferences, provide travelling expenses to and from the training site and other allowances that the participants might be entitled to under the regulations;
- g. Formulate a Multi-Year Development Program;
- h. Prepare a Multi-Year Capital Improvement Program harmonious with the Multi-Year Development Program;
- i. Formulate a one-year action program and budget before June 30 of each fiscal year based on programs and activities identified in the Multi-year Development Plan and Capital Improvement Program;
- j. Undertake programs in public administration including but not limited to improvement in the system of budgeting, real property assessment, tax administration, procurement and personnel management;
- k. Construct or improve the Provincial Equipment Pool to meet standards established in the Equipment Pool Development Plan;
- l. Provide funds and personnel for the maintenance and use of all equipment provided to the PROVINCE by the PDAP under terms of Section 2 of this Agreement;
- m. Submit an end-use report to PDAP within thirty days after receipt of any commodity or excess property obtained under and by virtue of this Agreement on forms provided by PDAP;
- n. Allow PDAP and USAID representatives to inspect commodity items issued to the PROVINCE by virtue of this Agreement and records relating to them during regular business hours;

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- o. Adhere to the work program outlined in Annex "B" which is an integral part of this Agreement; and
- p. Provide PDAP staff members or consultants while working in the province, office space, living quarters or accommodations, supplies and transportation required in the performance of their duties.

SECTION 4. Reporting Requirements. A trip report will be prepared each time a PDAP staff member visits the province. A copy of this report will be provided to the PROVINCE within 15 days after the PDAP staff member leave the province.

The PROVINCE will submit to PDAP within 30 days after the end of each quarter, a report <sup>on</sup> the progress of program activities. Within 30 days after the end of the fiscal year, in lieu of a quarterly report, the PROVINCE will submit to PDAP an annual report of accomplishments on the implementation of the program identified under this agreement.

SECTION 5. Duration of Agreement - This Agreement will be in force for a period of three years beginning 1 July 197\_\_, unless sooner terminated by either party upon written notice to the other 30 days in advance, provided that subsidiary agreements entered into between the parties relating to specific undertakings will continue in force until completion.

SECTION 6. Evaluation - Annual evaluation will be undertaken of the progress of the program under this Agreement. Failure of one party to comply with the obligations enumerated in Sections 2 and 3 above will provide the other party basis for advice of wish to terminate the Agreement pursuant to Section 4, above.

SECTION 7. Miscellaneous - Grant of equipment and supplies to the PROVINCE may be covered by separate agreements. Any violation of the terms of such agreements will also be proper ground for notice of termination of this Agreement without prejudice to the specific sanctions contained in such agreements.

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Done in the City of Manila, Philippines this \_\_\_\_\_  
day of \_\_\_\_\_, 197\_\_.

PROVINCIAL GOVERNMENT OF

\_\_\_\_\_

BY:

\_\_\_\_\_  
(GOVERNOR)

PROVINCIAL DEVELOPMENT  
ASSISTANCE PROJECT

BY:

\_\_\_\_\_  
EXECUTIVE DIRECTOR

Signed in the presence of:

\_\_\_\_\_

\_\_\_\_\_

SIX MONTHS TRAINING SCHEDULE FOR SIX PDAP PROVINCES

Course	Objective	Participants - (Six Provinces)	Duration	Cost Sharing (₱60 per person/per day)		
				PDAP	6 Provinces	Total
1. General Orientation A	Acquaint key provincial officials with their role provincial development, basic responsibilities in the Program and requirements for participation of the province into the project.	Govs./Vice Governor 2 Board Members Auditors, Treasurers, Agriculturists, Engineers, Prov'l. Health Officers (48 participants)	3 days	₱ 4,320.00	₱ 4,320.00 (₱720.00 per province)	₱ 8,640.00
2. General Orientation B	-do-	(42 participants)	3 days	3,780.00	3,780.00 (630.00 p/p)	7,650.00
3. Local Administration & Development Program.	Provide an overview of local government administration and local finance, development planning, project coordination & problems in local development.	Development Coordinators Project Analysts (12 participants)	44 days (including Sat. & Sun)	15,840.00	15,840.00 (2,640.00 p/p)	31,680.00
4. PDAP Orientation	Understand the role of PDS in local development	5 PDS Members (30 participants)	49 days (continuous, including Sat. & Sun.)	44,000.00	44,100.00 (7,350.00 p/p)	88,200.00
<b>BASIC SKILLS:</b>						
a. Basic Research Techniques	Provide PDS with understanding of research techniques.	-do-				

Course	Objective	Participants (Six Provinces)	Duration	Cost Sharing (#60 per person/per day)		
				PDAP	6 Provinces	Total
b. General Development Planning	Provide knowledge & skills in data collection and use, establishment of priorities plan prep., project monitoring and reporting.					
c. Project Feasibility Studies	Provide knowledge and skills in preparing feasibility studies.					
d. Capital Improvement Program	Provide knowledge and skills in preparing CIP.					
e. Budget and Action Plan Preparation	Provide knowledge and skills in prep. one year integrated action program and budget.					
5. Project Evaluation Conference	Review methods, approaches and problems encountered during operations.	Governor, Dev't. Coordinators, Project Analysts (18 participants)	5 days	2,700.00	2,700.00 (450.00 p/p)	5,400.00
T O T A L - - - - -				₱70,740.00	₱70,740.00 (₱11,790.00 per province)	₱141,480.00

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WORK PROGRAM

- I. First six (6) months (July-Dec) after the signing of the Agreement.
- A. Constitution of Provincial Development Staff and make it operational including the provision of adequate office space and clerical and operational support.
  - B. Participation in orientation conferences, seminars and workshops outlined in Attachment "A".
  - C. Conduct meetings of Provincial Government personnel and representatives of National Government offices in the province to acquaint them with the program of development and to seek their cooperation.
  - D. Prepare an Equipment Pool Development Plan in the format prescribed by PDAP and initiate implementation of the plan.
  - E. Initiate preparation of the Provincial Road Network Development Plan in the format prescribed by PDAP.
  - F. Initiate gathering of data and information and other measures preparatory to the formulation of a multi-year development program.
  - G. Submit required reports.
- II. Second six (6) months (Jan.-June) after signing of the Agreement.
- A. Complete the formulation of:
    - 1. Provincial Road Network Development Plan.
    - 2. Three-year Capital Improvement Program.
    - 3. One-year Action Plan/Budget for following fiscal year.
  - B. Secure adoption and approval of the budget by the Provincial Board to cover funding requirements of the one-year action program.
  - C. Initiate fiscal management improvement program.
  - D. Maintain an equipment deadline rate at the Provincial Equipment Pool at or below 25%.

E. Submit required reports.

III. Third six (6) months (July-Dec) after signing of the Agreement.

A. Start implementation of the one-year action program.

B. Install monitoring system which, among others, will include an operations room.

C. Prepare a report on evaluation of first-year's operation under the Agreement.

D. Initiate a Personnel Administration Program.

E. Start publication and issue of Provincial Development Newsletter or equivalent.

F. Complete first multi-year development plan.

G. Provincial officials including Provincial Development Staff members participate in conferences and seminars that may be conducted.

H. Submit required reports.

IV. Fourth six (6) months (Jan-June) after signing of Agreement.

A. Prepare the second Capital Improvement Program (CIP). This may include revision and updating of multi-year development plan.

B. Prepare the second one-year action plan/budget based on CIP and multi-year development plan.

C. Secure adoption thereof by the Provincial Board to provide funding to implement the second one-year action program.

D. Submit required reports.

V. Fifth six (6) months (July-Dec) after signing the Agreement.

A. Start implementation of second year action program.

- B. Evaluate implementation of first year action program. This will include comparing accomplishments with targets in the program, identification of problems met in its implementation and proposed measures to meet those problems.
  - C. Complete installation of position classification and salary plans.
  - D. Submit required reports.
- VI. Sixth six (6) months (Jan.-June) after signing the Agreement.
- A. Prepare the third Capital Improvement Program which may include revision and updating of the multi-year development program.
  - B. Formulate a one-year action plan/budget.
  - C. Secure adoption of the program and budget by the Provincial Board to provide funds to finance the third one-year action program.
  - D. In close collaboration with PDAP, prepare in depth evaluation of operations under the Agreement.
  - E. Determine future status of PDAP/PROVINCE relations.

ATTACHMENT C

PDAP/PROVINCE AGREEMENT COVERING EXCESS PROPERTY  
FOR PROVINCIAL EQUIPMENT POOLS. THIS AGREEMENT REQUIRED  
FOR ALL PROVINCES.

A G R E E M E N T

KNOW ALL MEN BY THESE PRESENTS:

This Agreement, cited as the "Equipment Pool Agreement", made and executed at the City of Manila, Philippines, this \_\_\_\_\_ day of \_\_\_\_\_ 197\_\_ by and between

The Provincial Development Assistance Project (PDAP), represented in this Agreement by the Executive Director, duly authorized, hereinafter referred to as PDAP and

The Provincial Government of \_\_\_\_\_, with offices at \_\_\_\_\_, \_\_\_\_\_, represented in this Agreement by its Governor, duly authorized, hereinafter referred to as the PROVINCE.

W I T N E S S E T H

WHEREAS, pursuant to the provisions of Section 607 of the U.S. Foreign Assistance Act of 1961, as amended, the American Government, through the Agency for International Development in the Philippines, hereinafter referred to as USAID, has made available to the Philippine Government, U.S. Excess Property to assist in the accomplishment of the objectives of the Foreign Assistance Act and the Economic and Technical Cooperation Agreement between the Government of the United States of America and the Government of the Philippines;

WHEREAS, the PROVINCE has prepared an Equipment Pool Development Plan in accordance with the format prescribed by PDAP a copy of which has been provided to PDAP and USAID;

WHEREAS, the PROVINCE has agreed to prepare a Road Network Development Plan in accordance with the format described by PDAP;

WHEREAS, the PROVINCE has agreed to annually prepare a Capital Improvement Program (CIP) which includes public work type projects that

will contribute to the economic development of the province and in order to carry out these projects various items of equipment must be procured;

WHEREAS, the PROVINCE has agreed to annually prepare an Action Plan/Budget in accordance with the format approved by PDAP;

WHEREAS, procurement of items of heavy equipment may be from the U.S. Excess Property sources; and

WHEREAS, the Government of the Philippines, and USAID have entered into an agreement for the procurement of said equipment for the PROVINCE;

NOW, THEREFORE, for and in consideration of the foregoing, PDAP and the PROVINCE have agreed as follows:

1. Under procedures identified as the "607 Program", equipment will be provided to the PROVINCE from excess property located at U.S. Military Bases in the Philippines in accordance with terms and conditions specified in attached Annex "A", which annex is an integral part of this Agreement.
2. Under procedures identified as "Rehabilitated Equipment", equipment will be provided to the PROVINCE from world-wide excess property sources of USAID in accordance with terms and conditions specified in attached Annex "B", which annex is an integral part of this agreement.
3. Equipment provided to the PROVINCE from all sources identified above, subject to the mutual concurrence of the GOP and USAID Project Managers of Project No. 492-11-995-256, are to be based on requirements specified in the Equipment Pool Development Plan and the current Capital Improvement Program of the province that has been prepared in accordance with minimum standard established by PDAP.

4. Equipment will not be provided by PDAP to the PROVINCE in the absence of an Equipment Pool Development Plan.
5. Equipment will not be provided to the PROVINCE in the absence of a Road Network Development Plan, a current Capital Improvement Program and a current Action Plan/Budget except during the first fiscal year after the initial signing of a Memorandum of Agreement between PDAP and the PROVINCE except further that PDAP may grant one six-month waiver on the requirement for a Road Network Development Plan.
6. The PROVINCE shall provide funds, repair facilities and personnel to maintain in operating condition all equipment that is received under this Agreement.
7. The PROVINCE shall provide funds for operational expenses required to utilize equipment received under this agreement for the purpose for which such equipment was acquired as indicated in the development plans of the province.
8. Funds deposited in the Special Equipment Pool Development Account, as provided in Annex B, may be withdrawn for use in implementing the Equipment Pool Development Plan of the PROVINCE, provided:
  - a. All requests are submitted on standard forms provided by PDAP.
  - b. Local funds are appropriated in an amount at least equal to the amount of the requested withdrawal.
  - c. PDAP concurs that the designated use relates to implementation of the Equipment Pool Development Plan.
9. The PROVINCE agrees to submit to PDAP and AID within 30 days after the end of each fiscal year, an annual report on the use of the equipment received and the capital and maintenance

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projects that were accomplished with it. Failure to submit such report will automatically suspend the effectiveness of this Agreement until such time the required report has been submitted. Failure to submit the report within 120 days after the end of the fiscal year will automatically terminate this Agreement.

10. The PROVINCE agrees to submit "End Use Reports" for each piece of equipment within 30 days after it is received and to submit subsequent "End Use Reports" every six months: (a) for one year in the case of "607" situs equipment and (b) for three years on each piece of equipment acquired under provision of Annex B.
11. The PROVINCE agrees that representatives of PDAP and/or USAID shall have the right to examine the equipment received under this Agreement and to inspect any accounts or records concerning the use made of such property until the last required end use report has been filed but in no case longer than 3 years after physical receipt of said property, and to direct appropriate disposition of property not being used for the purpose specified herein.
12. For a period three years after physical receipt of equipment covered by the government, the PROVINCE agrees not to transfer, export or otherwise dispose of such equipment without the prior approval of PDAP and USAID.
13. If within the period of three years mentioned above, PDAP and USAID determine that the equipment covered by this agreement is being utilized for some other purposes than are specified in this Agreement, the PROVINCE agrees that PDAP and USAID may direct the disposal (by sale if necessary) of such equipment and the PROVINCE agrees to conduct such sale under such conditions, including purchaser eligibility, specified by PDAP and USAID.

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14. In the event that the sale of any equipment is directed by PDAP and USAID as provided in this agreement, the proceeds of such sale shall be deposited into a Special Account in the Central Bank of the Philippines, and used only for such developmental purposes as may be agreed upon between PDAP and USAID.
15. PDAP and USAID make no warranty as to the condition or as to suitability for proper use of the equipment furnished under this Agreement.
16. Provisions in paragraph 11 notwithstanding, the PROVINCE may at any time dispose of equipment acquired under this Agreement, if it is economically impractical to maintain such equipment in an operating condition, provided PDAP and USAID give their prior written approval. Any proceeds that may be derived under this section shall accrue to the PROVINCE.
17. Equipment will not be delivered to the PROVINCE if the deadline rate in the provincial equipment pool exceeds 25% for a 30-day period or is greater than 35% at any given time. Once suspended from participation in this program because of an excessive deadline rate, a province is not eligible for reinstatement until the deadline rate has been reduced to the acceptable level and a period of three months has elapsed. After a second suspension, a PROVINCE is ineligible to receive additional equipment for a period of one year. A third suspension will ban the PROVINCE from further participation in the program.
18. All equipment provided by USAID under prior agreements between NEC and the PROVINCE are subject to the terms and conditions of this Agreement.
19. Any prior agreements between NEC and the PROVINCE covering the acquisition of equipment from USAID Excess Property sources is superseded by this Agreement.

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20. This Agreement may be terminated by either party within 30 days after written notice is provided to the other, but will automatically terminate on 30 June of each year, unless the PROVINCE applies for an extension in the manner provided by PDAP and the latter approves such request, except that upon termination for any cause provisions of sections 6, 7, 9, 10, 11, 12, 13, 14, and 18 are binding on the PROVINCE until such time as the PROVINCE has fulfilled all obligations under Section 10 of this Agreement.

IN WITNESS WHEREOF, the parties have hereto affixed their signatures at the place and on the date first above written.

PROVINCIAL DEVELOPMENT  
ASSISTANCE PROJECT

PROVINCE OF \_\_\_\_\_  
\_\_\_\_\_

BY:

BY:

\_\_\_\_\_  
Executive Director, Provincial  
Development Assistance Project

\_\_\_\_\_  
Provincial Governor

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ANNEX A

607 PROGRAM

1. Based on information in the Capital Improvement Program, the PROVINCE may request excess property equipment in an "as is, where is" condition from U.S. Military Bases located in the Philippines.
2. All cost involved in transportation of the equipment to the province and the repair of the equipment will be borne by the PROVINCE.
3. As a condition of receiving equipment under the 607 Program, the PROVINCE agrees to promptly appropriate and obligate funds for the transportation and repair of the equipment in an amount mutually agreed between the PROVINCE and PDAP or in the absence of a mutual agreement an amount in peso equivalent to not less than ten percent (10%) of original acquisition cost (OAC) of the equipment. Notice of said appropriation and obligation of funds for this purpose shall be sent to PDAP.
4. IF the PROVINCE acquires equipment under this program and does not initiate repairs within four months after taking title to the equipment, PDAP is authorized to suspend the PROVINCE from further participation in the program until the required repairs are completed. A second suspension under provision of this paragraph could result in termination of the agreement by PDAP.

## ANNEX B

### REHABILITATED EQUIPMENT

1. Based on information in the Province Equipment Pool Development Plan and the Capital Improvement Program, PDAP will attempt to locate the units of equipment required by the PROVINCE.
2. When an item of equipment has been located, PDAP will advise the PROVINCE of the availability of such unit. Upon acceptance of the offer, the PROVINCE will deposit with PDAP an amount in pesos equal to 35% of the Original Acquisition Cost (OAC) of the unit being acquired. Of this amount, 25% OAC will be used by PDAP for acquisition of the equipment including in-country transportation. The remaining 10% OAC will be placed in a special Equipment Pool Development account in trust for the PROVINCE.
3. After acceptance of the offered unit by the PROVINCE, PDAP will cause a procurement order to be issued by USAID. If for any reason the order cannot be filled, then the deposit of 35% OAC will be returned to the PROVINCE.
4. After a purchase order has been issued by USAID, the PROVINCE cannot cancel its acceptance of the equipment except with the specific concurrence of both PDAP and USAID.
5. When the equipment is available for delivery to the PROVINCE, PDAP will at its discretion, arrange transportation to the port nearest the equipment pool of the PROVINCE or where applicable will arrange surface transportation to the equipment pool of the PROVINCE.
6. Ownership of the equipment shall be vested with USAID when the equipment is shipped by AID (Logistics Service Branch) or USAID. Title passes upon delivery to the consignee and the PROVINCE shall thereafter assume all responsibilities incident to ownership of such property, including but not limited to, all risks of loss of or damage to the property and all damages caused by the property.

ATTACHMENT D

TWO STANDARD PDAP/PROVINCE AGREEMENTS COVERING  
LOANS FOR EQUIPMENT FACILITIES (FOR NEW PROVINCES) AND  
DEVELOPMENT PROJECTS.

A G R E E M E N T

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT made and executed at the City of Manila,  
Philippines this \_\_\_\_\_ day of \_\_\_\_\_, 197\_\_\_\_,  
by and between:

The Provincial Development Assistance Project, represented  
by the Project Executive Director, duly authorized, hereinafter  
referred to as PDAP, and

The PROVINCIAL GOVERNMENT OF \_\_\_\_\_, with  
Office at \_\_\_\_\_, represented in  
this Agreement by its Governor, duly authorized, hereinafter  
referred to as the PROVINCE.

W I T N E S S E T H

WHEREAS, pursuant to the provisions of the Project Agreement, dated  
\_\_\_\_\_, between PDAP and USAID, loan funds have been made  
available to the Philippine Government to assist with the construction  
of provincial development projects in PDAP provinces;

WHEREAS, the PROVINCE of \_\_\_\_\_ has undertaken a  
development program in accordance with procedures and program approved  
by PDAP;

WHEREAS, the PROVINCE has completed a multi-year Comprehensive  
Development Plan;

WHEREAS, the PROVINCE prepared an Equipment Pool Development Plan;

WHEREAS, the PROVINCE has prepared and adopted a current Capital  
Improvement Program;

WHEREAS, the PROVINCE has prepared and adopted a current Action Plan/  
Budget;

ATTACHMENT D

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WHEREAS, the PROVINCE has prepared a feasibility study that supports the desirability of undertaking \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_;

WHEREAS, the PROVINCE has secured the concurrence of the appropriate NATIONAL GOVERNMENT agency concerned with this project;

WHEREAS, the PROVINCE has limited financial ability to immediately undertake some of the larger projects;

WHEREAS, the PROVINCE welcomes outside help and desires to participate in the PDAP Special Development Program;

WHEREAS, the Provincial Board by Resolution No. \_\_\_\_\_ dated \_\_\_\_\_ has authorized the Governor to submit an application to PDAP for a loan to finance this project;

WHEREAS, the PROVINCE has appropriate from local funds for this project an amount equal to at least 10% of the estimated cost;

NOW, THEREFORE, for and in consideration of the foregoing, PDAP, and the PROVINCE have agreed as follows:

1. That PDAP will make available to the PROVINCE a loan in the amount of \_\_\_\_\_ which will be used solely for the implementation of the above-stated project.
2. Any additional funds required to complete the project will be appropriate by the PROVINCE from local funds before any additional capital projects are initiated by the PROVINCE.
3. The annual rate of interest will be \_\_\_\_\_ percent.
4. The term of the loan will be \_\_\_\_\_ years (not to exceed 10 years) as computed from the date of the first withdrawal of funds from PDAP.

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5. Interest during the first year will be waived.
6. The grace period on principal payment is two years.
7. The principal will be paid in equal payments over the remaining term of the loan.
8. Interest will be paid annually.
9. The initial withdrawal of funds cannot exceed 25% of the total amount of the loan.
10. Subsequent withdrawal must be accompanied by a certified statement by the Provincial Engineer indicating the percentage of work accomplished to date.
11. Proceeds of the loan not utilized by \_\_\_\_\_ will revert to the PDAP revolving fund and will no longer be available to the PROVINCE.

PROVINCIAL DEVELOPMENT ASSISTANCE PROJECT

BY:

\_\_\_\_\_

\_\_\_\_\_

DATE

PROVINCIAL GOVERNMENT OF \_\_\_\_\_

BY:

\_\_\_\_\_

\_\_\_\_\_

DATE

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A G R E E M E N T

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT made and executed at the City of Manila, Philippines this \_\_\_\_\_ day of \_\_\_\_\_, 197\_\_\_, by and between:

The Provincial Development Assistance Project, represented by the Project Executive Director, duly authorized, hereinafter referred to as PDAP, and

The PROVINCIAL GOVERNMENT of \_\_\_\_\_, with office at \_\_\_\_\_, represented in this Agreement by its Governor, duly authorized, hereinafter referred to as the PROVINCE.

W I T N E S S E T H

WHEREAS, pursuant to the provisions of the Project Agreement, dated \_\_\_\_\_, between PDAP and USAID, loan funds have been made available to the Philippine Government to assist with the construction of provincial development projects in PDAP provinces;

WHEREAS, the PROVINCE has initially joined the PDAP program during the current fiscal year;

WHEREAS, the PROVINCE has undertaken a development program in accordance with procedures and program approved by PDAP;

WHEREAS, the PROVINCE has completed a multi-year Comprehensive Development Plan;

WHEREAS, the PROVINCE must construct maintenance and other support facilities to properly service the equipment required to implement anticipated development project;

WHEREAS, the PROVINCE has prepared an Equipment Pool Development Plans which defines projected needs of the PROVINCE;

SV

WHEREAS, the PROVINCE does not have the financial ability to immediately implement this required maintenance facility;

WHEREAS, the PROVINCE welcomes outside help and desires to participate in the PDAP Special Development Program;

WHEREAS, the Provincial Board by Resolution No. \_\_\_\_\_ dated \_\_\_\_\_ has authorized the Governor to submit an application to PDAP for a loan to finance the construction of a provincial equipment pool in accordance with the approved plan;

WHEREAS, the PROVINCE has appropriate from local funds for this project an amount equal to at least 10% of the estimated costs;

NOW, THEREFORE, for and in consideration of the foregoing, PDAP, and the PROVINCE have agreed as follows:

1. That PDAP will make available to the PROVINCE a loan in the amount of \_\_\_\_\_ which will be used solely for the implementation of the provincial equipment pool.
2. Any additional funds required to complete the project will be appropriate by the PROVINCE from local funds before any additional capital projects are initiated by the PROVINCE.
3. The annual rate of interest will be \_\_\_\_\_ percent.
4. The term of the loan will be \_\_\_\_\_ years (not to exceed 10 years) as computed from the date of the first withdrawal of funds from PDAP.
5. Interest during the first year will be waived.
6. The grace period on principal payment is two years.
7. The principal will be paid in annual equal payments over the remaining term of the loan.

8. Interest will be paid annually.
9. The initial withdrawal of funds cannot exceed 25% of the total amount of the loan.
10. Subsequent withdrawal must be accompanied by a certified statement by the Provincial Engineer indicating the percentage of work accomplished to date.
11. Proceeds of the loan not utilized by \_\_\_\_\_ will revert to the PDAP revolving fund and will no longer be available to the PROVINCE.

PROVINCIAL DEVELOPMENT ASSISTANCE PROJECT

BY:

\_\_\_\_\_

\_\_\_\_\_

DATE

PROVINCIAL GOVERNMENT OF \_\_\_\_\_

BY:

\_\_\_\_\_

\_\_\_\_\_

DATE

ATTACHMENT E

OPERATIONAL BUDGET OF THE PROVINCIAL DEVELOPMENT  
ASSISTANCE PROJECT (PDAP). BUDGET FIGURES DO NOT INCLUDE  
SALARIES OF PERSONNEL THAT ARE ASSIGNED TO PDAP ON DETAIL  
FROM OTHER GOP AGENCIES.

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PROVINCIAL DEVELOPMENT ASSISTANCE PROJECT

FY 74 BUDGET

1. Financing

The budgetary requirements for PDAP operations will be financed by withdrawals from the Counterpart Fund Special Account.

2. PDAP Budget:

The budget for administering this project will be for the period July 1, 1973 to June 30, 1974, in the amount of ₱643,828.00, as shown in detail in the attached budget of expenditures. Funds provided herein will not be used for payment of obligations incurred prior to the effective date of this Agreement.

3. Operating Procedure:

The initial release of administrative funds to the project may be authorized at the time of approval of this Agreement. Subsequent releases of funds will be made by NEDA upon request of the PDAP Executive Director and in accordance with the bridge of expenditures Administrative funds released to the Executive Director will be deposited in the Philippine National Bank in a current account designated "Provincial Development Assistance Project (FY 74)".

Withdrawals will be made by checks signed by the Executive Director, or his designee, or his designated Deputy, and countersigned by an authorized official other than the Project Accountant.

No obligations are authorized under this project after June 30, 1974, unless it is extended in writing by the NEDA and USAID.

Payments of outstanding obligations will be made within 60 days from June 30, 1974. Any funds then remaining will be returned to NEDA and redeposited in the Counterpart Fund Special Account.

Funds and other resources made available to PDAP to provide special support to specific projects shall be governed by this agreement and other arrangements between the donors and the NEDA.

4. Property Acquisition and Disposition:

All items of equipment and/or furniture and fixtures acquired with counterpart funds will be properly labelled with the joint AID-NEDA emblem, and a permanent record of each item showing the cost, location, vendor's name, and procuring voucher number will be maintained. All equipment acquired by PDAP and all supplies not consumed will be turned over to the NEDA or DLGCD upon completion of their use or the phase out of PDAP.

Property and funds of this project will be subject to physical examination and the books of accounts and other records including property records being maintained by the project will be subject to audit and examinations by the NEDA and the USAID Controller at such reasonable times as they may desire to make such examination.

5. Reporting Procedure:

Monthly reports of receipts, disbursements and outstanding obligations or commitments on forms prescribed by NEDA/AID together with a trial balance will be submitted by the PDAP Executive Director to NEDA and to the AID not later than 10 days following the close of each month.

Republic of the Philippines  
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY  
M a n i l a

PROVINCIAL DEVELOPMENT ASSISTANCE PROJECT  
(Name of Project)

Date: July 3, 1973

July 1, 1973-June 30, 1974  
Fiscal Year

SUMMARY OF PESO REQUIREMENTS FROM THE COUNTERPART FUND-SPECIAL ACCOUNT

	F u n d s To be provided
1. Salaries and Wages - - - - -	P 62,128.00
a. Insurance - - - - -	-
2. Equipment Including Office Furniture - - - - -	12,700.00
3. Expendable Supplies - - - - -	50,000.00
4. Transportation - - - - -	140,000.00
5. Postal, Telegraph, Telephone Service - - - - -	5,000.00
6. Rentals, Illumination, etc. - - - - -	-
7. Special Services Including Contractual Service - - - - -	124,000.00
8. Construction Materials - - - - -	-
9. Other Services - - - - -	105,000.00
10. Educational and Informational Program - - - - -	<u>145,000.00</u>
T O T A L - - - - -	<u><u>P643,838.00</u></u>

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PROJECT: PROVINCIAL DEVELOPMENT ASSISTANCE PROJECT (FY 74)

FISCAL YEAR: July 1, 1973 to June 30, 1974

Page 1 of 3  
Date: July 3, 1973

Detailed specifications in full for services, materials for equipment	How they will be used and under what conditions	Quantity	FUNDS TO BE PROVIDED				TOTAL PESOS
			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
<u>I. Salaries and Wages</u>  For hire of temporary technical, clerical and other employees in accordance with existing salary rates as needs arise.	To attend to the administra- tive and other operational details of the Project		₱15,532.00	₱15,532.00	₱15,532.00	₱15,532.00	₱62,128.00
<u>II. Equipment Including Office Furniture</u>	For office equipment for the project.		6,350.00			6,350.00	12,700.00
<u>III. Expendable Supplies</u>	For office supplies, gaso- line, oil, tires and spare parts for project vehicles, etc.		10,000.00	10,000.00	15,000.00	15,000.00	50,000.00
<u>IV. Transportation</u>	For traveling expenses and per diems of personnel to be sent to 18 pilot pro- vinces.		29,208.00	29,208.00	40,812.00	40,772.00	140,000.00
<u>V. Postal, Telegraph and Telephone Services</u>	For communication expenses		1,270.00	1,250.00	1,250.00	1,250.00	5,000.00
<u>VI. Rentals, Illuminations, etc.</u>	For rent of office space, electric and water expenses		-	-	-	-	-

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PROJECT: PROVINCIAL DEVELOPMENT ASSISTANCE PROJECT (FY 74)

Page 2 of 3  
Date: July 3, 1973

FISCAL YEAR: July 1, 1973 to June 30, 1974

Detailed specifications in full for services, materials for equipment	How they will be used and under what conditions	Quantity	FUNDS TO BE PROVIDED				TOTAL P E S O S
			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
VII. <u>Special Services Including Contractual Service</u>	For hire of contractual personnel and other contractual services:						
	a. Contractual personnel		₱13,500.00	₱13,500.00	₱13,500.00	₱13,500.00	₱ 54,000.00
	b. Contractual service for PDAP take over from USAID of Sangley Operation re-segregation, inventory, processing and issuance of spare parts and tools to PDAP provinces.		30,000.00		30,000.00		60,000.00
	c. Contingency Allowance and Consultants Pool		2,500.00	2,500.00	2,500.00	2,500.00	10,000.00
	T O T A L - - -		₱ 46,000.00	₱16,000.00	₱46,000.00	₱16,000.00	₱124,000.00
VIII. <u>Construction Materials</u>	None		-	-	-	-	-

PROJECT: PROVINCIAL DEVELOPMENT ASSISTANCE PROJECT (FY 74)

Page 3 of 3

Date: July 3, 1973

FISCAL YEAR: July 1, 1973 to June 30, 1974

Detailed specifications in full for services, materials for equipment	How they will be used and under what conditions	QUANTITY	FUNDS TO BE PROVIDED				TOTAL PESOS
			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
IX. <u>Other Services</u>	For allowances and other expenses not included in any of the above items, and including cost of training of provincial representatives together with their transportation and per diems during their period of training.		₱24,750.00	₱24,750.00	₱27,750.00	₱27,750.00	₱105,000.00
X. <u>Education and Informational Services</u>	For Seminars/Workshops, Conferences, PDAP Organ, and other informational materials.		36,250.00	36,250.00	36,250.00	36,250.00	₱145,000.00
	T O T A L - - - - -	- - -	₱172,340.00	₱135,990.00	₱185,594.00	₱161,944.00	₱643,828.00