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RURAL SERVICE CENTER PROJECT

EVALUATION
(NEDA - USAID PROJECT NO. 492-0304)

PREPARED BY

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OCTOBER 20, 1979

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I. INTRODUCTION

This review is made in compliance with the project agreement between the Government of the Philippines (GOP) and the United States Agency for International Development (USAID) which calls for the establishment of an evaluation program for the purpose of:

- a) evaluation of progress toward attainment of the objectives of the project;
- b) identification and evaluation of problem areas of constraints which may inhibit such attainment;
- c) assessment of how such information may be used to help overcome such problems, in this or other projects; and
- d) evaluation, to the degree feasible, of the overall development impact of the project.

The evaluation team composed of Dr. James B. Mayfield, Professor, Department of Political Science, University of Utah, representing the USAID, and Dr. Jose P. Leveriza, Associate Professor of Public Administration, Graduate School, Bicol University, and Mrs. Rosemary M. Aquino, Director, Project Management Center, De La Salle University, representing the GOP, seeks to assess the program toward the attainment of the objectives of the Rural Service Center Project (RSC) as described in Project Grant Agreement (March 17, 1978):

- a) to upgrade the administrative capacity of local government in selected cities to plan and implement development projects;
- b) to increase participation of the most disadvantaged citizens of cities participating in the program and implementation of development subprojects which have impact on those citizens as project beneficiaries;
- c) to establish a process of continuous project identification and development based upon dialogue between city officials and project beneficiaries, and financed by regular reimbursements for already completed projects designed and implemented in accordance with the RSC program Handbook of Operations;
- d) to strengthen the capability of the Grantee to carry on sustained technical and financial assistance to local governments in selected chartered cities.

The review has been conducted through a combination of general interviews with representatives of the Ministry of Local Government and Community Development, the Ministry of the Budget and

the Ministry of Finance; special in-depth interviews with the staff of the Provincial Development Assistance Project (PDAP), City Development Assistance Project (CDAP), City Development Coordinators associated with the RSC project, city mayors, members of city councils, Community Planning and Development Boards, City Social Action Teams, Barangay Social Action Teams, City Development Coordinator staff, officials from other local government level agencies and programs, and interested citizens from the cities visited.

An Evaluation Team-Building Workshop was conducted with participants from CDAP, City Development Coordinators, USAID Consultants and staff in order to develop an environment of trust and openness in which the CDAP staff, the CDC's responsible for implementing the RSC project in their respective cities could share common problems and perceptions. During the course of this workshop, some preliminary progress in the areas of trust building, perception sharing, and problem identifying was developed to the point where several problems--which before could not have been openly discussed--were discussed, where some problems which before were not clear--were clarified, and where the causes of the problems identified and discussed were openly considered and accepted.

A great deal of effort was expended in reviewing GOP and USAID documents, agreements, project papers, earlier evaluation reports, and in-house correspondence and records to ascertain the extent to which initial program agreement expectations being considered, implemented and monitored over time.

Extensive in-depth interviews were conducted with officials at the ministerial level, the CDAP Manila office level, at the city level and members of the City Development and Planning staffs, associations of the poor leaders and members, barangay leaders and residents and other interested citizens.

The evaluation team structured their investigation into three major scopes of work:

- a) A general review of the administrative and structural problems that may exist between the CDAP office and the broader Ministry of Local Government and Community Development, other ministries concerned with program implementation at the city level, and other agencies, programs, and activities which may cause impact on the CDAP program functioning in the chartered cities.
- b) A general review of the financial and budgetary procedures and systems which may reflect positively or negatively on the timely implementation and reimbursement schedules associated with this program, with special concern given to the availability of funding for project implementation of both the Manila CDAP level and the chartered city level.

- c) A descriptive analyses of the relationship that exists between the City Planning and Development Staff (CPDS) and the various organizations and associations of the poor to facilitate participation in identifying and implementing specific projects structured to improve the quality of life for targeted "poorest of the poor" located in the disadvantaged areas of the participating chartered cities.

Our report consists of the general background on the inter-relationship between the "umbrella" organization that is the Provincial Development Assistance Project (PDAP), and the RSC-CDAP, especially on matters of administrative, fiscal, budgeting, and personnel system.

Based on major observations of the evaluation team and backed up by their interviews among sectors involved--the Project, upon updating of certain sections of this report, such as on the training and administration development component, and institution-building component, instructing, recruiting, training and helping the poor participate in project planning and implementation, it is our opinion that this will lead to well laid-out structuring for long-term strategies to ensure the success of the Program.

A. PROJECT EVALUATION SUMMARY

Rural Service Center Project

Total Estimated Project Cost: \$6,304,012.00

U. S. Contribution: \$1,562,000.00

Period Covered by Evaluation: March 1978 - September 1979

	<u>List of Recommendations Reached by Joint Evaluation Team:</u>	<u>Responsible for Action</u>	<u>Action Date</u>
1.	Update project <u>FINANCIAL PLAN</u> for FY 1980 by amending Grant Project Agreement of March 17, 1978.	CDAP/USAID	11/79
2.	Update <u>PROJECT DESCRIPTION</u> dated March 17, 1978.	CDAP/USAID	11/79
3.	Update <u>PROJECT LOG FRAME</u> in Project Paper.	CDAP/USAID	11/79
4.	Prepare detailed <u>GOP IMPLEMENTATION PLAN</u> .	CDAP/USAID	3/80
5.	Prepare a flow chart of all procedures pertinent to CDAP <u>SOCIAL ACTION PROJECTS</u> .	CDAP	1/80
6.	Prepare a standard format for all manuals proposed in the CDAP <u>MANUAL SYSTEM</u> .	CDAP/CITIES/ USAID	2/80
7.	Prepare a <u>Manual</u> for the <u>SOCIAL DEVELOPMENT PLAN</u> .	CDAP/CITIES/ USAID	8/80
8.	Prepare a <u>MANUAL</u> for the <u>Implementation</u> of the Social Action Development Plan.	CDAP/CITIES/ USAID	8/80
9.	Revise the CDAP <u>OPERATIONS MANUAL</u>	CDAP/CITIES/ USAID	8/80
10.	Separate CDAP (RSC Project) from PDAP for administrative and budgetary purposes. (Provided CDAP with the option of sharing some technical and general administrative support under the direction of the Office of the Deputy Minister of Local Government, MLGCD).	MLGCD/PDAP/ CDAP	1/80

	<u>List of Recommendations Reached by Joint Evaluation Team:</u>	<u>Responsible for Action</u>	<u>Action Date</u>
11.	Establish a KBI (KEY BUDGET ITEM) for CDAP within the MLGCD budget.	MLGCD/PDAP CDAP	1980
12.	Establish a separate accounting, disbursing, budgeting, financial and auditing system for CDAP.	MLGCD/PDAP/ CDAP	1980
13.	Provide at least a one-year appointment to contract personnel in CDAP.	CDAP	11/79
14.	Establish a <u>RECORDS MANAGEMENT SYSTEM</u> in CDAP.	CDAP	1/80
15.	Continue to focus on only the existing 16 cities in the RSC Project supported in CDAP.	CDAP/USAID	8/80
16.	Review the proposed GOP expansion of CDAP concepts and support activities in the July-August 1980 process impact evaluation.	CDAP/USAID	8/80
17.	Provide adequate office space to the RSC Consultants.	CDAP	11/79

B. SUMMARY

A mid-project evaluation of the Rural Service Center Project (RSCP) was conducted during the period September 20, 1979 - October 20, 1979 by a contract team from the Government of the Philippines (GOP) and the United States Agency for International Development (USAID). This Evaluation Team included James B. Mayfield, Professor, Department of Political Science, University of Utah; Jose P. Leveriza, Professor and Director of Research, Bicol University; and Rosemary M. Aquino, Director, Project Management Center, De La Salle University.

This mid-project evaluation is made in compliance with Article 5: Section 5.1 (Project Evaluation) of the Project Agreement dated March 17, 1978 between the GOP and USAID. 1/ The agreement calls for the establishment of an evaluation program to be conducted "during the implementation of the Project" for the purpose of:

1. evaluation of progress toward attainment of the objectives of the project;
2. identification and evaluation of problem areas or constraints which may inhibit such attainment;
3. assessment of how such information may be used to help overcome such problems, in this or other projects; and
4. evaluation, to the degree feasible, of the overall development impact of the project.

This "Mid-Project" type of evaluation seeks to assess the progress toward attainment of the objectives of the RSC project as described in Project Grant Agreement (March 17, 1978) Annex 1):

1. to upgrade the administrative capacity of local government in selected cities to plan and implement development projects;
2. to increase participation of the most disadvantaged citizens of cities participating in the program and implementation of development subprojects which have impact on those citizens as project beneficiaries;
3. to establish a process of continuous project identification and development based upon dialogue between city officials

1/ See also Project Paper-Rural Service Center Project (March 1977), Office of Provincial Development, USAID/Philippines, p. 34

and project beneficiaries, and financed by regular reimbursements for already completed projects designed and implemented in accordance with the RSC Program Handbook of Operations;

4. to strengthen the capability of the Grantee to carry on sustained technical and financial assistance to local governments in selected chartered cities.

C. SPECIAL EVALUATION METHODOLOGY

The evaluation schedule included the following categories of activities:

1. General interviews were conducted with representatives of the Ministry of Local Government and Community Development, the Ministry of the Budget and the Ministry of Finance. Special in-depth interviews were also conducted with the staff of the Provincial Development Assistance Project (PDAP), City Development Assistance Project (CDAP), City Development Coordinators associated with the RSC project, City Mayors, members of city councils, Community Planning and Development Boards, City Social Action Teams, Barangay Social Action Teams, City Development Coordinated staff, officials from other local government level agencies and programs, and interested citizens from the cities visited. (See Appendix A)
2. An Evaluation Team-Building Workshop was conducted with participants from CDAP, City Development Coordinators, USAID Consultants and staff in order to develop an environment of trust and openness in which the CDAP staff the CDC's responsible for implementing the RSC Project in their respective cities could share common problems and perceptions. During the course of this workshop, some preliminary progress in the areas of trust building, perception sharing, and problem identifying was developed to the point where several problems which before could not have been openly discussed - were discussed, where some problems which before were not cleared - were clarified, and where the causes of the problems identified and discussed were openly considered and accepted. (See Appendix B)
3. A great deal of effort was expended in reviewing GOP and USAID documents, agreements, Project Papers, earlier evaluation reports, and in-house correspondence and records to ascertain the extent to which initial program agreement expectations being considered, implemented and monitored over time.
4. Extensive in-depth interviews were conducted with officials at the ministerial level, the CDAP Manila office level, at

city level and members of the City Development and Planning staffs, associations of the poor leaders and members, barangay leaders and residents and other interested citizens. (See Appendix C for a partial list of those interviewed by the evaluation team).

Major observations and conclusions were stated in the form of answers to basic questions. The evaluation team structured their investigation into three major scopes of work: (1) A general review of the administrative and structural problems that may exist between the CDAP office and the broader Ministry of Local Government and Community Development, other ministries concerned with program implementation at the city-level, and other agencies, program, and activities which may impact on the CDAP program functioning in the chartered cities. (2) A general review of the financial and budgetary procedures and systems which may reflect positively or negatively on the timely implementation and reimbursement schedules associated with this program. Special concern was given to the availability of funding for project implementation of both the Manila CDAP level and the chartered city level. (3) A descriptive analysis of the relationship that exists between the City Planning Development and Staff (CPDS) and the various organizations and associations of the poor to facilitate participation in identifying and implementing specific projects structured to improve the quality of life for targeted "poorest of the poor" located in the disadvantaged areas of the participating chartered cities.

Documents to be Revised: It is strongly recommended that certain sections of the Project Paper Grant Agreement, and GOP detailed implementation plan for the Rural Service Center Project be updated to reflect the modified implementation of program. The Logical Framework and the Description need to define more specifically the anticipated inputs and outputs. The present project paper and the project grant agreement provides only the barest outline of project outputs, and deals only sparingly with the design of the training and administration development component, including the fiscal, budgetary, personnel systems, and equipment pool aspects and the institution building component, including recruiting, training and helping of the poor to participate in project planning and implementation, and how both would be structured as long term strategies after the initial project support is terminated.

(4) In addition to those sections of the Project Paper, a detailed Implementation Plan is even more crucial. The lack of such a plan has greatly weakened the planning and monitoring phases of the program needed to relate specific administrative procedures and management practices to predicted program outcomes. A more detailed planning process should possibly have included some specific indicators of success and the requisite behavior changes needed to operationalize the linkage mechanism between the

indicators developed and the program system.

The CDAP Operations Manual also needs to be updated and reissued. Three other manuals are also recommended.

The financial plan is to be updated in the FY 1980 amendment to the Project Grant Agreement obligating AID incremental dollar inputs and confirming GOP peso funding.

D. EXTERNAL FACTORS

1. GOP commitment to the strengthening of local government institutions appears to have remained unchanged. Much evidence suggests that the new Local Government Code to be finalized and approved during the Spring 1980 will formalize and clarify GOP commitment to establish greater local government autonomy, administrative flexibility and fiscal viability. The long term success of the CDAP approach to local government development requires GOP support for the strengthening of local institutions at the province, city, towns and barangay (barrio) levels.
2. Although the original project design outlined a staggered schedule of city entrance into CDAP with five cities joining CDAP in each of three successive years (1977, 1978, 1979), various external considerations and factors suggested a need to telescope the entrance schedule of the projected fifteen cities into the first two years of the project. The decision to bring all fifteen cities plus one additional city into the program at once probably had political, perhaps even training and administrative, justification; nevertheless without additional fiscal and management support structured into the new timetable, a variety of systemic dysfunctions emerged to weigh heavily on the existing staff. Many of the problems to be described below are clearly related to this decision.
3. The growing conflicts of interest that exists between the cities and provinces reflects a natural divergence of focus and concern at these two levels of local government. CDAPs attempt to strengthen the administrative and developmental capacity of the chartered cities appears to have been an appropriate strategy for reducing the growing tension emerging between the cities and the provinces. The CDAP approach appears to have strengthened the cities' capacity to function independent of the provinces. This movement toward autonomy has been a critical new thrust in local government development right at the time when the administrative, fiscal and legal resources of the provinces were being strained to the limits. The hope that the provincial level structures of government would be able to solve the problems of the rural barangays and small towns and still have

adequate resources to help the larger cities deal with their problems was unrealistic. The strategy of CDAP reflects a significant contribution to the realities of many urban centers in the Philippines faced with the gigantic problems of developing service delivery system in a time of rapid population growth, a restricted source of financial support, and the concomitant problems of unemployment, poverty, and social apathy. Although CDAP is only one of many GOP programs to deal with these problems, it is clear that the purpose and goals of CDAP are consistent with the long term needs of the rural area cities.

E. INPUTS

Scheduled program implementation activities have been delayed by unclear budgetary procedures defining relationships between Ministry of the Budget, MLGCD, PDAP and CDAP. Delayed release of funds and slowness in recruiting and hiring personnel for training and staffing assignment have resulted in slow-downs in the implementation schedule of CDAP. Any attempt to increase the effectiveness of project funding and reimbursement procedures between MLGCD and CDAP should eliminate much of the delay and confusion that presently exists. It is recommended that CDAP be given a separate KBI (Key Budget Items) or (line items) in the MLGCD budget as a means of ensuring proper accounting and disbursement procedures in the future. Some consideration should be given to the need to increase the number of permanent technical staff in the CDAP office in view of the added technical assistance requirements placed upon CDAP by the revised entrance schedule of the 16 cities. The evaluation team recommended that CDAP's staffing requirements be reassessed and reconsidered; that past budgetary comments to CDAP be honored in a timely manner; that technical staffing requirements be fulfilled; and that maximum authority be delegated to the Project Director (Manager) of CDAP to ensure more appropriate follow-up, more expeditious training, and more responsiveness to project authorization requests.

F. OUTPUTS

According to the Project Design Summary Logical Framework dated March 1976, the project outputs should include: (1) Trained, in placed professional development staff for each project city, (2) Social Action plans adopted by city council in all project cities with mechanism in place for periodic revisions, and (3) Equipment pools with sets of operable rehabilitated or new equipment, trained mechanic and operators established and functioning in each city. Significant progress in all three areas has been made in the past year and a half. All sixteen cities have recruited a city planning and development staff.

Although the quality and experience of these staff personnel vary from city to city, there is no question that the planning and development capabilities of these cities have been improved. Social Action Plans (SAP) have now been written, approved by the local city councils, and accepted by the CDAP office in Manila in thirteen of the sixteen cities. Those lacking a SAP are those who only recently entered the program and are still completing the early orientation phase of the program. In spite of this apparent fulfillment of project outputs several problem areas exist and need to be considered. Extensive work is still needed to upgrade the level of cooperation that needs to exist between the CDAP staff and the CDC and the CPDS staff. The initial work of staff recruitment and early training has now been completed, but many additional training and staff development experiences will be needed in the next years to come. Although Social Action Plans have been written, and various associations of poor (AP), city social action teams (CSAT) and barangay social action teams (BSAT) have been organized, extensive work is still needed to institutionalize and legitimize the process of communication, planning, and proper development among the poorest of the poor in conjunction with the city as defined in the social action plan. Although it is too early to evaluate the long term consequences of this process of local participation now initiated in the cities, some progress toward involving the poorest of the poor has been accomplished. The evaluation team strongly urges that extensive training in program development, follow-up, monitoring, and evaluation be given to the formal city staff but also to the project leaders and participants who emerge out of this process.

The CDAP/RSC has suffered delays and difficulties in the implementation of the program due to a number of budget constraints. First - Inadequate funding for CDAP operations. CDAP requested (per grant agreement) a total of ₱25,495,000 for the combined years of 1977, 1978 and 1979. It is estimated that CDAP budget releases for the three-year period amounts of ₱3.8 million or only 14.9% of the request. The figure is estimated because the only way to identify CDAP expenditures is to review each individual voucher. Second - Confusion over the CDAP budget. The three PDAP projects - BWP, RRP and CDAP are all lumped together in one budget so there is no delineation of how funds go to each project. The records carry the allocation for CDAP as a part of the PDAP budget. There has been no way to determine what share of the budget should or has gone to CDAP; nor is there a separate accounting for CDAP expenditures. The only way to identify CDAP expenditures is to review each individual voucher. Third - Inadequate CDAP financial procedures and record keeping. At the CDAP Office level, the financial procedures are such that actual expenditures for operating expenses are not individually recorded. The office should establish a records system that provides the capability to know expenditures daily if need be. The CDAP Office should have a central up-to-date file on social action projects not

only for their own benefit but also for immediate feedback to city inquiries. Four - Decrease in funds for City Social Action projects. Each city, as they entered the program actively is to be allocated ₱500,000 for projects for the period of three years. This was specifically designed to provide a minimal level of resources to institutionalize the CDAP-Social Action concept. The first 5 cities were to have received an allocation of ₱2,500,000 in 1977, but none was released. Only ₱730,000 has been released to date (FAR). The program was also accelerated so that 11 cities became active participants in 1978 and had to share the ₱730,000. Increased and accelerated peso budget releases are required in 1980 to make up the shortfall.

G. PURPOSE

"Creation of working administrative capacity in selected cities to serve the social and human needs of the most disadvantaged citizens within their area of influence" is the stated purpose of the CDAP project design. Since the project is at mid-term, insufficient information exists to fully assess project impact. Extensive efforts to increase the administrative and management capacity of the participating cities have been initiated. Preliminary interviews with staff members, local leaders and project participants suggests an increased awareness and sensitivity to the problems and concerns of the poor. The number of social infrastructure and income producing projects implemented for the benefit of the poor in the cities participating provide some promise that the major purpose of CDAP is being gradually achieved. Long term planning is needed now to ensure that the process of program institutionalization will continue beyond the project period.

The current efforts by the CDAP to monitor achievement of the project purpose need strengthening. No effective final evaluation will be possible unless the project's purposes and goals are more carefully operationalized and defined. Some staff confusion exists around the ultimate purpose of CDAP with some wishing to emphasize administrative and management training for city personnel, others insisting CDAP must focus on institution building among the poor through their efforts to encourage participation and organization of these disadvantaged, still others argue that the ultimate purpose is to provide social and economic aid to the poor by developing and helping to fund projects designed to meet their economic and social needs. Although all three of these purposes reflect a dimension of the CDAP approach, greater effort is needed to integrate these purposes into a common set of goals. The recommended action to update and refine the Log Frame and project description should help accomplish this. The local cities seeking to implement CDAP are hampered in the execution of their vitally important role through the lack of a unifying sense of purpose. Considerably

more training is needed in human relations, communication, and team building among the staff representatives of CDAP in Manila, the CDCs, the CPDS, the Mayor's office, members of the city councils (SP) and officials from national agencies functioning in the cities, if a common sense of purpose is to emerge.

H. GOAL

"Enlarge the capacity of GOP at all levels to effect improvements in the conditions of life of large numbers of poor people." Any objective evaluation of this goal at this early state would be premature.

I. BENEFICIARIES

Preliminary observations indicate that projects funded to this date will impact positively on the rural poor. Generally, beneficiary participation has been active to date in need assessment and identification, in project planning and development, and in institution building and training activities. The actual number of beneficiary families should be empirically confirmed when the final evaluation is completed.

Unplanned Effects - None observed

Lessons Learned - The primary lessons learned to date are that the participating cities desperately need management and administrative training if their problems are to be solved, that institution building among the poor is a time consuming, often discouraging process, which usually is impossible to document in the short run but which is absolutely essential if the poor are to be involved and committed to the solving of their own problems, and that CDAP by itself will not be able to accomplish its purposes and goals. Much greater efforts must be expended to help facilitate a more integrated approach toward the disadvantaged poor. There is much evidence that GOP is increasingly more committed to serving the poor. What is not clear is the willingness of competing national ministries and agencies to subsume their own project interests and priorities to a broader national approach which seeks to eliminate duplication, establish consistent target priorities, and to forego their own policy demands for an integration of the efforts needed in this area.

J. Additional details are found in the evaluation team report dated September 1979.

II. GENERAL ADMINISTRATIVE ISSUES

The quest to develop suitable administrative capability of local government units in the Philippines which found encouraging results in the provinces under the Provincial Development Assistance Project (PDAP) resulted in the organization of the Rural Service Center (RSC), popularly known as the City Development Assistance Project (CDAP).

CDAP is under the organizational umbrella of the PDAP in the Office of the Deputy Minister for Local Government of the Ministry of Local Government and Community Development (MLGCD).

The main thrust of the project is the improvement of the quality of life of the poorest of the poor through their popular participation in sixteen (16) intermediate cities. ^{1/}

Analysis of the Issues

Local governments, aside from being geographic subdivisions, also represent layers of governmental authority and power. The province, which is the biggest geographic subdivision, with the city and municipality following in size, supervises the municipalities within its jurisdiction. The city is administratively independent of the province. The city or municipal government supervises the barangays within its jurisdiction.

PDAP or the Provincial Development Assistance Project is an agency of the GOP that seeks to upgrade the capability of provincial governments to plan and to coordinate the implementation of local development projects by developing and field testing systems, techniques and procedures needed to improve the management of provinces throughout the country.

On the other hand, RSC/CDAP's purpose is to create a working administrative capability in selected intermediate cities to serve the financial, social and human service need of the most disadvantaged citizens within its immediate and rural service area to serve as a model for nationwide application.

At the moment, CDAP is considered as one of the four special projects of PDAP.

Hence, since PDAP's activities at present are not limited to provinces, there is a need to change its name to be relevant to its current projects.

^{1/} The sixteen (16) cities included in CDAP are: For the CY 1977, the cities of Dagupan, Naga, Roxas, Puerto Princesa, and Cagayan de Oro entered the project, followed by Olongapo, Lipa, Legaspi, Calbayog and Butuan in 1978 and the cities of Angeles, Batangas, Lucena, Iriga, General Santos and Zamboanga in 1979.

Moreover, for cities to be given equal attention with that of the provinces, CDAP should be considered as a separate project, independent and distinct from that of PDAP administratively.

For purposes of convenience and economy in its operations, PDAP and CDAP may be placed under the administrative supervision and control of the Deputy Minister for Local Government of the Ministry of Local Government and Community Development. With that arrangement, both PDAP and CDAP may avail of such common auxiliary and management services of the MLGCD.

Moreover, the present administrative and technical support of PDAP may be retained to provide the same staff support to both PDAP and CDAP, thus, maximizing its support to the two projects, as well as reducing the project costs.

In addition, the ODM may now serve as the coordinating administrative unit of all special USAID-assisted projects under the MLGCD and, if possible, all other foreign and GOP-assisted pilot projects aimed at strengthening the planning and coordination, financial and implementation capability of local government units.

It should be understood, however, that after the pilot tests proved to be successful, the continuity of the administration of such projects should be transferred to regular ministries and/or agencies of the GOP performing similar functions.

The joint evaluation team confirms that the purposes envisioned in the original project paper of March 1977 are in the process of being implemented at a reasonable level of success. Although specific program constraints and administrative obstacles do exist, there is adequate evidence to demonstrate that courses of action designed into the implementation plan are encouraging personnel in the Rural Service Center programs to engage in seeking to develop and institutionalize the following:

- a. Increased capability in overall administration, planning and coordination of governmental activities at the charter city level with some attention to enhancing the role of barangay-level institutions, organizations and associations of the poor in the planning and implementation of projects designed for the improvement of the quality of life of the disadvantaged population in the chartered cities.
- b. Improved financial management infrastructure capability, the latter equipment pool operations, and a more appropriate position classification and pay administration system.
- c. The mechanism by which the disadvantaged residents of

the chartered cities may begin to participate in the planning and implementation of projects administered by the chartered cities which have as their end goal the improvement of the quality of life of these "poorest of the poor" in each participating chartered cities.

As an initial attempt to increase the quality and quantity of local government service capability at the city level, there were administrative, budgetary, and organizational obstacles and delays which have stimulated several changes in the program implementation processes to better adapt the RSC concept to the economic, social and administrative environment of the participating chartered cities.

This interim assessment of the RSC program will identify some of the reasons for delays in implementing projected projects. There appears to be no need for drastic conceptual design changes in the project, but some specific administrative and structural modifications may be useful in the final phase of this project. New institutions, procedures management capabilities, and organizational relationships have been developed and are operational. It appears that USAID grant support has contributed significantly to the improvement of the administration and management capacity building phase of the program.

A. How effective has been the administrative support of CDAP to the CDC and his CDP staff?

In an attempt to measure the quality and effectiveness of the administrative support of CDAP's administrative support to the CDCs some seven CDCs and eight CPDS staff members were asked to answer a questionnaire during the CDAP/USAID/RSC's Consultative Conference II held at the PDAP Conference Hall, Ablaza Building, Quezon City, on October 18th & 19th, 1979. Nonetheless, the best that one can do is to ask the CDC's themselves and the members of their CDP staffs who, after all, are the direct recipients of that services. A summary of this data is attached as Appendix "A" of this report.

Since CDAP underwent a reorganization of its structure in October 1978, the period of effectiveness of CDAP's administrative support was divided into two periods: (1) prior to October 1978; and (2) since October 1978.

Table I brings out the effectiveness CDAP's administrative support to CPDS, as perceived by city personnel. It shows that there is a marked degree of improvement of CDAP's delivery of support to the cities since its reorganization. While only 53.3 percent of those interviewed perceived the administrative support of CDAP to be effective prior to October 1978, over 90 percent (93.3%) feel the administrative support has been effective since October 1978. Although this

data suggest that the respondents acknowledge that some progress has been made, it is important to recognize that less than 40 percent perceive this support to be very effective still suggesting that improvements could be made.

Table I. Effectiveness of the Administrative Support of CDAP to the CPDS

Responses	October 1978			
	Prior to		Since	
	No.	Percent	No.	Percent
Very effective	3	20.0	6	40.0
Somewhat effective	5	33.3	8	53.3
Somewhat ineffective	4	26.7	0	0
Very ineffective	1	6.7	0	0
No answer	2	13.3	1	6.7
TOTAL	15	100.0	15	100.0

B. How effective has been the program management of CDAP to the CDC and his CPD staff?

A clear majority of the CDC's and CPDS staffers interviewed (60.0%) fee that the program management of CDAP to the city was effective prior to October 1978. (See Table 2)

Table 2. Effectiveness of Program Management of CDAP to the CPDS

Responses	October 1978			
	Prior to		Since	
	No.	Percent	No.	Percent
Very effective	2	13.3	6	40.0
Somewhat effective	7	46.7	9	60.0
Somewhat ineffective	3	20.0	0	0
Very ineffective	1	6.7	0	0
No answer	2	13.3	0	0
Total	15	100.9	15	100.0

Since CDAP's reorganization on October 1978, all respondents interviewed indicated that they felt the program management given by CDAP was effective.

C. How appropriate has been the technical assistance to participating cities from the CDAP?

While interviews with local officials and examination of personnel records seem to indicate the dearth of qualified technical personnel in the CDAP staff, the kind of technical assistance being rendered to participating cities in the program is perceived to be appropriate. While 80 percent acknowledge that technical assistance is appropriate, some effort is needed to identify the reasons that some staff personnel still feel the technical assistance is inappropriate.

Table 3. Appropriateness of the Technical Assistance Rendered by CDAP to Participating Cities

Response	October 1978			
	Prior to		Since	
	No.	Percent	No.	Percent
Very appropriate	2	13.3	6	40.0
Somewhat appropriate	7	46.7	6	40.0
Somewhat inappropriate	3	20.0	1	6.7
Very inappropriate	2	13.3	1	6.7
No answer	1	6.7	1	6.7
Total	15	100.0	15	100.0

In spite of this development, CDAP staff should be strengthened by ensuring that technical staff are better qualified to review city projects submitted for their evaluation. The inability of CDAP to attract qualified and competent personnel is attributed to its personnel policy. Almost all members of the CDAP staff are contractual employees with six-month tenure, subject to renewal. Due to lack of security of tenure and the prestige attached to it, the few qualified technical personnel prefer to transfer to other government offices that provide this incentive.

To attract qualified technical persons to the CDAP staff, it

must compete not only with private business but also with other national offices in terms of higher pay and fringe benefits. Because of this, appointment at CDAP is far from the desired standards.

As noted by the Deputy Minister for Local Government of MLGCD in one of his memoranda to the MLGCD, this situation was aggravated by, among others:

PDAP hired contractual employees irrationally. To compound the problem of excess personnel, new contracts were assigned to highly technical jobs for which they were not qualified. New technical positions and designations justifying employment were confusing and embarrassing to hear.

One step towards the solution to this problem is to contract personnel in the CDAP with longer tenure of assignment and to exempt these positions from the coverage of both the Civil Service Commission and the Office of Compensation and Position Classification of the Ministry of the Budget.

At this point, it should be understood that the technical assistance being rendered might be appropriate in terms of the kind of assistance being delivered, but the kind of services being performed might also be mediocre.

D. How adequate has been the management and administrative support to the CDAP program at the city level from:
(1) City Mayor's Office? (2) National Agencies in the City?

The CDC and the members of his staff were all appointed by the City Mayor. It is not surprising therefore to know that the management and administrative support of the City Mayor's Office to the CDAP program, as viewed by the respondents, to be adequate (93.3%). Only one of them answered "somewhat inadequate" (6.7%).

In the case, however, of the management and administrative support of national agencies in the city to the CDAP program, only a majority of them (60.0%) gave a favorable reply.

This situation suggests that some steps are needed to improve the relationships between CDAP and the various national agencies functioning in the city, particularly within the MLGCD itself.

The Operations Manual of City Development Assistance Project, prepared by the DLGCD/MLGCD in 1978, requires that all Social Action Teams (SAT) be established by an administrative order from the City Mayor.

It also stipulated that "Social Action Team shall be composed of the following:

1. Sociologist
2. Economist/Researcher
3. Kabataang Barangay Chairman
4. Association of Barangay Captains
5. Civic Organization Representative
6. DSSD Representative (now MSSD)
7. City Development Worker (CDW), DLGCD (now MLGCD.) (p.40)

This requirement of CDAP is not always followed, particularly the membership of the CDW. In Legaspi City, for example, the two CDW's in the CDO's staff were not aware of the existence of the CSAT and/or BSAT. The same is true in the case of CDO. Hence, the lack of proper coordination between the CDO, as a representative of the MLGCD in the city, and CDAP.

The membership of the CDO or his representative in the CSAT is important, particularly when the budgetary requirements of the Social Action Development Plan (SADP) should be integrated into the city development budget. Under the law, P.D. No. 144, twenty (20%) percent of the city's share in the Internal Revenue Allotment should be appropriated for development projects. This portion of the city budget will be reviewed by the Regional Director of the MLGCD, upon proper endorsement of his representative in the city, the CDO.

Moreover, all MLGCD projects related to city development need to be reviewed and, if possible, integrated into one project under the CDAP. At present, in addition to the RSC/CDAP, there are several programs at the MLGCD directed towards strengthening chartered cities so that they can perform their functions under conditions of greater autonomy with increasing capacity to govern and carry out development.

Two of these programs are: (1) Urban Community Development Program developed by the Urban Development Division of the Bureau of Community Development; and (2) Direct Technical Assistance Program (DTAP) developed by the Administrative Development Division of the Bureau of Local Government.

The operational framework of the two programs follows:
Urban Community Development Program. The program is designed to develop and strengthen urban communities and institutions in close cooperation with the cooperatives and local government

program, on one hand, and with national priority programs, on the other, It is directed towards the improvement of the economic, social, political and environmental aspects of city living by generating activities primarily through an integrated development scheme aimed at maximizing outputs as a result of an active people-government partnership.

Operationally, this program shall be implemented in all chartered cities regardless of the degree of urbanization.

The program shall initially operate in selected development areas or growth points of 14 pilot cities. The coverage shall be expanded in succeeding years as the program grows in experience and competence. Research and evaluation shall provide the basic feedback which will determine program shifts and basic guidelines for total national coverage.

The main objective of the program is the uplift of living conditions in urban communities. Its specific goals are:

1. To assist city governments to organize, reactivate or improve the effectiveness of city planning bodies in all cities.
2. To assist to formulate and develop comprehensive development plans in all cities.
3. To help develop functional community organizations.
4. To assist to implement physical, economic and socio-cultural projects and activities in urban communities through the growth point area approach.
5. To undertake urban action-research projects.

Direct Technical Assistance Program. The program is part of the overall scheme of promoting effective local government administration. It is aimed primarily at enhancing the units to make them self-reliant, embracing a greater responsibility in social and economic development, and thereby become viable and active partners of the central government in pursuing national development goals. Specifically, the DTAP has four-fold objectives, viz:

1. To improve the administrative and fiscal capacities of local government units for development;
2. To extend appropriate assistance to local units in order to generate a responsible local administration;
3. To cover all areas of local administration and development in order to improve the financing and delivery of

essential services; and

4. To develop a pool of multi-disciplinary local government consultants in all the regions.

In the consideration of projects under the DTAP, emphasis shall be made on areas which are priority in local administration. The major areas are: (1) Local Fiscal Administration; (2) Economic Enterprises Management; (3) Organization and Management; and (4) Local Development Planning.

The MLGCD provides technical assistance to provinces, cities and municipalities duly selected in accordance with its policies and guidelines. From the foregoing discussions, it appears that there are overlapping, if not duplications, in the two MLGCD's projects related to city development and that of RSC/CDAP.

E. How adequate has been the program linkages of CDAP activities to other city development activities, RRP, BWP, BLISS, BR (MPH) in general?

A great majority (73.3%) of the CDC's and the members of the CPDS believe that program linkages of CDAP activities to other city development activities in general is adequate (Table 4).

Table 4. Adequacy of Program Linkages of CDAP Activities to other City Development Activities

Responses	:	Number	:	Percent
Very adequate	:	3	:	20.0
Somewhat adequate	:	8	:	53.3
Somewhat inadequate	:	3	:	20.0
Very inadequate	:	1	:	6.7
No answer	:	0	:	0.0
Total	:	15	:	100.0

F. Now specifically, how adequate has been the program linkages of CDAP with other PDAP programs?

The adequacy of the program linkages of CDAP with other PDAP

programs are as follows:

	<u>Percentage indicating that the linkages are "very" or "somewhat" adequate</u>
1. Rural Roads Program	40.0 %
2. Barangay Water Program	46.7 %
3. Real Property Tax Administration	73.3 %

This suggests that many of those interviewed feel that there is a need to strengthen the program linkages of CDAP with other PDAP programs. Based upon other interviews conducted by this team, there is sufficient evidence to suggest that considerably more coordination is needed between CDAP and PDAP.

This problem of coordination may be attributed to at least two things: (1) poor personnel management; and (2) poor records management system in CDAP and PDAP.

Contract personnel in the CDAP staff should be given longer tenure commitment of at least one year or coterminous with the life of the project.

The project inputs on personnel for CDAP/RSC on the part of GOP are: 4 Management Personnel, 16 Development Management Officers/Researchers and 9 staff and clerical support for life of program, or a total of 29 personnel.

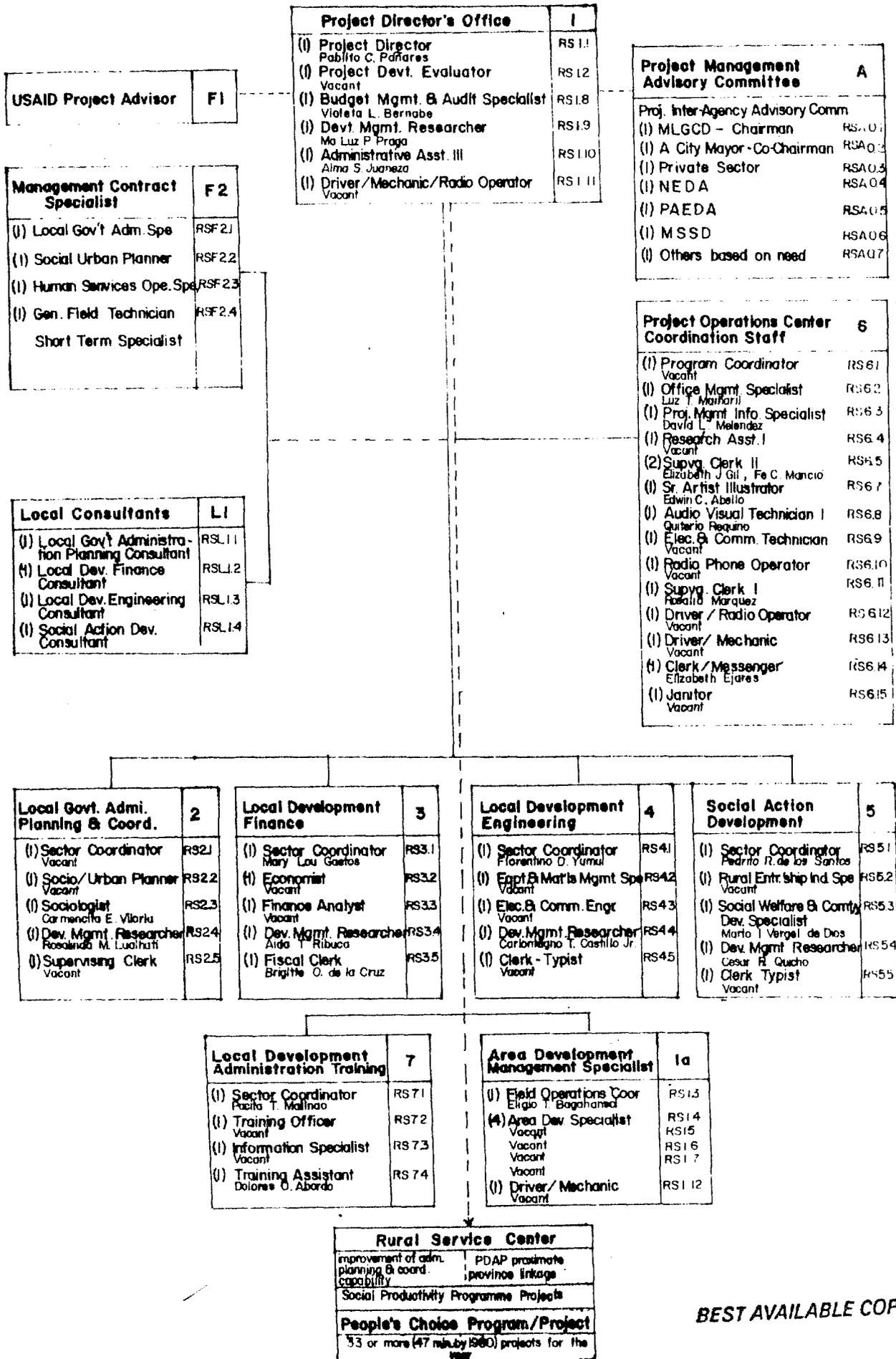
At the time of the review of the project, there were only 25 personnel in the CDAP staff. With the exception of two, as shown in Chart A (Rural Service Center Project Management Structure Model 1980) all of them were on CDAP with six-month contracts.

Only the Project Director (Item RS 1.1) and Senior Field Operations Coordinator (Item RS1.3) have permanent appointments. It should be noted, however, that they are on detail only with CDAP. The Project Director receives his salary from the Office of the President of the Philippines while the Field Operations Coordinator from the MLGCD.

Based on the interviews conducted by the Evaluation Team, it appears that this personnel policy of CDAP is the primary cause of the high turnover of personnel in the Project. It is felt that a higher degree of commitment among the CDAP staff would be possible if the tenure of contract could be increased from six months to 12 months and, if possible, it should be made coterminous with the life of the project.

RURAL SERVICE CENTER PROJECT MANAGEMENT STRUCTURE MODEL 1980

CHART A



Project Director's Office		I
(1) Project Director	Pablo C. Pinares	RS1.1
(1) Project Devt. Evaluator	Vacant	RS1.2
(1) Budget Mgmt. & Audit Specialist	Violata L. Bernabe	RS1.8
(1) Devt. Mgmt. Researcher	Ma Luz P. Praga	RS1.9
(1) Administrative Asst. III	Alma S. Juaneza	RS1.10
(1) Driver/Mechanic/Radio Operator	Vacant	RS1.11

Project Management Advisory Committee		A
Proj. Inter-Agency Advisory Comm		
(1) MLGCD - Chairman		RS1.0.1
(1) A City Mayor - Co-Chairman		RSA0.2
(1) Private Sector		RSA0.3
(1) NEDA		RSA0.4
(1) PAEDA		RSA0.5
(1) MSSD		RSA0.6
(1) Others based on need		RSA0.7

USAID Project Advisor	F1
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Management Contract Specialist		F2
(1) Local Gov't Adm. Spe		RSF2.1
(1) Social Urban Planner		RSF2.2
(1) Human Services Ope. Spe		RSF2.3
(1) Gen. Field Technician		RSF2.4
Short Term Specialist		

Local Consultants		LI
(1) Local Gov't Administration Planning Consultant		RSL1.1
(1) Local Dev. Finance Consultant		RSL1.2
(1) Local Dev. Engineering Consultant		RSL1.3
(1) Social Action Dev. Consultant		RSL1.4

Project Operations Center Coordination Staff		6
(1) Program Coordinator	Vacant	RS6.1
(1) Office Mgmt. Specialist	Luz T. Manfari	RS6.2
(1) Proj. Mgmt. Info. Specialist	David L. Melendez	RS6.3
(1) Research Asst. I	Vacant	RS6.4
(2) Supvg. Clerk II	Elizabeth J. Gil, Fe C. Mancio	RS6.5
(1) Sr. Artist Illustrator	Edwin C. Abello	RS6.7
(1) Audio Visual Technician I	Guillermo Requino	RS6.8
(1) Elec. & Comm. Technician	Vacant	RS6.9
(1) Radio Phone Operator	Vacant	RS6.10
(1) Supvg. Clerk I	Rodolfo Marquez	RS6.11
(1) Driver / Radio Operator	Vacant	RS6.12
(1) Driver / Mechanic	Vacant	RS6.13
(1) Clerk / Messenger	Elizabeth Ejares	RS6.14
(1) Janitor	Vacant	RS6.15

Local Govt. Admi. Planning & Coord.		2
(1) Sector Coordinator	Vacant	RS2.1
(1) Socio/Urban Planner	Vacant	RS2.2
(1) Sociologist	Carmencha E. Viloria	RS2.3
(1) Dev. Mgmt. Researcher	Rosalinda M. Lucifiani	RS2.4
(1) Supervising Clerk	Vacant	RS2.5

Local Development Finance		3
(1) Sector Coordinator	Mary Lou Gertos	RS3.1
(1) Economist	Vacant	RS3.2
(1) Finance Analyst	Vacant	RS3.3
(1) Dev. Mgmt. Researcher	Aida T. Ribuca	RS3.4
(1) Fiscal Clerk	Brigitte O. de la Cruz	RS3.5

Local Development Engineering		4
(1) Sector Coordinator	Florentino O. Yumul	RS4.1
(1) Egt. & Mat'ls Mgmt. Spe	Vacant	RS4.2
(1) Elec. & Comm. Engr	Vacant	RS4.3
(1) Dev. Mgmt. Researcher	Carlomagno T. Castillo Jr.	RS4.4
(1) Clerk - Typist	Vacant	RS4.5

Social Action Development		5
(1) Sector Coordinator	Pedrito R. de los Santos	RS5.1
(1) Rural Entr. Ship Ind. Spe	Vacant	RS5.2
(1) Social Welfare & Comty. Dev. Specialist	Mario I. Vergel de los	RS5.3
(1) Dev. Mgmt. Researcher	Cesar R. Quicho	RS5.4
(1) Clerk Typist	Vacant	RS5.5

Local Development Administration Training		7
(1) Sector Coordinator	Pacito T. Mallinao	RS7.1
(1) Training Officer	Vacant	RS7.2
(1) Information Specialist	Vacant	RS7.3
(1) Training Assistant	Dolores O. Abardo	RS7.4

Area Development Management Specialist		1a
(1) Field Operations Coord	Eligio T. Bagabanao	RS1.3
(4) Area Dev. Specialist	Vacant	RS1.4
	Vacant	RS1.5
	Vacant	RS1.6
	Vacant	RS1.7
(1) Driver / Mechanic	Vacant	RS1.12

Rural Service Center	
improvement of adm. planning & coord. capability	PDAP proximate province linkage
Social Productivity Programme Projects	
People's Choice Program/Project	
53 or more (47 plus 60) projects for the year	

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The assignment of compensation to the different staff positions should also be considered with duties and responsibilities as the primary considerations.

Immediate establishment of a records management system in CDAP, in particular, and PDAP, in general is strongly recommended. CDAP needs to monitor the progress of the implementation and execution of all its projects by gathering current and necessary data for this timely analysis and evaluation into meaningful reports, designed to provide the needs of management in planning, controlling and evaluating the effectiveness of its performance.

While the MIS was introduced in PDAP in 1977, the experiences of the Evaluation Team in securing necessary data for its evaluation seem to indicate the lack of sound records management system in CDAP, in particular, and PDAP, in general. For CDAP to act properly on time with the multifarious problems confronting its operations, its staff must be adequately supported by timely analysis and/or interpretation of reports submitted for its consideration.

In addition, to provide timely solutions to these problems, CDAP must continuously prepare and transmit memoranda, letters and telegrams to the various city governments and other national offices linked with its project operations. Such problem calls for an immediate establishment of a records management system in CDAP, in particular, and PDAP, in general.

In developing such a records system, the following factors should be considered:

1. High percentage of personnel turnover in CDAP;
2. Inadequacy of filing equipment in CDAP;
3. Inadequate records inventory procedures within the MLGCD;
- and
4. Incomplete records of CDAP's operations.

III. FINANCIAL ISSUES

A. Financial Problems

The RSC/CDAP Project has suffered delays and difficulties in implementation due to a number of budgetary problems. The problems center around the inadequacy of funding relative to the needs of the project, confusion over the budget allocated for CDAP operations and delays in the releases of funds.

A. Inadequate funds for CDAP Operations

Per grant agreement, the following funds were to be made available by the GOP: 1/

<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>Total</u>
₱9,644,500	₱11,760,550	₱11,758,950	₱33,164,000
29.0%	35.5%	35.5%	100%

The funds were expected to come from: 2/

	<u>₱</u>	<u>%</u>
CFSA	₱ 2,429,000	7.3%
PL 480	5,778,000	17.4
MLGCD	19,813,000	59.8
Local Govt't	<u>5,144,000</u>	<u>15.5</u>
Total	₱33,164,000	100.0%

In addition, the amount of ₱4,950,000 was expected to be made available in 1977 for preliminary surveys, implementation and development, supplies and equipment and projects for 5 target cities. Of this amount, ₱2,500,000 was to be allocated for social action projects, ₱2,000,000 for the Equipment Pool Development Fund/Loan Fund. 3/ A fund of ₱500,000 yearly per city was to be provided from the time of entry of the city into the program, for city social development projects. This would continue for the agreement period.

1/ Project Paper Rural Service Center Project, Table 11. See Exh. 1.

2/ Ibid, Table 12. See Exhibit 2.

3/ Ibid, Table 1. See Exhibit 3. "Project Input" p. 6 Operations Manual.

Exhibit 1

Economic and Fiscal Analyses

Financial Schedule for Project Funds
(1978-1981)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>Total</u>
<u>U.S. Dollar Expenditures</u> (US\$)					
U.S. Advisors	\$ 259,300	\$ 304,700	\$ 209,500	\$237,050	\$ 1,010,550
Consultants	120,000	92,000	84,000	28,000	324,000
Participants	34,000	41,000	44,000	-	119,000
Commodities	76,700	81,300	85,800	-	243,800
Total	<u>\$ 490,000</u>	<u>\$ 519,000</u>	<u>\$ 423,300</u>	<u>\$265,050</u>	<u>\$1,697,350</u>
<u>Local Currency Expenditures</u> (Pesos)					
Participants*	₱ 10,700	₱ 10,600	₱ 10,700	-	₱ 32,000
Personnel Support*	799,000	799,000	799,000	-	₱ 2,397,000
Excess Property**	3,478,900	5,595,050	5,595,050	-	14,669,000
Motor Pool***	1,278,000	1,278,000	1,278,000	-	3,824,000
Staff Training***	1,625,300	1,625,300	1,625,400	-	4,876,000
Inventory***	105,300	105,300	103,400	-	314,000
Civic Groups***	210,600	210,800	210,800	-	632,000
Social Action***	210,600	210,600	210,800	-	632,000
Sub-Total	<u>₱7,718,400</u>	<u>₱ 9,834,450</u>	<u>₱ 9,833,150</u>	-	<u>₱27,386,000</u>
Development****	1,926,100	1,926,100	1,925,800	-	5,778,000
TOTAL - - -	<u>₱9,644,500</u>	<u>₱11,760,550</u>	<u>₱11,758,950</u>	-	<u>₱33,164,000</u>

*Counterpart Fund.

**DLGCD.

***Equally divided between DLGCD and chartered cities.

****PL-480.

Exhibit 2

GOP CONTRIBUTIONS
FUNDING SCHEDULE BY CLASS
(P000)

	CFSA	PL 480	DLGCD	LOCAL GOVERNMENT
Type A *	P 32	P	P	P
Type B **	2,397			
Excess Property			14,669	
Motor Pool			1,917	1,917
Staff Training			2,438	2,438
Inventory			157	157
Civic Groups			316	316
Social Action Planning			316	316
Development Projects		5,778		
T O T A L	P2,429	P5,778	P19,813	P5,144

* Peso trust fund for international travel.

** Peso trust fund for operating expense.

Exhibit 3

KINDS OF INPUTS	QUALITY OF INPUTS	SCHEDULE OF DELIVERY
<u>USAID</u>		
<u>Direct Hire</u>		
1. Technician & Consultants	4 during the life of the program or as required	CY 78-80
	3 for 10 mos.	CY 78
	2 for 10 mos.	CY 79
	1 for 10 mos.	CY 80
	2 for 10 mos.	Last quarter of CY 80
	\$1,335,000.00	

<u>Commodities</u>		
1. Tools & supplies for equipment and Social Action Projects; office equipment & Supplies		During life of program or as required.
	\$ 244,000.00	
2. Rehab. equipment	\$1,877,000.00	During life of program or as required.

<u>Training</u>		
1. Participant training in USA	12 for 2 mos.	Middle part of CY 78
	15 for 2 mos.	Middle part of CY 79
	20 for 2 mos.	Middle part of CY 80
	\$ 119,000.00	

GOP

<u>Personnel (CDAP-RSC)</u>		
1. Management Personnel	4 for life of program	CY 77-80
2. Development Mgmt. Officer/ Researchers	16 for life of program	CY 77-80
3. Staff & Clerical Support	9 for life of program	CY 77-80

Budget Support

1. National Budget for Equip. : ₱ 4,950,000.00 : CY 77
Pool & Social Action Pro- : ₱33,000,000.00 : CY 78-80 During
jects. : 25% of the : the life of the
; total project : program or as
: estimate or : required.
: ₱12,500,000.00 :
: is the city's :
: projected :
: counterpart. :

Source of Data: Operations Manual CDAP 1978, pp. 6-7.

The following is a record of Funding Requests and Actual Budget Releases for CDAP:

A. Funding Request	1977	1978	1979 ^{4/}
COE	450,000	686,900	3,044,000
CO	<u>4,500,000</u>	<u>8,115,000</u>	<u>8,700,000</u>
Total Budget			
Requested	<u>₱4,950,000</u>	<u>₱8,801,990</u>	<u>₱11,744,100</u>

B. Budget Allocations

COE

Assume: 30% of
MLGCD allocation
for BWP, CDAP,

RPTA ^{5/}	<u>₱ 468,150</u>	<u>₱1,359,720</u>	<u>₱ 889,800</u>
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C. Budget Releases for

CO	<u>-</u>	<u>737,700*</u>	<u>331,100</u>
Total Budget			
Released	<u>₱ 468,150</u>	<u>₱2,097,420</u>	<u>₱1,220,990</u>

*Amount released for CDAP Trust Fund
by the Ministry of the Budget - ₱2,000,000.

It is obvious from this picture that the funding provided for the project has not been up to expectation. As of Sept. 30, 1979, a rough approximation of ₱3.8 million out of an expected ₱19 million (₱24 million expected, if 1977 funding is considered) or a mere 20% of expected funding has been released for CDAP.

^{4/} Revised Request (as of Sept. 30, 1979). See Exhibit 4.

^{5/} MLGCD/PDAP Accounting Report, Exhibit 4.

Exhibit 4

CDAP Budget Requests and Releases

(As of Sept. 30, 1979)

Budget Requests:		(Pesos)			
	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1979</u>	
			<u>Original</u>	<u>Revised</u>	<u>3+4 Qtr.</u>
A. Current Operating Expenses					
1. Personal Expenses	80,300	184,900	126,400	422,050	277,000
2. Projects/Activities (Surveys & Training)	275,700	433,000	493,000	1,841,800	1,320,000
3. Supplies & Materials	50,000	60,000	83,000	150,000	50,000
4. Equipment Outlay	<u>44,000</u>	<u>8,000</u>	<u>40,000</u>	<u>630,200</u>	<u>590,000</u>
Sub-Total	450,000	686,900	742,400	3,044,000	2,237,000
B. Capital Outlay					
1. Fixed Amount Re- imbursement	2,100,000	4,347,800		4,675,000	3,909,000
2. Seed Money	400,000	767,200		825,000	690,000
3. Equipment Pool Reimbursement	<u>2,000,000</u>	<u>3,000,000</u>		<u>3,200,000</u>	<u>2,800,000</u>
Sub-Total	4,500,000	8,115,000		8,700,000	7,399,000
Total Funding Request	<u>4,950,000</u>	<u>8,801,900</u>		<u>11,744,000</u>	<u>9,636,000</u>
Budget Released Through PDAP (COE) (For BWP, CDAP, RPTA) ^{1/}	1,560,500	4,532,400		2,966,000	
<u>Assume</u> CDAP gets 30%	520,200	1,510,800		988,700	

^{1/} Based on: "Provincial Development Assistance Project (BWP, CDAP & RPTA) Status of Fund for the Calendar Years 1977 & 1978" prepared by Augusto B. Del Rosario, Ministry Chief Accountant. 1979 figures from the Ministry of the Budget advice on the approval of special budget dated July 23, 1979 and signed by Jaime C. Laya, Minister of Budget.

	<u>1977</u>	<u>1978</u>	<u>1979</u>		<u>1979</u>
			<u>Original</u>	<u>Revised</u>	<u>3+42</u>
Budget Released through PDAP for Capital Outlay (CO)					
CDAP SEED Money*		222,600		322,500	
Projects (City)		<u>515,100</u>		<u>8,600</u>	
		<u>737,700</u>		<u>330,100</u>	

*In 1978, ₱2,000,000 was allocated for city projects:

Legazpi - ₱ 100,000 Sanitary Toilets Project

Butuan 400,000* Equipment Pool

Puerto P. 15,100 Waterworks Project

₱ 515,100

Balance = ₱1,484,900 : Obligated but not yet spent in 1978

*Actually paid in 1979

In 1979, ₱731,100
-400,000* Butuan (see above)

₱331,100 was paid out

Breakdown: (Based on Ministry of the Budget Records)

Seed Money

Dagupan	₱35,000
Olongapo	27,000
Lipa	30,000
Puerto Princesa	25,500
Legazpi	25,000
Naga	35,000
Roxas	35,000
Calbayog	35,000
Zamboanga	35,000
Cagayan de Oro	20,000
Butuan	<u>20,000</u>

FAR ₱322,500

Cagayan de Oro 8,600 8,600

₱331,100

B. Confusion over the CDAP Budget

The exact budget of the CDAP Office has not been specified.

The Budget Request is originally prepared by the CDAP Project Office. This request, however, is incorporated into the total MLGCD budget by the Ministry Budget Officer prior to review and approval by the Ministry of the Budget and the Batasang Pambansa. At any point in this chain of approval, the budget for CDAP may get reduced.

Once the Ministry Budget is approved by the Batasang Pambansa, this budget is allocated to the Ministry. Since the 3 PDAP projects: BWP, RRP and CDAP are all lumped together in one budget, there is no delineation of how much funds will go to each to each project.

The records of the Ministry Accountant, therefore, carry the budget allocation for CDAP as simply a part of the PDAP budget. There has been no way of determining what share of the budget should and will go to CDAP; nor is there any separate accounting for CDAP expenditure. The procedure used is a "billing" system.

The only way to identify CDAP expenditures in the past, according to Mr. G. M. Santos of the Ministry Accounting Office, is to review each individual voucher.

The ensuing problems that have resulted from this confusion over the budget for CDAP are: the difficulty on the part of CDAP office to plan and schedule activities such as hiring of staff; travel and training; poor working conditions; lack of control and accountability for finances; delays in payments and reimbursements.

This problem, therefore, has had severe ramifications on the effectiveness and efficiency of the program. Exhibit 5 indicates that 5 months is the average duration a city has to wait for reimbursement from CDAP from time of project completion.

In 1979, the releases in the budget for the PDAP special projects was delayed to the third quarter of the year due to inadequate documentation and justification prepared at the start of the year. This greatly hampered 1979 operations such as training activities.

C. Inadequate CDAP Financial Procedures and Record Keeping

Several problem have surfaced from discussions with CDAP personnel and CDC's.

Exhibit 5

Dates of Social Development Projects:
Completion and Reimbursement

as of Sept. 30, 1979

<u>Province</u>	<u>Project</u>	<u>Date</u>		<u>Time Duration for Reimburse- ment (Months)</u>
		<u>Project Completion</u>	<u>Project Reimbursement</u>	
Dagupan	Equipment Pool Foot Bridge	9-13-78	12-29-78	3½
Olongapo	Training Center Fishermen's & Banca Stn.	3-15-79 4-28-79	- -	6½ 5
Lipa	Sewing & Needlecraft I-V	8-30-78	6-29-79	10
Batangas	Sewing & Needlecraft I & II	9-14-79	-	½
Puerto Princesa	Lighting Facilities I Waterworks Project Water Sealed Public Toilet Drainage Prov. I Lighting Facilities II Cattle Dispersal	5-30-78 5-15-78 12-10-78 12-20-78 12-30-78 12-30-78	9-29-78 9-29-78 - 6-29-79 6-29-79 6-29-79	4 4½ 9½ 6 6 6
Butuan	Equipment Pool I	5-31-78	8-25-78	<u>3</u>
Average time duration from completion to reimbursement				5 mo.

Note: Some projects have been reimbursed but are not included
in this report due to lack of information on date of
completion.

Source of Data: CDAP Records: "Master List of Projects, Rural
Service Center Project as of Sept. 30, 1979"
October 1979.

Exhibit 6

Status of Social Development Projects
Started and Completed

as of Sept. 30, 1979

	<u>No. of Projects</u> ^{1/}	%
Projects Submitted	50	100%
Projects Approved	36	72%
Projects Given Seed Money	24	48%
Projects Completed	17	34%
Project Reimbursed	10	20%
Projects Given SDA	8	16%

Source of Data: CDAP Records: "Master List of Projects;
Rural Service Center Project as of Sept. 30,
1979" October 1979.

At the CDAP office level, the financial procedures are such that actual expenditures for operating expenses are not individually recorded. The office should keep an updated record of its expenses for activities such as training, salaries, travel, etc. Status reports should be made on a quarterly basis.

Between the CDAP office and the cities, the CDAP office should have a central up-to-date file on the projects proposed, cost of projects, give immediate feedback to the cities on financial requirements which may be lacking, process the requests for seed money, SDA and reimbursement and work for the immediate disbursement of these allocated funds.

The CDC's during different interviews have given feedback on delays in CDAP training programs, lack of logistical support and delays in reimbursement of projects. Because of the confusion over the requirements and procedures, the CDC often has to come personally to Manila to follow-up reimbursements for projects. This involves both time and money spent by the city for follow-up.

D. Decrease in the Budget Allocation for projects in each city.

The CDAP program was premised on the following strategy:

1978	- 5 cities
1979	- 10 cities
1980	- 15 cities

The Memos of Agreement with the cities were signed on June 1977. Somehow, the expectation of the cities were such that they could enter the project as soon as they had fulfilled the requirements and would have a yearly allocation of ₱500,000 provided per city. In 1979, however, the budget allocation per city was ₱245,000 and this was provided for 11 cities.

The decrease in the allotment per city has affected the enthusiasm of the CDC's and the number of projects which can be funded under the program.

E. Lack of Appropriations of City Funds for Social Development Projects.

The city, at the time of budget preparation, must allocate funds for social projects as indicated in the Memos of Agreement.

In some cities, however, this has not been the case. For

some cities, the problem is a lack of funds to go around for all the city's expenses and contractual obligations. As such, the funding for social action projects is on a "if there is money still available" basis. For other cities, the money may be appropriated; however utilized for some other emergencies that may occur during the year.

The need in social action projects, is for funding not only for the projects but also for the preliminary studies that must be undertaken by the CPDS. A research study to get baseline data at the barangay level may cost up to ₱30,000 and can last for 3 months, as concurred by the CDC's of Lipa and Legazpi.

F. Specific Recommendations

1. Immediate establishment of a separate Key Budgetary Inclusion (KBI) for CDAP.

Among the problems of CDAP previously cited, were the inadequacy of funding, confusion over the budget and delays in the releases of funds. The establishment of a separate KBI for CDAP in the MLGCD budget would minimize greatly, if not solve entirely, the problems.

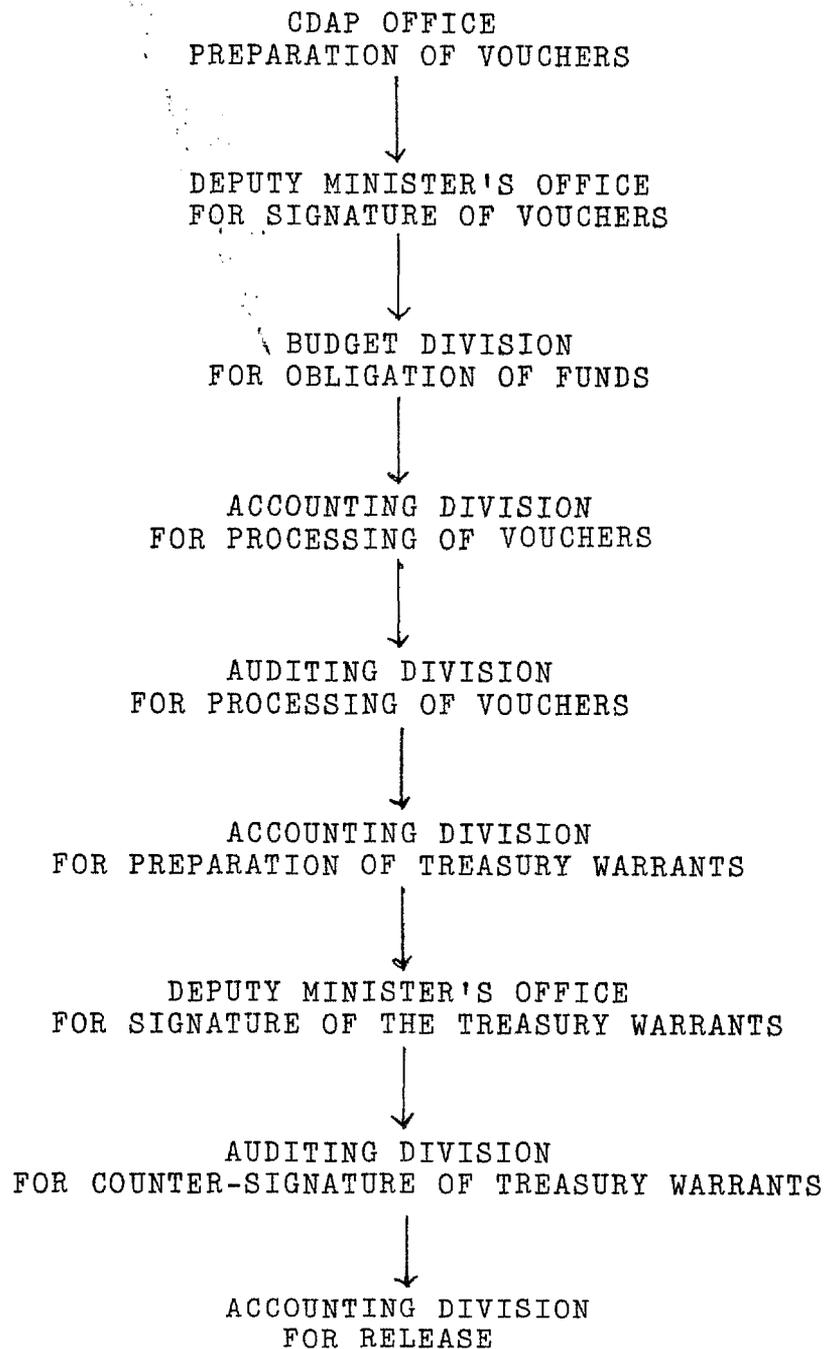
A separate KBI would mean that the CDAP Chief Executive would prepare and justify the CDAP budget; the CDAP office would know exactly how much a budget is approved by the Ministry of the Budget and the Batasang Pambansa, and the CDAP Office would have the authority to account for and control its own funds.

For the year 1980, a budget of ₱5,196 million for COE and ₱10.8 million for CO has been requested by the CDAP Office. It has been attached to the MLGCD Budget as a sub-allotment under the PDAP umbrella. This is a big improvement over the previous years when the CDAP budget was not separately identified, but was lumped together with the budgets of the other PDAP special projects. As a sub-allotment, the budget of CDAP is identifiable - the CDAP Office will know exactly how much funds are allocated for its operations during the 1980 fiscal year.

However, as a sub-allotment, the CDAP office will still have no control over its funds. The funds will still be accounted for and released subject to MLGCD financial procedures. Attached is a flowchart of Reimbursement Claims currently used.

Chart B.

FLOWCHART OF REIMBURSEMENT CLAIMS



SOURCE OF DATA: CDAP OFFICE

This will indicate the number of channels a reimbursement claim has to go through prior to the release of funds. This procedure indicates the number of offices involved which has caused delays in the processing of reimbursements in the past.

The best solution, then is a separate KBI for CDAP so that CDAP Office will have control over its funds, in addition to knowing how much funding is available for operations and projects.

2. CDAP should have a separate accounting system.

This recommendation is closely tied to #1. A separate accounting system will highlight the need for adequate funding, facilitate disbursement of funds, ensure financial controls over the funds allocated by the Ministry of the Budget to CDAP and will facilitate the auditing of CDAP finances.

3. The CDAP Chief Executive should ensure that adequate funding is provided for CDAP by the GOP.

A critical element in the success of this project is the availability of financial resources. Financial resources are to the project as fuel is to a car. The project may look fine in documents, but it will not move without the financial "fuel".

To ensure that the financial resources are provided, the CDAP Chief Executive should be fully responsible for budget preparation and justification. This should not be handed to the PDAP Director who has a host of other projects and programs to consider. The CDAP Chief Executive should be aware of all agreements and funding requirements for the program.

4. The city councils should be informed or reminded of the provisions of the Memo of Agreement signed between the city and CDAP, at the time of their Budget Preparation.

The participating cities must fulfill certain obligations per their memos of agreement with CDAP.

These obligations have a number of financial implications such as: surveys to be made and documents to be prepared are to be funded by the city, city counterpart funding of training costs is to be provided, costs for equipment pool and social action projects must first be borne by the cities.

5. The Memo of Agreement between a city and CDAP should be attached to the City Budget when it is submitted to the City Budget when it is submitted to the Regional Level (MLGCD) and the Ministry of Finance for Review.

This will ensure that the financial provisions of the Memo of Agreement will be fulfilled and the cities will have the resources for the CDAP projects and requirements.

6. To simplify and clarify CDAP procedures, a flow chart should be prepared by CDAP.

The flow chart should be realistic, based on actual personnel working at CDAP and using simplified procedures for the processing of documents and reimbursements. Copies of this flow chart should be given to the CDC's. The flow chart should indicate:

- a. Person involved in each activity (such as: Review of Project Proposal)
- b. Time duration for the activity
- c. Action to be taken and/or feedback to be given
- d. Signatures needed

This flow chart will satisfy a need surfaced at the Covelandia consultative conference for a clearer delineation of work at CDAP, better record keeping and a systematic work flows.

Furthermore, a complaint surfaced in the interviews with CDC's indicated their confusion as to how their papers are processed at CDAP office, and their dissatisfaction at having to personally follow up reimbursement requests. A maximum time limit of 1 month should be set for giving seed money or for the reimbursement of projects. This should be closely monitored by the CDAP staff.

Feedback should be given immediately to the CDC's when project proposals are submitted and completed on the adequacy of the documentation. A time limit on this feedback should also be set.

7. The CDAP office should come up with additional financial policies to ensure that:
 - a. Maximum use is made of funds allocated for CDAP. The CDAP office should explore the possibility of transferring funds allocated to CDAP projects, to the city itself. This will provide a three-fold benefit:

- (1) It would re-establish the credibility of the CDAP project with the city officials as being ready to fund social action projects.
 - (2) It would provide good training for the city to manage the funds subject to the monitoring from the CDAP Office.
 - (3) It will be possible for the city to earn interest from the money while it is idle, thus minimizing the effects of inflation on the projects.
- b. Projects approved and given an allocation will have the funding available at the time of completion.

In the past, some problems were encountered when the projects were not completed within a specific fiscal quarter or at the end of fiscal year. Funds obligated for projects could not be utilized once the quarter elapsed without the project being completed. This has contributed to the delays in project.

A change has been instituted by the Ministry of the Budget to be implemented this coming fiscal year (1980). All allocations for projects in a fiscal year will be available up to the first quarter of the succeeding year. This financial modification will greatly benefit the CDAP Project.

- c. Cities start and build up a trust fund for future social action projects.

The ultimate objective of the CDAP project is that the cities become self-reliant in social action projects. Since the cities often have budgets that must be stretched to pay for operations and contractual obligations, not much surplus is available for social action projects.

One way to ensure the continuation of this project then, is for CDAP to encourage and train the cities in procedures in setting aside a certain percentage of proceeds from income-generating projects as a trust fund.

For a needlecraft project, for example, once the project is generating income, money should be allocated for the repayment of the equipment, a percentage to the association and a percentage to the city. This has been done by a few cities and examples can be used as model for the other cities.

IV. LOCAL LEVEL ISSUES

CDAP PROJECT DEVELOPMENT: An analysis of emphasis, process and impact.

In an attempt to analyze the CDAP program and its impact on the disadvantaged areas of the participating chartered cities, the following data and observations are submitted:

One of the purposes of CDAP is to involve residents of the more disadvantaged areas of the chartered cities by helping such residents organize themselves into associations which can then meet together, identify the problems and concerns facing their families and community, consider and develop specific projects which address these "felt needs", seek support and encouragement from the CPDS, eventually receive the necessary financial resources to implement the project, and finally participate in the actual implementation of the project.

Some specific issues to be considered in this project development process are:

- A. How many targeted barangays were selected and how was selection made?
- B. What were the implications of this selection process? Is it better to have many barangays targeted or only a few?
- C. Were the types of projects identified as needed by the barangay people the same as the types of projects eventually approved by CDAP?
- D. What general observations can be made concerning the objectives of these associations, their leadership, and their long term viability?
- A. How many targeted barangays were selected and how was selection made?

Chart B below identifies the number of barangays that exist within each chartered city, how many are urban and rural, and how many out of the total were selected for participation in the Rural Service (CDAP) program. Firstly, it is clear that a very small percentage of the total number of barangays available were selected for participation.

Chart C. Number of Barangays in each city and the number targeted for Participation in CDAP

CITIES	Urban Barangays:		Rural Barangays:		Total		:% of Barangays :		Total
	Total	CDAP	Total	CDAP	Total	CDAP	in CDAP	Urban Rural :	
Cagayan de Oro	54	0	26	7	80	7	.0	2.7	.9
Dagupan	21	8	10	4	31	12	3.8	40.0	38.7
Naga	21	9	6	4	27	13	42.9	66.6	48.1
Puerto P.	23	7	38	19	61	26	30.4	50.0	41.6
Roxas City	11	4	36	16	47	20	36.4	42.1	42.6
Butuan City	27	12	52	20	79	32	44.4	38.5	40.5
Calbayog	49	10	114	30	163	40	20.4	26.3	24.5
Legaspi	39	22	29	27	68	49	56.4	93.1	72.0
Lipa	13	0	59	16	72	16	.0	27.1	22.2
Olongapo	16	9	0	0	16	9	56.3	.0	56.3
Zamboanga	41	6	52	0	93	6	14.6	.0	6.5
Angeles	26	5	5	2	31	7	19.2	40.0	22.6
Batangas	24	1	81	4	105	5	4.1	4.9	4.8
General Santos	4	2	12	6	16	8	50.0	50.0	50.0
Iriga	12	1	24	3	36	4	8.3	12.5	11.1
Lucena	11	5	21	13	32	18	45.4	61.9	56.3
TOTAL	392	101	565	171	957	171	25.8	30.3	28.4

Source RSCC Survey, October 1979.

- B. What are the implications of this selection process? Is it better to have many or fewer targetted barangays in the CDAP program?

Given the limited resources available for the CDAP project it makes great sense to limit the number of barangays to be involved in this initial experiment. If we assume that the process used to select these barangays does in fact reflect the most disadvantaged areas in the city, then the small number of barangays actually selected suggests that "the poorest of the poor" are probably being included. One may argue, of course, that there is no empirical evidence available at this point to substantiate this claim and that, in fact barangays are not homogeneous clusters of the poor. Barangays are generally further subdivided into puroks (rural) and zones (urban). Puroks within the same barangay may reflect wide disparities in income. Some additional research is needed to clarify this issue.

Nevertheless it is argued in this report that fewer barangays adequately trained, supported, encouraged, and

effectively helped are better than greater numbers of barangays inadequately trained and ineffectively helped. The fact that most cities have selected a small number of barangays to work with should reflect both their limited financial resources and personnel, and their realization that the process of institution-building in the barangay is a slow, tedious task that requires much time and effort.

C. Were the types of projects identified as needed by the barangay residents the same as the types of projects eventually approved by CDAP?

A preliminary analysis of some 7 of the 16 cities suggests that the targetted barangays were encouraged to organize themselves, consider the kinds of problems and "felt needs" they had, and the kinds of projects they wanted. The following charts were developed based upon some initial interviews with members of these local associations of the poor, members of CPDSs, Mayors, and staff in CDAP.

Chart D. Examples of Projects Suggested by Organizations of the Poor.

INCOME PRODUCING	: SOCIAL INFRASTRUCTURE
Piggeries	Public toilets
Handicrafts	Flood Control
Poultry/Duck Raising	Drainage
Cassava Production	Roads
Carpentry	Lighting
Cooperative Store	Bridges
Ceramics	Multi-Purpose Centers
Building Material	Potable Water Facilities (Pumps/Faucets)
Mat Making	Garbage Collection
Rattan & Woodcraft	Trail Construction
Bagoong Processing	Environmental Sanitation
Fisheries	Fences
Fish net making	Individual toilets
Abaca Handicraft	Housing
Cattle Raising	Artisan Wells
Needle Craft	Training Center
Nursery/Ornamental Plants	Rural Ambulance
Goat Raising	
Cottage Weaving	
Garment Factory	
Tractor Pool	

Chart E. Percentage of Projects Approved at Different Levels of the CDAP Program.

Levels	:Potentially Self- :sustaining Income :Producing Projects		:Potentially one- :time/Social Infra- :structure Projects	
	: Number	: %	: Number	: %
1. Associations of the Poor (7 cities)	165	59.3	113	40.7
2. Projects submitted to CDAP (14 cities)	19	37.2	32	62.8
3. Projects approved by CDAP (11 cities)	10	25.0	30	75.0

A review of these charts suggests the following observations:

1. Associations of the poor stimulated and encouraged by CPDS personnel appear capable to identify problems in their communities and to articulate "felt needs". The wide variety (including other projects identified by these associations but not listed in Chart B above) of projects identified and developed through group discussions, associations meetings, and the interactions of CPDS and members of the disadvantaged sector, suggests not only the willingness but also the ability to reflect on their problems but also to develop specific project to deal with these problems.
2. It appears that at their level, the disadvantaged are more apt to identify income-producing projects (59.3%) than social infrastructure projects (40.7%). This may be somewhat misleading because a preliminary breakdown of the data between urban and rural barangay suggests that the urban poor are slightly more apt to list social infrastructure projects (toilets, drainage, sanitation, etc.) while the rural poor are somewhat more apt to identify additional income as their most pressing need. Additional empirical verifications of this is needed.
3. As project requests at the barangay level are translated into project recommendations at the city and CDAP levels a shift in emphasis appears to emerge. It is understood that this shift toward a social infrastructure orientation is the natural consequence of the following factors: (1) It is easier to complete and document feasibility studies and beneficiary impact for social infrastructure projects; (2) the professional judgment of city level

officials concerning the prioritization and importance of various project alternatives; (3) easier to develop and approve a few large projects than a lot of smaller projects; (4) emphasis toward social infrastructure projects among earlier CDAP personnel (early 1978), and (5) an honest concern that income-producing projects may concern only a few while infrastructure projects may benefit the whole community.

This information should not be perceived as a criticism of CDAP but rather an attempt to sensitize officials responsible for project development to the importance of considering the types of projects being requested by the beneficiaries, the process by which such projects are prioritized and approved, and the long-term consequences of such a selection and approval process. Both types of projects can be legitimately justified and are potentially capable of helping the poor. The issue here is the importance of documenting what is happening at each level in the system, why is it happening, and what are the consequences.

D. What general observations can be made concerning the objectives of these associations, their leadership, and their long term viability?

It appears there is no consistency in the way the CPDSs in the various cities explain the purpose and nature of the organizations that the disadvantaged are to establish. Most CDCs interviewed indicated that they did not emphasize nor even mention in most cases that the organizations to be established were to be made up of "the disadvantaged" or the "the poorest of the poor". Generally, the targetted area citizens were merely invited to organize themselves, select whatever name they felt was appropriate for their situation, and seek to identify their own problems and felt needs. Chart F is a sample of the kinds of association names selected which appears to suggest little pressure has been exerted by the CPDSs to impose some pre-selected association names. It should also be noted that although many of these associations had been developed and organized as a direct consequence of encouragement and direction of CPDS personnel, several did exist prior to CDAP's intervention into the cities. It also suggests willingness on the part of various community and vocational interest groups to organize without government stimulus.

Chart F. Associations of the Poor

Name of Organization	Existed	
	: Before of CDAP	: Because of CDAP
Pagkaborunyog sa kauswagan sa Barangay 10 (Association for the Development of Barangay 10)		x
Kapisanan sa Kaunlaran ng Barangay 12 (KKB12) (Development Association of Barangay 12)		x
Pagkaborogkos sa Barangay 14 para sa kauswagan (Union for Progress for Barangay 14)		x
Kapisanan ng Banquerohan Para sa Magandang Kinabukasan (Association for the Development of a Better Barangay of Paranquerohan)		x
Samahan sa Pagpaunlad ng Barangay 62 (Association for Progress of Barangay 62)		x
Samahan para sa Kinabukasan ng Puro (Association for a Better Future of Barangay Puro)		x
Kapisanan ng Tamaoyan para sa Kaunlaran (Association of Tamaoyan for Progress)		x
Association sa Kauswagan kan Barangay 15 (Association for Progress of Barangay 15)		x
Samahan sa Kaunlaran ng Barangay (Barangay Association for Progress)		x
Barangay Everlasting Generation Association		x
Kaponongan sa mga Kabus (Organization of the Poor)		x

Name of Organization	Existed	
	Before of CDAP	Because of CDAP
Hinugpong nga Kusog (United Strength)		x
Kaponongan Panlimbasog (Union of the Striving Poor)		x
Bag-ong Kusong (New Strength)		x
Makuguihon nga kapunongan Sataligaman (Hard Workers Association)		x
Pundok nga Madasigon (Group of Active)		x
Slum Improvement and Resettle- ment (SIR) Force	x	
Barangay 32 Slum Association		x
Barangay 34 Residents Association		x
Barangay 35 Young and Old Association		x
Ramonal Village Neighborhood Association	x	
Bulawanon (Golden Asso.)	x	
Makiangayon (Friendly Asso.)	x	
Mauswagon (Progressive Association)	x	
Masilakon (Brilliant Association)	x	
Maalagaron (Service-Oriented Asso.)	x	
Riverside Neighborhood Asso. (Zone 2)	x	
Zone 4 Organization	x	
Carmen Everlasting-Banaba-Acacia Pag-asa Youth Movement	x	

Name of Organization	Existed	
	: Before CDAP	: Because of CDAP
Zone 7 Residents Association	x	
Taglimao Barangay Asso.	x	
Barangay Youth Organization	x	
Federation of Barangay Organization		x
Principal Organization		x
Upper zone 5 association	x	
Barangay Indahag People's Organization		x
Indigent Manobos & Christian Association		x
Kabus Organization (Poor Organization)		x
Ong Yiu District CDAP Organization		
Bag-ong Subang (New Sunrise)		x
Butuan City Carpenters Asso.	x	
Alagad sa Bag-ong Katilingban (Disciples of the New Society)		x
Kapu-ongan sa Pag-pauswag sa Ambago (Association for Progress in Barangay Ambago)		x
Barangay Babag Indigent Organization		x
Bancasi Indigent Families Cooperative Project		x
Upper Tumampi Organization		x
Nahiusang Mag-uuma sa Baobaon (United Farmers of Baobaon)		x
Pagtinabangay Organization (Organization of Helping Hands)		x

Name of Organization	Existed	
	Before of CDAP:	Because of CDAP
Pundok nga Makuguihon (Group of the Diligent Poor)		x
Kapunongan sa mga Kabus sa Kinamlutan (Association of the Poor in Kinamlutan)		x
Kapunongan Nga Masiklakong Kaugmaon sa Barangay Lemon (Association for the Bright Future of Lemon)		x
Los Angeles Progressive Organization		x
Maoswagon (Progressive Organization for Planning		x
Pag-asa (Association of Hope)		x
Panaghiusa Organization (Organization for Unity)		x
San Simon Young Leader's Organization		x
Pundok sa mga Kugihan (Group of Industrious People)		x
Principal Organization		x
Mambuaya Social Action Team		x
Baikingon Social Action Team		x

A review of the general characteristics of the presidents of these associations of the poor suggests their varied age levels, occupation and educational backgrounds.

Chart G. Characterization of the Presidents of the Association of the Poor

A) Sex Males 38 (86.3%) Female 6 (13.4%)

B) Age 20s 30s 40s 50s 60s 70s
 3(6.8%) 15(34.1%) 16(36.4%) 7(15.9%) 2(4.5%) 1(2.3%)

C) Occupation and Educational Background

<p><u>Elementary</u> 19(43.1%)</p> <p>Farmer (Son of B. Capt.) Farmer Farmer Electronics helper Farmer Farmer Housekeepers Barangay secretary Farmer Farmer Farmer Farmer Farmer Farmer Farmer Seamstress Farmer Farmer Farmer</p>	<p><u>High School</u> 15(34.1%)</p> <p>Employee of B.P.H. Laborer Laborer (religious leader) Rataan cleaner Handicraft worker Farmer (Son of B. Capt.) Sari-sari store owner Vendor Carpenter Businesswoman Security guard Farmer Farmer Housewife (Ladies Brigade)</p>	<p><u>College</u> 10(22.8%)</p> <p>Tax Collector Small businessman Employee CAA Outreach city employee Retired government employee Farmer/student Unemployed Government employee Government employee Farmer</p>
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It is significant that nearly 25 percent (22.8) of all presidents in these associations of the poor have some skills training and pursue vacations certainly not associated with the "poorest of the poor." As would be expected the overwhelming majority are male generally in their late 30s and 40s. Some may criticize an association of the poor that appears to be dominated (or at least headed) by individuals more appropriately described as from the middle class. Others may argue that the poorest of the poor recognize their own inability to organize and their need to invite others in the higher social structure. Thus they would seek to include leadership types with the education, experience, and connection need to organize the association, gain the appropriate sources of support in the community, and actually develop a project which will benefit the poor. However, the issue is not should these associations have "middle class" presidents but rather how and why were these leaders selected, and what are the consequences of this selection process? The long-term effectiveness of these associations requires quality leadership. Further studies should reveal these leaders' specific roles and qualities of leadership that are most conducive for the long-term viability of local community institutions organized to help the poor help themselves.

The general thrust of the CDAP project has been identified as an attempt to increase the administrative and management capability of the cities in planning, fiscal management, personnel administration, project design and implementation, structuring service delivery systems, and over-all quality of services to the entire community. The second focus rests on the assumption that greater awareness and allocation of resources are needed for the more disadvantaged or poorest of the poor in these chartered cities and that this is best accomplished through the establishment of local institutions at the barangay level which can articulate needs, help implement projects and eventually develop the capacity to help the poor help themselves.

The purpose of this report is to help identify some of the crucial variables, the pertinent issues, and the significant questions that must be considered if we are to understand how local level institutions are to be created, developed, reinforced and eventually made self-sustaining.

Specific issues to be considered in this institution-building process are:

1. What are appropriate ways to ensure that these local associations of the poor become legitimate institutions which genuinely serve the poor, represent their needs, and have long-term viability?
2. What various project examples can be given to demonstrate effective implementation of a specific project designed to further enhance institution-building?
3. What are the crucial environmental factors which must be considered if some types of self-sustaining institution-

building processes are to be operationalized in the chartered cities?

4. What should be the role of the CPDS in the development of this institution-building process?
5. What specific pre-conditions and incentive mechanisms are needed and/or available to implement the long-term goal of CDAP to strengthen the local institution-building process?

The purpose of this evaluation is not to answer these questions but to sensitize the reader to their relevance to the future redesign and implementation strategies developed for the CDAP program.

V. BACKGROUND MATERIAL

A) The MLGCD: Organization and Management

When the DLGCD, now the MLGCD, was created in implementation of the government's Integrated Reorganization Plan under P.D. No. 1, it was charged with pursuing three objectives: (1) to strengthen local governments; (2) to enhance community development; and (3) to pursue vigorously the institutionalization of a dynamic and purposeful cooperative system. 1/

To attain these objectives, the DLGCD is designed to be service- and development-oriented with the following functions: 2/

1. Assist the President of the Philippines in exercising general supervision over local governments;
2. Strengthen local governments so that they can perform their functions under conditions of greater local autonomy with increasing capacity to govern and carry out development programs;
3. Formulate, develop and coordinate programs of urban and rural community development in which the greatest participation of the local community shall be encouraged.
4. Provide the means by which the local governments would be encouraged to increasingly avail of cooperative associations in the pursuit of their development programs;
5. Promote, organize and develop all types of cooperatives and develop new areas for cooperative enterprises;
6. Administer technical assistance programs, training programs and research programs with local government participation to improve the management of local governments and to enhance the utility of community development and cooperatives development as agents of social change;
7. Coordinate local development plans with national development plans and encourage coordinated action among regional offices of the national government and local government units; and
8. Perform such other functions as may be provided by law.

1/ Letter of Implementation No. 7 of the President of the Philippines, dated November 1, 1972.

2/ Sec. 4, Art. II of Chapter I, Part XVII of the Integrated Reorganization Plan.

The legality of the existence of the DLGCD is embodied in Article II of Chapter I, Part XVII of the Integrated Re-organization Plan, as approved for implementation by P.D. No. 1, dated September 24, 1972. It states:

It is a declared policy that the national and local governments shall be partners in the development of the nation. The national government shall provide the administrative machinery and the leadership through which improvement of local government administration may be achieved so that, with local participation, the people may increasingly avail of self-help techniques and cooperative associations in developing local communities and transform them into viable instruments of progress.

To implement this state policy, the DLGCD was given the responsibility, among others, to perform the functions of:

Strengthening local governments so that they can perform their functions under conditions of greater autonomy with increasing capacity to govern and carry out development. 1/

Hence, the DLGCD becomes "the primary agency for providing advice and assistance in matters relating to local government administration and for planning, coordinating, and implementing programs in community development and cooperatives. 2/

The 1973 Constitution of the Republic of the Philippines strengthened the legal existence of the DLGCD. In its declaration of principles and state policies, it directs that:

The State shall guarantee and promote the autonomy of local government units, especially the barrio, to ensure their fullest development as well as self-reliant communities. 3/

Provincial Development Assistance Program (PDAP)

PDAP seeks to upgrade the capability of provincial governments to plan and to coordinate the implementation of local development projects by developing and field testing systems, techniques, and procedures needed to improve the management of local government units throughout the country.

1/ Sec. 4(a), Art. II, Chapter I, Part XVII, Integrated Reorganization Plan.

2/ Ibid., Sec. 1.

3/ Ibid., Sec. 10.

As such, the goal of PDAP is to improve the effectiveness of the agencies of local government in serving their people and in attaining national and local objectives.

The objectives of PDAP is to identify, develop, field test in pilot areas and prepare for nationwide application the improved systems, procedures and techniques needed for local government organization, management and development program planning, implementation and monitoring. In the process of implementing these improvements, PDAP provides technical, training and commodity assistance to the provinces and, in some cases, to municipalities.

Evolution of PDAP. During the year 1966, the Government of the Philippines (GOP) and the United States Agency for International Development (USAID) initiated a pilot development program entitled "Operation Spread" in two provinces of Central Luzon. This program represented an early attempt to provide direct technical and commodity support assistance to selected provincial governments. Its underlying objectives were to gauge the value of a direct field-assisted provincial development program; to identify the concepts, systems and inputs crucial to local development process, and to establish a rational basis for future extension of development assistance efforts to other provinces.

The outputs produced and experience gained from "Operation Spread" in the course of two years of field operations shaped the way for the rebirth of a new program of assistance aimed at strengthening provincial government operations. Thus on January 2, 1968, following the termination of "Operation Spread," PDAP came into being. Its formation represented a significant shift of program emphasis in that a specific GOP counterpart agency was established to coordinate and extend pilot project efforts aimed at improving the functioning of local government.

During the nine-year period from 1968 to 1977, PDAP pilot development programs were established in 28 PDAP provinces. Primary emphasis was given to increasing the abilities of these provinces to carry out national as well as local objectives, particularly in general development planning and programming, in infrastructure construction and maintenance, in equipment pool development, in fiscal management and in personnel administration. Programs in support of increased agricultural production, family planning, nutrition, rural electrification and cottage industry development were also given special emphasis.

PDAP also succeeded in developing planning tools to key management. Examples are the Five-Year Capital Improvement Program, Performance Budget, Provincial Equipment Pool Development Plan, Equipment Pool Operations Manual, Standard

Cost Procedures, Cost Accounting Manual, RPTA Multi-Year Plan, Road Network Development Plan, Provincial Comprehensive Plan, and Quality Control Facility Development Plan.

The new systems were installed in selected pilot provinces for a trial run to determine their strong and weak points and the steps needed to perfect each system. Finally, the systems were implemented throughout the PDAP provinces so that a broadening of the pilot effort could be realized and the systems could be perfected for subsequent nationwide application.

During the period 1968-1972, PDAP operated as an adjunct of the National Economic Council. Then, in November 1972, in recognition of PDAP's increasingly important role in the strengthening of local government, the Project was placed under the Office of the President, with the Executive Secretary exercising direct supervision.

In keeping with plans to spread PDAP's systems and operations countrywide, PDAP was transferred on August 18, 1976 to the DLGCD, later designated as ministry along with other departments, 1/ pursuant to P.D. No. 830, dated November 27, 1975, by the President of GOP by issuing LOI No. 46. Subsequently, PDAP was placed under the Office of the Undersecretary for Local Government (now Deputy Minister for Local Government).

1/ P.D. No. 1397, dated June 2, 1978.

Review of PDAP's Administration

A review of the PDAP before its transfer to the MLGCD shows the following organization and management conditions obtaining at the time" 1/

1. PDAP operated in almost an autonomous set-up. It was given the full support from the Office of the President, through the Executive Secretary.
2. PDAP developed a delivery system and internal administrative procedures that it strictly adhered to and it always managed to get the necessary support on time.
3. PDAP had full control of its budgetary appropriations and finances.
4. PDAP had full control of its budgetary appropriations and finances.
5. PDAP maintained close liason and coordination work with National Economic and Development Authority (NEDA), Commission on Audit (COA), the Budget Commission (now the Ministry of Budget), Department of Finance (now the Ministry of Finance) and USAID technicians, which helped in averting management and operational bottlenecks.

An analysis of the first two years (1976-1978) of operations of PDAP under the DLGCD shows that it was confronted with organizational and management problems, thus its effectiveness had deteriorated.

The analysis revealed the following: 2/

1. PDAP top management during the past two years did not follow sound financial plan in prioritizing its disbursement transactions. As a result, important activities were cancelled or not implemented. Supply procurement were made without regard to sound practices. Training activities were luxurious and unrestricted where it could have been held modestly without sacrificing convenience and attainment of its desired objectives. As such, there was a certain time that PDAP has a sizeable amount of unfunded payable.
2. Because of serious differing management personalities, Rural Road Program (RRP) severed its organizational relationship and became independent from PDAP in 1976. As

1/ Memorandum for the Honorable Jose A. Roño, Minister of Local Government and Community Development, dated November 8, 1978.

2/ Ibid.

a result, RRP developed its own separate technical and administrative machinery and procedural systems which ran counter to what PDAP have been trying to preach and institutionalize. Provincial officials were confused on which guidelines and procedures to follow: PDAP or RRP. Other special projects like the Barangay Waterworks Program (BWP), Real Property Tax Administration (RPTA) and the Rural Service Center (RSC) Project or CDAP were already trying to do the same.

All these happened because PDAP top management at the time lacked command and full control over the situation. There was lack of direction and full understanding on the conceptual perspective and philosophy of the internal relationship of PDAP and its special projects and its combined operational relationship with provinces and cities with respect to MLGCD.

3. PDAP hired contractual employees irrationally. To compound the problem of excess personnel, new contractuels were assigned to highly technical jobs for which they were not qualified. New technical positions and designations justifying employment were confusing and embarrassing to hear.
4. PDAP-RRP budgets were included in the budget of the MLGCD. Releases were made by the Budget Commission (now Ministry of the Budget) to the MLGCD and PDAP-RRP worked its budget with MLGCD's central office for reimbursement and operating expenses, however, there had been delays in release that triggered off subsequent delays in reimbursing completed projects to a point that Provincial Governors and Provincial Treasurers were already complaining over the matter.

As such, there was difficulty in adjusting to the new budgetary form requirement and PDAP failed to act immediately on such requirements of the Budget Commission. Moreover, some of the problems of delay are traceable to accounting and auditing overlays in the Ministry proper.

All the above problems, in varying degrees, have contributed in one way or the other, to the deterioration of PDAP.

Reorganization.

On October 5, 1978, the Minister of Local Government and Community Development issued MLGCD Ministry Order No. 78-494 designating the Deputy Minister for Local Government as Acting Executive Director of PDAP in a concurrent capacity, with full powers to reorganize, integrate and streamline all special USAID-assisted projects under the MLGCD.

Before the Deputy Minister for Local Government was designated concurrent Executive Director, a study group was already

organized to look into the kind and shape of organization structure that PDAP should be eventually adopt. This group has been continuously conducting dialogues with Bureau of Local Government proper and other units in MLGCD to ineract and get advice on the projected reorganization. The Regional Directors were consulted and made to react on the PDAP reorganization during the monthly conference held in Zamboanga City last October 4, 1978. Their reactions were favorable.

Among the changes that were undertaken are as follows. 1/

1. An administrative and technical staff, including a small budget unit, was authorized by the Minister of Local Government and Community Development to enable PDAP to operate efficiently as before. One of the reasons why PDAP could not secure its funding support promptly from the Ministry is that nobody is specifically attending to bud- getary activities.
2. The Office of the Resident Auditor of PDAP was retained to take care of the auditing services expected to continue to be rendered.

PDAP's Present Situations.

After considering the organizational and management relationship problems affecting PDAP and its special projects, the organiza- tion structure of PDAP, RRP, BWP, RPTA and RSC were dismantled. In lieu thereof, two main units were created under the umbrella of the old PDAP to which all existing employees were directed to report. Those performing technical and field functions were directed to report to Field Operations; those performing administrative duties were directed to Internal Administration. The intention was to destroy the old organization and dismantle the strong cliques and organization loyalties existing among the employees.

A Central Management Committee was created to assist the Executive Director in clearing management and interim policy decisions. An interim structure was created to take care of on-going commitments and services that PDAP should continue to render.

PDAP has its share of problems, however, these being almost always present in any given situation or in any organization.

Technical assistance, like that of the PDAP, is a relatively new phenomenon for local administration in the country. The difficulties associated with it are those related to major adjustments needed to emancipate local governments from dependence on the national government to a certain degree, with such efforts bearing the pressures of a highly-changing

1/ Ibid.

environment, high expectations, and the constraints of limited resources.

Expectations are high especially among those directly affected by the PDAP. But when expectations go too far beyond realization, they contribute to disillusionment and cause problems for the program.

In PDAP, there are four special projects: Rural Road Project, Barangay Waterworks Project, Real Property Tax Administration, and Rural Service Center.

The resources are limited for local government administration and development in a developing country like the Philippines. This fact should be considered by all those involved in the implementation of the PDAP. Hence, there will always be problems and difficulties. As earlier ones get resolved, others will arise as it has always been the case insofar as resources are concerned.

B. Crucial Issues Facing CDAP.

Below are a series of general issues or points of difference which reflect a series of points of view best defined as a continuum of various extreme sets of assumptions and articulated goals to be achieved. The purpose of this discussion is to attempt to clarify the dimensions of these issues - the crucial assumptions, positions and arguments, advantages and disadvantages of the conflicting points of view. While this process of clarification may appear to be unduly complicated and tedious as we seek to understand the opposing positions, the ultimate goal of this discussion is to sensitize those responsible for the future thrust of CDAP to the importance of these issues and the possible consequences stemming from the various positions one might take on these issues.

Issue one is related to the position and relationship that should exist between CDAP and PDAP as presently structured within the Ministry of Local Government and Community Development (MLGCD). Position I(A) CDAP should remain under the administrative, financial and political control of PDAP as a means of ensuring that the approaches, strategies, management systems, and institution--building orientation utilized to strengthen the provincial level of government will also be used at the city level. A basic assumption of this position is that the means to improve the management and administrative effectiveness at the provincial level are also appropriate at the city level, and that what has worked at the provincial level (management strategies, types of training, systems of documentation, and fiscal accounting structures) are also appropriate at the city level, and, in addition, the needs of the cities are but an extension of the needs of the provinces. This position is deemed credible by the obvious

success that PDAP has experienced in the past decade at the provincial level. Even a cursory review of the PDAP approach to strengthen local administration capability appears to demonstrate the success of this program. Its special project status, its financial support from outside sources, its administrative flexibility ensured by a separate Deputy Minister with the MLGCD, and its obvious program relevancy to the felt needs of provincial level administrators -- all of these combine to make this program not only an effective instrument for developing management and administrative capacity at the provincial level but also as a program for strengthening the COP's commitment to decentralization and the establishment of a viable local government system at the provincial level. This position to keep CDAP under the "umbrella" of PDAP also has strong support especially within the staff members of PDAP.

Position I (B) CDAP should be structured as a separate administrative entity and not under PDAP. It is argued by those who expouse this position that the problems of the cities are inherently different from those of the provinces and that the management and administrative needs of the cities must reflect a direct government-to-people orientation less crucial or apparent at the provincial level. A key assumption of this position rests on the argument that though PDAP has, in fact, been successful, however, the very reasons for PDAP's success on special project status, fiscal autonomy, and administrative flexibility are the very characteristics that CDAP needs if it is to have the salutary impact on the cities envisioned in its original statement of purpose. (A crucial dimension of the CDAP strategy is the Rural Service Center which must be able to act expeditiously on projects identified by the poverty-area residents of the community.) Long delays in project approval or program reimbursement merely reinforce the cynicism, apathy and distrust of poverty-level people toward their government. This position argues that CDAP placed under PDAP adds an additional layer of bureaucracy into an administrative system that needs more autonomy, flexibility and freedom of action -- not less -- and that the present system of PDAP's administrative controls, reduces the effectiveness and responsiveness of CDAP.

The second issue relates to the question of whether the thrust of CDAP should be social (infrastructure) welfare oriented or whether CDAP should focus more on income-producing projects which emphasize the economic dimensions of rural area development. Although the Project Paper insists that the major purpose of the CDAP program is to "(1) upgrade the administrative capacity of local government in selected chartered cities and (2) increase citizen participation with special consideration for involvement of the disadvantaged in the planning and implementation of projects to improve the quality of life in those chartered cities," it is not clear whether these projects should be directed toward community-wide social infrastructure projects or family-specific or association of the poor-specific income-producing projects.

Position II(A). The major purpose of CDAP is to provide funding for projects designed to meet the immediate felt needs of the poverty level citizens of the participating cities. During the early part of CDAP (1977-1978) the major thrust of most CDAP projects initiated in the participating cities emphasized a social infrastructure orientation designed to deal with the community problems of: (1) lack of potable water, supply, proper drainage systems, roads and bridges, available public toilet facilities, (2) need for multi-purpose community centers, flood control, health centers, and other community wide welfare type projects. Although public discussions were conducted in some of the barangay organizations to suggest that some type of repayment schedule should be structured into the project, however, for the overwhelming barangay organizations the major focus was on the availability of grant money to help finance projects which could help solve some of their community problems. The emphasis was clearly on identifying community problems, designing projects to solve these problems and encouraging the city government to allocate funds for these projects on the clear understanding that such project expenditures would be reimbursed. A key assumption of this approach is what is perceived to be a "fundamental fact of life" that the "poorest of the poor" in these cities have problems and if the government does not address itself to these problems no one else will. A concomitant perception associated with this position is a perceived need for the central government to help the poverty level citizens with problems which the poor by themselves cannot solve. Those who oppose this position would argue against giving money to organizations of the poor without proper mechanism for repayment of that money, and without ensuring that the local people see it as their project and not the "government's project," and unless some means are provided for the project to function after the project funding stops. Such negative steps would merely reinforce the "dependency model" of welfare development; moreover, the ability of the local people to solve their own problems would not be enhanced.

Those supporting this approach argue that this method is a most effective way for penetrating poverty areas with an immediate infusion of outside capital designed to meet the "felt needs" of the poverty area population in a quick and simple way. This attempt to encourage the local poverty area citizens to organize themselves, identify their key social and community problems, and then generate projects which are responsive to their needs has positive social, political and economic implications, again assuming the projects are structured to facilitate the development of an economic and political infrastructure needed for long-term community development.

Position II(B). The most appropriate way to help the poor is to help them increase their individual incomes, therefore, CDAP should seek to emphasize income-producing projects and not social welfare type projects. This approach assumes that the most effective way to help disadvantaged individual is to help him help himself; provide him with the training, material, and other resources so as to become self-sufficient. With appropriate support, incentives, training and follow-through, CDAP can make the greatest contribution in upgrading the quality of life of the poor by focussing on income-producing projects which will be given to individual families. Those opposing this approach acknowledge that a few of the poor may be motivated with this type of financial incentives; on the other hand, the vast majority of the poor, with a tradition of exploitation, apathy, and social injustice will not be moved by such a strategy. Should some income-producing projects tend to benefit only the few willing to accept the risk of such ventures, the more would it stiffen its multiplier or spreading effect throughout the poverty areas of the community.

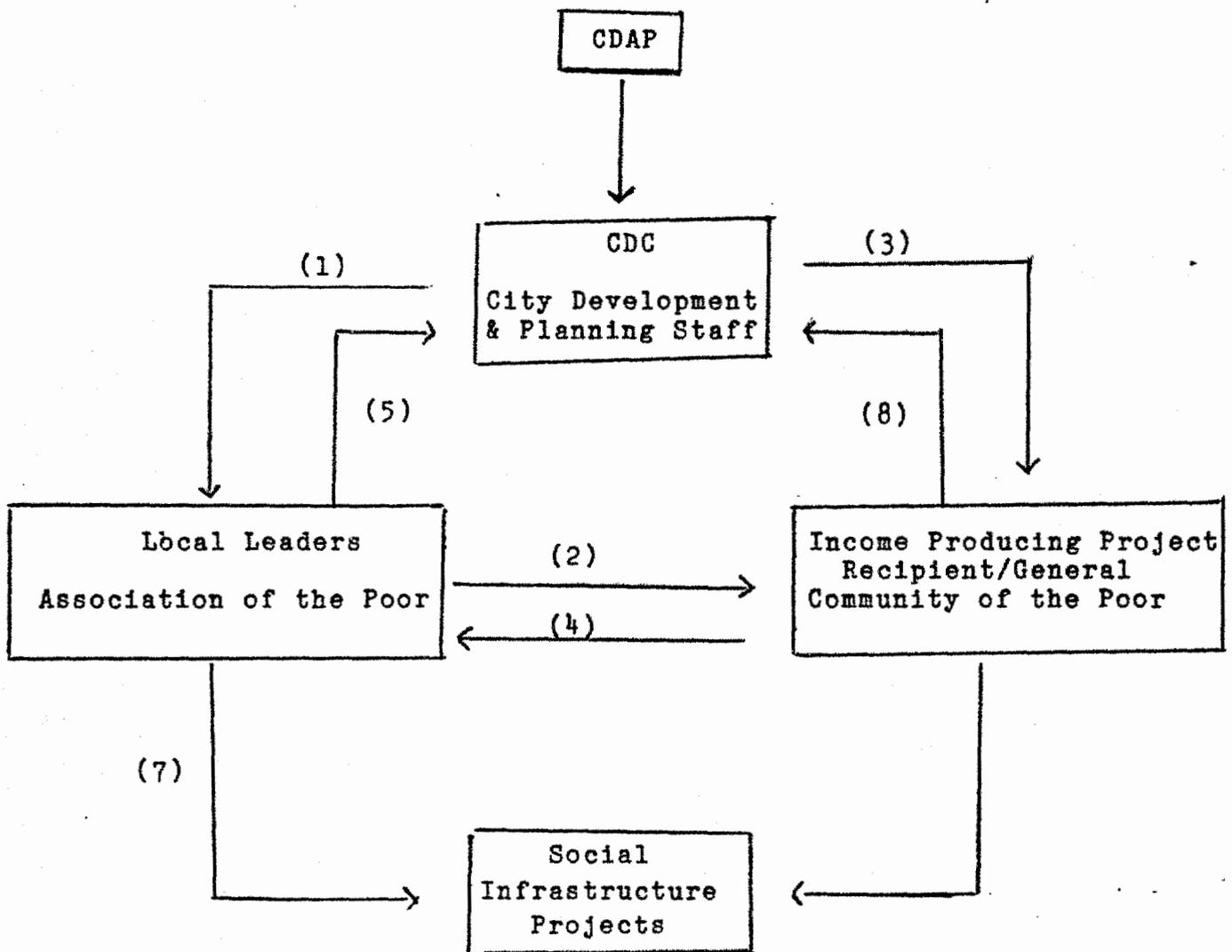
Position II(C). It is possible to balance these two approaches described above in such a way as to ensure that both social infrastructure needs and individual income needs are eventually met through the CDAP program. Analytically, this position tends to fall into two sub-approaches, each with a slightly different set of assumptions and orientation.

- (1) Large-Budget Two-Thrust Approach: This approach assumes that a large capital outlay is available over an extended period of time to finance both large scale social infrastructure projects (water, supply, drainage, roads, health facilities) and a variety of income-producing projects for individual barangay level associations of the poor. Such an approach seeks the best of "both worlds" as immediate social infrastructure projects are neatly dove-tailed with income-producing projects in, hopefully, a self-reinforcing cycle of community development. Several specific assumptions need to be clarified and some malfunctional consequences when these assumptions prove to be invalid need to be considered. This approach does generate great excitement and enthusiasm in the initial stages as the early attempts to organize the poor are coupled with some immediate reinforcement through the establishment and implementation of various social projects for their communities. The experience of CDAP tends to demonstrate some of the problems of this approach. When large projects are identified, then pledged to be undertaken but delivered, the consequences can be not only distractions for the association of the poor but also in reinforcing a set of negative attitudes and perceptions of the citizens involved as they "once again" experience frustration over betrayed government promises. If the purposes of the CDAP project is to increase the institutional framework through which

"poorest of the poor" can genuinely participate in decisions which will affect their quality of life, it is important that the leadership being trained and should experience success and not failure in the development and implementation of a project. The tragedy of a program which is seeking to legitimize new social institutions and a new level of local leadership and initiative, but at the same time plagued by an encumbered bureaucracy characterized by delays, broken promises, mis-communicated intentions, and even a deception of purpose is that the initial good intentions of the program on the contrary encounter the attitudes of cynicism and apathy, such attitudes aimed to be misfilled by the original program. This type of two-thrust approach may be appropriate only if adequate funding is both available and expeditiously distributed and/or reimbursed. Most large bureaucracies have built in obstacles and constraints to any operationalization of this assumption of fiscal efficiency.

- (2) Small-Budget Sequency Model. This model assumes that it is better to seek to implement small projects with a higher probability of success than large projects with lower success probability. This sequencing approach argues that smaller income-producing projects must precede social infrastructure projects at least in the early stages. Concentrating on a few successful projects will bring forth a sense of accomplishment both to the individuals participating in the project and, as a whole, to the association of the poor which helped organize the project. This approach assumes that all monies distributed for income-producing projects must be amortized over a reasonable period of time -- to ensure (1) that the individuals involved derive a reasonable income, and (2) that money is redeemed for the creation of a revolving fund to finance other projects. Assuming these associations of the poor are allowed to keep 25 percent of all funds allocated and repaid for income-producing projects, it should not be too long before such associations would have a surplus of capital which could be available in the long run for specific social infrastructure projects needed by the entire community. This sequencing model is much slower, but its proponents argue that long-term success is more assured.

In an attempt to describe the process by which this sequencing model has been operationalized in several cities associated with CDAP, we outline a simple chart of organizational process and the set of pre-conditions which appear to be requisite for the success of this type of approach.



Specific steps in this approach to project development:

Step One: It is the responsibility of the CDPS under the leadership of the CDC to help identify the individual areas of the community where the "Poorest of the poor" are located. Special efforts are to be made to facilitate the organization of these poverty-level residents into associations of the poor for the expressed purpose of (1) identifying their perceived "felt needs," (2) ranking these needs according to projects which address these problems in an appropriate way, and (4) describing the impact and scope of the project on the beneficiaries. If the described financial procedures of CDAP are followed it is assumed that appropriate financial support will be made available as soon as possible. It is a crucial that the members of

the associations understand" (1) that there is no guarantee that the projects identified in the meeting of the association of the poor will be funded or implemented unless approved as acceptable within the guidelines of the CDAP charter, (2) that the CDAP program cannot solve all their problems, thus must be taken to emphasize that CDAP cannot begin to deal with the many problems that the poor are facing and that no promises or even inferences should emerge which would suggest that CDAP will solve all the problems they identified, (3) that delays in the early phase of the program are to be expected although every effort will be made to facilitate the approval of the project and allocation of funds, (4) that this is not a "give-away-program", since 75 percent of all monies extended to the association will need to be repaid by way of ensuring that these funds will be available for other associations of the poor seeking to develop the same type of income-producing projects, (5) that a formal agreement will need to be written up, spelling out procedures, joint understandings, schedule fund release and specific regulations for implementing the project. If these early projects are to be successful every effort should be made to identify income-producing projects that are relevant, appropriate, and acceptable to the membership of the association. There is no question that extensive training for these association members will be needed in this first step of the project. It is anticipated that the CDPS will play a crucial role in developing mutually acceptable goals, expectations, and schedules of activities.

Step Two: The association of the poor is responsible to identify the specific members who will be given CDAP resources and materials for their individual income-producing projects. These individual project participants must be carefully selected to ensure (1) that they are interested in the project itself, (2) that they lack the financial resources and materials needed, (3) that they have the skills and motivation to make use of the resources given to them, (4) that they are active members of the association and clearly understand their role in repaying the loan extended to them so that other members of the association may have an opportunity to share in the project, (5) that they are respected members of the association and willing to comply with the rules and regulations established by their association.

Step Three: The CDPS will be responsible to designate Action Officers for each project established. These action officers must have the time and ability to work effectively with poverty-level people. It should be noted that in an earlier portion of this report that most CDPS responsible for extension contacts with associations of the poor appear to have less than one day a week which they can devote to the poor because of

the paper work and other documentation requirements specified by other government agencies requesting information in this area. There is no question that the crucial linkage in this total program strategy is the action officer or community development worker (CDW) responsible to train, motivate, monitor, facilitate, and follow-up over an extended period of time. Although time is an extremely important ingredient, the difference between success and failure will largely be dependent on the dedication, sensitivity and competency of the CEW working directly with the poor. The subtle balance between coercing and encouraging, between pestering and follow-up, between building dependency and facilitating self-reliance requires of skills of a high order in interpersonal relations, community development and management work. This again reflects and substantiates the fundamental logic of the CDAP approach which emphasizes the importance of city staff managerial, program, and technical skill development.

Step Four: It is strongly recommended that all individuals who eventually become participants in an income-producing project actively participate in the initial discussions especially where the pay-back agreement and repayment schedule will be defined. Several projects we have observed to reflect this approach have most agreements structured as follows: (1) 30-50 percent of all income generated will be used for amortization of the loan, (2) 5-10 percent will be paid to the association as a means to legitimize the role of said association and strengthen its own financial autonomy, and (3) the rest, will be kept by the recipient of the loan for their personal use, such percentage as agreed upon by the association and the recipient.

Step Five: In an attempt to strengthen these local associations of the poor, some cities are allowing the associations to repay only 75 percent of all projects. Loans which, in effect, allow the associations to keep 25 percent of all project grants help make possible a perpetual develop-fund available either for additional income-producing projects, for financing their own social infrastructure welfare programs, or for use as a source of matching funds for some government-sponsored social infrastructure program. The 75 percent repaid to CDAP becomes the base for the establishment of a perpetual income-producing fund which can then be allocated to other associations of the poor wishing to pursue such activities.

Step Six: Following this type of sequencing model described above, it is assumed that the poor themselves will continue to identify social and infrastructure type

problems which require community-wide action. It is assumed that increased consciousness over the broader needs of their community will emerge as various poverty-level families experience the process of group action through which their own associations were able to provide resources and materials for their individual income-producing projects. While this assumption needs additional empirical verification, it reflects a key component in the sequencing model of community development as little success in individual families create an environment where other families will eventually also be included. The gradual but hopefully "real" growth of community spirit in these lower-income areas as outcome of a series of small successes will be integrated into larger community reserve whereby poverty-area wide projects may be undertaken and financed through some type of joint effort between the associations and the central government. In an environment of limited resources, this sequencing model is especially attractive as it seeks to build up a general fund for social infrastructure projects over an extended period. Of course, this does not preclude the direct allocation of large appropriations from the central government, when such funds become available.

Step Seven: In the long-term development of this strategy, individual associations of the poor may accumulate the requisite funds needed for small-to medium-sized community projects. It is assumed that city governments may develop specific partnerships with these associations where their collective funds may be pooled for a community-wide social infrastructure project to be funded at the local level.

Step Eight: It is anticipated that many problems identified by the poorer elements of society will not fall within the guidelines of CDAP. It is envisioned further that the CPDS at the city level will begin to play a key role in linking specific local-level problems to general national-level programs and agencies. By facilitating the articulation of poverty-level concerns and problems to the central government, it is hoped that local government at the city level gain the legitimacy and experience needed to become a viable unit in the long-term efforts to strengthen these institutions at the local level.

Issue Three: What are the appropriate ways to ensure that these local associations of the poor become legitimate institutions which genuinely serve the poor, represent their needs, and have long-term viability? Below is a list of items intended to be considered in structuring the CDAP approach to further institution-building at the barangay level.

1. The capability and competency of the contact person between the CPDS and the association of the poor is absolutely crucial.

The general breakdown of the linkage mechanism between the local government unit and the general population is often due to the extension worker (Action Officer, Community Development Worker), who lacks the technical competency, the interpersonal skills, the commitment and concern needed to work effectively with the disadvantaged. Visits can be made, projects developed, and organizations established, but if the Action Officer, assigned to helping the poor help themselves through their own organizational efforts, has too much paper work in his office, does not really identify with and understand the problems of the poor, only works with them when specifically required, or seldom takes the time to follow-up, encourage, and monitor, then the process of institution-building among the poor will be ineffective. Much of this observation is obvious. What is not so obvious are the strategies, incentives, and mechanism needed to institutionalize the process of this interaction between government extension worker and the poor. This process generally requires three things: a) personal dedication and commitment, b) technical competency and experience in community development work, and c) the carefully structured incentive system which provides specific and direct rewards to meritorious work.

2. Institution-building implies the establishment of structures and procedures perceived to be efficacious in achieving desired goals over an extended period of time. CDAP can play a useful role in this process if the associations of the poor organized will be given the opportunity to develop and implement a series of successful projects perceived to have been useful and appropriate by the beneficiaries. There is some danger, however that the CDAP program will be too quickly expanded to more than the original cities of the program without any increase in the budget. While this allows more cities to finance projects it also, implies fewer projects per city due to the restricted budget available. The most effective way to build the type of institution envisioned in the CDAP program for the poor is to allow the association to experience not just the development and implementation of one or two projects in one year, but to gain experience through a multi-generational process. Only after an association has gone through the process of developing, implementing, monitoring, evaluating, succeeding or failing, learning from the whole process and then starting all over after several years, will the institution itself begin to take on some sense of legitimacy and community identity. To finance one or two projects in one association of the poor and then move on to other associations and other cities is a good way to spend budget allocations but not an effective way to build self-sustaining viable units of local participation and involvement.
3. Perhaps most crucial in the local institution-building

process is the development of independent sources of financial resources available for the institution to use as it sees fit. Income-producing projects as have been described appear to be an appropriate vehicle for helping the associations of the poor to build up a surplus of funds to be used as they want. Experience in various countries seems to suggest that local institution become legitimate and self-sustaining only as they develop their own sources of income, have some independence in deciding how these funds should be spent, are held accountable for the effective use of the funds, and develop some capability in managing projects structured to meet the needs of the associations' members.

In summary, it appears the three crucial factors in local institution building are: a) central government support and encouragement through dedicated, competent and sensitive change agents, b) an opportunity to develop experience and skill in project development, implementation, evaluation, and learning which is then recycled through several generations of projects, and c) gradual development of financial autonomy and sources of funding. It is strongly recommended that the CDAP program should not be expanded to additional cities until the present local institution being organized have been given the opportunity to develop their own capabilities over several years.

Appendix "A"
QUESTIONNAIRE
(Summary)

1. How effective has been the administrative support of CDAP to the CDC and his CDP staff?

A) Prior to October 1978 and

Very Effective	Somewhat Effective	Somewhat Ineffective	Very Ineffective	No Answer
3 (20.0%)	5 (33.3%)	4 (26.7%)	1 (6.7%)	2 (13.3%)

B) Since October 1978

Very Effective	Somewhat Effective	Somewhat Ineffective	Very Ineffective	No Answer
6 (40.0%)	8 (53.3%)	0 (0%)	0 (0%)	1 (6.7%)

2. How effective has been the program management of CDAP to the CDC and his CDP staff?

A) Prior to October 1978 and

Very Effective	Somewhat Effective	Somewhat Ineffective	Very Ineffective	No Answer
2 (13.3%)	7 (46.7%)	3 (20.0%)	1 (6.7%)	2 (13.3%)

B) Since October 1978

Very Effective	Somewhat Effective	Somewhat Ineffective	Very Ineffective	No Answer
6 (40.0%)	9 (60.0%)	0 (0%)	0 (0%)	0 (0%)

3. How appropriate has been the technical assistance to participating cities from the CDAP?

A) Prior to October 1978 and

Very Appropriate	Somewhat Appropriate	Somewhat Inappropriate	Very Inappropriate	No Answer
2 (13.3%)	7 (46.7%)	3 (20.0%)	2 (13.3%)	1 (6.7%)

B) Since October 1978

Very Appropriate	Somewhat Appropriate	Somewhat Inappropriate	Very Inappropriate	No Answer
6 (40.0%)	6 (40.0%)	1 (6.7%)	1 (6.7%)	1 (6.7%)

3.1 Local government administration planning and coordination

Very Appropriate	Somewhat Appropriate	Somewhat Inappropriate	Very Inappropriate	No Answer
4 (26.7%)	7 (46.7%)	3 (20.0%)	1 (6.7%)	0 (0%)

3.2 Local development finance

Very Appropriate	Somewhat Appropriate	Somewhat Inappropriate	Very Inappropriate	No Answer
4 (26.7%)	6 (40.0%)	5 (33.3%)	0 (0%)	0 (0%)

3.3 Local development finance

Very Appropriate	Somewhat Appropriate	Somewhat Inappropriate	Very Inappropriate	No Answer
2 (13.3%)	6 (40.0%)	7 (46.7%)	0 (0%)	0 (0%)

3.4 Social action development

Very Appropriate	Somewhat Appropriate	Somewhat Inappropriate	Very Inappropriate	No Answer
6 (40.0%)	7 (46.7%)	1 (6.7%)	0 (0%)	0 (0%)

4. How adequate has been the management and administrative support to the CDAP program at the city level from

A) City Mayor's Office

Very Adequate	Somewhat Adequate	Somewhat Inadequate	Very Inadequate	No Answer
9 (60.0%)	5 (33.3%)	1 (6.7%)	0 (0%)	0 (0%)

B) Nat. agencies in the city

Very Adequate	Somewhat Adequate	Somewhat Inadequate	Very Inadequate	No Answer
1 (6.7%)	8 (53.3%)	4 (26.7%)	1 (6.7%)	1 (6.7%)

4.1 Staffing pattern

Very Adequate	Somewhat Adequate	Somewhat Inadequate	Very Inadequate	No Answer
4 (26.7%)	6 (40.0%)	4 (26.7%)	0 (0%)	1 (6.7%)

4.2 How adequate has been the program linkages of CDAP activities to other city development activities (RRP, BW, Bliss, BR (MPH) in general?

Very Adequate	Somewhat Adequate	Somewhat Inadequate	Very Inadequate	No Answer
3 (20.0%)	8 (53.3%)	3 (20.0%)	1 (6.7%)	0 (0%)

4.3 Now specifically, how adequate has the program linkages of CDAP with other PDAP programs such as:

4.3.1 Rural Road Program

Very Adequate	Somewhat Adequate	Somewhat Inadequate	Very Inadequate	No Answer
3 (20.0%)	3 (20.0%)	5 (33.3%)	1 (6.7%)	3 (20.0%)

4.3.2 Barangay Water Project

Very Adequate	Somewhat Adequate	Somewhat Inadequate	Very Inadequate	No Answer
4 (26.7%)	3 (20.0%)	4 (26.7%)	1 (6.7%)	2 (13.3%)

4.3.3 Real Property Tax Administration

Very Adequate	Somewhat Adequate	Somewhat Inadequate	Very Inadequate	No Answer
6 (40.0%)	5 (33.3%)	3 (20.0%)	0 (0%)	1 (6.7%)

5. In deciding how future funds of CDAP should be allocated which of the following do you prefer:

100% of Funds for Infrastructure/Welfare Projects - 1 (6.7%)

75% for Infrastructure/Welfare and 25% for Income Producing Projects - 4 (26.7%)

50% for Infrastructure/Welfare and 50% for Income Producing Projects - 3 (20.2%)

25% for Infrastructure/Welfare and 75% for Income Producing Projects - 5 (33.3%)

100% for Income Producing Projects - 2 (13.3%)

6. Please review the following training suggestions and indicate which of these would be useful to CDC, CDPS, Mayor, Other City Staff.

Planning Techniques - 13 (86.7%)
 Feasibility Studies - 12 (80.8%)
 Team Building - 13 (86.7%)
 Management Training for Local Executives - 13 (86.7%)
 Trainor's Training - 12 (80.0%)
 Follow-up Training for the SAT - 1 (73.3%)

7. What other training not listed above would be useful for your city?

Comprehensive Training for Local Executives - 3 (20.0%)
 Project Management - 3 (20.0%)
 Project Development - 2 (13.3%)
 Road Network Development Planning - 1 (6.7%)
 Statistics - 1 (6.7%)
 Cooperative Training - 1 (6.7%)

8. In your opinion how effective has the surveys and socio-economic profiles been in identifying the poorest of the poor in terms of specific families and specific areas in your city.

Very Effective	Somewhat Effective	Somewhat Ineffective	Very Ineffective	No Answer
14 (93.3%)	1 (6.7%)	0 (0%)	0 (0%)	0 (0%)

9. In your opinion how effective have the following organizations been in developing programs and projects which really benefit the poorest of the poor.

	Very Effective	Somewhat Effective	Somewhat Ineffective	Very Ineffective	No Answer
CSAT	4 (26.7%)	7 (46.7%)	2 (13.3%)	1 (6.7%)	1 (6.7%)
BSAT	4 (26.7%)	8 (53.3%)	1 (6.7%)	0 (0%)	0 (0%)
CPDS	10 (66.7%)	5 (33.3%)	1 (6.7%)	0 (0%)	0 (0%)
BLISS	5 (33.3%)	4 (26.7%)	1 (6.7%)	1 (6.7%)	2 (13.3%)
Social Action Center (Tri Sectorals)	3 (20.0%)	4 (26.7%)	0 (0%)	1 (6.7%)	5 (33.3%)
Associations of the Poor	8 (53.3%)	6 (40.0%)	0 (0%)	0 (0%)	0 (0%)
	Very Representative of the poor	Somewhat Representative of the Poor	Somewhat Unrepresentative of the Poor	Very Unrepresentative of the Poor	No Answer
CSAT	6 (40.0%)	3 (20.0%)	3 (20.0%)	1 (6.7%)	1 (6.7%)
BSAT	5 (33.3%)	7 (46.7%)	0 (0%)	0 (0%)	2 (13.3%)
CPDS	7 (46.7%)	7 (46.7%)	0 (0%)	0 (0%)	1 (6.7%)

	Very Representative of the poor	Somewhat Representative of the Poor	Somewhat Unrepresentative of the Poor	Very Unrepresentative of the Poor	No Answer
BLISS	2 (13.3%)	5 (33.3%)	1 (6.7%)	0 (0%)	2 (13.3%)
Social Action Center (Tri Sectorals)	1 (6.7%)	2 (13.3%)	2 (13.3%)	1 (6.7%)	4 (26.7%)
Associations of the Poor	11 (73.4%)	2 (13.3%)	2 (13.3%)	0 (0%)	0 (0%)

11. Do you think the city equipment pool as required by CDAP is necessary for city social action projects?

Yes Definitely - 10 (66.7%)

Yes Probably - 3 (20.0%)

No Probably Not - 2 (13.3%)

No Definitely Not - 0 (0%)

12. In the eventuality that CDAP funding for city social action projects will cease, will funding for the city social action projects be forthcoming from the city?

Yes Definitely - 4 (26.7%)

Yes Probably - 7 (46.7%)

No Probably Not - 2 (13.3%)

No Definitely Not - 0 (0%)

No Answer - 2 (13.3%)

Appendix "B"

Strengths of CDAP as defined by participants in CDAP

(Below are a series of statements paraphrased from CDC and CPDS interviews)

1. "Projects funded through CDAP benefit the poor much more directly than many other government agencies."
2. "City officials have been sensitized to the real problems of the disadvantaged poor in their areas. This new level of awareness has been translated into a greater commitment to allocate funds for their needs."
3. "The process of developing a social action plan provides an impressive mechanism for involving both city employees and the disadvantaged poor in the process of identifying problems, clarifying the causes and reasons for these problems, and determining what specific projects might solve these problems."
4. "Projects which are developed through the active participation of the poor appear to be more relevant and acceptable to the poor."
5. "Many of the poor have expressed appreciation for this program because it allows them to identify their own problems, it does not cause them to lose their dignity, it is not a "dole" handout, and it helps the poor to begin to help themselves."
6. "CDAP's program has greatly increased the interest and participation of the poor in project identification, planning, and development. The participating poor really seem to take a great interest in the projects and want to be involved in the implementing and monitoring of the projects."
7. "Involvement of the poor in the process of planning and developing projects has proven to be an excellent strategy for identifying and developing local leadership among the poor."
8. "Specific associations of the poor have been developed in each of the participating cities which are gradually emerging as vocal representatives of the poor who can articulate their concerns and demands to city officials."
9. "Since 75 percent of CDAP sponsored projects are reimbursed to the city, city officials have been much more willing to allocate city funds for social infrastructure projects to benefit the poor."
10. "Because of CDAP, the cities have been able to fund a wide variety of social-infrastructure projects such as public toilets, public water, lighting, drainage, roads, multi-purpose centers, etc., for specific urban and rural poor. Because of the requirement that these projects benefit the "poorest of the poor," projects have been placed in certain areas of the more depressed Barangays which before would

never have received such a public works project."

11. "It is exciting to watch an association of the poor develop an income producing project, debate and argue on how the project is to be structured, consider and develop the policies and regulations by which the program will function, and actually select specific families who will participate in the income producing project. There is no better way to strengthen this sense of participation and involvement among the disadvantaged poor."
12. "Income producing projects which generate a pay-back system allow the association to become a self-perpetuating institution in the depressed areas. As one participant pay his loan back, money is available to help others."
13. "CDAP has helped to develop the CPDS in the city to function as a professional planning and development staff where their reports are read and used by other city officials."
14. "CDAP has structured a set of funding requirements into the city budgetary process which has greatly increased professionalism and systematic planning into the city's decision-making process."
15. "For the first time CPDS plans are taken seriously, one identify as the planning arm of the Mayors office has been legitimized and strengthened."
16. "CDAP has provided various training experiences which involve a much wider group of city employees. Whereas earlier training tended to focus on a few key employees, CDAP-sponsored training has sought to provide training for the whole staff. The technical competency of city employees has been heightened by this training."
17. "CDAP has organized a commodity assistance and excess property program which has helped to provide vehicles, typewriters, calculators and other equipment which we would never had had otherwise."
18. "CDAP's requirement that we develop and publish manuals of operations, although resented in the beginning, have clearly helped to increase the effectiveness, the standardization of procedures and the professionalism of the city's personnel and management functions."
19. "CDAPs packaged training programs clearly help local city employees to develop professionally. Such training has greatly strengthened the management and administrative capability of the city."
20. "CDAP has helped to strengthen the credibility of local government in the rural depressed areas. More people are beginning to see the ways in which their city government might help them. A new sense of pride in their city emerges each time a new project is planned, developed and finally implemented."

Weaknesses of CDAP as defined by participants in CDAP

1. Many city officials, especially the city treasurers and city assessors, have only "half-hearted" commitment to appropriate city funds for CDAP programs even when 75 percent will be reimbursed.
2. The unwillingness of some city officials to support CDAP is not due to a lack of funds, but rather to a misunderstanding and a lack of awareness as to the true purpose and goals of CDAP in the cities.
3. Many senior staff members and some city council members resent the younger CDCs and CPD staff members telling them about CDAP and what a wonderful program it is. Often there is a "communication gap" between the CPDS and other city employees over priorities and problem areas that need to be considered.
4. When the Budget Committee meets in our city the first priority is always personnel (salary increases and new employees), second comes the hassle over capital outlays for new equipment, buildings and other improvements, then third comes the last priority of development plans and projects. Often there is a great unwillingness to appropriate additional money for what is perceived to be "give-away" programs.
5. Significant changes in the entire city budgetary process is needed if the full potential benefits of CDAP are to be felt in the cities. The MOB should require copies of all agreements entered into by the city with other agencies to be attached to the city budget when it is reviewed at the regional and national level.
6. The major problem with CDAP has been the slowness of reimbursement to the cities. When reimbursement is slow, many city officials become cynical, apathetic, even opposed to including CDAP projects in their future city budgets. Much earlier good will has been damaged by this administrative inefficiency.
7. When a program is approved and completed early in the year - but reimbursement takes six months or more, many other programs later in the year are jeopardized by this delay. If we could receive reimbursements quickly then other appropriations for other projects could be requested from the Mayor and the City Council.
8. The key weakness of many CDAP projects is in the lower sustaining power of the associations of the poor organized. Such associations of the poor must experience success not failure. Many of the early projects developed by CDAP and these associations of the poor were overly organized, were characterized by unexplained delays, broken promises, misunderstanding of intent and very little excitement for the projects developed.
9. The early projects which focussed on "social welfare" programs were usually perceived by the poor as "the governments program and not their program." This emphasis on infrastructure and social benefit seldom generated any commitment on the part of the poor to be

committed to the implementation and maintenance of such projects.

10. There is little institution building among the associations of the poor who are given the task of implementing a social infrastructure project in their areas. When there is no incentive structured into the project which would reward such associations for maintaining the public toilets, the new roads and buildings, or the water pumps and faucets, such facilities quickly deteriorate, become inoperable, and the association of poor responsible for its upkeep experiences failure and the resulting apathy and cynicism is reinforced and encouraged.
11. Our city prefers income-producing projects because they benefit specific families in an immediate calculable way. CDAP provides money to complete projects but we seldom budget the money needed to maintain the projects and the organizations of the poor have neither the skill, the inclination, the funds, nor the support needed to properly maintain the projects established for their benefit.
12. The social infrastructure projects funded by CDAP are initially well received. Unfortunately the lasting impact of such projects is weakened by the inability or unwillingness of the city to insist that the beneficiaries themselves must maintain these facilities.
13. The amount of work the CDC and the CPDS must complete is impossible. Most national agencies and ministries put unrealistic documentation requirements on the cities before they can qualify for the projects being offered. The Mayor tends "to dump" on the paper work for such projects on the CPDS.
14. Because of the paper work and documentation requirements imposed upon the CDC and the CPDS, there is less than one day in ten that members of our staff can actively work with the poor in helping them to organize themselves.
15. CDAP expects us to monitor all the projects funded in the depressed areas - yet because of our limited staff there just is not time.
16. I think the major weakness we have is the lack of enough staff trained and motivated to work with the poorest of the poor in our area. I am not certain whether its just an excuse, but very few of the staff ever takes the time to monitor and follow-up on the projects already established because they claim no time is available.
17. Because of assignments given to us from the Mayor's office, the CPDS probably spends less than 20 percent of its time on actual CDAP activities. Requirements from the MLGCD, MHS, NHA, BLISS, PBN, and others continually eat away of the time available.
18. Unfortunately, many of the city's staff are recruited and selected for political reasons. All new employees must be acceptable to the mayor and while competency, experience and qualifications are

considered they tend to be secondary in the selection process.

19. Our office space is too small, we have 5 more people in our office than we have desks. Our facilities are just inadequate.
20. We could use at least six more highly qualified staff people, (urban planners, economists, extension workers, sociologists, etc.) but the salaries authorized are just too low to attract such professionals into the CPDS.
21. The major weakness in my opinion is the limited amount of funds available for projects. CDAP only offers 500,000 ₱ per year and we don't even get that. There is so much we could do if we had adequate funding.
22. CDAP has been very ineffective in corresponding, communicating, follow-up, supporting, and encouraging the local cities. This lack of concern and responsiveness to our needs generates frustration and hostility toward CDAP. Often we feel like they don't really care.
23. It would be helpful if CDAP would periodically answer some of our requests. We seldom receive any feedback or comments from Manila on the plans and programs we submit. It would be nice if CDAP would give us some critical evaluation or comments on the work we submit.
24. The major problem are the intolerable delays in providing authority to proceed on projects.
25. CDAP too often schedules training then without notice cancels the training. Too often we schedule our time in order to attend training only to learn later that the training has been postponed to a later date without even consulting us.
26. It is frustrating to have a training program postponed to a time when we have already scheduled something else.
27. We are glad that the equipment pool requirement has been suspended because we really don't need a separate equipment pool for CDAP projects. We are opposed to the program because the Equipment Pool is placed under the city engineer whose priorities reflect the national ministries to which he is responsible. (MPW & MPH)
28. Documents required by CDAP were originally developed for PDAP and tend to be infrastructure oriented and often not relevant to the problem in the cities.
29. Many projects defined by the Barangays require a technical background to complete the feasibility study which is available in CPDS.

Recommendations Suggested By the CDCs and members of their CPDSs.

1. Much effort must be made to ensure that the technical staff on CDAP are qualified and competent in their fields. It is very difficult for a field person with many years of experience to work with the

Manila office if some of the CDAP staff are not qualified or totally committed to the program.

2. It is strongly recommended that CDAP be administratively separate from PDAP in order to ensure more administrative effectiveness, fiscal and budgetary efficiency, and management and program development flexibility.
3. CDAP's responsibilities with the cities is as important as PDAP's responsibilities with the provinces. From a purely administrative point of view it would make more sense for CDAP to be directly under the Deputy Minister.
4. Many of project delays, problems of reimbursement, adequate funding for travel and training would be eliminated if CDAP had their own KBI (line item) in the MLGCD's budget.
5. More leadership is needed in strengthening the administrative, financial and management resources of CDAP. There is no problem in CDAP that some forceful leadership could not solve.
6. Much effort is needed in clarifying the relationship that should exist between the cities and CDAP. A lack of understanding exists concerning the responsibilities, obligations, roles, expectations each level has of the other. Much confusion, animosity and misunderstanding could be reduced if better communication existed between CDAP and the participating cities.
7. Too often the memos of agreement between CDAP and the cities are signed by the Mayor without other officials, staff people, members of the city council, and other interested citizens being involved. It is important that such agreements be circulated widely to ensure greater clarification, understanding, and commitment to such agreements.
8. Many city officials work at cross-purposes. It would be very helpful if some type of team building experience could be conducted in each city to facilitate greater cooperation between the Mayor, the city council, the CPDS, and representatives of National Ministries working in the city.
9. Next time that CDAP conducts training or presents a conference it would be very useful if a member or two of the city council, the Mayors, and even city treasurers and other officials were periodically invited also. Much of the information and ideas presented in these training sessions and conferences would be very helpful in building greater cooperation between CDAP and the "city fathers."
10. It is my personal opinion that greater emphasis should be given to income producing projects rather than social infrastructure projects. Many times the associations of the poor identify and select social-welfare types of projects because of the way the staff influences their thinking. Although some community wide projects (water, roads, sanitation drainage) are needed, the projects will be more long-lasting, more

beneficial, and more appreciated if they relate directly to a poor ability to earn additional income.

11. If the purpose of CDAP is to foster the long term involvement and participation of the poor in projects that impact on their quality of life, then every effort must be made to structure the development of local organizations which can survive after the project funds are gone. Associations of the Poor which have developed and implemented income producing projects in a way that ensures "loan repayment" by the participants back to their association appear to have a much greater chance for long-term survival.
12. It is recommended that a balanced set of projects be approved which will include an equal number of income-producing projects and socially-oriented projects. Both types of projects are needed and should be organized to mutually reinforce each other over time.
13. Staff members of CPDS need additional training in community development strategies which focus on the appropriate ways of organizing and involving the poor. Many CPDS members lack the extension work skills needed to work effectively with the poor in motivating, encouraging, following-through and strengthening their efforts to organize.
14. One crucial need we have are competent and dedicated field workers who want and will work with the poor out in the field on a regular basis and in a consistent manner. There is no substitute for dedication and commitment when it comes to working with the disadvantaged. The greatest gap is not between the MLGCD and CDAP or between CDAP and the city, the real gap is between the city employee and the poor.
15. Social Action projects are too often defined in terms of the number of projects completed and the quantity of pesos reimbursed without any attempt to determine if the projects are having any lasting effect on the attitudes, perceptions, or behaviors of the poor. CDAP projects need to be formulated in ways which facilitate long-term institution building, self-sustaining community development strategies, and specific attitude, perception, and behavior changes among the people being helped. Only when associations are organized in ways which help people to help themselves, will real institution building take place.
16. Some serious effort is needed to develop indicators of success in the project. Only if the project goals and purposes are operationalized will CDAP be able to track the progress of their programs. Effective evaluation requires that the people involved know where they are and where they are trying to go.
17. Efforts should be made to reduce the bureaucratic interference from PDAP staff on the activities of the CDAP. Many delays and interruptions in the day-to-day activities of CDAP could be eliminated

if the administrative controls of PDAP over CDAP were reduced.

18. It is strongly recommended that because of the decision to accelerate the number of cities who are presently participating in CDAP, significant budgetary and personnel changes are needed. The lack of travel and training funds, the reduction of the 500,000 ₱ per city down to 245,000 ₱ per city has created a serious morale problem in the cities. Every effort is needed to ensure that CDAP meets its promises and fulfills expectations in the year to come. If the present shortages in funds are continued and promised resources are not available, the long-term success of this entire program will be jeopardized.
19. It has been observed that urban barangays are much more apt to identify social infrastructure projects and that rural barangays are more apt to identify income producing projects. In our city we have tended to implement more social projects in the urban barangays and income-projects in the rural barangays.
20. Cities should avail themselves of the technical expertise of national agency representatives existing within the city in the preparation of project feasibility studies. This should increase greater cooperation and mutual interdependency among city level personnel.
21. An inventory of training needs and levels of experience is needed in developing future training schedules for CDAP in the field.

Appendix "C"

Team Building As A New Approach to the Evaluation Process

Team Building has traditionally been used as a long-range program for uniting people into shared efforts for improving the effectiveness of a working group. When a group of people find themselves joined together in some type of work situation and discover they have not the capability to solve their problems well or reach their goals at an acceptable level, it is then time to evaluate both what it is that they are doing and how they are doing it. Team building is one process for revitalizing such a work group and can be a useful strategy to improve effectiveness. Although team building is generally used as a means of increasing the work teams cohesiveness, cooperation and problem solving ability, it can also be used in creating an environment and a sense of awareness where some type of effective evaluation process can be implemented.

The workshop envisioned in this report has some unique characteristics and is based upon the assumption that an effective-evaluation of some program, process, or institution requires at least the following items:

- 1) An opportunity for all individuals in the workshop to identify problems areas as they perceive them and as they have experienced them.
- 2) An opportunity for all individuals in the workshop to gain some awareness of how other people define their problems. This awareness implies some ability not only to understand the other persons perception of the problem, but also some empathy for the reality of that problem.
- 3) An opportunity for all individuals in the workshop to develop enough openness and trust to readily share their perceptions of why there are problems - what specific behaviors, attitudes, situations are causing the problems. This willingness to share negative feelings is crucial if real as opposed to superficial problems are to be identified. Special efforts must be made to develop the behavioral skills needed to share negative feelings in positive rather than negative ways.
- 4) An opportunity for all individuals in the workshop to confront the causes of problems in a non-destructive way. It is crucial that the participants of the workshop come to understand how others see them as part of the problem. It is often easy for group A to identify the problems that group B is having. It is much more difficult for group B is having. It is also very difficult for group A to understand or even empathize with group B as to why group B feels that group A is one cause of their problems. Yet the most difficult for group A to acknowledge openly (to own) their responsibility for the problems and to actively to seek to eliminate or reduce the factors that may be causing the problems for group B. This same process applies to group B who also must gradually come to acknowledge and understand how and why they are causing problems for group A.

Thus the purpose of this workshop is five fold:

- (1) Develop the skills, techniques and procedures needed for people to understand each other better, know and appreciate each others differences, and experience some feelings of camaraderie, openness, trust and acceptance.
- (2) Create an environment where problems can be identified and hopefully reconceptualized in a way which helps clarify the causes, the dimensions, and possible solutions to these problems.
- (3) Practice the ability to share negative feelings in a way which enhances and improves a relationship rather than weakens and destroys that relationship. The ability to confront and give feedback to each other in a non-evaluative way is a behavioral skill that the participants will be given an opportunity to learn.
- (4) Generate a commitment to explore and increase greater awareness of the ways in which people interacting can cause problems for each other. The ability to recognize that "I may part of the problem; that what I may be doing or not doing is at least partially responsible for problems that exist" is a difficult idea to accept for most people. We generally define problems in terms of what others are doing or not doing. The ability to acknowledge that "my behaviors, my attitudes, my perceptions, even my style of interacting with people may be part of the problem" is difficult to develop. Yet all the literature in interpersonal skill training demonstrates how crucial this first step is. Most of us do not recognize that by insisting that the other person is the cause and accepting no blame for ourselves, we are ensuring that the other person will seldom acknowledge your criticism, accept your evaluation, or be willing to change. The dilemma of sharing such perceptions is the tendency for one to say "Yes I will change but only if the other person does first." The dynamics of that choice are obvious - as each waits for the other to start.
- (5) Understand the process that is generally called "reflecting" which helps individuals discuss the dilemma mentioned above. Only when individuals can openly discuss (reflect) with each other their dilemma of each one waiting for the other to change first, will enough awareness, trust, and openness be developed to allow some significant change in each other to transpire. Reflecting is a behavioral skill that requires the commitment of "people of good will" honestly to acknowledge their mutual problems, genuinely to admit their mutual responsibility for the problems, and actively to seek some mutually acceptable solution. Obviously if "reflecting" is used as a strategy or technique for manipulating the other person, results will always be counter productive and will merely reinforce the factors which are causing the problems which exist between people in the first place. There is no moral judgment attached to the willingness or unwillingness to engage in the process of what is labeled "reflecting," merely the observation that significant

changes even between people honestly seeking to improve their effectiveness with each other can seldom be implemented without the skills of confrontation, non-evaluative feedback, awareness sharing, and reflecting.

There should be no illusion that this three day workshop will accomplish all these purposes. It is hoped that some preliminary progress in the areas of trust building, perception sharing, and problem identifying will be made to the point where some problems that do exist can be brought out into the open; where some problems that before could not have been openly shared, will now be shared, where some problems which before were not clear, can now be clarified, and where the causes of problems which were projected on to others, may now be more openly internalized and accepted.

It must be recognized that very little progress can be made in three day workshop to increase the behavioral skills of confronting, giving non-evaluative feedbacks, and reflecting. Nevertheless, such a workshop should generate some awareness of these processes, their utility, and their appropriateness in the early phases of problem identification and evaluation.

This initial joint effort by CDAP and USAID to evaluate the RSC project must not be perceived as definitive or final. At this stage in the project there will be very few significant indications of impact or project success. The purpose of evaluation at this point in time is not critically to evaluate appropriateness of the project, nor even to indicate the probability which the goals and end results defined in the project paper will be achieved. Such terminal evaluations generally create a process characterized by defensiveness, restricted data sharing, many hidden agendas, and often either a very superficial white-washing of the project or a very unhelpful criticism of the project.

In contrast to this terminal-type evaluation, is the "preliminary-type evaluation" which should seek to reduce defensiveness, increase data-sharing, eliminate agendas, and create an environment where the purpose of the evaluation should be to increase effectiveness, not to place blame; to increase commitment to positive change, not to reinforce antagonistic positions; and to increase the perceptions that problems identified are steps to improvement, and not items for recrimination. When evaluation is perceived as a helpful process for increasing effectiveness and not a destructive process of criticizing and establishing guilt, then it becomes an appropriate tool which management can use to make the necessary adjustments needed to strengthen and improve the project being studied. The interpersonal strategies and training approaches used in team building will be presented in this workshop as a set of useful techniques for creating an environment in which the "preliminary-type evaluation" process, defined above, may hopefully emerge.

**TABULATION OF RESULTS OF QUESTIONNAIRES GIVEN
AT COVELANDIA WORKSHOP (SEPTEMBER 28, 1979)**

Summary Evaluation (11 Respondents)*

1. What are the advantages of this type of workshop?
 - a. Feeling one is as important as others in group
 - b. Workshop leader is expert and dedicated
 - c. Learn skill in diagnosing organization and supervisors' capability - 2
 - d. Awareness of self - 2
 - e. Smooth interpersonal relationship of all groups present - 3
 - f. Ready to tackle any problem
 - g. Affords maximum participation from group - 4
 - h. Makes learning more fun than routine
 - i. Awareness of problems - 5

2. What are the disadvantages?
 - a. Time too short - 3
 - b. Unsuccessful if tried in city
 - c. None - 5
 - d. Might lead to discouragement of some workers
 - e. Unintelligible

3. What has the level of your interest in the activities of this workshop?

1	2	3	4	5	6	7
Very low			Average			Very High
			1		4	6

*Note: This tabulation does not include the responses of NON-CDAP people

4. How useful has the workshop been for you personally?

1	2	3	4	5	6	7
Not Useful			Average			Very Useful
					1	10

5. To what extent do you believe anything will be different as a result of this workshop?

1	2	3	4	5	6	7
No difference		Some difference			Big difference	
			2	1	3	4

6. What is your degree of optimism/pessimism about the state of your organization at this point

1	2	3	4	5	6	7
Much pessimism			Neutral			Much optimism
		1	2	2	5	1

ROLE NEGOTIATING EXERCISE
(11 Respondents)*

1. Please list a series of specific activities, behaviors, procedures under the following categories:

A. Things you wish the other group would do more of

- (1) Group decision
- (2) Discussion
- (3) Collaborating
- (4) Exchanging ideas
- (5) Suggestions for improvement and evaluation
- (6) Give us feedback
- (7) Consider the constraints of the city group in implementing national projects.
- (8) More understanding and patient of CDAP situation
- (9) Concentrate on project management and its installation in MLGCD.
- (10) Consultative gathering
- (11) Getting organized in every activity concerning the project.
- (12) DM give full blanket authority to Project Director so functions of RSC are independent.
- (13) Interacting more with our group.

B. Things you wish the other group would do less of

- (1) Defensive - 2
- (2) Competing
- (3) Paperwork requirement
- (4) PDAP, MLGCD & MOD's non-chalance
- (5) Lessen conflicts in office
- (6) Delays of CDAP on project proposals

***Note:** This tabulation does not include the responses of NON-CDAP people.

C. Things the other group could do to make my job easier, more effective, and have better results.

- (1) If all members contribute their good ideas
- (2) If all can agree in making a decision
- (3) Compromising and collaborating - 2
- (4) Please include constraints in decision making
- (5) Periodic progress consultation between the cities and CDAP/Manila
- (6) Cooperation
- (7) Make recommendations
- (8) Treat CDAP as a special project, to avoid bureaucratic procedures
- (9) More critical.

D. Things I could do to make their jobs easier, more effective and have better results.

- (1) Sharing of good ideas for discussion
- (2) Collaborating and compromising - 2
- (3) Coordination between groups
- (4) Determine a time frame for all my sector activities
- (5) Understand needs of CDAP, Manila - 3
- (6) Better Planning
- (7) More open, committed and cooperative.

Appendix "D"

Project Outputs

1. A demonstrated capability of the city to plan development program to deal with the disadvantaged citizens.

	Expected		Actual	
	Dec 1978	Dec 1979	Dec 1978	Oct 1979
A) Existence of a City Planning and Development Staff	5	15	10	15
B) Social Action Teams				
City Level	5	15	5	15
Barangay Level	5	15	2	12
C) Existence of a Comprehensive Plan	5	15	3	7
D) Existence of a CDP	5	15	4	9
E) Existence of a Social Action Plan	5	15	5	12
F) Existence of an RNPD*	5	15	0	0
G) Existence of an EPDP	5	15	5	9

2. Demonstrated capability of the City to Implement Program and Projects

A) Existence of an organized and well maintained Equipment Pool	10	15	3	3
B) Existence of a properly staffed and well-trained Engineering staff	10	15	10	15
C) Existence of an effective construction and maintenance team	10	15	10	15
D) Leadership of the City in the implementation of national/civic organization of the poor	5	10		

* An expert in Rural Network and Development Planning is expected to arrive in Manila in November 1979 to develop the manual needed by the city planning staff to formulate the RNPD.

3. Demonstrated capability of the City to finance projects directly benefiting the poor

	Expected		Actual	
	Dec 1978	Dec 1979	Dec 1978	Oct 1979
A) Implementation of at least 3 projects benefiting the poor	10	15		
Started (at least 3 projects)			5	13
Completed (at least 3 projects)			3	3
Started (at least one project)			5	15
Completed (at least one project)			4	9
B) Implementation of City policy to disburse 50% more in local funds to projects & activities benefiting the poor than when they entered the project	5	10		
C) Provided funding assistance to at least 50% of national and civic organization projects/activities aimed at the poor	5	10		
D) Presence of an effective RPTA and other fiscal programs	10	15	1	5

4. National Government commitment to strengthen and hasten the development of the city government in responding to poverty.

	Expected		Actual	
	Dec 1978	Dec 1979	Dec 1978	Oct 1979
A) Provision of more power and authority in local planning and implementation	5	10	5	
B) Assignment of Special Staff (CDAP-RSC/PDAP/MLGCD/USAID) to explore implication of expended program	-	15		
C) Provision of regular counterpart appropriations in the national budget	10	15		

Appendix "E"

EXCESS PROPERTY

ANGELES - Jeep, 1 desk, 12 chairs, bookcase, typewriter
BATANGAS - Jeep, pick-up, van, 2 typewriter
BUTUAN - Jeep, pick-up, van scout
CAGAYAN DE ORO - 2 jeep, pick-up
CALBAYOG - 2 jeep, pick-up
DAGUPAN - 2 jeep, pick up, typewriter
GENERAL SANTOS - Jeep, pick up
IRIGA - Jeep, pick-up, 2 desk, adding machine
LEGASPI - Jeep, pick-up, bus
LIPA - Jeep, pick up, station wagon, bus
LUCENA - Jeep, pick up
NAGA - 2 jeep, pick-up, desk
OLONGAPO - Jeep, 2 pick-up, typewriter
PUERTO PRINCESA - 2 jeep, pick-up, car
ROXAS - 3 jeeps, pick-up, 3 jeep seats, bus, bookcase, desk
ZAMBOANGA - Jeep 2 pick up, stake body truck, 3 jeep seats, adding machine
CDAP Office - 2 desk, 12 chairs, 3 typewriters, bookcase

DEPARTMENT OF STATE
INTERNATIONAL DEVELOPMENT

Major Dept. Mission

1. Cooperating Country
Philippines

2. PIO/Doc. No.
7492-0304-4-80284

3. Project/Activity No. and Title

492-0304 Rural Service Centers

PROJECT IMPLEMENTATION
ORDER/COMMODITIES

PIO/C

4. Appropriation Symbol: 72-1181021
5. e. Allotment Symbol & Charge: 843-50-492-00-69-93
5. b. Funds Allotted To: AID/W Mission

6. Obligation Status: Implementing Document
 Administrative Reservation Obligation Sub-Obligation
7. Original or Amendment No: 1

8. Authorized Agent: USAID/Manila
9. Method of Financing: a. U.S. Government b. Letter of Commitment c. Reimbursement
10. Banking Institution
11. Approved Applicant

12. Contracting Period (Mo., Day, Yr.)
13. Delivery Period (Mo., Day, Yr.)
14. Final Contribution Date (Mo., Day, Yr.): 9/30/82

15. Area of Source: U.S. & Possessions, I.S. Government Excess Property Sources
16. Dollar Value: A. Previous Total: No cost; B. Increase; C. Decrease; D. Total to Date: No cost

17. Commodity Code; 18. Item No.; 19.a. Quantity, Description, Specifications, Instructions and Special Provisions (Includes Catalog Name and Number, where Appropriate); 19.b. Estimated Cost

This amendment increases the quantity of commodities requested in the original PIO/C and additional items to be requested.

(See Authority and Letter of Commitment on Reverse)

TOTAL:

21. Mission Chief: J. Nofflet, Project Office; Date: 12-18-79; Mission Chronogram: LOG - PH - ...; Date: 12/19/79

C/O LRD - ...; Date of Original Issuance: August 23, 1979; Date of this Issuance: January 16, 1980

24. For the Cooperating Country - The terms and conditions set forth herein are hereby agreed to:

Signature: G. Villavicencio; Title: Director, External Assistance Staff

25. For the Agency for International Development

Signature: Daniel L. Leaty; Title: Program Officer

Salvador P. Socrates
Deputy Minister, MLGCD and Concurrent Executive Director, PDAP

CONTINUATION SHEET
FORM SYMBOL

INTERNATIONAL DEVELOPMENT

TITLE OF FORM

PIO/C

1. Cooperating Country Philippines	2a. Code No. 492-0304-4-80284
2b. Effective Date	2c. <input type="checkbox"/> Original OR <input type="checkbox"/> Renewal
3. Project/Activity No. and Title 492-0304 Rural Service Centers	

Use this form to complete the information required in any block of a PIO or PA/PR form.

1. Quantity of commodities to be increased:

- 13 ea. Buses
- 14 ea. Fire trucks with fire hoses and pumps
- 14 ea. Garbage collection trucks
- 50 ea. Office chairs
- 10 ea. Adding machines
- 13 ea. Safe small
- 10 ea. Typewriter, long carriage
- 10 ea. Typewriter, manual standard carriage
- 10 ea. Typewriter, electric, standard carriage
- 13 ea. Electric maintenance trucks and tools
- 6 ea. Garden tools (agriculture)
- 13 ea. Agricultural tractors
- 13 ea. Shop plumbing equipment
- 13 ea. Generator, standby
- 13 ea. Extension ladders
- 13 ea. Dump trucks
- 13 ea. Graders
- 13 ea. Payloaders
- 13 ea. Sewing Machines
- 10 sets Woodworking and masonry tools

2. Additional items to be requested:

- 16 ea. Truck with Flatbed Trailer
- 16 ea. Water tank trailer
- 16 ea. Table lamp (desk lamp)
- 16 ea. Ladder trucks
- 16 ea. Lawn Mower, power driven
- 16 ea. Book cases/shelves
- 12 ea. Airconditioning Unit

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DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

Worksheet Mission

PIO/C

PROJECT IMPLEMENTATION
ORDER/COMMODITIES

1. Cooperating Country
Philippines

2. PIO/C No.
492-(304)-4-80284

3. Project/Activity No. and Title
492-(304) Rural Service Centers

4. Appropriation Symbol
72-1104021

5. a. Allotment Symbol & Charge
843-50-492-00-69-93

5. b. Funds Allotted For
 AID/W Mission

6. Obligation Status
 Administrative Reservation Obligation Sub-Obligation

Implementing Document

7. Original or Amendment No. _____

8. Authorized Agent
USAID

9. Method of Financing
a. U.S. Government
b. Letter of Commitment
c. Reimbursement

10. Backlog Institution

11. Approved Applicant

12. Contracting Period (Mo., Day, Yr.)
From: _____ To: _____

13. Delivery Period (Mo., Day, Yr.)
From: _____ To: _____

14. Final Contribution Date (Mo., Day, Yr.) **9/30/82**

15. Area of Source
U.S. & Possessions
U.S. Government Excess Property Sources

16. Dollar Value

A. Previous Total	B. Increase	C. Decrease	D. Total to Date
	no cost		no cost

17. Control Code	18. Item No.	19. a. Quantity, Description, Specifications, Instructions and Special Provisions (Include Catalog Name and Number, where Appropriate)	19. b. Estimated Cost
		<p>The purpose of this PIO/C is to authorize the acquisition of items from military excess property or from other US Government sources for the Rural Service Center Project as these become available. It is understood that the property is available at No Cost, in as is, where is condition.</p>	

(See Authority and Letter of Commitment on Reverse) TOTALS

21. Mission Clearance
JL Nofflet, Project Officer Date: _____ Mission Clearance: **LOG - [Signature]** Date: **8/14/79**

C/OLRD - [Signature] Date: **8-7-79** CO - **[Signature]** Date: **8/14/79**

22. Date of Original Issuance
August 23, 1979

23. Date of this Issuance
August 23, 1979

24. For the Cooperating Country--
The terms and conditions set forth herein are hereby agreed to

BIENVENIDO G. VILLAVICENCIO
Director, External Assistance Staff
TITLE

25. For the Agency for International Development

Daniel L. Leaty
Acting Program Officer
TITLE

Salvador P. Socrates
Salvador P. Socrates
Deputy Minister, MLGCD
Concurrently Executive
Director, PDAP

CONTINUATION
SHEETDEPARTMENT DATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT Worksheet Issuance

PAGE 2 OF 3 PAGES

1. Cooperating Country
Philippines2.a. Code
492-0304-4-80284

2.b. Effective Date

2.c. Attachment
 Original OR No.

TITLE OF FORM

PIO/C

3. Project/Activity No. and Title

492-0304

Rural Service Centers

Use this form to complete the information required in any block of a PIO or PA/PR form.

- A. The following items, if available, shall be assigned to CDAP/PRAP, Ablaza Bldg., Manila, to be used by AID supported consultants over the life of the project.

1 ea Secretary's Desk
 4 ea Desk, executive type
 1 ea Chair, revolving w/o arms
 4 ea Chair, executive w/ arms
 12 ea Chair, straight
 1 ea ~~Desk table~~
 4 ea book shelves
 4 ea Cabinets, filing (4 drawers)
 2 ea Air Conditioners
 2 ea Typewriter, electric, elite

- B. The following items, if available, shall be provided to cities participating in the AID supported Rural Service Center Project.

6 ea Jeep Seats
 3 ea Buses
 2 ea Fire trucks with fire hoses and pumps
 2 ea Garbage collection trucks
 16 ea Carry-all or van type personnel carriers
 16 ea Pick-up or stable body trucks
 16 set Shop equipment for repair of vehicles, hand and power tools
 16 ea Jeeps or passenger cars
 35 ea Cabinets, filing, 4 drawers
 17 ea Cabinets, map
 18 ea Tables, office, 5 meters x 1.3 meters
 100 ea Office chairs
 5 ea Air-conditioning units
 6 ea Adding machings
 3 ea Safe small
 6 ea Typewriter, long carriage
 6 ea Typewriter, manual standard carriage
 6 ea Typewriter, electric, standard carriage
 3 ea Electric maintenance trucks and tools
 10 set Garden tools (agriculture)
 3 ea Agricultural tractors
 3 set Shop plumbing equipment
 3 ea Generator, standby
 3 ea Extension ladders
 3 ea Dump trucks
 3 ea Graders
 3 ea Payloaders
 3 ea Sewing Machines
 6 sets Woodworking and masonry tools

AID 1300-1 (7-89) CONTRIBUTION SHEET FORM SYMBOL:	DEPARTMENT: STATE AGENCY: ILO INTERNATIONAL DEVELOPMENT	<input type="checkbox"/> Worksheet <input checked="" type="checkbox"/> Issued	PAGE 3 OF 3 PAGES
	TITLE OF PROJECT: PIO/C	1. Concerning Country: Philippines	2. Code No. 492-0304-4-80284
		2. Effective Date:	<input checked="" type="checkbox"/> Original OR No.
		3. Project/Activity No. and Title: 492-0304 Rural Service Centers	

Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PA/PR form.

GOP Rural Service Center Project will be authorized to receive the above items, when available, for offices of City Engineers and City Development Staff.

Transportation and handling costs from pick-up site will be responsibility of individual cities and/or COAP program.

All property made available for transfer shall be moved directly to the location of the ultimate end-user.

Any repair, reconditioning, etc. shall be effected at the individual locations of the ultimate end-users.

Below is a list of RSC cities:

- | | |
|-------------|---------------------|
| 1. Dagupan | 9. Butuan |
| 2. Angeles | 10. Cagayan de Oro |
| 3. Olongapo | 11. Puerto Princesa |
| 4. Lipa | 12. General Santos |
| 5. Batangas | 13. Zamboanga |
| 6. Lucena | 14. Roxas |
| 7. Naga | 15. Calbayog |
| 8. Legaspi | 16. Iriga |

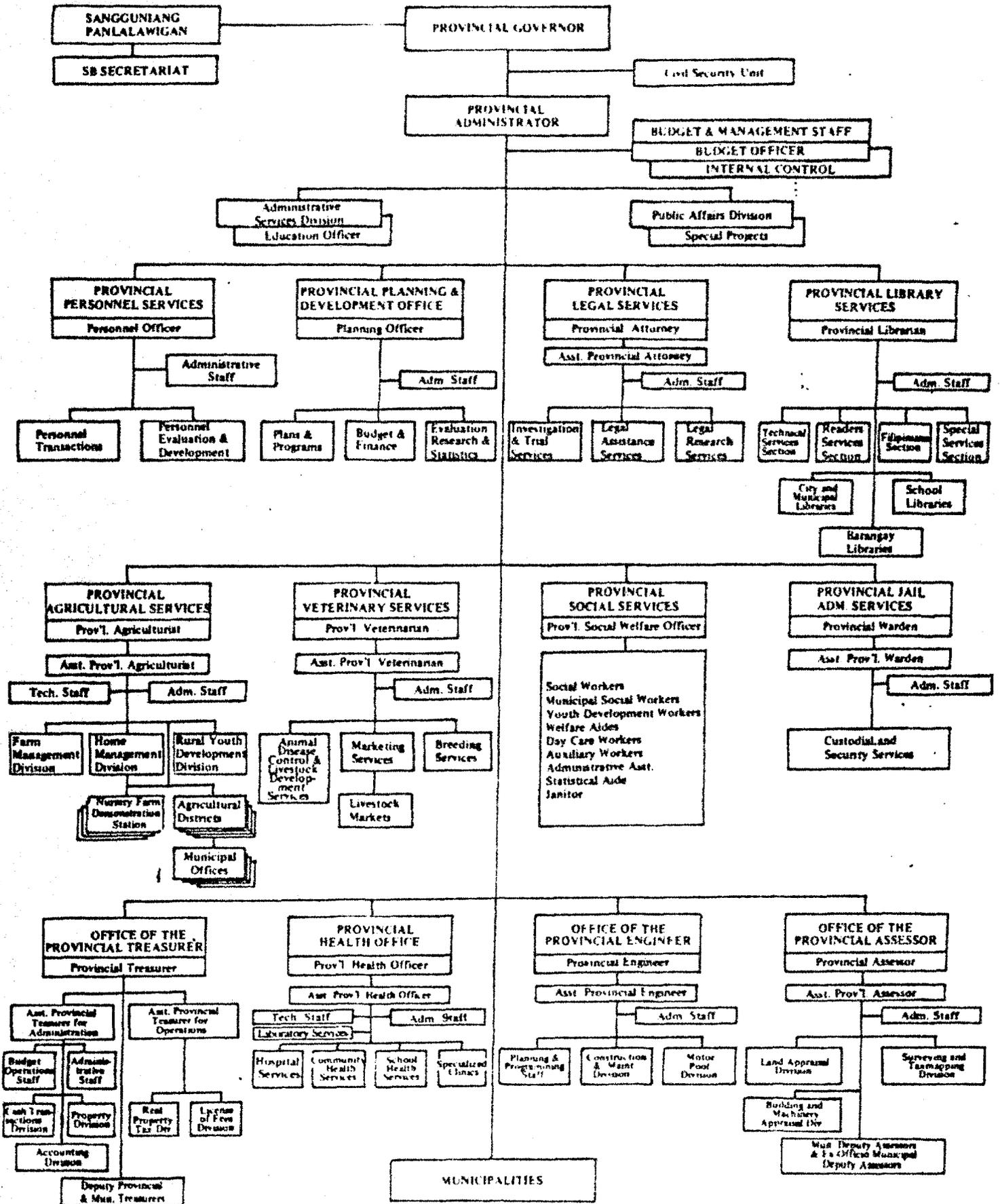
Appendix "F"

BACKGROUND ON CHARTERED CITIES IN THE PHILIPPINES

1. The chartered city is administratively independent from the province in which it is located, and draws its functions and services from provisions in the charter creating it.
2. Each city is a creation of Congress, and each is created according to the discretion of the lawmakers. Thus, there are cities with incomes able to support all the services in their charters and cities which can hardly pay their officials for the services they render.
3. There are offices and positions found in certain cities which are not found in others. However, no matter how varied the structures are, cities nearly always perform basically the same functions and render the same services. Functions of general administration, health and welfare, education, public works, community development and protective services are performed. It is in the magnitude of these functions that each city differs.
4. Nationally supported functions in the cities, like elementary education, receive quarterly allotments from the national government, but are also supported by local funds. Most services are largely locally supported. However, certain cities receive national appropriations.
5. General administrative functions are performed by the City Mayor, who is elected by the residents. He issues orders and enforces laws, supervises the city officials and employees, hears and decides petitions, appoints city employees according to provisions of the charter and other laws, approves and vetoes city ordinances and grants or refuses municipal licenses.
6. The City Mayor is assisted in his tasks by a staff appointed by him. The Secretary, who serves during the term of the City Mayor, has custody of all records and attests all executive orders signed by the City Mayor.
7. The City Mayor, by virtue of the Decentralization Act of 1967 (R.A. No. 5185), has appointing powers over all heads and subordinates of offices financed wholly from local funds.
8. Ordinances for implementation in the city are passed by the Sangguniang Panlungsod (City Council). The City Mayor acts as presiding officer of the council.
9. The Council passes the budget subject to item veto by the City Mayor, exercises general taxing powers, creates and defines boundaries, and adopts zoning and subdivision ordinances.
10. The City Secretary who, by virtue of the Republic Act No. 2259, is elected by majority vote of the Council, is in charge of keeping council records and proceedings.

11. The same national structures in the city as are found in the provinces. The nature and functions of the Department of Engineering and Public Works, the City Health Office, and the Office of the Division Superintendent of Schools, are essentially similar to those of their provincial counterparts. However, there are offices and positions in certain cities which are not found in others. For example, the City Treasurer in twenty-five cities also acts as ex-officio City Assessor; in six cities, the Provincial Auditor acts as ex-officio City Auditor; and the Department of Assessment exists in twenty-one cities only.
12. Theoretically, the city is the most autonomous local government unit, performing more functions and services for its residents than the province or municipality. In actual practice, however, not all cities are that autonomous. Charter provisions and income have contributed to this disparity among cities despite certain provisions covered by omnibus laws affecting all of them.
13. The degree of autonomy of the city depends to a great extent on income. Manila epitomizes the truly autonomous city. Because of its high income, Manila can perform and even expand its services without waiting for national aid. On the other hand, very poor cities which were created as cities for political reasons are far from autonomous. They depend largely on national subsidy or national appropriations.
14. Aside from the cities of Palayan and Trece Martires which have very different relationships with the provincial and national governments, many other cities depend to a great extent on these large government units, especially on the national government.
15. In a study on criteria for city creation, it was found that if the twin criteria of population of 50,000 and income of ₱1,000,000 are used on 56 cities, eight would not even qualify for city status.

PROPOSED PROVINCIAL GOVERNMENT STRUCTURE



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Appendix "H"

LIST OF PEOPLE INTERVIEWED

I. National

Hon. Salvador P. Socrates, Deputy Minister for Local Government, MLGCD
and Executive Director, PDAP
Atty. Teodoro Agati, Project Director, Rural Road Project, PDAP
Mr. Pedro C. Aquino, Chief Development Management Officer, Project
Research and Development Staff, PDAP
Mr. Eligio Bagahansol, Field Operations Coordinator, RSC, PDAP
Ms. Violeta L. Bernabe, Budget Management & Audit Specialist
Mr. Marcelo B. Canda, Acting Managing Director, PDAP
Mrs. Corazon M. Davila, Project Director, Real Property Tax
Administration, PDAP
Mr. Pedrito R. de los Santos, Social Action Development Coordinator
RSC, PDAP
Ms. Mary Lou Gaetos, Local Development Finance Coordinator, RSC, PDAP
Mr. Victoriano B. Hababag, Chief, Administrative Development Division,
Bureau of Local Government, MLGCD
Ms. Pacita T. Malinao, Local Development Administration Training
Coordinator, RSC, PDAP
Ms. Luz T. Mamaril, Project Management Operations Center Coordinator
RSC, PDAP
Mr. Gaspar Nepomuceno, Project Director, Barangay Water Project, PDAP
Mr. Pablito C. Panares, Project Director, Rural Service Center
Project, PDAP
Ms. Luz P. Praga, Development Management Researcher
Mr. G. M. Santos, Acting Assistant Accountant, MLGCD
Ms. Carmelita Vilorio, Local Government Administration Planning and
Coordinator, RSC, PDAP
Mr. Florentino Yumul, Local Development Engineering Coordinator,
RSC, PDAP

II. Regional

Mr. Dioscoro V. Ragrao, Jr., Supervising Local Government Officer,
MLGCD, Region V, Legaspi City
Mr. Arturo V. Ruiz, Supervising Cooperatives Development Officer,
MLGCD, Region V, Legaspi City

III. City

Butuan City

Hon. Figurado O. Plaza, City Mayor
Mr. Florencio V. Acosta, Assistant City Assessor
Engr. Victorino G. Ariola, Project Analyst, CPDS
Ms. Petra C. Babia, Economist/Industrial Analyst, CPDS
Mr. Flora Batucan, Chief, Records Management Division City
Assessor's Office

Mr. Bebiano B. Calo, Fiscal Analyst, CPDS
Mr. Antonio Inchoso, City Development Coordinator, CPDS
Mr. Jovencio Reyes, Chief, Tax Mapping Division, City Assessor's Office.
Ms. Trinidad Z. Rosales, Sociologist, CPDS

Iriga City

Miss Erlinda M. Cabanes, Statistician, CPDS
Mrs. Josefina L. Maninang, Management Specialist, CPDS
Mr. Emilio L. Nadal, City Development Coordinator, CPDS
Miss Salvacion S. Sergio, Economist, CPDS
Mr. Roger D. Turiano, Engineering Analyst, CPDS
Miss Adelaida S. Zabala, Economist, CPDS

Legaspi City

Mr. Antonio S. Imperial, Secretary to the Mayor and Acting Mayor
Mr. Ferrer Abordo, Development Project Analyst, CPDS
Mr. Joeben Ador, Research Analyst, CPDS
Mrs. Nicetas R. Alvarado, Senior Planning Officer, CPDS
Mrs. Salve Coral, Economist, CPDS
Mrs. Imelda R. Eva, Management Analyst, CPDS
Mr. Roger Halili, Community Development Office I, MLGCD
Miss Marielanie Lanuzo, Sociologist, CPDS
Mrs. Dominica R. Lorbes, City Development Coordinator, CPDS
Mr. Domingo O. Mapusao, City Development Officer, MLGCD
Mr. Norberto Meneses, Development Project Analyst, CPDS
Mrs. Ma. Theresa Olondriz, Statistician, CPDS
Mr. Jesus O. Roa, Community Officer I, MLGCD
Atty. Ben-Hur C. Salcedo, Executive Assistant
Mr. Delfin A. Salvosa, City Information Editor
Mr. Elias Yanson, Asst. City Treasurer, OIC

Lipa City

Mr. Dante Villanueva, City Development Coordinator

Naga City

Hon. Vicente P. Sibulo, City Mayor
Mr. Simeon M. Amores, City Development Officer, MLGCD
Mr. Orlando Batifora, Fiscal Analyst, CPDS
Mr. Elmer A. Gallardo, Economist and OIC, CPDS
Mr. Ramon Hernandez, Human Settlement Officer, MHS
Mr. Blandino M. Maceda, Community Development Officer I, MLGCD

Puerto Princesa City

Mr. Angel Padon, City Development Coordinator

Roxas City

Mr. Ricardo Andrada, Jr., City Development Coordinator

Barangay

Mr. Retituto S. Turiano, Baranay Captain, Barangay San Francisco
Iriga City
Mrs. Jovita Baile, Housewife, Barangay Tamaoyan, Legaspi City
Mrs. Leonida Bendecio, Housewife, Barangay Tamaoyan, Legaspi City
Mrs. Tita del Agua, Housewife, Barangay Tamaoyan, Legaspi City
Mr. Ricardo Efran, Balot Manufacturer, Barangay San Francisco, Iriga City
Mrs. Basilia Manzanilla, Housewife, Barangay Tamaoyan, Legaspi City
Mr. Vicente Talaytog, Fish Vendor, Public Market, Iriga City
Mrs. Salve Toturan, Fast Food Vendor, Barangay San Francisco, Iriga City
Mr. Marcial Turiano, Woodcraft Shop Owner, Barangay San Francisco,
Iriga City

Appendix "I"

ABBREVIATIONS

ADS	- Area Development Specialist
AIP	- Annual Implementation Plan
BCD	- Bureau of Cooperatives Development
BSADP	- Barangay Social Action Development Plan
BWP	- Barangay Water Project
CAP	- Cooperative Association of the Poor
CBC	- City Budget Commission
CCDP	- City Comprehensive Development Plan
CDAP	- City Development Assistance Project
CDC	- Cash Disbursement Ceiling
CDW	- City Development Worker
CIP	- Capital Improvement Plan
CO	- Capital Outlay
COE	- Current Operating Expenses
CPDB	- City Planning Development Board
CPDS	- City Planning Development Staff
EMMO	- Equipment & Materials Management Office
EPDP	- Equipment Pool Development Plan
EPOM	- Equipment Pool Operating Manual
FAR	- Fixed Amount Reimbursement
GOP	- Government of the Philippines
JWP	- Joint Work Plan
KBI	- Key Budgetary Inclusion
MLDP	- Material Laboratory Development Plan
MLGCCD	- Ministry of Local Government & Community Development
MSSD	- Ministry of Social Services & Development
NEDA	- National Economic and Development Authority
ODTD	- Organization Development Training Division
PB	- Performance Budget
PDAP	- Provincial Development Assistance Project
PDID	- Project Development Implementation Division
PNB	- Philippine National Bank
POL	- Parts, Oil, Lubricant
RNDP	- Road Networks Development Plan
RPTA	- Real Property Tax Administration
RSC	- Rural Service Center
SADP	- Social Action Development Plan
SAT	- Social Action Team
SEC	- Securities and Exchange Commission
SEP	- Socio-Economic Profile
SP	- Sangguniang Panlungsod
TDI	- Tentative Dates of Itinerary
TMS	- Training Management Staff
USAID	- United States Agency for International Development

Appendix "J"

RURAL SERVICE CENTER PROJECT

I. GRANT AGREEMENT - REVISED FINANCIAL PLAN (FY 1978-1981) ^{1/}

	Obligated		Obligation	Total	Proposed	<u>TOTAL</u>
	<u>1 9 7 8</u>	<u>1 9 7 9</u>	<u>1980</u>	<u>78-80</u>	<u>1981</u>	
Consultants	196,000	291,000	134,000	(621,000)	291,000	912,000
Participants	60,000	51,000	69,000	(180,000)	-	180,000
Commodities	<u>98,000</u>	<u>75,000</u>	<u>297,000</u>	<u>(470,000)</u>	-	<u>470,000</u>
TOTAL	354,000	417,000	500,000	(1,271,000)	291,000	<u>1,562,000</u>

1/ Proposed for FY 1980 Amendment to Grant Project Agreement adding \$500,000 increment.

II. FINANCIAL SUMMARY

	Status Ending		
	<u>3/30/79</u>	<u>9/30/80</u>	<u>9/30/81</u>
Obligated	905	1405	1696
(New obligations)		(500)	(291)
Earmarked	783	1050 ^{b/}	1656 ^{b/}
Expenditures	175 ^{a/}	797 ^{b/}	1359 ^{b/}
Pipeline	730	608	337

a/ Actual; includes U.S. Direct Hire Personnel in 1978 - \$134,000; not included in Grant Agreement.

b/ Estimates based on revised, detailed financial plan.

III. EXPENDITURE SCHEDULE - SUMMARY

	<u>Total</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Consultants/ Technicians	912,000	(134,000)	41,000	444,000	387,000	40,000
Participants	180,000			180,000		
Commodities	<u>470,000</u>			<u>173,000</u>		<u>297,000</u>
TOTALS	1,562,000	(134,000)	41,000	797,000	387,000	337,000