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United States Agency for International Development



Project Assistance Completion Report

MARKETS PROJECT

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MARKETS PROJECT
PROJECT ASSISTANCE COMPLETION REPORT

<u>TABLE OF CONTENTS</u>	<u>Page</u>
I. DESCRIPTION OF THE PROJECT	1-3
A. Background	
B. Introduction	
C. Project Goals and Purposes	
D. Implementation Plan	
E. Selection Criteria	
II. CURRENT STATUS OF THE PROJECT	3-8
A. Credit	
B. Technical Assistance	
C. Training	
III. SUMMARY OF CONTRIBUTIONS	8-9
A. Planned Inputs	
B. Actual Inputs	
1. Funding Level	
2. Fund Expenditures	
IV. ASSESSMENT OF THE PROJECT	9-10
V. PROJECT EVALUATION	10-13
VI. LESSONS LEARNED	13-14
VII. PROJECT CLOSE-OUT ACTIVITIES	14-15
VIII. ANNEXES:	
A - Technical Status on Markets Project Subprojects	
B - Earmark Status Report	
C - Financial Status Summary	
D - List of Completed ESF Public Markets	
E - Summary of Contract and Payment Approvals	

1

I. DESCRIPTION OF THE PROJECT

A. Background

To better understand the Markets Project, a brief background is presented below:

The 1979 Amendment to the 1947 Bases Agreement resulted in \$200 million grant in Economic Support Fund (ESF) during the years 1980-84. The bulk of ESF monies would be channeled into three large "funds", to wit:

1. The Municipal Development Fund (MDF), which was authorized in FY 1981 at \$70 million;
2. The Clark Area Development Fund, authorized at \$55 million in 1981, and;
3. The Livelihood Development Fund (LDF), with authorization of \$46 million.

Another \$29 million of ESF funds would be subdivided among the Elementary School Construction Project, the Clark Access Road Project, and the Project Design Project.

It was through the implementation of the ESF funded Municipal Development Fund (MDF) and the DA (Development Assistance) funded Local Resource Management (LRM) projects that the Markets Project came into existence. It should be noted that both MDF and LRM have underscored the importance of local revenue generation in the management of local resources and the delivery of local government services. USAID's experiences and studies within and outside the Philippine government have indicated that the operation and expansion of public markets have been a continuing concern in many local government units (LGUs), which look up to the operation of public markets as their prime revenue source.

To address problems identified in USAID's initial review of local government operations and public markets, USAID authorized part of ESF monies for the Markets Project for construction credit combined with technical assistance package. The project would establish a credit program to provide construction financing to qualifying cities and municipalities for the upgrading of their public market facilities.

B. Introduction

The Markets Project seeks to facilitate the introduction of a national GOP program in selected cities and municipalities of market improvement through technical assistance, training and credit for construction financing. The Project aims to use ESF funds to materially assist this program, to strengthen the competitive market system of the Philippines.

The Project, as envisioned, serves to address the long-felt need for local revenue generation in the management of local resources and the delivery of local government services. Studies made until 1981, by USAID and Philippine government agencies, indicate that the operation and expansion of public markets have been a continuing concern in many provincial cities and municipalities, which depended on the operation of public markets for a sizable portion of their revenue. Many public markets, however, have been physically neglected for a considerable period of time, rendering them overcrowded and in poor sanitary condition, if not in serious disrepair. Recent survey released in early 1990 by the Department of Local Government showed that out of 1,179 cities and towns, 42 or 3.2% have no market, 465 or 38.7% need major repairs of their markets, and 562 or 43% require minor repairs of their market facilities.

C. Project Goals and Purposes

The goal of the Project is to provide ESF funds to assist the GOP to improve market operations and construct/rehabilitate such facilities throughout the Philippines. The purposes are threefold, as follows:

1. To improve the market facilities and their operation in selected growth centers;
2. To assure that participating LGUs operate markets on a break-even or self-sustaining basis; and,
3. To introduce an integrated strategy and program of training, technical assistance and credit for markets, demanding significant participation from LGUs themselves.

D. Implementation Plan

Implementation of the Project involves GOP agencies traditionally responsible for market administration, finance and planning. At the local government level, LGUs are responsible for the administrative functions required in constructing, operating and managing the markets. At the national level, the ESF Secretariat manages and implements the Project, in coordination with other GOP agencies.

E. Selection Criteria

The major criteria for LGUs requesting loan assistance under the Project are as follows:

1. The LGU (i.e., city or municipality) must be identified by the GOP as a "growth center" and with population of 40,000 or more. The appropriate development plans of the GOP and the LGU will indicate that the market is a development priority, as indicated by subproject feasibility study.
2. The minimum subproject construction cost will be \$250,000 or approximately two million pesos, at 1982 exchange rates.

II. CURRENT STATUS OF THE PROJECT

The Project Assistance Completion Date (PACD) for the Project was originally set on September 30, 1988. This was extended twice, to September 30, 1989 thru Project Implementation Letter (PIL) No. 28 dated September 8, 1988, and to March 31, 1990 thru PIL No. 36 dated August 18, 1989. As a result of the PACD extension, the life of the project (LOP) was extended from six years and one month to seven years and seven months. The 18-month extension allowed for the completion of the Dumaguete and Tuguegarao public markets.

The status of completion of the three major Project elements is as follows:

A. Credit

1. The credit element made way for completion of five new market facilities, in five provinces (see Annex A). These are the following:

<u>New Subproject Construction/ Province</u>	<u>Total Civil Works Contract Approvals (In Pesos)</u>	<u>Date Const. Started</u>	<u>Date Const. Completed</u>
Dumaguete City PM Negros Oriental	33,122,316.29	02/18/84	04/04/90
Tuguegarao PM Tuguegarao	27,654,022.63	02/28/85	03/28/90
Legazpi City PM Albay	27,352,075.93	03/24/85	10/1/86
Urdaneta PM Pangasinan	20,196,256.06	01/18/84	08/21/86
Kabankalan PM Negros Occidental	<u>19,204,900.75</u>	10/15/84	01/18/86
Total Cost	<u>127,529,571.66</u>		

2. Concessional loans have been provided under the credit component of the Project, with interest rate of 9% per annum, to qualified growth center LGUs for the purpose of financing the construction of new markets. On Dec. 6, 1983 the interest rate for subproject loan was increased by the ESF Secretariat from 9% to 12%. This was about the same time that inflationary rates were creeping into the country, the effects of which were yet to be felt by the LGUs.
3. In 1984, the Secretariat encountered difficulties in securing approval for construction of more new market facilities, for which feasibility studies and detailed engineering have been completed and approved by the Secretariat (see Section II.B.1). This situation resulted from a combination of political and economic problems between 1983 and 1985, as manifested by high inflationary rates in the economic front and clamor for changes in political administration.

4. As a result of the February 1986 Philippine revolution, no new activities under the Project were permitted except those with ongoing construction. Thus, only construction activities of ongoing subprojects under the Project were allowed to continue through to completion. As a result of the reassessment of activities and funding requirements after the February 1986 revolution, \$11.8 million was deobligated on June 19, 1986 from the Project, for reobligation to the new government's 1986 Budget Support Program. The plan to construct on a pilot basis three to five privately owned markets, as called for in the Project Paper, was shelved. These would have included the Los Banos Public Market, proposed by Los Banos Developer, Inc. in Laguna and the Sasa Commercial Center, Inc. in Davao City.

5. The Dumaguete City Public Market and the Tuguegarao Public Market took more time to complete compared to the other markets constructed under the Project (i.e., public markets in Urdaneta, Kabankalan and Legazpi). Reason is that subproject construction activities suffered delays shortly after the February 1986 revolution, particularly in the processing of payments for construction activities. In particular, the following intervening events were noted which delayed completion of Dumaguete and Tuguegarao subprojects:
 - a. By end of third quarter 1986, processing of payments to construction Contractors remained a problem, as the Commission on Audit (COA) imposed a hold order on all payments, which was not lifted until mid-1987. Payments thereafter still remained slow because of the delay by the Department of Budget and Management (DBM) in issuing Advice of Allotment (AA) and Cash Disbursement Ceiling (CDC).

 - b. Construction work on the Dumaguete City Public Market had stopped since July 1986 due to financial difficulties encountered by construction Contractor. The Secretariat had concluded that the best course was to terminate the construction contract with its Contractor and to re-bid the subproject or complete the market through force account. Construction contract with the market Contractor was terminated by the City Government of Dumaguete

on September 7, 1987. The City was allowed to complete Building No. 1, the Wet Market Section, through force account. Work on Building No. 1 was started in November 1987. The City of Dumaguete subsequently completed by force account the construction of Buildings No. 2 and 3. Construction on the market was finally completed on April 4, 1990.

- c. Construction on Tuguegarao Public Market was stopped in December 1986 due to non-receipt of payments by the construction Contractor. The Secretariat failed to make timely payments to the Contractor because DBM had not issued the required CDC. Work was resumed by contractor in April 1988, after resolving the payment difficulties with the Contractor, and market was completed on March 28, 1990.

B. Technical Assistance

The TA component, in line with the PP's intention, was aimed at providing technical assistance for GOP officials (LGUs and the then Ministry of Human Settlements/Markets Infrastructure Development Program Secretariat (MHS/MIDPS)) to improve their administrative skills in the operation, conceptualization, design, and management of markets. The TA activities would range from subproject identification through construction to administration and operation of the markets. The required assistance would include urban and regional planning, land economics, construction engineering, finance and accounting, environmental, health, sanitary engineering, public administration, etc. Further, this component would have four elements, namely: (1) overall project guidance and regional, urban and land use planning; (2) financial and economic analysis; (3) architectural and engineering design; and (4) management and accounting systems.

Technical assistance would be provided in such form as to allow the MHS/MIDPS to respond to identified needs of the national Markets Development Program and each participating LGU. TA would be provided to MHS/MIDPS for further assistance to project proponents in: (a) preparation of a market section in the appropriate GOP development plans; (b) preparation of detailed feasibility studies and physical facility designs;

(c) introduction of an effective and efficient cost accounting and management system; and (d) operations review and monitoring. \$2,000,000 has been budgeted for either payment of foreign exchange costs for technical assistance or support of technical assistance payments made by the GOP with its own pesos.

As of the PACD date, implementation of the technical assistance activities has been limited to the activities described hereunder, for reason that the new Government after the 1986 revolution shifted its priorities to its Budget Support Program (see Section II.A.4):

1. Detailed Architectural and Engineering (A&E) plans were prepared in 1983-84 for proposed subprojects. A list of these subprojects is shown below, together with the A&E and geo-technical investigation costs:

<u>Subproject/Province</u>	<u>Cost of Detailed Geo-Technical</u> <u>Engineering Services</u>	
	<u>(In Pesos)</u>	
Batangas P.M./Batangas	128,500.00	25,000.00
Calbayog P.M./Western Samar	427,500.00	28,000.00
Surigao P.M./Surigao del Norte	288,000.00	28,000.00
Kidapawan P.M./North Cotabato	306,000.00	28,000.00
Koronadal P.M./South Cotabato	268,000.00	-
Pagadian P.M./Zamboanga Sur	265,000.00	-
Legazpi P.M./Albay	276,555.00	-
Tuguegarao P.M./Cagayan	<u>240,000.00</u>	<u> </u>
Total Cost	2,199,555.00	109,000.00

- a. In February 1984, the Secretariat withdrew loan applications for the construction of the Pagadian and Koronadal Public Markets, in response to the respective LGU's request for such action, citing economic problems.

- b. The Batangas City Public Market subproject was approved for implementation by the LGU in December 1984 but disapproved by the Cabinet Standing Committee of the previous government.
2. Standardization of Public Enterprise Feasibility Study was completed at an approved cost of P290,815. The activity resulted in the completion of the Manual for Public Market Project Development and four related policy papers. The Manual was completed in September 1985 by a private consultancy group, Economic Consultants, Ltd. (ECL). The Manual intends to serve as a primer for LGUs and other interested parties and seeks to standardize the criteria for feasibility studies of public enterprises, including public markets.
3. Draft Curriculum Design and Operation Systems Manual, designed for ESF public markets, was completed as of August 1985. The Manual contains training programs for market personnel which was planned for pilot-testing on completed ESF public markets to assess the systems' feasibility and reliability. The training, however, did not materialize during the life of the Project. AID and ESFS have agreed that future trainings on ESF public markets be carried separately, and that these will await the results of the ongoing Evaluation of ESF Public Markets and the upcoming Impact Evaluation for ESF Projects (see Sections V.B to V.C).
4. Technical Manual for the Planning, Design, and Construction of Public Markets, as prepared by private consultants group, Planning Resources, and Operations Systems (PROS), was completed under the TA component and submitted for comments by the Secretariat to USAID in September 1985. Technical comments on the manual were provided to the Secretariat in October 1985. The final version of the Manual is currently under preparation by the ESFS in-house consultants, Louis Berger International/TCGI Consultants.

5. Under the TA component, Construction Management and Engineering Supervision (CMES) and Project Management Office (PMO) costs were provided under the Project, as follows:

<u>Subproject</u>	<u>CMES Services</u> (I n P e s o s)	<u>PMO Costs</u>
Dumaguete P.M.	705,768.00	1,279,959.31
Tuguegarao P.M.	1,020,000.00	102,990.00
Legaspi P.M.	528,383.54	198,228.00
Urdaneta P.M.	432,000.00	142,875.00
Kabankalan P.M.	<u>474,130.00</u>	<u>140,370.95</u>
Total Cost	<u>3,160,281.54</u>	<u>1,864,423.26</u>

C. Training

This element is envisioned to respond to the need for technical and managerial upgrading at the then Ministry of Human Settlements (MHS) and the LGU administrative levels. The program was planned to consist of manpower training, information sharing, applied research and evaluation activities. Training would be provided by MHS/Market Infrastructure Development Program Secretariat (MIDPS) and its consultants at the subproject site and through regional conferences, national forums and overseas tours.

As regard the non-completion of planned Training activities, the reason cited under Technical Assistance applies here, i.e, for reason that the new Government after the 1986 revolution has shifted its priorities to its Budget Support Program. The activities completed have been minimal and consisted of the following:

1. The Secretariat sponsored a series of trainings in late 1983 participated by the Market Infrastructure Development Council (MIDC) staff to assist the former in implementing markets subprojects. Funding for these trainings was charged to the operating budget of the Secretariat.

2. A series of seminars from November to December 1985 were held for Secretariat staff on construction management procedures and on the implementation of rules and regulations of PD 1594. Participants were culled from Secretariat's staff and members of the LGUs' Prequalification Bid and Award Committees and PMOs.

III. SUMMARY OF CONTRIBUTIONS

A. Planned Inputs

1. The Project Agreement under the Markets Project was signed on August 31, 1982, with initial funding in grant form amounting to \$4 million. This was subsequently amended on June 24, 1983 and on September 17, 1985, providing additional grant amounts of \$8 million and \$9 million, respectively. Under the 1985 amendment, \$19,500,000 was allocated for the credit component, \$1,200,000 for technical assistance, and \$300,000 for training. As a result of the reassessment of activities and funding requirements in mid-1986, \$11.8 million was deobligated on June 19, 1986 from the Project for a total obligation level of \$9.2 million. Another deobligation, amounting to \$700,000, occurred in July this year, resulting in a revised obligation of \$8.5 million under the Project.

B. Actual Inputs

1. Funding Level

- a. Following is the obligation and earmark levels as of August 31, 1990 (see Annex B for detailed earmark status):

	<u>Obligation</u>	<u>Earmark</u>
Credit	= \$7,637,279	\$7,407,941
Technical Assistance	= 680,985	635,323
Training	= <u>181,736</u>	<u>181,736</u>
Total	= <u>\$8,500,000</u>	<u>\$8,225,000</u>

Total contract approvals under the Project are \$7,934,408.55 or P130,403,909.16 as of August 31, 1990. Total unpaid contracts by the ESFS amount to \$91,301.36 (P2,042,411.47), which must be disbursed by December 31, 1990, the terminal disbursement date. A tabular presentation of the above discussion is shown in Annex C.

2. Fund Expenditures

As of August 31, 1990, the disbursement figures are as follows:

<u>Project Element</u>	<u>Obligations</u>	<u>Disbursement</u>	<u>% Obligation</u>	<u>Excess Funds</u>
Credit	\$7,637,000	\$7,026,000	91%	\$ 611,000
TA	681,000	635,000	93%	46,000
Training	182,000	182,000	100%	0
Total	\$8,500,000	\$7,843,000	92%	\$ 657,000

Of the \$657,000 excess funds, \$91,000 will be used to pay for unpaid approved contracts, to be made up to the terminal date for disbursement of December 31, 1990. The remaining \$566,000 is for deobligation.

IV. ASSESSMENT OF THE PROJECT

Achievement of the Project is assessed in light of the purposes listed in the PP's logframe, namely:

1. To create more efficient and healthier markets in up to 72 local government jurisdictions operating at break-even level,
2. To enhance capacity of the GOP in bringing about improvements to marketing systems, and
3. To provide ESF funds resulting from the amended Military Bases Agreement of 1947.

A. Purpose: Efficient and Healthier Markets

Attainment of purpose (1) is being achieved in five LGUs which have new markets constructed under the Project. These facilities have provided a more sanitary environment and efficient system for market operations. The reduction in the number of target markets, from 72 as indicated in the logframe to five actually built, is brought about by a combination of economic setbacks and political upheavals between 1983 and 1986. High inflation rates steeped up prices of construction materials and labor, severely limiting the number of markets constructed under the Project. The economic bind the new government faced in 1986 in the aftermath of the February revolution required infusion of fresh capital into the government coffers, resulting in USAID's decision to deobligate \$11.8 million from Project funds for reobligation to the 1986 Budget Support Program.

B. Purpose: Enhanced Capacity of GOP

The enhanced capacity of the GOP to bring about improvements to marketing systems may be considered achieved either directly or indirectly through the Project. The completed markets in five key geographic areas of the country under the Project, have stirred economic consciousness in those areas and revived insights on tapping market operations as prime revenue source. In March 1990, the Philippine House of Representatives approved a bill which would improve the viability of public markets. Known as the "National Market Code of the Philippines", the bill laid down the guidelines to strengthen the operations of public markets. One feature of the bill seeks to "develop, regulate and standardize public market systems and professionalize market services."

C. Provide ESF Funds for Markets

This purpose has been achieved through the provision of \$7.9 million to various LGUs for the construction of improved market facilities in five growth centers.

V. PROJECT EVALUATION

A. The Process Evaluation of the ESF Projects, conducted from May to July 1989 by Louis Berger International, Inc. and Checchi and Co. Consulting, Inc., revealed some aspects of the Markets Project that require corrective measures. On the financial aspect of markets, the report concluded that markets subprojects were not developing the level of income necessary to make them financially viable. The study served to analyze progress of ESF subprojects toward attainment of project objectives through subproject performance.

1. Highlights of the report's findings and recommendations pertaining to public markets are quoted hereunder, followed by OCP's comments on the Louis Berger report.

Findings:

"A large proportion of the markets already built have been financially oversized and may be too large or inappropriately designed to be economically sustainable."

"As a result of over or inappropriate design, a large proportion of the markets had major areas (up to one-third) of unrented space at the time of visit by team members."

"Collection rates of stall rentals were significantly lower than expected; the better managed markets were averaging an 80 percent collection rate, and where management was less diligent, collections were as low as 50 percent."

"Market operating costs are running significantly higher than projected in project feasibility studies. Much of this increase, however, can be attributed to the high rate of Philippine inflation over the past six years."

"In most cases, current market management practices were not addressing the health and environmental problems that the new markets were intended to correct."

"No evidence was found indicating that any of the markets had begun the payment of the loan amortization payments stipulated in financing agreements between the local governments and the Secretariat."

"The development of improved market management packages and the training of market staff envisioned in the original project design have not taken place."

"The financing arrangements used for market construction and rehabilitation do not appear to be in accordance with the guidelines contained in the amplified project descriptions of the Project Agreements for either the Markets Project or the Municipal Development Fund Project."

Conclusions:

"On the basis of the large sample of subprojects examined, it is the team's consensus that revenue generating subprojects were the most trouble prone of all subproject activities, and that they are not developing the level of income necessary to make them financially sustainable as originally forecasted, nor were they always meeting their health and environmental objectives. This study does not attempt to evaluate smaller rural markets programmed for construction in 1989 and 1990."

"The team doubts that most of the markets visited will ever become solvent unless a concerted series of actions are undertaken by the central government to address the problems noted above. Some markets may never be able to generate income sufficient to cover debt servicing and operating costs."

Recommendations:

"Proceed with the termination of the existing Market Project in September 1989 as planned." (Note: PACD for Market was extended to March 31, 1990).

"Do not initiate any new income generating projects other than those already programmed until such time as a plan of action has been developed to address the problems with the existing program."

"If it is determined that there is a continuing requirement for the financing of income generating activities, use ESF funds to establish a special credit facility for this purpose with a financial institution such as the Land Bank or the Development Bank of the Philippines, where there is a greater existing capacity to conduct the economic evaluation of potential loan projects."

"In planning for markets, try to ensure they are not 'over-sized' and that they have sufficient land around them to provide the maximum space to 'cash ticket' holders, who often provide the municipality with more income than the stallholders."

"Consider supplying waste water treatment for markets already constructed on a grant basis to alleviate potential environmental problems."

"Markets may be considered a social good. New market feasibility studies should give consideration to such social benefits-especially with consideration to the degree of cost recovery."

2. Following are OCP's comments on the above findings by the Louis Berger evaluation team:

Report does not substantiate claim that markets were oversized. As for comments on costs, there appears to be no consideration made for the significant inflation that has taken place in construction costs and the effects on the economy as a whole.

The cause for the reported unused market capacity does not appear to have been investigated. Some excess capacity for growth would seem more appropriate. Also, the idea of being able to add a second floor in the building design at a latter date is another way for allowing for growth. This is particularly true where land is scarce, as is the case in the vicinity of most of the markets. However, in most cases, construction of second floors to the market buildings is not expected to take place in the present time.

Collection rates are a local problem and often related to politics. It is unrealistic to assume a 100% collection, and allowances for more practical variances/deviations should have been considered at the time of feasibility studies.

There is no indication that an analysis of the appropriateness of the rental rates was examined by the consultants. The general knowledge is that the LGU keeps rental rates low for political reasons, or to be able to charge extra on the side.

- B. In May 1990, USAID approved a host country (ESFS) contract for an Evaluation of ESF Public Markets. The contract between the Secretariat and SGV & Co., amounting to \$25,461.36 (P560,150), will come from Project Design Project. The study, ongoing as of this writing (September 1990), will have a duration of seven weeks. Eighteen ESF markets which have been operating for a minimum period of one year are covered under the study. The five subprojects under the Markets Project are included in this study (Annex D). The study aims to assess the actual financial performance of the markets and determine their financial viability. The study will lead to the identification of necessary actions to address any weaknesses or problems in the implementation and operations of market subprojects. A secondary purpose of the study is to identify required technical assistance and training for market staff of ESF market subprojects.

- C. An Impact Evaluation for ESF Projects, to be funded from Project Design Project is planned to start in October 1990 with December 1990 as the completion date for the data gathering phase. Analysis of data collected is scheduled from February to March 1991.

Concerns which have been raised in the 1989 Process Evaluation of the ESF Projects (see Section V.A above), are included in the scope of work in the impact evaluation. The results of the completed process evaluation, the ongoing local evaluation of public markets and the upcoming impact evaluation will be consolidated into one final report and will address, among others, the following concerns:
(1) the inability of most LGUs to meet amortization payments on their loans, the findings that markets

are not generating the anticipated levels of income to make them financially viable and that improved market management has not taken place; and, (2) the fact that proposed public market subprojects are awaiting implementation under the ESF-RDF Project and Interest Earnings Fund and appropriate policies and guidelines are currently needed for their implementation.

VI. LESSONS LEARNED

- A. Lessons learned will be drawn from OCP's experience in implementing the Markets Project, as follows:
1. The commitment of LGU officials should at the onset be insured by whichever national government agency managing the Project. Much needed resources in terms of time and money would not be wasted should the LGUs decide, for one reason or another, to revoke their participation in the program. We can cite as an example the case of the proposed Koronadal and Pagadian public markets, which cancelled their participation to the program after ESFS had substantially completed their feasibility studies and A&E plans.
 2. Delayed responses by concerned government agencies to the request of the ESFS caused the delay of a couple of subprojects under the Project. Non issuance by DBM of the required Funding Warrant to the Secretariat, and COA's pre-audit requirements have delayed substantially the completion of the Dumaguete and Tuguegarao public markets.
- B. The Process Evaluation of 1989 enumerates the following lessons learned from implementing income generating projects:
- "In spite of changes in the Constitution and statements in the Medium-Term Economic Plan, as well as those in proposed legislation, central government agencies and various political groups are reluctant to devolve authority to local governments."

"Increasing foreign assistance, if safeguards are not taken, could continue the reality of fiscal and project centralization."

"The socio-economic and political context in which projects operate, as well as the management and organizational issues likely to be faced by both project and subproject managers, should be given as much attention and importance in project appraisal and evaluation as the more traditional financial and economic analyses."

"Older Project Papers, approved in AID/W, contain attractive provisions that abstractly address local needs, but these provisions (especially evident in markets) have led to unrealistic economic and social objectives that cannot be realized. A more realistic appraisal of anticipated results is required. This is most likely achieved (as the literature teaches us) by involving not only host central governments, but local governments and peoples (witness the decision of those who would ultimately have had to pay to reject construction of a market)."

VII. PROJECT CLOSE-OUT ACTIVITIES

- A. AID Commitments and Disbursements: As of August 31, 1990, total amount earmarked and committed under the Project is \$8,225,000.00. This amount is more than enough to pay for obligations incurred under the Project up to the PACD date of March 31, 1990. The total withdrawals from the ESF Special Account is \$7,843,107.19 as of August 31, 1990.
- B. AID-Financed Contracts: There are no active AID financed contracts under the Project.
- C. GOP Disbursements: As of this writing (September 1990), ESFS is in the process of processing claims for payment for both the Tuguegarao and Dumaguete City Public Markets. Total contracts approved by the ESFS under the Project is \$7,934,408.55 and total withdrawals from the Special Account is \$7,843,107.19 as of August 31, 1990; thus, total unpaid contracts is \$91,301.36, which is available for payment until the terminal disbursement date of December 31, 1990.

- D. Deobligation of Unused Funds: Of the \$8.5 million revised obligation, \$7,934,408.55 (or P130,403,909.16 equivalent) is the total contract approvals; therefore, there is an excess funds of \$565,591.45, which will be deobligated soon.

ANNEX A

ESF/LSSD MARKETS PROJECT
PROJECT NO. 492-0365

20

PROJECT	REGION & PROVINCE	SUPERVISION & CONSULTANT	BID OPENING	CONTRACTOR & CONTRACT COST	CONTRACT START CERT.FINAL ACCEPTANCE	IMPL. AGENCY & PMO	PERCENT COMPLETED DATE INSPECTED	REMARKS
<u>Region I</u>								
1. Urdaneta Public Market	Pangasinan	De Castro	12-83 01-08-84	Dalisay 16,000,000	01-18-84 08-21-86	Mun. A. Perez	100% 08-21-86	Completed
<u>Region II</u>								
1. Tuguegarao Public Market	Cagayan	DCCD	02-10-84 02-28-85	Rotal 17,298,000 17,374,241	02-28-85 -	Mun. Mayor Ting	100% 03-28-90	Completed
<u>Region V</u>								
1. Legaspi City Public Market	Albay	Phinco	03-22-84 08-24-85	Dela Cruz 21,487,513 23,179,606	03-24-85 01-17-87	City R. Arevalo	100% 10-01-86	Completed
<u>Region VI</u>								
1. Kabankalan Public Market	Negros Occ.	Codes	12-19-83 09-26-84	Titan 14,220,000	10-15-84 05-29-87	Mun. R. Diaz	100% 01-18-86	Completed
<u>Region VII</u>								
1. Dumaguete Public Market	Negros Or.	Admin.	11-07-83 07-19-84	Administration 17,254,649 18,482,395	02-18-84 -	City J. Tubungbanua	100% 04-04-90	Completed

ANNEX B

EARMARK STATUS REPORT
AS OF AUGUST 31, 1990

PROJECT NO.	BUDGET PLAN CODE/ OBLIGATION DOC NO/ EARMARK DOC NO	PE NO	RESCTLNO D E S C R I P T I O N	EARCTLNO	ORA NUMBER	HTHPAY	CUM EARMARK (1)/ OPN_EE RESERV	CUM COMMITMENT (2)/ OPN_CC_RESERV (3)	UNCOMMITTED (1 - (2+3))
4920365.00	HESAB227492KG13 PG-492-20057000000 250224EJV83-0191	01	P200057 E200150 LIVELIHOOD TECH ASSISTANCE			7	181,735.500 0.000	181,735.500 0.000	0.000
			P200057 E200210 MARKETS/CMS & PHO COSTS			7	132,724.030 0.000	132,724.030 0.000	0.000
			ELEMENT TOTAL				314,459.530 0.000	314,459.530 0.000	0.000
		02	P200057 E200182 1-YR EST PESO DISB			7	1,006,283.470 0.000	1,006,283.470 0.000	0.000
			P200057 E200157 MARKETS/DUHAGUETE S PROJ			7	1,315,083.960 0.000	1,315,083.960 0.000	0.000
			ELEMENT TOTAL				2,321,367.430 0.000	2,321,367.430 0.000	0.000
		03	P200057 E200151 LIVELIHOOD TRAINING			7	181,735.650 0.000	181,735.650 0.000	0.000
			ELEMENT TOTAL				181,735.650 0.000	181,735.650 0.000	0.000
			ALLOTMENT TOTAL				2,817,562.610 0.000	2,817,562.610 0.000	0.000
	HESAB327492KG13 PG-492-30016000000 350390EJV95-0225	01	P300603 E300257 TRF OF FUNDS/DRAWDOWNS			1	74,703.800 0.000	74,703.800 0.000	0.000
			P300603 E300765 ESP/1ST QTR REMITTANCE CY'90			4	245,159.920 0.000	246,159.920 0.000	0.000
			ELEMENT TOTAL				320,863.720 0.000	320,863.720 0.000	0.000
		02	P300603 E300704 PIL/ESP CY'88 4TH QTR CASH RQD			4	401,200.620 0.000	401,200.620 0.000	0.000

ANNEX C

FINANCIAL STATUS SUMMARY
As of August 31, 1990

TOTAL EARMARKED AND COMMITTED (EE/CC)	=	\$8,225,000.00		
TOTAL CONTRACT APPROVALS	=	<u>\$7,934,408.55</u>		
AVAILABLE FOR EE/DeCC	=	<u>\$ 290,591.45</u>		
TOTAL CONTRACT APPROVALS	=	\$7,934,408.55	or	<u>P130,403,909.16</u>
TOTAL WITHDRAWALS FROM SPECIAL ACCOUNT	=	<u>\$7,843,107.19</u>	or	<u>P128,361,497.69</u>
UNPAID CONTRACTS (P22.37:\$1)	=	<u>\$ 91,301.36</u>	or	<u>P 2,042,411.47</u>
CURRENT OBLIGATION	=	\$8,500,000.00		
TOTAL CONTRACT APPROVALS	=	<u>\$7,934,408.55</u>		
AVAILABLE FOR DEOBLIGATION	=	<u>\$ 565,591.45</u>		

ANNEX D

LIST OF COMPLETED PUBLIC MARKETS PROJECTS *

<u>Name of Market</u>	<u>Project</u>	<u>Region/Prov.</u>	<u>Original Cont. Cost</u> (P1000)	<u>Date Completed</u>
1. Magalang P/M	MDF	Pampanga	8,082	11/1985
2. Sta. Rita P/M	MDF	Pampanga	3,883	3/21/85
3. Porac P/M	MDF	Pampanga	6,654	6/13/85
4. Concepcion P/M	MDF	Tarlac	18,895	6/18/86
5. Capas P/M	MDF	Tarlac	11,081	4/30/87
6. Sn. Narciso P/M	MDF	Zambales	12,107	8/30/87
7. Subic P/M	MDF	Zambales	17,105	1/31/86
8. Sn. Marcelino Livestock Auction Market	MDF	Zambales	2,630	1/22/87
9. Sn. Marcelino P/M	MDF	Zambales	11,858	6/25/87
10. Sn. Antonio P/M	MDF	Zambales	11,243	11/26/86
11. Dinalupihan P/M	MDF	Bataan	19,715	11/5/87
12. Sta. Maria P/M	RDF	Bulacan	8,505	7/17/85
13. Moncada P/M	RDF	Bataan	15,955	3/7/85
14. Masinloc P/M	RDF	Zambales	19,198	1/23/87
15. Urdaneta P/M	Markets	Pangasinan	16,000	8/21/86
16. Legazpi P/M	Markets	Albay	21,487	10/01/86
17. Kabankalan P/M	Markets	Ilogos Occ.	14,220	1/18/86
18. Dumaguete P/M	Markets	Ilogos Oriental	17,254	4/4/90
19. Tuguegarao P/M	Markets	Cagayan	17,374	3/28/90

* List of completed public markets which will be covered by the ongoing evaluation of ESF Public Markets. Tuguegarao P/M will not be included because it has been operational for less than a year.

ANNEX E

MARKETS PROJECT FUND (492-0365)
SUMMARY OF CONTRACT AND PAYMENT APPROVALS
AS OF AUGUST 31, 1990

SUBPROJECT	TOTAL CONTRACT APPROVALS				APPROVED RELEASES			ACTUAL RELEASES			TOTAL RELEASES	VARIANCE (APRV vs ACTUAL)	
	CIVIL WORKS	VARIATION DRD	P.E.	C N E S	P M O	D E	ESCOLIA	BUENDIA	BUENDIA(MDS)				
BATANGAS, CALBAYOG, SURIGAO & KIDAPANAN PUBLIC MARKETS	109,000.00	0.00		0.00	0.00	109,000.00	109,000.00	109,000.00			109,000.00	0.00	
BATANGAS CITY PUBLIC MARKET	128,500.00	0.00		0.00	0.00	128,500.00	128,500.00	128,500.00			128,500.00	0.00	
CALBAYOG CITY PUBLIC MARKET	427,500.00	0.00		0.00	0.00	427,500.00	427,500.00	427,500.00			427,500.00	0.00	
DUMAGUETE CITY PUBLIC MARKET	33,422,316.29	30,232,883.00	299,855.45	603,850.53	705,768.00	1,279,959.31	0.00	11,609,753.63	7,922,021.98	24,740,457.02	187,759.04	32,858,238.04	(21,248,484.41)
KABANKALAN PUBLIC MARKET	19,204,900.75	14,220,000.00	890,226.16	3,400,173.64	474,130.00	140,370.95	0.00	19,699,877.01	18,635,503.04	569,317.71		19,204,900.75	494,976.26
KIDAPANAN PUBLIC MARKET	306,000.00	0.00			0.00	0.00	306,000.00	204,750.00	204,750.00	101,250.00		306,000.00	(101,250.00)
KIDRONADAL PUBLIC MARKET	268,000.00	0.00			0.00	0.00	268,000.00	227,000.00	142,314.70	125,685.30		268,000.00	(40,200.00)
LEGASPI CITY PUBLIC MARKET	27,352,075.93	21,487,513.30	28,074.85	4,033,321.24	528,383.54	198,228.00	276,555.00	25,862,167.33	25,812,571.73	1,390,504.20		27,203,075.93	(11,340,908.60)
PAGADIAN PUBLIC MARKET	265,000.00	0.00			0.00	0.00	265,000.00	225,250.00	144,378.62	120,621.38		265,000.00	(39,750.00)
PUBLIC ENTERPRISE FEASIBILITY STUDY	290,815.00	0.00			0.00	0.00	290,815.00	290,815.00	290,815.00			290,815.00	0.00
SURIGAO PUBLIC MARKET	288,000.00	0.00			0.00	0.00	288,000.00	288,000.00	288,000.00			288,000.00	0.00
TUGUEGARAO PUBLIC MARKET	27,654,022.63	17,290,000.00	3,576,290.71	5,416,741.92	1,020,000.00	102,990.00	240,000.00	11,450,920.85	11,423,920.85	12,879,430.65	1,721,637.91	26,024,689.41	(14,573,768.56)
URDANETA PUBLIC MARKET	20,196,256.06	16,000,000.00	(181,107.19)	3,002,488.25	432,000.00	142,875.00	0.00	20,202,167.83	19,068,784.12	327,471.94		20,196,256.06	5,911.77
TRAINING CONTRACT-UNIVERSITY OF LIFE	791,522.50	0.00			0.00	0.00	791,522.50	791,522.50	791,522.50			791,522.50	0.00
	0.00											0.00	0.00
TOTALS	130,403,909.16	99,238,396.30	4,613,339.98	18,136,575.58	3,160,281.54	1,864,423.26	3,390,892.50	91,518,024.15	86,187,662.54	40,262,438.20	1,909,396.95	128,361,497.69	(36,843,473.54)

EARMARK STATUS REPORT
AS OF AUGUST 31, 1990

PROJECT NO.	BUDGET PLAN CODE/ OBLIGATION DOC NO/ EARMARK DOC NO	PE NO	RESCTLNO D E S C R I P T I O N	EACCTLNO D R A N U M B E R	HTPAY	CUM EARMARK (1)/ OPN EF RESERV	CUM COMMITMENT (2)/ OPN CC RESERV (3)	UNCOMMITTED (1 - (2+3))
	PG-492-30016000000 EJV88-0075		P300603 E300703 ESFS/ADJUST 2ND QTR 98 REMIT.N	7		147,877.380 0.000	147,877.380 0.000	0.000
	PG-492-30016000000 PIL#24		P300603 E300660 ESF CASH, REQ/CY 98-FIRST QTR.N	7		66,064.400 0.000	66,064.400 0.000	0.000
	PG-492-30016000000 EJV90-0695		P300603 E300798 ESF/ADJUST ADDK BAL=ACT.REMITN	7		284,965.750 0.000	284,965.750 0.000	0.000
	PG-492-30016000000 PIL#140		P300603 E300797 PIL40/EXPENDITURES	7	N	125,000.000 0.000	125,000.000 0.000	0.000
	PG-492-30016000000 PIL#26		P300603 E300675 ESFS/2ND QTR.REMIT/CY 98 REQ.N	7		406,558.260 0.000	406,558.260 0.000	0.000
	PG-492-30016000000 PIL#35		P300603 E300741 ESF/3RD QTR CY'89 REMITTANCE N	7		574,523.650 0.000	574,523.650 0.000	0.000
	PG-492-30016000000 HC-PIL#21		P300603 E300478 ESFS/REMIT-CASH REQUIREMENTS N	7		681,427.200- 0.000	681,427.200- 0.000	0.000
	PG-492-30016000000 350386EJV85-0228		P300603 E300254 EJV/CYR CY85 C/REQ ESF PROJS N	7		965,912.790 0.000	965,912.790 0.000	0.000
	PG-492-30016000000 350159 PIL 9		P300603 E300660 PIL 9/MARKETS SUBPROJS	7	N	2,795,898.020 0.000	2,795,898.020 0.000	0.000
ELEMENT TOTAL						5,086,573.670 0.000	5,086,573.670 0.000	0.000
	PG-492-30016000000 3501480CU/OLLERO LTR	03	P300603 E300052 UL/TRNG TECH ASSISTANCE	7	N	0.000 0.000	0.000 0.000	0.000
	PG-492-30016000000 350391EJV85-0225		P300603 E300220 TRF OF FUNDS/DRAWOWNS	7		0.000 0.000	0.000 0.000	0.000
ELEMENT TOTAL						0.000 0.000	0.000 0.000	0.000
ALLOTMENT TOTAL						5,407,437.390 0.000	5,407,437.390 0.000	0.000

