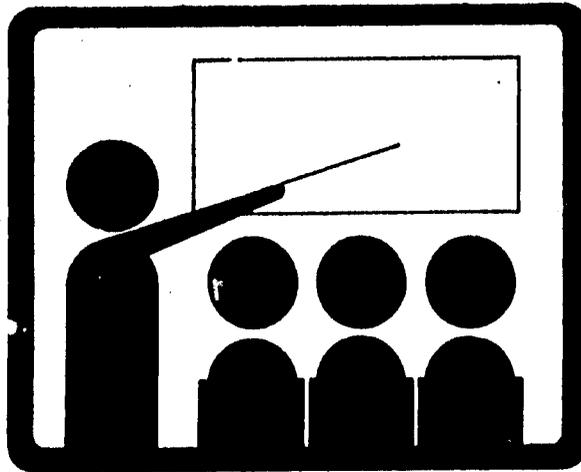


# Project Paper

PTD-ANN-206  
1571-311198  
492-0340/42



# TRAINING AND DEVELOPMENT ISSUES

492-0340

*USAID/Philippines*

*July 1983.*

TRAINING AND DEVELOPMENT ISSUES  
PROJECT PAPER

<u>CONTENTS</u>		<u>Page</u>
PROJECT DATA SHEET		111
I. DRAFT PROJECT AUTHORIZATION		iv
II. SUMMARY AND RECOMMENDATIONS		1
III. BACKGROUND AND PROJECT DESCRIPTION		
A. Background		3
B. The Problem and Project Approach		5
C. Project Logic		6
D. Implementing Agency		8
E. Summary of Basic Project Components		8
F. Beneficiaries		17
G. Relation of Project to Broader Development Context		18
IV. PROJECT ANALYSES		
A. Technical Analysis		20
B. Administrative Analysis		22
C. Financial Analysis		25
D. Economic Analysis		26
E. Social Soundness Analysis		27
F. Energy and Environmental Analysis		27

V. COST ESTIMATE AND FINANCIAL PLAN	
A. Project Budget	28
B. Budget Preparation and Execution	28
C. AID Disbursements	33
D. Contracts	34
VI. IMPLEMENTATION PLAN	
A. General Implementation Schedule	34
B. Activity Process	38
C. Monitoring	40
D. Evaluation	40
VII. CONDITIONS PRECEDENT AND COVENANTS	41
A. Conditions Precedent to Disbursement	41
B. Special Covenants	42
ANNEXES	
A. PID Approval Message	
B. Log Frame	
C. Statutory Checklist	
D. GOP Request for Assistance	
E. FAA Section 611(e) Certification	
F. Participant Training Impact on Host Country Development	
G. Initial Environmental Examination	

<b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b> <b>PROJECT DATA SHEET</b>	<b>1. TRANSACTION CODE</b> <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____ <b>DOCUMENT CODE</b> 3
--	--	---

<b>2. COUNTRY/ENTITY</b> PHILIPPINES	<b>3. PROJECT NUMBER</b> 492-0340
---	--------------------------------------

<b>4. BUREAU/OFFICE</b> USAID/Philippines	<b>5. PROJECT TITLE (maximum 40 characters)</b> TRAINING AND DEVELOPMENT ISSUES
--	--

<b>6. PROJECT ASSISTANCE COMPLETION DATE (PACD)</b> MM DD YY 1 2 3 1 8 8	<b>7. ESTIMATED DATE OF OBLIGATION</b> (Under 'B:' below, enter 1, 2, 3, or 4) A. Initial FY 83 B. Quarter 4 C. Final FY 84
--	---

8. COSTS (\$000 OR EQUIVALENT \$1 = )						
A. FUNDING SOURCE	FIRST FY 83			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	1,000		1,000	1,915	2,285	4,200
(Grant)	( )	( )	( )	( 450 )	( 450 )	( 900 )
(Loan)	( 1,000 )	( )	( 1,000 )	( 1,465 )	( 1,835 )	( 3,300 )
Other U.S.						
Host Country					1,404	1,404
Other Donor(s)						
<b>TOTALS</b>	1,000		1,000	1,915	3,689	5,604

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) 105	600	710	710				1,000	900	3,300
(2)									
(3)									
(4)									
<b>TOTALS</b>							1,000	900	3,300

<b>10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)</b> 690      720	<b>11. SECONDARY PURPOSE CODE</b> 660
--	--

<b>12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)</b>			
A. Code	RDEV	RGEN	BWN
B. Amount	300	300	300

**13. PROJECT PURPOSE (maximum 480 characters).**

Improve the capability of the Philippine Government and other institutions to analyze development issues and to make sound and timely development related decisions.

<b>14. SCHEDULED EVALUATIONS</b> Interim MM YY MM YY Final MM YY 1 0 8 5      0 5 8 9	<b>15. SOURCE/ORIGIN OF GOODS AND SERVICES</b> <input type="checkbox"/> 000 <input checked="" type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
---	---

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

<b>17. APPROVED BY</b>	Signature: MARY C. KILGOUR <i>Mary C Kilgour</i> Title: Deputy Director	<b>18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION</b> Date Signed MM DD YY 017 31 83
------------------------	--	---

## INSTRUCTIONS

The approved Project Data Sheet summarizes basic data on the project and must provide reliable data for entry into the Country Program Data Bank (CPDB). As a general rule blocks 1 thru 16 are to be completed by the originating office or bureau. It is the responsibility of the reviewing bureau to assume that whenever the original Project Data Sheet is revised, the Project Data Sheet conforms to the revision.

Block 1 - Enter the appropriate letter code in the box, if a change, indicate the Amendment Number.

Block 2 - Enter the name of the Country, Regional or other Entity.

Block 3 - Enter the Project Number assigned by the field mission or an AID/W bureau.

Block 4 - Enter the sponsoring Bureau/Office Symbol and Code. *(See Handbook 3, Appendix 5A, Table 1, Page 1 for guidance.)*

Block 5 - Enter the Project Title *(stay within brackets; limit to 40 characters).*

Block 6 - Enter the Estimated Project Assistance Completion Date. *(See AIDTO Circular A-24 dated 1/26/78, paragraph C, Page 2.)*

Block 7A. - Enter the FY for the first obligation of AID funds for the project.

Block 7B. - Enter the quarter of FY for the first AID funds obligation.

Block 7C. - Enter the FY for the last AID funds obligations.

Block 8 - Enter the amounts from the 'Summary Cost Estimates' and 'Financial Table' of the Project Data Sheet.

NOTE: The L/C column must show the estimated U.S. dollars to be used for the financing of local costs by AID on the lines corresponding to AID.

Block 9 - Enter the amounts and details from the Project Data Sheet section reflecting the estimated rate of use of AID funds.

Block 9A. - Use the Alpha Code. *(See Handbook 3, Appendix 5A, Table 2, Page 2 for guidance.)*

Blocks 9B., C1. & C2. - See Handbook 3, Appendix 5B for guidance. The total of columns 1 and 2 of F must equal the AID appropriated funds total of 8G.

Blocks 10 and 11 - See Handbook 3, Appendix 5B for guidance.

Block 12 - Enter the codes and amounts attributable to each concern for Life of Project. *(See Handbook 3, Appendix 5B, Attachment C for coding.)*

Block 13 - Enter the Project Purpose as it appears in the approved PID Facesheet, or as modified during the project development and reflected in the Project Data Sheet.

Block 14 - Enter the evaluation(s) scheduled in this section.

Block 15 - Enter the information related to the procurement taken from the appropriate section of the Project Data Sheet.

Block 16 - This block is to be used with requests for the amendment of a project.

Block 17 - This block is to be signed and dated by the Authorizing Official of the originating office. The Project Data Sheet will not be reviewed if this Data Sheet is not signed and dated. Do not initial.

Block 18 - This date is to be provided by the office or bureau responsible for the processing of the document covered by this Data Sheet.

I. PROJECT AUTHORIZATION

Name of Country/Entity: PHILIPPINES      Name of Project : TRAINING AND DEVELOPMENT ISSUES  
 Number of Project: 492-0340  
 Number of Loan : 492-V-069

1. Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended, and in accordance with my authority as conveyed in State Cable 106150 dated April 21, 1982, I hereby authorize the Training and Development Issues Project for the Republic of the Philippines (Cooperating Country) involving planned obligations of not to exceed \$3,300,000 in loan funds and \$900,000 in grant funds over a five-year period from date of authorization subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is five years and six months from the date of initial obligation.

2. The project will improve the capability of the Philippine Government and other institutions to analyze development issues and to make sound and timely development related decisions. This includes improved data collection and analysis as well as the assessment of the full implications of alternative decisions affecting development. Decision-making in this context includes decisions at the project and program levels as well as those at higher levels which influence planning and the broad context in which development takes place.

The project consists of two components: (1) development issues and (2) participant training. The first component will focus on a limited number of issues (perhaps six to ten) which are critical to Philippine development. Activities focusing on the issues selected will include: institutional analysis, research, technical assistance, training, workshops, conferences and seminars. The participant training component will support long and short term, in-country and overseas training which is critical to Philippine development but not eligible for support under other USAID-assisted activities.

3. The Project Agreement, which may be negotiated by designated Mission staff and executed by the Director, Deputy, the Ambassador, or someone acting in the Director's position per the authority so delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

4. a. Interest Rate and Terms of Repayment

The Cooperating Country shall repay the Loan to A.I.D. in U.S. Dollars within forty (40) years from the date of first disbursement of the Loan, including a

grace period of not to exceed ten (10) years. The Cooperating Country shall pay to A.I.D. in U.S. Dollars interest from the date of first disbursement of the Loan at the rate of: (1) two percent (2%) per annum during the first ten (10) years, and (2) three percent (3%) per annum thereafter, on the outstanding disbursed balance of the Loan and on any due and unpaid interest accrued thereon.

b. Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the project shall have their source and origin in the Cooperating Country or in countries included in A.I.D. Geographic Code 941 except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the Cooperating Country or countries included in A.I.D. Geographic Code 941 as their place of nationality, except as A.I.D. may otherwise agree in writing.

Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States of the Cooperating Country.

5. No waivers to A.I.D. regulations are required at this time.

CLEARANCES:

<u>Typed Name</u>	<u>Office Symbol</u>	<u>Date</u>	<u>Initials</u>
A. Douglas J. Clark	ORAD	7/26	12/10
B. Thomas L. Rishoi	OCD	7/26	26 July 1983
C. Harold W. Collamer	CO	7/27	9/5
D. Dallas Voran	OPHN	26-7-83	10/2
E. George A. Laudato	PO	7/26	26 JULY 1983
F. William Carter	OFFPVC	7/26	7/26
G. Peter Davis	OD/PE	7/26	7/26

Signature: Mary C. Kilgour  
MARY C. KILGOUR  
Deputy Director  
USAID/Philippines

Date : July 29, 1983

TRAINING AND DEVELOPMENT ISSUES  
PROJECT PAPER

II. SUMMARY AND RECOMMENDATIONS

A. Fiscal Data

Summary fiscal data are provided in the Project Data Sheet. The U.S. share of costs for the project is \$4.2 million; the Government of the Philippines (GOP) share \$1.4 million. The Project Identification Document (PID) for this proposal was approved June 16, 1983. The AID/W cable approving the PID is included as Annex A.

B. Purpose

The purpose of the Training and Development Issues Project (TDI) is to improve the capability of Philippine Government and other institutions to analyze development issues and to make sound and timely development related decisions.

C. Cooperating Country

The Cooperating Country is the Republic of the Philippines, as represented by the Government of the Philippines. The lead agency for project implementation will be the National Economic and Development Authority (NEDA).

D. Summary Project Description

The project will improve the capability of the Philippine government and other institutions to analyze development issues and to make sound and timely development related decisions. Two project components will be used to accomplish this objective.

First, the project will support the analysis and discussion of a limited number of critical development issues which will be selected during project implementation. Candidate issues will be proposed by public and private organizations. A committee of government and nongovernment representatives will use specific criteria to select issues which will become the focus of this component of the project. A variety of public and private nonprofit groups will submit proposals for activities which address the issues selected. Proposals will include such activities as research, technical and management assistance, training, and fora to discuss issues and disseminate results. The proposals submitted by various organizations will be coordinated so that a rational and integrated plan of action is developed for addressing each issue. Activities funded under this component will lead to greater understanding of the issues and their implications for development, and thus directly contribute to better decision-making. Also the component will

provide Philippine institutions with an opportunity to gain added analytical training and experience which will contribute to improved development related decisions in the future.

The second component will support long and short term training (both in-country and abroad) which addresses the critical human resource needs discussed in the GOP Five-Year Development Plan, and supports the institutional development plans of the organizations applying for training. A significant portion of the training will be related to the issues selected under the issues component of the project. Training applications will be submitted by development organizations and reviewed using specific criteria. Applications that are approved will be eligible for project funding. A monitoring mechanism will be established to report on the contribution of the training to the organization and to Philippine development in general.

E. Project Costs

	THOUSAND OF US DOLLARS				Project Total
	Loan	Grant	Total AID	GOP	
1. Training	2,300	100	2,400	1,224	3,624
2. Conferences/ Workshops	-	200	200	-	200
3. Technical Assistance	300	200	500	-	500
4. Research	500	300	800	-	800
5. Equipment and Commodities	200	-	200	-	200
6. Evaluation	-	100	100	-	100
7. Project Management	<u>-</u>	<u>-</u>	<u>-</u>	<u>180</u>	<u>180</u>
Total:	<u>3,300</u>	<u>900</u>	<u>4,200</u>	<u>1,404</u>	<u>5,604</u>

F. Beneficiaries

The ultimate beneficiaries are the Filipino people who will gain from accelerated development resulting from improved development related decision-making. The immediate beneficiaries are individual participants and institutions who will improve their understanding of critical development issues as well as their data collection, analysis, decision-making, and management abilities.

### G. Summary of Project Analyses

The analyses in the project paper indicate that the proposed project is technically, socially, economically, and financially feasible. Key issues raised and resolved dealt with linkages between the two project components and the proper degree of flexibility for a project of this type given NEDA's extensive prior experience with implementing AID projects.

#### H. Waivers

None are foreseen at the time of project authorization. However, if the need arises during implementation, waivers may be issued on a case-by-case basis.

#### I. Recommendations

USAID finds the proposed project both feasible and consistent with GOP and AID priorities. USAID recommends, therefore, that \$4.2 million, including \$3.3 million in loan funds and \$.9 million in grant funds, be made available during FY 83 and FY 84 to support implementation of the Training and Development Issues Project.

### III. BACKGROUND AND PROJECT DESCRIPTION

#### A. Background

Effective development related decision-making involves several interrelated elements including the training and experience of decision-makers; access to comprehensive, accurate and timely information; and effective institutions to provide the needed information as well as to implement the decisions that are made. These three elements - training, information, and institutional development - are very closely interrelated. Obviously, training is an important aspect of most institutional development efforts. A component of institutional development is improving the capacity of institutions to collect and analyze the information needed to make informed decisions and efficiently design and implement programs.

In general, training and institutional development efforts are oriented toward building the capacity to undertake development activities in the future. Information activities may be oriented toward building the capacity to collect and analyze information or they may be oriented toward directly producing the immediate information that is needed. This latter activity is essentially research. The Training and Development Issues (TDI) Project will include research, training, and institutional development. These will be oriented toward a set of critical development issues which will be selected by a high level committee of government and nongovernment officials.

Over the years, AID has supported a considerable amount of research. However, most AID supported research, such as agricultural research, has been oriented toward providing the information and knowledge needed to solve technical development problems. Other research activities have focused on socioeconomic conditions with a view towards understanding development needs and identifying suitable activities to address these. AID research efforts to collect information relevant to specific decision-making needs have been relatively small. This is understandable because the investment in this type of research only contributes to immediate decision-making needs and generally does not support longer term capacity building efforts. However, where the decisions effect broad development policy, the investment in this type of research may be very cost effective. The TDI Project will support this type of policy relevant research.

The project's training activities will build upon the Mission's General Participant Training Program of the 1970s. This program was judged to be beneficial to the persons trained and the organizations employing them.<sup>1/</sup> However, a major disadvantage of the program was its lack of focus on particular development issues or on specific human resource and institutional development objectives. This seriously limited the effect it could have on any particular issue, institution, or human resource need. Another critical limiting factor is that only participant training was offered. No supporting activities were included such as technical assistance, seminars, workshops, institutional analysis, or training of trainers. Such complementary activities could enhance greatly the effect that a participant training experience can have on both the individual trained and his or her institution.

Most of the Mission's institutional development efforts have focused on strengthening specific institutions.<sup>2/</sup> A definite benefit of these institutional development projects is the combination of resources and activities which are targetted to specific human resource and institutional development objectives. The range of activities includes participant training, long and short term technical assistance, institutional analysis, workshops, short institutional training courses, etc. These activities, interacting and supporting each other, result in greater impact than can be expected from any one of them in isolation.

1/ USAID/P, "Evaluation of Participant Training II Project No. 492-0308," June, 1981.

2/ For example: Bicol River Basin Development Program, Private Development Corporation of the Philippines, Asian Institute of Management, University of the Philippines/College of Public Administration, Commission on Population, National Electrification Administration, Economic Development Foundation, and Provincial Development Staffs throughout the country.

Most institutional development projects have certain disadvantages. Often, projects concentrate on specific institutions which have sectoral objectives. However, a wide range of factors and broad policies beyond the control of the specific institution often influence project success; for example, standard government procedures and regulations, dissemination of timely information and analyses of development situations, and broad development policies. Since the institution cannot influence these external factors directly, development of the target institution does not affect them. Therefore, a large void is left untouched by the activities funnelled through the sectorally focused institutional development projects.

#### B. The Problem and Project Approach

As discussed above, there are three interrelated concerns. First, most previous research activities have not focused on developing the information needed for effective decision-making and policy review. Second, general participant training projects historically have lacked a specific focus and consequently returned participants and their agencies have not benefitted from supporting activities which would have enabled them to take fuller advantage of the training received. Third, sectorally focused institutional development projects often cannot fully achieve their development objectives because many key policy related factors affecting project success are beyond the control of the implementing agency. Such factors may include controlled prices, subsidies, construction and maintenance of physical infrastructure, natural resource management practices, and broad development policies. In addition to affecting the success of donor-assisted projects, such factors influence a wide variety of other public and private sector development activities. For example, the decisions of private firms to invest in capital versus labor-intensive technologies are based on policies concerning interest rates, minimum wage and other labor laws, subsidized import programs, foreign exchange rates, skill levels of the labor force, and capital support systems such as spare parts, maintenance, repairs, etc.

The proposed project seeks to address these concerns by focusing research, training, fora, and institutional development activities on specific development issues which affect the success of both public and private sector development activities. A basic project objective is to improve the information base and arrange conferences and seminars so that selected development issues can be analyzed and discussed thoroughly, thus contributing to improved development related decision-making. Such decisions can affect broad policies and therefore can facilitate the development activities of a wide range of public and private organizations. Another project objective is to support training and institutional development efforts designed to improve capacity for analyzing critical development issues and for making development related decisions accordingly.

Evidence suggests that AID support for analysis of development issues potentially can lead to improved decision-making. For example, the Ministry of Energy, with USAID support and encouragement, analyzed issues surrounding their energy program and decided to: (1) shift alternative energy technologies research from isolated laboratory situations to a focus on the practical field needs of operating agencies, and (2) reverse a former position which gave little credence to the value of energy demand surveys and now accepts such surveys as a major planning tool. Another example is a USAID financed study of agricultural policies by a Philippine economist.<sup>3/</sup> The study has been widely read, is mentioned often in discussions and debates concerning Philippine agricultural policies, and has been incorporated into the Mission's Rainfed Resources Development Project. Still another example is a series of USAID supported discussions and an analysis of fuelwood as an energy resource. As a result of the analysis the Ministry of Natural Resources cancelled a land classification program which would have taken 15-20 years and instead committed itself to implementing and supporting reforestation projects which fit local situations.

### C. Project Logic

#### 1. Project Goal

The ultimate project goal is broad based economic growth and development as measured by increased per capita income and a growing proportion of national income going to the poorest 40% of the population. Achievement of the goal will depend upon continued international economic recovery, economic and political stability, reduced population growth, and GOP commitment to implementation of the Five Year Development Plan.

#### 2. Project Purpose

Contributing to the accomplishment of the goal is the project purpose of improving the capability of Philippine government and other institutions to analyze development issues and to make sound and timely development related decisions. This includes improved data collection and analysis as well as the assessment of the full implications of alternative decisions affecting development. Decision-making in this context is defined broadly to include both new actions taken to formulate and implement new activities as well as passive decisions to maintain the status quo. It includes decisions at the project and program levels as well as those at higher levels which influence development planning and the policy.

<sup>3/</sup> Cristina C. David, "An Analysis of Agricultural Policies in the Philippines", USAID, February, 1982.

Since the number of issues which influence development is very large, this project will focus on a limited number of issues (perhaps six to ten) which are critical to Philippine development. The project will maintain the flexibility it needs to take advantage of targets of opportunity by: 1) initially selecting a small set of development issues and adding new ones as the need arises, and 2) by supporting a participant training component that will be guided by the issues selected and the critical human resource needs discussed in the GOP Five Year Development Plan.

Accomplishment of the project purpose assumes that leaders and key staff of development institutions will support and are committed to indepth analysis of critical development issues. Another assumption is that development institutions provide real opportunities for returned participants to use their acquired skills effectively.

### 3. Project Outputs

A number of outputs are planned as a means to accomplish the project purpose. Training is one of the most important project outputs contributing to improved analytical and decision-making capability. It is too early to define the final mix of in-country, overseas, long term and short term training. Therefore, specific output levels can only be estimated at this time. Roughly 250 person years of short and long term training will be supported, both, in-country and abroad. This will include about 200 person years of in-country training and approximately 50 person years of overseas training. Roughly 100 persons will receive long term training; about 250 will participate in short term training programs.

At least six development issues will be addressed. Research activities, which will focus on each issue, will provide the background analyses and information to insure informed discussion of the issues and contribute to improved issue related decision-making. About 30 to 40 fora (conferences, workshops, seminars, etc.) will be held on the selected development issues. Fora will be designed: to illicit ideas on issues, to analyze and discuss issues, and to disseminate information generated by other aspects of the project. In addition, approximately twenty important decision-makers will participate in carefully selected international fora which address issues that are critical in the Philippines.

### 4. Project Inputs

AID inputs will include loan funds for training, technical assistance, research, and commodities. Grant funds will support fora, research, technical assistance, evaluation and a limited amount of training. Philippine inputs will include in kind staff time for training, fora participation, project management and follow-up of returned participants. GOP monetary inputs will support the international travel of participants.

The purposes of the training, research, fora, project management and evaluation inputs are relatively obvious and discussed in other sections of the paper. Technical assistance will be used: to provide expert resource people at fora; to coordinate, organize, and facilitate fora; to assist in the design and review of issue activity proposals and training applications; to assist with technical and management aspects of issue activities; and to analyze the institutional development and training needs of selected organizations. The small amount of commodities in the project is primarily for analytical equipment such as microcomputers and accessories for improving the accuracy and timeliness of information pertaining to issues and related decision-making.

D. Implementing Agency

The GOP National Economic and Development Authority (NEDA) will be the primary implementing agency and will be responsible for insuring coordination among the wide variety of organizations expected to participate in TDI. As described in the Administrative Analysis, NEDA has considerable experience in managing USAID-assisted training activities and research related to development planning.

E. Summary of Basic Project Components

The project has two interrelated components: development issues and participant training.

1. Development Issues Component

a. Types of Issues

Under this component, critical development issues will be solicited from a variety of public and private organizations. A number of development issues are listed below to illustrate the types of concerns which this project will address.

- Factors and policies affecting unemployment, underemployment, and productivity in agriculture, service, and industrial sectors.
- Identification and removal of institutional constraints to accelerated economic development.
- Factors and policies affecting income distribution and regional growth disparities.
- Regulation and other factors affecting the prices paid for agricultural products and thus influencing farmer decision-making, production levels, and rural incomes.

- Factors and policies influencing energy production and utilization.
- The variety of current formal and informal sector credit programs and interest rates and their affect on investment, especially investment in small and medium scale farming and other enterprises.
- Factors affecting public and private rural savings mobilization and policies needed to mobilize additional resources.
- Natural resource management practices, utilization rates, and implications for future generations.
- Timely collection, analysis, and dissemination of data on population, industry, agriculture, natural resources, etc.
- Factors and policies affecting revenue generation and utilization by local governmental units.
- Factors affecting the employment potential of planned major industrial development projects.
- Factors and policies affecting the delivery, use, and financing of basic human services.
- International worker migration, income remittance, and factors and policies which influence these.
- Efficiency and equity considerations of public versus private sector provision of agricultural markets, rural credit, housing, health care, manufacturing, etc.
- Future population and labor force levels in relation to natural resource and employment constraints.
- The long term costs and benefits of varying types and levels of infrastructure maintenance.

Since the list of important development issues is long and project resources are relatively scarce, the project will focus on a limited number of issues (perhaps 6 to 10). To obtain a range of views as broad as possible on issues that merit study, a seminar or conference will be held for the purpose of soliciting candidate issues.<sup>4/</sup> Basic background information will be collected on each proposed issue.

4/ Funds for this seminar are expected to be available from nonproject sources.

b. Review and Selection of Issues

Candidate issues will be submitted to a high level project Steering Committee (SC) composed of representatives from a variety of government and nongovernment agencies. The Steering Committee will review carefully the candidate issues and select those for project focus using the following general criteria:

- (1) The importance of the issue to the successful implementation of GOP Five Year Development Plan.
- (2) The probability that issue-focused project efforts will result in policy or other changes which facilitate accelerated development.
- (3) The relevance of the issue to the major policy concerns of the GOP and USAID.
- (4) The importance of the issue to rural employment and poverty alleviation.

To maintain flexibility and address targets of opportunity as they arise, the Steering Committee (SC) will select initially only a small number of issues, perhaps three to five. Later they will be able to add issues for project focus as the need arises. USAID approval will be required for every issue selected.

It is anticipated that the SC will make a limited amount of funds available for a general issue which addresses the overall project objective of improved development related policy review and decision-making. This will make a small amount of money available for targets of opportunity which very clearly address the basic project purpose but may not be covered by a previously selected issue. This small fund may support background research and analysis on candidate issues which later may be selected by the SC as an issue for project focus.

c. Submission of Issue Proposals and Selection of Issue Activities

(1) Proposal Submission

After the Steering Committee selects a development issue, a variety of activities may be proposed to address the issue. These activities may include research policy analysis, surveys and data collection, technical assistance to relevant institutions, long and short term training. Workshops and seminars, conferences, or small scale pilot demonstrations. An existing unit within NEDA will be designated as the Project Management Office (PMO)

and will be responsible for coordinating the proposal advertising, submission, and review process. (The details of this process will be described in the detailed implementation plan to be developed by NEDA as a Condition Precedent to initial disbursements under the issue component.)

A wide variety of organizations are expected to submit proposals and thus be eligible for implementing activities. These include:

- (a) Units within NEDA
- (b) GOP agencies
- (c) Local government
- (d) Government corporations
- (e) Research and education institutions
- (f) Private nonprofit organizations
- (g) Combination and joint ventures among any of the above.

The organization submitting the proposal need not be directly responsible for activity implementation. For example, a proposal from a GOP agency may include activities which would be undertaken by contract private research or training organizations with proven capability.

Several proposals may be submitted and funded for each issue selected. The PMO will coordinate the proposals submitted by different organizations and, when appropriate, work with them to develop integrated Action Plans for addressing an issue. The development of Action Plans will combine, integrate, and provide a framework for the proposals submitted by individual organizations. They also will stimulate fruitful discussion on the issue as different groups work together to mold their individual efforts into an integrated whole. In addition, the proposals and institutional capability of smaller, less sophisticated organizations will be strengthened as they work together with stronger organizations in the development and later implementation of Action Plans. Given the advantages of Action Plans developed by coalitions of organizations, proposals which are part of Action Plans should be given preference in the selection of activities for project funding. However, independent proposals also will be considered and selected for project funding.

## (2) Proposal Requirements

All proposals submitted for project funding should include:

- (a) Statement of purpose and objectives.
- (b) Detailed description of activity.
- (c) Discussion of relevance of activity to issue and contribution of activity to TDI purpose.
- (d) Identification of specific groups or individuals to be involved in implementing the activity.
- (e) Detailed budget and discussion of financial arrangements.

d. Selection and Approval of Proposals

The PMO will coordinate the review and selection of Action Plan and independent proposals submitted for project funding. Reviews will be performed by the PMO or by peer review panels organized by the PMO. Specific criteria will be used to review and assess proposals; suggested criteria are presented in the "Technical Analysis". The approval of proposals will be based on the recommendations of the PMO and/or review panels.

(1) Use of Peer Review Panels

Independent peer review panels may be organized by the PMO to assess proposals submitted for funding. The use of such panels will increase the number of Philippine professionals involved with the project and thus expand the awareness and discussion of the issues. In addition, use of peer review panels will minimize any concerns which might exist regarding biases in the selection of proposals.

(2) Approval of Proposals

Action Plans and independent proposals costing more than a set amount of pesos<sup>5/</sup> will be approved by the SC based on the recommendations of the PMO and/or peer review panels. The PMO will have authority to approve proposals for less than this amount. USAID will approve all proposals unless it agrees to waive such approval.

e. Issue Example

This example is presented only for illustrative purposes. There is no assurance that the issue activities described in the example will actually be funded.

<sup>5/</sup> To be determined in the Issues Component Implementation Plan that will be developed to meet a CP requirement.

Suppose that at a preproject implementation seminar a consensus was reached that international worker migration was an issue critical to Philippine development. The issue involves: the flow of Filipino contract workers to the Middle East, the size and channels of their remittances, the drain of skilled manpower, the use of the skills and financial resources of returned workers, characteristics of the worker recruitment system, the social impact on workers and their families, and government policies and regulations which relate to these.

The PMO would collect and synthesize basic information on worker migration and submit this to the SC in the form of a proposal that the issue be selected by the SC. After the SC selected worker migration as an issue and USAID approved this selection, the PMO would advertise for proposals and contact groups known to be interested in the issue. To initiate this process the PMO might arrange an initial conference designed to identify and assess current knowledge, data, sources of expertise, and key subissues. This conference would generate interest in the issue, promote discussion and debate, strengthen interaction and linkages among involved organizations, and disseminate information on procedures for submitting proposals for TDI funding.

Following the initial conference the PMO could maintain contact with relevant organizations and assist them with proposal submissions. Some of the types of proposals, organizations, and inputs which might be involved are presented in Table 1. The PMO directly or through a contractor would coordinate proposal development and work with proponents so that an integrated Action Plan could be developed to address the issue. This is an important step because it contributes to coordination and interaction among the various proposed activities. The Action Plan would include one or more fora to discuss findings of the various activities, disseminate results, debate issues, and make policy recommendations for decision-makers.

The final Action Plan (with its component proposals) and independent proposals would be submitted to the PMO. The PMO could use technical assistance resources to engage a peer review panel to assess the Action Plan proposals and independent proposals. After conducting the review, the panel would make funding recommendations to the PMO, SC and USAID. Depending on the size of the recommended proposals, the SC or PMO would approve the proposals and forward them to USAID for clearance. In addition to the initially funded proposals, later proposals related to worker migration could be submitted and funded. However, the first batch of proposals would have priority.

Table 1

Some Sample Proposals Which Might Be Submitted  
For A Migrant Worker Issue

<u>Proposal</u>	<u>Submitting Organization</u>	<u>Inputs</u>
1. Program for collecting basic data and monitoring/ forecasting migrant workers.	GOP statistics office	short and long term training, technical assistance.
2. Study of operations/ abuses of labor recruiters and alternatives for better regulation.	GOP labor agency subcontracting with private management firm	research, fora
3. Possible role of worker migration/remittances in regional development.	GOP development planning agency	research, fora
4. Plan for graduate course in labor migration	major university	short term training, fora, technical assistance
5. Policies affecting remittance flow through formal banking system.	GOP national bank	short term and long term training, research, technical assistance
6. Survey and monitoring of economic impacts of migration on a specific province	Joint venture - provincial government and regional university	microcomputer, research, short term training, technical assistance
7. Pilot program for channeling remittances into small development investments	Regional PVO	technical assistance, fora

Funded proposals would provide input for a final set of meetings. Participants at these meetings would present and discuss findings, debate issues, develop policy recommendations, identify related issues, and specify needed actions. Important policy groups and decision-makers involved with labor migration would be asked to participate in such meetings.

Meetings and other issue activities would lead to increased understanding of worker migration, policies influencing it, factors affecting it, and issues surrounding it. In addition, programs would have been established to monitor and forecast worker migration. Furthermore, policies and procedures could be adopted which: (a) increase remittance flows and thus alleviate foreign exchange shortages and balance of payments deficits; (b) curb the illegal practices of labor recruiters; (c) channel remittances into development investments; and (d) alleviate social problems for migrants and their families.

The total of all activities funded under a worker migration issue might cost about \$300,000 and include: (a) two person-years long term overseas training for one individual to complete a Master's degree program in labor economics specializing in labor mobility; (b) five person-years long term local training for three or four bright young professionals in such fields as labor economics, labor statistics, and international labor mobility; (c) five person-months short term overseas training for special workshops on international labor migration, and short courses on labor statistics, etc.; (d) forty person-months short term local training for specially organized courses in Philippine migration to the Middle East or for general short courses in data analysis, computer operations, etc; (e) six fora of varying types to insure that information is disseminated, issues debated, and relevant policies discussed; (f) three person-months international technical assistance and thirty person-months local technical assistance (experience from the Mission's ESIA/WID Project, that is discussed in Section IV.A., indicate that this amount of TA is about appropriate to meet the expert technical and management needs of this activity); (g) five research studies which will collect and analyze basic information on labor migration and the basic factors and policies which influence it; and (h) one microcomputer (including relevant training and support). These input estimates were combined with cost factors to estimate the issue component budget; see Section V.A. and Table 3.

## 2. Participant Training Component

The project includes resources for participant training for staff of organizations involved in the development process. This component will support long and short term training, both in-country and abroad, which directly supports the institutional development objectives of the organizations requesting the training and contributes to improving manpower skills critical to national and regional development. A significant portion of the training will be related to the issues selected under the other component of the project.

### a. Application for Training

Government and private sector organizations (both profit and non-profit) may apply to NEDA for participant training. However, consistent with NEDA policy, project funds will not be used to cover the costs of training personnel from profit oriented enterprises. NEDA and USAID staff will help to facilitate training for such enterprises if the proposed training contributes to project objectives. NEDA and USAID assistance may include advising on training opportunities, developing training programs and schedules, providing liaison with training organizations in-country and overseas, assisting with passport or visa formalities, etc.

Organizations, rather than individuals, will apply for training. The focus will be on improving the institutional capacity of development organizations, not on upgrading the skills of individual employees.

The organization applying for training assistance will be required to submit the following information:

- (1) Describe organization's development related functions and/or responsibilities.
- (2) Identify conditions preventing the organization from fulfilling these functions or responsibilities that can be overcome through training.
- (3) Specify the training needed.
- (4) Identify who is to receive training.
- (5) Describe how the training will contribute to institutional development of the applying organization.
- (6) Guarantee that the person(s) trained will be employed on completion of training in a function that will utilize the skills or knowledge gained.

(7) Describe how the organization will spread the knowledge gained by trainee(s) to other staff.

b. Review, Selection, and Approval of Training

The PMO or a review panel organized by the PMO will meet periodically (probably quarterly) to review submitted training applications and competitively select applications for project funding. The PMO and USAID will approve all selected training applications, unless USAID agrees to waive its approval.

While all eligible training applications will be reviewed, priority will be given to training applications which relate closely to issues selected in the issues component of the project. In developing the Training Component Implementation Plan, serious consideration will be given to reserving a considerable portion of training resources for training directly related to the issue. Priority also will be given to organizations which apply for broad training programs designed to overcome specific institutional limitations. Given these priorities, it is still anticipated that a number of applications will be received and funded for training individual employees in fields of study which contribute to the institutional development of the applying organization and to Philippine development in general. The criteria that will be used to review and select training applications and the requirements for individual participants are presented in the "Technical Analysis".

c. Monitoring and Follow-Up of Long Term Participant Training

The PMO and USAID will monitor long term training by periodic correspondence with participants. Organizations employing returned long term participants will be required to report follow-up information to NEDA and USAID at one and two years after the return of a participant or participants. These reports will comment on: the knowledge or skills gained by the participant, how he/she and the new knowledge or skills have been used by the organization, the status of the institutional capability that was to be improved by the training, the means used to spread this knowledge or transfer these skills to other personnel.

F. Beneficiaries

The ultimate beneficiaries are the Filipino people who will gain from accelerated development resulting from improved development related decision-making. The immediate beneficiaries are individual participants and institutions who will improve their understanding of critical development issues as well as their data collection, analysis, decision-making, and management abilities.

G. Relation of Project to Broader Development Context

1. The three major goals of the GOP Five-Year Philippine Development Plan, 1983-1987 are: (1) sustainable economic growth, (2) equitable distribution of the fruits of development, and (3) total human development (which entails health, nutrition, population, education, manpower development and housing). In pursuing these goals the Plan presents a number of problems which must be addressed during the five year period:

- Unemployment and underemployment
- Low agricultural and industrial productivity
- Rural and regional growth disparities
- Higher dependence on imported oil
- Inadequate domestic resource mobilization
- Growing needs of the population
- Institutional bottlenecks

The proposed project will address issues similar to these by supporting training, research, and other activities which are oriented toward critical issues affecting Philippine development. Thus the project is in close conformity with the GOP development strategy.

2. Relationship to the Mission's CDSS

In 1984 the Mission will be developing a new CDSS which is expected to incorporate and perhaps expand the major thrust of the current CDSS. The current CDSS identifies increased productive employment as its overall goal and specifies three interrelated strategies for achieving this: (1) creation of more jobs in rural areas (both on- and off-farm), (2) promotion of higher productivity among those already employed, and (3) reduction in the growth of the labor force.

Each of the strategy's four interdependent program elements is strengthening the capacity of Philippine institutions to analyze and resolve particular development issues. Rainfed Resources Development focuses on such issues as environmental degradation in upland and coastal areas, policies affecting natural resource management, coastal fish stocks, and orientation of the Ministries of Agriculture and Natural Resources toward community based natural resource management. Rural Enterprise Development is addressing a range of issues related to small and medium scale, privately-owned enterprises. These include government policies and administrative procedures, services including financing, marketing, productivity and employment levels, and other factors which influence enterprise growth and development. Local Resources Management is concerned with the institutional capacity of local governments to plan, implement, and financially sustain self-reliant, participatory development programs for poverty groups. Fertility and Infant Mortality is concentrating on such issues as the economic and natural resource implications of future

population growth, the role of private sector in primary health care (PHC) delivery, government policies and procedures affecting PHC delivery and financing, and local management and financing of PHC systems.

These four program elements are expected to achieve a great deal with respect to improving the capability of Filipinos and Philippine institutions to analyze development issues and to make appropriate decisions accordingly. However, the four program elements will not be able to address all of the important issues that will affect their sectors or other aspects of Philippine development. The TDI project will be broad enough and flexible enough to address some of the most important issues which are beyond the scope of the four program elements. For example, each program element is being implemented by one or a small group of institutions. Consequently, it will be difficult for them to address issues which involve interactions with other governmental agencies such as Budget and Management, Finance, Labor and Employment, Census and Statistics, Central Bank or with certain nongovernmental agencies. In addition, new and unanticipated issues that arise involving unexpected institutions, may be difficult to subsume within the four program elements. The TDI project will be able to address these situations or targets of opportunity as they arise. In short, the proposed project will complement the CDSS by addressing key development issues which cut across, fall between, or were not anticipated by, the four CDSS program elements.

### 3. Relation to Agency Policy Concerns

The proposed project is conceptually and philosophically consistent with and responsive to the current policies of the Agency. It supports the Administrator's institutional development policy<sup>6/</sup> in that it will enhance the ability of institutions (both individually and collaboratively) to analyze development issues, make recommendations, and work together toward implementation of appropriate recommendations. The project is consistent with the private sector policy initiative<sup>7/</sup> in that: (1) it will enhance the analytical capability of private sector organizations, such as training and research institutions, which will be hired to implement parts of the project, and (2) it will contribute to policy changes which may encourage private sector development initiatives. In addition, the project is directly responsive to the Administrator's initiative of working with host governments to analyze major development issues with a view

<sup>6/</sup> USAID, "A.I.D. Policy Paper: Institutional Development" May, 1982.

<sup>7/</sup> USAID, "A.I.D. Policy Paper: Private Enterprise Development," May, 1982.

towards policy review and improved decision-making.<sup>8/</sup> Furthermore, the project is supportive of the Agency training policy<sup>9/</sup> in that it will emphasize: institution building, training of trainers, key human resource constraints, and the in-country training. In a country like the Philippine where females significantly outnumber males in higher education, it is anticipated that a very large number of those participating in training, research, and fora will be women. Thus the project supports Agency women in development policy.<sup>10/</sup> Since the development issues to be addressed by the project have not been selected yet, it is too early to determine the project's relationship to the newly formulated Agency sector policies. However, during project implementation, the Mission will make significant effort to insure that issues activities consider carefully relevant Agency sectoral policies as well as the Bureau's regional strategy.

#### IV. PROJECT ANALYSES

##### A. Technical Analysis

The technical content of this project is fairly simple and has been shown in many specific cases to be effective. Improved decision-making on a sustained basis is sought through increasing the amount and quality of information available to decision-makers and through increasing the number of people trained to provide development related information in the future. Repeated evaluations through the years of AID's participant training programs have confirmed the high value obtained from investing in this area. The important task is to select good basic material (people) and give them the right training opportunities. There are numerous safeguards built into this project to ensure that the people and study courses selected will be of high priority in contributing to the Philippine development. The elaborate mechanism set up to select and then study issues will ensure that the substance of the project will be important to Philippine development and that some of the best minds in the country will be brought to bear on problem definition and the search for solutions. Some of the decision-makers themselves will be participants in the development issues component activities. In other cases, their staffs will be involved. Because of the collaborative nature of this project there is little likelihood that the analytical products will sit unutilized on library shelves.

<sup>8/</sup> USAID, "A.I.D. Policy Paper: Approaches to the Policy Dialogue", December 1982.

<sup>9/</sup> USAID, "A Discussion Paper on the Implementation of Development Training Policy".

<sup>10/</sup> USAID, "A.I.D. Policy Paper: Women in Development," October, 1982.

Thus at the general level, the project design of seeking improved decision making capability through increasing knowledge and trained analytical talent is without question feasible.

Criteria have been established to ensure that the specific cases of proposal and training application selection and the requirements of individual participants will support the general case. These criteria are as follows:

1. Criteria for Selection of Proposals

- a. Relevance to specific development issue.
- b. Contribution to an Integrated Action Plan which addresses a particular issue.
- c. Experience, capability, proven competence, and commitment of proponents, including the specific individuals and subcontractors who will be involved in activity implementation.
- d. Degree to which proposal will facilitate coordination and cooperation among relevant organizations with issue involvement.
- e. Contribution of activity to overall TOI purpose of improving the capability of the Philippine Government and other institutions to analyze development issues and to make sound and timely development related decisions.
- f. Technical and administrative feasibility.
- g. Cost and financial arrangements.

2. Criteria for Selection of Training Applications

- a. Relation of training to development issues selected for project attention.
- a. Contribution of applying organization to Philippine development.
- c. Contribution of training to long range institutional development program of sponsoring agency.
- d. Contribution of training to improving manpower skills critical to national and regional development as mentioned in the Five Year National Development Plan.
- e. Potential spread of skills and knowledge gained (such as through "training of trainers").
- f. Cost of proposed training.

### 3. Requirements for Individual Participants

Each individual candidate for training must meet the following qualifications:

- a. Be a citizen of the Philippines.
- b. For overseas training, possess sufficient maturity to provide proper representation for his/her country abroad. In this connection, the candidate should show ability to understand a foreign culture and to benefit from educational and observational experiences abroad.
- c. Be in good health as indicated by a satisfactory medical examination.
- d. Display adequate understanding and utilization of English to enable him/her to participate effectively in the training program provided.
- e. Be employed at the time of his/her nomination and agree to sign a contract to render a minimum of three months of service to the applying organization for each month of training that is received.
- f. The candidate must evidence an ability to work with others in order that the multiplying effect of his/her training can be reasonably assured, and must also show a willingness to serve in any part of the Philippines where the nominee's services may be needed.

### B. Administrative Analysis

The GOP National Economic and Development Authority (NEDA) will be the primary implementing agency and will be responsible for insuring coordination among the wide variety of organizations that are expected to participate. NEDA is the central agency for national development planning and has gained considerable experience and capacity in planning and coordinating development activities through its various central and regional offices. NEDA's leadership position as the central planning body of the government makes it a natural lead agency for the implementation and promotion of TDI. NEDA is also in a key position to facilitate and mobilize support and resources from national line agencies.

The NEDA External Assistance Staff (EAS) reviewed and provided comments on the PID and early drafts of the PP. There is a strong possibility that the new NEDA Director General will designate the EAS as the Project Management Office (PMO) for the TDI project. If this designation is made, the EAS will administer project implementation, drawing upon other NEDA units for technical and sectoral expertise as needed.

The EAS would appear to be an excellent choice for the PMO. The EAS has considerable experience with coordinating international training and successfully implemented the USAID-assisted Participant Training I and II projects. Furthermore, the current Director of EAS was the NEDA Project Director of the USAID-assisted Economic and Social Impact Analysis/Women in Development (ESIA/WID) Project which was similar to the TDI project in that it required considerable coordination of local research activities. The ESIA/WID Project was a five-year (1978-82) research effort involving \$2.5 million in AID assistance and 17 million pesos in GOP counterpart. The project was designed to help improve the GOP's capability to monitor and measure economic progress, social change, and the impact of development projects. Among its major outputs were methodologies for project impact assessment and analysis, rational socio-economic indicators, and monitoring and evaluation plans for local development projects. The Project Director was responsible for the preparation of implementation plans, financial and contracting arrangements with both local and foreign institutions, quarterly progress and financial reports, evaluation plans, participant training arrangements, and monitoring the research activities of the different components. Overall, the ESIA/WID Project was well-managed with the research outputs and other project activities accomplished on schedule.<sup>11/</sup> Most of the ESIA/WID Project Management Staff are still with NEDA. The success of the ESIA/WID Project and the Participant Training I and II Projects and the lessons learned from these projects give the USAID Mission confidence that NEDA is fully capable of successfully implementing the TDI Project.

Project implementation will involve directly three administrative units: the Steering Committee (SC), the NEDA Project Management Office (PMO), and USAID.

1. Steering Committee (SC)

NEDA will chair the Steering Committee (SC) which will be responsible for guiding the project, selecting the issues, and making the basic policies which will govern the implementation of the project.

a. Functions of the Steering Committee:

- Establish and revise as necessary, the basic policies and procedures which will guide the project.
- Select the specific development issues which may be proposed by public or private organizations through the PMO.

- Approve activity proposals with budgets over a set peso amount to be specified in the issue component implementation plan.
- Discuss the results and recommendations of issue studies and, when appropriate, bring this information to the attention of high level decision-makers.

b. Membership. The Steering Committee will have five to seven members representing government and non-government organizations. Members will be relatively high level officials, perhaps at the Deputy Minister level. NEDA and USAID will agree on the specific membership which will be specified in the detailed issues component implementation plan. Types of organizations which might be represented on the SC (in addition to NEDA) include: Office of Budget and Management, Ministry of Finance, Philippine Institute of Development Studies, Philippine Chamber of Commerce and Industry, Ministry of Human Settlements, University of the Philippines, Development Academy of the Philippines, Ministry of Education and Culture, Asian Institute of Management, Private Development Corporation of the Philippines, Economic Development Foundation, etc.

## 2. Project Management Office (PMO)

The existing unit in NEDA which is designated as the Project Management Office (PMO) will be responsible for the day to day management and implementation of the project. The functions of the PMO will include:

### a. Issue Component Functions

- Solicit ideas for candidate issues from a variety of public and private organizations through seminars and workshops as well as through direct contacts.
- Propose candidate issues.
- Receive, screen, and develop background information on issues proposed for SC consideration.
- Act as the staff for the Steering Committee.
- Develop and disseminate requests for proposals on issue oriented activities and assist groups with development of proposals.
- Coordinate proposals submitted by various groups and work with them to develop integrated Action Plans for addressing each issue.
- Receive, screen and review proposals.

- Approve proposals for less than a set peso amount to be specified in the detailed issue component implementation plan.
- Identify issues and make recommendations to the SC on proposals for over the set peso amount.
- Facilitate contracting procedures for implementation of approved proposals.
- Regularly review project progress, monitor implementation of issue oriented activities and report to SC on status.
- Organize symposia, workshops, and seminars to engage appropriate groups in project deliberations and to disseminate project findings.
- Actively participate with USAID in design and implementation of project evaluations.

b. Participant Training Component Functions

- Advertise the participant training program.
- Receive and coordinate review of training proposals from qualified organizations.
- Select from each batch of training proposals the submissions which best meet the specific criteria described in a detailed participant training implementation plan.
- Forward selected training proposals to USAID for clearance.
- Establish a mechanism to track long term participants for up to two years after training is completed.
- Actively participate with AID in scheduling, designing, and implementing evaluations.

C. Financial Analysis

Project benefits will be in the form of improved analysis of development issues and related decision-making. While these benefits will contribute directly to Philippine development, they are not linked directly to measurable financial revenues. Therefore, the financial viability of the project cannot be assessed using standard financial techniques. This effectively limits the financial analysis to the expenses and funding sources side of the financial ledger. These are explained in Section V Cost Estimate and Financial Plan.

D. Economic Analysis

The characteristics of the TDI project make it very difficult to undertake a conventional economic analysis. Because the stream of benefits from the project cannot be measured, it is not possible to do a typical benefit-cost analysis. Furthermore, a cost-effectiveness analysis is difficult because there is not a clear set of alternative means which can be used to achieve the project purpose. To achieve this purpose, the project will use a variety of reinforcing methods: technical assistance, research, training, and fora.

Though the benefit stream from the issues component cannot be measured accurately, it potentially could be very large. For example, research and discussion leading to more rational agricultural prices could result in very sizeable benefits in terms of increased production, increased farmer income, reduced food imports, and more efficient allocation of productive resources. Unfortunately, it is not possible at this time to even speculate about the ultimate impact of the project. However, it appears that the potential beneficial impact of project activities justify the costs.

The participant training component of the project is cost-effective. It will rely heavily on in-country and short term training that are considerably less expensive and more cost-effective than long term and overseas training. Whenever possible short training activities will be tailored to the Philippine context and offered in-country. This will increase the relevancy of the training. In addition, the mixing of overseas and Philippine faculties for such training will facilitate fruitful and mutually beneficial interchange. In addition, third country training, which generally is less expensive than U. S. training, will be used when appropriate. However, most overseas training will be in the U.S. because of: its wide variety of training opportunities, the large existing demand for U.S. training programs, and the benefits of improved GOP-USG working relationships which may result when returned participants gain high level positions. This last benefit should not be underestimated. Former participants have achieved numerous high level positions including:

Prime Minister  
Minister of Public Information  
Minister of Health  
Director-General of the Philippine Chamber  
of Commerce and Industries  
Governor of the Central Bank of the Philippines  
Executive Director of the U.N. Fund for Population Activities

(See 82 Manila 12618 in Annex F for a more complete listing of positions held by returned participants).

E. Social Soundness Analysis

1. Socio-Cultural Context and Feasibility

The TDI project will require the participation of relatively highly educated Filipinos. This group is relatively similar to its counterparts in other countries. The systems of education, research, and administration are generally similar to those in the United States. There are no inconsistencies between project activities and the socio-cultural characteristics of the individuals or organizations who will participate in the project.

2. Beneficiaries and Participants

Direct beneficiaries are individual participants and institutions who will improve their understanding of critical development issues as well as their data collection, analysis decision-making, management, and technical capability. The ultimate beneficiaries are the Filipino people who will gain from accelerated development resulting from improved development related decision-making.

3. Impact

The project is expected to have a positive impact on all direct participants. In addition, the skills acquired will be shared with co-workers and others. In addition to this immediate spread effect, the project benefits potentially will spread to all those who stand to gain by accelerated development.

The individual and institutional capabilities gained through the project will continue to provide benefits after the project is completed. In addition, the institutional networks that are developed through the project may contribute to issue discussion and possible resolution after AID assistance is withdrawn.

4. Role of Women

Active participation of women in the process of development is a shared GOP/AID goal. In the Philippines where majority of college degrees and vast majority of graduate degrees are awarded to women, we expect a large number of participants to be women. Under Participant Training II almost half (38 of 78) of the participants were women. Under the TDI project, NEDA and AID will continue to look for opportunities to improve the contribution of women to Philippine development and to increase women's share in the fruits of development.

F. Energy and Environmental Analysis

Project funds are budgeted for only training programs, fora, technical and management assistance, research, data collection and analysis commodities, evaluation and project management. Thus USAID

believes the proposed project is not a major action which can reasonably be expected to have a direct and significant effect on energy consumption or the environment.

V. COST ESTIMATE AND FINANCIAL PLAN

A. Project Budget

TDI funding from Philippine and AID sources will total \$5.6 million, \$4.2 million from AID and \$1.4 million in counterpart funds. AID funding will consist of \$3.3 million in loan and \$0.9 million grant. Illustrative project budget information is presented in Tables 2-5.

Development of the project budget included a number of assumptions concerning project inputs and cost factors. The fact that development issues have not been selected yet made it difficult to estimate accurately the budget for the Issues Component. The example issue activity presented in Section III.E.1.e. indicated an illustrative list of inputs that might be required to implement activities for one of the six to ten issues that will be addressed by the project. These inputs and cost factors are presented in Table 3 which indicates that a typical issue might be budgeted for about \$300,000 in A.I.D. inputs. Consequently, the issue component budget of \$2.5 million in AID resources seems appropriate for the six to ten issues which will be addressed by the project. The budget for the training component is based on the same per unit cost factors used in Table 3.

In designing the project, the Mission attempted to rely on loan funding to the extent possible because grant funds in the Agency are very scarce. A small amount of grant funds were included for local and overseas training so that initial training activities can begin before the GOP Appropriated funds are released in 1984. Grant funds were used to fund international technical assistance and fora (conferences, workshops, seminars) because the nature of these activities requires the added flexibility which grant funds have within the GOP budgeting system. At the request of the GOP some of technical assistance grant funds were shifted to research in return for research loan funds.

B. Budget Preparation and Execution

The implementation of TDI will comply with the GOP and AID financial, procurement and disbursement requirements. The GOP financial system requires approximately two years of lead time if funding is to be secured for a particular GOP fiscal year, which corresponds to the calendar year. For example, in order that funding be available for 1985, budget preparations should start during the last quarter of 1983 and be completed by the end of the first quarter of 1984. The 1985 budget reviews by the GOP will start in February 1984 and be completed in June 1984 for submission to the legislature (Batasang Pambansa). The 1985 General Appropriations Act will then be passed by September 1984.

Table 2

TRAINING AND DEVELOPMENT ISSUES PROJECT  
ILLUSTRATIVE BUDGET

	<u>COUNTERPART</u>	<u>AID</u>		<u>TOTAL</u>
		<u>Grant</u>	<u>Loan</u>	
<b>A. <u>Issues Component</u></b>				
1. Overseas Training				
a. Long-Term (12 person years)	67	-	285	352
b. Short-Term (40 person months)	70	-	160	230
2. Local Training				
a. Long-Term (70 person years)	210	-	205	415
b. Short-Term (100 person months)	30	-	150	180
3. Fora (40 @ 6 days for 30 people)	60	200	-	260
4. Technical and Management Assistance (20 person-months International 220 person-months local)	-	200	300	500
5. Research	-	300	500	800
6. Equipment and Commodities	<u>        </u>	<u>        </u>	<u>200</u>	<u>200</u>
Total:	437	700	1,800	2,937
			<u>2,500</u>	
<b>B. <u>Training Component</u></b>				
1. Overseas Training				
a. Long-Term (25 person years)	111	70	530	711
b. Short-Term (80 person months)	151	30	290	471
2. Local Training				
a. Long-Term (160 person years)	480	-	470	-
b. Short-Term (150 person months)	45	-	210	255
Total:	<u>787</u>	<u>100</u>	<u>1,500</u>	<u>2,387</u>
			<u>1,600</u>	
<b>C. <u>Project Management</u></b>				
1. Evaluation	-	100	-	100
2. Project Management and participant follow-up	<u>180</u>	<u>        </u>	<u>        </u>	<u>180</u>
Total	<u>180</u>	<u>100</u>	<u>        </u>	<u>280</u>
<b>PROJECT TOTAL:</b>	1,404	900	3,300	5,604
			<u>4,200</u>	

Table 3

TRAINING AND DEVELOPMENT ISSUES PROJECT  
ESTIMATED COST FOR A TYPICAL ISSUE

Input	Quantity	Average Unit Cost	Total AID Cost
1. Overseas Training			
- Long-Term	2 person-years	\$23,000 <sup>1/</sup>	\$46,000
- Short-Term	5 person-months	\$ 4,000 <sup>1/</sup>	\$20,000
2. Local Training			
- Long-Term	5 person-years	\$ 3,000 <sup>2/</sup>	\$15,000
- Short-Term	40 person-months	\$ 1,500 <sup>3/</sup>	\$60,000
3. Fora	6	\$ 5,000	\$30,000
4. Technical and Mgt. Assistance			
- International	3 person-months	\$10,000 <sup>4/</sup>	\$30,000
- Local	30 person-months	\$ 1,500 <sup>5/</sup>	\$45,000
5. Research	10	\$ 5,000 <sup>6/</sup>	\$50,000
6. Equipment and Commodities			
- Microcomputer	1	\$10,000	\$10,000
TOTAL			<u>\$306,000</u>

- <sup>1/</sup> Planning figures provided by S&T/IT are \$19,200 per person year for long term and \$3,400 per person month for short-term. These were increased by about 20% to account for contingencies and inflation (C&I).
- <sup>2/</sup> Based on average cost per person year at University of Philippines at Los Banos (\$1,500) and Asian Institute of Management (\$3,500). Plus 20% for C&I.
- <sup>3/</sup> Based on Mission experience range of local short-term training for mid and high level professionals is from \$1,000 to 4,000 per month which includes international advisors and instructors. We've used \$1,500 (excluding international inputs which will be funded as technical assistance) for planning purposes.
- <sup>4/</sup> Mission records indicate costs per person month of \$9,666 for institutional contracts and \$6,583 for PSC's. We've used \$10,000 which allows for C&I.
- <sup>5/</sup> While Mission records indicate that cost per person month for contractors is \$750 for institutional contracts and \$356 for PSC's; we've used \$1,500 because this project requires that highly trained and experienced local T.A. be engaged.
- <sup>6/</sup> Research studies will vary considerably in size and cost; \$5,000 is a rough average cost figure used for budgeting.

Table 4

SUMMARY OF PROJECTED OBLIGATIONS/EXPENDITURES  
BY FISCAL YEAR  
(\$ 000s)

	FISCAL YEAR					Total
	83	84	85	86	87	
<u>OBLIGATIONS</u>	1,000	3,200				4,200
<u>AID</u>						
Grant	-	900	-	-	-	900
Loan	1,000	2,300	-	-	-	3,300
Cooperating Country		210	350	422	422	1,404
<u>TOTAL OBLIGATIONS</u>	<u>1,000</u>	<u>3,410</u>	<u>350</u>	<u>422</u>	<u>422</u>	<u>5,604</u>
<u>EXPENDITURES</u>	-	655	1,085	1,220	1,240	4,200
<u>AID</u>						
Grant	-	120	250	240	290	900
Loan	-	535	835	980	950	3,300
Cooperating Country	-	210	350	422	422	1,404
<u>TOTAL EXPENDITURES</u>		<u>865</u>	<u>1,435</u>	<u>1,642</u>	<u>1,662</u>	<u>5,604</u>
Cumulative Obligations Less Cumulative Ex- penditures	1,000	3,545	2,460	1,240	-	-

Table 5

TRAINING AND DEVELOPMENT PROJECT  
SUMMARY COST ESTIMATE AND FINANCIAL PLAN  
((\$000s))

USE	A I D		HOST COUNTRY		TOTAL
	FX	LC	FX	LC	
A. Issues Component	945	1,555	-	437	2,937
1. U.S. Training	445	-	-	137	582
2. Local Training	-	355	-	240	595
3. Fora	-	200	-	60	260
4. Technical and Mgt. Assistance	200	300	-	-	500
5. Research	100	700	-	-	800
6. Equipment and Commodities	200	-	-	-	200
B. Training Component	920	680		787	2,387
1. U.S. Training	920	-	-	262	1,182
2. Local Training	-	680	-	525	1,205
C. Project Management	50	50		180	280
1. Evaluation	50	50	-	-	100
2. Project Management and Participant Follow-up	-	-	-	180	180
TOTAL	1,915	2,285		1,404	5,604

The anticipated TDI project agreement signing is in late July 1983. This makes it difficult to secure 1984 GOP project funds through usual GOP budget procedures. However, this project will qualify for funding under the lump-sum Foreign-Assisted Project Support Fund (Supplemental Appropriation) which should provide the requisite bridge funding for TDI in 1984. As appropriations from this lump-sum fund are highly negotiable, NEDA should focus on this as an early priority.

After the passage of the General Appropriations Act, NEDA will prepare Work and Financial Plans (WFPs), which form the basis for Office of Budget Management to issue Advice of Allotments and Cash Disbursement Ceilings. Office of Budget Management will issue separate Advice of Allotments and Cash Disbursements Ceilings for GOP counterpart and AID provided loan funds. Therefore, in order to provide funding for 1985 activities, TDI's budget should be included in the proposed 1985 GOP budget which will be completed by OBM in June 1984. The lead time needed for the budget preparation requires that every November of the project's life, the PMO estimate and secure AID approval of the general budget requirements for the period two years away.

### C. AID Disbursements

Individual TDI activities will be funded using routine AID financial procedures. Project loan funds will not be disbursed unless covered by a GOP appropriation and an Advice of Allotment.

#### 1. Overseas Training

Foreign exchange expenditures for overseas training will be funded through: (a) PIO/Ps submitted to AID/W with disbursements handled from the AID/W Master Disbursing Account, or (b) direct USAID contracts with a training institutions or coordinating entities calling for disbursements by the USAID.

#### 2. International Travel for Participants

According to AID Regulations (Handbook 10, Chapter 15). AID funds shall not be used to support international travel for AID funded participants. NEDA understands this regulation and realizes that AID legally cannot fund this international travel without a waiver. The GOP can use Trust Fund resources to pay for international travel. Consistent with NEDA policy, international travel and all other expenses of participants for profit enterprises will be paid by their sponsoring organization or firm.

#### 3. Local Training

Funds for local training will be disbursed by either: (a) direct USAID contracts with training institutions or coordinating entities, or (b) reimbursement to the GOP.

4. Conferences, Workshops, Seminars

These activities probably will be funded by: (a) reimbursement to the GOP, or (b) direct contract with an entity charged with organizing the activity and USAID directly paying costs such as travel and per diem.

5. Research and Technical/Management Assistance

Funds for these activities generally will be disbursed by: (a) reimbursement to the GOP, or (b) USAID in accord with the terms of a direct contract.

6. Commodities

Commodities will generally be funded under: (a) USAID prepared PIO/Cs using approved U.S. procurement agents, or (b) direct contracts between NEDA and suppliers (using AID contracting guidelines) and calling for direct payment by USAID.

7. Evaluation

USAID funds for evaluation will be disbursed using direct USAID contracts.

D. Contracts

1. AID-Direct

Activities may be implemented by AID-direct contracts and payments made directly to the contractor by USAID. Some direct contracts are expected for the provision of foreign technical assistance.

2. Local (Host Country)

Some activities may be implemented using local (host country) contracts. All local (host country) contracts will be bid and awarded in accordance with GOP and AID regulations. AID Handbook 11 details the responsibilities of the GOP in adhering to AID procedures. USAID may either reimburse the GOP for costs incurred or make direct payments in accord with contract terms.

VI. IMPLEMENTATION PLAN

The TDI project is designed to be flexible; a detailed plan of specific activities to be undertaken by each participating group cannot and should not be specified fully at this time.

A. General Implementation Schedule

While flexibility will be maintained, tentative implementation dates are listed below and presented in flow charts A and B.

FLOW CHART A

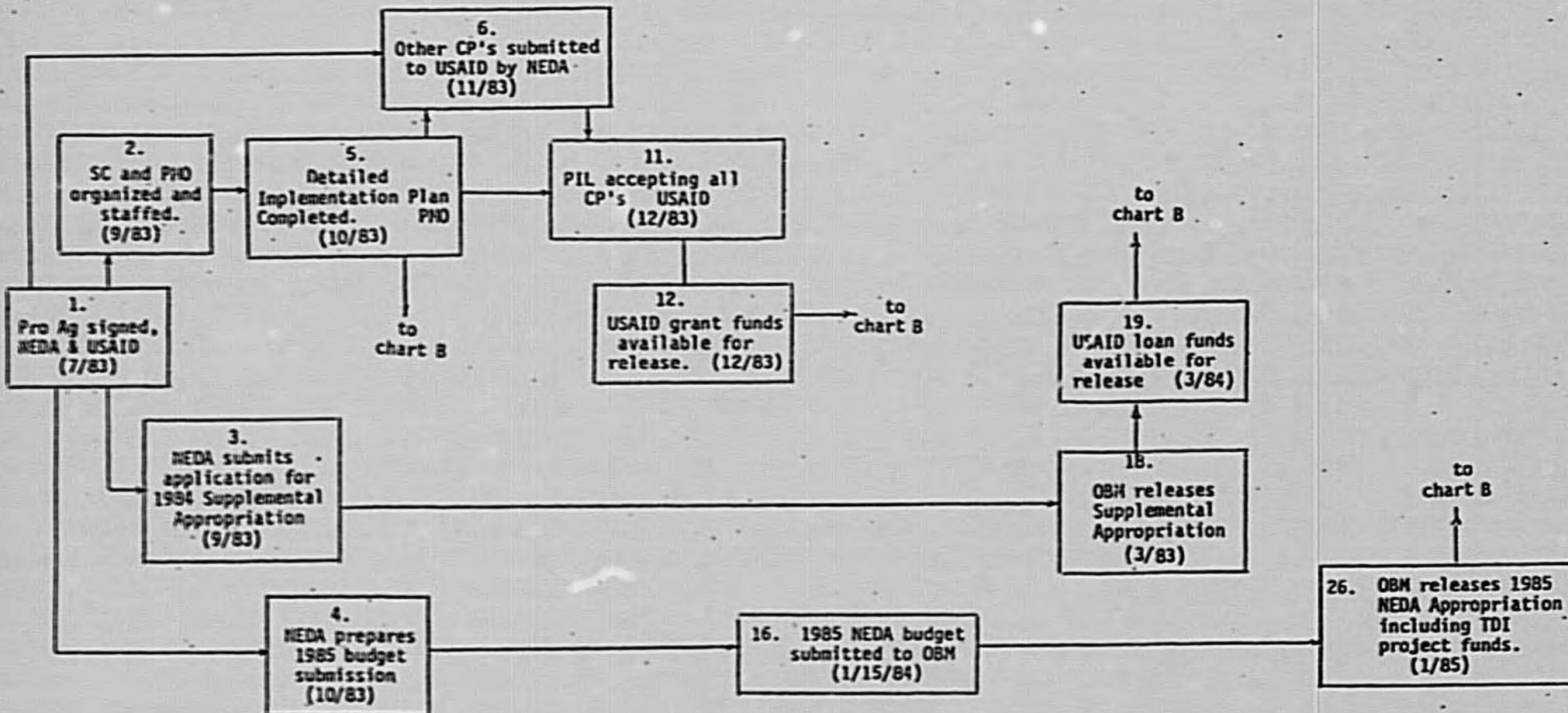
TRAINING AND DEVELOPMENT ISSUES PROJECT

492-0341

JULY 83

JAN 84

JAN 85

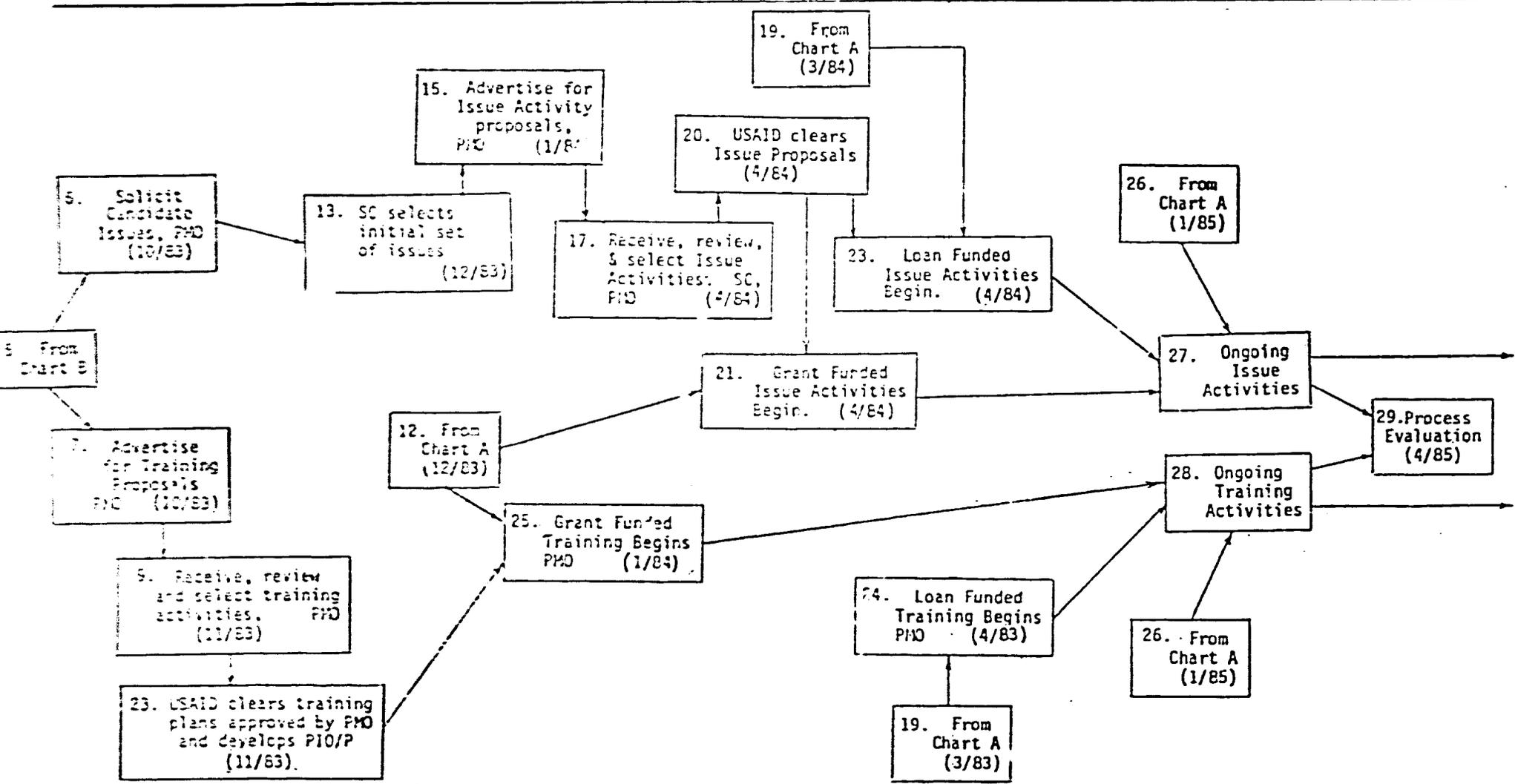


FLOW CHART B  
TRAINING AND DEVELOPMENT ISSUES PROJECT  
 492-0341

OCT 83

JAN 84

JAN 85



1. Project Documentation

- a. Final Project Paper July 1983
- b. PP Approved July 1983
- c. Project Agreement Signed July 1983

2. Meeting CPs and Project Organization (See Flow Chart A)

- a. Designation of PMO and organization of SC. Sept. 1983
- b. NEDA submits application for Supplemental Appropriation Sept. 1983
- c. Detailed implementation plans completed for issues component and training component October 1983
- d. NEDA submits documentation to fulfill all CP's Nov. 1983
- e. USAID issues PIL accepting all CP's Dec. 1983
- f. NEDA submits 1985 TDI budget to OMB Jan. 1984
- g. OMB releases Supplemental Appropriation for TDI project March 1984
- h. TDI project included in OMB proposed 1985 GOP budget June 1984
- i. NEDA submits TDI budgets for 1986, 1987 and 1988 and OMB includes these in GOP budgets -

3. Implementation (See Flow Chart B)

- a. PMO solicits candidate issues from relevant Philippine organizations Oct. 1983
- b. NEDA advertises for training proposals Oct. 1983
- c. NEDA receives, reviews and selects first training activities Nov. 1983
- d. USAID clears first training activities and processes appropriate PIO/P's, PIO/T's, etc. Dec. 1983

- |   |                      |
|---|----------------------|
| e. SC selects initial set of issues for project focus   | Dec. 1983            |
| f. Grant funded training begins   | Jan. 1983            |
| g. PMO advertises for Activity Proposals addressing the issues selected by the SC   | Jan. 1984            |
| h. PMO works with interested organizations to develop integrated Action Plans to address initial set of issues  | Feb.-March 1984      |
| i. PMO receives and coordinates review of first Issue Activity Proposals.   | April 1984           |
| j. First issue proposals are approved   | April 1984           |
| k. Grant funded Issue Activities begin  | April 1984           |
| l. Loan funded training and issue activities begin (assuming OBM releases Supplemental Appropriation to NEDA)   | March 1984           |
| m. Projects activities continue: additional issues selected; issue Activity Proposals and Action Plans developed, reviewed, funded and implemented; training applications developed, reviewed funded and implemented. | March 1984-Dec. 1988 |
| n. First evaluation   | Oct. 1985            |
| o. Second evaluation  | May 1988             |
| p. PACD   | Dec. 1988            |

B. Activity Process

1. Development Issues Component

Identification of issues and the development and implementation of activity proposals generally will follow the process outlined below. The latter steps in the process will have to remain flexible and be adapted to meet the particular needs of specific issues. The general steps in the process include:

- a. Critical development issues solicited by the PMO from a variety of public or private organizations through seminars, workshops as well as through direct contacts.
- b. PMO insures that a minimum amount of background information is gathered so that issue can be articulated clearly and accurately.
- c. SC discusses proposed issues and selects initial development issues for project attention.
- d. PMO develops and disseminates request for issue-oriented proposals.
- e. Proposals developed by proponents (with guidance and assistance of PMO),
- f. Preliminary and/or final proposals submitted to PMO.
- g. PMO works with proponents to develop integrated Actions Plans to address each issue.
- h. PMO screens and reviews submitted proposals.
- i. PMO coordinates review of proposals using peer review panels as appropriate.
- j. PMO and review panels recommend proposals for project funding.
- k. Depending on size, either the PMO or the SC reviews and approves proposals.
- l. USAID clears activity proposals.
- m. Issue Activities begin and proceed in accordance with GOP and AID regulations. Research contracts are signed, fora are arranged and held, training is provided, etc.
- n. PMO regularly monitors activity implementation and informs/involves SC as needed.
- o. At completion of activity, proponent drafts final report summarizing: research and analytic findings, activities undertaken, recommendations made, impact, new issues identified, and topics requiring additional attention. The final report will be submitted through the PMO to the SC and USAID. Fora are held to discuss findings and disseminate results. When appropriate, SC brings relevant conclusions and recommendations to the attention of high level policy groups and decision-makers.

## 2. General Participant Training Component

This component will be implemented using a process similar to the one used to implement the Participant Training II Project (492-0308). General steps in this process include:

- a. NEDA advertises for training proposals.
- b. Organizations apply to NEDA for training assistance. (Applications will provide the required information specified in Section IV.A.3 of this PP.)
- c. NEDA screens, arranges for reviews, and finally selects training applications for funding.
- d. The training applications selected by NEDA are forwarded to USAID for clearance.
- e. USAID clears proposals.
- f. Necessary arrangements for training made by USAID, NEDA or contractor.
- g. Training programs begin.
- h. Organization submits status report to NEDA and USAID on contribution of training one year after participant returns.
- i. Organization submits second status report two years after return of participant.

## C. Monitoring

NEDA will be responsible for continuous self-monitoring. This will enable NEDA to guide project implementation and make corrections as needed. Monitoring of the project will rely on standard project documentation (budget reports and files on: issues considered, Action Plans and issue proposals reviewed/approved, technical assistance, fora, training applications received/reviewed/approved, etc.) In addition, each issue subproject will submit a semiannual progress report to NEDA and USAID.

## D. Evaluation

Two project evaluations will be conducted. The first, which is scheduled for October 1985, will focus on project operating procedures and on the actual and potential contribution of project activities to improved understanding and awareness of the issues selected. If possible, the evaluation will assess the impact of project research, training, technical assistance and fora on improved policy review and decision-making. Recommendations will be made on: (1) improving project operations and procedures, (2) possible new project issues uncovered during the evaluation, and (3) continuation, expansion or

curtailment of the project. The evaluation will be conducted by a team of local and international management and technical consultants. It is expected to be completed in about six weeks. The budget for this evaluation is \$50,000.

The final evaluation will be conducted only if NEDA and USAID agree that it is worth the time, effort, and expense. If conducted, this evaluation will address process issues, but primarily will focus on impact. The budget for the final evaluation is \$50,000.

Some of the basic items to be measured by evaluations are listed below:

1. Research activities undertaken and the quality and potential impact of the findings.
2. Fora held, nature of the topics discussed, important concensuses reached or basic disagreements uncovered, and impact of proceedings on development policies and decision-making.
3. Training activities supported and contribution to: institutional development of participating organization, analysis of initial development issues, improved decision-making, and future development of the country.
4. Networks or coalitions formed and their impact on the discussion, analysis and resolution of critical development issues.
5. Technical assistance and commodities provided as well as their contribution to the objectives of the project.

## VII. CONDITIONS AND COVENANTS

### A. Conditions Precedent to Disbursement.

#### 1. First Disbursement.

Prior to the disbursement of the Assistance, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Cooperating Country will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Cooperating Country and that it constitutes a valid and legally binding obligation of the Cooperating Country in accordance with all of its terms; and

(b) A statement of the name of the person holding or acting in the office of the Cooperating Country specified in Section 9.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

## 2. Other Disbursements

(a) Prior to first disbursement of the Assistance under the training component, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Cooperating Country will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., of a detailed training component implementation plan which identifies specific procedures and specific criteria for soliciting, reviewing, selecting, and approving training applications.

(b) Prior to the first disbursement of the Assistance under the development issues component, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Cooperating Country will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., a detailed development issues component implementation plan which specifies membership of the Steering Committee and identifies the specific procedures and specific criteria for: obtaining a broad range of views of development issues needing attention, developing background information on possible issues, selecting issues for project attention, soliciting proposals for issue-oriented activities, coordinating the review of proposals using independent peer review as appropriate, selecting and approving proposals for project funding, monitoring issue activities, and ensuring that issue activity findings and results are disseminated and discussed widely and brought to the attention of key decision-makers and policy groups.

(c) No assistance will be disbursed after July 31, 1987 unless a copy of a comprehensive project evaluation is completed in form and substance acceptable to A.I.D. which analyzes: project implementation processes, progress toward achieving project objectives, and the potential project influence on development related decision-making and policy review.

## B. Special Covenants.

### 1. Assurance of Funding.

The Cooperating Country covenants that sufficient funds shall be released on a timely basis to the implementing agencies to assure orderly implementation of the Project as scheduled.

### 2. Follow-up of Training Participants.

The Cooperating Country covenants to establish a mechanism for maintaining information, for up to two years after completion of training, on the current employment of each returned participant and on the contribution of the training to their employing agency and to Philippine development in general.

---

# ANNEXES

---

ACT: AID-5 INFO: DCM CPU/8

VZCZCML0434  
PP RUEHML  
DE RUEHC #9377 1790054  
ZNR UUUUU ZZH  
P 272354Z JUN 83  
FM SECSTATE WASHDC  
TO AMEMBASSY MANILA PRIORITY 0698<-----  
BT  
UNCLAS STATE 179377

RECEIVED  
JUN 20 1 31 PM '83  
US DEPARTMENT OF STATE

LOC: -IN 8 614  
28 JUN 83 0233  
CN: 14618  
CHRG: AID  
DIST: AID

# ACTION COPY

Action Taken: \_\_\_\_\_  
No action necessary: \_\_\_\_\_  
Date: \_\_\_\_\_ Inits: \_\_\_\_\_

AIDAC

E.O. 12356 N/A

TAGS:

SUBJECT: PHILIPPINES: TRAINING AND DEVELOPMENT  
ISSUES PROJECT 492-0340

1. SUMMARY: ON JUNE 16, 1983, APAC REVIEWED PID FOR THE TRAINING AND DEVELOPMENT ISSUES PAPER. APPROVAL WAS GIVEN TO DEVELOP PROJECT PAPER FOR A DOLS 4.2 MILLION, FIVE-YEAR PROJECT. RESOLUTION OF APAC ISSUES/CONCERNS, AS GIVEN BELOW, SHOULD BE COVERED IN PROJECT PAPER BEFORE USAID AUTHORIZES PROJECT. CN FOR PROJECT IS IN FINAL CLEARANCE STAGE. END SUMMARY

2. PROJECT CONCEPT: WE ARE PARTICULARLY PLEASED THAT THE PROJECT WILL ADDRESS SPECIFIC DEVELOPMENT ISSUES AND POLICIES. THE APAC WAS IMPRESSED THAT INPUTS SUCH AS TA AND TRAINING WILL BE SHARPLY FOCUSED ON SIX TO TEN ISSUES. WE WOULD EXPECT THE PROJECT PAPER AND THE IMPLEMENTATION OF THE PROJECT TO CONTINUE THIS FOCUS ON THE LIMITED SELECTED DEVELOPMENT ISSUES.

3. EVALUATION: PROJECT PAPER MUST CONTAIN THE BASIC ITEMS TO BE MEASURED DURING THE EVALUATION OF THE PROJECT.

THESE EVALUATIONS SHOULD PRIMARILY ADDRESS THE EFFECTIVENESS OF THE POLICY DIALOGUE RATHER THAN THE TRAINING AND OTHER INPUTS PROVIDED. ONE EVALUATION SHOULD BE MADE TWO YEARS AFTER THE INITIAL OBLIGATION AND NO NEW STARTS SHOULD BE PERMITTED FOR THE FOURTH YEAR OF THE PROJECT UNTIL EVALUATION RESULTS ARE IN HAND.

4. TECHNICAL ASSISTANCE: THERE IS A STRONG NEED FOR TECHNICAL ASSISTANCE IN THE PROJECT. WE ASK THAT USAID BE ASSURED THAT THE TECHNICAL ASSISTANCE AND TRAINING AMOUNTS ARE CORRECTLY BALANCED. WE ARE CONCERNED THAT THE AMOUNT OF TA IS TOO LOW.

5. DURATION: WE COULD FIND NO SUPPORT FOR A SEVEN-YEAR PROJECT LIFE AND ACCORDINGLY REDUCED IT TO FIVE YEARS. A LONGER LIFE OR SEPARATE FOLLOW-ON PROJECT CAN BE READILY ADDRESSED DURING THE MID- OR FINAL EVALUATION.

6. STAFF INTENSIVE NATURE: WE PERCEIVE ADDITIONAL USAID STAFF INVOLVEMENT IN THE PROJECT BEYOND THAT OF THE

DIV	ACT	INIT
OD		✓
E		
PE		
RLA		✓
PO	✓	
TD		✓
EO		
PER		
CSD		
LOC		
GSC		
TRV		
CO		✓
DMD		
OCD		
ORAL		
OPHN		
OFFPVC		
RIG/A		
RIG/II		
AR		
DUE DATE		
6-30-83		

#112

RA

Received  
Project 12345  
Date 6/28

44

UNCLASSIFIED

STATE 179377

TRAINING DIVISION. WE ASK THE MISSION DIRECTOR REVIEW THE AMOUNT OF USAID'S INVOLVEMENT, ESPECIALLY IN THE SELECTION OF THE DEVELOPMENT POLICY TOPICS, AND BE ASSURED THAT THE AVAILABLE STAFF TIME WILL MATCH THE NEEDS OF THE PROJECT.

7. PARTICIPANT TRAINING POLICY: WE ARE POUCHING THE LATEST DRAFT OF THE PARTICIPANT TRAINING POLICY DETERMINATION PAPER, WHICH IS STILL SUBJECT TO CHANGE BEFORE A/AID APPROVAL. WE BELIEVE THE DRAFT PAPER GIVES GOOD GUIDANCE FOR DEVELOPMENT OF THE PROJECT PAPER. DAM  
BT

UNCLASSIFIED

STATE 179377

**PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK**

Life of Project:  
From FY 1983 to FY 1990  
Total U. S. Funding \$4.2 million  
Date Prepared: June 7, 1983 (R. E. Rhoads)

Project Title & Number: TRAINING & DEVELOPMENT

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p> <p>Broad-based economic growth and development.</p>	<p>Measures of Goal Achievement: (A-2)</p> <ul style="list-style-type: none"> <li>- annual growth in per capita GNP</li> <li>- percentage of national income going to lowest 40%</li> </ul>	<p>(A-3)</p> <ul style="list-style-type: none"> <li>- national accounts</li> <li>- income surveys</li> </ul>	<p>Assumptions for achieving goal targets: (A-4)</p> <p><u>Assumptions</u></p> <ul style="list-style-type: none"> <li>- International economic recovery continues and accelerates</li> <li>- Economic and political stability in the country</li> <li>- GOP commitment to implementation of Five-Year Development Plan</li> </ul>
<p>Project Purpose: (B-1)</p> <p>To improve the capability of the Philippine government and other Philippine institutions to analyze development issues and to make sound and timely development related decisions.</p>	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)</p> <ul style="list-style-type: none"> <li>a. Higher quality analytical reports on development issues produced by Philippine institutions.</li> <li>b. Key development institutions have better trained staff.</li> <li>c. Improved decision-making</li> </ul>	<p>(B-3)</p> <ul style="list-style-type: none"> <li>a. Expert review of reports</li> <li>b. Staff records of key institutions</li> <li>c. Expert assessment of development context and decisions made</li> </ul>	<p>Assumptions for achieving purpose: (B-4)</p> <ul style="list-style-type: none"> <li>- Leaders and staff of development institutions are willing to support and are committed to indepth analysis of critical development issues.</li> <li>- Development institutions provide real opportunities for returned participants to use their acquired skills effectively</li> </ul>
<p>Project Outputs: (C-1)</p> <ul style="list-style-type: none"> <li>a. Individuals trained short term</li> <li>b. Individuals trained long term</li> <li>c. Research activities completed</li> <li>d. Development issues analyzed</li> <li>e. Fora on development issues (conferences, seminars, workshops)</li> <li>f. Individuals participating in international fora.</li> </ul>	<p>Magnitude of outputs: (C-2)</p> <ul style="list-style-type: none"> <li>a. 250</li> <li>b. 100</li> <li>c. 20</li> <li>d. 6</li> <li>e. 40</li> <li>f. 20</li> </ul>	<p>(C-3)</p> <p>NEDA AND USAID project records.</p>	<p>Assumptions for achieving outputs: (C-4)</p> <ul style="list-style-type: none"> <li>- Suitable candidates for training and fora are available.</li> <li>- Hired researchers and consultants fulfill contract obligations</li> </ul>
<p>Project Inputs: (D-1)</p> <ul style="list-style-type: none"> <li>a. Training</li> <li>b. Fora</li> <li>c. Technical and Management Assistance</li> <li>d. Research</li> <li>e. Commodities</li> <li>f. Evaluation</li> </ul>	<p>Implementation Target (Type and Quantity) (D-2)</p> <p>(AID assistance \$000)</p> <ul style="list-style-type: none"> <li>a. \$2,400 (loan)</li> <li>b. \$ 200 (grant)</li> <li>c. \$ 500 (grant)</li> <li>d. \$ 800 (loan)</li> <li>e. \$ 200 (loan)</li> <li>f. \$ 100 (grant)</li> </ul>	<p>(D-3)</p> <p>Project documents.</p>	<p>Assumptions for providing inputs: (D-4)</p>

1/1

## 5C(2) - PROJECT CHECKLIST

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

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

A. GENERAL CRITERIA FOR PROJECT1. FY 1982 Appropriation Act Sec. 523; FAA Sec. 634A; Sec. 653(b).

(a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project;

1. (a) Congressional Presentation FY 83, Annex II, Asia, p. 130.

(b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

(b) Yes

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and

2. Yes

(b) a reasonably firm estimate of the cost to the U.S. of the assistance?

3. FAA Sec. 611(a) (2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance? 3. N.A.
4. FAA Sec. 611(b); FY 1982 Appropriation Act Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? (See AID Handbook 3 for new guidelines.) 4. N.A.
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? 5. N.A.
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. 6. Project incorporates provision for training of AID-financed participants in countries of Asia and Pacific region.
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the

- country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.
7. (a) N.A.  
(b) Yes  
(c) Yes  
(d) N.A.  
(e) Yes  
(f) N.A.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).
8. N.A.
9. FAA Sec. 612(b), 636(h); FY 1982 Appropriation Act Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.
9. GOP will provide a minimum of 25% of project costs in local currencies. Foreign currencies owned by the U.S. are not available to this project.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have made for its release?
10. No
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?
11. Yes

12. FY 1982 Appropriation Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? 12. N.A.
13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests? 13. Yes
14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)? 14. N.A.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria
- a. FAA Sec. 102(b), 111, 113, 281(n). Extent to which activity will
- (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to
1. (a) Rural employment and poverty alleviation are one of the criteria that will be used to select issues for project focus.
- (b) and (c) Government and private sector organizations (both profit and non-profit) will be helped to improve the institutional capacity for their development related functions and responsibilities.

small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 203, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

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

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

- (d) In the Philippines where majority of college degrees and vast majority of graduate degrees are awarded to women, a large number of training participants are expected to be women.
- (e) The mixing of overseas and Philippine faculties for short-term training will facilitate fruitfully and mutually beneficial interchange. Third country training will be used to the fullest extent consistent with project objectives.

b. Yes

c. N.A.

d. Yes

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character."

e. N.A.

f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

f. Yes

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

g. The project will rely heavily on the countries intellectual resources to encourage institutional development.

2. Development Assistance Project  
Criteria (Loans Only)

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

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? b. N.A.

c. ISDCA of 1981, Sec. 724 (c) and (d). If for Nicaragua, does the loan agreement require that the funds be used to the maximum extent possible for the private sector? Does the project provide for monitoring under FAA Sec. 624(g)? c. N.A.

3. Economic Support Fund Project  
Criteria

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102? 3. N.A.

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

c. FAA Sec. 534. Will ESF funds be used to finance the construction or the operation

or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives?

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

54

### 5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

#### A. Procurement

- |   |  |
|---|--|
| 1. <u>FAA Sec. 602.</u> Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?   | 1. Yes.  |
| 2. <u>FAA Sec. 604(a).</u> Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?  | 2. Procurement can be from the U.S., the Philippines and Code 941 countries. |
| 3. <u>FAA Sec. 604(d).</u> If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? | 3. Yes.  |

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) 4. N.A.
5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one or these areas? 5. N.A.
6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates? 6. No.
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal 7. Yes.  
N.A.

agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

8. International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? 8. Yes.

9. FY 1982 Appropriation Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? 9. Yes.

B. Construction B. N.A.

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used?

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)?

51

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? 1. Yes.
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? 2. N.A.
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? 3. Yes.
4. Will arrangements preclude use of financing:
  - a. FAA Sec. 104(f); FY 1982 Appropriation Act Sec. 525: 4. N.A.
    - (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions;
    - (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization;
    - (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning;
    - (4) to lobby for abortion?

- b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? b. Yes.
- c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? c. Yes.
- d. FAA Sec. 662. For CIA activities? d. Yes.
- e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? e. Yes.
- f. FY 1982 Appropriation Act, Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? f. Yes.
- g. FY 1982 Appropriation Act, Sec. 505. To pay U.S. assessments, arrearages or dues? g. Yes.
- h. FY 1982 Appropriation Act, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? h. Yes.
- i. FY 1982 Appropriation Act, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields? i. Yes.
- j. FY 1982 Appropriation Act, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to j. Assistance will not be used to aid efforts of the government to repress the legitimate rights of the population contrary to the Universal Declaration of Human Rights.

repress the legitimate rights  
of the population of such  
country contrary to the  
Universal Declaration of Human  
Rights?

k. FY 1982 Appropriation Act,  
Sec. 515. To be used for  
publicity or propaganda  
purposes within U.S. not  
authorized by Congress?

k. Yes.

8-80



Republic of the Philippines  
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY  
P.O. Box 1116, Manila

AUG 9 4 05 PM '83

Tels. 50-39-71 to 95  
Cable Address: NEDAPHIL

31 July 1983

Mr. Anthony M. Schwarzwalder  
Director, USAID Mission  
M a n i l a

Dear Mr. Schwarzwalder,

Subject: Training and Development Issues Project

Following discussion between your staff and mine last 29 July 1983 on the subject project, I am pleased to inform you that I find the Project Paper acceptable subject to the incorporation of the agreements reached during said discussion, particularly the following:

1. The project will focus on a limited number of broadly-defined issues;
2. The Steering Committee will review the development issues and select those for project focus using the general criteria (as specified in Annex I of the Project Agreement) and others as may be agreed upon in writing by and between GOP and USAID;
3. Selection of issues will be undertaken upon consultation between GOP and USAID;
4. The USAID Program Officer will be an Adviser of the Steering Committee; and
5. Project funds will only be used to cover the costs of training personnel from government organizations. However, under appropriate circumstances, project funds may also be used to cover the cost of training personnel from non-profit private institutions.

Accordingly, I hereby request USAID assistance in the amount of \$3.3 million loan and \$0.9 million grant to help finance the implementation of the project.

Sincerely yours,

*Vicente B. Valdepenas, Jr.*  
VICENTE B. VALDEPENAS, JR.  
Minister of Economic Planning &  
Director-General

DIV	ACT	INP
OD		✓
E		
PE		
RLA		
PO	✓	
TD		
EO		
PER		
CSD		
LOG		
GSC		
TRV		
GO		
DMD		
OCD		
ORAD		
OPHN		
OPFVGC		
RIG/A		
RIG/II		
AR		
DUE DATE		
8-10-83		

ACTION TAKEN	
NAN _____	Other _____
Type _____	No. _____
Dated _____	Initials _____

RR  
8-8-83

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
Manila, Philippines

Ramon Magsaysay Center  
1680 Roxas Boulevard

Telephone: 59-80-11

ANNEX E

CERTIFICATION PURSUANT TO SECTION 611 (e) OF THE  
FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

I, Anthony M. Schwarzwald, the principal officer of the Agency for International Development in the Philippines, having been taken into account, among other things, the maintenance and utilization of projects in the Philippines previously financed or assisted by the United States, do hereby certify that, in my judgment, the Philippines has both the financial capability to effectively implement, utilize and maintain the proposed Training and Development Issues Project.

This judgement is based upon the project analysis as detailed in the Training and Development Issues Project Paper and is subject to the conditions imposed therein.

Mary C. Kilgour  
MARY C. KILGOUR  
Deputy Director  
USAID/Philippines

July 30, 1983

Date

**CHRON**

VZCZCMLI  
PP RUEHC  
DE RUEHMI #2618 144 \*\*  
ZNR UUUUU ZZB  
P 240304Z MAY 82  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC PRIORITY 4872  
BT  
UNCLAS MANILA 12618

CLASS: UNCLASSIFIED  
CHRG: AID 05/21/82  
APPRV: OD:MCKILGOUR  
DRFTE: TD:SHKAWI:CMU  
CLEAR: PO:TRMAHONEY/C  
TO:  
DISTR: PO:OD:TD:CSR  
4/CGM

AIDAC

ATTENTION: ST/IT

I.O. 12065: N/A

SUBJECT: PARTICIPANT TRAINING IMPACT ON HOST COUNTRY  
DEVELOPMENT

REF: STATE 127453

ENUMERATED BELOW ARE SELECT CASES OF RETURNED PHILIPPINE PARTICIPANTS WHO HAVE DEMONSTRATED SUCCESS IN THEIR RESPECTIVE PROFESSIONAL CAREERS:

1. DR. RAFAEL D. GUERRERO, III WAS ASSISTANT PROFESSOR OF ZCOLOGY AT CENTRAL LUZON STATE UNIVERSITY (CLSU) WHEN HE LEFT FOR ACADEMIC TRAINING AT AUFURN UNIVERSITY IN 1971. DR. GUERRERO COMPLETED HIS PHD IN AQUACULTURE IN 1974. UPON HIS RETURN TO PHILIPPINES HE WAS PROMOTED TO DEAN, COLLEGE OF FISHERIES (CLSU). HE WAS RESPONSIBLE FOR IMPROVING AND UPGRADING THE RESEARCH ACTIVITIES AND FACILITY OF THE COLLEGE. BECAUSE OF DR. GUERRERO'S EFFORTS, CLSU NOW OFFERS GRADUATE COURSES IN AQUACULTURE AND IS INVOLVED IN RESEARCH ON FISH CULTURE AND HATCHERY MANAGEMENT WITH FUNDING SUPPORT FROM THE GOVERNMENT OF THE PHILIPPINES. SINCE HIS RETURN DR. GUERRERO HAS RECEIVED THE FOLLOWING AWARDS: TEN OUTSTANDING YOUNG MEN (TOYM) AWARDEE IN FISHERIES AND AQUACULTURE, 1972; RIZAL PRO PATRIA AWARDEE FOR OUTSTANDING RESEARCH IN AQUACULTURE 1976; MANUEL A. ROXAS LEADERSHIP AWARD, 1978, ACHIEVEMENT AWARD FOR FISHERIES, MINISTRY OF NATURAL RESOURCES, 1980.

2. MRS. FELICITA G. BERNARDINO WAS SENT TO U.S. IN 1961 WHILE ASSIGNED AS AN ELEMENTARY SCHOOL PRINCIPAL. TRAINING INVOLVED SPECIAL STUDIES IN EDUCATIONAL ADMINISTRATION AND SUPERVISION AT UNIVERSITY OF PENNSYLVANIA AND UNIVERSITY OF NEBRASKA FROM AUGUST 1961 TO AUGUST 1962. MRS. BERNARDINO'S OUTSTANDING WORK IN THE FIELD OF EDUCATION HAS RESULTED IN SERIES OF PROMOTIONS TO HER PRESENT POSITION AS DEPUTY MINISTER, MINISTRY OF EDUCATION AND CULTURE. MRS. BERNARDINO IS ALSO A MEMBER OF THE BATAasang PAMBASA (PARLIAMENT) REPRESENTING REGION III. AWARDS RECEIVED ARE AS FOLLOWS: REPUBLIC DAY AWARD FOR EDUCATION FROM THE CIVIC ASSEMBLY OF WOMEN IN THE PHILIPPINES IN 1977; MOST OUTSTANDING CAREER SERVICE OFFICER FROM THE DEVELOPMENT ACADEMY OF THE PHILIPPINES, 1975; MOST OUTSTANDING SUPERINTENDENT - GREEN REVOLUTION, 1972.

62

--A--

UNCLASSIFIED

MANILA 12618

3. MRS. FLORIAN A. OREJANA WAS ASSOCIATE PROFESSOR OF INLAND FISHERIES AT THE COLLEGE OF FISHERIES, UNIVERSITY OF THE PHILIPPINES WHEN SHE WAS SENT TO THE U.S. IN 1975 FOR ACADEMIC TRAINING. SHE COMPLETED HER PHD AT THE UNIVERSITY OF WASHINGTON IN 1978. SHE IS PRESENTLY CHAIRMAN OF THE DEPARTMENT OF FISH PROCESSING TECHNOLOGY AT THE UNIVERSITY OF THE PHILIPPINES COLLEGE OF FISHERIES WHERE SHE IS HEAVILY INVOLVED IN RESEARCH AND TEACHING AT THE GRADUATE LEVEL. IN 1980 MRS. OREJANA WAS NAMED ONE OF THE TEN OUTSTANDING YOUNG SCIENTISTS BY THE PHILIPPINE NATIONAL ACADEMY OF SCIENCE AND TECHNOLOGY.

4. DR. ARSENIO S. CAMACHO WAS EMPLOYED AS INSTRUCTOR AT THE COLLEGE OF FISHERIES, UNIVERSITY OF THE PHILIPPINES (U.P.) WHEN HE WAS SELECTED FOR GRADUATE STUDIES IN THE U.S. IN 1971. HE COMPLETED A PHD DEGREE IN FISHERIES MANAGEMENT AT AUBURN UNIVERSITY IN 1974. AFTER HIS RETURN TO THE PHILIPPINES HE WAS PROMOTED TO DIRECTOR OF THE BRACKISHWATER AQUACULTURE CENTER OF U.P. IN 1981 DR. CAMACHO WAS PROMOTED TO ASSISTANT CHANCELLOR FOR ADMINISTRATION OF THE UNIVERSITY OF THE PHILIPPINES IN THE VISAYAS. DR. CAMACHO PRESENTLY PERFORMS A KEY ROLE IN THE ADMINISTRATION AND IMPLEMENTATION OF THE PROGRAM OF U.P. IN THE VISAYAS PARTICULARLY IN THE AREA OF FISHERIES.

5. DR. FELIX K. MARAMBA, JR., THEN VICE-PRESIDENT OF THE AMALGAMATED PAINT CORPORATION, WAS SENT TO THE U.S. AS MEMBER OF AN INDUSTRIAL CHEMISTRY TEAM FOR STUDY AND OBSERVATION FROM MARCH 6 TO JUNE 10, 1963. DR. MARAMBA IS PRESENTLY A KEY OFFICIAL OF SEVERAL MULTI-MILLION PESO CORPORATIONS IN THE PHILIPPINES. AMONG THESE ARE: PRESIDENT OF AGCHEM MANUFACTURING CORPORATION; PRESIDENT OF LIBERTY COMMODITIES CORPORATION AND DIRECTOR AND VICE-PRESIDENT OF LIBERTY FLOUR MILLS. DR. MARAMBA IS ALSO THE DIRECTOR-GENERAL OF THE PHILIPPINE CHAMBER OF COMMERCE AND INDUSTRIES; AND THE PRESIDENT OF THE PHILIPPINE ASSOCIATION OF FLOUR MILLS. IN OCTOBER 1980, DR. MARAMBA RECEIVED A DISTINGUISHED ALUMNUS AWARD FROM THE UNIVERSITY OF THE PHILIPPINES AT LOS BANOS FOR MERITORIOUS AND EXEMPLARY LEADERSHIP IN AGRI-BUSINESS MANAGEMENT, PARTICULARLY IN THE ORGANIZATION AND DEVELOPMENT OF PRIVATE CORPORATIONS SERVING AGRICULTURE. AT THE 27TH ANNUAL CONVENTION OF THE NATIONAL ASSOCIATION OF WHEAT GROWERS HELD IN HONOLULU, HAWAII IN 1977, DR. MARAMBA WAS PRESENTED A

--A--

UNCLASSIFIED

MANILA 12618

64

--B--

UNCLASSIFIED

MANILA 12618

PLAQUE OF APPRECIATION ON BEHALF OF THE U.S. WHEAT PRODUCERS FOR HIS SIGNIFICANT CONTRIBUTION TO THE EXPANSION OF TRADE AND THE IMPROVEMENT OF THE QUANTITY AND NUTRITIONAL QUALITY OF WHEAT BASED PRODUCTS WITHIN THE PHILIPPINES.

6. MR. RAFAEL M. SALAS WAS SUPERVISING ECONOMIST AT THE NATIONAL ECONOMIC COUNCIL (NOW NEDA) WHEN HE ATTENDED A LOCAL GOVERNMENT DEVELOPMENT PLANNING COURSE AT HARVARD UNIVERSITY IN SEPTEMBER 1958. HE RETURNED TO THE PHILIPPINES IN JUNE 1959 AFTER OBSERVATION PROGRAMS IN MEXICO, ENGLAND, DENMARK, ITALY AND INDIA. AFTER HIS RETURN, MR. SALAS HELD SEVERAL KEY POSITIONS IN THE GOVERNMENT INCLUDING EXECUTIVE DIRECTOR (NEDA) AND EXECUTIVE SECRETARY OF THE PHILIPPINE GOVERNMENT. SINCE HIS RESIGNATION FROM THE GOVERNMENT IN 1969 HE HAS BEEN EXECUTIVE DIRECTOR OF THE U.N. FUND FOR POPULATION ACTIVITIES (UNFPA).

7. DR. JAIME C. LAYA WAS AN INSTRUCTOR AT THE COLLEGE OF BUSINESS, UNIVERSITY OF THE PHILIPPINES (U.P.) IN AUGUST 1959 WHEN HE WENT TO THE GEORGIA INSTITUTE OF TECHNOLOGY FOR ACADEMIC TRAINING. HE COMPLETED HIS MASTERS DEGREE IN SEPTEMBER 1960. AFTER HIS RETURN HE WAS PROMOTED TO DEAN, COLLEGE OF BUSINESS ADMINISTRATION, U.P. AND HAS HELD OTHER KEY POSITIONS IN THE GOVERNMENT, SUCH AS MEMBER OF THE BOARD OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY, DEPUTY DIRECTOR GENERAL, NEDA; DEPUTY GOVERNOR, CENTRAL BANK OF THE PHILIPPINES AND MINISTER OF THE BUDGET. DR. LAYA IS PRESENTLY GOVERNOR OF THE CENTRAL BANK OF THE PHILIPPINES.

8. MR. GREGORIO S. CENDANA WAS ASSISTANT DIRECTOR OF THE NATIONAL MEDIA PRODUCTION CENTER (NMPC) WHEN HE WENT TO THE U.S. FOR TRAINING IN 1962. MR. CENDANA UNDERTOOK TRAINING IN MASS MEDIA PRODUCTION AND DISTRIBUTION MANAGEMENT FROM AUGUST 1962 TO MARCH 1963. IN 1972 MR. CENDANA ATTENDED SPECIAL SEMINARS AND WORKSHOPS ON NEWSPAPER MANAGEMENT, ADVERTISING, BROADCASTING AND CINEMA TECHNIQUES IN THE U.S. AFTER HIS RETURN MR. CENDANA WAS PROMOTED TO DIRECTOR OF THE NMPC. TWO YEARS AGO, MR. CENDANA WAS APPOINTED BY THE PRESIDENT OF THE PHILIPPINES AS MINISTER OF PUBLIC INFORMATION, HIS PRESENT POSITION.

9. DR. JESUS C. AZURIN WENT TO THE U.S. IN SEPTEMBER 1952 WHILE HE WAS A QUARANTINE OFFICER. HE RETURNED TO THE PHILIPPINES IN AUGUST 1953 AFTER COMPLETING AN MPH DEGREE AT COLUMBIA UNIVERSITY. AFTER HIS RETURN, DR. AZURIN HELD SEVERAL POSITIONS INCLUDING DIRECTOR, BUREAU OF QUARANTINE AND DEPUTY MINISTER OF HEALTH. HIS PRESENT POSITION IS MINISTER OF HEALTH IN THE PHILIPPINE GOVERNMENT.

10. MR. CESAR E.A. VIRATA WAS AN INSTRUCTOR AT THE COLLEGE OF BUSINESS ADMINISTRATION, UNIVERSITY OF THE PHILIPPINES (U.P.) WHEN HE WENT TO THE U.S. IN 1952 FOR GRADUATE TRAINING. HE COMPLETED AN MBA DEGREE AT THE UNIVERSITY OF PENNSYLVANIA IN AUGUST 1953. MR. VIRATA ROSE TO BECOME DEAN OF THE COLLEGE OF BUSINESS ADMINISTRATION, U.P. AND

--B--

UNCLASSIFIED

MANILA 12618

7

--B--

UNCLASSIFIED

MANILA 12618

TO HOLD OTHER KEY POSITIONS IN THE PHILIPPINE GOVERNMENT SUCH AS PRESIDING OFFICER, MONETARY BOARD, CENTRAL BANK OF THE PHILIPPINES; DEPUTY DIRECTOR FOR INVESTMENTS, PRESIDENTIAL ECONOMIC STAFF; CHAIRMAN AND DIRECTOR OF THE PHILIPPINE NATIONAL BANK AND THE NATIONAL INVESTMENT AND DEVELOPMENT CORPORATION. MR. VIRATA WAS ALSO A MEMBER OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY; GOVERNOR FOR THE PHILIPPINES AT THE INTERNATIONAL BANK OF RECONSTRUCTION AND THE ASIAN DEVELOPMENT BANK AND ALTERNATE GOVERNOR, INTERNATIONAL MONETARY FUND. MR. VIRATA IS PRESENTLY THE MINISTER OF FINANCE IN ADDITION TO HIS POSITION AS PRIME MINISTER IN THE PHILIPPINE GOVERNMENT.

THE ABOVE REFLECTS A FEW OF THE MANY FILIPINO AID PARTICIPANTS WHO ARE MAKING SIGNIFICANT CONTRIBUTIONS TO THE DEVELOPMENT OF THE COUNTRY. MORE RECENT PARTICIPANTS, BEING YOUNGER, ARE DIFFICULT TO REPORT ON IN THE TIME ALLOWED FOR THIS SUBMISSION SINCE THEIR CONTRIBUTIONS ARE NEITHER AS DRAMATIC NOR AS WELL KNOWN--THEY ARE FOR THE FUTURE. ARMAGOST

BT  
#2618

NNNN

--B--

UNCLASSIFIED

MANILA 12618

64

ANNEX G

INITIAL ENVIRONMENTAL EXAMINATION

Project Location : Republic of the Philippines  
Project Title : Training and Development Issues  
Funding : FY 83 - \$1,000,000.00  
Life of Project : FY 83-FY 88 - \$4,200,000.00  
IEE Prepared By : Richard E. Rhoda  
Date : July, 1983

Environmental Action :  
Recommended : Negative Determination

Concur: Mary C Kilgour Date: July 31, 1983

Do Not Concur: \_\_\_\_\_ Date: \_\_\_\_\_

Mary C. Kilgour  
Deputy Director  
USAID/Philippines

61

## Examination of Nature, Scope and Magnitude of Environmental Impacts

### I. Description of Project

The project consists of improving the capability of the Philippine Government and other institutions to analyze development issues and to make sound and timely development related decisions. This includes improved data collection and analysis as well as the assessment of the full implications of alternative decisions affecting development.

The project consists of two components: (1) development issues and (2) participant training. The first component will focus on a limited number of issues (perhaps six to ten) which are critical to Philippine development. Activities focusing on the issues selected will include: institutional analysis, research, technical assistance, training, workshops, conferences and seminars. The participant training component will support long and short term, in-country and overseas training which is critical to Philippine development but not eligible for support under other USAID-assisted activities.

### II. Identification and Evaluation of Environmental Impact

There will be no major project impact on the physical environment.

### III. Recommendation for Environmental Action

A negative determination is recommended.

6