



Quarterly Performance Report, January – March 2009

Local Implementation of National Competitiveness for Economic Growth (LINC-EG) Project

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Acronyms and Abbreviations

AIMPC	Asian Institute of Management Policy Center
AmCham	American Chamber of Commerce - Philippines
BFOPC	Blas F. Ople Policy Center
BIR	Bureau of Internal Revenue
BOC	Bureau of Customs
BPL	Business Permits and Licenses
CDO	Cagayan de Oro City
CIDA	Canadian International Development Agency
COTR	Contracting Officer's Technical Representative
CRC	Center for Research and Communication
DILG	Department of Interior and Local Government
DTI	Department of Trade and Industry
eLAMP	Electronic Lump-Sum Appropriations Management Program
EU - TRTA	European Union - Trade - Related Technical Assistance
GDA	Global Development Alliance
GIC	Growth and Investment Climate Working Group
GPPB	Government Policy and Procurement Board
GRP	Government of the Republic of the Philippines
GTZ	Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)
ICIP	Investment Climate Improvement Project
IFC	International Finance Corporation
IRA	Internal Revenue Allotment
JFC	Joint Foreign Chambers
LGU	Local Government Unit
LINC-EG	Local Implementation of National Competitiveness for Economic Growth
LIW	Large Infrastructure Workshop
LOI	Letter of Introduction
LSIG	De La Salle University's Institute of Governance
MCA-PTP	Millennium Challenge Account - Philippine Threshold Program
MOU	Memorandum of Understanding
NCC	National Competitiveness Council
NERBAC	National Economic Research & Business Assistance Center
ONETTT	One Time Tax Transaction

PASG	Presidential Anti-Smuggling Group
PBR	Philippine Business Registry
PCCRP	Philippine City Competitiveness Ranking Project
PEZA	Philippine Economic Zone Authority
PhilCeCNet	Philippine Community e-Center Network
Philexport	Philippine Exporters Confederation Incorporated
Phividec	Philippine Veterans Investment Corporation
PIA	Phividec Industrial Authority
PIP	Petroleum Institute of the Philippines
PMS-SMG	Presidential Management Staff's Strategic Monitoring Group
PRP	Policy Reform Program
PPA	Public-Private Partnership
RDO	Revenue District Office
RKC	Revised Kyoto Convention
SAF	Special Activities Fund
SEARCA	Southeast Asia Regional Center for Graduate Study and Research in Agriculture
SEC	Securities and Exchange Commission
TAF	The Asia Foundation
TAG	Transparent and Accountable Governance Project
TAP	Technical Assistance Package
USAID	United States Agency for International Development

INTRODUCTION

The Local Implementation of National Competitiveness for Economic Growth (LINC-EG) program is a United States Agency for International Development (USAID) and Government of the Republic of the Philippines (GRP) collaboration to promote local and national economic competitiveness to improve prospects for economic growth and fiscal sustainability.

Along seven technical program areas, LINC-EG will focus on the Mindanao region as an important new component of the US Government's efforts to promote economic prosperity and security in Southern Philippines. LINC-EG assistance will be delivered through discrete technical assistance packages (TAPs) and the project is implemented by Nathan Associates Inc. through the DNG, a joint venture between Development Alternatives Inc. and Nathan Associates Inc.

LINC-EG began on October 1, 2008 and this second quarterly report documents the project's key activities during the period from January 1, 2009 through March 31, 2009. The key activities during this period cover (i) counterpart consultations and design of new TAP and; (ii) implementation and monitoring of TAPs already approved by USAID/LINC-EG's Contracting Officer's Technical Representative (COTR) responsible for LINC-EG. The discussion in the report is laid out in 4 sections and an Annex.

Section 1 reports the project's main technical activities during the period including summaries of progress toward the designing and submission of TAPs for COTR John Avila's approval. Implementation is underway on 5 TAPs, 10 were developed and submitted for informal or formal COTR approval during the reporting period. An additional 4 TAPs across all program areas are at various stages of development. A summary of the status of these TAPs is included in Annex 1.

Section 2 reports on the key program management and administrative events during the quarter. A draft results workflow was submitted with the 1st quarterly report and will be further developed as implementation of TAPs picks up in quarter 3, the M&E specialist begins regular work schedule and parameters for results measurements become clearer. Sections 3 and 4 of this report provide summary data on labor utilization and the amount of financial resources expended during the quarter.

Technical Program Areas

1. *Measuring Factors of Competitiveness*
 2. *Supporting the Competitiveness Policy Agenda*
 3. *Streamlining Business Permitting & Licensing*
 4. *Improving Property Rights Administration*
 5. *Improving Tax Collections Efficiency*
 6. *Improving Trade Facilitation & Customs Administration*
 7. *Facilitating Access & Availability of Infrastructure*
-

SECTION 1 – PROGRAM TECHNICAL ACTIVITIES

As stated earlier, to ensure that program activities lead to tangible results that improve economic competitiveness and fiscal reform in the Philippines in a measurable way at either the local or national level, the majority of LINC-EG assistance will be delivered through TAPs – discrete service delivery arrangements specifying the period of implementation, budget, technical resources and counterpart commitment needed to achieve a particular set of project deliverables, outcomes and impact. Grant funding, either through a TAP or as a Special Activity that falls outside of the program’s seven technical areas will also form part of LINC-EG assistance.

This section of the report covers technical activities as designed under one of the seven program technical areas or as a “special” technical activity using grant funding.

Program Area 1: Measuring Factors of Competitiveness

This program area will provide the empirical bases for competitiveness reform by supporting targeted national and sub-national initiatives that promote evidence-based policy advocacy. For project year one, LINC-EG will focus on collaborations with the business climate data gathering efforts of the International Finance Corporation (IFC) and the Asian Institute of Management Policy Center (AIMPC). When necessary and in collaboration with other partners, these will be supplemented by self-standing and more in-depth topical data.

Key Activities Accomplished:

TAP 1.1(a): Support to IFC’s Subnational Doing Business in the Philippines 2010 Project

During the quarter the International Finance Corporation (IFC)/Manila and the *Doing Business* Team in Washington accepted LINC-EG’s request and justification to include two new Mindanao cities, Cagayan de Oro and Zamboanga¹, in the subnational *Doing Business in the Philippines 2010* study. Draft TAP 1.1(a) proposal was submitted to the COTR and comments received. Upon discussions IFC and USAID/LINC-EG decided that a “Reimbursable Agreement” would form the appropriate collaboration instrument. A Terms of Reference (TOR)

¹ Zamboanga City, with its larger population and private sector activity, replaced General Santos City.

detailing the roles and responsibilities of the Parties was reviewed extensively. Toward the end of the quarter, IFC's budget was discussed and initial funding of \$42,000 was agreed as LINC-EG's initial contribution for inclusion of the two Mindanao cities. IFC has revised the start date of the Study from April to May and we have adjusted our work program accordingly.

TAP 1.1(b): Support to the Philippine City Competitiveness Ranking Project (PCCRP)

It was agreed with the COTR that collaboration with AIMPC and coordination of this activity with the German Technical Cooperation (GTZ) will cover strengthening of the PCCRP survey methodology and roll out in Mindanao. Instead of LINC-EG funding for a permanent advisor to assist with the entire PCCRP program, AIMPC has suggested support for its existing team². Outside of the control of LINC-EG, there were unexpected delays in implementation of this TAP due to management changes at the leadership of the AIMPC and necessary revisions of four (4) versions of AIMPC's financial request for support. Toward the end of the quarter, a 5th proposal totaling PHP 13,362,250.00 was submitted to LINC-EG and GTZ. Of this total budget, PHP 6,450,500.00 is requested directly or indirectly from USAID/LINC-EG. In view of its leadership changes, AIMPC has revised the commencement date of its PCCRP activity from March to May. LINC-EG is working with AIMPC and USAID to determine if technical assistance would be appropriate at this time.

TAP 1.2: Assessing Transport Costs and Competitiveness in Northern Mindanao

Upon consultations, instead of attaching logistics "rider" questions to AIMPC's questionnaire for its Philippine Cities Competitiveness Ranking Project (PCCRP), LINC-EG made a decision to conduct a transport study as a separate activity. The objective of this new TAP, not in LINC-EG's 2008 workplan, is in response to extensive anecdotal evidence that transport costs are a binding constraint to Mindanao competitiveness relative to the Luzon and Visayas regions. Following the program area Team Leader's visit to Cagayan de Oro, a draft request for a grant to conduct the study was received from the Region 10 branch of Phil-Export (PhilExport 10). The Study will identify the full range of formal costs of moving key products along the logistics chain to domestic and export markets and provide national and subnational policy makers recommendations on policy reform to reduce these costs. Just as importantly, an important value of the Study will be its focus on private sector and business-to-business motivations to reduce shipping costs such as through cargo-pooling, medium-term discounted rates and promotions. The first draft of this proposed TAP was submitted for COTR comments in mid March.

² AIMPC recruited one marketing specialist and a legal specialist to oversee operations.

Activities Planned Next Quarter

TAP 1.1(a):

- Finalize the collaboration modalities with IFC and sign the Agreement. Seek and receive formal COTR and CO approval for an initial grant of \$42,000 to the IFC. Support initial phases of roll-out of the regulatory environment diagnostic study.

TAP 1.1(b):

- A determination will be made by June 30 and a recommendation to COTR of the type of LINC-EG involvement in the PCCRP activity. Thereafter, possibly finalize agreements with AIMPC. Seek and receive formal COTR and CO approval for a grant to AIMPC not to exceed 1/3rd of total budget of the PCCRP 2009. Support initial phases of roll-out of the diagnostic study with short term technical assistance (STTA), including formal review of the survey instrument. Recommend improvements.

TAP 1.2:

- Finalize technical and financial agreements with PhilExport-10. Seek and receive formal COTR and CO approval for a grant to PhilExport. Complete initial phases of the transport/logistics study.

Program Area 2. Supporting the Competitiveness Policy Agenda

This program area will work with national and local government partners and stakeholders to help set and advocate for a competitiveness and fiscal reform policy agenda. The Task Order formally obligated DNG to continue grant-funding support for the Investment Climate Improvement Project (ICIP), an initiative conceived in 2006 by the American Chamber of Commerce (AMCHAM) in conjunction with other key chambers through a Joint Foreign Chambers (JFC) forum. Implementation is on-going for 4 TAPs under this program area.

Key Activities Accomplished:

TAP 2.1: Investment Climate Improvement Project (ICIP) – Phase V

On January 20, USAID approved the proposed 10-month grant to the American Chamber of Commerce in Philippines (AmCham) and an organizational meeting with AmCham, LINC-EG and USAID was held on February 5th where discussions covered the general Philippine

investment climate, ICIP administrative arrangements, ICIP reform clusters and sectors, and program deliverables and other planned activities. A date and venue for the signing ceremony of the ICIP grant was also discussed. USAID/Philippines Mission Director Jon Lindborg and the Chairman of the Board of AmCham were suggested as signatories for the Agreement.

Efforts to establish clear set of priority areas in the ICIP grant was given great emphasis and on 9th March LINC-EG met with ICIP Senior Advisor John Forbes and the rest of ICIP staff to prioritize their deliverables schedule and work on a Monitoring and Evaluation Framework (i.e. performance milestones, expected outcome and intended impact). ICIP advised LINC-EG that, due to the global economic downturn, it proposed to do a workshop on large infrastructure instead of an Investment Forum, which was one of the agreed deliverables of this program.

As proposed, the Large Infrastructure Workshop (LIW) would aim to increase awareness among the business community about the implementation of large infrastructure projects of the Government and help attract private sector financing. ICIP began working on this plan in January and met with DTI staff to discuss possible ways on how to move forward. DTI proposed to assist by providing names and companies as participants. On March 24th, LINC-EG had an organizational meeting with ICIP and other groups to push forward LIW later this year, possibly in September 2009 in Makati City. About 150 participants are expected and LINC-EG will support logistics costs while AmCham, in cooperation with DTI, will be responsible for inviting the participants.

To improve the technical content of the workshop, ICIP suggested engaging two consultants: an infrastructure expert and a finance expert to conduct analysis and policy recommendations during the workshop. LINC-EG will fund the cost of hiring the consultants.

TAP 2.2: Liberalizing and facilitating foreign participation in the Philippine economy

A call for proposals was prepared and sent to selected institutions on February 9, 2009 requesting proposals for grant funding for a review and validation of the findings of a previous study conducted under an earlier USAID project. The study had documented perceived legal barriers to the entry of foreign investment in the Philippines. The call for proposals yielded one submission which was assessed to be of insufficient quality on March 2, 2009.

A second call for proposals, with more specific detail on terms and expectations, was sent to an expanded list of institutions and five proposals were received. On March 27, 2009, a USAID/LINC-EG bid review and selection panel, that included external representation from the World Bank, was established by the program area Team Leader, Mr. Gigo Alampay.

TAP 2.3. Technical assistance to the Philippine Veterans Investment Corporation (Phividec) Industrial Authority (PIA) to enhance Competitiveness

Last quarter, the PIA had sought support from LINC-EG in facilitating the harmonization of the various business licenses and permits regime faced by investors in PIA's 3000 hectare estate in Cagayan de Oro City. On January 15, 2009, agreements were finalized that the nature of LINC-EG's support to the PIA will cover (i) assistance on partnership creation with other relevant government agencies and (ii) mitigation of potential revenue losses – particularly on real estate taxes – upon harmonization of the licenses regime.

Implementation of Phase I, aimed at forging an agreement between the Philippine Economic Zone Authority (PEZA) and the PIA that will allow PEZA to assume functional oversight and institute a unified administration of incentives in PIA's estate began during the quarter. A legal specialist, Ms. Rachel Folloso, was engaged as lead consultant to LINC-EG and she facilitated an agreement in principle among the parties. The agreement called for placing investors in the PIA estate within the purview and oversight of PEZA's legal and administrative authority.

A draft "Request for Registration of Service Contractors Operating within the PHIVIDEC Industrial Estate Economic Zone" was prepared for consideration by PEZA's board of governors at its meeting on March 27, 2009. A formal response from the Board is expected next quarter.

TAP 2.4. Analyzing the Impact of the Global Financial Crisis on the Philippine Economy

Consultations in January with the Department of Trade and Industry (DTI) suggested a need for LINC-EG technical assistance in providing a better understanding and policy options to mitigate the impact of the current global financial crisis on the Philippine economy. Through its working groups focused on Growth and Investment Climate (GIC) and Decentralization, the Philippine Development Forum (a national-level policy consultative body) requested technical assistance for the study. A concept for the focus of the study was drafted by LINC-EG and discussed with Undersecretaries Maglaya and Panadero of DTI and the Department of the Interior and Local Government (DILG) respectively. Agreement was reached that the study would briefly assess the macroeconomic impact of the global financial crisis but focus on policy options at the sub-national level and the effects on key priority sectors of the Philippine economy (electronics, business process outsourcing, tourism, agriculture)³.

After a due procurement process for a purchase order, LINC-EG engaged the services of the Center for Research and Communication (CRC), an economics consulting firm, to conduct the study. COP Clarete led the high level counterpart consultations and development of the formal

³ The activity was initially conceived as a 2-day event but toward the end of the quarter, consultations suggest that the format may be restructured instead to a one-day event.

TAP, and initial data gathering began toward the end of the quarter. The results will be presented at a workshop early next quarter and will also serve as input to the larger conference of the Philippine Development Forum scheduled for April 23 - 24. In preparation for the conference, a roundtable discussion was held with various relevant national government agencies on March 17th.

Activities Planned Next Quarter

TAP 2.1:

- Continue to work with AmCham/ICIP on identifying their priority areas and on developing their M&E Framework. Receive from ICIP a draft design of the LIW workshop as well as the terms of reference for the consultants. Arrange for the signing ceremony of the grant agreement between USAID and AmCham.

TAP 2.2:

- Compose a selection panel that will meet to review and evaluate the proposals received for TAP 2.2. Award the grant to the selected proponent(s).

TAP 2.3:

- Work with PHIVIDEC to respond, as appropriate, to PEZA's formal response to its "Request for Registration of Service Contractors Operating within the PHIVIDEC Industrial Estate Economic Zone." If necessary, proceed to the implementation of Phase 2 of the TAP 2.3 by assisting PHIVIDEC to identify financial measures that can be taken to mitigate adverse results arising as a result of the unified administration of incentives under PEZA.

TAP 2.4:

- Continue to closely collaborate with the organizers, secretariat and other donor agencies in preparation for the Financial Crisis Policy Forum to be held on April 23, 2009 at Dusit Thani Hotel in Makati City. Collect from CRC and submit for CO review the documentation required for approval of the purchase order. Follow up actions of the Policy Forum, which includes, but not limited to, posting of all papers and other related materials, preparation of list of actions, and collaborate with the organizers on how to follow-up on the listed actions.

Program Area 3. Streamlining Business Permitting and Licensing

Program Area 3 will help reduce the time and cost of complying with local or national government regulation through streamlining the business permitting process and procedures,

thereby improving the business enabling environment that is under the jurisdiction of local authority.

Key Activities Accomplished:

Following extensive discussions with other donors and related efforts in the business permits and licenses (BPL) reform areas, Team Leader, Alid Camara, visited Cagayan de Oro (CDO) in late February for discussions with stakeholders and assessment of entry points for LINC-EG support. The conduct of business registration processes at the CDO office of the National Economic Business Assistance Center (NERBAC) was observed by the LINC-EG program area Team Leader on March 25th and a suggestion by DTI's Region 10 Director E. Eusena for a time-and-motion study was discussed.

At meetings with leadership of CDO city, it was found that an opportunity exists to assist the city streamline processes and procedures for its issuance of the business permit, also known as the Mayor's Permit. Extensive consultations during the quarter centered on assessing political commitment and a logical range of activities that are consistent with the LINC-EG program. In addition to meetings with the CDO City Government and to ensure a broad base of support for the activity and private sector involvement, LINC-EG initiated consultations with the provincial office of the Department of Trade and Industry (DTI-10) and Promote CDO, a spin off from the Oro Chamber of Commerce. In collaboration with those three possible partners, LINC-EG has provided initial technical guidance for this activity and it will begin with signing of a Memorandum of Understanding between the three parties and demonstration of financial commitment to the activity. In the interest of coordination and to avoid duplication, extensive consultations were had with other prominent BPL initiatives such as on March 26th with the Philippine Business Registry project of the national government, on January 29th with the League of Municipalities of the Philippines, and on March 14 with USAID's Transparent and Accountable Governance (TAG) project based in Mindanao.

Activities Planned Next Quarter

TAP 3.1 and 3.2:

- Follow up on consultations with NERBAC-10 and assist in development of a TAP for possible support. ⁴
- Develop the concept and entry point for LINC-EG support to reformers in the BPL area. Finalize agreements with CDO City Government, Promote CDO, and DTI-10 and support

⁴ This is TAP 3.1 in LINC-EG's 2009 workplan. The activity on issuance of the business permit will be recorded as TAP 3.2.

structuring of an agreement and financial proposal. Receive and assess request for support from the three counterparts. Assess appropriate support and seek formal COTR and CO approval for the TAP.

- Conduct a review of findings of business registration in Davao from IFC's subnational *Doing Business in the Philippines 2008* and an AusAid funded Study of the Davao Nerbac. Explore entry points for support under this program area.

Program Area 4. Improving Property Rights and Land Use

In the context of improved property rights regime in specific jurisdictions, program area 4 will focus on strengthening security of registration and transfer of title, appraisal, taxation, and adjudication.

In the absence of USAID approval for a LINC-EG team leader for this program area, Ramon Clarete has served as interim Team Leader for this activity, a sub-optimal arrangement from both a program design and implementation standpoint.

Key Activities Accomplished:

TAP 4.1. Complete the Digital Land Title Registry in Cebu City – An improved Title verification process

In collaboration with research institutions and sub-grantees, The Asia Foundation (TAF) had initiated work on land titling in Cebu City under its now-closed USAID funded Policy Reform Program (PRP); LINC-EG has sort to carry this work forward and to accommodate staffing and administrative particularities of TAF that affect the resource allocations of the activity. Initial proposals from TAF lacked sufficient documentation however and the subsequent deliberations and negotiations on the appropriate procurement options to move forward with this TAP have severely delayed implementation. An informal/draft TAP was submitted for COTR comments on March 9th and, toward the end of the quarter, additional documentation for USAID contracting purposes is being collected from TAF.

TAP 4.2. Extend the administrative method of titling through free patent to residential lands

This activity also continues work begun under the PRP program. Much of the activity of this proposed TAP centered on reaching agreement with existing counterparts and independent consultants of the PRP program. Agreements were reached with Mr. Calixto Chikiamco as

proposed activity team leader and with La Salle University's Institute of Governance (LSIG) ⁵as a grantee to advocate for passage of this legislation that will facilitate the efforts of local organizations to accelerate the grant of land titles in the Philippines to de-facto owners of residential land parcels. The activity is organized into two phases. Phase 1 covers the efforts of LSIG and its allies in getting the proposed measure enacted into law. The House of Representatives approved this proposed law in January 2009. The Philippine Senate has not yet acted on its counterpart bill. The second phase will be on getting the law effectively implemented with the appropriate rules and regulations by the Land Management Bureau of the Department of Environment and Natural Resources.

COTR comments and consent to an informal/draft TAP was received on March 5th and the proposed TAP was formally submitted for COTR and CO approval on March 21.

Activities Planned Next Quarter

TAP 4.1:

- Compile all consultant documentation for TAP 4.1. and submit for COTR and CO approval and a purchase order to The Asia Foundation (TAF) for its role in the activity. Assist ACERD, the counterpart, in developing a grant proposal. Upon USAID approval of the TAP, the PO and the grant to ACERD, mobilize the implementation team.

TAP 4.2:

- Develop the structure and the budget requirement of a grant to La Salle Institute of Governance. Submit documentation and TAP for COTR approval.

Program Area 5. Improving Income Tax Collection Efficiency and Reducing Tax Leakages

This program area will improve personal and corporate income tax collection efficiency and reduce tax leakages. The BIR closed in 2008 with a revenue shortfall of Php 67.0 billion against its target of Php 845 billion for the year. The 2008 shortfall, which is higher than the Php52.2 billion shortfall posted in 2007, is due largely to a combination of an economic slowdown triggered by the global recession and the increase in exemption levels in individual income tax

⁵ LSIG was a grantee of TAF under the PRP. It worked with other advocates for this legislative measure, including the Leagues of Provinces of the Philippines, Leagues of Municipalities of the Philippines, Rural Bankers Association of the Philippines, and the Chamber of Thrift Banks.

in the 2nd half of 2008. To prop-up revenue collections and meet the revenue target of Php915 billion for 2009, the new BIR Commissioner Sixto Esquivias initiated several administrative measures in the 1st quarter namely, “Operation Kandado” and a nationwide reassignment of Regional Directors (RD) and Revenue District Offices (RDOs) starting in March 2009.

Key Activities Accomplished:

TAP 5.1. A diagnostic to determine the key issues and priorities for tax administration reform to improve tax revenue collection efficiency and reduce tax leakages at the BIR Revenue Regions and Revenue District Offices in Mindanao

Due to the reassignment of regional directors and scheduling problems with Deputy Commissioner Aspe, initial activities of this TAP, specifically a letter of introduction (LOI) and a Memorandum of Understanding (MOU) acknowledging BIR’s request for support of this activity, delayed mobilization of technical resources and manpower for this TAP. A draft LOI was received on February 24th and consultations continued with the Tax Reform Administration Group of the BIR and LINC-EG. The initial design of this TAP, entailing consultations and interviews at the operational level, was adjusted due to ongoing changes at the RDOs. Toward the end of the quarter, the Team Leader Francis Vicente conducted interviews with Regional Director Nestor Valeroso, Revenue District Officer Jose Furia and Revenue District Officer Lyon Yap of Davao, Davao City and Tagum respectively.

A key finding from these initial interviews is the seeming strategic orientation of the revenue regions to maximizing collections from business taxpayers. However, in alignment with good practice, BIR Davao has also introduced industry benchmarking to segment low risk business for compliance and surveillance purposes. Human resource capacity issues, including for full utilization of the One Time Tax Transaction (ONETTT)⁶ facility, appear as a common constraint.

Toward the end of the quarter on March 26, LINC-EG was invited to a high level consultative forum in Subic organized by the BIR for all its regional and district revenue officers and led by Commissioner Sixto Escivias. This gathering provided visibility and a valuable dissemination forum for LINC-EG’s activities in the tax area.

In addition to work under TAP 5.1, several other activities were in design during the reporting period and include (i) data validation of the Internal Revenue Allotment (IRA) Module for Electronic Lump-Sum Appropriation’s Management Program (e-LAMP) and (ii) developing a

⁶ ONETTT is a WEB application that will allow citizens to lodge details of their property transactions on-line and calculate taxes due for the transaction. The system features property valuation databases that the taxpayer can consult for correct tax calculation.

methodology for adjusting the “shopping method” threshold levels for small value procurements through the Government Policy and Procurement Board (GPPB). Possible TAP 5.2 that will focus on the e-LAMP initiative was submitted for COTR approval on March 11.

Activities Planned Next Quarter

TAP 5.1:

- Complete diagnostics of Mindanao, Cebu and Laguna RDOs by the 2nd half of June 2009. Present results of diagnostics to BIR by 2nd half of June 2009.

TAP 5.2

- If this activity is developed into a TAP, support the “soft” and formal launch of e-Lamp by the 2nd half of May 2009.

Program Area 6. Improving Trade Facilitation and Customs Administration

Improvements in customs efficiency and reductions in the time and cost of exporting and importing are expected outcomes of initiatives supported under this program area.

Key Activities Accomplished:

TAP 6.1. Assisting the Philippines accede to the Revised Kyoto Convention (RKC)

Negotiations were completed for the services of former Bureau of Customs (BOC) and BIR Commissioner Guillermo Parayno to provide high-level support to LINC-EG’s efforts to secure passage of the Instrument of Accession. The Instrument of Accession, which LINC-EG had filed with the Senate in February 2008 was revised in order to include a reservation to Chapter 3 of Annex E of the Revised Kyoto Convention (RKC). This relates to the carriage of goods on foreign vessels, which would have run in conflict with the Cabotage Law⁷. Continuous follow through with the Departments of Transportation, Communication, Foreign Affairs, and the Office of the President successfully resulted in signing of the Instrument of Accession by the President of the Philippines on March 16. The document was then filed anew with the Senate for its concurrence. Team Leader Maria Madamba and former Commissioner Parayno will

⁷ The law intends to protect the domestic shipping industry through restrictions to foreign participation in domestic shipping. This principle is embodied in Sections 902 and 1009 of the Tariff and Customs Code of the Philippines, and incorporated in Republic Act 5173.

continue advocacy activities for passage of the document through the Philippine Senate when it resumes its session on April 13 and before it adjourns sine die on June 5, 2009.

During the quarter, round table discussions with the BOC and gender advocates on gender issues related to the Philippines' Accession to the Revised Kyoto Convention were also addressed at a LINC-EG workshop and a consensus that gender considerations are important and that women receive equal access to opportunities arising from the accession.

In addition to work under TAP 6.1 and building on work begun under previous USAID projects such as the Millennium Challenge Account Threshold Program, several additional activities that may result in formal TAPs under this program area are under development. They include: (i) a diagnostic to determine priorities for trade facilitation reforms at the Mindanao District Ports of the Bureau of Customs (possible TAP 6.2), (ii) a Global Development Alliance (GDA) partnership on anti-smuggling with the Philippine Institute of Petroleum and Ford Philippines (possible TAP 6.3), (iii) updating of regulations address weaknesses and to standardize export clearance procedures in Mindanao ports (possible TAP 6.4).

Activities Planned Next Quarter

TAP 6.1:

- With the Philippines Senate resuming session on April 13, the Project will coordinate with the Senate Committee on Foreign Relations to make arrangements for a committee hearing on the revised Instrument of Accession, prepare the committee report and draft resolution, draft sponsorship speech, and materials to support key sponsoring senator(s) with the ensuing Senate floor deliberations.

TAPs 6.2, 6.3 and 6.4

- Conduct consultative meetings with Commissioner Morales and the district collectors from Mindanao to discuss and obtain indications of the BOC's priorities for the Mindanao ports (TAP 6.2).
- Possibly finalize the following TAPs for COTR and CO approval:
 - TAP 6.3 on the training of BOC and Presidential Anti-Smuggling Group (PASG) enforcement units on evidence handling and case build-up in parallel with the Petroleum Institute of the Philippines (PIP)'s training on the field-testing of fuel markers.
 - TAP 6.4 on the standardization of export clearance procedures.

Program Area 7. Expanding Infrastructure

This program area aims to support activities that will lead to regulatory reform as well as public and private investments that will improve access and the facilitative role of infrastructure in transport and competitiveness.

Key Activities Accomplished:

TAP 7.1 Infrastructure Diagnostic and Strategy

Towards the end of January, COTR suggested that LINC-EG work on diagnostics as USAID's input to the PDF working group on infrastructure. Its output is a brief diagnostic assessment of infrastructure programs in the country as well as to recommend measures on how to encourage and establish access, quality, and quality in the country. A draft TAP (now called TAP 7.1) was prepared and submitted to USAID for initial review on February 2nd.

The TAP includes the proposed engagement of Mr. Jaime Faustino of TAF to conduct a brief diagnostic assessment of infrastructure programs in the country and to provide relevant recommendations and policy options to be supplied by LINC-EG.

Subsequent discussions with TAF suggested that it is more appropriate to issue a grant to TAF with the view to deliver the following:

- I. Recommended Action Plan for the PDF Infrastructure Working Group.
- II. Recommended Action Plan for the NCC Infrastructure Working Group.
- III. Strategic approaches and technical assistance proposals for USAID.

On February 5, TAF's proposal for a possible TAP 7.1 was received. After a brief review and consultation with the rest of the team, a final TAP proposal was submitted February 11th. COTR and CO approval of the technical content of the activity was received on February 17th and 26th, respectively.

The absence of the Grants and SAF Manager and the inherent complexity of the grant to TAF compelled LINC-EG to ask assistance from Home Office in designing the structure of the grant proposal, especially in its financial component. On March 12 and on COTR instructions, Nathan Associates' Home Office sent a request for USAID approval for the proposed grant as packaged directly by TAF. The CO's office responded with comments, including a request for more information. These comments were being addressed as of the end of the quarter.

TAP 7.2. Strengthen the monitoring capacity of the Presidential Management Staff's Strategic Monitoring Group (PMS-SMG) on existing infra projects

Given the development in proposed TAP 7.1, LINC-EG refined this TAP intended to support PMS-SMG in monitoring existing infrastructure projects. Meanwhile, LINC-EG knew from Henry Basilio – the proposed team leader for this TAP that the Philippine Chamber of Commerce and Industry (PCCI) Chairman Donald Dee wanted to request for a grant in line with this TAP to be managed and implemented by the U-ACT⁸ project. On March 9, LINC-EG informally submitted TAP 7.2 for COTR comments, which were received the following day. A meeting was held with Henry Basilio to discuss the structure and components of the TAP with the view to addressing the COTR comments; highlights of the meeting were then incorporated to the revised TAP 7.2 proposal.

As it is, this proposed TAP has 3 components. The first component is what TAF proposed to LINC-EG and is to continue the work it started with the PMS-SMG, namely monitoring the implementation of infrastructure projects. The second component is the holding of the Large Infrastructure Project Workshop (see TAP 2.1 above). The third is to assist PCCI and U-ACT implement an infrastructure audit.

TAP 7.3. Increasing air access to regional gateways: Clark and Davao

Another potential TAP aimed at completing activities left unfinished by TAF at the closure of the PRP. As with potential TAP 7.2, resources will be allocated to finalizing the proposal to a TAP, in close consultation with The Asia Foundation (TAF), USAID, and Ms. Cherrylyn Rodolfo – the proposed team leader. A draft TAP was informally submitted to the COTR on March 30th.

Activities Planned Next Quarter

TAP 7.1:

- Address comments from USAID on the proposed grant proposal to TAF for TAP 7. 1. Mobilize the team for implementation.

TAP 7.2:

- Follow up on the requested information/comments from proposed Team Leader; incorporate these and formally submit TAP 7.2 to COTR and CO approval. Formulate possible approaches on how to more efficiently implement legislative aspects of TAP 7.2.

TAP 7.3:

⁸ Universal Access for Competitiveness and Trade is a research and advocacy think-tank of PCCI.

- Receive and address COTR comments on the draft TAP 7.3 proposal; address the comments and formally submit the TAP proposal to for COTR approval. Mobilize the Team to implement this TAP.

Key “Special” and other Technical Activities

This section reports on technical activities supported through the special activities fund (SAF) as well as other technical activities that fall outside of the main seven technical program areas.

The SAF was not accessed this quarter and there are no key special activities to report.

Cross Cutting Components: Gender and Public Private Alliances

Gender:

During the quarter, Ms Jeanne Illo, technical expert on gender for the LINC-EG program continued to conduct reviews of all TAPs developed for submission for COTR approval. She provided gender statement and indicators to five of seven TAPs submitted and provided inputs for weekly, monthly and quarterly reports. Other key activities included:

- In connection with TAP 2.4 and at a meeting of donors and researchers, providing advice on gender equality issues and how they can be addressed not only in the CRC study but also in larger donor activities – such as is being proposed by the World Bank.
- Preparing a gender monitoring matrix for the LINC-EG program resulting in a program gender monitoring exercise and roundtable in connection with TAP 6.1 and TAP 5.1 which has included gender segmenting in the profile of BIR RDO personnel. TAP 6.1 has included important statements of gender mainstreaming and gender equality into ongoing activities including sensitization to Customs personnel and private operators involved in exporting and importing.
- Working with the ODA GAD Network and representing LINC-EG at the SEARCA National Conference on “Imperatives for Poverty Reduction amidst and beyond the Global Economic Crisis” on March 31.

Plans for the Next Quarter:

- Continue Review of TAPs (including sub-grantees) before submission for COTR and CO approvals. Include gender statements where necessary.

- Draft a Briefing Paper on the Gender Dimension of the Global Crisis that the ODA GAD Network will use in its advocacy with the Growth and National Competitiveness Working Group.
- Continue monitoring of ongoing TAPs are performing vis-à-vis their respective Gender Statements.

Public Private Partnership (PPA):

Two initial concept papers on potential GDA arrangements were developed and submitted for COTR comment:

- (i) The first is to build upon the existing network of training centers set up and run by Microsoft Philippines and the Blas F. Ople Policy Center (BFOPC) to provide business development/entrepreneurship trainings for overseas workers and their dependents, and to link these with local government units to create incentives and more streamlined procedures for business registration.
- (ii) The second is a possible GDA with Intel, Philhealth and the Philippine Community e-Center Network (PhilCeCNet), which would explore the use of Community e-Centers to register and extend national health insurance coverage to rural and unserved communities throughout the Philippines. On March 17th, COTR instructed that LINC-EG should not support this project.

Plans for the Next Quarter:

- Follow through with discussions last quarter that included Microsoft, BFOPC, and the COTR. Agree other pre-program development agreements and develop a TAP/GDA under a relevant LINC-EG program area.

SECTION 2 – MAJOR MANAGEMENT & ADMINISTRATIVE EVENTS

The key management and administrative tasks for the quarter covers (i) key day-to-day office administration activities⁹ including negotiations, contracting and mobilization of personnel and (ii) managing the design and submission as well as ongoing implementation of TAPs.

The candidacy of Ms. Rebecca Ongtango, a Grants Management specialist with over 20 years of experience with the Canadian International Development Agency (CIDA,) was submitted for COTR approval on January 22. Ms. Ongtangco was disapproved for insufficient USAID experience and represented the project's third candidate disapproved for the position. A public advertisement for the position was again announced in the newspapers. Toward the end of the quarter, two candidates were shortlisted and are under consideration.

Negotiations with potential as well as contracted consultants and project grantees continued for ongoing as well as TAPs under development and internal LINC-EG processes have been amended to account for this increase in administrative activity. The approval of a grants manager will greatly ease administration and documentation of grants under contract. A bimonthly meeting focused on administration and office management has been instituted, led by the Deputy COP for Manila, and has helped with timely monitoring and processing of day-to-day administrative matters. Box 1 provides a summary of other key management and administrative events during the quarter.

A key management issue yet to be resolved from last quarter concerns reaching agreement with USAID on the managerial staffing needs of program areas 4 (Property Rights) and Infrastructure (7). In the absence of team leaders for these components, management of these program areas was the direct responsibility of the COP, a non-ideal situation from both an effectiveness and contractual obligation standpoint.

Early next quarter, the candidacy of Ms. Cecil Robles for grants manager, interviewed in March, will be submitted for COTR and CO approval. COTR guidance on the contents and publicity from LINC-EG's proposed website and branding, including a project logo, will also be finalized. Previously the COTR disapproved setting up of a regional office in Cagayan de Oro as proposed by DNG. This will be formally requested again early next quarter and has constrained effective

⁹ Includes Mindanao Office where applicable

stakeholder consultations, counterpart buy-in and office support functions for the development of TAPs.

Box 1. Key Program Management Events in the Quarter:

- February: Petition for “acceptable” change of Trade Name to reflect DNG and Nathan Associates drafted and will be filed with the Securities and Exchange Commission (SEC) next quarter.
- February 11-14: Ms. Erin Edean of Nathan Associates Inc. arrives in Manila and holds meetings with USAID Mission Director Jon Lindborg, LINC-EG COTR John Avila and others.
- February: Draft Nathan Associates Personnel Manual detailing key LINC-EG office/corporate procedures, expectations, staff incentives and benefits circulated to staff for comments.
- March 1: An ad was placed to solicit applications for the Grants and SAF Manager. Deadline of application was set on March 13, 2009.
- March 3: First Meeting of Support Staff on team building and process flow to support development and implementation of TAPs.
- March 13 and 18: Respectively, COTR and CO approval received for hiring of assistant and lead specialist on Monitoring and Evaluation. Lead specialist commences work on March 23.
- March 18-19: COP Clarete travels to Cagayan de Oro for stakeholder consultations and management oversight. Meetings held with Governor Moreno to explore the concept and nominations for a project advisory council.
- March 25: IT-support specialist interviewed and will be contracted on as-needed basis.

Administration of Grants and Special Activities Fund (SAF)

There were no activities to report this period. Pending the necessary COTR and CO approvals, the staffing and administrative systems for grants are expected to be in place early next quarter.

Performance Monitoring and Evaluation (M&E)

In addition to support on weekly and monthly reporting during the period, Assistant M&E Specialist Mr. Arlan Brucal worked with Team Leaders to develop and compile indicators as TAPs are developed. A process flow for M&E was included in the last quarterly report. Following COTR instructions the process flow has not been developed into a comprehensive results framework as the M&E Specialist continues to be engaged on the soon-to-be-completed Millennium Challenge Account project administered by USAID/Philippines. In coordination with program area team leaders, a detailed M&E logframe and database will be developed early next quarter and presented for COTR approval. An M&E matrix is included in Annex 1 and presents a summary status of TAPs drafted, developed and under implementation.

SECTION 3 – TIME INPUTS

At the end of the reporting quarter (March 31, 2009), out of a contract budget total of 9,564 person-days, LINC-EG had expended 550.81 person-days, or 5.76% percent.

SECTION 4 – FINANCIAL PERFORMANCE

At the end of the reporting quarter (March 31, 2009), out of a total contract budget ceiling of \$14,403,515.30, total expenditures of \$678,982.26 had been incurred. This amounts to 4.71% percent of total budget ceiling, normal for a start-up quarter and expects to increase substantially next quarter.

ANNEXES

Annex 1. Summary of the Status of TAPs

No.	Short Title	APPROVAL STATUS (date)		TAP PROPOSAL SUBMISSION STATUS (date)				IMPLEMENTATION MECHANISM			MECHANISM APPROVAL STATUS						
		COTR	ORP	Informal	Comment	Formal	Comment	Grant	STTA	P.O.	Grant		STTA		Purchase Order		
											awarded	approved	submitted	approved	submitted	approved	submitted
											COTR	ORP	COTR	ORP	COTR	ORP	
1.1 (a)	Subnational <i>Doing Business</i> with the IFC			2-Mar-09				Y									
1.1 (b)	Support to PCCRP							Y	TBD								
1.2	Mindanao transport competitiveness							Y	Y								
2.1	Investment Climate Improvement Project-5	7-Jan-09	20-Jan-09	10-Nov-08	11-Dec-08	17-Dec-08 18-Dec-08		Y			21-Jan-09	7-Jan-09	20-Jan-09				
2.2	Barriers to Philippines FDI	14-Jan-09	4-Feb-09	7-Jan-09	8-Jan-09	12-Jan-09 13-Jan-09	verbal	Y									
2.3	Phividec	23-Jan-09	6-Feb-09	7-Jan-09	verbal	17-Jan-09 22-Jan-09	verbal		Y					23-Jan-09	6-Feb-09	22-Jan-09	

Annex 2. Performance Monitoring and Evaluation Table

Program Area/ TAP	Project Deliverables	Performance Measures	
		Expected Outcomes	Intended Impacts
Program Area 1. Measuring Factors of Competitiveness			
TAP 1.1: Subnational <i>Doing Business</i> with the IFC	To be determined as TAP design is finalized, approved and implementation begins. ¹⁰	To be determined	To be determined
TAP 1.1(b) Support to Philippine Cities Competitiveness Ranking Project (PCCRP)	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined
TAP 1.2: Transportation constraints and competitiveness in Mindanao	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined

¹⁰ A TAP is under implementation and performance measures defined after the instrument(s) of implementation (i.e. STTA, Grant or PO) has been approved by USAID.

Program Area/ TAP	Project Deliverables	Performance Measures	
		Expected Outcomes	Intended Impacts
Program Area 2. Supporting the Competitiveness Policy Agenda			
TAP 2.1: Grant to AmCham - Investment Climate Improvement Project	<ol style="list-style-type: none"> 1. Briefing Notes on current issues (1 per quarter for a total of 4 briefing notes over the life of the grant) 2. Briefing Note on Effects of Global Fin. Crises on Philippine FDI inflow 3. Letter to JFC Membership re: IRRs under Anti-Red Tape Law 4. Worst Red Tape Survey 5. Major Investment Forum 6. Report on the Status of JFC Priority Projects 7. TOR for Investment Roadmap 8. Coordination with AmDesk BOI, NCC, PDF, JFC, DOF-lead PORTAL 9. Materials developed 10. News Clippings/ Investment Climate Monitoring 	No significant development occurred during the period as LINC-EG restructures the M&E Framework of ICIP	No significant development occurred during the period as LINC-EG structures the M&E Framework of ICIP
TAP 2.2: Formulating Policy Reforms to Address Barriers to the Entry of Investments into the Philippines	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined

Program Area/ TAP	Project Deliverables	Performance Measures	
		Expected Outcomes	Intended Impacts
TAP 2.3: Enhancing the competitiveness and capacity of the Philippine Veterans Investment and Development Corporation (Phividec) Industrial Authority(PIA) to administer and attract investments	<ol style="list-style-type: none"> 1. report validating the legal basis and extent of PIA's power to issue regulatory permits and licenses 2. draft Implementing Rules and Regulations that would provide clear and transparent guidelines for PIA's exercise to issue permits and licenses 3. cost-benefit and such other necessary analysis of PIA's financial and operational positions 4. valuation study providing an updated value of the entire Phividec industrial estate in Misamis Oriental and recommended lease rate of real estate parcels in the estate 5. Draft agreements, templates or other documents as may be necessary to: <ul style="list-style-type: none"> o Execute an agreement with PEZA that will recognize the PIA economic zone as a PEZA zone, o Obtain the formal support of other local stakeholders, such as, particularly, local government units that may be affected by the location of new investments into the PIA economic zone. 	No significant development occurred during the period as TAP implementation is at an early stage.	No significant development occurred during the period as TAP implementation is at an early stage.
TAP 2.4: Analysis of the impact of the global financial crisis on the Philippine economy	<ol style="list-style-type: none"> 1. An interim study on the impact of the financial crisis and global economic slowdown on the Philippines and in turn improve GRP policy and decision making. 2. Proceedings, presentations and other materials of the policy forum involving the country's major export industries and LGU officials (i.e. governors, selected mayors and mayors of major cities all over the country). 3. Revised study incorporating the inputs coming from the policy forum. 4. A final report of the completed technical assistance. 	No significant development occurred during the period as TAP implementation is at an early stage.	No significant development occurred during the period as TAP implementation is at an early stage.

Program Area/ TAP	Project Deliverables	Performance Measures	
		Expected Outcomes	Intended Impacts
Program Area 3. Streamlining Business Permitting and Licensing			
TAP 3.1. Obtaining a local validation of the urgency for the one-stop capability enhancement for business start-up through NERBAC	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined
TAP 3.2. Streamlining business permitting and licensing in Cagayan de Oro City	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined
Program Area 4. Improving Property Rights and Land Use			
TAP 4.1. Completing the Digital Land Title Registry in Cebu City - an improved verification process	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined
TAP 4.2. Supporting the enactment of Free Patent Act	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined

Program Area/ TAP	Project Deliverables	Performance Measures	
		Expected Outcomes	Intended Impacts
Program Area 5. Improving Income Tax Collection Efficiency and Reducing Tax Leakages			
TAP 5.1. A diagnostic to determine the key issues and priorities for tax administration reform to improve tax revenue collection efficiency and reduce tax leakages at the BIR Revenue Regions and Revenue District Offices in Mindanao	<ol style="list-style-type: none"> 1. Diagnostic assessment of the revenue capacity and revenue effort of the BIR RR/RDOs. 2. Baseline statistics on the revenue capacity and effort to set appropriate performance monitoring targets for this TAP in so far as improving revenue capacity. 3. Actionable recommendations on areas for LINC-EG supported reform initiatives. 	No significant development occurred during the period as TAP implementation is at an early stage.	No significant development occurred during the period as TAP implementation is at an early stage.
TAP 5.2. Data Validation of the Internal Revenue Allotment (IRA) Module for Electronic Lump-Sum Appropriation's Management Program (eLAMP) and Launch of the eLAMP System	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined
Program Area 6. Improving Trade Facilitation and Customs Administration			
TAP 6.1. Philippine accession to the Revised Kyoto Convention (RKC)	<ol style="list-style-type: none"> 1. Draft Revised Instrument of Accession (with additional reservations) 2. Draft Committee Report for Senate Committee on Foreign Relations 3. Draft Sponsorship Speech for Senate concurrence to the Instrument of Accession 4. Primer/Frequently Asked Questions on the Philippine Accession to the Revised Kyoto Convention 5. Briefings to selected Senators and their staff 6. Staff support to the Chairman, Senate Committee on Foreign Relations during period of interpellation and the period of amendments 7. Round Table Discussion on the Impact of RKC accession on women 8. Periodic and final reports 	No significant development occurred during the period as TAP implementation is at an early stage.	No significant development occurred during the period as TAP implementation is at an early stage.

Program Area/ TAP	Project Deliverables	Performance Measures	
		Expected Outcomes	Intended Impacts
TAP 6.2. A diagnostic to determine the key issues and priorities for the implementation of trade facilitation reforms at the District Ports of the Bureau of Customs	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined
TAP 6.3. Anti Smuggling Coalition (A Global Development Alliance)	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined
TAP 6.4. Standardization of Export Clearance Procedures.	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined
Program Area 7. Expanding Infrastructure			
TAP 7.1. Infrastructure Diagnostics and Strategy	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined
TAP 7.2. Improved Planning, Monitoring, and Audit for Infrastructure Project Implementation	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined
TAP 7.3. Increasing air access to regional gateways: Clark and Davao	To be determined as TAP design is finalized, approved and implementation begins.	To be determined	To be determined

Annex 3. LINC-EG Expenditure Pipeline

Cost Element	Contract Budget	Actual		Projected		Sept 30, 2009 Cumulative	25% time elapsed % used
		Reporting Period					
		Oct to Dec 2008	Jan to Mar 2009	Apr - Jun 2009	Jul - Sep 2009		
1 Labor	5,180,994.14	128,170.66	305,313.89	269,000.00	295,532.00	998,016.55	19.3%
General Project Technical Labor	4,532,212.59	128,170.66	305,313.89	269,000.00	295,532.00	998,016.55	22.0%
Expat Labor	736,332.97	75,289.58	79,298.25	80,000.00	80,000.00	314,587.83	42.7%
CCN Labor	3,795,879.62	52,881.08	226,015.64	189,000.00	215,532.00	683,428.72	18.0%
SAF Funded labor	648,781.55	-	-	-	-	-	0.0%
Expat Labor	248,033.03	-	-	-	-	-	0.0%
CCN Labor	400,748.52	-	-	-	-	-	0.0%
2 Travel, Transportation and Per Diem	655,858.93	21,960.24	7,471.17	56,597.92	50,512.92	136,542.25	20.8%
International Travel	92,272.74	11,209.23		8,940.00	2,980.00	23,129.23	25.1%
Local/Regional Travel	69,319.30	1,110.50	1,162.40	13,187.42	13,187.42	28,647.74	41.3%
International Per Diem	52,644.50	8,266.25		9,256.00	9,131.00	26,653.25	50.6%
Local/Regional Per Diem	429,285.00	822.71	4,847.76	24,532.50	24,532.50	54,735.47	12.8%
Other travel related costs	12,337.39	551.55	1,461.01	682.00	682.00	3,376.56	27.4%
3 Allowances	171,386.98	2,554.85	33,688.90	14,087.50	14,087.50	64,418.75	37.6%
4 Furniture and Equipment	93,669.50	3,320.21	9,130.42	33,266.50	1,000.00	46,717.13	49.9%
Office Furniture	6,058.50		240.74	6,058.50		6,299.24	104.0%
Office Equipment	10,561.00	1,492.61	84.71	10,933.00	1,000.00	13,510.32	127.9%
Computers	34,550.00	1,827.60	8,804.97	16,275.00		26,907.57	77.9%
Vehicles	42,500.00					-	0.0%
5 Other Direct Costs	1,827,885.64	57,242.07	78,362.36	96,595.83	90,263.92	322,464.18	17.6%
Local Office Costs - Manila	1,022,048.37	45,956.49	73,467.10	50,000.00	50,000.00	219,423.59	21.5%
Local Office Costs - Cagayan de Oro	406,628.76			22,387.14	16,055.23	38,442.37	9.5%
Local Office Costs - Zamboanga	52,601.78					-	0.0%
Local Office Costs - Davao City	52,601.78					-	0.0%
Other direct program costs	257,899.15	11,285.58		21,176.09	21,176.09	53,637.77	20.8%
Home Office Costs	36,105.80		4,895.26	3,032.60	3,032.60	10,960.46	30.4%
6 General & Admin - 8.5% x Table Ref 2* thru 7	722,501.66	7,231.58	12,000.96	85,241.08	59,048.91	163,522.53	22.6%
7 Grants (2,4000,000) & SAF (3,351,218.45)	5,751,218.45	-	12,534.96	133,731.00	75,700.00	221,965.96	3.9%
TOTAL (U.S.\$)	14,403,515.30	220,479.61	458,502.66	688,519.83	586,145.24	1,953,647.34	13.6%