

11.5 National Government Assisted Level I Water Supply and Sanitation Project

Of the overall project requirements for the medium-term development, those for Level I water supply and sanitation improvement with possible assistance from the GOP were studied in application of new cost-sharing arrangement. In 1997, the six provinces in the Luzon area (after completion of PW4SP) jointly submitted the project proposal, as a package of OECF assisted loan, to the NEDA through the DILG for the limited sub-sectors under the above

11.5.1 Project Components

(1) Water Supply and Sanitation Component

There are four (4) eligible municipalities (Cabanglasan, Dangcagan, Kadingilan and Sumilao) which are considered 5th and 6th class municipalities for GOP-assisted Level I rural water supply in the province. The Level I facilities for the municipality consist of 11 deep wells, 2 shallow wells and 5 spring development.

There are fifteen (15) municipalities to meet the condition for GOP-assisted projects (limited to 3rd to 6th municipalities) in the sanitation sub-sector. The sanitation component comprises 23,218 units of toilet bowls (pour flush type only) for the households by distributing toilet molds, 3 public toilets and 171 school toilets to the rural communities. With the integration of sanitation in the water supply projects, equal emphasis shall be given to sanitation component to ensure a greater health impact in the rural communities. School toilets will be constructed for public schools in the rural areas, while public toilets will be constructed at public markets and bus terminals in urban areas. Health consciousness among the rural people will also be bolstered with the provision of health education training, and IEC materials.

(2) Equipment/Commodity Assistance

Due to budgetary constraint and cost-sharing arrangement required (heavy burden to the LGUs), the provision of drilling machine and its service truck is excluded in the medium-term plan (to be considered for long-term plan). While each one unit of service vehicle and well rehabilitation equipment is considered. In addition, maintenance tool and water quality testing kits are to be procured and one unit will be provided to each municipality to maintain the facilities.

(3) Consultancy Services

Considering the magnitude and complexity of the project, consulting services and technical assistance may be availed to strengthen the executing and implementing agencies' capabilities in undertaking the project. The services will cover technical and institutional/community development aspects of the project.

During the detailed design stage, the services will cover hydrogeological survey, finalization of well/spring construction sites based on site selection criteria to be developed, and preparation of bidding documents. Guidelines and training program for strengthening the capability of implementing agencies and NGOs will be prepared and carried out. The construction stage will include assistance to LGUs in the supervision of construction works, community organizing and training works.

(4) Institutional Development

The project entails community development with people's active participation to assure the responsibility for O&M of the facilities and strengthening of existing institution/organization and/or formation of new ones. Thus, various activities will be undertaken from national to beneficiary levels. A sufficient cost for the purpose will be taken into account.

11.5.2 Project Requirements

The province will manifest its willingness to participate in the project entailing timely arrangements to meet NEDA requirements. These requirements are (1) RDC Endorsement, (2) ECC clearance and (3) Letter of Commitment. Water right permit from the National Water Resources Board will be fulfilled after site selection and preparatory works have been undertaken. In addition, Memorandum of Agreement (MOA) on the cost-sharing and other arrangements required for the project will be exchanged between the province and concerned municipalities.

11.5.3 Funding Requirements

(1) New Cost Sharing Policy

The project finance was studied in accordance with the 50%-50% cost sharing arrangement (50% is an average municipality's share among concerned municipalities) between

the GOP and the LGUs. Financial sharing among the province, municipality and barangay shall then be clarified based on the estimated cost requirements through MOA.

The new policy of the national government grants for devolved activities stated that "this scheme shall be applied to all new ODA-assisted projects that are currently being packaged in support of LGUs". With regard to this, 50% national government share will be applied for Level I water supply and even 70% of NG share for 5th and 6th classes of municipalities for sanitation component (refer to Table 11.5.1).

Table 11.5.1 New Cost-Sharing Arrangement between NG and LGUs

Sector/Activity	LGU Income Class	Devised NG Share	Remarks
Water Supply: Level I only	1 st to 4 th	0	No GOP grants for Level II & III water
	5 th to 6 th	50	
Sanitary Support Faci. for Public Markets and Slaughterhouses	1 st to 2 nd	0	
	3 rd and 4 th	50	
	5 th and 6 th	70	

(2) Financial Viability

1) Conditions and Assumptions for Financial Study

- The cost-sharing between the GOP and LGUs is 50% : 50% of the overall project cost. While, it is assumed that the 50% share of LGU is further allocated to the LGUs and beneficiaries with 47% and 3% to the overall cost, respectively.
- The financial sources of the national government are the loan from foreign donor and GOP counterpart budget, and LGUs from the budget of the province and municipalities. The cost-sharing part by beneficiaries is equity contribution including land, material purchase cost, right of way, labor, etc.
- The O&M cost is managed by the beneficiaries.

2) Project Cost

The cost estimate was made based on 1997 price level in Chapter 10. Then, physical and price contingencies as well as value-added tax were added. The project cost for the concerned municipalities in line with above conditions/assumptions is shown in Table 11.5.2. Overall aggregate cost for the implementation period of 1999 - 2003 amounted to about ₱142 million (₱100 million in 1997 price level) referring to the implementation schedule of the project.

Table 11.5.2 GOP-Assisted Level I Water Supply and Sanitation Project Cost

(Unit: Peso)

Category	Qty.	Unit Cost	Amount	GOP		LGU
				Foreign Loan	GOP/CP	
A. Const. & Civil Works						
Water Supply						
1. Deep Well (40m)	0	263,700	0			
2. Deep Well (80m)	11	449,100	4,940,100			
3. Deep Well (120m)	0	626,000	0			
4. Shallow Well	2	60,900	121,800			
5. Spring Development	5	670,300	3,351,500			
Sub-total a			8,413,400	3,154,713		5,258,687
Sanitation						
1. HH Latrines	23,218	700	16,252,600			
2. School Toilets	171	274,100	46,871,100			
3. Public Toilets	3	344,100	1,032,300			
Sub-total b			64,156,000	24,056,125		40,099,875
Land acquisition						
Land acquisition & Right of Way			115,000			115,000
Sub-total A			72,684,400	27,210,838		45,473,562
B. Equip./Logistic Support						
1. Support Vehicle	1	590,000	590,000	590,000		
2. Well Rehab. Eqt.	1	280,000	280,000	280,000		
3. Maintenance Tools	4	10,000	40,000	40,000		
4. Water Quality Test Kits	4	15,300	61,200	61,200		
Sub-total B			971,200	971,200		
C. Consultancy Services						
1. Hydrogeological Survey			1,148,000	1,148,000		
2. D/D and Const. Sv.			7,995,284	7,995,284		
Sub-total C			9,143,284	9,143,284		
D. Instiitutional Devt.						
1. Capacity Enhanc. Prog.	L.S.		3,200,000	2,650,000	550,000	
2. Commu. Manag. Prog.	272	10,770	2,929,440	984,292	1,945,148	
3. Health & Hygiene Educ.	272	1,800	489,600		489,600	
4. Water Quality Surveil.	4	700	2,800		2,800	
5. NGO Assistance	272	1,200	326,400		326,400	
6. Administrative Support	L.S.		1,200,000		1,200,000	
Sub-total D			8,148,240	3,634,292	4,513,948	
E. Physical Contingency						
			9,094,712	4,095,961	451,395	4,547,356
Total (A+B+C+D+E)			100,041,836	45,055,575	4,965,343	50,020,918
GOP Total					50,020,918	
LGUs						47,019,663
Equity						3,001,255
LGUs + Equity						50,020,918
F. Others						
1. Price Contingency			38,264,903	18,142,344	1,817,098	18,305,461
2. Value Added Tax (VAT)			3,732,532		3,732,532	
Sub-total F			41,997,435	18,142,344	5,549,630	18,305,461
Grand Total			142,039,272	63,197,920	10,514,973	68,326,379

Note: (1) Equity of users includes land cost, right of way, labor, etc., equivalent to 3% of direct cost (excluding item F).

(2) N.A.: Not applicable

(3) Assumption/Conditions for Cost estimate

1) Direct cost: based on 1997 price level.

2) Physical contingency: 10% of materials procured.

3) Price contingency: Forex 3%; local 7%; compounded annually, base year 1997

4) Value added tax; 10% materials produced.

3) Financial Arrangement

The two alternatives for the financial arrangements are studied to prepare the required cost which is to be shared among concerned parties: i) Utilization of IRA only and ii) Utilization of IRA and MDF.

Case 1: Utilization of IRA fund only

Currently, there is no projection on drastic increase of LGUs' budget through the future. Under such a condition, the following are considered.

- Potential fund is the IRA annually allotted from the GOP to municipalities and from province to municipalities. Municipal tax is negligible to be considered in the allocation to the sector. The total municipal budget available was projected by sub-sector in Section 11.3.
- Arrangements by the municipalities with MDF and banks are disregarded considering the current financial capability of the municipalities.
- 5-year development program (from 1999 to 2003) is applied to increase project funds using the available IRA.

Applying the cost-sharing arrangement, the IRA available was estimated for the eligible municipalities in provision of national government grant fund based on the following conditions.

- a) The available fund of sub-sectors is a sum of municipal and provincial allotments of IRA.
- b) For the water supply sub-sector, IRA to municipalities with income classification of 5th and 6th classes is counted. The IRA allotted to the province is divided into two groups; classes 1st to 4th and 5th & 6th in proportion to the construction cost required. The provincial IRA for the eligible municipalities is considered for this project.
- c) For sanitation sub-sector, IRA to the eligible municipalities is regarded as available fund. The manner of allocation of provincial IRA to the eligible municipalities is same as that in water supply sub-sector.

The total IRA of the province available for the eligible municipalities in the subject sector was estimated at ₱67.929 million as a total of 5-year development program, consisting of water supply; ₱17.169 million and sanitation, ₱50.761 million (details are included in Table 11.5.1, 11.5.2 and 11.5.3, Supporting Report). The estimated IRA available is shown below:

<u>Sub-sector</u>	<u>Provincial IRA</u>	<u>Municipal IRA</u>	<u>Total</u>
Rural Water Supply	5,952,000	11,218,000	17,169,000
Rural Sanitation:	13,349,000	22,650,000	35,999,000
Urban Sanitation:	5,471,000	9,290,000	14,761,000
Total:	24,772,000	43,158,000	67,929,000

The cost comparison was made between the estimated project cost to be shared by the LGUs and available IRA of LGUs. Both the required cost and IRA are based on 1997 year price level without considering price escalation, but including physical contingency.

The comparison shows that the projected available IRA, as the provincial total aggregated in assumption of 5-years development programs, does not meet the cost to be shared by the respective LGUs. Table 11.5.3 shows the cost sharing for the project among the GOP, LGUs and beneficiaries (BWSAs).

The GOP shall shoulder 50% of the overall project cost, utilizing the foreign-assisted loan of 45% or ₱45.1 million and 5% or ₱5.0 million of the government counterpart fund. The remaining 50% of the overall cost shall be shared between the LGUs with share of 47% or ₱47.0 million and BWSAs (beneficiaries) to contribute 3% or ₱3.0 million.

Table 11.5.3 Cost-Sharing for the Project (Case 1): In 1997 price level

Financial Source	x 1,000 Peso	Percentage		Remarks
GOP	4,965	5	50	GOP counterpart
	45,056	45		Foreign Loan
LGUs	47,020	47	50	IRA
	3,001	3		BWSA equity
Total	100,042	100		

Under Case 1, the IRA to be used by the LGU is about 70% of the available IRA (₱25.6 million).

Case 2: Utilization of IRA and MDF

The utilization of the MDF is considered in case that the LGUs will fail to furnish IRA for the cost to be shared (even if estimated IRA available meets the required cost to be shared by the LGUs). The foreign loan may be availed of at the maximum financing limit of 75% of the overall project cost.

Thus, the GOP shall possibly support the LGUs through the MDF in case that manageable IRA will not be able to fill up the cost requirement of the project. Table 11.5.4 shows the cost sharing scheme for the project between the GOP and the LGUs.

Under this case, the IRA to be used by the LGU is about 25% of the available IRA estimated in the previous study (₱67.9 million).

Table 11.5.4 Cost Sharing for the Project (Case 2)

Financial Source	x 1,000 Peso	Percentage			Remarks
GOP	4,965	5	5	50	GOP counterpart
	45,056	45			Foreign Loan
	(30,013)	(30)	75		Foreign Loan for MDF
LGUs	17,007	17		50	IRA
	30,013	30	47		MDF through Foreign Loan
	3,001	3	3		BWSA Equity
Total	100,042	100			

GOP can possibly finance up to ₱75.1 million or 75% of the total project cost in the form of a loan. Out of the GOP finance through the loan, ₱45.1 million or 45% of the total project cost shall be granted to the LGUs, aside from the 5% GOP counterpart fund. The remaining ₱30.0 million or 30% of the total project cost shall be utilized for financing the LGUs to secure their budgetary capacity through MDF.

4) Project Implementation Schedule

The proposed implementation of the project is scheduled for five years after hiring the consultants. Figure 11.5.1 presents the proposed schedule.

Figure 11.5.1 Proposed Project Implementation Schedule

Activities	1999				2000				2001				2002				2003							
	1st	2n	3rd	4th	1st	2n	3rd	4th	1st	2n	3rd	4th	1st	2n	3rd	4th	1st	2n	3rd	4th				
Project Implementation																								
1. Detailed Design	█																							
2. Community Development/ BWSA Formation					█																			
3. PQ, Bidding and Contractor Selection			█																					
4. Procurement and Delivery of Materials and Equipment					█																			
5. Construction of Water Supply and Sanitation Facilities (Construction supervisory services)									█															
Project Monitoring									█															

11.6 Cost Recovery

Cost recovery and cost sharing are essential to attain the planned targets. The PW4SP advocates the imposition of tariffs for the recovery of capital and operating cost based on the principle that adequate water, sewerage and sanitation facilities should be paid for.

(1) Level I water supply systems

For Level I systems, cost sharing between the LGUs and beneficiaries is required for the capital costs, even the portion of the beneficiaries is limited according to the current national policy. Currently, the percentage shared by the beneficiaries seems to be 3 to 5% of total requirements based on the experience.

Beneficiaries are also responsible for all recurrent costs. Monthly recurrent cost is estimated at about 8 Pesos per household in the base year price level (refer to recurrent cost in Chapter 10). The figure will be increased up to about 12 Pesos per household in the year 2003, assuming an annual inflation rate of 7%. This monthly fee seems to be affordable to the users considering the current income level (refer to affordability in Chapter 6), but willingness to pay shall be promoted.

Depending on the users' income level, water charges shall be determined and agreed upon among the water users. The estimated water charge for O&M cost is ₱8 per house-

hold per month, which is less than 1% of the median monthly household income of ₱3,686. However, the users will have to pay water charge of up to 2% of their monthly income or ₱74 /household/month to manage not only for repair of hand-pump, but also rehabilitation and reconstruction of deep well, assuming that well life is 20 years.

(2) Level II water supply systems

Full cost recovery is required for all capital costs for Level II systems. The number of households to be covered is 7,275 to meet the target (refer to Table 8.5.1; population to be served of 39,139 people and household size of 5.38 persons). The average capital cost to be paid is estimated at ₱9,300 per household (refer to Chapter 10 Main Report and Supporting Report). Applying the capital recovery factor to the capital costs with conditions of 7% interest rate and 25 years repayment period, monthly payment amounts to about ₱67 per household.

The annual recurrent cost per household is estimated to be ₱180 (₱15/household/month) in the base year (refer to Chapter 10). It will reach to about ₱22.5 in the year 2003 at an annual inflation rate of 7%. Thus, the total amount of repayment and recurrent cost in the year 2003 is about ₱90, which is about 2% of the family income as shown below.

(a) Estimated water rate (flat rate; Pesos)	:	90.00
(b) Percentage of (a) to monthly median household income in 2003 ¹⁾	:	1.6%
(c) Percentage of (a) to monthly low household income in 2003 ²⁾	:	1.4%

Notes:

- 1) Provincial average monthly median income in 2003 (₱5,531 per household) is derived from 1994 Family Income and Expenditure Survey considering annual inflation rate of 7%. The monthly median income in 1997 is ₱3,686.
- 2) Provincial average monthly low income in 2003 (₱6,689 per household) is estimated using the NSO data. The monthly low income in 1998 is ₱4,457.

(3) Level III water supply systems

A full recovery of capital and operation & maintenance cost is required for Level III systems. To test the affordability, a comparative study was made between estimated water rate (based on standard monthly consumption; 15m³ per household) and projected income in year 2003. Total capital cost of Level III water supply system is ₱188.51 million for 10,068 households to be served. Assuming an annual inflation rate of 7% and 25 years repayment period, the annual capital cost to be paid is about ₱1,607 per household. The monthly capital cost to be paid by each household is about ₱134.

The monthly recurrent cost per household is estimated to be ₱58 (₱221/ year; refer to recurrent cost in Chapter 10 where operating cost is ₱17.041 million in base year for 34,468 households). Using an annual inflation rate of 7%, this recurrent cost is projected to be about ₱87 per household in the year 2003.

The combined amount of capital repayment and recurrent cost in the year 2003 is ₱221/ household/month. The cost shall be recovered as a monthly water charge to be paid by users. The percentage of the water rate against income with more or less 5% is commonly affordable.

(a) Estimated water rate for 15 m ³ (Pesos) ¹⁾	: 221
(b) Estimated minimum water rate (1-10 m ³) (Pesos) ²⁾	: 147
(c) Percentage of (a) to monthly median household income in 2003	: 4.0%
(d) Percentage of (a) to monthly low household income in 2003 ³⁾	: 4.7%
(e) Percentage of (b) to monthly low household income in 2003	: 3.1%

Notes:

- 1) Water rate for the HH with monthly consumption rate of 10m³ is estimated under the same assumption of a).
- 2) Monthly median household income is ₱5,531
- 3) Monthly low household income is assumed at 80% of median household income or ₱4,701 due to non-availability of data.

(4) Sanitation

The provision of sanitary toilet facilities for public markets and schools is under LGUs in coordination with parent-teacher association. However, recurrent cost for the public markets shall be collected from the users including stakeholders of the market.

Household toilet shall be managed by individual household. However, the facility is costly with reference to the current income level, especially in the rural area (flush-type toilet; ₱21,300 and pour-flush toilet; ₱13,000). Governmental support is also limited to the provision of toilet bowl for pour-flush toilets as an incentive to increase the distribution of water-sealed toilets. Thus, cost recovery by loan application shall be considered.

Applying the capital recovery factor to the construction cost with assumptions of 7% interest rate and 5 years repayment period, monthly repayment amounts to about ₱468 for a flush type and ₱286 for a pour-flush type, respectively (details of unit cost are referred to in Chapter 10, Supporting Report). The percentages of repayment to household income in the year 2003 are calculated in the same manner as the study for Level III water systems and are shown below.

(a) Repayment for Flush Type (Pesos)	:	468
(b) Repayment for Pour Flush Type (Pesos)	:	286
(c) Percentage of (a) to monthly median household income in 2003 ¹⁾	:	8.5%
(d) Percentage of (b) to monthly low household income in 2003	:	6.1%

To expedite the sanitation sector improvement, introduction of specific loans that are revolving in character with low interest rates and longer repayment period may be an effective solution. For urban sanitation, the linkage with existing housing loan shall be established to cover construction of sanitary toilets.

Chapter
MONITORING FOR
MEDIUM-TERM DEVELOPMENT PLAN

12



12. MONITORING FOR MEDIUM-TERM DEVELOPMENT PLAN

12.1 General

Many of the systems constructed earlier have operated in a limited way because of the insufficient monitoring and post-construction technical support, aside from the problems in promotion of self-reliance and local community management. This Chapter seeks to recommend a focused, practical, viable, creative approach to strengthening sector and project monitoring. The development of a coordinated monitoring system is one of the key components of an effective management system.

Sector monitoring refers to the overall water and sanitation situation in the province. One may readily use a demand-supply model for sector monitoring. Demand would be indicated by such indicators as coverage, health conditions, etc. Supply would be indicated by the water resources situation, by the available funding, or by water/sanitation associations organized to undertake sector activities. Project monitoring, on the other hand, looks at the progress of specific activities or projects. Indicators would thus include; disbursements, percent completion, cost overruns (under-runs), etc.

12.2 Sector Monitoring

- (1) The monitoring system must support a well-defined and accepted sector development process-model. There are four general aspects of sector monitoring which will be addressed:
 - 1) Information collection: Defining the information needs of the LGUs from various levels; reviewing current, readily-available sector information, including its reliability and timeliness; identifying the information gaps and deficiencies of the information system; data consolidation and processing.
 - 2) Tracing the flow of raw data from the field (or other related monitoring systems) to the central level. Identifying possible causes of distortions, inconsistencies or blocks.
 - 3) Information analysis: Assessing the quality of information; reviewing the analyses done.
 - 4) Data feedback: Reviewing the impact of information on planning and decision making at the policy level, the resource allocation level and the operating level; tracing the flow of data back to the field.

- (2) Sector performance deficiencies demand that serious thought be given to innovations to reduce costs in achieving the provincial sector plan. With the monitoring system, the sector should be able to take a fresh and objective view of the way to meet current strategies. For example, does community management of systems really work? Do low-cost technologies make sense? Under what conditions and how? How can the target be achieved for low-income communities? A sector monitoring system should be flexible to support planning and research studies on such specific policy and operational issues.
- (3) In putting together a relevant sector monitoring system, the following should be seriously looked into:
 - 1) It should reinforce the linkage between water, sanitation and health. This implies that coverage should be measured for availability of both water and sanitation for a household. It should not be monitored separately, i.e., a household can thus be categorized as having both water and sanitation, water only, sanitation only or none of either. At later stages, health practices can be included in the monitoring.
 - 2) It should be reliable and involve the beneficiaries. This mechanism could provide the data quality control, which is missing in existing systems. Distortion of information may occur when implementors are the monitors. The barangay will be the basic data capture level.
 - 3) Monitoring will succeed only with interagency support, particularly in the initial stages. It should be accepted by all sector agencies. A unified set of figures and indicators will greatly help in planning.
 - 4) It should be practical and implementable. It should start with the current monitoring capacity situation and move up with a clear vision of what the monitoring system should be. This implies phasing and gradual expansion and strengthening of the system and training of staff.
 - 5) The system should be followed through with effective feedback. It should develop creative ways of providing feedback to the field. The current way in which data is processed is towards consolidation. The field sources' only feedback is, for example, national coverage figures. In the course of consolidation, opportunities for specific feedback useful to project implementors on performance are lost.
- (4) Regarding sector development indicators, some important indicators will be more difficult to collect because the sector is not ready to gather them. The LGUs will group indicators into phases based on availability of data and/or ease with which such information can be collected with improved systems. A review of the objectives set for the sector almost exclusively shows a focus on coverage. It is important to get sector objectives

stated beyond coverage terms in order to encourage use of additional indicators. Based on past experience, requiring too much information leads to start-up difficulties. A three-phase build-up meeting sector requirements is outlined in the following sections:

1) Phase 1 Indicators

- Access to both adequate water and sanitation
- Water and sanitation associations duly organized to undertake sector activities
- Water and sanitation facilities in schools
- Capital development costs
- Sources of capital development funds
- Incidence of diarrhea
- Water availability and water quality maps
- Unit cost (per capita or per facility)

2) Phase 2 Indicators

- Household hygiene habits and practices
- Water stored in house covered? food covered? grounds free of faeces, garbage, wastewater cesspools? animals in the house? mother's and children's hands clean?
- Existence of barangay spot maps and facilities ledger cards
- Existence of O&M arrangements
- Current costs to households and willingness to pay for improved service

3) Phase 3 Indicators

- O&M Costs
- Financial efficiency and stability indicators
- Institutional development indicators
- Low-income groups benefiting from improvements

(5) NEDA has issued a Board Resolution in 1995 providing a practical definition of terms for planning and monitoring. The definitions were arrived at after exhaustive discussions and consensus with the implementing agencies.

(6) Recommended institutional responsibilities for sector monitoring: Monitoring is best left to parties not directly involved in delivery of the services. The best monitors are the community members themselves since accurate monitoring reports are in their best

interest. At the data capture level, the PHO structure, with its midwives and BHW volunteers, is in the best position to take the lead in data gathering.

- 1) Provincial Level: The PPDO, through its Research and Evaluation Division, will play the lead role in organizing the field data collection effort in coordination with the field offices of national agencies, NGOs and the water districts. The Monitoring Specialist, with the PST/PWSO, will assist the PPDO.
 - 2) Municipal Level: The Municipal Development Coordinator has the mandate of monitoring all development activities in the municipality. The municipal sector liaison will therefore coordinate the preparation of the reports with the MPDO, supported by PHO and NGOs, as needed.
 - 3) Barangay Level: There are several institutional options for leading the monitoring at the barangay level, such as the barangay health stations, the barangay council, etc. The municipal liaison will take the lead in establishing the barangay monitoring responsibilities.
- (7) Computerization of the system can come at later stages. This should be gradually phased in as the sector agencies strengthen their monitoring mode. This will also discourage a ground swell of requests for computer hardware. Computer facilities are available at the provincial level.
- (8) A new sector database program has been designed and currently under review. A Sector Database Center has been established within the DILG-PMO. The system has been successfully piloted in three provinces and replication in other priority provinces will begin shortly.

12.3 Project Monitoring

Project Monitoring Committees (PMCs) exist at the provincial and municipal levels tasked with the monitoring of local government projects funded from national and local government funds.

- (1) Scope and coverage: At the provincial level, monitoring includes projects classified under any of the following:
 - 1) foreign and nationally-funded projects which are implemented or located in two or several municipalities in the province;

- 2) other projects implemented and managed at the provincial level with funding generated from provincial sources.
- (2) Organization of Project Monitoring Committee (PMC): The PMC established in each province is composed of representatives from different organizations, from NGOs, the administration, the ruling party and the opposition. From these representatives, the Provincial Governor selects the chairman and the others as members. The Provincial Planning and Development Office can be delegated to serve as the Secretariat and the PMC manages with the assistance of the non-government organizations in the monitoring and validation of project implementation.
- (3) Responsibilities: The specific rules and responsibilities of the various units in the implementation of the monitoring system are as follows:

The Project Monitoring Committee :

- 1) Provides the list and schedule of all projects to be monitored to the NGOs involved in monitoring;
- 2) Collects and processes reports of implementors; NGOs monitor the status of project implementation for the information of the development council and next higher level project monitoring committee;
- 3) Pinpoint problems and verify information to be submitted for analysis and action of the development council;
- 4) Provide feedback on the remedial actions of the development council and follow-up their implementation;
- 5) Prepare and disseminate periodic project monitoring report on the status of project implementation; and
- 6) Elevate to higher level bodies problems/issues which are not resolved at their level.

The PMC Secretariat:

- 1) Prepare the monitoring program to be undertaken by the PMC during any given fiscal year, which will include, among others, the lists of projects and schedule of implementation based on submission of implementing agencies;
- 2) Provide chief executives with information on the projects to be monitored by the local PMC's;
- 3) Facilitate inter-agency, inter-governmental and field headquarters coordination whenever necessary.

The Project Implementors:

- 1) Submit periodic reports to the monitoring committee on the status of project implementation base on suggested reporting forms;
- 2) Provide authorized monitors assistance in getting access to more detailed information on project implementation (e.g. detailed work program);
- 3) Submit to next higher level office of line agency reports on status of implementation;
- 4) Implement/institute remedial measures on problems/issues identified as suggested by the development council.

(4) Process Flow

- 1) The PMC secretariat provides the NGOs with the monitoring plan, containing information on projects to be implemented at the provincial level;
- 2) PMC prepares its monitoring program for the calendar year;
- 3) Project implementors undertake projects, prepare and submit status reports on project implementation to the PMC;
- 4) NGOs project exception reports are submitted to the PMC, with copy furnished the project implementors;
- 5) PMC assesses reports of implementors and NGOs and conducts project visits of projects identified in the monitoring work program;
- 6) PMC processes reports of various implementors and provides the provincial development council with a consolidated report on status of project implementation in the province;
- 7) PMC evaluates problems, recommends solutions during its regular or special meetings, and refers same to the Provincial Development Council for appropriate action;
- 8) PDC assesses reports and takes proper action (problem solving, referral to appropriate agencies/council);
- 9) Implementors take remedial action on problems/issues encountered in project implementation. (If after a reasonable period of time, no remedial measures/ appropriate action have been taken on the problems referred to the concerned agency/local development council, the PMC forward the issue to that RDC.);
- 10) PMC provides feedback to concerned implementors, LGUs, NGOs, and other concerned agencies and follow-up implementation of remedial measures; and
- 11) PMC forwards consolidated status report on project implementation in the province to the Regional Project Monitoring Committee (RPMC).

(5) Frequency/Timing of Report Submission

The PMC determine the schedules for the submission of reports. Reports are submitted to the PMC who will forward the consolidated reports to the Provincial Development Council (PDC). Submission of the consolidated report from the provincial PMC to the regional PMC is usually undertaken on a quarterly basis. The PMC furnishes the Provincial Governor with a copy of the reports for his reference and action.

12.4 Evaluation of Plan Implementation and Updating the PW4SP

(1) This PW4SP should be updated at least every five years. This will be the responsibility of the PWSO in close coordination with the PPDO. Based on the sector monitoring reports, the PWSC will review the progress of the sector compared with objectives and the efficiency with which these objectives were achieved. This will be followed by a reformulation of objectives, strategies, new policies and policy revisions and an updated sector investment program.

(2) To initiate the implementation of this sector monitoring system, the Phase I indicators (See 12.2) shall be used. Formats have been drafted for this purpose (See Table 12.4.1, Supporting Report). Specifically, the information to be collected are as follows:

- 1) Access to both adequate water and sanitation as a measure of demand: This indicator can be taken from the Field Health Service Information System (FHSIS) Annual Environmental Sanitation Survey which are prepared by the PHO midwives. The sanitary inspectors summarize these annual surveys by municipality. NSO population projections will be utilized.
- 2) Water and sanitation associations (RWSAs/BWSAs) organized: This indicator can be collected from the Cooperative Development Authority (Municipal or Provincial Chapters) in as much as all water cooperatives and/or associations are required to register with the CDA.
- 3) Water and sanitation facilities in schools: This indicator can be collected from the various school district offices; consolidated at the division (provincial level). Although a system is in place for regular inventory of facilities by DECS, actual inventories are seldom implemented and the LGUs may have to institute a supporting data gathering activity.
- 4) Capital development costs: The LGUs may have to gather information from the local DEO of DPWH, the various municipalities and the water districts.
- 5) Sources of capital development funds: Data sources are the same as those of item 4).

- 6) Incidence of diarrhea: This information can be taken from Form M-2 of the FHSIS. (Collection and processing of the data form is similar to that of item 1).
 - 7) Water availability and water quality maps: These maps should be continually updated based on field reports on water quality and quantity as they are received from operations reports studies. Areas where, for example, salinity is increasing should be indicated. Areas suitable for shallow wells, for deep wells and for possible spring sources can be indicated.
 - 8) At the conclusion of every project, the monitoring specialist prepares a report on actual unit costs incurred. This would include, for example, the cost of drilling for shallow or deep wells per meter depth; the cost of pipeline per linear meter, etc.
- (3) Municipal level consolidation: For every reporting period, the municipal sector liaison gathers all the barangay level data including those reports of the municipal health officer (and sanitary inspectors), the DECS division offices. A municipal sector report will be thus prepared. Further refinements of this report may be needed in view of future development initiated at the national level.

The municipal sector report is reviewed by the Mayor and then submitted to the Governor for further consolidation. Salient sections of this report would be furnished to DILG, which is tasked with coordinating a national sector performance report for NEDA and for the President.

- (4) Feedback: Based on these reports, the PST/PWSO will draft a consolidated report on the performance of the sector during the period including the opportunities and constraints met and a set of recommendations for policy revision. Municipalities which have made outstanding progress, and associations, which have introduced creative innovations in their operations would be cited.

Annual reviews shall be organized to analyze not only the attainment on the physical project targets, but more significantly, whether the vision is being attained. These reviews could also provide the opportunity to sharpen or revise the vision and the mission statement and distill lessons learned from the implementation experiences.





