

Table S.7.1 Matrix of Current Practices and Issues from Rapid Assessment of Subject Provinces and Local Offices of Central Government Agencies

Areas	Institutional	Technical	Financial	Community Development
<p>1. Provincial Government Offices of Northern Samar, Eastern Samar, Samar, Biliran, Leyte and Southern Leyte</p>	<ul style="list-style-type: none"> • Sector implementation is project-based arrangement by setting up a multi-agency team/task force. There is no overall mechanism and responsibility delineation among members wherein interrelationships/linkages are clearly shown. • There is no current provincial plan for the sector except for the annual investment plan that serves as the basis for project funding and Local Development & Investment Plan (LDIP) as a "Shopping List". As planning is budget centered, it focuses on the completion of facilities resulting to haphazard planning and poor/absence of maintenance of constructed facilities. • Management is a process requiring input at every level. At the barangay level, facilities are to be managed by the community. Management at higher levels is also necessary to effectively and efficiently implement a plan and requires administration abilities, and technical, negotiation, finance and economic skills. • Qualifications and experiences of the provincial office staff are sometimes inadequate/inappropriate for their allotted responsibilities. This is important as the municipal government having no permanent staff for water supply, requires support from the provincial government. • Training has been irregularly organized. Course materials are complicated and provided a very wide range of topics that are difficult to absorb by the participants at one given time considering their background and experience. 	<ul style="list-style-type: none"> • Project identification is usually upon the request of the barangay/municipal officials and approval is done by the Sanguniang Panlalawigan (SP). • Most of constructions are by administration with procurement of materials done by the LGUs. • Majority of the wells constructed by DPWH is abandoned/non-operational due to user's attitude which suggest the need of community organization. • O&M is participated by barangay officials with LGUs providing technical and material supply assistance upon request. • Dry-type sanitary toilet shall be considered in areas where water is not available. • Water quality problems, such as coliform contamination, salt water intrusion, high iron and manganese content, etc. are often encountered especially in shallow wells resulting to abandonment of these wells. • There is a shortage of equipment and supplies at all levels of administration. Technologies are sometimes inappropriate to local conditions (e.g., no readily available spares for pumps). • More extensive data on groundwater resource is required to determine potential yields and chemical quality. Very limited drilling expertise/equipment. • Proper O&M is unlikely without significant training and equipment support at the barangay/association level. • Toilets in schools are not used because there is no water. FW/ASP design has to be redesign. 	<ul style="list-style-type: none"> • Income of the province comes from local taxes, IRA, national wealth share (3 provinces), and revenues from economic enterprises. • Budgeting is guided by DILG circulars and approval is by the SP. • Budgetary allocation to the sector comes from 20% development fund capital expenditures for projects. However, the allocation by sector is lumped under general headings, so that allocation for WATSAN projects cannot be readily identified in the listing. • Counterpart fund of LGUs for sector projects is usually for material purchase and the community is providing their labor. Sometimes, the provincial government allocates funds for WATSAN projects and the municipal government put up its counterpart fund provided by the province. • Cost recovery mechanisms by LGUs and the users are not in place. BWSAs and RWSAs charge water fees for O&M purposes only and do not consider capital costs. Rates are usually based on agreement among association members. • Logistics and incentives for water associations are sourced through the barangays but are limited and most often subject to availability of funds. • Most of the provinces have accessed development banks to finance infrastructure projects and purchase of equipment. Foreign assistance, e.g., CIDA, UNICEF, is availed through the Regional Development Council. 	<ul style="list-style-type: none"> • Limited involvement of local communities/end-users particularly in the planning and maintenance of facilities. • Active involvement of religious NGOs as community organizers. • No established arrangement on gender-responsiveness. • There is little investigation of socio-cultural issues related to WATSAN; there is not enough commonsense understanding of the community it is working with. Little attention is given to or understanding of ethnic groups which is a serious constraint on sustainability. • BWSAs formed by the DPWH-DEO are mostly not functioning now. A case of one BWSA which was formed three, the first by the DEO, then the last two times by themselves is finally working and earning income from water fee collection. The failure for the first two times was due to low collection efficiency and money mismanagement. • No formal system for community participation in site selection and project request participation at the grassroot level is only considered if willingness from the beneficiaries is required for project request from the provincial government. Process is for barangay government to submit request to MDC/PDC, but no regular process for barangay to formulate projects from consultation and community participation. • DILG's experimentation with social preparation by requiring beneficiaries to put up its equity contribution through certain amount of money or labor. Until now, the system is still functioning.

Table 5.7.1 Matrix of Current Practices and Issues from Rapid Assessment of Subject Provinces and Local Offices of Central Government Agencies (contd)

Areas	Institutional	Technical	Financial	Community Development
	<ul style="list-style-type: none"> For monitoring and reporting, no arrangements are made to merge reports of line agencies/offices resulting in fragmentary information and difficulty of feedback. Lack of manpower to monitor. There are a few functional BWSAs, then majority needs reactivation through a joint effort of the Province and DILG. 		<ul style="list-style-type: none"> IRA is not sufficient. 20% development fund is used for other sectors as well. LGU managed waterworks can directly source funds from the Land Bank for initial capitalization and operation. They can request funds from the Province, particularly the barangay based waterworks. 	<ul style="list-style-type: none"> In some BWSAs, the practice is to ban those who get water but are not paying. Participation of NGOs in the planning process is through their membership in the MDC/PDC.
2. NEDA Regional Offices	<ul style="list-style-type: none"> Communication between central and regional offices is deficient. Not all information on the on-going projects is reported to central office. Some multi/bilateral assistance projects are directly extended to the regional offices under certain amount, such as funds from UNICEF, Japanese government grass-root assistance. Only foreign assisted and national projects are reported regularly (quarterly reporting) by the regional office to NEDA central office. Regional office has just started and staffing is minimal compared to other regional offices causing difficulty in smooth implementation of the work. Plans to start computer-aided information control system. Project monitoring and evaluation system in regional level is a requisite including information on infrastructure status and investment. NEDA follows a general flow of reporting system within its organization. In spite of this, the central office has no complete or any information on region-specific projects. 			
3. DILG Regional Offices	<ul style="list-style-type: none"> The DILG has field offices down to municipal level. Increasing responsibilities of the DILG as a result of devolution and decentralization of authority to the LGUs, would require greater logistic support, i.e. administrative support, not only technical support. 			
4. DPWH - DEO			<ul style="list-style-type: none"> The DEO has no more budget for WATSAN activities because this has been devolved to the LGUs. However, the people still approach the office and request for financial help for its O&M. 	

5.7.2 Institutional Aspect

Table 5.7.2 Office/Agencies involved in WATSAN Project

Office/Agencies	Nature of Involvement
Provincial Planning & Development Office	<ul style="list-style-type: none"> • Formulates of comprehensive development plans and policies for the PDC • Integrates and coordinates sectoral plans by functional groups and monitor and evaluate program(s)/project(s) implementation.
Provincial Engineering Office	<ul style="list-style-type: none"> • Assists in the construction, operation and maintenance of the WATSAN facilities
Provincial Health Office	<ul style="list-style-type: none"> • Conducts water quality examination examination thru Sanitary Inspector • Conduct health and hygiene education thru RHU
Provincial Accounting Office, Budget Office, Treasury Office, General Service Office	<ul style="list-style-type: none"> • Responsible for provincial administrative works
Barangay/Municipal governments thru Municipal Planning & Development Office	<ul style="list-style-type: none"> • Identifies projects • Provides counterpart support during implementation • Conducts water testing thru RSI
NGOs	<ul style="list-style-type: none"> • Provides consultancy services especially in CO/CD works
DILG, Provincial Office	<ul style="list-style-type: none"> • Conducts/assists training especially on topics related to human resource development
District Engineering Offices of DPWH	<ul style="list-style-type: none"> • Implements central government funded projects • Provides some assistance to Barangays
Water Districts	<ul style="list-style-type: none"> • Provides water supply coverage in urban areas
Sangguniangs (LGU Council)	<ul style="list-style-type: none"> • Adopts priority programs and projects and appropriates funds
Local Development Councils of LGUs	<ul style="list-style-type: none"> • Institute multi-sectoral development of LGUs
Regional Development Council	<ul style="list-style-type: none"> • Institute multi-sectoral development of the region

Sector Issues and Problems

The implementation of the water supply and sanitation undertaken by the different agencies encounters issues and problems which primarily concerns with existing policy, existing institutional arrangement and management, access to financing institutions and capability building issues that needs to be addressed if LGUs are now given the full responsibility in project implementation.

(1) Issues on Policy

1) Weak enforcement of laws, policies and regulations

The apparent weakness in the enforcement of water resources laws, rules and regulation could be seen in the prevalence of illegal tapping of urban and irrigation water by parties who do not possess permits, the unregulated exploitation of ground water resources through drilling without permits secured at NWRB or any deputized agencies for that matter, in inefficient use of limited resources available, pollution of water bodies and degradation of the environment.

2) ICC – Financing policy to devolved services

One of the constraints in the implementation of this policy is obviously seen in the varied level of capability and readiness of the LGUs to provide and manage reliable water supply and sanitation services and the lack of political will to pursue development initiatives without depending too much on grants assistance from the national government.

3) Economic regulation and market

While it has been established that there are significant advantages to adopting economic and market- based instrument, the actual policy shift has been slow. Most apparent is the lack of technical capabilities and data required to enable to design and implement these policy reforms. Political difficulties encountered under the current institutional and regulatory framework and the viewing of water as free and public good to one which has a price should be fully understood.

(2) Issues on Institutional and Management Framework

1) Lack of integrated management and non-systematic approach to water resources

For the water resources sector, the existing institutional and regulatory framework is the result of incremental developments for the past years, each in response to

particular changes. This had led the absence of an integrated water resources management system that adopts a holistic approach in the organization of the system. Though NWRB is seen to be the over all coordinating and regulatory body for this sector, yet it lacks technical capabilities and still needs institutional strengthening to fulfill its functions.

2) Too many agencies involved in the sector

These are more than twenty government agencies involved in different aspects of the water sector resulting inevitably in a fragmented approach to water management. With this number of agencies involved, it resulted to overlapping of work, varied types of data needed depending on the agency that implements which creates confusion at the LGU level.

3) Inter-agency coordination

For tri-agency program such as DPWH, DILG and DOH implementing water supply projects, weak coordination had been demonstrated. There was difficulty in synchronizing activities which deals on physical construction of facilities (DPWH) as to activities that entails training of provincial and municipal water and sanitation task forces and formation of BWSAs where target facilities will be constructed (DILG) and the installation of latrines and promotion of health and education programs (DOH).

4) Absence of an over all planing framework to guide investment activities.

As a result of too many agencies involved in the sector and the fragmentation of water resources management, there are no cross-sectoral water resource plans to integrate effectively the various water and land use activities. Water quality and quantity management, and proper utilization of surface and groundwater.

5) Lack of data management

The main problem concerning to data management are the inadequacy of the network coverage, outdated monitoring equipment, scattered data collection responsibilities, lack of continuous data records and lack of an integrated water resources data base. Most data collection efforts are project related and are usually discontinued once the project is terminated.

6) Accountability and responsiveness of stakeholders

A lot has been said about improving the delivery of water supply and sanitation services by LGUs in the light of the devolution policy of the government. However, little attention has been given on the extent of which these LGUs carried out their devolved functions and responsibilities to their constituents. While it's true that some problems were attributed to varying levels of preparedness and capacity to implement projects at their level, it can also be due to lack of political-will and commitment of the LGUs to perform their tasks and accountabilities.

7) Absence of over-all coordination body

Due to fragmental planning and implementation of sector projects, a number of agencies and offices had overlapping activities and functions. For the development of the sector to progress, there must be a body/agency/office that will serve as a focal point, responsible for all related initiatives.

8) Lack of available staff at the LGU level

In the light of devolved policy as enacted in the LGC and NEDA Board No.4 where LGUs could now implement all levels of water supply services, a need to develop their capability and interpersonal skills to ensure sustainability of projects. But it has been observed that the provincial and municipal planning staff who are supposed to be responsible for managing, coordinating, implementing training programs at the local levels and monitoring the performance of BWSAs/RWSAs are unable to devote full time due to lack of staff and too many job assignments with other projects.

9) Large demand for training

Various training programs have been developed and designed to suit the needs for training with different levels of approaches for foreign and locally funded projects. However, due to lack of funds to support the training programs, training opportunities were not fully delivered to the recipient LGUs. And, there is another issue on training that due to large number of barangays to be covered nationwide, some of these were not able to access training provided by the different agencies like DILG. This could also be attributed to the geographic location, accessibility to these areas and lack of initiative of the LGUs to request training which could then be prioritized based on immediate need.

(3) Issues on Financial Aspects

1) Access of the LGUs to other financing institutions

Most of the LGUs depend on their IRA to fund water supply projects which often times limit them to implement only for level I facilities. Although the LGUs initiated to take risk in borrowing from banks to finance Level II or III systems, they are constrained to pursue the loan due to high interest rates imposed by the financing institutions, requirements need the hold-out of their IRA, and some LGUs lack information where to access funding.

2) Cost sharing arrangement

With the limited available funds to be used in implementing water supply and sanitation projects, cost sharing mechanism have been encouraged to LGUs to feel sense of ownership of the system. However, the lack of political-will and lack of commitment of the leaders hinders the success of its implementation.

3) Varied level of preparedness of the LGUs

In the light of NEDA-ICC financing policy where no subsidy from the national government will be provided for Level II and III systems and 0 (zero) to 50 percent will be subsidized by national government but limited only to Level I for 5th and 6th class municipalities, it has been observed that most of the LGUs are dependent on grants/assistance provided by the national government or other funding institutions.

5.8 Community Development

5.8.1 General

(I) RESULTS OF THE BARANGAY KEY INFORMANT SURVEY FOR SAMAR

I. BARANGAY

A. General

The barangay is the smallest political unit in the Philippines. It is headed by a barangay captain who is elected for a three-year term. Together with the barangay council, the barangay captain is responsible for running the affairs of the barangay. Water supply and sanitation sector projects are important to the barangay. Benefits are directly related to health and productivity, as well to improved economic activities in the community.

The key informant survey was conducted in three barangays representing three municipalities in Samar. The key informants were either an official of the barangay council, an official of the BWSA, or a recognized community leader. The purpose of the survey was to find out the degree and type of government assistance on the sector that cascades from the national government down to the barangay level. The barangays surveyed were: San Jorge (Anquiona), San Jorge (Rosalim) and Tarangnan (Sta. Cruz).

B. Community Organization

1. Manner of Participation in Sector Development

The need for water supply and sanitation facilities is discussed within and prioritized by the Barangay Development Council (BDC). If the barangay is not able to finance the WATSAN project from its own funds, the BDC then endorses the project to the municipality. Again, the prioritization and funding of the endorsed project is discussed in the municipal development council (MDC). If the municipality can finance said project, then it does so, usually by providing technical and material support. The barangay is asked to contribute its share, which is usually in the form of free labor. If, however, the municipality cannot fund the barangays request, the project is once again endorsed, but this time to the province. The project is then discussed/prioritized and provided funding by the provincial development council. If implemented by the province, a counterpart is asked of the barangay and sector participation is in the form of free labor and/or donations in cash or in kind.

2. Existing Community Organization Serving /Acting as the Water Association

For some of the respondents, the BWSA is still the WATSAN organization that provides water service in the barangays surveyed, although many of them indicated that the barangay councils have demonstrated active participation in the provision of safe, portable water to their constituents.

3. Role of the Barangay Council in O&M Assistance in the Form of Funds/ Manpower/Materials

Half of the respondents believed that the barangay councils are willing to mobilize the residents for the purpose of operating and maintaining WATSAN facilities, pay for the training of community members/volunteers on the operation and maintenance of WATSAN facilities.

II. COMMUNITY PARTICIPATION

A. General

The beneficiaries' participation is recognized as one of the determining factors in the success of the WATSAN sector plans on the community level. Participation by the barangay people is measured by their willingness to organize themselves into a water association and contribute their share towards its operationalization. This may come in the form of free labor, donations in kind or in cash, or their active involvement in the management, operation and maintenance of the WATSAN facilities.

B. Socio-Economic Conditions

1. Average Monthly Income in the Rural Area

The average monthly income of the households in the barangays surveyed ranges from P1,000 to P2,500. The list of economic activities shows the following: livestock raising (poultry and piggery), vegetable gardening, and tending a sari-sari-store. The list shows that both genders are equally involved in these economic activities.

2. Waterborne/Water Related Diseases

Incidences of waterborne and water related diseases were reported in all the barangays surveyed. Most prevalent diseases are intestinal disorder, diarrhea, cholera,

schistosomiasis, dysentery, typhoid fever and skin diseases. This high incidence of waterborne diseases is compounded by the lack garbage disposal system in the areas.

C. Willingness to Participate

1. Initiating the Organization of a WATSAN Association

Only two of the three barangays surveyed have a committee on water and sanitation within the barangay council. The key informants indicated that these two barangay councils are willing to participate in sector projects and in the operation and maintenance of WATSAN facilities and are willing to pay for and/or facilitate the training for the user-beneficiary volunteers on O&M. In the area of health and sanitation education, half of the interviewees believed that the barangay council has the capability to implement information dissemination activities.

D. Status of BWSAs/NGOs/CBOs/POs

1. Number of Barangay with Functional BWSAs

Only one barangay has BWSA organized in the community. This BWSA has its set of officers.

2. Status of NGOs/CBOs/POs

NGOs/CBOs are active only in Barangay San Jorge (Anquiona). The areas of concern are in livelihood, credit cooperative and carabao dispersal, livestock raising, and education.

E. O&M Practices by Beneficiaries

1. Facility Conditions

Surface water is widely used as source of water in the barangays surveyed although some also utilize groundwater especially in Barangay Tarangnan. Water facilities that were constructed in the barangay were mostly spring intake box. Deep wells/shallow wells were also constructed in Barangay San Jorge. Almost all of the systems/facilities are still functional but occasionally have problems. All of the respondents indicated that the water is safe for drinking.

2. Common Difficulties and O&M Problems Encountered

Common problems cited by the respondents range from defective pumps to lack of funds for the maintenance work. This can be attributed to the fact that only about 25% of the beneficiaries pay for their water supply.

F. Water Charges Adopted and Collection Efficiency

1. Sufficiency of Collected Charges for O&M

Only the respondents of Barangay San Jorge (Anquiona) pay for the operation and maintenance of their water supply facilities. The respondents indicated that the residents pay a small amount, only from P 11.00 to P 20.00, for water supply and they believe that it is not sufficient for the O&M of the WATSAN facilities. Meanwhile, the respondents for the two other barangays, believe that their people may be willing to pay for their water supply.

2. Current Practices with Affordability by Users and Manner of Fee Collection

The BWSA Treasurer was responsible for collecting the fees, according to the respondents from Barangay San Jorge (Anquiona).

G. Requests by the Beneficiaries on O&M of the Facilities from LGUs and other Sources

1. Government Subsidies Requested by End Users

Almost all of the respondents were not aware of the government assistance extended to the barangays for the WATSAN sector.

III. GENDER

A. General

The survey results do not point to a severe lack of gender responsiveness to sector projects, but awareness of the key informants must be enhanced as to why both genders' participation is important in the WATSAN sector plans and implementation.

B. Gender in the Composition of the Barangay Council

In the three barangays surveyed, the total number of barangay council members is 22. Of this number, 16 were males and 6 females. Two of these barangay captains are male.

C. Gender in the Composition of the BWSA

Only the Barangay San Jorge (Anquiona) has a functional BWSA. This BWSA has a set of officers who meet once a month. All households are members of the association.

D. Gender in Participation in the O&M of the Water Facilities

Most of the key informants indicated that women actively participate in the O&M of the water facilities. Women act as the treasurer, take care of the collection, cleaning and beautification of the surroundings, and assist in O&M of facilities.

E. Gender in Knowledge or Awareness of Sector Related Information

There is no gender bias when it came to awareness of sector related information. Both women and men were knowledgeable as seen from the answers to questions such as assistance extended by LGUs, facility conditions, and O&M practices.

(2) RESULT OF GROUP INTERVIEWS

A. General

Group interviews were conducted in two selected barangays representing two municipalities in the province of Samar. The objectives of the group survey/interviews were to identify potential service population and service level desired by the community, to assess the degree of involvement of both men and women in planning, managing, operating and maintaining WATSAN projects, and the willingness and capacity to pay of potential users.

The Project Team conducted the interviews on two sets of interviewees: an all female group and an all male group each consisting of a minimum of 10 and a maximum of 16 participants. None of the respondents belonged to the same household. Answers to the interview questions were made by raising of hands. The group interviews were conducted in the following barangays: Oyandic (Motiong) and Tenani (Paranas).

B. Demographic Profile

1. Population

The aggregate population in the two barangays is 1,776, broken down as follows: Oyandic (Motiong) 576, and Tenani (Paranas) 1,200.

2. Households

As indicated by the respondents, there are 341 households in the two barangays, that is, Oyandic (Motionsong) 121, and Tenani (Paranas) 220.

The figure represents an average of five (5) members per household.

TABLE 1: TOTAL POPULATION OF BARANGAYS AND NUMBER OF HOUSEHOLDS

BARANGAY (MUNICIPALITY)	M	F	T	NO. OF HH
1. Oyandic (Motionsong)			576	121
2. Tenani (Paranas)			1,200	220
TOTAL			1,776	341

3. Composition of Barangay Councils

There were 15 barangay council members in the two barangays. Of the barangay council members, 10 (67 %) were males and 5 (33 %) were females. The barangay captains in both barangays were males.

C. Respondents' Profile

1. Number and Gender of Respondents

There were 53 respondents in the group interviews. Of these, 32 were females and 21 were males. Table 2 presents the number of respondents by gender for each barangay:

TABLE 2: NUMBER OF RESPONDENTS

BARANGAY (MUNICIPALITY)	M	F	T
1. Oyandic (Motionsong)	10	16	26
2. Tenani (Paranas)	11	16	27
TOTAL	21	32	53

2. Age Bracket

The majority of the respondents (22 or 42%) belonged to 26 to 45 age bracket, with females outnumbering males, 16 to 6. A total of 18 (9 males, 9 females) was under the 46 to 60 age bracket. Six respondents (2 males, 4 females) constituted the 25 and below age bracket, while seven respondents (4 males, 3 female) belonged to 61 and above age bracket.

TABLE 3: AGES OF THE RESPONDENTS

AGE BRACKET	M	F	T	%
25 and Below	2	4	6	11
26-45	6	16	22	42
46-60	9	9	18	34
61 and above	4	3	7	13
TOTAL	21	32	53	100

3. Level of Education

Eighteen female respondents reached the elementary level; while 16 respondents (4 males, 12 females) completed it. Only four respondents (3 males, 1 female) went on to high school and eventually graduated from this level. Meanwhile, two respondents (1 male and 1 female) managed to reach college. Only one male respondent graduated from college. Twelve interviewees or 22% did not respond to this question.

TABLE 4: RESPONDENTS' LEVEL OF EDUCATION

EDUCATION LEVEL	M	F	T	%
1. Elementary Level	-	18	18	33
2. Elementary Graduate	4	12	16	30
3. High School Level	-	-	-	-
4. High School Graduate	3	1	4	7
5. College Level	1	1	2	7
6. College Graduate	1	-	1	1
7. Vocational	-	-	-	-
8. Post Graduate	-	-	-	-
9. No Response	12	-	12	22
TOTAL	21	32	53	100

4. Occupation

At the time of the interview, the majority of the respondents (21 males, 26 females) was engaged in either farming or fishing. Six female respondents listed their occupation as housewives.

TABLE 5: OCCUPATION OF RESPONDENTS

OCCUPATION	M	F	T	%
1. Farmer/Fisherfolk	21	26	47	89
2. Laborer	-	-	-	-
3. Service Worker	-	-	-	-
4. Businessman/woman	-	-	-	-
5. Professional	-	-	-	-
6. Office Worker	-	-	-	-
7. Tech. Equipment Operator	-	-	-	-
8. Others (Housewife)	-	6	6	11
TOTAL	21	32	53	100

D. Socio Economic Profile

1. Level of Education of Household Members

The respondents' answers indicated that more female household members reached and graduated from the elementary level. However, three male household members graduated from high school; while none of the female household members did. One male household member eventually completed college. Two household members (1 male and 1 female), on the other hand, pursued vocational courses.

TABLE 6: LEVEL OF EDUCATION OF HH MEMBERS

EDUCATIONAL LEVEL	EDUCATED HOUSEHOLD MEMBERS	
	M	F
1. Elementary Level	-	18
2. Elementary Graduate	4	12
3. High School Level	-	1
4. High School Graduate	3	-
5. College Level	-	-
6. College Graduate	1	-
7. Vocational	1	1
8. Post Graduate	-	-
9. No Response	12	-

2. Employed Household Members

As a whole, more male members of the household were employed compared to the females. The most productive was those that belonged to the 26 to 45 age group where the males overwhelmingly outnumbered the females 16 to 1. Next was the 46 to 60 age bracket where 14 had jobs. There were eight members under the 25 and below age group and only four members under the 61 and above age category who were employed.

TABLE 7: EMPLOYED HH MEMBERS

RESPONSE	RESPONDENTS		Total
	Employed Male Members	Employed Female Members	
25 and Below	6	2	8
25-45	16	1	17
46-60	9	5	14
61 and above	2	2	4
Total	33	10	43

3. Occupation of Household Heads and Other Members

As indicated by the respondents, there were 56 persons among the respondents' household who were productive or employed. The occupation of all the female household members and all the male household members, except for one, was farming and/or fishing.

Almost all the household members who were gainfully employed earned a monthly income of P5,000.00 and below. Only one male member earned P15,000.00 to P24,999.

TABLE 8: OCCUPATION OF HH MEMBERS

OCCUPATION	M	F	T
1. Farmer/Fisherfolk	38	17	55
2. Laborer	-	-	-
3. Service Worker	-	-	-
4. Businessman/woman	-	-	-
5. Professional	-	-	-
6. Office Worker	-	-	-
7. Technician	-	-	-
8. Others	1	-	1
TOTAL	39	17	56

TABLE 9: AVERAGE MONTHLY INCOME OF HH MEMBERS

ITEM	M	F	T	%
Below P 5,000.00	20	32	52	98
P 5,000 to 14,999	-	-	-	-
P 15,000 to 24,999	1	-	1	2
Above P 25,000	-	-	-	-
TOTAL	21	32	53	100

4. Average Expenditures of Household

The majority of the respondents indicated that the average monthly expenditure of their household was below P 5,000.00. Only one male respondent reported that his household spent between P 5,000.00 to P 14,999.00 a month.

TABLE 10: AVERAGE MONTHLY EXPENSES OF HH MEMBERS

ITEM	M	F	T	%
Below P 5,000	20	32	52	98
P 5,000 to 14,999	1	-	1	2
P 15,000 to 24,999	-	-	-	-
Above P 25,000	-	-	-	-
TOTAL	23	32	53	100

5. Practices

Source of Drinking Water. Nineteen respondents (6 males, 13 females) indicated that their source of drinking water was from a communal faucet. There were 18 respondents who got water from a communal deep well. Other sources mentioned were: communal shallow well (8), and piped water supply (8).

TABLE 11: SOURCES OF DRINKING WATER

SOURCES	USER RESPONDENT		T
	M	F	
1. Communal Shallow Well	-	8	8
2. Communal Deep Well	10	8	18
3. Communal Dug Well	-	-	0
4. Communal Faucet	6	13	19
5. Private Shallow Well	-	-	-
6. Private Deep Well	-	-	-
7. Piped Water Supply	5	3	8
8. Private Dug Well	-	-	-
9. Others	-	-	-
TOTAL	21	32	53

Responsible for Fetching Water. Of the female interviewees, 17 indicated that the male children were responsible for fetching drinking water while nine others said the husbands were. Only three said that the wife did the task.

The male respondents, on the other hand, unanimously said that all family members, regardless of gender, shared in the task of fetching water for home use.

TABLE 12: RESPONSIBLE FOR FETCHING DRINKING WATER

FAMILY MEMBER	USER RESPONDENT	
	M	F
1. Husband	16	9
2. Wife	16	3
3. Male Children	16	17
4. Female Children	16	-
5. Others	-	-
6. Uncertain	-	-

Frequency of Fetching Water. Eighteen female respondents indicated that water was fetched twice a day as against five that said this was done three times a day. On the other hand, 16 male respondents indicated water was fetched for family consumption only once daily, compared to only one female respondent who said the same. Eight respondents, however, did not respond to the query.

TABLE 13: FREQUENCY OF FETCHING DRINKING WATER

DURATION	RESPONDENTS		T	%
	M	F		
1. Once a Day	16	1	17	32
2. Twice a Day	-	18	18	34
3. 3x a Day	-	5	5	9
4. 4x a Day	-	-	-	-
5. More than 5x days	-	5	5	9
6. No Response	5	3	8	16
TOTAL	21	32	53	100

Duration of Fetching Water. For 22 interviewees (6 males, 16 females), it took five minutes or less to haul water from source to home; while for 20 respondents (10 males, 10 females), it took much longer or about 30 minutes. As many as 11 respondents (6 females, 5 males) seemed uncertain and chose not to respond to the question.

TABLE 14: DURATION FOR FETCHING DRINKING WATER

DURATION	RESPONDENTS		T	%
	M	F		
1. Less than 5 Minutes	6	16	22	41
2. About 10 Minutes	-	-	-	-
3. About 20 Minutes	-	-	-	-
4. About 30 Minutes	10	10	20	38
5. More Than 30 Minutes	-	-	-	-
6. No Response	5	6	11	21
TOTAL	21	32	53	100

Problems with Source. All of the respondents admitted that they have problems with the current water source. The female respondents, however, were equally divided on the issue, 16 saying they do not have any problems, and 16 agreeing with their male counterparts.

TABLE 15: PROBLEM WITH SOURCE OF WATER

RESPONSE	RESPONDENTS		T	%
	M	F		
1. No Problem	-	16	16	30
2. There are problems	21	16	37	70
TOTAL	21	32	53	100

E. Institutional

1. Presence of BWSA

All the male and a majority of the female respondents declared that there was a BWSA in their barangays. Twelve female respondents, however, did not respond to this question.

TABLE 16: KNOWLEDGE OF THE EXISTENCE OF BWSA

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Yes	21	20	41	77
2. No	-	-	-	-
3. No response	-	12	12	23
TOTAL	21	32	53	100

2. Membership to BWSAs

All the male respondents were members of the BWSA. Of the female respondents, only 20 were members of the BWSA compared to 12 who were not.

TABLE 17: MEMBERSHIP TO THE BWSA

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Yes	21	20	35	66
2. No	-	12	18	34
TOTAL	21	32	53	100

3. Involvement in the affairs of the BWSA

All the male respondents were actively involved in running the affairs of the BWSA. While 12 of the female respondents chose to be inactive, the majority, however, was quite active. In fact, comparing the responses of the active male and female respondents would show that there were more females involved as BWSA officers, collection officers, and even involved in repairing and maintaining WATSAN facilities.

TABLE 18: HOW ACTIVELY INVOLVED ARE YOU IN THE AFFAIRS OF THE BWSA

RESPONSE	RESPONDENTS		T	%
	M	F		
1. As BWSA Officer	5	7	12	23
2. As Collection Officer	4	7	11	21
3. Assist in the repair maintenance of facilities	2	4	6	11
4. Attend/ Facilitate Training	3	2	5	9
5. Not active	4	12	16	30
6. As Member	3	0	3	6
TOTAL	21	32	53	100

4. Who maintains the facilities of the BWSA?

All the male respondents said that personnel from the BWSA were the ones maintaining the WATSAN facilities. Half the female respondents said that a professional caretaker was responsible for the maintenance of the BWSA facilities; while the other half said that it was someone the Barangay who maintained the BWSA facilities.

TABLE 19: RESPONSIBLE FOR MAINTAINING BWSA FACILITIES

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Someone in the Barangay	-	16	16	30
2. Professional caretaker	-	16	16	30
3. Someone from the BWSA	21	-	21	40
4. No one	-	-	-	-
5. Don't know	-	-	-	-
TOTAL	21	32	53	100

5. Interested to be a member of BWSA

All the respondents did not respond to the question of interest to join a BWSA. This may be because all the male and the majority of the female respondents were already members of their respective BWSAs.

TABLE 20: INTEREST OF RESPONDENTS TO JOIN BWSA

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Interested	-	-	-	-
2. Not Interested	-	-	-	-
3. No Response	21	32	43	100
TOTAL	21	32	53	100

6. How can respondents become actively involved in BWSA affairs?

All the male respondents professed willingness to contribute labor or be an officer of the BWSA as manifestations of their active involvement with the BWSA. One male respondent was ready to assist in collection of fees while another 10 will do repair/maintenance. The female interviewees, however, felt that being a member was enough to show active involvement in the affairs of the BWSA.

TABLE 21: HOW RESPONDENTS CAN BECOME ACTIVELY INVOLVED IN WATSAN PROJECTS

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Contribute Cash	-	-	-	-
2. Contribute labor	21	0	21	30
3. Be Officer	21	0	21	30
4. Collection of Fees	1	0	1	1
5. Do Repair/Maintenance	10	0	10	14
6. Just Member	0	16	16	25

7. Responsible for minor repairs of water facilities

More than half of the male respondents was uncertain about who was responsible for minor repairs for WATSAN facilities. Those who did said it was "someone" from the barangay. The female interviewees seemed to know better. One-half of the female interviewees said that professional caretakers took care of minor repairs; while the other half said some "other people," who were not from their barangay, did.

TABLE 22: RESPONSIBLE FOR MINOR REPAIRS

SOURCE OF WATER	RESPONDENTS		T	%
	M	F		
1. Female Member	-	-	-	-
2. Male Member	-	-	-	-
3. Somebody in the Brgy.	10	-	10	19
4. Professional Caretaker	-	16	16	30
5. Owner of the Well	-	-	-	-
6. Uncertain	11	-	11	21
7. Others	-	16	16	30
TOTAL	21	32	53	100

F. Training Activities

1. Training Program attended in 1998

For the year 1998, the females outnumbered the males in attending training programs. Ten female respondents were participants to training compared to only three males. The rest of the respondents either did not attend or did not respond to the question.

TABLE 23: TRAINING ATTENDED BY RESPONDENTS IN 1998

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Yes	3	10	13	25
2. No	18	-	18	34
3. No Response	-	22	22	41
TOTAL	21	32	53	100

2. Kinds of Training Program

For the respondents who attended various training programs in 1998, Table 24 summarizes the training programs/seminars they had attended.

TABLE 24: TRAINING COURSES ATTENDED BY RESPONDENTS IN 1998

BARANGAY	MALE	FEMALE
1. Oyandic (Motionsong)	Budgeting, Planning, Simple Accounting, BIHW, Financial Aspect of BWSA (West Samar), Livelihood	
2. Tenani (Paranas)	None	Hilot, BHW, Community Forest Program

3. On BWSA Training

The majority of the respondents were aware of the training programs being conducted for BWSA members and wanted to attend these training. Only ten female respondents were not interested to attend any program.

TABLE 25: AWARENESS ON THE FOLLOWING TRAINING FOR BWSA

TRAINING PROGRAM	YES		NO		T
	M	F	T	M	
1. Caretaker's Training	7	15	-	-	22
2. Collection/Finance	7	15	-	-	22
3. Repair/O&M	7	15	-	-	22
TOTAL	21	45	-	-	66

TABLE 26: WILLINGNESS TO ATTEND BWSA-RELATED TRAINING PROGRAMS

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Yes	21	22	43	81
2. No	-	10	10	19
3. Uncertain	-	-	-	-
TOTAL	21	32	53	100

4. Training on Health Education

Only six (all-female) respondents have attended health education and training programs. The majority of the respondents, or 21 males and 14 females, for a total of 35, has not participated in any health education and training. No response was elicited from 12 female interviewees. If given a chance, the respondents indicated their desire to attend WATSAN related training programs such as: Well Development, Repair and Maintenance, Health Livelihood, Dressmaking, WATSAN, Livelihood Training, Cooking, Hog Raising, Poultry, as shown in Table 28.

TABLE 27: PARTICIPATION IN HEALTH EDUCATION AND TRAINING

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Yes	-	6	6	11
2. No	21	14	35	66
3. No Response	-	12	12	23
TOTAL	21	32	54	100

TABLE 28: TYPES OF TRAINING RESPONDENTS WISH TO ATTEND

BARANGAY	MALE	FEMALE
1. Oyandic (Motiong)	Well Development, Repair and Maintenance	Health, Livelihood, Dressmaking, WATSAN
2. Tenani (Paranas)	Livelihood Training	Dressmaking, Cooking, Hog Raising, Poultry

5. Desirable Training Period

All the male respondents indicated that the length of training should depend on the training program/s to be conducted. The female respondents, however, gave more categorical answers – more than three days, 14; just three days, 1; less than one day, 6; one day, 4; and two days, 7.

TABLE 29: DESIRABLE TRAINING PEERIOD

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Less Than 1 Day	-	6	6	11
2. One (1) Day	-	4	4	8
3. Two (2) Days	-	7	7	13
4. Three (3) Days	-	1	1	2
5. More Than Three Days	-	14	14	26
6. Others	21	-	21	40
TOTAL	21	32	53	100

G. Community Development

1. CBOs and contact person

All of the respondents were aware of NGOs working in their communities, some respondents indicated that there were community-based organizations doing different

development work in the barangays. Table 31 lists down these NGOs/CBOs and their contact persons:

TABLE 30: ARE THERE NGOS WORKING IN THE BARANGAY

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Yes	21	32	53	100
2. No	-	-	-	-
TOTAL	21	32	53	100

TABLE 31: NGOS/CBOS IN THE BARANGAYS

BARANGAY	AREAS OF CONCERN	CONTACT PERSON
1. Oyandic (Motiong)	WESADEF Foundation	Marife Pumayan
2. Tenani (Paranas)	TANDAYA Foundation	Charita Llanera Mr. Solomon Paller

2. Were the respondents consulted on their respective roles and responsibilities?

The majority of the female respondents indicated they were consulted and/or briefed on their proposed roles and responsibilities on the planning, design and construction of their water supply facilities. This was also true for the operation and maintenance and the financing aspects of the system. For the male respondents, all of them were consulted on the different aspects of project development stages such as planning, design, construction facilities, operation and maintenance and financing of their water system.

TABLE 32: WERE RESPONDENTS CONSULTED IN PAST WATSAN PROJECTS

BWSA ACTIVITIES	YES	
	M	F
1. Planning and Design	10	18
2. Construction Facilities	10	14
3. O&M of the System	10	14
4. Financing of the System	10	14

3. **Were the respondents consulted when the BWSA was formed?**

While the majority of the male and female respondents indicated that they were consulted when the BWSA was formed in their respective barangays and at the time when the level/type of services and water fees were agreed upon, this did not constitute an overwhelming majority. Many of the respondents said that they were not adequately consulted.

TABLE 33: WERE YOU CONSULTED WHEN:

ACTIVITIES	YES		NO	
	M	F	M	F
1. BWSA was formed in the Brgy.	21	18	0	14
2. Water fee was decided upon	21	18	0	14
3. Level or type of service was agreed upon	10	14	11	18
4. Facilities were constructed	10	14	11	18

4. **How did the respondents participate in past construction projects?**

The majority of the male and female respondents did not participate in the construction of previous WATSAN facilities. Those who did were 10 males who contributed labor as against four females. Two interviewees (1 male, 1 female) donated sites for their community's WATSAN facilities.

TABLE 34: PARTICIPATION IN PAST CONSTRUCTION PROJECTS

TYPE OF PARTICIPATION	RESPONDENTS		T	%
	M	F		
1. Contributed Cash	-	-	-	-
2. Provided labor	10	4	14	16
3. Donated Site	1	1	2	4
4. Provided Materials	-	-	-	-
5. Others	-	-	-	-
6. No Contribution	10	27	37	70
TOTAL	21	32	53	100

5. **Will the respondents participate in future projects?**

For future projects, however, the male and female respondents indicated that they would equally participate and/or contribute for certain activities such as in the formation of BWSA, the formulation of water rates, and in the selection of sites and levels of services. In the construction, the operation and maintenance of the facilities, the female respondents seemed not to be interested in providing any type of participation.

TABLE 35: WILLINGNESS/TYPE OF PARTICIPATION IN FUTURE PROJECTS

PROJECT ACTIVITIES	YES		NO	
	M	F	M	F
1. Formation of BWSA	10	16	11	16
2. Formulation of water rates	10	16	11	16
3. Selection of sites and levels of services	10	16	11	16
4. Construction of facilities	10	0	11	16
5. Operation and maintenance	10	0	11	16

II. Financial Aspects

1. Do the respondents presently pay for their water supply?

All of the respondents claimed they paid for their water supply.

TABLE 36: NUMBER OF RESPONDENTS PRESENTLY PAYING WATER FEE

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Yes	21	32	53	100
2. No	-	-	-	-
TOTAL	21	32	53	100

2. If so, how much per household per month?

The majority indicated that they paid about P5.00 a month. Eleven male respondents paid from P11.00 to P20.00; while 16 female respondents did not respond to the query.

TABLE 37: PRESENT WATER FEES PAID

WATER FEES	RESPONDENTS		T	%
	M	F		
Below P 5.00	10	16	26	49
P 6.00 to P 10.00	-	-	-	-
P 11.00 to P 20.00	11	-	11	21
P 21.00 to P 30.00	-	-	-	-
P 31.00 to P 40.00	-	-	-	-
P 41.00 to P 50.00	-	-	-	-
Above P 50.00	-	-	-	-
No Pay/No Response	-	16	16	30
TOTAL	21	32	53	100

3. Is the water fee enough for O&M?

All the male respondents, and half of the female claimed that the fees being collected for the operation and maintenance the facilities were not adequate for operation and maintenance of the facilities. The rest of the female respondents was uncertain.

TABLE 38: ADEQUACY OF WATER FEE FOR O&M

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Yes	-	-	-	-
2. No	21	16	37	70
3. Uncertain	-	16	16	30
TOTAL	21	32	53	100

Most of the respondents said that the reasons why fees being collected are not adequate could be that the water fee was low. Two male respondents said the reason could be that not all water users paid their fees while seven male respondents said the O&M cost was too high. On the other hand, 16 of the female respondents indicated that the water fee was low. The other 16 female respondents were uncertain.

TABLE 39: IF NOT ADEQUATE, STATE THE REASON/S

REASON/S	M	F	T	%
1. Water fee is low	12	16	28	53
2. O&M cost is too high	7	-	7	13
3. Not all water users pay their Water fee	2	-	2	4
4. Others/Uncertain	-	16	16	30
TOTAL	21	32	53	100

4. Who shoulders the O&M of Facilities?

The majority of the respondents (53%) declared that it was the WATSAN Association who shouldered the operation and maintenance of the water supply facilities. A few others (28%) claimed it was the barangay council who shouldered the O&M while the remaining respondents (19%), most of them females, were uncertain.

TABLE 40: RESPONSIBILITY FOR SHOULDERING THE O&M COSTS

PERSON	RESPONDENTS		T	%
	M	F		
1. Barangay Council	8	7	15	28
2. WATSAN Association	12	16	28	53
3. Private Owner	-	-	-	-
4. Don't know	1	9	10	19
TOTAL	21	32	53	100

5. Are the people willing to pay for O&M of future facilities?

All the respondents expressed willingness to pay for the O&M of future facilities.

TABLE 41: RESPONDENTS' WILLINGNESS TO PAY FOR FUTURE FACILITIES

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Yes	21	32	53	100
2. No	-	-	-	-
TOTAL	21	32	53	100

6. How much are respondents willing to pay?

Half of the female respondents was willing to pay from P6.00 to P10.00; the rest below P5.00. As for the male respondents, 10 were willing to pay from P11.00 to P20.00, while 11 males were ready to pay from P21.00 to P30.00.

TABLE 42: AMOUNT RESPONDENTS ARE WILLING TO PAY

RESPONSE	RESPONDENTS		T	%
	M	F		
Below P 5.00	-	9	9	17
P 6.00 to P 10.00	-	16	16	30
P 11.00 to P 20.00	10	-	10	19
P 21.00 to P 30.00	11	-	11	21
P 31.00 to P 40.00	-	-	-	-
P 41.00 to P 50.00	-	-	-	-
Above P 50.00	-	-	-	-
No Response	-	7	7	13
TOTAL	21	32	53	100

7. Are you willing to contribute for future projects?

All the male respondents and most of the female interviewees (75% of total respondents) indicated their willingness to contribute in cash or in kind for the construction of WATSAN facilities in their respective barangays. The rest of the female respondents

was not willing to contribute because they could not afford to pay or they believed the government must provide water for free.

TABLE 43: WILLINGNESS TO CONTRIBUTE FOR FUTURE FACILITIES

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Yes	21	19	40	75
2. No	-	13	13	25
TOTAL	21	32	53	100

TABLE 44: IF NOT WILLING, STATE THE REASON/S

REASON/S	M	F	T	%
1. Can not afford to pay	-	5	5	9
2. Gov't must provide water for free	-	2	2	4
3. Water service is not good.	-	-	-	-
4. Others (Specify)	-	-	-	-
5. No Response	21	25	46	87
TOTAL	21	32	53	100

8. If so, what kind?

The male respondents opted to contribute labor or donate a site as their contribution for future WATSAN facilities. All the female respondents ironically just preferred to contribute labor, or their best effort should new facilities be required.

TABLE 45: TYPES OF CONTRIBUTION

RESPONSE	RESPONDENTS		T
	M	F	
1. Will free provide labor	21	29	50
2. Will donate site	13	-	13
3. Will provide materials	-	-	-
4. Others	-	-	-

9. Reason/s for not Contributing

Those who were not willing to contribute stated two reasons: (1) they could not afford to contribute and (2) they did not have land/site to donate.

TABLE 46: IF NOT WILLING TO CONTRIBUTE, STATE REASONS:

REASONS	RESPONDENTS		T
	M	F	
1. Cannot afford to contribute	10	13	23
2. No land/site to contribute	8	-	8
3. Government should provide water for free	-	-	-

I. Health and Sanitation

1. Type of toilet

A high 57% of the respondents did not have sanitation facilities and used the bush or other open outdoor sites; 21% percent used private pit latrine; 13% used toilets that flushes to an on-site septic tank; and the remaining 9% used pour flush water toilets.

TABLE 47: TYPES OF TOILETS RESPONDENTS USE

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Toilet w/ flushes to septic tank on the site	6	1	6	13
2. Toilet w/ flushes/ drops straight to sea	-	-	-	-
3. Private pit latrine	2	9	11	21
4. Shared flush toilet w/ septic tank	-	-	-	-
5. Public toilet	-	-	-	-
6. Bush or other open outdoor site	8	22	30	57
7. Pour Flush Water	5	-	5	9
TOTAL	21	32	53	100

2. Who got sick during the past year? What sickness?

Most of the respondents were uncertain as to the types of illnesses that afflicted their family members in the past year. The others claimed the illnesses were "somewhat" water-related as the illnesses were diarrhea, gastro-enteritis, and diseases of the skin. Influenza, which was not listed, was also one of the illnesses that many of the respondents complained about.

The women were the sicklier group (wife, female children and grandmother) in the family, having been afflicted with a variety of illnesses. In the male group, it was the grandfathers who were reported to have been more susceptible to illness.

TABLE 48: WATER ILLNESSES

DISEASE	RESPONDENT		T	%
	M	F		
1. Diarrhea	-	2	2	4
2. Kidney trouble	-	-	-	-
3. Gastro-enteritis	-	2	2	4
4. Cholera	-	-	-	-
5. Typhoid fever	-	-	-	-
6. Malaria	-	-	-	-
7. Skin Disease	-	10	10	19
8. Schistosomiasis	-	-	-	-
9. Others	6	7	13	24
10. Uncertain	15	11	26	49
TOTAL	21	32	53	100

TABLE 49: HOUSEHOLD MEMBERS FREQUENTLY GOT SICK IN 1998

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Husband	-	-	-	-
2. Wife	7	8	15	28
3. Father	-	-	-	-
4. Mother	-	-	-	-
5. Male Children	-	-	-	-
6. Female Children	10	5	15	28
7. Grandmother	6	9	15	29
8. Grandfather	2	6	8	15
9. Others	-	-	-	-
TOTAL	25	28	53	100

3. Health and hygiene practices

Most respondents recognized the importance of good health and hygiene practices. The male respondents learned about health and sanitation matters mostly from health clinics and hospitals while the female respondents learned this from health workers/inspectors, family and friends, as well as from health clinics, hospitals and schools.

TABLE 50: DO YOU RECEIVE/GET INFORMATION ABOUT HEALTH AND SANITATION

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Yes	21	30	51	96
2. No	-	2	2	4
TOTAL	21	32	53	100

TABLE 51: WHERE PEOPLE LEARNED HEALTH AND HYGINE EDUCATION

RESPONSE	RESPONDENTS		T	%
	M	F		
1. Radio	-	-	-	-
2. Newspapers	-	-	-	-
3. Television	-	-	-	-
4. NGOs	-	-	-	-
5. Family and Friends	-	8	8	15
6. Health Sanitation/Clinics/Hospitals	21	8	29	55
7. Health workers/ inspectors	-	8	8	15
8. School	-	8	8	15
9. Others/HMO	-	-	-	-
TOTAL	21	32	53	100

5.8.5 Utilization of NGOs

List of NGOs/CBOs for Samar

Name of NGOs/PSOs/POs	Contact Persons	Address / TEL. #
1. Economic Development Foundation (EDF)	Violeta Cerezo Regional Director	No. 418 Singrose Compound Sagkahan, Tacloban City Tel. (053) 325 6464 / 321 4151
2. Eastern Samar Development Foundation, Inc. (ESADEF)	Evelyn Amit-Corado Executive Director	146-B Kalipayan Road, Tacloban City Tel. (053) 321 2947
3. Community Extension & Research Foundation, Inc. (CERD)	Lino Aparente Program Coordinator or Ms. Genielend Chavez Program Coordinator	187 Mabini Avenue, Catbalogan, Samar Tel. (055) 756 0514 or Balud Calbayog City
4. Samar Enterprise Resource Center Foundation, Inc. (SERCFI)	Antonio A. Yulo Operation Officer	Paulinian Building, Catbalogan, Samar Tel. (055) 756 0404 / 356 1404
5. Samar People's Economic Foundation, Inc. (SPECFI)	Ernie Redaja Executive Director or Mrs. Albina Valles Vice-Chairperson	336 Ubanon District, Catbalogan, Samar Tel. (055) 756 0437 / 756 0282 / 3561437 or SPECFI Bldg., Ubanon, Catbalogan Samar
6. CARITAS	Rev. Fr. Cesar Aculan Executive Director	Paulinian Building, Catbalogan, Samar Tel. (055) 756 0404 / 251 2531
7. TANDAYA Foundation, Inc	Rosario Mabong-Cabardo Executive Director	160 Del Rosario Street, Catbalogan, Samar Tel. (055) 756 0185 / 356 1185
8. Western Samar Development Foundation, Inc (WESADEF)	Ma. Rosario Reyes-Balmes Executive Director	Umbria Street, Calbayog City Tel. (055) 419 1328 / 91328
9. Philippine Business for Social Progress (PBSP)	Elenio T. Yap Senior Program Officer or Leo Dionisio H. Hilado Asst. Dir for Operations	New Mahayag, Catbalogan, Samar Tel. (055) / 0918 683 0005 Fax. (055)
10. Visayas Cooperative Development Center (VICTO)	Clarita P. Napoles Regional Manager	40 Sampaguita Street, Tacloban City Tel. (053) 321 4396
11. Samar Center for Rural Education and Development, Inc. (SACRED)	Raul C. de Leon Executive Director	Jacinto Street, Catarman, Northern Samar Tel. (055) 554 1337.
12. Calbiga Local Business Resource Center, Inc. (CLBRC)	Arthur Panganiban Executive Director	Municipal Hall, Calbiga, Samar
13. Gugma Han Maqueda Iguin Ondong han Samaron (GIOS)	Basilio Zabala Executive Officer or Gerardo Malinao Chairperson	No. 25 Brgy. Muñoz, Catbalogan, Samar Tel. (055) 356 0114 / 0918 6831503 or 2 nd Floor FPOP Bldg., Mabini St. Catbalogan Samar
14. WESAMAR	Mr. Efren Piczon Program Director	WESAMAR Bldg. Catbalogan, Samar
15. Farmer Sector Representative	Mr. Domingo Lasagas PARCOM Member	Balugo, San Sebastian, Samar
16. Senior Citizen's Federation of Samar	Mr. Francisco Amoyo President	Zumarraga, Samar
17. Fisherflocks Sector Representative	Mrs. Paulina Padayao	FPOP Bldg., Mabini St., Catbalogan, Samar
18. Fil-Chinese Chamber of Commerce (Samar Chapter)	Mr. Emmanuel Lao, Jr.	San Miguel Beer Bodega, San Roque St., Catbalogan, Samar
19. Calbayog Federation of Disabled Person	Ms. Rowena Urot	Tinambacan St., Calbayog City
20. Samar Kauswagan Foundation Kausawagan	Ms. Loreta Badomaro	247 Nijaga St., Calbayog City
22. Maqueda Bay Eco-System Foundation	Leonardo D. Sison Chairperson	San Francisco St., Catbalogan, Samar

5.8.6 Existing Community Development Process

Detailed Typical CD Process in Agusan del Sur

- 1) **Make courtesy calls.** Courtesy calls are made to barangay/sitio officials prior to the conduct of meetings with the community. Then, a series of meetings and community assemblies are done where the WATSAN program is introduced, its significance and impact taken up and the importance of organizing promoted. This is followed by a more detailed presentation/orientation of the project – its concept, features, history, stakeholders, and the CO process utilized. Depending on the level of community awareness regarding the program/project, two or three meetings/assemblies are needed before doing the baseline survey.

- 2) **Preparation of profile (secondary information) and survey forms.**
 - (a) General information. Distance from barangay to poblacion, mode of travel, time and fare; no. of sitio/purok; dominant ethnic groups, common occupation of residents; demographic data (no. of household, male and female population) by sitio/purok, no. of dwelling structures, school buildings, other buildings, availability of electricity by sitio/purok.

 - (b) Barangay WATSAN status. Existing water supply system, by sitio/purok, by type and service level, no. of facilities (functioning), portability, no. of HH served, who installed, who operates, user charges, if any; HHs toilet facilities, by sitio/purok, no. of HHs with private toilets by type, no. HH using shared toilets by type, no. of HH without toilets; no. of community waste disposal systems by sitio/purok, by method and wastewater system; no. of reported morbidity and mortality cases of water-borne/contact/vector-borne disease of barangay residents.

 - (c) WATSAN related programs and project in the barangay. Existing WATSAN program/project by type of activity, implementing organization/agency, sponsoring funding agency, specify years when operated in barangay, name of community association organized, if any; past WATSAN programs/projects by type of activity, implementing organization/agency, sponsoring funding agency, specify years when operated, name of community association organized, if any; Community organizations in the barangay, WATSAN related groups/organization and other community organizations,

its name of group/organization, sitios where members are, sponsoring agencies, year organized and status; other barangay facilities.

(d) Resources for barangay water supply and toilet facilities fabrication. Brief description of water sources-undeveloped springs, streams and other water sources which can be tapped and developed, source which can be improve including estimated distance to center of HHs to be served, availability of water, estimated flows during dry and wet seasons; water and well depths by sitio/purok, by season; availability of construction materials for water supply and toilet if available for free at barangay or at hardware/other stores, its sources, name and address of store, materials available, distance from barangay and means of transport for materials, sources of pumps and spare parts for pumps – name and address of dealer/store, types of pumps/parts available and distance from barangay; barangay residents with skills in water supply system construction and maintenance, type of skill, no. of persons and remarks; well drillers and water supply contractors who can be tapped for barangay works, their name address, services rendered and charging rates; local fabricators of toilet bowls, their name, location, type/description of toilet bowl.

3. **Identify of community volunteers.** As an initial step in community organizing, a core group of about 7 persons consisting of community leaders is formed. This is the formation of an informal community organization that will assist the CD worker in the preparation of CO strategies, community profiling, identification of project sites, and other work.
4. **Conduct baseline survey.** In the conduct of this survey, focus group discussion was applied and the result validated during barangay spot mapping. The barangay spot map reflects the location of structures (scaled) and different facilities/infrastructure. This serves as a planning tool in the development of WATSAN program for the area.
5. **Inspect/Identify project sites and validates projects.** An assembly is called again to present the results of the survey, its profile, assessment and needs. The CD team situates the community, i.e., where they are now in the sector. A member of the CD team will then facilitate the surfacing of thoughts from the group in terms of identifying the needs for WATSAN facilities, how project will be implemented in their area, how they facility will be designed and constructed, and how the community perceives their role in the project. In some cases, the community request technical assistance from the Center on site selection of identified areas.

6. **Conduct technical and community consultative meetings** of members and officers together with barangay officials. By this time, the one group has already specific projects to be implemented. Together with these interim officers, meetings with barangay officials are undertaken to determine local counterpart funding support to the program/project.
7. **Facilitate project implementation.** After funding has been assured, the CD team facilitates the implementation of the project through supervision and monitoring progress of construction. Contribution from the community comes in the form of free labor (pahina).
8. **Consolidate BWSA Organization.** The core group formulates the by-laws and policies of the organization and have these ratified by the members. The election of BWSA officers follows. A barangay resolution is passed endorsing the association and submitted to the Municipal Development Council/Sangguniang Bayan for registration/accreditation. Parallel to this activity is the completion of the facility and in most cases, the turn-over of the facility to the newly-organized BWSA, which can coincide with the swearing-in of BWSA officials.
9. **Conduct training on skills and management to BWSA officials** by the Center. The module includes topics on: human resource development (self and group awareness, communication skills, group facilitation and conducting meeting, effective community work, leadership skills and roles of officers and members, and conflict management); technical (hydrogeology and site selection, well construction and identification of handpump parts, equipment plumbing tools and materials for construction and repairs, hand pump principles of operations, maintenance and approach in trouble shooting, spring development, types of spring, their characteristics and method of developing, operation and maintenance of tank, spring box and distribution line, excreta, liquid and solid disposal system, water related diseases-prevention/control and water quality surveillance); financial management; project planning management; and action planning.
10. **Undertake follow-up activities.** The CD team after the construction of the WATSAN facilities undertakes follow-up activities such as monitoring and evaluation and the provision of recommendations/adjustments on the O&M of the facilities, where needed.

Source: DILG/WATSAN UNDP-PHI as modified by Province of Agusan del Sur

6. PAST FINANCIAL PERFORMANCE IN WATER SUPPLY AND SANITATION
 6.2 LGU's Past Financial Performance
 6.2.1 Sources of Local Funds

Table 6.2.1 Income and Expenditure of Samar, 1995-1999

Municipality	1995	1996	1997	1998	1999
1. Almagro					
Receipts					
Tax Revenues					
- Real Property Tax		110,000.00	9,918.60		
- Business Tax		83,000.00	65,000.00		
- Others					
IRA		5,546,627.00	7,536,581.69		
Other Revenue Source		94,000.00	26,359.52		
Sub - Total	5,358,271.30	5,833,627.00	7,637,859.81		
Expenditures					
Personal Services		3,607,015.52	5,280,067.20		
Maint. & Other Oper. Exp. (MOOE)		1,865,062.19	2,255,527.82		
Others					
Sub - Total	5,358,271.30	5,472,077.71	7,535,595.02		
Net Operating Income		361,549.29	102,264.79		
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income		361,549.29	102,264.79		
2. Basey					
Receipts					
Tax Revenues					
- Real Property Tax		938,898.09	77,548.02	78,613.94	
- Business Tax			409,814.09	1,263,874.90	
- Others			107,050.41	219,772.03	
IRA		20,015,263.39	24,395,568.22	25,834,624.00	
Other Revenue Source		137,564.46	200,241.15	200,587.45	
Sub - Total	22,598,552.40	21,091,725.94	25,191,221.89	27,597,472.32	
Expenditures					
Personal Services		13,285,762.21	13,255,234.94	15,995,453.00	
Maint. & Other Oper. Exp. (MOOE)		5,448,495.22	9,277,330.95	8,603,762.95	
Others			1,585,033.52	450,133.89	
Sub - Total	21,787,185.96	18,734,257.43	24,117,599.41	25,049,354.84	
Net Operating Income	811,366.44	2,357,468.51	1,073,622.48	2,548,117.48	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	811,366.44	2,357,468.51	1,073,622.48	2,548,117.48	
3. Calbiga					
Receipts					
Tax Revenues					
- Real Property Tax		28,554.38	20,711.69	41,343.91	
- Business Tax		211,096.69	343,205.34	213,214.97	
- Others			896.25		
IRA		11,201,316.00	13,993,607.04	15,405,849.00	
Other Revenue Source		152,626.40	218,996.07	276,620.46	
Sub - Total	260,000,000.00	11,593,593.38	14,582,416.39	15,937,033.34	
Expenditures					
Personal Services		5,797,745.32	8,174,439.10	10,313,330.12	
Maint. & Other Oper. Exp. (MOOE)		3,244,873.59	5,634,958.09	5,927,740.80	
Others		3,163,398.23	870,430.84	298,220.00	
Sub - Total	260,000,000.00	12,206,517.14	14,679,828.03	16,539,290.92	
Net Operating Income		(612,923.76)	(97,411.64)	(602,757.58)	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income		(612,923.76)	(97,411.64)	(602,757.58)	

Municipality	1995	1996	1997	1998	1999
4. Catbalogan					
Receipts					
Tax Revenues					
- Real Property Tax		548,148.96	598,190.73	888,556.91	
- Business Tax		5,710,740.40	5,490,952.20	6,589,585.00	
- Others					
IRA		20,209,187.00	28,101,778.25	30,651,533.06	
Other Revenue Source		2,760,600.19	11,000,000.00	3,930,524.61	
Sub - Total	10,147,222.76	29,228,676.55	45,190,921.18	42,060,192.58	
Expenditures					
Personal Services		14,823,594.36	23,402,019.97	26,536,117.38	
Maint. & Other Oper. Exp. (MOOE)		11,486,040.69	12,460,895.46	14,283,802.82	
Others		1,147,118.28	10,554,325.80	831,757.86	
Sub - Total	10,305,688.59	27,456,753.33	46,417,241.23	41,651,685.06	
Net Operating Income	(158,465.83)	1,771,923.22	(1,226,320.05)	408,514.52	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	(158,465.83)	1,771,923.22	(1,226,320.05)	408,514.52	
5. Daram					
Receipts					
Tax Revenues					
- Real Property Tax		535,310.08	39,654.17	58,406.29	
- Business Tax				254,512.41	
- Others			28,835.00	23,400.00	
IRA		11,575,184.85	15,279,244.46	16,623,966.12	
Other Revenue Source		46,590.50	67,367.45	41,811.00	
Sub - Total	11,681,377.22	12,157,085.43	15,415,101.08	17,002,095.82	
Expenditures					
Personal Services		9,322,364.29	5,431,919.18	12,963,199.63	
Maint. & Other Oper. Exp. (MOOE)		2,761,871.31	2,357,679.21	3,312,797.93	
Others		1,056,198.50	1,218,644.47	1,467,200.16	
Sub - Total	11,165,933.46	13,140,434.10	9,008,242.86	17,743,197.72	
Net Operating Income	515,443.76	(983,348.67)	6,406,858.22	(741,101.90)	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	515,443.76	(983,348.67)	6,406,858.22	(741,101.90)	
6. Gandara					
Receipts					
Tax Revenues					
- Real Property Tax		33,936.43	31,256.69	38,000.79	
- Business Tax		133,401.40	61,845.67	163,968.30	
- Others		20,595.95		15,926.18	
IRA		14,889,506.54	21,482,099.22	23,842,677.04	
Other Revenue Source		224,840.56	272,467.86	350,016.48	
Sub - Total	15,933,110.80	15,302,280.88	21,847,669.44	24,410,588.79	
Expenditures					
Personal Services		8,799,637.83	12,908,850.11	15,834,288.17	
Maint. & Other Oper. Exp. (MOOE)		3,597,455.31	5,025,559.13	4,320,386.87	
Others		2,772,209.22	4,106,143.13	4,459,858.37	
Sub - Total	14,951,691.07	15,169,302.36	22,040,552.37	24,614,533.41	
Net Operating Income	981,419.73	132,978.52	(192,882.93)	(203,944.62)	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	981,419.73	132,978.52	(192,882.93)	(203,944.62)	

Municipality	1995	1996	1997	1998	1999
7. Hiasbangan					
Receipts					
Tax Revenues					
- Real Property Tax		28,263.51	35,557.63	38,467.05	
- Business Tax		59,828.05	43,204.00	78,579.35	
- Others		30,194.05	36,583.00	-	
IRA		11,981,444.18	14,781,851.34	16,442,420.00	
Other Revenue Source		150,101.17	-	185,011.94	
Sub - Total	14,042,173.06	12,249,830.96	14,897,195.97	16,744,478.34	
Expenditures					
Personal Services		8,216,714.33	9,885,525.50	12,854,568.84	
Maint. & Other Oper. Exp. (MOOE)		2,120,614.16	2,887,855.59	1,426,335.52	
Others		1,431,564.35	1,558,517.57	2,165,993.68	
Sub - Total	14,042,173.06	11,768,892.84	14,331,898.66	16,446,898.04	
Net Operating Income		480,938.12	565,297.31	297,580.30	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income		480,938.12	565,297.31	297,580.30	
8. Jiabong					
Receipts					
Tax Revenues					
- Real Property Tax		29,951.66	346,680.51	36,345.79	
- Business Tax		68,009.85	-	25,080.70	
- Others		209,249.07	-	49,790.40	
IRA		7,191,843.00	9,493,232.76	9,621,490.00	
Other Revenue Source		134,737.35	160,228.56	-	
Sub - Total		7,633,790.93	10,000,141.83	9,332,706.89	
Expenditures					
Personal Services		5,228,651.39	6,589,578.55	6,589,578.55	
Maint. & Other Oper. Exp. (MOOE)		19,463.13	2,373,764.07	2,337,761.90	
Others		26,586.56	323,297.65	323,297.65	
Sub - Total		5,274,701.08	9,286,640.27	9,250,638.10	
Net Operating Income		2,359,089.85	713,501.56	432,068.79	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income		2,359,089.85	713,501.56	432,068.79	
9. Marabut					
Receipts					
Tax Revenues					
- Real Property Tax		8,951.08	11,528.00	55,347.80	
- Business Tax		77,245.86	48,500.87	132,747.53	
- Others		-	-	-	
IRA		7,026,561.00	9,455,505.58	10,349,624.00	
Other Revenue Source		60,379.90	90,144.36	86,215.00	
Sub - Total	6,750,103.31	7,173,137.84	9,605,678.81	10,623,934.33	
Expenditures					
Personal Services		4,513,262.11	4,632,305.11	6,658,844.04	
Maint. & Other Oper. Exp. (MOOE)		2,387,585.53	2,386,706.53	3,922,511.25	
Others		59,800.60	775,880.64	-	
Sub - Total	6,705,714.81	6,960,647.64	7,794,892.28	10,581,355.29	
Net Operating Income	44,388.50	212,490.20	1,810,786.53	42,579.04	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	44,388.50	212,490.20	1,810,786.53	42,579.04	

Municipality	1995	1996	1997	1998	1999
10. Matuginao					
Receipts					
Tax Revenues					
- Real Property Tax		11,484.15	7,541.70	8,290.06	
- Business Tax		16,852.65	17,197.99	13,103.00	
- Others		1,636.00		1,231.60	
IRA		9,367,217.00	8,109,254.85	10,128,728.00	
Other Revenue Source		18,157.00	15,317.00	21,581.13	
Sub - Total	9,082,893.00	9,415,346.80	8,149,311.54	10,172,933.79	
Expenditures					
Personal Services		5,939,324.23	5,188,381.61	5,205,325.12	
Maint. & Other Oper. Exp. (MOOE)		3,349,798.23	3,306,845.16	4,507,306.85	
Others					
Sub - Total	8,825,115.81	9,289,122.46	8,495,226.77	9,712,631.97	
Net Operating Income	257,777.19	126,224.34	(345,915.23)	460,301.82	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	257,777.19	126,224.34	(345,915.23)	460,301.82	
11. Mationg					
Receipts					
Tax Revenues					
- Real Property Tax		78,223.03	131,000.00	26,629.32	
- Business Tax		44,982.82		55,630.43	
- Others		26,671.23		31,465.68	
IRA		8,535,528.58	10,859,970.98	12,578,152.62	
Other Revenue Source		100,701.80	128,500.00	157,287.60	
Sub - Total	8,952,666.00	8,786,107.31	11,119,470.98	12,849,165.05	
Expenditures					
Personal Services		5,345,035.02	7,201,940.98	9,704,403.20	
Maint. & Other Oper. Exp. (MOOE)		2,990,891.03	3,451,415.75	2,454,231.66	
Others					
Sub - Total	8,952,665.43	8,335,926.05	10,653,356.73	12,159,134.86	
Net Operating Income	0.57	450,181.26	466,114.25	690,030.19	
Add: Borrowings					
Surplus					
Less: Capital Outlay			712,042.30	170,000.00	
Net Income	0.57	450,181.26	(245,928.05)	520,030.19	
12. Pagsanghan					
Receipts					
Tax Revenues					
- Real Property Tax		69,974.50	27,644.80	81,577.88	
- Business Tax		37,222.00	38,609.00	15,755.60	
- Others		22,657.02	19,842.50	18,252.54	
IRA		5,100,712.70	6,743,694.99	7,281,841.01	
Other Revenue Source		37,382.80	54,397.73	29,960.00	
Sub - Total		5,267,949.02	6,884,189.02	7,427,387.03	
Expenditures					
Personal Services		3,633,393.80	4,586,247.18	6,809,402.48	
Maint. & Other Oper. Exp. (MOOE)		1,303,732.53	2,034,727.15	772,050.95	
Others		225,391.28	280,974.33	350,000.00	
Sub - Total		5,162,517.61	6,901,948.66	7,931,453.43	
Net Operating Income		105,431.41	(17,759.64)	(504,066.40)	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income		105,431.41	(17,759.64)	(504,066.40)	

Municipality	1995	1996	1997	1998	1999
13. Paranas (Wright)					
Receipts					
Tax Revenues					
- Real Property Tax		858,351.36	41,060.05	85,263.92	
- Business Tax				194,831.23	
- Others					
IRA		16,272,904.36	20,390,161.20	23,729,776.97	
Other Revenue Source		209,900.35	318,515.59	747,690.20	
Sub - Total	16,286,622.21	17,341,156.07	20,749,736.84	24,757,562.32	
Expenditures					
Personal Services		10,772,735.35	14,263,566.93	15,906,413.39	
Maint. & Other Oper. Exp. (MOOE)		4,190,274.65	3,976,457.03	4,557,267.02	
Others		2,502,330.70	3,074,619.20	2,534,142.57	
Sub - Total	16,232,137.33	17,465,340.70	21,314,653.21	23,087,822.98	
Net Operating Income	54,484.88	(124,184.63)	(564,916.37)	1,669,739.34	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	54,484.88	(124,184.63)	(564,916.37)	1,669,739.34	
14. Pinabacdao					
Receipts					
Tax Revenues					
- Real Property Tax		9,727.95	11,911.87	13,112.87	
- Business Tax		25,420.84		36,362.62	
- Others					
IRA		6,904,198.96	10,700,195.30	11,711,836.78	
Other Revenue Source		55,224.82	93,026.00	49,236.00	
Sub - Total	7,853,167.42	6,994,572.57	10,805,133.17	11,810,543.27	
Expenditures					
Personal Services		5,097,299.89	6,254,922.31	7,522,220.47	
Maint. & Other Oper. Exp. (MOOE)		2,021,435.32	2,754,089.15	2,883,859.08	
Others		216,437.30	225,581.46	285,175.11	
Sub - Total	7,853,167.42	7,335,172.51	9,234,592.92	10,691,254.66	
Net Operating Income		(340,599.94)	1,570,540.25	1,119,293.61	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income		(340,599.94)	1,570,540.25	1,119,293.61	
15. San Jorge					
Receipts					
Tax Revenues					
- Real Property Tax		23,540.54	22,409.60	29,565.83	
- Business Tax		50,718.28	59,991.00		
- Others		2,292.40	2,811.89	8,102.50	
IRA		9,116,892.98	11,744,543.07	12,877,643.90	
Other Revenue Source		89,443.84	82,902.00	73,011.30	
Sub - Total	8,769,500.00	9,282,883.04	11,912,662.47	12,938,323.53	
Expenditures					
Personal Services		5,325,418.17	7,329,503.75	7,693,865.46	
Maint. & Other Oper. Exp. (MOOE)		3,817,655.53	4,308,990.61	5,071,143.00	
Others		65,700.00	79,575.00	129,746.12	
Sub - Total	8,733,736.83	9,208,773.70	11,718,069.36	12,894,759.58	
Net Operating Income	35,763.17	74,114.34	194,593.11	93,563.95	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	35,763.17	74,114.34	194,593.11	93,563.95	

Municipality	1995	1996	1997	1998	1999
16. San Jose de Buen					
Receipts					
Tax Revenues					
- Real Property Tax		4,503.76	5,916.87	2,478,473.00	
- Business Tax		11,651.72	15,627.85	14,948.55	
- Others					
IRA		9,397,176.12	11,791,582.98	13,224,414.53	
Other Revenue Source		14,083.03	12,481.00		
Sub - Total	9,254,211.43	9,427,414.63	11,825,608.70	15,717,836.08	
Expenditures					
Personal Services		3,662,924.60	6,323,170.56	8,379,840.21	
Maint. & Other Oper. Exp. (MOOE)		496,155.00	4,224,706.97	4,237,212.83	
Others			969,195.00	137,409.00	
Sub - Total	9,252,440.78	4,159,079.60	11,517,072.53	12,754,462.04	
Net Operating Income	1,770.65	5,268,335.03	308,536.17	2,963,374.04	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	1,770.65	5,268,335.03	308,536.17	2,963,374.04	
17. San Sebastian					
Receipts					
Tax Revenues					
- Real Property Tax		11,967.68	15,000.00	12,296.22	
- Business Tax		218,622.73	18,000.00	29,056.42	
- Others				38,201.50	
IRA		4,951,843.58	6,392,000.00	7,259,888.20	
Other Revenue Source		31,791.88		49,693.63	
Sub - Total	4,694,425.00	5,214,225.87	6,425,000.00	7,389,135.97	
Expenditures					
Personal Services		3,423,100.90	4,539,000.00	5,230,572.30	
Maint. & Other Oper. Exp. (MOOE)		1,651,622.10	447,000.00	1,786,206.54	
Others		157,500.00		258,000.00	
Sub - Total	4,694,425.00	5,232,223.00	4,986,000.00	7,274,778.84	
Net Operating Income		(17,997.13)	1,439,000.00	114,357.13	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income		(17,997.13)	1,439,000.00	114,357.13	
18. Sta. Margarita					
Receipts					
Tax Revenues					
- Real Property Tax		178,822.14	504,902.78	86,614.55	
- Business Tax		2,091,119.62		318,242.12	
- Others					
IRA		9,014,074.80	11,609,128.38	12,070,286.18	
Other Revenue Source		19,686.95		33,520.77	
Sub - Total	9,266,303.36	11,303,703.51	12,114,031.16	12,508,663.62	
Expenditures					
Personal Services		5,829,141.55	8,465,455.94	8,783,160.32	
Maint. & Other Oper. Exp. (MOOE)		2,907,919.10	2,616,733.20	3,196,177.74	
Others		1,162,479.25	487,067.52	252,649.50	
Sub - Total	9,224,898.18	9,899,539.90	11,569,256.66	12,231,987.56	
Net Operating Income	41,405.18	1,404,163.61	544,774.50	276,676.06	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	41,405.18	1,404,163.61	544,774.50	276,676.06	

Municipality	1995	1996	1997	1998	1999
19. Sta. Rita					
Receipts					
Tax Revenues					
- Real Property Tax		63,864.28	96,107.97	102,206.03	
- Business Tax		85,586.52	18,795.00	85,716.72	
- Others		43,492.65	92,411.30	21,733.60	
IRA		11,937,768.00	15,323,248.00	15,471,844.00	
Other Revenue Source		131,063.57	117,096.74	247,517.75	
Sub - Total	10,734,158.05	12,316,775.02	15,647,659.01	15,929,018.10	
Expenditures					
Personal Services		8,032,093.12	10,691,293.28	12,867,320.11	
Maint. & Other Oper. Exp. (MOOE)		2,151,783.21	2,848,939.59	3,436,784.31	
Others			161,891.50	207,168.75	
Sub - Total	10,715,514.81	10,183,876.33	13,702,124.37	16,511,273.17	
Net Operating Income	18,643.24	2,132,898.69	1,945,534.64	(582,255.07)	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	18,643.24	2,132,898.69	1,945,534.64	(582,255.07)	
20. Sto. Nino					
Receipts					
Tax Revenues					
- Real Property Tax		27,437.34	192,323.84	308,273.50	
- Business Tax		151,855.30			
- Others					
IRA		6,209,485.27	7,829,787.17	8,478,755.00	
Other Revenue Source		204,161.56	46,273.99	74,375.00	
Sub - Total	6,069,268.00	6,592,939.47	8,068,385.00	8,861,403.50	
Expenditures					
Personal Services		4,300,346.28	5,431,919.18	6,447,235.07	
Maint. & Other Oper. Exp. (MOOE)		2,235,500.03	2,357,679.21	2,620,036.93	
Others					
Sub - Total	5,877,128.50	6,535,846.31	7,789,598.39	9,067,272.00	
Net Operating Income	192,139.50	57,093.16	278,786.61	(205,868.50)	
Add: Borrowings					
Surplus					
Less: Capital Outlay			15,000.00	5,000.00	
Net Income	192,139.50	57,093.16	263,786.61	(210,868.50)	
21. Tagapul-an					
Receipts					
Tax Revenues					
- Real Property Tax			22,696.40	21,940.86	
- Business Tax			57,593.90	75,900.00	
- Others					
IRA			6,946,118.53	7,498,876.00	
Other Revenue Source				97,749.69	
Sub - Total	5,051,427.00		7,026,413.83	7,694,466.55	
Expenditures					
Personal Services			5,195,553.64	5,786,084.79	
Maint. & Other Oper. Exp. (MOOE)			572,922.29	1,875,067.83	
Others				550,000.00	
Sub - Total	5,051,055.75		5,768,475.93	8,211,152.62	
Net Operating Income	371.25		1,257,937.95	(516,686.07)	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	371.25		1,257,937.95	(516,686.07)	

Municipality	1995	1996	1997	1998	1999
22. Talatoka					
Receipts					
Tax Revenues					
- Real Property Tax		25,048.47	13,038.63	20,992.68	
- Business Tax		41,106.31	49,534.81		
- Others		17,261.80	34,636.22		
IRA		5,055,951.60	6,433,755.00	7,313,024.60	
Other Revenue Source		35,142.13		36,482.60	
Sub - Total	4,890,000.00	5,214,510.31	6,530,964.66	7,370,499.88	
Expenditures					
Personal Services		3,657,057.77	4,678,720.95	5,020,477.66	
Maint. & Other Oper. Exp. (MOOE)		1,533,370.58	1,669,118.35	1,778,709.73	
Others			9,800.00		
Sub - Total	4,700,627.18	5,190,428.35	6,357,639.30	6,799,187.39	
Net Operating Income	189,372.82	24,081.96	173,325.36	571,312.49	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	189,372.82	24,081.96	173,325.36	571,312.49	
23. Tarangan					
Receipts					
Tax Revenues					
- Real Property Tax		39,130.38	30,903.18	97,883.75	
- Business Tax		55,045.77	66,650.04	44,471.54	
- Others					
IRA		8,640,444.68	11,338,051.16	12,385,998.10	
Other Revenue Source		125,460.89	124,439.13	111,814.01	
Sub - Total	8,205,933.00	8,860,081.72	11,560,043.51	12,640,167.40	
Expenditures					
Personal Services		6,543,906.09	7,144,012.68	8,770,863.56	
Maint. & Other Oper. Exp. (MOOE)		2,821,931.24	2,898,901.19	4,260,360.65	
Others		181,902.21	970,000.00	378,800.00	
Sub - Total	8,198,122.31	9,547,739.54	11,012,913.87	13,410,024.21	
Net Operating Income	7,810.69	(687,707.82)	547,129.64	(769,856.81)	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	7,810.69	(687,707.82)	547,129.64	(769,856.81)	
24. Villareal					
Receipts					
Tax Revenues					
- Real Property Tax		27,678.49	27,138.99	45,634.13	
- Business Tax		31,248.00	69,152.25	47,599.90	
- Others		64,044.55	46,614.06	7,643.11	
IRA		11,524,402.78	11,802,392.01	12,807,390.34	
Other Revenue Source		96,272.99	81,019.29	84,427.74	
Sub - Total	10,926,872.71	11,743,646.81	12,026,316.60	12,992,695.22	
Expenditures					
Personal Services		7,612,816.87	8,603,286.38	9,425,300.08	
Maint. & Other Oper. Exp. (MOOE)		4,011,062.11	4,101,194.80	3,439,082.22	
Others		1,368,700.00	144,320.87		
Sub - Total	10,926,835.33	12,992,578.98	12,848,802.05	12,864,382.30	
Net Operating Income	37.38	(1,248,932.17)	(822,485.45)	128,312.92	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	37.38	(1,248,932.17)	(822,485.45)	128,312.92	

Municipality	1995	1996	1997	1998	1999
25. Zumarraga					
Receipts					
Tax Revenues					
- Real Property Tax		13,448.74	13,970.38	14,519.75	
- Business Tax		37,798.00	20,484.55	41,375.26	
- Others			6,000.00		
IRA		6,828,157.00	8,806,836.02	9,495,039.87	
Other Revenue Source		65,237.06	67,220.02	77,341.24	
Sub - Total	6,436,423.00	6,944,640.80	8,914,510.97	9,628,326.12	
Expenditures					
Personal Services		4,351,313.55	5,772,140.91	6,293,276.66	
Maint. & Other Oper. Exp. (MOOE)		1,498,475.12	1,810,520.87	2,346,589.24	
Others				876,584.00	
Sub - Total	6,114,531.49	5,849,788.67	7,582,661.78	9,516,449.90	
Net Operating Income	321,891.51	1,094,852.13	1,331,849.19	111,876.22	
Add: Borrowings					
Surplus					
Less: Capital Outlay					
Net Income	321,891.51	1,094,852.13	1,331,849.19	111,876.22	

6.2.2 Availability of Funds

Table 6.2.2 Past Internal Revenue Allotment for the Province of Samar

Item		1995	1996	1997	1998	1999
1.	IRA to all municipalities (National total)	18,768,952,000	19,607,715,553	24,849,000,000	28,245,815,434	31,830,589,345
2.	IRA by Municipality	459,001,881	493,211,576	592,167,992	356,557,108	423,493,463
1	Almagro	5,027,263	5,456,627	7,536,581	8,628,743	10,269,430
2	Basey	18,662,105	20,015,265	24,396,569	27,194,341	32,456,760
3	Calbayog City	232,678,284	249,260,625	280,198,089	0	
4	Calbiga	10,444,137	11,201,313	13,993,608	16,216,683	19,300,196
5	Calbalogan (Capital)	18,586,718	20,209,187	28,101,779	32,264,770	38,371,577
6	Daram	10,706,203	11,602,432	15,279,244	17,498,914	20,769,910
7	Gandara	13,912,848	14,889,509	21,482,100	25,097,561	29,952,477
8	Hinabangan	10,843,426	11,981,444	14,781,851	17,307,810	20,679,893
9	Jiabong	6,659,094	7,191,843	9,607,280	10,937,172	12,924,833
10	Marabut	6,513,269	7,026,561	9,455,506	10,894,341	12,949,137
11	Matuguinao	8,860,378	9,428,461	8,673,514	10,043,631	11,953,619
12	Motiong	7,942,953	8,535,537	10,827,437	12,477,005	14,817,378
13	Pagsanghan	4,715,729	5,100,713	6,743,695	7,657,191	9,049,312
14	Paranas (Wright)	15,345,045	16,386,748	20,373,096	23,821,109	28,439,505
15	Pinabacdao	6,405,281	6,904,197	10,700,196	12,328,246	14,623,588
16	San Jorge	8,516,200	9,116,896	11,744,547	13,601,108	15,172,944
17	San Jose De Buan	8,820,011	9,397,175	11,791,584	13,897,720	16,687,945
18	San Sebastian	4,574,425	4,951,844	6,392,894	7,263,465	8,592,598
19	Santa Margarita	8,389,333	9,048,870	11,608,553	12,070,286	14,320,319
20	Santa Rita	11,073,804	11,937,768	15,322,928	16,286,153	19,372,293
21	Santo Niño	5,719,268	6,209,485	7,829,788	8,925,007	10,599,775
22	Tagapul-An	4,872,976	5,270,120	6,946,118	7,875,078	9,292,942
23	Talalora	4,708,105	5,095,951	6,433,755	7,313,026	8,654,774
24	Tarangnan	8,009,203	8,640,444	11,338,051	13,481,460	15,471,256
25	Villareal	10,710,928	11,524,403	11,802,392	13,481,460	15,969,557
26	Zumarraga	6,305,095	6,828,158	8,606,837	9,994,828	11,801,445
3.	% Share by Municipality	100.00	100.00	100.00	100.00	100.00
1	Almagro	1.10	1.11	1.27	2.42	2.42
2	Basey	4.07	4.06	4.12	7.63	7.66
3	Calbayog City	50.69	50.54	47.32	0.00	0.00
4	Calbiga	2.28	2.27	2.36	4.55	4.56
5	Calbalogan (Capital)	4.05	4.10	4.75	9.05	9.06
6	Daram	2.33	2.35	2.58	4.91	4.90
7	Gandara	3.03	3.02	3.63	7.04	7.07
8	Hinabangan	2.36	2.43	2.50	4.85	4.88
9	Jiabong	1.45	1.46	1.62	3.07	3.05
10	Marabut	1.42	1.42	1.60	3.06	3.06
11	Matuguinao	1.93	1.91	1.46	2.82	2.82
12	Motiong	1.73	1.73	1.83	3.50	3.50
13	Pagsanghan	1.03	1.03	1.14	2.15	2.14
14	Paranas (Wright)	3.34	3.32	3.44	6.68	6.72
15	Pinabacdao	1.40	1.40	1.81	3.46	3.45
16	San Jorge	1.86	1.85	1.98	3.81	3.58
17	San Jose De Buan	1.92	1.91	1.99	3.90	3.94
18	San Sebastian	1.00	1.00	1.08	2.04	2.03
19	Santa Margarita	1.83	1.83	1.96	3.39	3.38
20	Santa Rita	2.41	2.42	2.59	4.57	4.57
21	Santo Niño	1.25	1.26	1.32	2.50	2.50
22	Tagapul-An	1.06	1.07	1.17	2.21	2.19
23	Talalora	1.03	1.03	1.09	2.05	2.04
24	Tarangnan	1.74	1.75	1.91	3.78	3.65
25	Villareal	2.33	2.34	1.99	3.78	3.77
26	Zumarraga	1.37	1.38	1.49	2.80	2.79

6.4 LGU's Present Financing Sources and Management Participation in the Sector

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
<p>1. Municipal Development Finance (MDF)</p>	<p>Multilateral lending sources for LGU projects have principally come from three main sources, the World Bank (WB), the Asian Development Bank (ADB) and the Overseas Economic Cooperation Fund of Japan (OECF). The funds have been channeled through the MDF, a revolving fund created by a Presidential Decree in March 1984 to consolidate the fragmented and uncoordinated borrowing and grant system to the LGUs. The MDF is administered by the Bureau of Local Government Finance (BLGF) under the DOF. Before the creation of the MDF, the donor agencies required a central agency for monitoring the foreign loans and grants. With the establishment of the MDF, a separate monitoring agency was no longer needed, and thus, the MDF became the conduit for foreign loans and grants. The MDF also played the role of a monitoring unit and project accounting support for foreign funds directed to the LGUs.</p>	<p>The MDF operates under the direction of a Policy Governing Board chaired by the DOF with three other Government agencies as members, i.e. the National Economic and Development Authority (NEDA), the Department of Interior and Local Government (DILG) and the Department of Budget and Management (DBM). The MDF consists of two major units, the Financial Unit, headed by the Executive Director of the BLGF and the Central Projects Office (CPO), the project implementation unit for each project located in participating agencies in the MDF. Aside from providing loans, the MDF also provides technical assistance to LGUs for project identification and feasibility studies and for other projects such as the Real Property Tax Administration Project, which assisted more than 300 LGUs in improving their real property tax collection.</p>	<p>The MDF was created as a revolving fund and made available to LGUs in undertaking their socio-economic development programs. It was active in providing loans to LGUs in the 1980s when the GFIs stopped lending to the LGUs on account of mounting uncollectible accounts. During this time, the MDF channeled some P7.9 billion of long-term finance to LGUs. LGU projects that have benefited from assistance from the MDF include:</p> <ul style="list-style-type: none"> • public markets • heavy equipment and machinery • bus terminals • slaughterhouses • drainage and waterworks • roads • solid waste • telephone systems • health centers <p>At present, nine loans have been provided by the World Bank, ADB, OECF and Eximbank of Korea through the MDF.</p> <p>Total loans extended under the nine projects for all regions amounts to \$290 million (P10.7 billion at current exchange rates). The greater access by higher income LGUs to the MDF credit facility can be attributed to the requirement of financial capacity and the ability of the LGU to repay the loans. Other criteria also favor the higher income LGUs, such as urban population minimum requirements and annual population growth rates, annual income and equity requirements, and commitment to establish a separate project office with full-time staff. Considering that the higher income LGUs have access to</p>	<p>Terms of Credit. The MDF is, at present, the only source of credit finance that is offering long-term financing with a maturity period of 15-25 years. The interest rate is currently set at 2 percent above the weighted average interest rate of 6.1-9.0 day domestic time deposits. No collateral is required since the risk intercept mechanism guarantees the loan repayment. Aside from providing loans, the MDF can also provide a package of a loan and a grant, which effectively lowers the LGU's borrowing costs. The loan component carries the terms and conditions set by the lender through the MDF. Because of the liberal terms of the MDF, particularly the long-term principal repayment feature, the MDF has been extremely attractive to LGUs.</p> <p>Funding Limitation. At the moment, MDF funding to the LGUs is experiencing constraints for several reasons:</p> <ul style="list-style-type: none"> • the increased demand for MDF credits by other developing countries; • funding limitations of the multilateral institutions that support the MDF; • constraints imposed by the government budgetary process; and • increasingly limited eligibility for MDF assistance to the Philippines due to the increased economic development of the country. <p>First, the worldwide demand for MDF assistance and the increase in requirements by other less-developed countries in the world has constrained the availability of funds to meet the increased demand for MDF funds from the Philippines. The multilateral agencies, in the pursuit of poverty alleviation objectives, are shifting attention to poorer regions of the world such as Africa. Second, the multilateral institutions that support the MDF are experiencing funding limitations themselves and are encouraging LGUs to tap private sources of financing for development assistance worldwide. Third, the MDF's present lending capacity is constrained by the budgetary process of the Government. Each department of the national government observes a budgetary ceiling imposed by Congress and the Development Budget Coordinating Committee. In practice, the budget submission of the National Government departments, which include budgetary requests for MDF counterpart funds, are subject to the ceiling. Finally, as the Philippine economy progresses, its eligibility for increased MDF assistance is adversely affected, as one of the principal criteria for MDF assistance is the economic standing of the recipient country.</p>

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
MDF (contd)			<p>other sources of funding, the Government, in implementing its new vision for LGU financing, is discussing with the multilateral financing agencies, re-focusing MDF assistance toward less creditworthy LGUs.</p>	<p>Assessment</p> <p>The MDF continues to be a major source of concessional credit finance for LGUs. Since its first loan (Municipal Development Project 1 of the World Bank), the MDF has been actively contributing to the economic development of LGUs by providing long-term financing for LGU projects. It is the long-term feature of MDF loans and the concessional rate that has attracted the LGUs. Lately, however, some LGUs have voiced concern regarding the long processing time of MDF loans. Therefore, steps need to be taken to streamline the approval process. At the same time, consistent with the new vision of the Government for LGU financing, the MDF is being re-oriented to be a more effective instrument in lending to lower class municipalities, which have limited access to private sources of capital. Reform of the MDF is being undertaken with World Bank assistance. Because of the favorable terms of MDF lending, the MDF is expected to continue to be attractive to LGUs for financing basic services.</p>
2. Local Water Utilities Administration (LWUA)	<p>In order to promote, develop and finance local water utilities, optimize public service water operations, and facilitate the improvement of local water services, the Local Water Utilities Administration (LWUA) was created in September 1972 under the Provincial Water Utilities Act. The LWUA is a specialized lending institution, which provides financing to water districts for water supply and development, expansion and improvement. LWUA has evolved to be primarily a financing agency with the following functions:</p> <ul style="list-style-type: none"> • provide loans to qualified local water utilities for their capital expenditure programs; • establish standards for local water utilities such as water quality, design and construction of new or additional facilities for water supply, treatment, transmission and distribution, and for wastewater collection, treatment and disposal. 			

Financing Source	Objectives	Prerequisite	Eligible Projects	Loan Features
LWUA (cont'd)	<ul style="list-style-type: none"> furnish technical assistance and personnel training programs for local water utilities; effect systems integration, joint investments, water district annexation and de-annexation. <p>LWUA has, over the years, on-lent funds from ODA sources at concessionary rates. LWUA has extended loans to rural waterworks and sanitation associations, which are non-stock, non-profit cooperative associations, and franchised to operate rural water supply systems in remote areas where access to a water district is difficult. Many water districts have benefited from low-interest, long-term loans of up to 25 years with ample grace periods. However, because of funding source constraints from its donor agencies, LWUA has not been able to accommodate funding requests from all the water districts. As a result, some water districts (Bulacan, Metro Cebu, Puerto Princesa and Batanes have turned to alternative sources of financing such as BOT schemes and joint ventures).</p>			
3. DBP	<p>Provide loans to qualified LGUs for projects which will enhance and facilitate the delivery of basic services to their constituents and at the same time, capture sizeable deposits from LGUs.</p>	<p>To qualify under the Program, the province, municipality or city shall:</p> <ol style="list-style-type: none"> have beneficiary population of at least 10,000; perform important local, commercial, transportation, industrial, educational or similar activities; have gross annual average revenues of at least ₱1.0 million over the last three years; have balanced or surplus prospective income streams for the next three years (computation to be validated by the concerned RMT/Branch); have no adverse findings from banks and major suppliers both for the LGU and the current Chief Executive and Treasurer; and 	<ol style="list-style-type: none"> Revenue-generating projects include, but not limited to public markets, slaughter-houses, transport terminals, municipal water systems, storage/refrigeration facilities, and hospital/health facilities which are self-liquidating; Projects under the PCCD-CEP are primarily designed for income generation by barangay residents who will be organized into 4 to 6 member groups which will be funded by the LGUs out of the loan proceeds from GFIs like DBM. Initially, the pilot operation will cover 40 pre-identified barangays located at the 20 priority provinces. 	<p>DBP Environmental Credit Facilities</p> <p>Environmental projects are actually eligible under all of DBP's credit facilities. Two of these facilities are dedicated to environmental credit funding. These are the Environmental Infrastructure Support Credit Program (or EISCP), and the Industrial Pollution Control Loan Project (or IPLCP). Both are policy-based lending programs to support investment projects of industrial enterprises in promoting the protection and enhancement of the quality of the environment.</p> <p>Environmental Infrastructure Support Credit Program</p> <p>EISCP is by far the most successful of all DBP's environmental credit facility. The project is actually just on its 1 and 1/2-year pilot stage with 5 Billion Yen (equivalent to about 1.4 Billion Pesos) funding from the OECF. Total loan approvals has reached ₱1.3 Billion, almost exhausting the total fund.</p>

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
3. DBP	6. have shown efficiency in the collection of real estate and other local taxes based on the steady growth rates over the last three (3) years		<p>For the expanded operation, 4,000 out of 42,000 barangays will be targeted annually.</p> <p>3. Non-revenue generating projects include but are not limited to construction of roads and bridges, and acquisition of heavy equipment which are not intended to generate revenues but to enhance efficiency in the provision of services to their constituents</p> <p>4. The project to be financed shall have passed the first and second screening following the Simplified Screening Criteria of World Bank (available with DBP);</p> <p>5. The project to be financed shall be included in the approval of local development plan and public investment program (Local Government Code Section 296);</p> <p>6. The project shall be duly endorsed by the local council as evidenced by the relevant enabling resolution</p>	<p>With the success of EISCP, DBP is working with Japan's OECF to continue to extend a second tranche of the credit facility on a larger scale.</p> <p>Industrial Pollution Control Loan Project</p> <p>IPCLP is a DM 10 million credit facility entrusted to DBP by the KfW of Germany. Although smaller in amount, the IPCLP also offers concessional rates to industries, particularly the small to medium scale industries, who are intending to invest in environmental projects.</p> <p>More or less, both EISCP and IPCLP carry the same features, terms and conditions</p> <p>Comparative Features of Environmental Infrastructure Support Credit Program and Industrial Pollution Control Loan Project</p> <p><i>Amount:</i> Yen 5.158 Billion (United Facility) DM 10 Million (United Facility)</p> <p><i>Loan Denomination:</i> Pesos</p> <p><i>Purpose:</i> To provide financial assistance to environmental investment projects for pollution abatement and promotion of industrial efficiency. To support investment projects of new and existing industrial firms for the reduction of pollution and reduction of utilization of natural resources</p> <p><i>Eligible Borrowers:</i> Filipino citizens or corporations organized under the laws of the Philippines at least 70% of whose capital is owned by citizens of the Philippines. Existing and new SMEs with pre-funding asset size of ₱60 million or less.</p> <p><i>Interest Rate to End-Users:</i> 11% fixed p.a.</p> <p><i>Tenor:</i> 3 to 15 years with a maximum grace period of 5 years. Up to 10 years with a maximum grace period of two (2) years.</p> <p><i>Loan Size:</i> 80% of total project cost Maximum of 70% of the total investment cost or P24 million whichever is lower.</p>

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
DBP (contd)				<p>Eligible Projects Four basic types of pollution control projects:</p> <ul style="list-style-type: none"> • Pollution treatment • Pollution minimization / clean technology • Toxic and hazardous waste substance management • Solid waste management <p>Investment in pollution reduction including improvement of occupational situation and/or the reduction of raw material inputs to cover waste minimization technology in industrial processes.</p> <p>THE CREDIT LOAN PROCESS</p> <p>All loan applications are accepted through the Lending Units at the Head Office and DBP Branches. The staff of these lending units have undergone training and are now familiar with the common environmental terms and practices. Lending Units advise applicants of the types of projects that are eligible for financing and conduct initial review of loan documents. All loan applications go through the usual credit evaluation at this stage.</p> <p>The Lending Units then request the Environmental Management Unit (EMU) for technical appraisal and evaluation of proposed projects. Sometimes, credit evaluation and technical appraisal are done simultaneously. EMU not only conducts paper review of the project but also site visits and inspection of the proposed project. The new thing here in this process, is that from mere evaluation of credit worthiness, EMU's endorsement and findings are now integrated into the CA submitted to proper authorities for credit approval. The project's impact and benefits are thus clearly presented. Along with the Account Officers, EMU also monitors progress of the project.</p> <p>a. Amount of Loan:</p> <p>a. <u>Window III Loans</u></p> <ol style="list-style-type: none"> 1. Revenue-Generating Projects - The minimum-maximum loan limits shall be ₱1 million and ₱50 million, respectively, subject to periodic review by WINCOM, and with a minimum equity participation of at least 15% of the total project cost. 2. PCCD-CEP Projects - ₱1.5 million per Sarangay Business Center

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
DBP (contd)				<p>b. <u>Loans Secured by Deposits</u> - Total project cost but not to exceed 50% of the ADB deposits of the past six-month period reckoned from the preceding month which shall be maintained during the term of the loan and covered by a "Hold Out Agreement".</p> <p>b. <u>Terms of Payment:</u></p> <p>a. <u>Window III Loans</u></p> <ol style="list-style-type: none"> 1. <u>Revenue-Generating Projects</u> - The term of the loan shall be kept within project requirements and projected cashflows. Maximum term of the loan is 12 years inclusive of a maximum grace period of 2 years. The loan shall be payable monthly, quarterly or semi-annually depending on the cash generation of the project. 2. <u>PCCDP-CEP Projects</u> - Maximum of 5 years inclusive of up to one year grace period payable quarterly. The on-lending terms from Barangay Business Centers to their respective group members is maximum of 2 years inclusive of up to 6 months grace period payable monthly. <p>b. <u>Loans Secured by Deposits</u> - Maximum of five (5) years payable monthly</p> <p>c. <u>Interest Rate:</u></p> <ol style="list-style-type: none"> a. <u>Window III Loans</u> - Variable and reviewable every January 1 and July 1 based on prevailing 91-day T-Bill rate plus two (2%) provided that the rate is not higher than "AAAA". PCCDP-CEP - The LGU shall be charged 12% p.a. to be passed on to the BBC without spread. The on-lending rate by BBC is 14% p.a. <u>Loans Secured by Deposits</u> - Based on the formula prescribed in ALMA Circular No. 01-95 covering the Revised Guidelines from Loans Secured by Deposits. <p>d. <u>Drawdown:</u> Drawdown shall be on one time or in multiple basis. The loan proceeds shall be credited to a special project account to be opened by the LGU with DBP, withdrawals of which shall be subject to approved operating guidelines of the loan.</p>

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
DBP (cont'd)				<p>e. Collateral Requirements:</p> <p><u>For Window III Loans:</u></p> <p>Loans with maturities beyond 5 years shall be secured by:</p> <ol style="list-style-type: none"> a. Registered first real estate mortgage and/or registered first chattel mortgage in favor of DBP, with loan values based on existing DBP policy, subject to final verification by DBP. b. Such other collateral or security arrangements as may be acceptable to DBP. <p>Loans with maturities of up to 5 years shall be on best effort basis. In addition, the following shall be obtained:</p> <ol style="list-style-type: none"> a. Assignment of specified portion/amount of the LGU's Internal Revenue Allotment (IRA) in favor of DBP in an amount at least equivalent to one (1) amortization payment which shall be maintained while the loan is outstanding. For PCOD-CEP Projects, this would be sufficient. b. Assignment of profits or income from the project to be financed until the loan is fully paid. c. Endorsement in favor of DBP of insurance policies on mortgaged properties. The insurance shall be placed, based on sound value, by DBP, through its appointed insurance broker. <p><u>For Loans Secured by Deposits:</u></p> <p>Project assets and deposit agreement with a minimum balance of 200% of the outstanding balance of the loan and shall automatically be applied to the loan in the event of default.</p> <p>f. Other Conditions</p> <ol style="list-style-type: none"> a. The LGU shall include appropriation for debt amortizations in its annual budget in accordance with the LGC until the loan shall have been fully paid. b. The LGU shall maintain Special Depository Account under the General Fund, where repayment of obligations to DBP shall take precedence after operating expenses of the project. Only when the debt amortizations have been satisfied will excess from part of the General Fund.

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
DBP (comid)				<p>c. The LGU shall open a CASA account for the assigned IRA with the understanding that DBP shall automatically offset the amortization for the period against this deposit account. A minimum balance equivalent to one amortization payment shall be imposed.</p> <p>d. The LGU shall execute a Deed or Undertaking making DBP its main depository bank.</p> <p>e. The LGU shall maintain a debt service cover of at least 1.2 times. Debt service coverage is defined as yearly revenue from all sources less operating costs and maintenance expenditures, divided by yearly debt service to all creditors.</p> <p>f. The LGU shall maintain constitute a Local Prequalification, Bids and Awards Committee (PBAC), which shall primarily be responsible for the conduct and prequalification of contractors, bidding, evaluation of bids and recommendation of awards concerning the Project, with at least one (1) DBP representative as an observer.</p> <p>g. The LGU shall constitute a Local Technical Committee, which shall primarily be concerned with providing technical assistance to the local PBAC, with at least one (1) DBP representative.</p> <p>h. The LGU shall commit to establish a project office with full-time staff and operating budget for project preparation/implementation.</p> <p>i. The LGU shall constitute and commission a competent consultancy firm to be tasked with validating and certifying the acceptability and compliance with the approved specifications of all acquired materials and supplies.</p> <p>j. The LGU shall only engage the professional services of such parties and commission such works as are customary for industrial development operations and projects similar to the financed project, which services must be reasonably priced, considering the quality and competence of the parties rendering them and in case of works, the technical quality and competitive costs of the same, if approved in writing by the DBP.</p> <p>k. The LGU shall submit resolution passed by the appropriate Sanggunian Board (Panlalawigan, Panlungsod or Pambayan) expressly authorizing the following</p>

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
DBP (contd)				<p>1. The loan being contracted by the local Chief Executive.</p> <p>1. The Authority of the Local Chief Executive (Governor or Mayor) to negotiate and enter into the contract of the loan applied for and to mortgage or assign or otherwise into a collateral agreement to secure the payment of the loan applied for.</p> <p>2. The continuing assignment of the LGU's applicable portion of its IRA, realty taxes and all other revenues to DBP until the loan is fully paid.</p> <p>3. The continuing assignment of profits or income from the project/economic undertaking to be financed until the loan is fully paid.</p> <p>4. Authorization to the DBM for it to remit the IRA for deposit to the account of the LGU with DBP duly acknowledged/received by DBM, Manila.</p> <p>5. The authority for the Mayor and/or Treasurer to open and maintain deposit account with DBP where its IRA and revenues shall be deposited during the term of the loan; and</p> <p>6. Authority for DBP to debit the LGU's deposit account to cover payments of its loan obligation with the Bank.</p>
4. Philippine National Bank (PNB)	<p>Purpose of the Loan:</p> <p>1. To finance the establishment, development, or expansion of income generating projects such as:</p> <p>a) Revenue-Generating/Cost Savings</p> <ul style="list-style-type: none"> • Public Market • Trading Center/ Terminal • Water System (Construction/Expansion) • Asphalt Plant • Heavy Equipment • Telephone System • Commercial System • Slaughterhouse • Grains Procurement/ Trading • Post-Harvest Facilities 	<p>Prospects for Commercial Bank Lending to LGUs. Recently, commercial banks' attitude toward LGU financing has undergone a transformation. Some commercial banks now recognize that LGUs represent a potential market for credit lending because of the large financing requirements of LGUs' associated with the devolution of basic services and infrastructure requirements. Other reasons for the attractiveness of LGUs as a growing market for commercial lending are:</p> <ul style="list-style-type: none"> • the increase in LGUs' share of the national wealth; • presence of a legal framework for LGU financing; • flexibility and expanded borrowing powers of LGUs under the LGC; 		<p>Eligible Borrowers:</p> <ul style="list-style-type: none"> • Municipality • City • Province <p>Amount of the Loan</p> <p>The amount of the loan is equivalent to the project's requirement (100%) but not to exceed the aggregate of five time (5x) the sum of the 20% portion of the Annual regular income and the Annual Internal Revenue Allotment (IRA) share of the LGU.</p> <p>Term of Loan</p> <p>Maximum of seven (7) years provided that amortization shall be payable on a monthly or quarterly basis. A longer term may be considered by PNB Board of Directors, if justified.</p> <p>Interest Rate</p> <p>Interest rates shall be prime rate based subject to periodic interest resetting.</p>

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
PNB (contd)	<p>b) Others</p> <ul style="list-style-type: none"> • Irrigation • Renovation/Const. Of City/ Capital Town's Municipal Hall • Purchase of lots • Reclamation • Sports Complex • Diagnostic Equipment/Building • Road Construction/ Repair • Hospital Building with Pay Wards • School Building <p>2) To finance acquisition of property, plant, machinery, equipment, and necessary accessories for the implementation of the items enumerated in the preceding section</p> <p>Note: Combination of revenue & non-revenue generating project in one loan package.</p> <p>Philippine National Bank (PNB). Consistent with its mission of achieving an "enduring involvement in socio-civic endeavors that uplift the quality of life", the PNB is among the largest, most active institutions lending to LGUs. Until recently a GFI, PNB, which was privatized in May 1996, has total resources amounting to ₱197 billion as of the end of 1996. Its loans to LGUs have reached ₱11.4 billion as of end-March 1997 for 225 different projects.</p>	<ul style="list-style-type: none"> • increasing financial sophistication of some LGUs (some provinces are exploring private foreign financial instruments), and • the growing market opportunity in financing LGU infrastructure requirements (some ₱20 billion are in the project pipeline of LGU BOT Projects). <p>Commercial lending to LGUs will also get a boost from the establishment of the LGU Guarantee Corporation, which will guarantee commercial loans to LGUs. In the past, the lack of a guarantee facility was a major factor that inhibited commercial lending to LGUs as commercial banks were concerned with the certainty of repayment. As the guarantee facility will provide the repayment "comfort" to commercial banks, it is expected that private commercial lending to LGUs will finally develop.</p>		<p>Collaterals</p> <ul style="list-style-type: none"> • Assignment of applicable regular income of the LGU. • Internal Revenue Allotment share of LGU and Net Revenue generated by the project financed. • Chattel Mortgage of Equipment Financed by the Loan. • Real Estate of Local Government Units. <p>Standard Conditions</p> <p>a. Common Condition</p> <ol style="list-style-type: none"> 1. Submission of a Resolution of the Sangguniang Bayan/Panlungsod authorizing the loan and designating the Local Chief Executive (LCE) as the authorized signatory. The resolution should also contain the following: <ol style="list-style-type: none"> a) The continuing assignment to PNB of the project revenue if applicable, LGU's applicable portions of the Internal Revenue Allotment (IRA), realty taxes and all other revenues until the loan is fully paid; b) The authorization of the LGU to the Department of Budget and Management (DBM) for the remittance of all its IRA thru PNB for deposit to the LGU's account maintained with PNB; c) The duly notarized undertaking of the LCE and/or Treasurer to remit to PNB applicable portion of the LGU's realty taxes and other revenues on a monthly basis as payment of the amortizations on the loan; d) The authority for the LCE and/or Treasurer to maintain the LGU's deposit account with PNB wherein the project's revenues, the LGU's IRA and other revenues shall be deposited until the loan is fully paid and the PNB to debit the LGU deposit accounts to cover payment of its obligations; e) The duly notarized undertaking of the LGU to include in its annual budget its loan obligations with PNB. 2. Submission of the LGU's letter-authorization to the DBM for the latter to remit all IRA directly to PNB for deposit to the LGU's account with PNB until the loan is fully paid, duly acknowledged /received for DBM, Manila.

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
PNB (contd)	<p>The types of projects that were lent to LGUs include income-generating and cost-saving projects such as commercial centers, public markets, transport terminals, slaughterhouses, power generators, water systems, construction projects and acquisition of heavy equipment. Other projects supported by PNB lending include: telecommunications facilities, grains procurement, and post-harvest facilities. Lending to the NCR accounted for 56% of the total amount (P6.3 billion).</p> <p>Luzon projects accounted for 26% (P3.0 billion), Visayas, 10% (P1.1 billion), and the rest was for Mindanao, 8% (P0.8 billion). On a per project basis, Luzon projects averaged P31.0 million per project; Mindanao, P22.2 million and the Visayas at P20.6 million per project.</p> <p>Majority of the loans lent to LGUs were for heavy equipment, infrastructure and public markets</p>			<p>2. Submission of a duly notarized certification by LGU that:</p> <ol style="list-style-type: none"> the 20% limit provided under the law in the servicing of loan obligations have not been exceeded; Legible copies of the Loan Agreement and Security Agreement have been posted at the conspicuous place in the Municipality/City Hall/ Provincial Capitol; The proposed sources of repayment of the loan are available and not restricted by law. <p>3. PNB shall continue to be the LGU's principle depository Bank until such time the loan is fully paid.</p> <p>4. Approval and confirmation by the Sangguniang Bayan/Panlungsod, of the terms of the covering Credit Agreement and all other documents executed by the LCE in the implementation of the loan.</p> <p>5. Undertaking by the LGU that they will not incur additional obligation/ indebtedness without the written consent of PNB which consent will not be unreasonably withheld.</p> <p>6. Any amount in excess of the approved amount of loan shall be shouldered by the LGU.</p> <p>7. Subject to SEL Cir. 4-315/94 of May 17, 1994 on Interest Rate Setting and Adjustments.</p> <p>8. All insurable improvements financed by the loan shall be insured up to the full insurable value and policy endorsed in favor of the Bank.</p> <p>9. All applicable provisions of PNB's standard loan conditions and such other conditions our Legal Department may impose to protect the interest of the Bank.</p> <p>b. Loans for Machinery/Equipment/Vehicle</p> <ol style="list-style-type: none"> Loan proceeds shall be paid directly to the supplier/seller of the equipment/ vehicle in an amount equal to the selling price or amount of the approved loan whichever is lower. if to be imported, the letter of credit shall be opened at the Bank and the loan proceeds be equivalent to the <ol style="list-style-type: none"> corresponding import bill upon negotiation computed at the prevailing selling rate at the time of negotiation.

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
PNB (contd)				<p>b) amount of the LC in case of cash LC computed at the prevailing selling rate on the LC opening date.</p> <p>1) LGU to execute a chattel mortgage on the equipment within 60 days upon acquisition.</p> <p>2) Submission of a duly notarized certification that all government policies rules and regulations in the award of the contract to the local supplier have been complied with.</p> <p>For Construction/Development Loans</p> <p>1) Releases shall be staggered basis which are to be made only upon presentation of progress report and billing certified by the project engineer and the Municipal/City/Provincial Engineer and approved by the project owner and to be validated by the Bank appraisers.</p> <p>2) Where the contract calls for a mobilization outlay, such amount for initial release shall not exceed 15% of the approved loan.</p> <p>3) Submission of a duly notarized certification that all government policies, rules and regulations in the award of the project to the contractor have been complied with.</p> <p>4) PNB shall have the option to buy or lease space of its choice for a branch site within the project to be financed.</p> <p>Terms of Credit. Eligible loans for PNB financing under its LGU financing program include those, which finance the establishment, development or expansion of income-generating projects. Other projects that qualify include irrigation, construction of municipal halls, sports complex, medical diagnostic equipment, road construction, hospitals and school buildings.</p> <p>The maximum loanable amount can be as much as 100% of the project requirements but will not exceed the aggregate of five times the sum of the 20% portion of the annual regular income and the IRA share of the LGU. The term of the loan is generally</p>

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
PNB (contd)				<p>up to 7 years, but the Board of Directors may consider a longer term if justified. The interest rate is prime rate-based subject to periodic interest resetting. Collateral requirements can include the assignment of applicable regular income of the LGU, IRA share and the revenues generated by the project financed. Other collateral include the chattel mortgage of equipment financed by the loan and real estate mortgage on patrimonial property of LGUs.</p>
5. Land Bank of the Philippines (LBP)	<p>Created in 1963, the Land Bank of the Philippines (LBP), one of the top five universal banks in the country with total resources of some ₱134 billion, has been lending actively to LGUs over the years. It has a social mission of promoting countryside development and has been a major contributor to rural credit delivery in the Philippines. Though LBP's main portfolio of loans is in the agrarian sector, it has a very active LGU financing program consistent with its mission. Foremost in LBP's LGU financing Options - Unified Land Bank Approach to Development or UOLAD program. The program offers a comprehensive package of loans that links farmers' cooperatives, private companies, rural banks, non-governmental institutions and LGUs around an income-generating project in a specific area.</p> <p>The Land Bank's LGU program has financed projects in various sectors amounting to over ₱11.6 billion as of March 1997, primarily in infrastructure, bus terminals, public markets, telecommunications, housing, water systems, road construction and traffic systems.</p>	<p>Pre-Release Requirements Loans to the LGU's shall be covered by the regular documentary requirements for regular loan accounts. In addition, the following documents shall be required:</p> <ol style="list-style-type: none"> Borrowing Resolution. Passed by the Sangguniang Panglungsod and expressly confirming, approving and ratifying all previous representations and warranties and all the terms and conditions of the loan, and authorizing the Local Chief Executive to sign all documents pertaining to the loan; Designating the person authorized to negotiate and sign all documents pertaining to the loan; Authorizing the mortgage/assignment for certain personal and/or real properties and declaring that the properties offered as collateral are patrimonial and not actually devoted to public use and prohibiting the conversion of said properties to public use or service; Committing not to contract other loans/credits with other creditors/banks are to impair the LGU's paying capacity for the duration of the loan; Directing the LGU Treasurer and the accountant to enter the loan in the appropriate books of the LGU; 		<p>Terms of Credit. As mentioned in the previous paragraph, Land Bank lends to provinces, cities and municipalities that are rated medium-grade or higher. Using this criterion, some 960 LGUs are eligible for Land Bank assistance. Eligible loans finance local infrastructure and other socio-economic development projects under LGUs' local development plans. The maximum loan amount is based on the requirement of the project but does not exceed the "Net Borrowing Capacity" calculated for LGUs as defined in the Local Government Code. LGUs typically will contribute 25% of the total project cost; the terms of the loan will not exceed 5 years and the maximum grace period on principal is two years. Interest rate charged is the prevailing market rate. Collateral requirements can include a holdout on LGU deposits, real estate property, machinery and equipment and a deed of assignment on IRA, regular taxes or net income. The LGU lending program requirements and procedures of Land Bank are reproduced in Annex 4.</p>

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
LBP (contd)	<p>Majority of Land Bank lending to LGUs has been directed to infrastructure financing (61%). These projects included integrated development projects in Metro Manila and Metro Cebu consisting of roads, reclamation, ports, schools, municipal and commercial buildings, etc. The next major exposure of Land Bank was in heavy machinery (15%), which are used by LGUs in carrying out their development and infrastructure projects. Lending to construction projects amounted to 7% and the rest were for sport complexes, public markets, bus terminals and others. To assist Land Bank in making their investment decisions, it has developed a creditworthiness ranking system for LGUs. This system classifies LGUs into four credit categories</p> <p>Land Bank utilizes a set of criteria for its LGU credit rating system, including financial capability, socioeconomic profile, political stability and the technical, economic and financial viability of the proposed project. About 17% of LGUs are classified by the LBP as prime clients and high grade, while 40% are classified as medium grade. Land Bank's lending policy is limited to LGUs with a medium-grade or higher classification</p>	<ul style="list-style-type: none"> • Designating LBP as the LGU's major depository bank for IRA and for its other deposits which designation shall be revoked while the loan obligations remains outstanding and directing the LGU Secretary to provide a copy of this Resolution to DBM or other IRA-administering office; • Appropriating the amount for loan repayment on the LGU's annual budget until the loan, interest and other charges are fully paid; • Undertaking by the LGU to secure from DBM a written certification of its commitment to withhold the LGU's IRA in favor of LBP in the event of payment default; • Authorizing LBP to deduct for set-off and/or deduct amounts from any deposits or funds of the LGU with LBP and apply the same to the payment of the loan or any portion thereof, or interest and penalties thereon as may be deemed necessary to LBP. 		
		<p>Processing Requirements</p> <ol style="list-style-type: none"> a. Sangguniang Resolution authorizing the Local Chief Executive to negotiate a loan with LBP b. Budget for the Current Year c. COA Audited Financial Statements for the past 3 years d. List of Elected Officials and Key officers e. Schedule of LGU's IRA for the past 2 years f. Feasibility Study g. Regular Documentary Requirements pertaining to offered collaterals h. For Projects involving Construction <ul style="list-style-type: none"> • Cost estimates • Plans and specifications 		

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
LBP		<ul style="list-style-type: none"> • Bill of materials • Work program /schedule duly approved by the Local Chief Executive and the City/District Engineer <p>1. For Acquisition of Machinery and Equipment</p> <ul style="list-style-type: none"> • List of Machinery and Equipment, its Description & Estimated Cost based on Firm Quotation • Guarantee from the Dealers/Suppliers as the Availability of Spare parts in the Local Market 		
6. Municipal Bond Flotation (MBF)	<p>Municipal bond flotation is another private source of debt financing that is generating a lot of interest from LGUs. Municipal bonds represent an additional source of financing for LGUs, which hitherto had not been tapped. To date, six LGU bond flotations have been successfully floated, the first one in infrastructure development (Cebu equity bonds), and the rest in housing</p>	<p>Legal Framework for Bond Flotations. The 1991 Local Government Code allows, subject to the rules and regulations of the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC), to "issue bonds, debentures, securities, collateral, notes and other obligations to finance self-liquidating, income-producing development or livelihood projects pursuant to the priorities established in the approved local development plan or the public investment provinces, cities and municipalities are authorized under the LGC to issue municipal bonds under two conditions: (i) the obligation should finance self-liquidating income producing development or livelihood projects; and (ii) the projects to be financed must be in accordance with priorities established in the approved local development plan or the public investment program. Thus, at the moment, LGUs cannot utilize a bond flotation for recurrent obligations or general obligations of LGUs and other non-revenue earning expenditures such as the construction of a city or municipal hall or payment of staff salaries.</p>		<p>Bond Flotations Issued. The Province of Cebu pioneered LGU bond flotations in the country when they floated the first bond issue in July 1990 (Cebu Equity Bond Unit). The ₱300 million issue had a term of three years, tax free interest income at 16 percent and called for principal repayments in five (5) equal semi-annual installments in the form of class "A" shares of Cebu Property Ventures and Development Corporation (CPVDC), a joint venture of Cebu Province and Ayala Land, Inc. (ALI). Cebu had contributed land and ALI contributed cash for their shares in CPVDC. With the tax-free feature, the investors effectively earned 20% on their investment plus the capital appreciation prospects of the CPVDC shares.</p> <p>Since the Cebu bond flotation, there have been five more issues (all in the housing sector):</p> <ul style="list-style-type: none"> • Victorias Pabahay Bonds - Negros Occidental (₱8.0 million) • Legazpi Suerte Bonds - Albay (₱26.0 million) • Claveria Housing Bonds - Misamis Oriental (₱20.0 million) • Sto. Domingo Housing Bonds - Nueva Ecija (₱10.0 million) • Puerto Princesa Housing Bond Palawan (₱20.0 million)

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
MBF (contd)		<p>In addition, the LGU concerned is obligated to formally adopt a public investment program for the province, city or municipality, and the project to be financed through a bond flotation must be part of the public investment program. Bond flotations require endorsement/ approval of the BSP.</p> <p>National Government Guarantee. In order to enhance the market prospects of bond flotations, some LGUs, such as the province of Palawan, have requested a national government guarantee for their planned foreign bond flotations. However, the national government is not empowered to grant a guarantee to LGU foreign bond issues by virtue of R.A. 4860 (Foreign Borrowings Act) which limits the issuance of sovereign guarantees to loans of government-owned or government-controlled corporations and government financial institutions. With regard to local bond flotations, there have been instances where a national government agency has guaranteed the obligations of an LGU. Of the five LGU housing bond issues floated in the country, four have earned a partial guarantee from the Home Insurance Guarantee Corporation (HIGC), a national government agency. The housing bond issue floated in Sto. Domingo, Nueva Ecija, however, did not carry an HIGC guarantee, but nevertheless was fully subscribed.</p> <p>For non-housing bond issues, it is unlikely that a National Guarantee would be granted primarily because such guarantees run counter to the principles laid down in the Local Government Code, i.e. with the increase in the share of LGUs in the national wealth, and allowing LGUs the freedom to obtain should financing from various sources, the LGUs assume responsibility for financing basic services and infrastructure requirements.</p>		<p>These bonds were issued on a taxable basis with interest rates ranging from 14 - 16%. The term of the issues ranged from 2 years. All issues carried the guarantee of HIGC except the Sto. Domingo housing bonds. A description of the bond issuance process is presented by the Multinational Investment Bank Corporation, one of the major underwriters in the municipal bond market. Since the bonds floated were of relatively small size and short in maturity, it is clear that additional incentives are needed to promote development of a broader municipal bond market. In this regard, the Government is taking concrete steps through its policy initiative, New Vision and Policy Framework for LGU Financing, to initiate policies that will develop the municipal bond market.</p>

Financing Source	Objectives	Prerequisite	Eligible Projects	Loan Features
MBF (contd)	<p>In addition, the Government's fiscal policy is to limit extension of guarantees in order to protect its fiscal position. Because of the absence of a National Government guarantee, one can surmise that only the most creditworthy LGUs would be able to successfully float the first few non-housing municipal bond flotations.</p>	<p>Legal Framework of the LGU BOT Scheme. The Local Government Code of 1991 allows the LGUs to tap both Government and private sources of capital to finance basic services, local infrastructure and other development projects. Realizing that the cost of financing these services and infrastructure projects is huge and considering that the Philippines had a highly successful BOT program at the national level, the LGC made specific and liberal provisions for the use of BOT schemes by LGUs. Section 302 of the LGC states, "Local government units may enter into contracts with any duly pre-qualified individual contractor for the financing, construction, operation and maintenance of any financially-viable infrastructure facility, under the build-operate-transfer agreement, subject to the applicable provisions of RA 6957, as amended by R.A. 7718 (the BOT Law).</p> <p>Coverage of LGU BOT Scheme and LGU BOT Pipeline: In the late 1980s and early 1990s, the BOT scheme was the Government's answer to solving the power crisis. Since then, the BOT scheme has been utilized to finance other infrastructure projects at the national level (transportation, information technology and water). Under the BOT law, LGUs would be able to utilize the BOT scheme in many sectors so long as they are revenue-generating.</p>		
7. Build-Operate-Transfer (BOT)	<p>BOT or "Build-Operate-Transfer" is a project-financing scheme that uses private investment to undertake infrastructure projects historically financed and implemented by the public sector.</p> <p>BOT schemes are generally characterized by the participation of the private sector as the major sponsor of the project. The private sector proponent is given the rights and privileges by the public sector (the LGU) to build and operate the facility, transferring the facility to the LGU after the concession period. One very important characteristic of BOT schemes is that they allow proper allocation of risks. The private sector proponent assumes certain risk, the design, construction and operating and maintenance risks.</p> <p>In addition, BOT schemes, by virtue of requiring little or no upfront investments, provide local governments with a viable vehicle to overcome their budgetary resource constraints and accelerate the implementation of infrastructure projects. With BOTs, local government units need not depend on financial assistance from the National Government. If a local government unit can develop and package a financially viable project, it only needs</p>	<p>In addition, the Government's fiscal policy is to limit extension of guarantees in order to protect its fiscal position. Because of the absence of a National Government guarantee, one can surmise that only the most creditworthy LGUs would be able to successfully float the first few non-housing municipal bond flotations.</p>		<p>Characteristics:</p> <ul style="list-style-type: none"> • A private company or consortium is given the right to build and operate a facility previously provided for by the government • The private company is responsible for financing, design, constructing, operating and maintaining the project. • Lenders look to the projects assets and revenue stream for repayment. Concession period is agreed typically (20-25 years) after which the facility is transferred to the LGU. <p>Advantages:</p> <ul style="list-style-type: none"> • BOT offers an alternative source of financing; • A transparent legal framework already exists for BO financing; • LGUs benefit from a project with a typical no or very little initial investment; • BOT schemes offer proper allocation of risks; • BOT projects usually result in better and reliable service and consistent supply; • Long concession period and contractual agreements assure project sustainability; • Technology and skills transfer usually result from BOT projects; • BOT Projects may stimulate local capital market development.

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
BOT (contd)	to solicit investor interest in the project and undergo the processing procedures prescribed under the BOT Law and the LGC.	<p>Thus far, BOT schemes are being planned for infrastructure requirements in the LGUs such as water supply and sewerage, solid waste management, commercial centers, public markets, slaughterhouses, and telecommunications. One example of a successful LGU project implemented under a BOT scheme is the Mandaluyong Public Market.</p> <p>Concerning countrywide LGU BOT projects, there are a number of projects in an advanced development stage. These projects are in the following areas: bulk water supply, solid waste management, public markets, slaughterhouse, integrated bus terminals, and commercial complexes. The largest projects are the Batangas Water Supply Project which is at the conceptual stage (\$275 million), the Metro Manila Solid Waste Management Project under negotiation (US\$270 million), the Metro Cebu Water Supply Project (\$110 million) and the Bulacan Bulk Water Supply Project (\$50 million). There are eight projects in an advanced stage of development with a project cost of US\$188 million or about ₱7 billion, consisting of commercial centers, public markets, a waste recycling plant, slaughterhouse, solid waste management and a combined power and water supply project. In addition, there are 21 other short listed projects amounting to \$690 million or about ₱27.6 billion, which are in various stages of processing.</p>		
8. LGU Guarantee Corporation (LGUGC)	Aware of the funding problems besetting the LGUs, particularly their limited access to commercial finance, the Development Bank of the Philippines (DBP) and the Bankers Association of the Philippines (BAP) took the initiative in establishing the LGU Guarantee Corporation (LGUGC).	<p>The establishment of the LGUGC was necessitated by the inability of LGUs to access private sector funding chiefly because of the perception of lack of creditworthiness and political succession risk. To mitigate these "perceived" risks, the DBP and the BAP, composed of some 53 different universal and commercial banks operating in the country,</p>	<p>Joint Ventures</p> <p>Many LGUs also contemplate on entering into joint venture partnerships with the private sector. Indeed, what is required in a joint venture undertaking is the consummation of the legal agreements</p>	<p>Others Forms of Private Sector Participation in LGU Infrastructure Projects</p> <p>Aside from BOT schemes and the innovative provincial equity funds, there are other forms of private sector participation in LGU infrastructure projects (mostly in the water sector) which have improved service delivery and facilitated increased access to finance for new investments. It shows how responsibility for</p>

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
<p>LGUGC (cont'd)</p>	<p>The LGUGC is expected to enhance the flow of commercial funds to the LGUs, and play a "catalytic" role by providing a guarantee on loans and credits granted to LGUs from commercial funding sources, and to municipal bond flotations.</p> <p>Ultimately, the LGUGC will enable LGUs to expand their borrowing capacity, develop their ability to issue a variety of credit instruments, reduce their financing costs and improve their operating flexibility. The LGUGC's implementing rules and regulations, guidelines and by-laws are being drafted, and formal incorporation was completed in March 1998. It is expected that the guarantee facility will begin operations by the mid-part of 1998.</p>	<p>established the LGU Guaranty Corporation to guarantee loans and credits granted by participating member commercial banks for various capital investment projects of LGUs. The joint venture partnership between DBP and the BAP is geared towards accelerating the competitive access of LGUs to financial markets, especially private sector credit. So far, twenty local banks and three foreign banks have signed up as participating investing banks. The specific objectives of the LGUGC are as follows:</p> <ul style="list-style-type: none"> • expand the LGUs' borrowing capacity and credit availability; • reduce the LGUs' financing costs; • improve the operating and financial flexibility of the LGUs; • reduce the credit and other perceived risks (e.g. political risk) of lenders, and contribute to the development of the local capital market by creating a market for a variety of credit instruments. <p>The corporation is capitalized at ₱500 million with paid up capital of ₱250 million. As a first step, the LGUGC will set-up an LGU credit database, and develop internal LGU credit rating system. Next, the LGUGC will accredit financial institutions which have expressed interest in participating in the guarantee program as investing banks. Finally, the LGUGC will receive and process the guarantee applications from the appropriate bank under the BAP, which will provide financing for the LGU project. In case of default by the LGU on the loan, the guarantee can be called or a restructuring exercise undertaken by the leading financial institution. The guarantee facility will have a gearing ratio of 10 times its paid-in capital; therefore, it can provide guarantees of up to ₱2.5 billion. Initially, the LGUGC can provide a credit guarantee of up to 85% of the LGU loan until a credit rating mechanism is put in place. Based on recent discussions, LGUs are excited about the prospects of obtaining a guarantee facility for its loans to finance its various projects.</p>	<p>and once the financing and the contractors are in place, the project can commence. However, joint ventures do not have any specific legal framework at the moment such as the one for BOTs, which makes the arrangement subject to potential legal difficulties. In comparison, BOT schemes have the legal framework with its own specific law and implementing rules and regulations, mitigating the likelihood of legal protracted legal challenge if legal issues arise</p>	<p>certain functions are allocated, such as asset ownership and how these different schemes impact on certain parameters such as level of investments by LGUs and consumer tariffs. These schemes vary in the type of private sector participation.</p> <ul style="list-style-type: none"> • Service contracts are short-duration engagements for specific tasks to be undertaken by the private sector participant. The purpose is to utilize certain expertise considered to be more cost-effectively undertaken by the private sector. Overall coordination remains to be the function of the utility. • Management contracts have a longer term duration giving the private sector a larger operational role in the utility. Similar to the purposes of service contracts but in more expanded form, management contracts allow the private sector to introduce efficiency in operations (usually through performance objectives) for a management fee. Responsibility for investments remain with the Government. • Leases or affermage contracts allow the private sector to lease the assets of a utility and takes on the responsibility for operating and maintaining them. The contractor (lessor) makes lease payments to the utility in exchange for the operation of the assets and the revenue collections from operations. Similar to management contracts, responsibility for investments remain with the Government. Commercial risk is borne by the contractor. • Concessions give the private sector the right to operate and maintain the assets of the utility and to make necessary investments in exchange for fixed concession payments paid to the utility or the Government. • BOT contracts give the private sector the right to build, operate and transfer the facility to the utility or the Government after a fixed period of time (see section on BOT schemes). • Divestiture involves the outright sale of a utility's assets to the private sector. <p>It is important that the LGUs truly understand the different forms of private sector participation and evaluate which of these schemes is most suitable and cost-effective for achieving their objective of improving the delivery of basic services.</p>

Financing Source	Objectives	Prequalification	Eligible Projects	Loan Features
<p>9. NDC - Agni-Agra Erap Bonds</p>	<p>Objectives Auction Date: April 15, 1999 Issue Size: ₱5.0 billion Interest Rate: 7.875% Reception: Oversubscribed amount tendered is five times the ₱5.0 billion bonds available, with significant participation by the foreign banks.</p>		<p>Project Selection/Evaluation Criteria NDC is open to partnership with the private sector. The projects should conform with the following set of guidelines:</p> <ol style="list-style-type: none"> 1. The project should be for agri-agra development. 2. It should be in accordance with any or in support of development framework such as the Development Plans of the NEDA, DRIVE and Regional Growth Areas Development of DTI, Investment Priorities Program of BOI, Priority Investment Program of DA, DAR and NDC, or, the Sectoral Development Plans mandated by law. 3. It should be larger than those classified under the Small and Medium Enterprises with a project cost greater than ₱60 million. 4. It should be ready for implementation with identified specific site, with definite proponent and is accessible to major infrastructure. 5. The project selection shall ensure diversity of products, sectors, and geographical location. 6. Preference will be given to project that utilize proven modern technology and have proven modern technology and have program for technology transfer to the farmers and/or project beneficiaries. 7. The project should directly or indirectly benefit farmers and marginalized communities in line with the "ERAP Para sa Mahirap thrust. 8. It should have an IRR of at least 18% with reasonably short payback period and an economic rate of 15% based on NEDA's Economic Evaluation Procedure. 9. The proponents should be able to show its financial capability and ability to access market of product. 10. The project should have a clear exit mechanism for NDC. 11. It should be environment-friendly and have necessary environmental controls. 	