

PROJECT DOCUMENT
PHILIPPINES



Project Title: Paving the Road to the SDGs through Good Local Governance

Project Number:

Implementing Partner: UNDP

Start Date: 29 December 2017

End Date: 21 June 2019

Brief Description

Efficient, resilient, and well-planned road networks ensure that no one is left behind in the drive for inclusive growth. This is why roads are considered as an important foundation for the Sustainable Development Goals (SDGs), and a prerequisite for bringing communities together.

At present, only 24.6% of all provincial roads in the Philippines are of acceptable quality. Of the 12,726km of provincial core roads, 57.2% are unpaved and in need of upgrading, while 20.2% are in poor condition and in need of rehabilitation. The situation is similarly dire for the 19,098 km of non-core roads, with 67% needing upgrading and 7% in need of rehabilitation. To address this situation, the Department for the Interior and Local Government (DILG) has launched the Conditional Matching Grant to Provinces (CMGP) initiative to improve the quality of the local road network across the country, by providing both financial investment for capital outlay, as well as strengthening the governance processes so that provincial governments are themselves able to effectively plan, design, implement and maintain their road networks.

In partnership with DILG, UNDP will provide support to the governance reform and quality assurance components of CMGP through the 'Road to SDGs' framework. This framework will anchor the prioritisation, planning, design, implementation, and maintenance of infrastructure projects to the achievement of the SDGs, incorporating the elements of partnership building, climate change and disaster risk reduction, gender mainstreaming, and citizen participation for transparency and accountability.

Contributing Outcome (UNDAF/CPD):

By 2018, capacities of claimholder and duty bearers will have been strengthened to promote human rights, justice, integrity, accountability and the rule of law in governance.

Total resources required:

PhP 378,728,883.24

Total resources allocated:

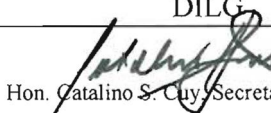
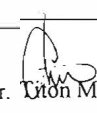
UNDP TRAC: -

Govt: PhP 378.8M

UNDP In-Kind: PhP 2.5M

Unfunded -

Agreed by:

DILG	UNDP
 Hon. Catalino S. Cuy, Secretary (OIC)	 Mr. Utton Mitra, Country Director
Date:	Date:

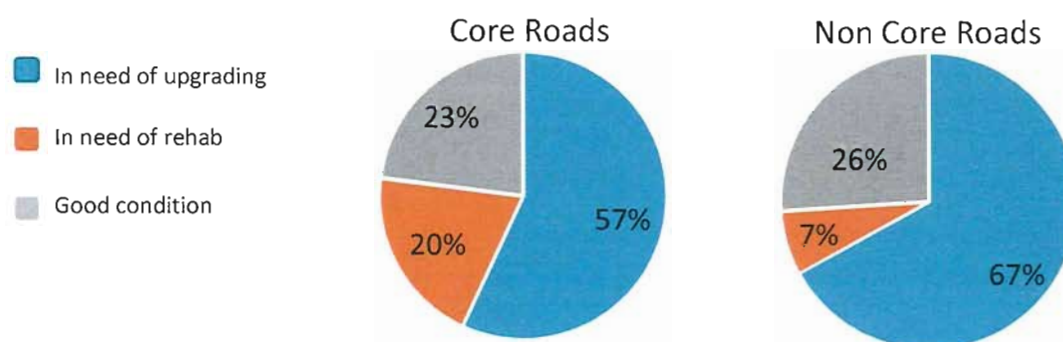
I. DEVELOPMENT CHALLENGE

Roads literally and figuratively pave the way for development. They link isolated communities to basic services such as schools, hospitals, and energy. They connect farms to markets, people to jobs and economic opportunities, and suppliers to retailers. In this manner, efficient, resilient, well-planned and managed roads ensure that no one is left behind in the drive for inclusive growth. This is why roads are considered as an important foundation for the Sustainable Development Goals (SDGs), and a prerequisite for bringing communities together.

This is especially the case in the Philippines, an archipelago of 7,641 islands, which are home to approximately 100 indigenous communities. While the country has experienced significant economic growth of 5% - 7% GDP annually over the past 5 years¹, the Philippines has one of the highest levels of inequality in South East Asia, with massive socioeconomic disparity existing from region to region; province to province.² Indeed, poverty in the Philippines remains predominantly a rural phenomenon. In 2013, approximately 78% of the poor were located in the provinces, where poverty incidence was 35% compared with 12% in urban areas.³ This is due to a variety of reasons, including poor investment in agriculture, the inability to cope with natural hazards, and low access to basic services. Underpinning all these issues are poor quality road networks, which have left rural communities disconnected from the opportunities and benefits of economic growth.

At present only 24.6% of all provincial roads in the Philippines are of acceptable quality.⁴ Of the 12,726km of core provincial roads – those essential for economic development – 57.2% are unpaved and in need of upgrading, while 20.2% are in poor condition and in need of rehabilitation.⁵ The situation is similarly dire for the 19,098 km of non-core roads, with 67% needing upgrading and 7% in need of rehabilitation.⁶

Fig 1: Pie Chart Showing the Status of Provincial Roads in 2016⁷



The Philippine government has recognised the importance of local infrastructure to socioeconomic development, with the Duterte administration 10-point economic agenda stipulating the need to increase

¹ Philippine Statistics Authority Data on Annual GDP Growth Rates 2012 – 2017.

² Philippine Statistics Authority 2015 Data accessed at <https://psa.gov.ph/content/average-family-income-2015-estimated-22-thousand-pesos-monthly-results-2015-family-income>

³ Roehlano M. Briones "Growing Inclusive Businesses in the Philippines: The Role of Government Policies and Programs" Philippine Institute of Development Studies Discussion Paper Series 2016-06 pg 10-11. ADB, Manila 2009 pg. 26.

⁴ Ongoing national Inventory as of June 2016, DILG-OPDS.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

infrastructure spending to 5% of GDP.⁸ However, to achieve this goal, the government will have to address the long standing problems of corruption and weak governance processes that revolve around infrastructure projects, particularly at the local level.

Between 1960 and 2011, the Philippines lost \$410.5 billion from illicit activities,⁹ with the World Bank estimating that 20% of the national budget is lost to corruption each year.¹⁰ In this context, infrastructure projects, including roads, are highly vulnerable to graft, poor planning, failed procurement bids, and stakeholder opposition. This has led to overpriced, substandard and incomplete projects, with the government completing only 3 out of 50 planned public private partnerships in the past 6 years. Consequently, less than 2.3% of GDP has been spent on infrastructure from 2010-2016, with the World Economic Forum ranking the Philippines at 94th place for infrastructure.¹¹

In response to these issues, the Department of the Interior and Local Government (DILG) has launched several provincial road programmes in the past.

PAST GOVERNANCE INITIATIVES ON LOCAL ROADS AND OTHER INFRASTRUCTURE PROJECTS

DILG, in partnership with the Australian Aid - and later the Australian Department for Foreign Affairs and Trade (DFAT) - launched from September 2009 – June 2016 an AUD80 million programme entitled the Provincial Road Management Facility (PRMF). The Facility focused on roads as an entry point for governance reform, and helped provincial governments upgrade and maintain their core road networks in targeted provinces across Mindanao and the Visayas. PRMF recognised that, while significant investment needed to be made for road rehabilitation and maintenance, the governance processes around roads had to be strengthened so that the investment was effective and sustainable. In this respect, PRMF setup an incentive mechanism that encouraged provincial governments to initiate key governance reforms in order to secure additional funding for capital outlay in the succeeding years. The key governance reform areas were centered on planning and implementation, budgeting, procurement, internal control and audit, human resource development, and local revenue generation.

PRMF assisted 10 provinces, delivering material economic and social benefits to over 51,000 people. There were also documented improvements on how the provinces conducted their road governance processes, including implementing their provincial plans with appropriate resources; rationalising their human resource management and development plans; exercising internal control and audit procedures; contracting out road service delivery; and increasing community participation in road rehabilitation and maintenance.

In response to subsequent demand led by the League of Provinces, DILG and the Department of Budget and Management scaled up the PRMF initiative through the *Konkreto at Ayos na Lansangan ang Daan Tungo sa Pangkalahatang Kaunlaran* (KALSADA) programme in 2016. Budgeted at PhP 6.5 billion, the programme sought to repair, rehabilitate and improve 201 roads in 73 provinces, with an additional budget of PhP 74.5 million for capacity building support.

To qualify for KALSADA grant support, the provincial governments had to comply with 10 fund-release requirements including the development of an acceptable Provincial Road Network Development Plan (PRNDP), Detailed Engineering Designs (DEDs), and several others. Provinces also had to adhere to DILG's Full Disclosure Policy together with no adverse reports from the Commission on Audit (CoA).

⁸ President Rodrigo R. Duterte's 10 Point Economic Agenda, 2016.

⁹ "Illicit Financial Flows to and from the Philippines: A Study in Dynamic Simulation, 1960-2011," Global Financial Integrity Report 2014.

¹⁰ "Combating Corruption in the Philippines: An Update" World Bank Manila 2001.

¹¹ Global Competitiveness Report 2016-2017, World Economic Forum.

Under this programme, funds were downloaded from DBM directly to the provincial local governments to implement road projects. DILG, on the other hand, carried out the technical assistance and capacity development activities for provinces on the DEDs, contract management and construction supervision, the constructor's performance and evaluation system, agency procurement compliance and performance indicators, and public financial management. Coaching and mentoring was also provided throughout the year to provinces in need of assistance, with the aim of ensuring that the provincial governments would be able to construct and maintain high quality road networks with only minimal support from the national government.

OVERVIEW OF THE CONDITIONAL MATCHING GRANT TO PROVINCES (CMGP).

In 2017, DBM and DILG launched the CMGP programme. CMGP builds on the experience of PRMF and KALSADA, seeking to improve the quality of local road network across the country by providing both financial investment for capital outlay, as well as strengthening the governance processes so that provincial governments are themselves able to effectively implement and maintain the roads. The key reform areas of CMGP include the following:

1. Local Road Information Management
2. Local Road Network Development Plan
3. Detailed Engineering Design and Contract Documentation
4. Road Asset Management
5. Internal Audit
6. Budgeting, Revenue Generation, and Expenditure Management
7. Procurement

While the financing mechanism remains similar to KALSADA, the scope of the initiative has significantly broadened. In terms of coverage, the CMGP increased the capital outlay budget sourced from the Local Government Support Fund (LGSF) from PhP 6.5 billion to PhP 18.03 billion, which will be used for the repair, rehabilitation, or improvement of 324 road projects in 78 provinces, covering approximately 1,202 km of roads. The capacity building fund from DILG likewise saw a significant increase from PhP 74.5 million in 2016 to PhP 564.3 million in 2017.

Although the road initiatives were relatively successful, with certain provinces demonstrating improved capacity to implement and maintain quality road networks, this improvement was not consistent across the board. These findings point to areas where the CMGP programme can be strengthened in terms of the approach to, and the implementation of governance reforms and quality assurance.

AREAS OF CMGP IN NEED OF SUPPORT

1. Road Planning and Design: At present, the planning and design of roads at the provincial level tends to take a narrow approach. Mostly due to funding restraints, provincial engineers have tended to focus on road rehabilitation and repair on a short project road section by short project road section basis, rather than holistically viewing how the project will impact on or benefit the total length of the road, providing safe and consistent standards of connectivity between the major connection points A to B. As a result, only those sections of roads are improved, which can have reduced impact on connectivity, road safety, and climate resilience if other sections of the same road are not brought up to the same standard.

While in principle the planning of road networks are meant to support socioeconomic development, there is not presently a broad framework that shows how roads can be fully integrated into the medium to long-term vision of the province. Indeed, roads should be benefitting not only the major businesses but also access to water systems, energy generating sources, and remote communities such as indigenous settlements.

Again, due to funding restraints, there have been several instances wherein the provincial roads were constructed without adequate drainage, or optimal pavement designs with respect to best value engineering solutions coupled with climate and disaster risk reduction principles. In this manner, there is scope for the Capacity Development component of CMGP to include a major component on appropriate, sustainable, and resilient road design, including cost effective optimal pavement choices, combined with focus on drainage, slope stability and climate resilience.

Public Financial Management (PFM): For plans to be executed well, the PFM systems of LGUs must be strengthened. In this respect, clean and clear inflow and outflows of data and information is required to improve monitoring, reporting, and recording of not just physical but also financial targets. The LGU procurement processes under RA 9184 must also be enhanced through the APCPI being used as a standard monitoring tool of government. Improved procurement planning process is also necessary, of which road planning and design should be anchored on.

2. Quality Assurance:

One of the main capacity gaps in road governance is quality assurance, particularly at the provincial level. This would apply not just to contract implementation (construction supervision and contract management), but also to maintenance, planning, design, and procurement. PEOs themselves have stated the lack of sufficient resources and training to effectively fulfil their role of Construction Supervision, Quality Assurance, and Contract Management. Indeed, prior to the KALSADA initiative in 2016, the provincial local governments financial resources had generally been less than 20% of that required for local road maintenance and management.

As a result of this, there have been lapses in quality assurance on previous road projects. This includes cases where the required DPWH standards, such as on compaction testing, blending, and grading of gravel materials were not ensured. These included cases where excess of fine clay material was included, resulting in higher plasticity and resistance to compaction, or conversely, cases where there was insufficient fine material in the mix, needed to ensure proper consistency and compaction.

As well as the PEOs stated need for capacity development in construction supervision, materials testing and quality assurance, and in contract management, In varying degrees the PEOs also have other capacity gaps. These include areas of design expertise, especially in hydrological analysis, geotechnical engineering, and mitigation measures for resilience to climate change. Another issue may be the variations between, and the appropriateness of the institutional structures and effective organisation of the individual PEOs and other departments involved in local road management. There was an example in a previous PRMF province which had not greatly expanded the PEO team but demonstrated effective organisation. The PEO was able to provide effective services in support of not only the KALSADA/CMGP projects but also to externally funded projects such as PRDP or PAMANA, and their own internally funded projects from their Internal Revenue Allotment.

3. Limited Citizen Participation: The degree of local government consultation with communities with regard to the mapping and design of the road projects has differed from province to province. In areas where community consultations were not comprehensive, the projects did not always reflect the interests of communities, while valuable information for design consideration, such as underlying water streams and needed points of drainage or slope stability and protection were overlooked.

in which the validation rests on CSO groups and COA to ensure budget accountability and compliance on procurement efficiency and operational efficiency is also foreseen. Moreover, this is an area that citizens can also be engaged in as enumerators and data collectors to ensure that the performance based budgeting (PBB) is aligned with the APCPI (APCPI is a basis for the release of the PBB as enshrined in AO25).

Furthermore, citizens currently do not play a significant part in the quality assurance part of CMGP, which consequently broadens the space for collusion, corruption, and poor performance of both contractors and provincial governments to occur. In addition, the lack of community participation in the implementation of the project will reduce the chances of a sense of community ownership being fostered, which is an important element of ensuring the long-term sustainability of the road projects.

UNDP AS A PARTNER OF CHOICE:

It is in this respect that DILG requested support from UNDP to enhance and accelerate the governance reform and quality assurance components of CMGP. UNDP would be an ideal partner for these initiatives:

1. **Proven track record in strengthening governance processes of infrastructure programmes:** To address more specifically the issue of water access, UNDP Philippines started a Joint Project with DILG, NEDA, and UNICEF in 2009 entitled “Enhancing Access to Water with the Active Participation of the Poor, through the Millennium Development Goal Fund (MDG-F) 1919. This Joint Programme setup the Governance Hubs - a network of CSOs, academic institutions, and private sector partners per region to help establish water and sanitation councils, barangay water user associations, and provide capacity building support for effective water governance. The programme established investment mechanisms and empowered LGUs, community stakeholders, especially women, the youth, and indigenous peoples, to organise themselves into the Water and Sanitation Councils (WATSANs) and *Barangay* User Water Associations (BWSAs) which take the lead in the planning, identification, design, implementation, and management of water supply facilities. Moreover, UNDP helped set up the Localised Customer Service Code - a social contract adopted by 36 municipalities between duty-bearers (government and water service providers) and claimholders (citizens), to have the right to safe water 24 hours, 7 days a week. The programme enhanced access to water for 122,000 households in 36 waterless municipalities complementing SALINTUBIG. The governance infrastructure surrounding the implementation of water projects can be adapted and strengthened further to assist with the implementation of road projects.
2. **Anti-corruption Expertise:** In the 1980s, UNDP supported the Concerned Citizens of Abra for Good Governance (CCAGG) to monitor infrastructure projects, including roads, together with their local governments. Following from this lead, UNDP scaled up the citizen monitoring initiative to include other sectors, such as the implementation of water projects, school buildings, and delivery of IT equipment to schools nationwide. These monitors acted as an anti-corruption augmentation of the wider initiative on enhancing access to water by 30% after 2 years of implementation, increasing transparency and mitigating the vulnerability to corruption.
3. **Highest standards of transparency (Most transparent development agency in the world according to the 2014 and 2016 International Aid Transparency Index).**
4. **Cost efficiency and timely delivery of project outputs (i.e. access to global network of service providers and experts, long-term agreements, direct contracting).**
5. **Clear strategy to build government capacity so that it can operate independently of external support:**
 - UNDP will focus on building capacity and initiating reforms that will enable government to gradually take on full operational functions through a clear exit strategy.
6. **Clear and full legality of UNDP-Government co-financing.**
The legality of this agreement is supported by the following documents:
 - UNDP Standard Basic Assistance Agreement (SBAA): UNDP’s presence in the Philippines is governed by the Standard Basic Assistance Agreement, which was duly ratified in 12 December 1977 as an international treaty recognised as having been incorporated as national legislation by the virtue of

Section II and Article 2 of the Philippine Constitution. Under Cf. Clause 1, Article II of the Agreement, assistance *“may be made available by the UNDP to the Government” upon request consisting, among others, of “services of advisory experts and consultants”, “equipment and supplies” and “any other form of assistance or form of execution, which may be agreed upon by the Government and UNDP.”*

- Opinion of the Government Procurement Policy Board: released in 2015, The GPPB recognised the provisions of the 1977 SBAA as in faithful observance of the country’s treaty and international obligations – *pacta sunt servanda*, such that procurement by UNDP utilizing contributions or funds received from the GoP, pursuant to the 1977 SBAA is governed by the UNDP Financial Rules and Regulations, which embodies the processes, procedures, rules and regulations that the UNDP may adopt in the conduct of its procurement activities to implement identified UNDP development support services.
- Commission on Audit Internal Memorandum released in 2015 confirmed exemption of UNDP Support Services from CoA’s scope.
- Revised Implementing Rules and Regulations for Republic Act 9184: released in 2016, Sec. 4.2, “Any Treaty or International or Executive Agreement to which the GoP is a signatory affecting the subject matter of the Act and this IRR shall be observed. In case of conflict between the terms of the Treaty or International or Executive Agreement and this IRR, the former shall prevail.”

7. Assistance with Multi-Donor Coordination

- Several donor agencies including the World Bank and DFAT have expressed interest in working with DILG on local roads management issues. The UNDP is ideally placed to help DILG in coordinating these inputs to maximum benefit in ensuring interventions are well synchronised.

8. Rapid, Long-Term and Sustainable Gains

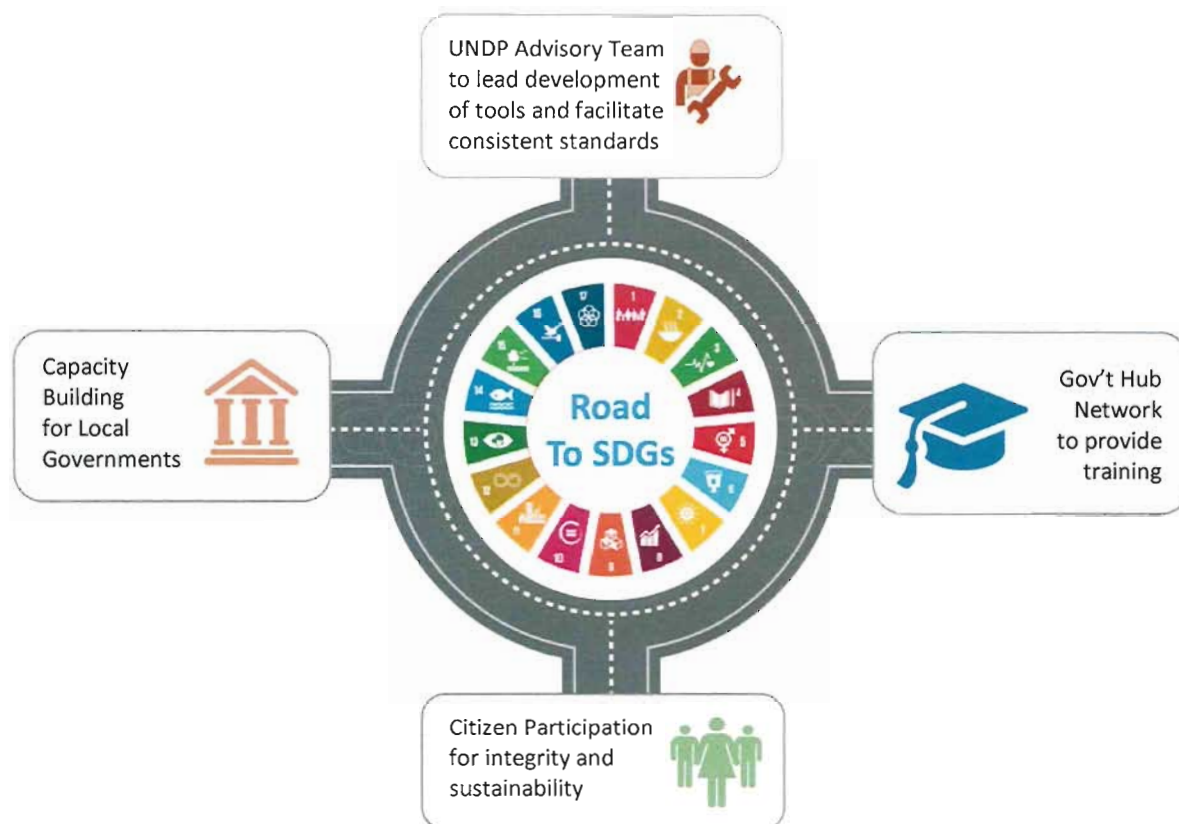
- The assignment of UNDP will avoid the lengthy procurement procedures of pursuing an alternative of hiring consultancy companies to address the already developed terms of reference for QA and for CD.
- UNDP can not only meet all the requirements of the TOR, but will also, in the process, be building the institutional framework and memory to serve the needs of the DILG and provinces beyond the timeline of the TOR and in the future.
- Under the UNDP arrangement, private sector individual consultants or consultancy firms, may be hired to fulfill parts of the assignments as required. In this case, the rapid UNDP procurement mechanism, instead of RA9184 with inherent risks of delay, will ensure rapid deployment of resources.

II. STRATEGY

The main outcome of the programme is to ensure that: **Empowered communities benefit from increased connectivity to basic services and increased commerce through effective and inclusive road governance.** Through the UNDP National Acceleration Modality, the proposed programme will lead the governance reform and quality assurance components of the CMGP initiative in partnership with DILG.

To strengthen governance processes, the programme will apply a “Road to SDGs” operational framework that will anchor the planning, design, construction and maintenance of provincial road projects on targeting the sustainable achievement of the SDGs. *In this manner, the SDGs provide a framework to strengthen the governance of road projects, which in turn, will positively impact on the achievement of the SDGs.*

Fig 2: Road to SDGs Operational Framework



Under this framework, the planning, design, and management of road projects will be conducted with full participation of the people with the aim of meeting the SDG targets on broadening access to education and healthcare, gender equality, ensuring climate and natural hazard resilience, building partnerships amongst stakeholders, improving food security, and mitigating corruption through citizen participation. Once the infrastructure projects are constructed, citizen monitors will be tasked to measure their impact on achieving the SDGs.

The project will put together a UNDP advisory team, including experts on two main areas:

1. Engineering: to provide technical support for planning, innovation, design, construction, procurement, contract management, and maintenance of road projects, and strengthening road network asset management.
2. Capacity Development: which would include change management and capacity building activities for the PEOs, as well as citizen organization and mobilization for the creation of citizen monitors. This team will lead the programme, seeking to fulfil the following SDG targets.

Table 1: SDG indicators and road governance

SDGs	Contribution of SDGs to Road Governance	Contribution of Roads to the SDGs
SDG 1: No Poverty Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.	Influence the planning of roads to ensure that they connect remote communities with basic services.	Connecting communities to basic services and economic opportunities.
SDG 2: Zero Hunger Target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	Influence the planning of roads to ensure that they connect farms to markets, and markets to communities.	Enhancing food security by improving business of markets and profit / productivity of farms.
SDG 3: Good Health and Well Being Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	Influence planning of roads to ensure that they connect remote communities with access to healthcare facilities, and connect health care facilities with medical suppliers.	Roads connect communities to health services, and in turn health services to medicinal warehouses / suppliers.
SDG 4: Quality Education Target 4.2: By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.	Roads connect communities to daycare centres, schools, universities, professional training institutes, and libraries.	Increased connectivity increases safe access of girls and boys to schools and for adults to develop new skills.

SDG 5: Gender Equality Target 5.4: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life.	To ensure women representation in the planning, design, monitoring, and sustainability of road networks.	Ensuring gender responsive roads such as safe pedestrian walkways with adequate lighting to allow men and women to safely perform multiple tasks.
SDG 8: Decent Work and Economic Growth Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	Influence planning of roads to ensure that they connect remote communities with access to employment opportunities.	Increased employment and economic access for all, including young people and persons with disabilities.
Goal 9. Industry Innovation and Infrastructure Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	Influence planning of roads to ensure that they connect remote communities with access.	Ensure that roads work towards SDG indicator 9.1.1 Proportion of the rural population who live within 2 km of an all-season road. Innovative design of roads.
SDG 11: Sustainable Cities and Communities Target 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	Road safety an important element of quality assurance.	Disaster resistant roads will safely connect all community members to emergency and basic services at times of crisis, including alternate connectivity if national roads are damaged.
Goal 13: Climate Action Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	Ensure CCA measures in the planning, design, and construction of roads.	Resiliently designed roads will better withstand the effects of climate change.
SDG 16: Peace, Justice and Strong Institutions (Governance) Target: 16.5 Substantially reduce corruption and bribery in all their forms. Target: 16.6 Develop effective, accountable and transparent institutions at all levels. 16.7: Ensure responsive inclusive, participatory and representative decision making at all levels.	Ensure citizen participation and monitoring in planning, design, and construction of roads.	Mitigating corruption, increasing transparency and ensuring responsive institutions through citizen participation.
Goal 17: Partnerships for the Goals Target 17.5: Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.	To sign social contracts between private contractors, government, and civil society on delivering effective and efficient road networks.	Building multi-stakeholder partnerships for effective implementation and maintenance of roads.

OUTCOME AND RESULTS

- Outcome:** Empowered citizens and businesses benefitted from increased connectivity to basic services and increased commerce through effective and inclusive road governance.
- Result 1: % of communities with increased access to basic services through the implementation of CMGP road projects.
- Result 2: % of road plans and designs with enhanced features that measurably contribute to the achievement of the SDGs as indicated in Table 1.
- Result 3: Measured contribution of roads to achievement of the SDGs as indicated in Table 1.
- Output 1: 17 Governance Hubs Strengthened to Provide Continuous Technical Support to Provincial Governments, Citizens, and DILG in the Implementation of CMGP.**
- Result 1.1 Memorandum of Agreement signed with 17 Governance Hubs to provide continuous technical support to CMGP.
- Result 1.2 Roster of Hub experts setup to provide a responsive and effective capacity building support to provinces with regard to road planning, engineering, quality assurance, change management, and citizen mobilization through regular coaching and mentoring.
- Result 1.3 Sustainability plan crafted and in place to ensure long term financial viability of the Governance Hub network.
- Output 2: Capacity of Provincial Governments and DILG Built to Plan, Design, Implement, and Maintain Quality Roads Networks through Effective Governance Processes.**
- Result 2.1 Training modules developed in regards to:
- Review and enhance the LRM performance assessment manual.
 - Change management tool for Provincial Engineering Offices including CD designs, PFM, and gender mainstreaming.
 - Develop programme level M&E guidelines for monitoring the achievement of governance reform targets in each province in accordance with the SDGs.
 - Develop project management tool that will include a monitoring system for local engineering offices, document tracking system, road maintenance management application for the provincial engineering offices, and a Procurement Monitoring System for LGUs.
 - Develop a local road asset management manual for the provinces – in consideration of all related issuances.
 - Using the DILG Local Roads Management Manual, DPWH Standard Specs for QA (Vol IV) and related manuals as reference, prepare a QA procedures manual specifically for the implementation of provincial road projects.
- Result 2.2 Training of trainers conducted for 17 Governance Hubs to roll out modules / systems.
- Result 2.3 Governance Hubs formally roll out training to 78 PEOs and 17 Regional DILG Offices.
- Result 2.4 Hubs to provide continuous capacity building coaching and mentoring for 78 provincial governments and DILG regional offices.
- Output 3: Citizens organised to instill transparency and accountability in the implementation of road projects in 78 provinces.**

- Result 3.1 Refinement of module on citizen monitoring for road projects.
- Result 3.2 Governance Hubs formally roll out training to 78 PEOs and 17 Regional DILG Offices.
- Result 3.3 Hubs roll out training to citizen organisations at the regional and provincial level.
- Result 3.4 Citizen monitoring activities carried out.

Output 1: 17 Governance Hubs Strengthened to Provide Continuous Technical Support to Provincial Governments, Citizens, and DILG in the Implementation of CMGP.

The delivery mechanism for the Programme will be primarily through the Governance Hub network, which were already established in 16 regions across the Philippines since 2012. Each Hub is constituted by 3-6 member organisations from civil society, local government, and the private sector, typically headed by a university. Their capacities were originally focused on organising and training citizens to participate in water governance processes under the MDG-F 1919 Water Governance Project and now the SDG-F Pro WATER Project, with remarkable success.¹² A number of Hubs have also developed a specialisation in public finance, with tools now prepared for roll out in other areas.

This proposed project, therefore, will build upon the existing hub structure, agreeing on MOAs that will broaden its network, areas of expertise, and focus so that it can continue to provide support in terms of capacity building for provincial engineering offices in regards to road governance and quality assurance, as well as capacity building for citizens to monitor the roads.

It is envisaged that the Governance Hubs will perform the following functions:

- Development of a Governance Reform Roadmap per province.
- Technical Support to Development and Refinement of Modules.
- Roll out Formal Training.
- Deployment of Technical Experts to Coach / Mentor PEOs. In this manner the hub will house a pool of full time and part time technical experts (e.g. road planners, civil and materials engineers, disaster risk reduction experts, and capacity building experts who can be deployed to provinces on a regular as well as on-call basis.
- Conduct Change Management Activities for the Provincial Governments.
- Organise Citizens to Participate in the Planning, Design, and Monitor the Implementation of Road Projects: Develop and pilot test training programmes for DILG and LGUs.
- Knowledge Management/Policy Development and Advocacy: The hubs will serve as a knowledge development and management centre, conducting assessments and studies that will lead to the development of governance reforms to enhance CPMG.

An orientation will be provided to the Hubs on CMGP and types of support required. A roster of professional experts will then be setup and mobilised for DILG and LGUs to draw from on a need basis during the course of CMGP implementation. The Governance Hubs will interface strongly with the DILG structures at the Regional level, as well as arrangements with LGUs.

While the project will initially provide for fees and travel expenses to the Hubs for their services, a business model will be developed for the Hubs to ensure their long term sustainability. During the initial negotiations, the extent to which the engineering schools of universities can provide, as a counterpart, technical assistance to the provincial offices as part of their extension programme will be explored. The shortfall can be covered by the provincial offices and / or DILG through the payment of a service fee, so that the Hubs can provide continuous learning and capacity building beyond the end of the DILG-UNDP project life cycle.

¹² Voted as best Scale-up project of 2014 in a peer review of UNDP Country Offices in the Asia-Pacific.

Output 2: Capacity of Provincial Governments and DILG Built to Plan, Design, Implement, and Maintain Quality Roads through Effective Governance Processes.

The UNDP advisory team will be tasked with leading the refinement of existing and development of new modules and systems under the Road to SDGs framework. They will work in partnership with a pool of experts sourced from the UNDP Governance Hub network as well as UNDP's international and national network of consultants.

Table 2: List of capacity development deliverables:

ITEM	DELIVERABLES	ADDED VALUE UNDER UNDP / SDG FRAMEWORK
Policy	Inputs to the Provincial Governance Reform Roadmap	<ul style="list-style-type: none"> Influencing the planning and design of roads to best meet the SDG targets of provinces. Multi-stakeholder consultations with UNDP Governance Hub network, schools, national and international consultants.
	Review and enhance the LRM performance assessment manual.	Introducing in the performance assessment the degree of citizen participation in planning, design, and monitoring construction of road projects.
Manuals	Change management tool for Provincial Engineering Offices including CD designs	-
	Develop a programme level M&E guidelines for monitoring the achievement of governance reform targets	M&E design will include indicators on integrity, degree of citizen participation, and contribution of roads to specific SDG targets. Citizen monitors will be tasked to collect the data which will be uploaded into the national SDG monitoring and evaluation system.
	Develop a local road asset management manual for the provinces – in consideration of all related issuances.	-
	Using the DILG Local Roads Management Manual (LRMM), DPWH Standard Specs for QA (Vol IV) and related manuals as reference, prepare QA procedures manual specifically for the implementation of provincial road projects.	<ul style="list-style-type: none"> Training on RA 9184 Training on APCPI
Software	Refinement of the capacity development request and response (CDRR) system.	Additional capacity areas in regards to gender mainstreaming, citizen participation, and point to point planning and design.
	Develop project monitoring system for local engineering offices	Merging the systems into one comprehensive project management platform for roads.
	Develop a Procurement Monitoring System for LGUs	Road condition surveys / traffic counts as baseline.
	Develop a document tracking system	

	Develop a road maintenance management application for the provincial engineering offices	
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The first activity will be to hold a multi-stakeholder conference on the provincial Governance Reform Roadmap for Roads, which will kick start the development of the roadmap as well as identify new partners for the project.

The capacity development request and response (CDRR) system will be utilised to generate reports on the capacity needs of the provinces, both in terms of technical engineering capacity, human resources and public financial management. This information will be used to inform the development of the Provincial Capacity Development Plan within the medium-term (2017-2022) distributed annually. The Consolidated CD Plans of the provinces will be the basis of a 6-Year Program Level CD Plan which should also be developed in 2017 and updated annually. This information will also inform the development of new - and refinement of existing – manuals and systems, that will be led by the Technical Engineering Advisory team in consultation with experts sourced from international and national networks, including the Hubs.

Once prototypes of the modules and systems are in place, the UNDP Advisory Team will conduct a training of trainers programme for the Governance Hubs. Following this, the Governance Hubs will then convene the provinces and regional DILG offices for a formal training seminar, which will serve as a general orientation for the project, the scope, roles and responsibilities, and familiarisation with the personnel. After the seminar, assigned experts from the Hubs will travel to the provinces to provide regular coaching and mentoring in regards to road network planning, design, quality assurance, construction supervision, contract management, and maintenance of roads, as well as Asset Management and Public Financial Management. Experts will also be available on an on-call basis, for example at times of emergency. A feedback mechanism will be developed to track the progress of capacity building, as well as important lessons that can help enhance and refine the modules and systems.

Table 4: Scheduled Regular visits of Hub Experts per Province

PROJECT PHASE	NUMBER OF EXPERT VISITS PER PROVINCE	TOTAL NUMBER OF DAYS PER PROVINCE
Planning	2 visits 3 days each	6
Design	3 visits, 3 days each	9
Procurement	2 visits 3 days each	6
Maintenance	2 visits 3 days each	6
Asset Management	2 visits 3 days each	6
Quality Assurance	14 visits, 3 days each	42
Total Per Province	25 visits	75
Total for 78 provinces	1950 visits	5850

It is recognised that many of the projects under CMGP for 2017 have already begun in accordance to the plans that have not undergone a thorough quality assurance review, and UNDP can only be held responsible for failure to flag issues where projects have fallen beyond the quality standards that occur once UNDP and Hub experts have been deployed to the field. A baseline data will have to be established to identify which projects fall under this category and clearly demarcate the limits of accountabilities of UNDP and its partners. In this respect, UNDP and partners are not accountable for quality assurance issues that occurred before UNDP had deployed

its experts into the field, or for issues raised by UNDP and its partners but not acted upon by the local government unit, contractor, or concerned agencies.

It is noted, however, that there may be some shortfalls and weaknesses in the planning and designs of the 2016 and 2017 programme cycle that, if not addressed, may lead to the failure and premature requirements for rehabilitation of some of these roads. To counteract this, DILG and the PEOs, in collaboration with the Governance Hub experts, will also provide Quality Assurance to the 2016 and 2017 designs. If these shortfalls cannot be quickly addressed and require a detailed study including hydrological and or geotechnical analysis, this could be carried out, and post-construction mitigating measures identified. A strategy and plan would then be put in place to protect the investment by providing the mitigating measures, to subsequently improve drainage, slope protection (potentially also using bio-engineering technologies such as use of coco-matting) and ensuring greater resilience to climate change. The timing of such mitigation works will need to be carefully scheduled, to ensure that these actions do not inadvertently relieve the Contractor from contractual defects liability responsibilities.

An innovation facility will also be setup within the UNDP Advisory Team, which can support new areas of research, especially focusing on optimum utilization of local materials, and the pilot testing of new plans, designs, strategies, and community focused maintenance modalities including indigenous solutions, that would help enhance the quality of road networks, road governance, and the impact they have on the SDGs.

Output 3: Citizens Trained to Participate in the Planning and Monitoring of Effective Road Governance Processes

The Hubs will be tapped to perform mapping exercise of regional and local CSOs will be done to determine their capacities. From there, citizen organization activities will be conducted for the following areas:

1. Community Participation in the Planning and Design of Road Projects.

Training will be provided for citizens so that they will be able to effectively participate in the planning and design of road projects following the SDG framework. Planning and design workshops will be held with local governments, local CSOs, and other stakeholders.

Once the designs are ready and the contractors have been identified, a Local Customer Service Code for Roads will be developed and signed as a social contract, whereby all parties agree to construct / rehabilitate roads at a certain date and to certain standards that meet the needs of the people. This will be the benchmark for which accountability can be demanded during or at the end of the project, and also introduce all stakeholders to the presence of citizen monitors during the course of implementation.

2. Citizen Monitoring in the Implementation of Road Projects

- An anti-corruption risk assessment of the CMGP project cycle to identify the main hotspots as to where corruption is likely to occur.
- From there, capacity building modules will be developed by the UNDP Advisory Team, in partnership with national experts sourced from the Hubs. Citizens will be trained in the following areas:
 - Training on RA 9184
 - Training on APCPI
 - Training on infrastructure monitoring using the participatory public finance cycle, which will cover planning, budgeting, bidding, contract implementation and others.
 - The impact of the roads on meeting the SDGs in their locality.
- The modules will then be rolled out to the Hubs through a training of trainers.

- The Hubs will then train regional and provincial CSOs to organise the citizen monitors under the framework of constructive engagement at the local level.
- Citizen monitoring activities will be conducted during key implementation activities, at least once a month per road project and those who live in the vicinity of the local projects can conduct more regular micro-monitoring.
- Feedback mechanism will be setup through Development LIVE from which citizens will be able to report back on their findings to stakeholders.
- Ongoing research and policy forums will be held from which recommendations emanating from the monitoring activities can help improve the modules, tools, and processes that revolve around road governance.
- Sustainability plan will be developed and implemented to ensure that citizen monitoring activities are sustained after the project life cycle. This will include sustainable livelihood training activities, such as planting of crops to generate income to cover cost of monitoring expenses.

2017-2018 WORKPLAN FOR COMPONENT 1: ENSURING GOOD GOVERNANCE AND QUALITY ASSURANCE OF PROVINCIAL ROADS UNDER CMGP

EXPECTED OUTPUT # 1. 17 Governance Hubs Strengthened to Provide Continuous Technical Support to Provincial Governments, Citizens, and DILG in the Implementation of CMGP															
Project Output Indicator/s										Baseline		2017		2018	
1.1. Number of Hubs Strengthened to Provide Continuous Technical Support to Provincial Governments, Citizens, and DILG in the Implementation of CMGP										0		0		17	
PLANNED ACTIVITIES										PLANNED BUDGET					
Activity Description	Sub-Activity Deliverables	TIMEFRAME						Responsible Party	Donor	Budget		Amount			
		2017		2018						Code	Description	PhP			
		Q3	Q4	Q1	Q2	Q3	Q4								
1.1 Preparation and signing of MoA with 17 Governance Hubs to provide technical assistance in regards to capacity building and quality assurance of CMGP.	MoA with Hubs UNDP and DLG			x	x		x	UNDP/DILG	DILG	71610	Travel – Local	1,500,000			
								72500		Supplies &	200,000				
								75700		Printing	300,000				
								75705		Learning Costs	5,000,000				
										Communication	500,000				
1.2 Orientation for Hubs and support to development of professional roster of experts and coordination mechanism.	<ul style="list-style-type: none">WorkshopSetup of Hub governance structureSetup of roster				x		x	UNDP/DILG		71300	Local Consultant	2,500,000			
								71610		Travel-Local					
								72500		Supplies &	1,500,000				
								75700		Printing	300,000				
								75705		Learning Costs	2,000,000				
											2,000,000				
1.3 Business model developed to establish long term sustainability of the hubs.	<ul style="list-style-type: none">Development of business model							UNDP		71300	Local consultants	3,000,000			
								75700		Supplies	2,000,000				
										Miscellaneous	30,831				
OUTPUT# 1 Sub- TOTAL												20,830,831.00			

EXPECTED OUTPUT 2. Capacity of Provincial Governments and DILG Built to Plan, Design, Implement, and Maintain Quality Roads through Effective Governance Processes.													
Project Output Indicator/s									Baseline		2017		2018
2.1 Number of Hubs Strengthened to Provide Continuous Technical Support to Provincial Governments, Citizens, and DILG in the Implementation of CMGP									0		0		17
2.2 Number of provinces provided with QA support									0		0		78
PLANNED ACTIVITIES									PLANNED BUDGET				
Activity Description	Sub-Activity Deliverables	TIMEFRAME						Responsible Party	Donor	Budget		Amount	
		2017		2018						Code	Description	PhP	
		Q3	Q4	Q1	Q2	Q3	Q4						
2.1 Multistakeholder's conference for the Roadmap on Provincial Roads and good governance	• General provincial roadmap for provincial roads and good governance			x	x		x	UNDP/DILG	DILG	71610	Travel – Local	3,120,000	
										72500	Supplies & Printing	410,000	
										75700	Learning Costs	8,200,000	
										71305	Local Consultants	315,000	
										72400	Communication Miscellaneous	30,000 1,440,000	
2.2 Module and Software Development	• Project management, procurement monitoring, reporting platform, and asset management platform.				x	x	x	UNDP		71300	Local Consultant	5,525,000	
										71610	Learning costs	3,824,000	
										71620	Travel local	2,230,000	
										72400	Communication	288,000	
										72500	Supplies/Printing Equipment Software	510,000 750,000 9,000,000	
2.3 Conduct of TOT for 17 hubs to be able to roll out capacity building activities to provinces, and regional DILG Offices	• TOT conducted							UNDP/DILG		75705	Learning costs	7,512,000	
										71620	Travel local	34,370,000	
										71305	Local consultants	75,212,548.11	
										72400	Communication	10,920,000	
										74500	Miscellaneous	26,404,000	
2.4: Pilot of draft manual/ Coaching/Mentoring of 78 provinces for Quality Assurance	• Coaching and mentoring for provincial LGUs							UNDP/Hub		75705	Learning costs	7,512,000	
										71620	Travel - local	34,370,000	
										71305	Local consultants	58,500,000	
										72400	Communication	10,920,000	
										74500	Miscellaneous	26,404,000	

EXPECTED OUTPUT 2. Capacity of Provincial Governments and DILG Built to Plan, Design, Implement, and Maintain Quality Roads through Effective Governance Processes.												
Project Output Indicator/s									Baseline		2017	2018
2.5: Localizing SDGs in governance process	• Research and studies								71305	Local consultants	5,760,000	
	• Training / fora in SDGs and local governance								71405	International consultants	3,866,366.01	
	• SDG Faces module rolled out							UNDP	75705	Learning costs	6,000,000	
	• Communications products								71610	Equipment	360,000	
										Travel - local	4,000,000	
OUTPUT# 2 Sub- TOTAL											218,901,914.12	

EXPECTED OUTPUT 3. Citizens Trained to Participate in the Planning and Monitoring of Effective Road Governance Processes												
Project Output Indicator/s									Baseline		2017	2018
3.1 Number of citizens trained to monitor road projects.									0		50	200
PLANNED ACTIVITIES									PLANNED BUDGET			
Activity Description	Sub-Activity Deliverables	TIMEFRAME						Responsible Party	Donor	Budget		Amount
		2017		2018						Code	Description	PhP
		Q3	Q4	Q1	Q2	Q3	Q4					
3.1 Conduct stakeholder mapping	Map of stakeholders produced.			x	x		x	UNDP / CSO	DILG	71305	Local consultant	5,310,000
3.2 Capacity building modules developed and design citizen feedback platform.	<ul style="list-style-type: none">Citizen monitoring modules.Citizen feedback platform designed and setup.									71305	Local consultants	3,240,000
					x		x			75705	Learning cost	3,900,000
3.3 Conduct of ToT for citizens to be able to roll out capacity building activities to provinces, citizens, and regional DILG offices	<ul style="list-style-type: none">Trained citizens.									75705	Learning cost	9,720,000
										71610	Travel - local	32,400,000
3.4 Monitoring activities carried out.	Monitoring reports.											

EXPECTED OUTPUT 3. Citizens Trained to Participate in the Planning and Monitoring of Effective Road Governance Processes												
Project Output Indicator/s									Baseline		2017	2018
3.5	Feedback and policy forums		Policies to improve citizen engagement / service delivery system.									
3.6	Sustainability plan developed and implemented.		Sustainability plan.							71305	Local consultants	2,430,000
OUTPUT# 3 Sub- TOTAL											57,000,000.00	

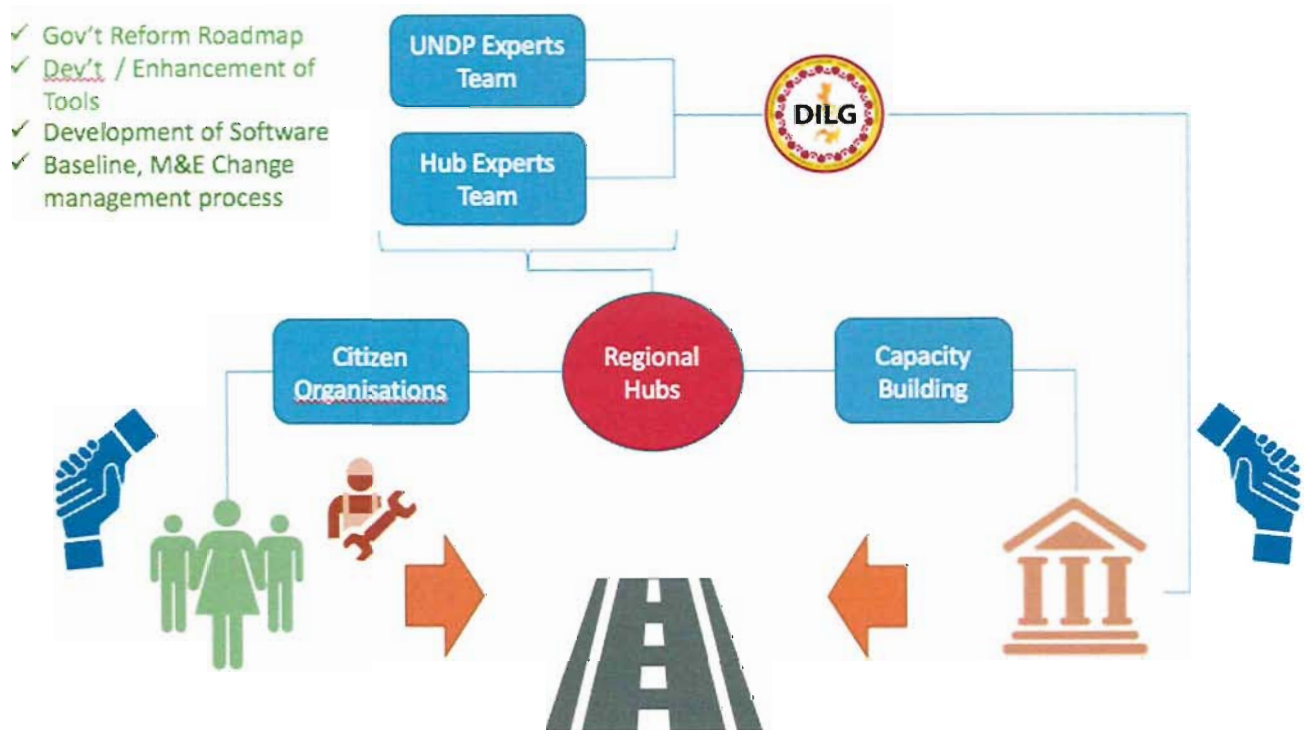
EFFECTIVE PROJECT MANAGEMENT												
PLANNED ACTIVITIES								PLANNED BUDGET				
Activity Description	Sub-Activity Deliverables	TIMEFRAME						Responsible Party	Donor	Budget		Amount
		2017		2018						Code	Description	PhpP
		Q3	Q4	Q1	Q2	Q3	Q4					
Strategic financial and administrative management of the project	<ul style="list-style-type: none">▪ Annual Work Plan/ Revised AWP▪ Quarterly Progress Reports▪ Quarterly FACE Reports▪ Annual Project Report▪ Micro Assessment & Spot Check			x	x		x	UNDP	DILG	71305	Local contractors	47,134,320
										71610	Travel	3,000,000
										72500	Equipment	1,651,845
										72400	Supplies	476,000
											Communications	476,000
Audit and Evaluation	Audit report.				x		x			74500	Miscellaneous	1,492,600
Project Management TOTAL												54,230,765.11
TOTAL PROJECT COST												350,963,510.23
Contingency cost (approx. 5%)												16,712,548.10
General Management Support (5%)												11,052,842.91
OVERALL TOTAL												378,728,883.24

III. PROJECT MANAGEMENT

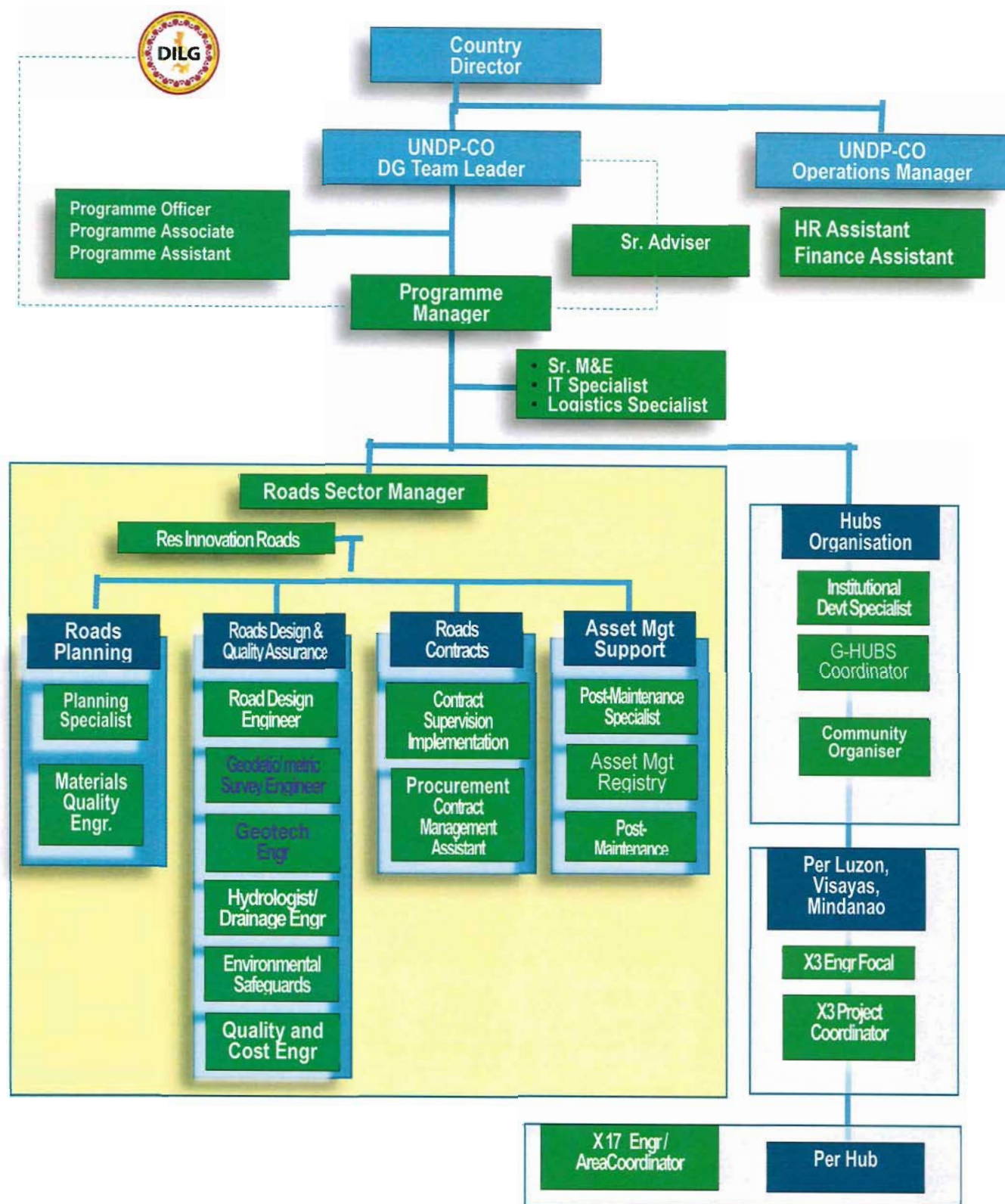
Management Structure

At the national level, the programme will be supervised by the UNDP Governance Unit in the Philippines at the UNDP Country Office. It is at this level where the Governance Team Leader shall assume the role of overall supervisor under the leadership of the Country Director.

Under this structure, a UNDP Technical Advisory Team / Experts Team will be put together composed of both technical engineering experts, and capacity development and community organisation experts. This team will lead the development of new and refinement of existing modules and systems that will be rolled out to the Governance Hubs, which in turn will roll out to the CSOs and provincial governments at the local level. The UNDP Technical Advisory Team / Experts Team will also provide ongoing guidance and quality assurance to ensure that the delivery of the hubs is consistent, and also to provide a mechanism through which, in partnership with the DILG teams, lessons from any particular hub can be shared with the other hubs and with DILG at the central and regional levels. The UNDP Team members may also act as an additional resource for coaching and mentoring, as required subject to capacity constraints.



Proposed Organogram¹³



¹³ To be finalised at first project board meeting.

IV. LEGAL CONTEXT

This document together with the CPD/UNDAF JIP signed by the Government and UNDP which is incorporated herein by reference, constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA); as such all provisions of the CPAP apply to this document. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner”, as such term is defined and used in the CPD/UNDAF JIP and this document.

UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations safety and security management system.

UNDP will undertake all reasonable efforts to ensure that none of the [project funds]^[1] [UNDP funds received pursuant to the Project Document]^[2] are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Documents.

Conditional Matching Grant to Provinces for Road Repair, Rehabilitation and Improvement (CMGP)

PROPOSED ROLES AND RESPONSIBILITIES OF CENTRAL AND REGIONAL OFFICES IN PROGRAM IMPLEMENTATION¹

MAJOR DELIVERABLES	MAJOR ACTIVITIES BASED ON OPB	CENTRAL OFFICE (OPDS CMGP-PMO)	REGIONAL OFFICE/ PROVINCIAL OFFICE	Province	UNDP	Governance Hubs	Citizens
1. Monitoring the Implementation of LGSF-CMGP Projects by the provinces and provision of Technical Assistance (TA)	1.1 Monitor the status of the preparations and facilitate the submission of 2017 fund release requirements by the 78 provinces	<ul style="list-style-type: none"> Advise provinces of their allocation, the requirements for fund release, and timeline for submission not later than two (2) weeks before any scheduled activity. Monitor the preparation of CMGP project requirements, particularly the detailed engineering design and program of works, and provide necessary assistance to provinces to facilitate the completion thereof. 	<ul style="list-style-type: none"> Assist OPDS CMGP-PMO in monitoring the preparation and submission of CMGP project requirements by the provinces through close coordination and follow ups. 		N/A	N/A	N/A
	1.2 Review of fund release documentary requirements including the Detailed Engineering	<ul style="list-style-type: none"> Review the documentary requirements and check whether the DEDs and POWs are prepared in accordance with 	<ul style="list-style-type: none"> In coordination with the OPDS CMGP-PMO, take lead in the review of the completeness and promptness of 		N/A	Review the past (and future) DED, POW and other documents in view of the enhanced SDGs to local road management	Review complete submission of plans and DED.

¹ To be finalised by a joint DILG-UNDP Memo / Directive

MAJOR DELIVERABLES	MAJOR ACTIVITIES BASED ON OPB	CENTRAL OFFICE (OPDS CMGP-PMO)	REGIONAL OFFICE/ PROVINCIAL OFFICE	Province	UNDP	Governance Hubs	Citizens
	Design (DED) and Program of Works (POWs) submitted by the 78 provinces	standards. Comments and recommendations shall be provided to the provinces, copy furnished the concerned RO.	DED, POW and/or other documents upon submission thereof by the provinces, and endorse the same to OPDS CMGP-PMO, including other submitted requirements. • Follow-up submission by provinces of the requirements including compliance with comments and recommendations.			guides being developed.	
	1.3 Endorse to DBM the provinces which have complied with the fund release requirements	<ul style="list-style-type: none"> Upon satisfactory compliance of documentary requirements by the provinces, send advice to the Provincial Governments to proceed with the procurement process, copy furnished the concerned RO. Endorse to DBM the release of funds and monitor the issuance of NCA, to inform 	<ul style="list-style-type: none"> Monitor the release of funds to the province by the Regional Office of the Bureau of Treasury (BTr). Advise OPDS CMGP-PMO on the status of fund release by the Regional Office of BTr. (N/A	N/A	Monitor fund release.

MAJOR DELIVERABLES	MAJOR ACTIVITIES BASED ON OPB	CENTRAL OFFICE (OPDS CMGP-PMO)	REGIONAL OFFICE/ PROVINCIAL OFFICE	Province	UNDP	Governance Hubs	Citizens
		concerned RO and PO					
	1.4 Partner with UNDP in the implementation of quality assurance services for CMGP projects.	<ul style="list-style-type: none"> Coordinate with UNDP the preparation and approval of Project Document Monitor the performance of the services and delivery of outputs by UNDP. 	<ul style="list-style-type: none"> Coordinate the activities of UNDP with the provinces covered by the RO, particularly during field visits. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Hire and train staff to develop a pool of expertise to ensure consistency of standards across hubs Develop SDG enhanced local road management manuals. Provide random QA visits to ensure consistency of QA provided Develop software. 	<ul style="list-style-type: none"> Participate in the training of trainers for Hubs. 	<ul style="list-style-type: none"> Participate in the training of trainers for citizen monitors.
	1.5 Monitor the status of provinces' procurement activities to track the timely implementation	<ul style="list-style-type: none"> Develop a checklist on monitoring procurement activities. In coordination with ROs, monitor the conduct of 	<ul style="list-style-type: none"> Monitor the conduct of procurement activities by the provinces, particularly the following: 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Oversee governance hubs to provide coaching and mentoring. 	<ul style="list-style-type: none"> Provide coaching and mentoring in conduct of procurement activities to ensure 	<ul style="list-style-type: none"> Independent monitoring of procurement activities to ensure compliance with RA 9184

MAJOR DELIVERABLES	MAJOR ACTIVITIES BASED ON OPB	CENTRAL OFFICE (OPDS CMGP-PMO)	REGIONAL OFFICE/ PROVINCIAL OFFICE	Province	UNDP	Governance Hubs	Citizens
	n of the CMGP projects.	procurement activities by the provinces with respect to their compliance with the 2016 Revised IRR of R.A. No. 9184 and Implementation Guidelines of CMGP.	<ul style="list-style-type: none"> a. Provinces' compliance with the provisions of the 2016 Revised IRR of R.A. No. 9184 and Implementation Guidelines of CMGP. b. Submission of Procurement Schedule by the provincial Government. c. Submission of contract and other supporting documents to COA for review within 5 days after signing of the contract. 		<ul style="list-style-type: none"> • Providing direct coaching and mentoring in special instances. 	compliance with RA 9184.	
	1.6 Monitor project implementation particularly compliance with DPWH standards, construction schedule, and provide TA through coaching and	<ul style="list-style-type: none"> • In coordination with ROs, monitor the progress of construction activities of CMGP projects nationwide. • In coordination with UNDP and ROs, <ul style="list-style-type: none"> a. Monitor the implementation 	<ul style="list-style-type: none"> • Coordinate the field visits of CMGP PMO staff and UNDP / Hub staff with the provinces. 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Conduct field visits to monitor hubs. • In special cases monitor the projects directly in compliance with DPWH 	<ul style="list-style-type: none"> • Conduct field visits with provinces to ensure project implementation in compliance with DPWH standards and original project design. 	<ul style="list-style-type: none"> • Accompany hub personnel to conduct field visits to ensure compliance with DPWH standards and original project design.

MAJOR DELIVERABLES	MAJOR ACTIVITIES BASED ON OPB	CENTRAL OFFICE (OPDS CMGP-PMO)	REGIONAL OFFICE/ PROVINCIAL OFFICE	Province	UNDP	Governance Hubs	Citizens
	mentoring, when needed.	of Quality Control Plan for CMGP projects; and b. Conduct random inspection of civil works to check compliance with plans and specifications.			standards and original project design.		
	1.7 Conduct semi-annual performance assessment meeting with Provincial Local Road Management (LRM) Team, RO and OPDS CMGP-PMO to identify issues and concerns and actions to be taken.	<ul style="list-style-type: none"> In coordination with UNDP, conduct semi-annual performance assessment meeting with Provincial Local Road Management (LRM) Team, RO and OPDS CMGP-PMO to identify issues and concerns and actions to be taken Notify RO and PO not later than two (2) weeks before the scheduled visit 	<ul style="list-style-type: none"> Participate in the semi-annual performance assessment of provinces. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Consolidate data from hubs / citizen monitors and provide feedback to DILG for assessment. 	<ul style="list-style-type: none"> Provide feedback to UNDP in regards to project status and implementation performance. 	<ul style="list-style-type: none"> Provide feedback to monitoring platform in regards to project status and implementation performance
	1.8 Preparation and submission of the following reports: <ul style="list-style-type: none"> bi-monthly monthly semi-annual annual reports 	<ul style="list-style-type: none"> Prepare Consolidated Reports based on the data gathered by technical team, reports submitted by ROs, UNDP staff and provinces on a quarterly basis. Submit Reports to management 	<ul style="list-style-type: none"> Coordinate with the provinces the submission of bi-monthly reports on physical works. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Submit bi-monthly report to DILG CO. 	<ul style="list-style-type: none"> Submit bi-monthly report to UNDP. 	<ul style="list-style-type: none"> Provide bi-monthly citizen reports to open platform.

MAJOR DELIVERABLES	MAJOR ACTIVITIES BASED ON OPB	CENTRAL OFFICE (OPDS CMGP-PMO)	REGIONAL OFFICE/ PROVINCIAL OFFICE	Province	UNDP	Governance Hubs	Citizens
2. Provision of TA for the Achievement of Provinces' Governance Reform Targets on Local Road Management (LRM) and Public Financial Management (PFM) and in monitoring the implementation of the Improvement Plans	2.1 Validate, if necessary and analyze Performance Assessment Reports of provinces on LRM, PFM and Agency Procurement Compliance and Performance Indicator (APCPI) as basis for CAP DEV/Technical Assistance (TA).	<ul style="list-style-type: none"> Assist the UNDP in analyzing the Performance Assessment Reports of provinces on LRM, PFM and Agency Procurement Compliance and Performance Indicator (APCPI) as basis for CAP DEV/Technical Assistance (TA) 	<ul style="list-style-type: none"> Provide necessary assistance to facilitate the submission of performance assessment reports by provinces, particularly on the following: LRM and PFM including Improvement Plans; and, APCPI results including Procurement Action Plan. 	•	<ul style="list-style-type: none"> Analyse the performance assessment reports of provinces on LRM, PFM, and APCPI 	•	•
	2.2 Management of activities for the implementation of the most appropriate capacity development interventions to achieve governance reforms by the Provincial Governments.	<ul style="list-style-type: none"> Monitor the performance of the services and delivery of outputs by UNDP 	<ul style="list-style-type: none"> Coordinate the activities of the UNDP with the provinces covered by the RO, particularly during field visits. 	•	<ul style="list-style-type: none"> Prepare capdev plan for the provinces. 	<ul style="list-style-type: none"> Arrange schedules of experts in accordance with the capdev plan 	•
	2.3 Provision of CAP DEV/TA to build capacities of	<ul style="list-style-type: none"> In coordination with UNDP, implement the CAP DEV activities on LRM and PFM 	<ul style="list-style-type: none"> In coordination with UNDP and OPDS CMGP-PMO (LGMED/LGCDD): 	•	<ul style="list-style-type: none"> Prepare general orientation / seminars 	<ul style="list-style-type: none"> Deliver coaching and mentoring in accordance with capdev plan 	•

Expected Results (Outcomes & Outputs)	Indicators	Baseline	2017 Target	End of Project Target (2018)	Data Collection Methods	Time or Schedule & Frequency	Means of Verification: Data Source and Type What method will be used to determine if the indicator target has been met?	Responsibilities Who will coordinate, collect, verify and analyse the collected information?	Resources What are the resources required and committed for carrying out planned monitoring activities:	Risks and Assumptions What are the risks and assumptions? How will it affect the planned monitoring events and quality of data?
Outcome: Empowered citizens and businesses benefitted from increased connectivity to basic services and increased commerce through effective and inclusive road governance.										
Proportion of population living in households with access to basic services		TBD	TBD	TBD	SDG-FACES M&E; data from official (e.g., school records, census data, health data) and unofficial (e.g., Community-Based Monitoring System)	Quarterly Annually	Admin Data Annual Reports	Verifying/ triangulating data quality: Programme Manager, Senior M&E Specialist, and Citizen Monitors	Data for selected indicators will be made available under the SDG-FACES Project; other data to be sourced from secondary sources	Stakeholders willing to share practices and build practical solutions; management mechanism in place to ensure scale up of practices for the most disadvantaged
Average income of small-scale food producers, by sex and indigenous status	TBD	TBD	TBD							
Proportion of births attended by skilled health personnel	TBD	TBD	TBD							
Proportion of women of reproductive age (aged 15-49 years) who have their need for family planning satisfied [provided] with modern methods	TBD	TBD	TBD							
Enrolment rate in primary and secondary education	TBD	TBD	TBD							
Proportion of women who use contraceptives	TBD	TBD	TBD							
Access to formal bank accounts, financial services and microfinance institutions, by sex	TBD	TBD	TBD							
Proportion of population using safely managed drinking water services	TBD	TBD	TBD							
Proportion of population using safely managed sanitation services, including a hand-washing facility with soap and water	TBD	TBD	TBD							
Proportion of population with access to electricity	TBD	TBD	TBD							
Unemployment rate, by sex, age and persons with disabilities	TBD	TBD	TBD							
Proportion of youth (aged 15-24 years) not in education, employment or training	TBD	TBD	TBD							
Number of jobs in tourism industries as a proportion of total jobs and growth rate of jobs, by sex	TBD	TBD	TBD							
Proportion of the rural population who live within 2 km of an all-season road	TBD	TBD	TBD							
Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population	TBD	TBD	TBD							
Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities	TBD	TBD	TBD							
Proportion of cities with a direct participation structure of civil society in urban planning and management that operate regularly and democratically	TBD	TBD	TBD							
Proportion of individuals using the Internet	TBD	TBD	TBD							
Output 1: 17 Governance Hubs Strengthened to Provide Continuous Technical Support to Provincial Governments, Citizens, and DILG in the Implementation of CMGP.	Number of Governance Hubs formally set up (i.e., with signed MOAs) to provide continuous technical support to CMGP	0	17	17	Project Records Progress Reports Activity Reports	Monthly End Project	M&E Reports Progress Reports Annual Review	Coordinating data collection: Senior M&E Officer; Data Verification and Analysis: Institutional Development Specialist, Regional Coordinators, and Programme Assistant	Resources for M&E activities will be made available under the CMGP Project; dedicated skilled personnel and staff time to be provided by UNDP	Low buy-in and commitment from stakeholders (e.g., provincial governments); current modality (GHUBS) and technical capacity may not be adequate to complete all project work
	Number of technical experts deployed to coach/mentor Provincial Engineering Offices (PEOs)	0	102	102						
	Number of visits of Hub Experts	0	390	1950						
	Number of Provincial Governance Reform Roadmaps produced	0	1	1						
	Proportion of Governance Hubs with sustainability plans crafted and in place to ensure long term financial viability	0	0	17						
	Number of policy notes crafted regarding quality of road networks, road governance, and the impact they have on the SDGs	0	0	34						
Output 2: Capacity of Provincial Governments and DILG Built to Plan,	Number of training modules developed	0	6	6	Project Records Consultants' Reports	Quarterly End Project	M&E Reports Training Reports Consultants' Reports	Coordinating data collection: Programme Manager; Data Collection: Senior M&E Officer; Data		Low participation and absorptive capacity on LRM
	Number of manuals developed	0	2	5						
	Number of software developed	0	1	5						

Expected Results (Outcomes & Outputs)	Indicators	Baseline	2017 Target	End of Project Target (2018)	Data Collection Methods	Time or Schedule & Frequency	Means of Verification: Data Source and Type What method will be used to determine if the indicator target has been met?	Responsibilities Who will coordinate, collect, verify and analyse the collected information?	Resources What are the resources required and committed for carrying out planned monitoring activities?	Risks and Assumptions What are the risks and assumptions? How will it affect the planned monitoring events and quality of data?
Design, Implement, and Maintain Quality Roads Networks through Effective Governance Processes.	Number of training of trainers conducted for 17 Governance Hubs to roll out modules / systems	0	17	34			Annual Review	Verification and Analysis: Institutional Development Specialist, Regional Coordinators, Programme Assistant		
	Number of trainings rolled out to 78 PEOs and 17 Regional DILG Offices	0	17	85						
Output 3: Citizens organised to instill transparency and accountability in the implementation of road projects in 78 provinces.	Number of trainings conducted for citizen monitors	0	17	34	Progress Reports Activity Reports	Monthly End Project	M&E Reports Volunteer Database Progress Reviews Annual Review	Coordinating data collection: Project Manager; Collecting data: Senior M&E Officer; Ensuring completeness and accuracy of data: G-HUBs Coordinator and & Community Volunteer Coordinators		inadequate participation by community members; Low absorptive capacity of local community to use tools developed under the project; late submission of field reports from Community Volunteer Coordinators (e.g., from conflict- and disaster-affected areas)
	Number of community volunteers engaged and deployed to conduct monitoring	0	648	648						
	Number of regions where volunteers are deployed	0	17	17						
	Number of CMGP road projects monitored	0	95	324						
	Number of monitoring visits conducted by citizen monitors	0	390	1092						
	Number of feedback and policy forums conducted	0	0	34						

**COST-SHARING AGREEMENT BETWEEN THE
UNITED NATIONS DEVELOPMENT PROGRAMME AND THE
GOVERNMENT OF THE PHILIPPINES**

WHEREAS the United Nations Development Programme (hereinafter referred to as "UNDP") and the Government of the Philippines – Department of the Interior and Local Government (hereinafter referred to as the "Government") have agreed to co-operate in the implementation of a project/programme in the (programme country) (hereinafter referred to as "the Project"), as described in the Project document ***"Paving the Road to the SDGs through Good Local Governance", (Project ID: 104538)*** in the Philippines, and submitted to the Government for information. Add the Government's reference if any;

WHEREAS the Government has informed UNDP of its willingness to contribute funds (hereinafter referred to as "the contribution") to the UNDP on a cost-sharing basis to increase the resources available for the Project;

WHEREAS the UNDP shall designate an Implementing Partner for the implementation of each Project financed from the contribution (hereinafter referred to as "Implementing Partner")

NOW THEREFORE, UNDP and the Government hereby agree as follows:

Article I

1. The Government shall, in the manner referred to in paragraph 2 of this Article, place at the disposal of UNDP the contribution of **Three Hundred and Seventy Eight Million, Seven Hundred and Twenty Eight Thousand, Eight Hundred and Eighty Three Philippine Pesos and Twenty Four Centavos (PhP 378,728,883.24)**.
2. The Government shall, in accordance with the schedule of payments set out below, deposit the contribution in

**UNDP Representative Peso Account
Account No. 0132549315001
Standard Chartered Bank - Branch Manila
Ayala Avenue, Makati City
Philippines**

<u>Date payment due</u>	<u>Amount (stated currency)</u>
(a) Upon signing of this Agreement Which shall not be later than 30 Dec. 2017	PhP 378,728,883.24

3. The Government will inform UNDP when the Contribution is paid via an e-mail with remittance information to contributions@undp.org, providing the following information: Government's name, UNDP country office, [Project no. and title], Government reference (if available). This information should also be included in the bank remittance advice when funds are remitted to UNDP.
4. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the Project may be reduced, suspended or terminated by UNDP.
5. The above schedule of payments takes into account the requirement that contributions shall be paid in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
6. All financial accounts and statements shall be expressed in United States dollars.
7. UNDP may agree to accept Contributions in a currency other than United States dollars provided such currency is fully convertible or readily usable by UNDP and subject to the provisions of paragraph 6 above. Any change in the currency of the Contribution shall be made only in agreement with UNDP.
9. Any interest revenue attributable to the contribution shall be credited to the UNDP Account and shall be utilized in accordance with established UNDP procedures.

Article II

1. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 3%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.

2. The aggregate of the amounts budgeted for the project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the project under this Agreement as well as funds which may be available to the project for project costs and for support costs under other sources of financing.

Article III

1. The contribution shall be administered by the UNDP in accordance with UNDP regulations, rules, policies and procedures, applying its normal procedures for the execution of its projects.
2. Project management and expenditures shall be governed by the regulations, rules, policies and procedures of UNDP and, where applicable, the regulations, rules, policies and procedures of the Implementing Partner.

Article IV

1. The implementation of the responsibilities of the UNDP and of the Implementing Partner pursuant to this Agreement and the relevant project document shall be dependent on receipt by the UNDP of the contribution in accordance with the schedule of payments set out in Article I, paragraph 2, above. UNDP shall not start implementation of the activities prior to receiving the Contribution or the first tranche of the Contribution (whichever is applicable).
2. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) UNDP shall submit to the Government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to make available to UNDP the additional funds required.
3. If the Contribution referred to in Article I, paragraph 2, above, are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2, above, is not forthcoming from the Government or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

Article V

Ownership of equipment, supplies and other property financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article VI

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP.

Article VII

UNDP shall provide the Government on request with financial and other reports prepared in accordance with UNDP reporting procedures.

Article VIII

1. UNDP shall notify the Government when all activities relating to the Project have been completed in accordance with the Prodoc.
2. Notwithstanding the completion of all activities relating to the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the activities finance by the contribution have been satisfied and these activities brought to an orderly conclusion.
3. If the unutilized funds prove insufficient to meet such commitments and liabilities, UNDP shall notify the Government and consult with the Government on the manner in which such commitments and liabilities may be satisfied.
4. In cases where the Project is completed in accordance with the project document any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Government.

Article IX

1. After consultations have taken place between the two Parties to this Agreement and provided that the funds from the Contribution already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project, this Agreement may be terminated by UNDP or by the Government. The Agreement shall cease to be in force thirty days after either of the Parties may have given notice in writing to the other Party of its decision to terminate the Agreement.

2. If the unutilized contribution-payments, together with other funds available to the Project, are insufficient to meet such commitments and liabilities, UNDP shall notify the Government and consult with the Government on the manner in which such commitments and liabilities may be satisfied.
3. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in implementation of the activities financed by the contribution have been satisfied and these activities brought to an orderly conclusion.
4. In cases where this agreement is terminated before Project completion any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Government.

Article X

Any notice or correspondence between UNDP and the Government will be addressed as follows:

(a) To the Government:

Address:

(b) Upon receipt of funds, UNDP shall send an electronic receipt to the Government email address provided below as confirmation that the remitted funds have been received by UNDP

Government email address: _____

Attention: _____

(c) To UNDP: Mr. Titon Mitra, Country Director

Address: United Nations Development Programme
7th Floor, Regus, The Ascott Ayala Center,
Makati City

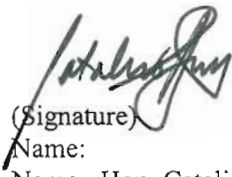
Article XI

This Agreement shall enter into force upon the signature of this Agreement by parties hereto, on the date of the last signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Government:

For the United Nations Development Programme

(Signature)


Name:
Name: Hon. Catalino S. Cuy
Title: Officer-In-Charge, DILG
Date:
Place:

(Signature)

Name:
Name: Mr. Titon Mitra
Title: Country Director
Date:
Place: Makati City, Philippines

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

City of **QUEZON CITY**) SS

BEFORE ME, a Notary Public for and in Quezon City, Philippines, personal appeared:

NAME
CATALINO S. CUY
TITON MITRA

GOVERNMENT ISSUED ID
TIN 137-405-128 DILG 03 002
DFA OFF-UNDP 2017-2

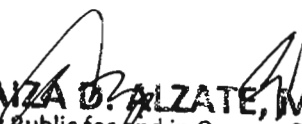
Known to me and to known to be the same persons who executed the foregoing instrument, which they signed and acknowledged before me to be their own free and voluntary act and deed.

DEC 29 2017

WITNESS MY HAND AND SEAL this ____ day of ____, 2018.

NOTARY PUBLIC

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Page No.: 69 ;
Book No.: 23 ;
Series of 2017 .


ATTY. AIZA D. ALZATE, MNSA
Notary Public for and in Quezon City
Suite 305 Delta Building, West Avenue Quezon City
Tel. No. 373-0819
Admin. Matter NP No. 028
Roll of Attorney No. 51933
IBP No. 1054775 / 12-27-16 / Q.C.
PTR No. 3692312 / 1-3-17 / Q.C.
MCLE Compliance No. V-0007197 / 10 April 2015
My Commission Expires on December 31, 2017