

## I. COVER PAGE

Programme Title: **ENHANCING ACCESS TO AND PROVISION OF WATER SERVICES WITH THE ACTIVE PARTICIPATION OF THE POOR**

Joint Programme Outcomes:

- (1) Establish investment support mechanisms to improve efficiency, access, affordability and quality of water services provided by utilities at the local/community level
- (2) Enhance local capacities to develop, operate and manage water utilities by fostering inclusive participation in decisions relating to water service provision

UNDAF Outcomes #2:

By 2009, good governance reforms and practices are institutionalized by government, local government units (LGUs), civil society organizations and the private sector at all levels toward poverty reduction, protection of rights and sustainable human development.

<p>Programme Duration: <u>Three (3) Years</u></p> <p>Anticipated start/end dates:  Start: <u>April 2009</u>  End: <u>March 2012</u></p> <p>Managing or Administrative Agent: <u>UNDP</u></p>	<p>Total Estimated Budget*: <u>US\$ 5.354M</u></p> <p>Out of which:  1. Funded Budget:  UNICEF : US\$ 1,540.2  UNDP : US\$ 3,813.4</p> <p>*Total estimated budget includes both programme costs and indirect support costs</p>
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<b>SIGNATORY PAGE</b>	
<b>UN organizations</b>	<b>National Coordinating Authorities</b>
<p>Name of Representative: <b>VANESSA TOBIN</b></p> <p>Signature:  Name of Organization: <i>UN Resident Coordinator's Office (UNRC)</i>  Date &amp; Seal:</p>	<p>Name of Head of Partner: <b>RALPH G. RECTO</b></p> <p>Signature:  Name of Institution: <i>National Economic and Development Authority (NEDA)</i>  Date &amp; Seal:</p>
<p>Name of Representative: <b>RENAUD MEYER</b></p> <p>Signature:  Name of Organization: <i>United Nations Development Programme (UNDP)</i>  Date &amp; Seal</p>	<p>Name of Head of Partner: <b>RONALDO V. PUNO</b></p> <p>Signature:  Name of Institution: <i>Department of Interior and Local Government (DILG)</i>  Date &amp; Seal:</p>
<p>Name of Representative: <b>VANESSA TOBIN</b></p> <p>Signature:  Name of Organization: <i>United Nations Children's Fund (UNICEF)</i>  Date &amp; Seal:</p>	
<p>Witness:</p>	
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## II. EXECUTIVE SUMMARY

Consistent with its commitment as embodied in the Medium Term Philippine Development Plan (MTPDP) 2004-2010 as well as to Millennium Development Goal (MDG) 7 to provide water to all Filipinos, with priority to those living in poor, waterless<sup>1</sup> communities, the Philippine Government launched the President's Priority Program on Water (P3W) which specifically targets the 432 waterless municipalities outside of Metro Manila. The program, which is being implemented under the leadership of the National Anti-Poverty Commission (NAPC) and in coordination with other national government agencies (i.e., the Department of the Interior and Local Government or DILG, the National Water Resources Board or NWRB, the Local Water Utilities Administration or LWUA), basically puts up the necessary water supply infrastructure in programmed waterless areas, leaving the local government units and/or communities in charge of the operation and maintenance of the system.

However, in the formulation of the Philippine Water Supply Sector Roadmap (Roadmap) which is envisioned to serve as the blueprint to addressing the problems that are preventing the efficient and sustainable delivery of water supply services in urban and rural areas in the country particularly those outside Metro Manila, it was established that equally as important as the infrastructure support is the "soft" aspects of water supply delivery, including capacity building of infrastructure project beneficiaries.

Taking off from the recommendations and directions set out in the Roadmap, which involved a series of multi-stakeholder consultations involving national government agencies, local government units (LGUs), water supply providers, and civil society, the proposed programme aims to enhance provision of and access to water services of poor communities by filling in the "soft" component gap of existing national government programs, particularly the P3W. The programme will support community-based initiatives to enhance the sustainable delivery of water to about 122,000 households (HHs) in 36 depressed communities in 5 regions in the Philippines.

Specifically, the programme proposes to contribute to the improvement of efficiency, access, affordability and quality of potable water services by establishing support mechanisms that would help facilitate investments in water utility expansion and/or improvements. These support mechanisms include the development of a range of incentives options and partnership modalities (e.g., funds leveraging) that will be made available to communities to fund their investments in water service provision. To engage support from development partners (including donor agencies, the national government, LGUs, private and government financing institutions, the private sector, civil society organizations), (i) grassroots organizations, LGUs and other local institutions that will ensure sustainability of investments will be mobilized; (ii) policy reforms in terms of financing (NG-LGU cost-sharing) and programming (particularly of grant assistance from NAPC) will be formulated to leverage social subsidies with better responsibility and accountability from communities; and (iii) existing tariff-setting methodologies will be improved to cater to small water utilities to ensure that the appropriate levels of tariff are imposed. Local capacities will be improved through mentoring mechanisms and training modules as well as through the rolling out of the WATSAN toolbox, not only to stimulate investment flows, but also to sustain the delivery of services. Capability building will be focused in the areas of sector planning and monitoring, development of service codes, tariff setting and regulation, management and operation, and sanitation. In keeping with the principle of shared responsibilities, participation of local duty bearers and claimholders, especially women, in the development, operation and management of water utilities will be ensured through these capacity building initiatives.

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<sup>1</sup> Waterless means water supply coverage is less than 50% of the population.

### III. SITUATION ANALYSIS

Approximately 17 million Filipinos still have no access to safe drinking water. In terms of area served, there are pronounced disparities between rural and urban areas and poor and rich households.

Cognizant of the fact, the Philippine Government has committed to providing water supply services to the country, with priority given to waterless communities/areas nationwide, through public and private investments as embodied in the Medium Term Philippine Development Plan (MTPDP) 2004-2010. Waterless areas are those with water supply coverage of less than 50% of the population. Pursuant to said commitment, the National Economic and Development Authority (NEDA), together with the National Water Resources Board (NWRB), embarked on the formulation of the Philippine Water Supply Sector Roadmap (Roadmap) which will serve as the blueprint to addressing the problems that are preventing the efficient and sustainable delivery of water supply services in urban and rural areas in the country particularly those outside Metro Manila. It integrates and consolidates the operational strategies of major water supply agencies and providers towards implementing their respective strategic roles with the end goal of not only providing water to waterless communities, but also achieving the Millennium Development Goal (MDG) of halving the population without access to water supply by 2015 and providing water for all by 2025. The Roadmap has been prepared using the Strategic Planning and Management tool promoted by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) which allows for the straightforward identification of problems and generation of proposed solutions at the lowest level through a multi-stakeholder participation process involving national government agencies, local government units (LGUs), water supply providers, and non-government organizations (NGOs).

The Roadmap stakeholder consultations showed that the “soft” aspects of water supply provision pose a big problem area for the sector (please see Appendix A for a summary of the water supply issues as culled from the Roadmap). For one, institutional set-up for the water supply sector is characterized as weak and fragmented, with a multitude of actors playing uncoordinated and sometimes overlapping roles. There is no one single coordinating government body/agency that will coordinate the efforts in the sector or champion the water supply cause. There are about thirty (30) agencies which are in one way or another involved in the water supply sector, including NEDA for coordinating the preparation of the MTPDP which enunciates the sector policies and strategies; NWRB for regulating water resources and operations of private water utilities (with the exception of the Metropolitan Waterworks and Sewerage System or MWSS concessionaires) and consenting LGU-run utilities; the Department of the Interior and Local Government (DILG) for capacity building of LGUs; the National Anti-Poverty Commission (NAPC) for coordinating the implementation of the President’s Priority Program on Water (P3W); the Local Water Utilities Administration (LWUA) for providing technical advisory services and financial assistance to water districts, technical and institutional support to LGUs and water service providers, setting design standards for water facilities operated by water districts and other service providers, and regulating water districts<sup>2</sup>; the Department of Public Works and Highways (DPWH) for technical support to LGUs upon request including implementation of Level I and II projects<sup>3</sup>, and assistance to NAPC in the implementation of P3W; the Department of Finance (DOF) for financing support for the sector both in terms of financing access (through the Municipal Development Fund Office) and

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<sup>2</sup> LWUA continues to undertake economic regulation of water districts while NWRB is still building its capacity to assume this function over water districts.

<sup>3</sup> Level I - a protected well or a developed spring with an outlet but without a distribution system, normally serving 15 households; Level II - a system composed of a source, a reservoir, a piped distribution network and 2 or more communal faucets, with each faucet serving 4 to 6 households

financing policy reforms; government financing institutions (GFIs) for providing financing for the sector; and a host of actors at the local/community level (please see Appendix B for the summary of functions and responsibilities of key national and local government bodies in the water sector).

Some of these agencies have overlapping functions. For instance, economic regulation is the core-function of NWRB. However, the same function is performed by LWUA for water districts, MWSS for its private concessionaires in Metro Manila, the Subic Bay Water Regulatory Board for the Subic Bay Freeport providers, and LGUs (for LGU-run utilities). Meanwhile, the Department of Environment and Natural Resources (DENR) and LGUs both have resource regulatory functions.

LGUs, through the Provincial/Municipal Water and Sanitation (WATSAN) Development Councils, are responsible for the planning and implementation of water supply and sanitation programs, and monitoring of local sector performance. Water service providers, including water user associations/community-based organizations, are in charge of the management of local water supply facilities. Latest estimates show that water supply service in the country is provided by some 580 water districts, 1000 LGUs, 500 rural water supply associations (RWSAs), 3100 barangay water supply associations (BWSA), 200 cooperatives, and 900 private utilities. The Roadmap consultations, however, indicated that these local level actors are more often than not unable to perform satisfactorily as they do not have the capacity to undertake the functions that are expected of them.

The Roadmap concluded that a major problem in water supply delivery is not so much the installation of infrastructure but sustaining these services, minimizing institutional conflicts and providing better coverage. This is not to say, however, that the “hard” or infrastructure component of water supply provision is not as important. There is a need to integrate and cohesively link the “soft” components (i.e., establishing a coherent institutional and regulatory framework nurtured in a decentralized and enabling policy environment; developing capacities for water supply provision actors; and building strategic alliances with various stakeholders) with the infrastructure component to enhance water supply delivery.

**Link to MDG Attainment.** The choice of water services among other utilities is a strategic move under UNDP’s Joint Programme. Water services improve the people’s quality of life, especially that of women and children. Provision of safe drinking water directly responds to the attainment of MDG 7 which calls for the reduction by 50% by 2015 of the population without access to safe drinking water. Nonetheless, water supply provision also contributes to the attainment of other MDGs: MDG 1 by reducing poverty and hunger; MDG 2 by improving the enabling school environment for school children; MDG3 by enabling women to engage in productive and socially relevant activities; MDG4 by reducing child mortality given the connection between unsafe water and water-borne diseases common to children; MDG5 by reducing maternal mortality by ensuring that water is available in health centers for pregnant mothers; MDG6 by reducing the impact of malaria and other vector borne diseases affected by polluted waters; and MDG 8 by promoting partnerships between the government, the private sector and the community in increasing access to safe drinking water especially by the poor.

**Government’s Policy and Program Thrust.** The Government of the Philippines is committed to the achievement of the MDGs. The MTPDP 2004-2010 embodies the country’s priority targets and programs in pursuit of the MDGs. One of its key priorities is to provide potable water to the entire country by 2010 through public and private investments. The government has given high priority to water supply provision by including it in the “10-point Agenda” of President Gloria Macapagal Arroyo. A major program of the national government in the sector is the President’s

Priority Program on Water (P3W) which targets the provision of potable water to waterless municipalities nationwide and waterless areas in Metro Manila. However, assistance under the P3W is mainly in the form of hard infrastructure. After the infrastructure has been put up, the recipient communities are left to operate and manage the systems by themselves. In most cases, the beneficiaries do not have the capability to undertake the responsibility of managing the system leading to poor maintenance of the infrastructure, unsustainable financial operations, poor service, and inability to expand service coverage.

Partnerships with various donors, among others, the World Bank (WB), the United States Agency for International Development (USAID), Asian Development Bank, GTZ and the Australian Agency for International Development (AusAID), have been launched to address some of the institutional issues to harmonize efforts in the water sector. The initiatives funded by these development partners include reforms in terms of strengthening the regulatory environment (e.g., strengthening NWRB, creation of a Water Regulatory Commission), rationalizing the financing for water supply (e.g., Executive Order 279), and the coordination of efforts in the sector (e.g., the Roadmap itself, creation of the SubCommittee on Water Resources under the NEDA Committee on Infrastructure, creation of a Sub-Working Group under the Philippine Development Forum Infrastructure Working Group).

**Challenges.** Despite the national government's efforts to provide water, however, the sector seems to be unsuccessful in making a significant headway. To date, there are still 242 waterless municipalities outside of Metro Manila (out of the programmed 432 municipalities<sup>4</sup>) that have not yet been reached by the P3W. Meanwhile, in most areas reached by these national government interventions, the policy and institutional environment as well as the non-readiness of the program recipients/beneficiaries hinders opportunities for the delivery of efficient water supply services to more people in a sustainable manner.

Institutional fragmentation in terms of absence of a single national government agency (water champion) that is responsible for translating government's policies, strategies and goals into a comprehensive water supply program resulted in uncoordinated plans and policies for the sector. Major sector agencies have not changed their paradigm of direct planning and implementation of projects to that of providing support to and developing the capacities of LGUs/communities to plan and implement their own projects.

Financing is an inveterate problem in the sector, especially for waterless areas which are deemed non-viable for private investors to venture in and have always been dependent on assistance from national government and donor agencies. Mechanisms should be made available to communities to entice capital (either from the private sector, the national government, NGOs, water districts, GFIs) necessary for further improvement/expansion of the facilities put in place by the national government and/or other entities through their various programs including the P3W.

Financing policies, particularly on NG-LGU cost-sharing arrangement, also pose a constraint particularly to poor communities in investing in water supply infrastructure. The appropriate level of equity should be determined so as to enable the communities to leverage their funds without actually compromising ownership and accountability for the projects. Ownership and accountability is requisite to among others, increasing willingness to pay for the services, which impacts on cost recovery at least of the operation and maintenance costs as well as for future reinvestments and possibly expansion.

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<sup>4</sup> *The President's Priority Program on Water: List of 432 Waterless Municipalities.* National Anti-Poverty Commission, Water and Sanitation Coordinating Office, 2006.

Programming policies/guidelines tends to promote a tendency to remain dependent on dole out or grant funds for their investment needs, without creating incentives for the beneficiary communities to graduate from being waterless. For instance, programming guidelines of the P3W include a requirement for the creation of a water association that will take over the operation of the system installed, but this is not strictly enforced as NAPC has limited human resources and institutional backing (to shield it from political pressures) to do so. Without such an association, sustainability becomes an issue. And as there is no limit to the number of times a community can receive grant assistance under the P3W (i.e., for as long as its population coverage does not reach 50%, it is eligible for funding), financial drain on the national government to make them graduate from being waterless will continue.

Pricing policies further constrains the creation of a favorable environment for capital inflow into rural areas as tariff levels are low to ensure cost recovery at least of the operations and maintenance costs with sufficient surplus for future expansion. In cases where tariffs are imposed, tariff-setting is not based on sound economics. In most cases, there is political interference in the determination of the level of tariffs. While NWRB's tariff-setting guidelines have been improved, a recently held consultation on strengthening regulation<sup>5</sup> raised the issue of the need to adjust the tariff-setting or regulation guidelines, requirements and formats for small water service providers as these are too complicated/complex for said service providers to understand and comply with.

One of the major issues identified in the Roadmap is the unsatisfactory performance of water service providers in terms of planning, sustainability of operations and expansion of service coverage. This is attributed mainly to the lack of technical, financial and managerial capacities of water service providers and absence of or inappropriately low tariffs that are inadequate to recover operation and maintenance costs as well as to fund new capital developments.

The limited management capacity and lack of organizational structure in a number of communities to undertake the operation and maintenance of facilities dampens the realization of benefits expected to be derived from the intervention. A basic problem is the non-existence of the entity (rural and barangay water associations) that will primarily be responsible for this task. Further, these entities should be capacitated not only in terms of the technical aspects of the operation but also in terms of contracting, tariff setting and customer service. To promote accountability and safeguard the welfare and interests of the people, water users' involvement through these entities in all facets of the water facility operation, from resource planning to performance measurement, should be enhanced.

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<sup>5</sup> ADB-sponsored *Strengthening Regulation to Improve Water Service Performance* held on 22 September 2008 with participation of NWRB, Cooperative and Development Authority, the PWSSR Technical Working Group, representatives from water service providers, and international development agencies.

#### **IV. STRATEGIES (including Lessons Learned and the proposed Joint Programme)**

**Background/Context:** Consistent with the findings and recommended strategic actions in the Roadmap, a Joint Programme is envisioned to fill in the “soft” component gap in current programs of the government that focus only on infrastructure provision. The Joint Programme is expected to address some of the issues identified in the Roadmap particularly the investment and capacity gaps at the local level.

The institutional fragmentation issue, especially at the national level, is too big a task for the Joint Programme to tackle considering the timeframe of the Joint Programme implementation (3 years). And considering the urgency of providing sustainable water supply services particularly to waterless areas, it may not be prudent to wait for reforms at the national level to be institutionalized before the National Government takes action for these communities. Considering the independence of LGUs with respect to their responsibility under the Local Government Code to plan and implement projects within their jurisdiction, the fragmentation at the national level is not expected to be a constraint to the successful implementation of the program. Notwithstanding, it is noted that there are efforts to address said fragmentation with assistance from various donors as previously stated.

The Joint Programme proposal is expected to contribute to the provision of more accessible, efficient, affordable, and quality water supply to rural areas, particularly waterless areas, through the provision of complementary support to the current efforts of the Government under the P3W. Specifically, it will provide the necessary soft component that will ensure the maximization of benefits from and sustainability of infrastructure investments provided under the P3W, as well as establish support mechanisms that will facilitate further investments for expansion. The Joint Programme will involve the mobilization of community stakeholders, especially women, to organize themselves into community-based water associations which will take the lead in the planning, identification, design, implementation and operation of water supply facilities in the community. Local and traditional knowledge and skills shall be mobilized to maximize the contribution of local partners in the Programme. The private sector and local institutions including DILG’s local government resource centers and the academe shall be mobilized to ensure continuing development and dissemination of knowledge on the utilities management.

In particular, the Joint Programme will provide capacity building support to community-based initiatives to enhance the sustainable delivery of water to about 122,000 households (HHs) in 36 depressed communities in 12 provinces in 5 regions in the Philippines (please see attached map, Appendix C) – Region 2 (Cagayan and Isabela), Region 5 (Camarines Norte and Camarines Sur), Region 9 (Zamboanga del Norte, Zamboanga del Sur and Zamboanga Sibuguey), Region 10 (Bukidnon, Lanao del Norte, Misamis Occidental and Misamis Oriental), and Region 13 (Agusan del Sur). Based on latest provincial statistical data, 8 of the target provinces (Isabela, Camarines Sur, and Zamboanga del Sur, Cagayan, Zamboanga del Norte, Bukidnon, Lanao del Norte, Misamis Oriental) are ranked among the top 40% most populous provinces in the country, and the rest among the top 70%.

Around 50% of the population is composed of women. However, there is currently no detailed dis-aggregation of genders on the socio-economic indicators. The Joint Programme intends to acquire this information as part of the baseline survey report for JP Output 1.3.

Further, majority of the target provinces are amongst the poorest in the country. Poverty incidence is higher than the national average of 32.9% for the provinces, with the exception of Cagayan and Isabela in Region 2. On a regional basis, out of 16 regions (excluding the National Capital Region), the target areas are mostly ranked in the lower half in terms of percentage of households supplying water from safe sources (piped water, deep wells, bottled water,

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peddlers): Region 10 – 7<sup>th</sup>; Region 13 – 8<sup>th</sup>; Region 5 – 11<sup>th</sup>; Region 2 – 12<sup>th</sup>; and Region 9 – 15<sup>th</sup>. With the exception of Region 2, the target regions have child mortality rates higher than the national average of 12 deaths per 1,000 live births. The top ten leading causes of mortality include diarrhea. Similarly, diarrhea is ranked high among the top ten leading causes of morbidity.

### Socio-Economic Data on Target Provinces

Area	Population			Density (person per km <sup>2</sup> )	Employment Rate (%)	Ave. Annual Family Income (PhP)	Poverty Incidence	Human Dev't Index	Morbidity due to Water-Related Diseases		Mortality due to Water-Related Diseases		Infant Mortality due to Water- Related Diseases	
	Total	Male	Female						Number	Rate	Number	Rate	Number	Rate
<b>PHILIPPINES</b>	83,558,700	42,037,200	41,521,500	245	89.80%	148,000	32.90%	0.656	NDA	NDA	NDA	NDA	NDA	NDA
<b>Region 2</b>														
Cagayan	993,580	507,119	486,461	110	97.00%	96,386	23.10%	0.586	NDA	NDA	NDA	NDA	NDA	NDA
Isabela	1,287,575	660,627	626,948	121	84.70%	113,405	30.70%	0.649	NDA	NDA	NDA	NDA	NDA	NDA
<b>Region 5</b>														
Camarines Norte	470,654	241,388	229,266	214	91.70%	94,960	49.30%	0.584	NDA	NDA	NDA	NDA	NDA	NDA
Camarines Sur	1,551,549	791,338	760,211	283	91.90%	102,349	49.90%	0.601	NDA	NDA	NDA	NDA	NDA	NDA
<b>Region 9</b>														
Zamboanga del Norte	823,130	419,502	403,628	114	93.80%	87,107	67.50%	0.532	10,606	1,225	36	4	5	0.5
Zamboanga del Sur	1,333,456	678,739	654,717	187	97.80%	78,312	33.80%	0.529	235,958	24,099	561	65	54	6
Zamboanga Sibuguey				126	97.00%	78,312	40.50%	0.552	7,732	1,449	75	14	8	1.5
<b>Region 10</b>														
Bukidnon	1,060,415	546,234	514,181	128	95.00%	52,627	37.20%	0.569	13,690	1,456	47	5	28	3
Lanao del Norte	473,062	237,866	235,196	153	92.40%	74,813	52.20%	0.553	3,337	664	71	14	194	38.5
Misamis Occidental	486,723	245,555	241,168	251	90.30%	80,829	56.30%	0.552	55,963	10,932	36	7	15	3
Misamis Oriental	664,338	339,524	324,814	186	92.50%	55,536	37.50%	0.575	30,816	6,963	10	2	19	3
<b>Region 13</b>														
Agusan del Sur	559,294	289,764	269,530	62	93.90%	67,104	56.20%	0.482	15,071	2,914	82	17	10	2

Note: Population data sourced from NSO 2000 Census of Population & Housing.  
Water related diseases include water-borne, water-based, water-washed and water-vector related diseases (classifications by the World Health Organization).  
Morbidity and mortality rate is 1/100,000 population.  
NDA – No data available

### Top Water-Related Diseases Causing Morbidity and Mortality

Top Water-Related Diseases Causing Death		Ranking by Province											
		Cagayan	Isabela (NDA)	Camarines Norte (NDA)	Camarines Sur (NDA)	Zamboanga del Norte	Zamboanga del Sur	Zamboanga Sibuguey	Bukidnon	Lanao del Norte	Misamis Occidental	Misamis Oriental	Agusan del Sur
Morbidity	1. Diarrhea	1				1	1	1	1	1	3	1	3
	2. Malaria	2					9	9	7	8		5	
	3. Dengue fever					6	7	8	5	4		4	
	4. Skin diseases					2	2	2	3		6	3	
	5. Typhoid/ paratyphoid fever					3	3	3	4	5	9	7	
	6. Intestinal parasitism						6	4	6	7	7		9
	7. Intestinal amoebiasis					7	5	5		3			
	8. Scabies							6		2		2	
	9. Viral hepatitis					5	8	7	8	8		6	
	10. Conjunctivitis					4	4	10					
	11. Schistosomiasis						10	11	2	6			10
Mortality	1. Diarrhea	1				2	1	2	1	1	8	1	6
	2. Malaria	2					4		4		10	2	4
	3. Dengue fever					3	5		5	6		3	
	4. Skin diseases											3	
	5. Typhoid/ paratyphoid fever					1	2	3	3	4			9
	6. Intestinal amoebiasis					4		4		5			
	7. Viral hepatitis						3	1	2	2	6		
	8. Schistosomiasis						4		3	3			
Infant Mortality	1. Diarrhea					1	1	1	1	1	5	1	2
	2. Malaria						2				3		
	3. Dengue fever								2			2	
	4. Typhoid/ paratyphoid fever					2							
	5. Viral hepatitis								3		6		6

Note: NDA – No Data Available

The selection of the target communities is based on the National Steering Committee-agreed upon geographical focus for the program, which are basically the regional focus of the Spanish Government. Within the 5 identified focus regions, the programme will cover all remaining 36 waterless municipalities, which were identified in coordination with NAPC. While the Joint Programme initially limits its scope to the above areas, it is expected that some of the outputs of Programme may be used for replication of initiatives in other areas.

While implementation is at the local level, it is ensured that these local level initiatives are not done in isolation of the overall direction for the sector stipulated under the Roadmap as the Joint Programme design draws from the findings and recommendations of the Roadmap itself. The results of the Roadmap consultations <sup>6</sup> directed the initiative's focus on the "soft" aspects of water supply delivery.

Nevertheless, coordinative mechanisms shall be established with national and donor partners to ensure complementation and synergy. The necessary technical as well as experiential support from the NWRB (in the regulation of private-run utilities and some LGU-run utilities, as well as the resource), the DILG (in coordinating with and capacity-building for LGUs), the NAPC (in programming of Government assistance to waterless areas), the LWUA (in providing technical assistance) and relevant civil society organizations will be crucial to the successful implementation of the Programme. International expertise shall only be brought in to address possible technical gaps.

**Lessons learned:** The design of the Joint Programme draws on lessons learned from various water supply provision initiatives.

- *Community Ownership.* The P3W has had its share of success stories. These cases highlight the ingredients needed for the successful delivery of national government-funded projects implemented at the local level. One of such success story is the P3W funded project located in Biri, Northern Samar, which is composed of about than 100 waterless, poverty stricken households. This is considered as the first P3W Model Site of the P3W project. It is one of the sustainable community-based P3W projects that is now in place and was implemented with full and adequate support from the local government, and the District Engineering Office of the DPWH.

This is one former waterless barangay where the beneficiaries felt proud of claiming ownership of the local water infrastructure/facilities funded by the national government. Local acceptance and participation was very evident from day 1 of the project proposal and construction to day 1 of project completion and finally to day 1 of project acceptance until the actual use of fresh potable water by every member of the barangay beneficiaries. This has set the establishment of much needed trust, community commitment, and acceptance of ownership and equivalent responsibility of their communal project in the barangay.

The local communities organized themselves into a BWSA with full support from the local government and District Office of the DPWH. Each member of the association and the beneficiaries as a whole took cognizance that the external support of the national government has its limit. Thus, it became incumbent upon them to get organized and accept the final responsibility to adopt innovative and doable financial measures to generate much

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<sup>6</sup> Multi-stakeholder consultations and Roadmap adoption were held in several occasions, including the Strategic Planning (Subic), Forum on Gender and Water: Mainstreaming Gender in the Roadmap (Congress), and the first Inter-Agency Steering Committee Meeting in April 2007.

needed funds to ensure that water flows continuously to support their health and environmental needs.

To this end, the association enacted a barangay ordinance, after a series of consultations that established the cost-recovery/maintenance mechanism for the long-term sustainability of the nationally funded water systems, which has since then transformed into a barangay-owned water system. They defined, agreed, imposed upon themselves water user fees that are affordable and acceptable to the general membership of the association. The association regularly meets formally with the members. In many occasions, informal discussions and transmission of information is done through informal means (i.e., include water concerns in the household and neighborhood discussions). Collection of water fees are properly recorded and made known to the general public during their regular meetings.

- *Community Partnership.* DILG, through its Water Supply and Sanitation Program Management Office (WSSPMO), has been implementing both foreign and locally funded-water supply and sanitation projects. One of such projects is the completed JBIC-funded Rural Water Supply and Sanitation Project Phase V (RWSSPPV), a classic example of a project that emanates from the Provincial Water Supply, Sewerage and Sanitation Sector Plans which identify the strategies, mechanisms and institutional arrangements that will attain the overarching goal of reducing incidence of water-borne diseases brought about by lack of access to safe, adequate potable water supply as well as poor sanitation practices.

The RWSSPPV basically comprised of the following components; (i) provision of water supply (Level 1) and sanitation facilities (school and public toilets), (ii) BWSA formation and capacity enhancement in partnership with NGOs, and (iii) provision of equipment including water quality testing kits and maintenance tools. The project adopts the NG-LGU cost sharing arrangements where 50% was provided by the national government as grant to LGUs and 50% to be provided by the target LGUs as their counterpart. For this project, the cost sharing was limited to 5th and 6th class municipalities only.

During the project's 5-year implementation period, issues relating to the NG-LGU cost-sharing policy of government were encountered and affected the performance of the project. While the project adopted the 50-50 cost sharing arrangement, the 20-80 cost-sharing requirement under the P3W limited the participation/interest in the JBIC-funded project. Another factor that contributes to the accomplishment of the project was the change in administration and change in priorities of the local chief executives (LCEs).

But despite the problems encountered, the good thing about the project was that there was full involvement of the stakeholders during consultations and resolution of issues and concerns which facilitated consensus-building on the actions to take and established strong linkages with national agencies through the DILG-Project Monitoring Office, the Province-Provincial Water and Sanitation Unit and the Municipality (through the Municipal Sector Team which were responsible in the project management, implementation and supervision and monitoring of the project at all stages of project development).

The participation of community actors during the planning process, (e.g., site selection, consultation exercise done together with the NGOs) increases the level of awareness on how to operate and manage the system to ensure sustainability and encourage the BWSA members to collect fees to be used for minor and major repairs in the future. This was done before the water and sanitation facilities were constructed to inform the communities of their roles and responsibilities.

- *Collective Action.* The IGACOS Water District, a privately-owned water utility in the Island Garden City of Samal (IGACOS), in furtherance of their core business, undertook the water supply improvement project in Barangay Tagbitan-ag, a village four kilometers away from the city center and not presently part of their franchise area. The village had a population of more than 3,000 people comprising 457 households. Prior to the project, women and children had to travel far to the community water system or to the spring source to fetch water.

In five months, with a modest seed money (US\$8,500) from the UN-Habitat's MDG Localization Project and counterpart fund (US\$1,000) from the city government, the IGACOS water district gave technical direction as fathers volunteered to dig the trenches to lay the pipes and construct the pump house while mothers prepared snacks. The water district also conducted capability-building workshops to the community leaders for them to manage the community water system including the determination of water rates, maintenance and collections. This empowered the community in terms of managing their affairs, identifying issues and developing their own solutions. Seventy households, an elementary school and a high school were provided level III water supply while the main water pump provided water for the rest of the families and a neighboring commercial mango orchard during off-peak hours. Revenues were channeled back to the community for the maintenance of the system as well as expansion of coverage to the remaining families.

As a result of the new water supply, families got access to safe drinking water, saved time fetching water for cooking and washing clothes as well as had water for use in livestock raising, gardening and other livelihood opportunities. They also save on water cost amounting to about P300/month (US\$7/month) because of the lower cost of water per cubic meter compared to water bought per container. The chlorine-treated water was also safer and conveniently accessible right at the household on a 24-hour basis (for level III). With the installation of potable water supply at the elementary school, the school children saved time and effort fetching water from the community faucet for drinking, watering their plants and washing their hands and feet. The project also increased school participation with school children bringing containers on their way to school which they fill with drinking water to be brought home after school. With the new water system providing abundant water for gardening, the high school became a model for the Department of Education's biodiverse gardening program where before a vegetable plot could barely survive due to lack of water.

- *Community Consultations.* Consultation with LGUs confirms that water supply projects that have been implemented without the taking into consideration the needs of the community were unsuccessful. An LGU from Cagayan told the story of a DILG-DPWH initiative whereby the type of system introduced into the community was pre-determined (i.e., without participation of the LGU). The facility installed is now non-functional. Another LGU shared their experience with token pump-distribution projects usually given by politicians during election season. These pumps were put up inside the homes of barangay officials. Without proper maintenance, these pumps broke down within 3 to 6 months.
- *People to People Mentoring.* For water districts, LWUA has institutionalized and implemented peer mentoring through the "godparent" scheme in capacity building of poorly performing water districts, with good results. Under this mentoring system, a more experienced and larger or more mature water district (the "godparent") is tapped to impart its knowledge and skills, through hands on training or skills demonstration, to other water districts. The assistance can also include the loaning of equipment by the "godparent" for use by the water districts. LWUA reports that the experience has enriched smaller and younger water districts in less expensive means.

The Joint Programme concept is consistent with the lessons learned from said success and failure stories.

### **THE PROPOSED JOINT PROGRAMME:**

The proposed Joint Programme is anchored on the national government's Medium Term Philippine Development Plan (MTPDP) for 2004-2010 and the findings and recommendations generated from a series of multi-stakeholder consultations of the Philippine Water Supply Sector Roadmap led by NEDA and NWRB. The Joint Programme complements existing infrastructure programs on potable water supply such as the President's Priority Program on Water (P3W) by providing the "soft" components. The Joint Programme focuses only on two major issues with the corresponding interventions as identified in the Roadmap: (1) limited investments support to enable the poor to have greater access to quality potable water that is addressed by the first component; and the (2) lack of local capacities to develop, operate and manage water supply utilities that is addressed by the second component.

The first component on Local Investments under the Joint Programme will be implemented by taking stock of existing policies and mechanisms that encourage (or discourages) both the public and private sector to invest at the local level; and review current financing schemes through stakeholder consultations. On the other hand, the second component on Local Capacities focuses on building the skills, values and knowledge of both LGUs and water user associations in targeted "waterless" municipalities to develop, operate and manage potable water utilities through mentoring, and local skills and knowledge learning and sharing activities. The local academe, civil society organizations, the regional resource centers of DILG as well as some private sector groups will be tapped to provide continuing education and mentoring sessions on potable water management for the LGUs and the water user associations. These intermediary organizations will undergo trainers/mentors trainings to be conducted by the Local Government Academy of DILG in partnership with other water resource institutions.

### **Component One: Local Investments to Increase Poor's Access to Water**

#### **Outcome 1. Investment support mechanisms established for poor communities/municipalities to improve efficiency, access, affordability and quality of potable water.**

This outcome includes a comprehensive review of the current policy frameworks and practices that may have an impact on investments inflow and on the quality of services provided by the country's water services especially as they affect the delivery of basic services for disadvantaged groups and poor communities. Inasmuch as P3W assistance is limited only to enabling waterless areas to achieve 50% coverage, these investment support mechanisms are aimed at assisting them facilitate further improvements in their water supply systems and extend service delivery to the entire community. The outcome shall include a participatory process with different stakeholders identifying strategic policy and programme interventions with the end in view of instituting key reforms in the water utilities. Relevant government agencies such as the Department of Finance (DOF), Department of Budget and Management (DBM) or the Congress will be engaged in the review of existing financing and investment policies. Inputs from the operational level shall be acquired from various water service providers. Relevant non-government agencies and the academe will be involved in discussions, consultations, and in the conduct of actual studies. Sharing of innovative business practices shall be generated from the private sector. And beneficiary communities shall be part of the process for those activities implemented at the local level.

## **Outputs:**

### *1.1 Incentives mechanisms and partnership modalities developed and enhanced for public and private investments in “waterless” and poor communities.*

A compendium of possible incentives and partnership modalities proven effective by international and local experience shall be reviewed and assessed for possible application in waterless and rural areas. Such incentives and partnerships are expected to increase public and private investment in the sector. The mechanisms would cover an entire range of incentives, modality (leveraging local capital, subsidy) and potential partners, among others, water districts, national government, civil society organizations and the private sector.

Incentives are available for investors or entrepreneurs, in general. Incentives mechanisms and partnership modalities to be developed will not be limited to private entities but should include possible mechanisms and modalities that will encourage investments by government entities, including LGUs and government-owned and controlled corporations (e.g., water districts), NGOs and donor agencies.

### *1.2 Financing and programming policies in the sector reviewed and amended (as necessary) to rationalize assistance and increase ownership and accountability.*

#### *1.2.1. NG-LGU cost sharing policy reviewed and amended, as necessary.*

To ensure the sustainability of utilities, the NG-LGU cost sharing arrangement should be revisited that will espouse increased ownership and accountability, as well as promote better targeting of national government assistance. Programming policies/guidelines for the national government's programs for waterless areas should also be reviewed and recommendations on how to (i) balance social subsidies with better accountability and responsibility from recipient communities, and (ii) institutionalize said recommendations should be formulated.

The NG-LGU cost sharing arrangement specifies the amount of grant (as a percentage of the total project cost) that the national government can provide to a local government. The current cost sharing arrangement is based on LGU's income classification, where higher earning LGU's receive less grant. Cost sharing (for water supply) should consider a) non-viability of areas, wherein grant should be provided regardless of income class of the LGU and b) limit use of NG grant/subsidy to funding capital expenditure for communities in the periphery of populated areas or in the hinterlands, and/or to water supply association formation/capacity development, among others.

#### *1.2.2. P3W programming policies reviewed and amended, as necessary.*

Guidelines for an effective implementation of P3W have been developed. However, the apparent lack of sustainability in the water supply systems provided by the program necessitates a review and possible amendment of the current guidelines, and recommendations on how to institutionalize and enhance enforcement of the same.

### *1.3 Local WATSAN councils and water user associations organized to effect participative provision of water supply services.*

To engage support from development partners (including donor agencies, the national government, LGUs, private and government financing institutions, the private sector, civil society organizations), mobilization of the community to identify their own needs and how these

needs can be met will be crucial as this helps ensure sustainability. It gives development partners the level of comfort that their assistance is well targeted, based on demand and will not be futile. It is, however, pointed out that while a WATSAN council's responsibility extends to sanitation, the assistance under this program with regard to sanitation is only limited to information, education and communication on the importance of sanitation, and capacity building.

Establishing WATSAN Councils either at the provincial or municipal level is one of the operating guidelines (but are not strictly enforced as discussed in the previous output) recommended for the P3W. This is to ensure that efforts on the ground are properly discussed, agreed upon by the major stakeholders and be the basis for the council to build-on their decisions.

One of the major factors for sustainable water supply is the presence of a body or entity to operate, manage and maintain the system provided to the community. Various studies that have been made in the past concerning rural water supply manifested that the presence of users group or community-based organizations somehow enable facilities to last or, if not, get scaled-up to higher level of service (e.g., level I to II or Level II to III<sup>7</sup>) with the efforts done by the group with minimal support from the government. The proposed programme intends to fill-in this gap by setting-up these local bodies to ensure sustainability.

This activity will commence with the conduct of a nationwide baseline survey and assessment focused on the programme's target areas to assess and establish the needs and preferences of the 122,000 households. The baseline survey shall include collection of data and information of existing, required and preferred types of water service delivery, the types of organizations delivering water supply services, and how the services are rendered, among others. It will involve the conduct of a writeshop/workshop to formulate and finalize the baseline survey questionnaires, training of enumerators, conduct of actual survey (spot mapping, data processing and validation, results analysis), presentation of survey results to stakeholders, and finalization, packaging and reproduction of the survey report. The survey report is seen to contain the assessment of the data and information collected especially on how the availability or unavailability of water impacts socio-economic factors including gender concerns.

Partnerships with LGUs and local civil society organizations involved in the water and sanitation sector will be developed to enhance the efficiency in the conduct of the survey and in the mobilization of the communities. Participation of women will be encouraged as their role cannot be overemphasized, not only as respondents to the survey, but also in all stages of the organization and operation of water associations. At present, majority of existing users groups have women presidents and almost all have female treasurers.

Refer to Appendices D and E for the detailed activities of the baseline survey and the organization of water users associations, respectively.

#### *1.4 Adjustment of NWRB's tariff-setting guidelines for small water service providers.*

Recognizing that small water service providers may not have the similar institutional set-up and administrative resources as more mature private sector utilities and water districts, there is a need to revisit the guidelines of NWRB on tariff-setting with the objective of tailor-fitting the same to the needs and limitations of small utilities.

NWRB have recently developed a tariff setting methodology which provided a more precise account of the required tariff by water supply systems (upon application of a certificate of public

<sup>7</sup> Level III - a system with a source, a reservoir, a piped distribution system and household taps

convenience). This, however, necessitates the submission of documentary requirements that are too complex for small scale water providers.

## **Component Two : Local Capacities for Sustainable Management of Water Utilities**

### **Outcome 2. Enhanced local capacities to develop, operate, and manage utilities.**

To supplement the reforms that Outcome 1 aims to introduce, local capacities enhancement will be undertaken. Capacity building will ensure that the incentives and partnership modalities are understood and utilized to improve and/or expand their water supply systems, the local water associations are sustained (with greater participation in decision-making) and correspondingly the operations of the utilities, welfare and interests of water users are protected, and local initiatives are in line with national development policies (e.g., integrated water resource management in planning) and initiatives.

#### ***Outputs***

##### ***2.1 Capacities at the local level strengthened, with participation of marginalized groups especially women.***

LGUs and community-based water user associations will be trained on sector planning and monitoring, management, operation and maintenance, tariff-setting, and customer service code formulation to ensure that the interventions provided are demand-based, and promote ownership, accountability and transparency.

Capacity development varies from all levels specifically for LGUs who are responsible for planning, access to financing, implementing and monitoring water supply projects. There are a lot of LGUs that still need to be capacitated and still need guidance in terms of identifying priorities at their level. For the water users group or community-based organizations usually responsible for operation, management and maintenance of the facilities later on, a separate capacity development program has to be developed taking into account the lessons learned and best practices from other successful or failed water supply projects. Strategies and approaches should be suitable for these groups and able to encourage stakeholders, including women, to participate in project conceptualization, implementation and maintenance.

Capacity building will be undertaken through the following avenues:

##### ***2.1.1. Skills and knowledge transferred/shared through institutionalization of local mentoring mechanisms.***

The local mentoring concept is derived from the “godparent” system of LWUA, but will be tailor-fit for waterless areas. The development of mentoring modules will be undertaken and delivered based on the assessed training needs of the communities/user associations.

These modules will be focused on the operation and maintenance of water systems by BWSAs including technical, financial and management aspects. From the training-needs assessment, the required knowledge and skills will be matched to present skills that other WSPs (like more mature water districts and more experienced BWSAs) have. These potential knowledge and skills resources will be mapped out geographically for possible networking among neighboring WSPs and possibly linked to the IEC activity. The process of mentoring and the mechanisms assessed shall be documented, pilot-tested, and fine tuned for final packaging and made available among all WSPs.

Mentoring and coaching are among the recognized effective strategies in the transfer of technology to LGUs as well as water users group after they have undergone formal trainings. Whatever knowledge and skills acquired during the formal training will be applied and integrated into their activities on the ground. The “godparent” concept adopted for water districts will be explored for application in smaller water users groups to espouse partnerships, cooperation and mutual assistance between these groups.

#### *2.1.2. WATSAN Toolbox rolled out and implemented.*

The DILG WATSAN Toolbox will be utilized in the delivery of capacity building initiatives for LGUs as they relate to their planning, policy making and oversight functions, and for user associations, as well.

The WATSAN Toolbox which is currently being enhanced by DILG is a compilation of training modules intended for the LGUs as well as water supply service providers such as water users' association or community-based organizations that need assistance in developing as well as enhancing their capabilities in planning, implementing, managing and operating their own water supply systems. The development of the toolbox was based on the WATSAN framework anchored on the role and function of the LGUs as well as service providers in water supply service provisioning for them to effectively and efficiently deliver to the community. The enhancement is still in progress and as soon as this will be ready, this will be rolled-out and used for the Programme.

Training of trainers will be applied for both modes to ensure sustainability. Partnership with local institutions such as the DILG (regional and provincial offices), LGUs, local government training centers, the local resource institute, civil society and the private sector (particularly groups that have experience in water and sanitation development like the Philippine Association of Water Districts or PAWD) will be targeted to form the pool of trainers that will carry out the mentoring.

Noting that two of the regions targeted are within or near conflict areas in Mindanao, on-site activities are scheduled later in the programme timeframe where possible. In addition, the capacity building component design provides flexibility as to the venue for training of trainers to prevent implementation delays. Instead of conducting trainings on-site, trainings may be conducted in Davao City or Cagayan de Oro City should the conflict not be resolved by the targeted schedule. Additional expenses, if any, will be sourced from the miscellaneous funds/allocation. Further, monitoring and evaluation missions for on-site activities will be organized in areas not within the conflict areas.

#### *2.2 Improved sector plans formulated and monitoring mechanisms established.*

Sector plans at the municipal level will be drawn up for the 36 waterless municipalities for integration into the provincial plans using the bottom-up approach. Monitoring mechanisms for the implementation of the plan will be established to ensure that activities initiated address the needs identified by the communities/stakeholders themselves, as well as to identify where additional interventions are needed in the achievement of the targets set out in the plans. Refer to Appendix F for the detailed activities under this outcome.

Data gaps and distorted information in the water sector was found to be a constraint in determining the present situation in terms of coverage in the water sector as well as financing requirement to address the gaps. At present, the formulated Provincial Water Supply and Sanitation Sector Plans (PW4SP) undertaken by DILG since 1989 to 2005 in the 80 provinces

nationwide require revisiting in terms of strategies and approaches, targets and priorities and needs for financing. The promulgation of the Local Government Code where LGUs now are responsible for all developed services including water and sanitation necessitates planning at the local level. Sector plans should emanate from the bottom to establish a good baseline of information that truly reflects the actual condition at the local level.

### *2.3 Localized customer service code developed and adopted.*

Local customer service codes conforming to the NWRB regulatory guidelines will be developed with participation of all stakeholders. Inasmuch as the service codes will lay out the expectations of customers, increased transparency and accountability of water service providers is expected.

The Customer Service Code is currently being pilot tested by the NWRB for the water service providers whose water tariffs are being regulated by the agency. These water service providers include cooperatives, associations and in some instances LGU-managed water systems. Part of the process of pilot testing was the conduct of Focus Group Discussions (FGD) in selected regions. However, since the focus of the project deal with smaller water service providers (e.g., water users associations or BWSAs), revisiting the guidelines and Key Performance Indicators (KPIs) being instituted should be undertaken based on their appropriateness.

### *2.4 Information, education and communication programs.*

Information, education communication programs on a) water service provider's responsibilities; b) customer service code; c) key performance indicators and standards; d) tariff setting and regulation; e) management and operations options/alternatives; and f) sanitation will be developed and implemented. This will help promote accountability and transparency among water service providers, help empower customers, and inform customers of their responsibilities, as well as give priority to sanitation.

For now, it is acknowledged that in order to raise the level of awareness of the community as well as the LGUs, a good communication plan should be put in place. To properly reach out and disseminate good, accurate and quality of information to the community, a good social marketing strategy and fully equipped people that have the skills and capacity to deliver the messages in the WATSAN sector are needed.

The programs will tap other relevant government agencies, the academe, civil society and the private sector for valuable experience and lessons learned in the development of effective programs as well as to enhance credibility that will facilitate acknowledgement and acceptability by the target audience, especially women and children. Private sector partnerships, in particular, will also be solicited for sponsorships and advocacy promotions.

## **Sustainability Strategy**

Sustainability shall be achieved in two tracks: capacity development and financing schemes. Under capacity development, ownership shall be built and a strong constituency among governments and local citizens shall be mobilized to sustain the Programme's gains. Ownership will be done through several ways: (1) participation of water users in the operation and maintenance of local water supply, (2) pegging water charges with water users' needs and ability to pay to improve cost recovery and sustainability, (3) building the capacity of water users to participate in the planning and design of water projects and monitoring project implementation, and (4) conduct of community education projects to increase awareness and understanding of their roles/participation in the water resource management and utilization. Continuing consumer education and public dialogues on service utilities shall be pursued to

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sustain the public's interest. The private sector will be tapped to provide improvements in water service delivery and appropriate technology development. Further, local government resource centers and the academe shall be the local repository and disseminators of knowledge and technology in managing water utilities. Emphasis will be given to involvement and empowerment of women groups in the management of these water services and cooperatives as highlighted in JP Output 1.3.

Under the Financing Schemes, financing arrangements and cost recovery schemes shall be integrated into the projects (i.e., community-managed potable water system) in partnership with local governments and women's groups. In the process, the community shall collect payments for the use of the utilities at a price competitive to that of private service providers, but affordable to the people. The Joint Programme shall assist the community and/or utilities to develop a pricing policy to reflect this.

## V. RESULTS FRAMEWORK

**Table 1. Summary of Results Framework.**

<b>UNDAF Outcome:</b> Increased and more equitable access to and utilization of quality, integrated and sustainable basic social services by the poor and vulnerable.									
<b>JP Outcome 1:</b> Investment support mechanisms established for poor communities/municipalities to improve efficiency, access, affordability and quality of potable water.									
<b>Indicators:</b> # of executive/policy issuance(s); % increase over baseline in investments in poor communities/municipalities in the provision/improvement of water supply services									
<b>Baseline:</b> Data available based on total investments in the water supply sector as indicated in agency budgets; actual investments going to the poor are unavailable (except for P3W); data to be determined at start-up									
<b>JP Outputs</b>	SMART Outputs	Participating UN Organization	Participating UN Organization Corporate Priority	Implementing Partner	Indicative Activities for each Output	Resource allocation and indicative time frame (in '000 USD)			
						2009	2010	2011	Total
1.1 Incentives mechanisms and partnership modalities (e.g., leveraging local capital and/or subsidy) developed and enhanced for investments in "waterless" and poor communities.  <b>Indicators:</b> # of policy issuance(s) for use of the schemes  <b>Baseline:</b> No data available, to be determined as part of the activities.	Compendium of effective incentives and partnership schemes by 2009	UNICEF	CPAP Outcome: Policy advocacy for child's rights & survival	NEDA	Compile incentives and partnership schemes (local and international).	55.30	237.30		292.50
	1 report on the design of the incentive schemes and partnership modalities by 2010	UNICEF	CPAP Outcome: Policy advocacy for child's rights & survival	NEDA	Characterize and assess WSPs in terms of its operations and business practices.				
					Develop framework for partnership in the provision of water supply services in "waterless" and poor communities.				
					Review possible/recommended incentives and partnership schemes for different WSPs, including formulation a detailed action to implement.				

	1 national policy issuance promoting the use of the schemes by 2011	UNICEF	CPAP Outcome: Policy advocacy for child's rights & survival	NEDA	Conduct consultations/ consensus building workshop/s with key stakeholders to further refine recommended incentives and partnership schemes .				
					Adopt new incentives and partnership schemes for different WSPs through presentation of recommendations to appropriate body.				
1.2 Financing and programming policies reviewed and amended (as necessary) to rationalize assistance and increase ownership and accountability.									
1.2.1 National Government-Local Government Units (NG- LGU) cost sharing arrangement for water supply and sanitation provision for poor municipalities reformulated and adopted.  <b>Indicator(s):</b> # of executive issuance(s) for cost sharing arrangement adoption.  <b>Baseline:</b> Current cost sharing arrangement based on LGU income class only.	1 report on the effectiveness of the current cost sharing scheme by 2010	UNICEF	CPAP Outcome: Policy advocacy for child's rights & survival	NEDA	Assess current NG-LGU cost sharing scheme and practice.	51.20	244.10		292.50
	1 national scheme for cost sharing in the provision of water supply and sanitation developed by 2010	UNICEF	CPAP Outcome: Policy advocacy for child's rights & survival	NEDA	Develop a grant/subsidy framework for water supply services in consideration of a) non-viability of areas and b) limit use of NG grant/subsidy to funding capital expenditure for communities in the periphery of populated areas or in the hinterlands, and/or to WSA formation/capacity development, among others.				

					<p>Develop guidelines for NG-LGU cost sharing in consideration of the developed grant/subsidy framework, including detailed action plan to implement.</p> <p>Conduct consultations/ consensus building workshop/s with key stakeholders to further refine the framework and guidelines.</p>				
	1 national executive issuance mandating the use of the new/enhanced NG-LGU cost sharing arrangement by 2010	UNICEF	CPAP Outcome: Policy advocacy for child's rights & survival	NEDA	Adopt guidelines for NG-LGU cost sharing arrangement.				
1.2.2 Programming policies of the P3W reviewed and amended, and adopted.	1 assessment report on the implementation of P3W by 2009	UNICEF	CPAP Outcome: Policy advocacy for child's rights & survival	NEDA	Assess implementation of P3W.	207.00			207.00
<p><b>Indicator(s):</b> # of guidelines for programming and implementation.</p> <p><b>Baseline:</b> Current implementing guidelines available.</p>	1 revised guidelines in the programming and implementation of P3W by 2009	UNICEF	CPAP Outcome: Policy advocacy for child's rights & survival	NEDA	<p>Reformulate guidelines for programming and implementation of P3W drawing on the assessment and lessons learned.</p> <p>Adopt guidelines for programming and implementation of P3W balancing subsidies with better accountability and responsibility from recipient communities.</p>				

1.3 WATSAN Councils and Water user associations formed/ organized with increased participation and membership especially among women.  <b>Indicator(s):</b> # of water user association organized  <b>Baseline:</b> No data available, to be determined as part of the activities.	1 baseline survey report on the number of user associations in the 36 waterless municipalities by 2009	UNDP	CPAP # 2 Outcome: Institutions providing efficient social service delivery	DILG	Conduct baseline survey of waterless areas without organized local user associations.	728.91	127.46		856.37
	36 (minimum) user associations in 36 municipalities by 2011	UNDP	CPAP # 2 Outcome: Institutions providing efficient social service delivery	DILG	Conduct inclusive consultations and mobilization.	9.60	365.00	213.61	588.21
1.4 Tariff-setting methodology adjusted for small scale water service providers.  <b>Indicator(s):</b> # of tariff-setting methodology revised.  <b>Baseline:</b> Current methodology available.	1 methodology by 2009	UNICEF	CPAP Outcome: Policy advocacy for child's rights & survival	NEDA	Review and develop (including conduct of consultations with key stakeholders) and adopt new methodology for small scale providers.	207.00			207.00
<p><b>JP Outcome 2:</b> Enhanced capacities of LGUs and WSPs to develop, operate, and manage potable water services.</p> <p><b>Indicators:</b> % increase over baseline in the level of competency of LGUs and WSPs to develop, operate, and manage water services.</p> <p><b>Baseline:</b> Some tools for enhancing capacities available; capacity programs available, however, usually project-based; no data available on the level of competency of target beneficiaries, to be determined at start-up</p>									
2.1 Capacities at the local level strengthened.									
2.1.1 Mentoring[1] mechanisms institutionalized for	1 assessment report on effective mentoring practices and practitioners by 2009	UNDP	CPAP # 2 Outcome: Institutions providing efficient social service delivery	NEDA	Assess current mentoring practices and practitioners.	20.00	138.50	50.00	208.50

skills and knowledge transfer/sharing.  <b>Indicator(s):</b> # of modules for mentoring.  <b>Baseline:</b> No available guidelines/modules.	1 needs assessment report by 2010	UNDP	CPAP # 2 Outcome: Institutions providing efficient social service delivery	DILG	Assess training needs of target WSPs.		146.71		146.71
	1 mentoring module for on-site skills and knowledge sharing by 2011	UNDP	CPAP # 2 Outcome: Institutions providing efficient social service delivery	DILG	Develop and pilot mentoring mechanisms (i.e., how to conduct and operationalize).			212.00	212.00
2.1.2 WATSAN Toolbox[2] implemented.  <b>Indicator(s):</b> # of LGUs trained; # of user associations trained; % increase in competencies of LGUs and user associations with implementation of toolbox  <b>Baseline:</b> Toolbox available; data on current level of competency for planning, project development and formation of user association unavailable; data to be determined at start-up	1 toolbox packaged by 2009	UNDP	CPAP # 2 Outcome: Institutions providing efficient social service delivery	DILG	Package a comprehensive and complete toolbox.	54.12	116.22		170.34
	36 LGUs and 36 user associations trained by 2011	UNDP	CPAP # 2 Outcome: Institutions providing efficient social service delivery	DILG	Conduct intensive learning program LGUs.		146.08	146.08	292.17
2.2 Improved sector plans formulated and monitoring mechanisms established.  <b>Indicator:</b> # of MW4SPs formulated; # of monitoring systems established  <b>Baseline:</b> No MW4SPs.	36 MW4SP with monitoring mechanism by 2009	UNDP	CPAP # 2 Outcome: Institutions providing efficient social service delivery	DILG	Formulate MW4SPs to incorporate the mechanism for sector monitoring.	279.86	589.04		868.90
	1 monitoring system established for each municipality as prescribed in the MW4SP.	UNDP	CPAP # 2 Outcome: Institutions providing efficient social service delivery	DILG	Implement a sector monitoring mechanism based on key performance indicators (KPIs) and standards.		47.10	47.10	94.20

2.3 Localized Customer Service Code[3] based on the framework for service delivery developed and adopted.	36 (minimum) user associations in 36 municipalities by 2011	UNDP	CPAP # 2 Outcome: Institutions providing efficient social service delivery	DILG	Conduct inclusive consultations to determine the needs and requirements of customers.	129.80			129.80
	<p><b>Indicator(s):</b> % increase over baseline in the level of satisfaction of customers; # of customer service code formulated</p> <p><b>Baseline:</b> No customer service code but guidelines to formulate available; piloting ongoing; level of satisfaction of users to be determined at start-up</p>	1 customer service code formulated for each water supply system by 2011	UNDP	CPAP # 2 Outcome: Institutions providing efficient social service delivery	DILG	Formulate and adopt a customer service code			
2.4 Advocacy and awareness raised of	1 national IEC plan by 2009	UNICEF	CPAP Outcome: Policy advocacy for	DILG	Develop IEC plan and conduct intensive awareness	180.00	160.12	97.42	437.53

<p>LGUs, WSPs, and community on a) WSP responsibilities; b) customer service code; c) KPIs and standards; d) tariff setting and regulation; e) management and operations options/alternatives; and f) sanitation.</p> <p><b>Indicator(s):</b> % increase over baseline of target clientele (LGUs, WSPs, community)</p> <p><b>Baseline:</b> Data unavailable on level of awareness; to be determined at start-up</p>	<p># of stakeholders informed and oriented on aspects and critical issues of water service provision</p>		<p>child's rights &amp; survival</p>		<p>raising and advocacy programs on a) water service provider's responsibilities; b) customer service code; c) KPIs and standards; d) tariff setting and regulation; e) management and operations options/alternatives; and f) sanitation for local stakeholders.</p>				
<b>UNICEF</b>	Programme Cost					<b>700.50</b>	<b>641.52</b>	<b>97.42</b>	<b>1439.43</b>
	Indirect Support Cost					<b>49.03</b>	<b>44.91</b>	<b>6.82</b>	<b>100.76</b>
<b>UNDP</b>	Programme Cost					<b>1222.05</b>	<b>1674.59</b>	<b>667.27</b>	<b>3563.91</b>
	Indirect Support Cost					<b>85.54</b>	<b>117.22</b>	<b>46.71</b>	<b>249.47</b>
<b>TOTAL</b>	Programme Cost					<b>1922.55</b>	<b>2316.11</b>	<b>764.69</b>	<b>5003.34</b>
	Indirect Support Cost					<b>134.58</b>	<b>162.13</b>	<b>53.53</b>	<b>350.23</b>

[1] Mentoring refers to sharing of skills and knowledge through on-site coaching by practicing experts.

[2] Toolbox contains training modules in all aspects of water supply service delivery, as well as compilation of case studies.

[3] Customer Service Code is a document that embodies and prescribes the basic rights of the customer as well as the customer's role in ensuring efficient and effective service delivery.

Excludes 1% AA fee.

	UNDP			UNICEF		
	2009	2010	2011	2009	2010	2011
1.1 Supplies, commodities, equipment and transport	264.0	203.5	37.6	49.9	4.7	
1.2 Personnel (staff, consultants, travel and training)	206.2	524.8	284.2	221.9	235.1	
1.3 Training of counterparts	122.0	193.4	148.6	45.9	42.1	
1.4 Contracts	441.3	382.2	64.0	298.3	287.1	97.4
1.5 Other Direct Costs	188.5	370.6	132.9	84.5	72.6	
<b>Total Direct Costs</b>	<b>1222.0</b>	<b>1674.6</b>	<b>667.3</b>	<b>700.5</b>	<b>641.5</b>	<b>97.4</b>
2.0 UN Agency Indirect Cost (7%)	85.5	117.2	46.7	49.0	44.9	6.8
<b>Grand Total</b>	<b>1307.6</b>	<b>1791.8</b>	<b>714.0</b>	<b>749.5</b>	<b>686.4</b>	<b>104.2</b>

## **VI. MANAGEMENT ARRANGEMENTS**

### **Coordination and Oversight Mechanisms**

The UN Resident Coordinator (UNRC) will facilitate the collaboration among and between Participating UN Organizations (UNOs) to ensure that the joint programme is on track and results are delivered. There will be two committees – a National Steering Committee (NSC) and a Programme Management Committee (PMC), which will be established by the UN Resident Coordinator (UNRC) to ensure the proper checks and balances of programme implementation. The UN RC will exercise his or her authority over the joint programme by being entrusted with leadership of the overall programme design, ongoing programmatic oversight of the Fund's activities and by co-chairing NSC meetings. It will also be responsible for reporting to the UNDP/Spanish MDG Achievement Fund Office in conformity with UN standards and guidance provided by the Fund Secretariat and the NSC.

In cooperation with national key partners, the Joint Programme will be implemented by the participating UN Agencies namely United Nations Development Programme (UNDP) and United Nations Children's Fund (UNICEF). Both organizations have ongoing local projects on potable water and have a cadre of local and international experts and a network of institutions that can be tapped in the implementation of the Joint Programme.

The National Economic Development Agency (NEDA) will serve as the national focal point for the Government of the Philippines and has the authority to sign the Joint Programme Document on behalf of its Government Partners.

Both the NSC and especially the PMC should seek to integrate its work under the UNDAF thematic structures already in place in the country. The two committees should organize joint meetings to enhance communication and coordination between the oversight and operational coordination functions.

### **National Steering Committee<sup>8</sup> (NSC)**

The National Steering Committee (NSC) is responsible for overall oversight and strategic guidance of the Joint Programme and will be composed of the UN Resident Coordinator, the Ambassador of Spain to the Philippines or his Representative and; the Director General of NEDA or his Representative. The UNRC and the NEDA will co-chair the NSC. Other representatives and observers<sup>9</sup> can be invited as co-chairs.

The NSC shall meet at least semi-annually and will make decisions by consensus.<sup>10</sup> It shall utilize existing coordination mechanisms and collaborate with the PMC to the extent possible, for programmatic and operational issues. The responsibilities of the NSC include (but are not limited to):

- 1) Reviews and adopts the terms of reference and rules of procedures of the NSC and/or modify them as necessary;

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<sup>8</sup> There should only be one NSC in each country.

<sup>9</sup> NGOs, civil society and IP organizations esp. IP women representatives may be invited by the co-chairs to participate in NSC meetings in the project design, review and assessment of the Joint Programme.

<sup>10</sup> For emergency or urgent matters, the NSC may conduct its business electronically or thru referendum. Additional meetings can be conducted if the need arises.

- 2) Approves the Joint Programme Document before submission to the Fund Steering Committee;
- 3) Approves the strategic directions for the implementation of the Joint Programme within the operational framework authorized by the MDG F Steering Committee;
- 4) Approves the documented arrangements for management and coordination;
- 5) Approves the annual work plans and budgets as well as making the necessary adjustments to attain anticipated outcomes;
- 6) Reviews the Consolidated Joint Programme Report from the MDTF Office and providing strategic comments and decisions and communicating the same to the participating UNOs;
- 7) Suggests or recommends corrective action to emerging strategic and implementation problems;
- 8) Creates synergies and seeking agreement on similar programmes and projects by other donors;
- 9) Approves the communication and public information plans prepared by the PMCs.

### **Programme Management Committee (PMC)**

The Programme Management Committee (PMC) will provide the technical and operational support to the Joint Programme and is composed of participating UN agencies such as UNDP and UNICEF; Department of the Interior and Local Government (DILG) as Implementing Agency; and the NEDA Infrastructure Staff as Lead Secretariat for the Joint Programme. The UNRC or his/her representative will chair the PMC and will meet quarterly or as the need arises.

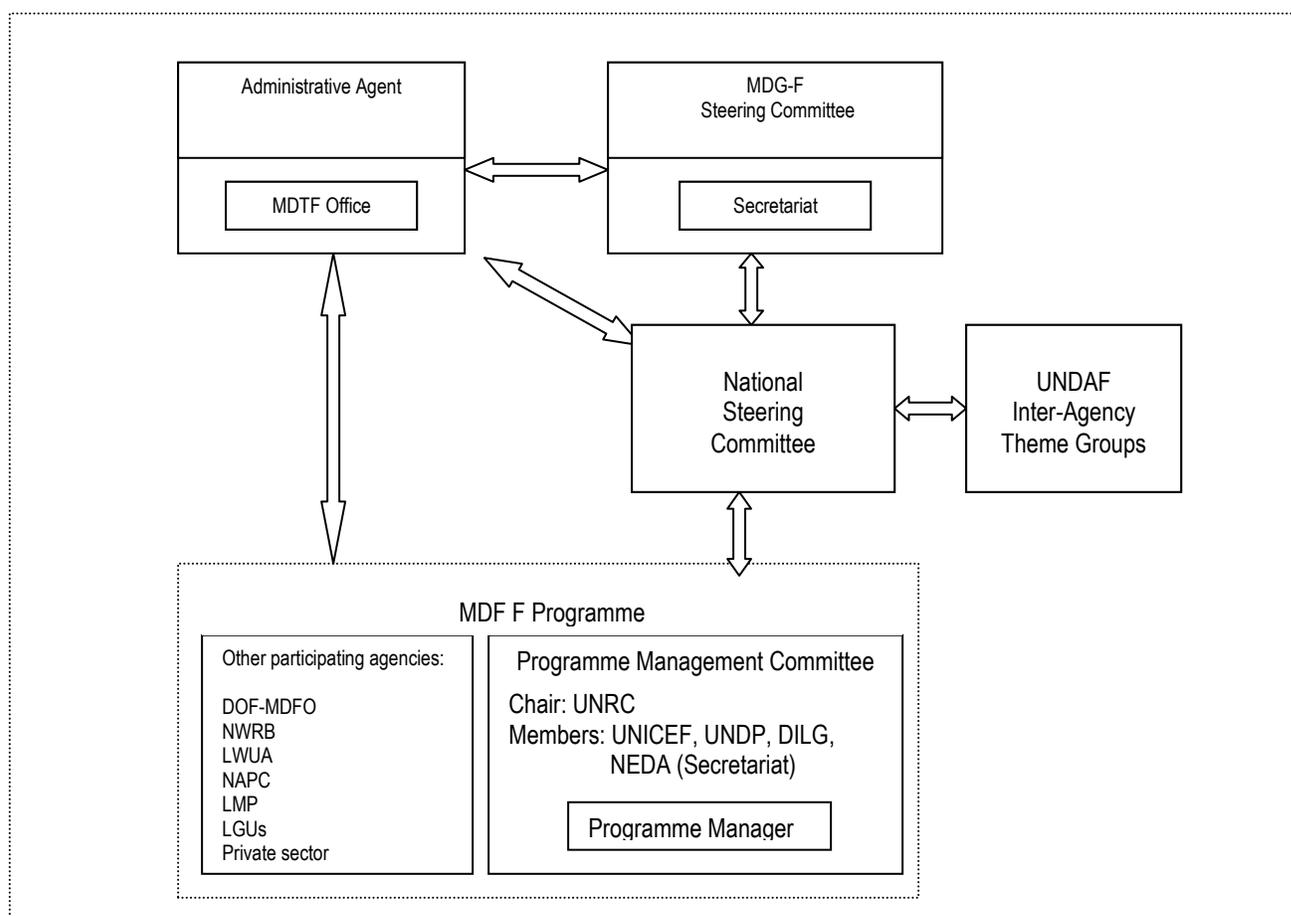
The PMC will also work with other participating partners such Department of Finance-Municipal Development Fund Office (MDFO), National Water Resources Board (NWRB), Local Water Utilities Administration(LWUA), National Anti-Poverty Commission (NAPC), Leagues of Municipalities in the Philippines (LMP), Local Government Units as participating government agencies; and other partners in academe, civil society, people's organizations, water associations and local women's organizations. Given its intersectoral nature and coverage, other UN Agencies and government agencies may be invited to participate.

The responsibilities of the PMC include (but are not limited to):

- 1) Ensures operational coordination;
- 2) Appoints a Programme Manager or equivalent thereof;
- 3) Manages programme resources to achieve the outcomes and outputs defined in the programme
- 4) Aligns MDG F funded activities with the UN Strategic Framework or UNDAF approved strategic priorities;
- 5) Establishes programme baselines to enable sound monitoring and evaluation;
- 6) Establishes programme implementation modalities to ensure a cohesive, uniform and standardized approach to delivery of outputs;
- 7) Establishes adequate reporting mechanisms in the programme;
- 8) Integrates work plans, budgets, reports and other programme related documents and ensures that budget overlaps or gaps are addressed;
- 9) Provides technical and substantive leadership regarding the activities envisaged in the Annual Work Plan and provide technical advice to the NSC;
- 10) Establishes the communication and public information plans;
- 11) Makes recommendations on re-allocation and budget revisions to the NSC;
- 12) Addresses emerging management and implementation problems; and

13) Identifies emerging lessons learned.

Figure 1. Proposed Management Structure of MDG-F Joint Programme.



Based on their given mandates and capacities, NEDA and DILG were identified as Implementing Partners (IPs) for the JPD. As IPs, they will be responsible and accountable for managing the assigned programme components and outputs, and for the effective use of MDG-F resources. Through the PMC, both IPs are expected to coordinate and complement each other to bring about synergy, convergence and effectiveness in the implementation of the programme outputs.

Specific duties and tasks of the IP include but not limited to the following:

- (a) Provide advisory or technical inputs in the implementation of the JPD;
- (b) Prepare the annual work and financial plans (AWPs), with reference to the Results Framework;
- (c) Manage, certify and report financial disbursements made by Responsible Parties (RPs) to relevant agencies based on approved work plan and payment schedule;
- (d) Monitor, report and evaluate outputs and accomplishments towards the achievement of outcomes;
- (e) Ensure the effective, efficient and timely implementation of activities within the Programme being undertaken by Implementing Agency;

- (f) Provide support services to the JPD with regards to procurement, subcontracting and outsourcing of services.

As IP, DILG and NEDA will ensure that the project activities are implemented as programmed. It is likewise responsible for ensuring the timely delivery of project outputs and the judicious use of project resources. It will regularly consult, report, meet, and coordinate with the NSC, PMC and RPs based on the agreed workplan. A Project Unit (PU) may be established and located in the IP to be responsible for carrying out the programme activities in support of the JPD. It shall be represented by a Project Coordinator (PC) or Project Manager (PM).

Participating agencies and organizations such as MDFO, NWRB, LWUA, NAPC, LMP, and LGUs as participating government agencies; and other partners in academe, civil society, people's organizations, water associations and local women's organizations can be identified as an RP. A RP is identified based on an assessment of their technical, financial, managerial and administrative capacities that will be needed for the project by the IP to undertake a particular component or activity of a project. The Implementing Partner shall, however, remain fully responsible and accountable in successfully implementing the project, including components it may assign to certain RPs.

Cooperation agreements in the form of Memoranda of Agreement or Understanding and the like will be undertaken between IPs and RPs together with relevant Terms of Reference outlining roles and responsibilities in the implementation of the project components.

## VII. FUND MANAGEMENT ARRANGEMENTS

Each organization assumes complete programmatic and financial responsibility for the funds disbursed to it by the administrative agent and can decide on the execution process with its partners and counterparts following the organization's own regulations.

Each Participating UN Organization establishes a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent. Participating UN organizations are requested to provide certified financial reporting according to the budget template. Participating UN Organizations are entitled to deduct their indirect costs on contributions received according to their own regulations and rules, taking into account the size and complexity of the particular programme.

Subsequent installments will be released in accordance with Annual Work Plans approved by the NSC. The release of funds is subject to meeting a minimum commitment threshold of 70% of the previous fund release to the Participating UN Organizations combined commitments (Commitments are defined as legally binding contracts signed, including multi-year commitments which may be disbursed in future years.) If the 70% threshold is not met for the programme as a whole, funds will not be released to any organization, regardless of the individual organization's performance.

On the other hand, the following year's advance can be requested at any point after the combined disbursement against the current advance has exceeded 70% and the work plan requirements have been met. If the overall expenditure of the programme reaches 70% before the end of the twelve-month period, the participating UN Organizations may upon endorsement by the NSC request the MDTF to release the next installment ahead of schedule. The RC will make the request to the MDTF Office on NSC's behalf.

Any fund transfer is subject to submission of an approved Annual Work Plan and Budget to the MDTF Office. A pass-through fund modality will be adopted with Multi Donor Trust Fund (MDTF) Office at UNDP Headquarters designated as the Administrative Agent for the Fund.

### Cash Transfer Modalities

Pursuant to the UN General Assembly Resolution 56/201 on the triennial policy review of operational activities for development of the United Nations system, UNDP, UNICEF, UNFPA and WFP (UNDG ExCom Agencies) adopted a common operational framework for transferring cash to government and non-government Implementing Partners. Its implementation will significantly reduce transaction costs and lessen the burden that the multiplicity of UN procedures and rules creates for its partners.

Implementing Partners will use common forms and procedures for requesting cash and reporting on its utilization. Agencies<sup>11</sup> will adopt a risk management approach and will select specific procedures for transferring cash on the basis of the joint assessment of the financial management capacity of Implementing Partners. They will also agree on and coordinate activities to maintain assurance over the utilization of the provided cash. Such jointly conducted assessments and assurance activities will further contribute to the reduction of costs.

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<sup>11</sup> Throughout this Note the term "Agencies" will be used to refer to the UNDG ExCom Agencies and any other UN Agencies that choose to adopt these procedures.

The adoption of the new harmonized approach is a further step in implementing the Rome Declaration on Harmonization and Paris Declaration on Aid Effectiveness, which call for a closer alignment of development aid with national priorities and needs. The approach allows efforts to focus more on strengthening national capacities for management and accountability, with a view to gradually shift to utilizing national systems. It will also help Agencies shape their capacity development interventions and provide support to new aid modalities.

Four cash transfer modalities are available to Agencies, within the frameworks of programme content and operational agreements described in the Country Programme Actions Plans (CPAPs):

- *Direct cash transfers* to Implementing Partners, for obligations and expenditures to be made by them in support of activities agreed in annual work plans (AWPs);
- *Direct payments* to vendors and other third parties, for obligations incurred by the Implementing Partner in support of activities agreed in AWPs;
- *Reimbursement* to Implementing Partners for obligations made and expenditure incurred by them in support of activities agreed in AWPs;
- *Direct agency implementation* through which the Agency makes obligations and incurs expenditure in support of activities agreed in AWPs.

It is desirable that Agencies agree on a preferred common modality for each Implementing Partner, but each Agency may choose the most appropriate modality for specific programmes and Implementing Partners.

*Table 1: Responsibilities for Obligations and Payments for Cash Transfer Modalities*

<b>Modality</b>	<b>Obligation</b>	<b>Payment</b>
Direct Cash Transfer	Government/NGO	Government/NGO
Direct Payment	Government/NGO	Agency
Reimbursement	Government/NGO	Government/NGO
Direct Agency Implementation	Agency	Agency

All cash transfers to an IP are based on the Annual Work Plans agreed between the IP and UNDP/UNICEF.

Cash transfers for activities detailed in AWPs can be made by a UN agency using the following modalities:

1. Cash transferred directly to the IP:
  - a. Prior to the start of activities (direct cash transfer), or
  - b. After activities have been completed (reimbursement);
2. Direct payment to vendors or third parties for obligations incurred by the IPs on the basis of requests signed by the designated official of the IP;
3. Direct payments to vendors or third parties for obligations incurred by the UN agencies in support of activities agreed with IPs.

Cash transfers for activities detailed in AWPs can be made by UNDP/UNICEF using the following modalities:

1. Cash transferred to the IP:
  - a. Prior to the start of activities (direct cash transfer), or
  - b. After activities have been completed (reimbursement)
2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner.
3. Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners

Where cash transfers are made to the [national institution] the [national institution] shall transfer such cash promptly<sup>12</sup> to the Implementing Partner.

Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The [UN agency] shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorized amounts.

Following the completion of any activity, any balance of funds shall be reprogrammed by mutual agreement between the Implementing Partner and UNDP/UNICEF, or refunded.

Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN<sup>13</sup> Implementing Partner. A qualified consultant, such as a public accounting firm, selected by UNDP/UNICEF may conduct such an assessment, in which the Implementing Partner shall participate. (Where Government wishes, add: The Implementing Partner may participate in the selection of the consultant.)

Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.

According to UNDP's CPAP from 2005-2011, the programme will be nationally executed under the overall coordination of NEDA. Government agencies and institutions, NGOs, UN agencies including UNDP will implement the programme activities. The AWP's describe the results to be achieved and will form the basic agreement between UNDP and each implementing partner. The Implementing Partner may enter into agreements, e.g., Memorandum of Agreement, Terms of Reference, with other organizations or entities to assist in successfully delivering project outputs.

In programme and project design and implementation, UNDP works closely with key partners. The country programme adopts the United Nations reform principles, especially simplification and harmonization, by operating in line with the harmonized programming instruments such as the UNDAF results matrix, monitoring and evaluation, programme resources frameworks and the CPAP. Further, Atlas contributes to timely, efficient delivery of activities and more effective financial monitoring.

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<sup>12</sup> The UN country team may wish to agree on the specific number of days in lieu of "promptly".

<sup>13</sup> For the purposes of these clauses, "the UN" includes the IFIs.

Likewise, for UNICEF, the cash assistance is governed by the financial rules and regulation of the organization, CPAP and the Basic Agreement with Government. NEDA is the main partner and coordinator of all official development assistance to the Philippines, and also is signatory of the programme of cooperation. The Government shall designate the names, titles and account details of recipients authorized to receive such assistance. Responsible officials will utilize cash in accordance with Government regulations and UNICEF rules and regulations, in particular ensuring that cash is expended against prior approved budgets and ensuring that full reports on proper utilization of cash assistance to Government are submitted to UNICEF within six months after receipt of the funds. Any balance of funds unutilized or which could not be used according to the original plan shall be reprogrammed by mutual consent between the Government and UNICEF. Cash assistance for travel, honoraria and other costs shall be set at rates commensurate with those applied in the country, but not higher than those applicable to the United Nations System.

## VIII. MONITORING, EVALUATION AND REPORTING

The MDG F requires several reporting requirements at both fund and programme levels. On an annual basis, the participating UNOs will provide narrative reports on results achieved, lessons learned and the contributions made to the Joint Programme. The reporting mechanism should be anchored in the common Results Framework and should facilitate consolidation around outcomes and outputs.

The MDTF Office will provide guidance on reporting formats and procedures to ensure that all fiduciary reporting requirements are met. The MDTF Office is responsible for the annual **Consolidated Joint Programme Progress Report**, which consists of three parts:

- 1) **Administrative Agent (AA) Management Brief** – This provides an analysis of the certified financial report and narrative report. The management brief identifies key management and administrative issues, if any, to be considered by the NSC.
- 2) **Narrative Joint Programme Progress Report** – This report will be produced through an integrated Joint Programme reporting arrangement. The report should be reviewed and endorsed by the PMC before it is submitted to the MDTF Office on 28 February of each year.
- 3) **Financial Progress Report**. Each participating UNO will submit to the MDTF Office a financial report stating expenditures incurred by each programme during the reporting period. The deadline for this report is 31 March.

Report Name	Coordinating Author /Consolidator	Approving Authority	Deadline (reporting period: 1 Jan - 31 Dec)	Required Language
<b>Consolidated Joint Programme Progress Report</b> (including AA Management Brief, JP Narrative Report and Financial Reports)	MDTF Office	MDTF Executive Coordinator	31 May	AA Management Brief in English
<b>Narrative Joint Programme Report</b>	Participating UN Organizations jointly at Country Level	PMC	28 February	Working Language of CO
<b>Financial Progress Reports</b>	Participating UN Organizations HQ Level	Financial Officer/ Comptroller	31 March	English

The consolidated progress reports will be prepared with close coordination between NEDA, DILG, UNDP and UNICEF. Inputs into the report will be prepared by a monitoring and evaluation team established for the programme. For each outcome activity, inputs from IPs and RPs, as well as actual ocular visits participated in by representatives from UNDP, UNICEF, NEDA and DILG, will form the basis for the progress reports. Workshops will be conducted to serve as venue for other stakeholders (e.g., LGUs, civil society, beneficiaries, women) to participate in the assessment of the programme activities (including validation of the accomplishments reported by the IPs and RPs) and formulation of strategies to address programme implementation concerns/issues, if any. The results of these workshops will also be incorporated into the progress reports.

Upon completion, the MDTF Office submits the Consolidated Joint Programme Progress Reports to the UNRC who distributes it to the NSC members. Decisions and comments by the NSC should be duly recorded and shared with all stakeholders in order to ensure the full coordination and coherence of MDG-F efforts.

In addition to the required annual reports Participating UN Organizations will submit quarterly updates to ensure an open flow of information to the donor and others. The quarterly update will be designed to satisfy basic information requirements to serve as a “rough”, but timely management tool. The MDTF will design and roll out an online system to capture the updates. The systems will be designed to allow Participating UN Organizations to report informally on outputs and achievements over the past quarter by using a standard online form.

### **Annual Reviews**

The NSC in collaboration with UNOs and partner national agencies shall jointly conduct annual planning, review and assessment of progress towards programme outcomes and achieved outputs as targeted in the Results Framework. This will also include updating of identified risks and assumptions to determine their validity and relevance. Findings, lessons learned and recommendations from the annual reviews will be integrated into the annual work plan and budget. Annual work plan and budget are to be approved by the NSC.

The JPD need not be signed every year. However, any substantive change/s in the joint programme scope will require revision of the JPD. The amendments made will need to be signed by all parties.

**Table2: Joint Programme Monitoring Framework.**

Expected Results (Outcomes & Outputs)	Indicators (with baselines & indicative timeframe)	Means of Verification	Collection methods	Responsi- bilities	Risks & assumptions
<p><b>JP Outcome 1:</b> Investment support mechanisms established for poor communities/municipalities to improve efficiency, access, affordability and quality of potable water.</p> <p>Indicators: # of executive/policy issuance(s); % increase over baseline in investments in poor communities/municipalities in the provision/improvement of water supply services</p> <p>Baseline: Data available based on total investments in the water supply sector as indicated in agency budgets; actual investments going to the poor are unavailable (except for P3W); data to be determined at start-up</p>					
<p><b>Output 1.1</b> Incentives mechanisms and partnership modalities (e.g., leveraging local capital and/or subsidy) developed and enhanced for public &amp; private investments in “waterless” and poor communities.</p>	<p><b>Indicators:</b> # of policy issuance(s) for use of the schemes</p> <p><b>Baseline:</b> No data available, to be determined as part of the activities.</p>	<p>Compendium/compilation of policy issuances issued by government</p> <p>Progress/Annual Reports</p>	<p>Research/Data collection (Jan-Mar 2009)</p> <p>Regular M&amp;E and Reporting (Quarterly/Annual)</p>	<p>UNICEF/ NEDA</p>	<p>Forthcoming national and local elections which may highlight the issue on water and thus increase awareness among politicians and voting public on the “right to water” for all.</p> <p>Lack of political commitment at national &amp; local levels which may delay project implementation.</p>
<p><b>Output 1.2</b> Financing and programming policies reviewed and amended (as necessary) to rationalize assistance and increase ownership and accountability.</p>					<p>Conflicting national and local laws and policies.</p> <p>Lack of coordination among UNOs, NGAs and LGUs.</p>
<p><b>Output 1.2.1</b> National Government-Local Government Units (NG-LGU) cost sharing arrangement for water supply and sanitation provision for poor municipalities reformulated and adopted.</p>	<p><b>Indicator(s):</b> # of executive issuance(s) for cost sharing arrangement adoption.</p> <p><b>Baseline:</b> Current cost sharing arrangement based on LGU income class only.</p>	<p>Compendium/compilation of executive issuances issued by government</p> <p>Inventory/Models of NGA-LGU cost sharing arrangements.</p> <p>Progress/Annual Reports</p>	<p>Research/Data collection (Jan-Mar 2009)</p> <p>Research/Data collection (Jan-Mar 2009)</p> <p>Regular M&amp;E and Reporting</p>	<p>UNICEF/ NEDA/ DOF</p>	<p>Weak capacity of NGAs and LGUs to implement the project.</p> <p>Lack of support from the private sector.</p>

<p><b>Output 1.2.2</b> Programming policies of the P3W reviewed and amended, and adopted.</p>	<p><b>Indicator(s):</b> # of guidelines for programming and implementation.</p> <p><b>Baseline:</b> Current implementing guidelines available.</p>	<p>Progress/Annual Reports</p>	<p>(Quarterly/Annual) Research/Data collection (Jan-Mar 2009)</p> <p>Research/Data collection (Jan-Mar 2009)</p> <p>Regular M&amp;E and Reporting (Quarterly/Annual)</p>	<p>UNICEF/ NEDA</p>	
<p><b>Output 1.3</b> WATSAN Councils and Water user associations formed/organized with increased participation of women.</p>	<p><b>Indicator(s):</b> # of WATSAN councils &amp; water user association organized</p> <p><b>Baseline:</b> No data available, to be determined as part of the activities.</p>	<p>Government Reports (NWRB/LWUA/LGU)</p> <p>Progress/Annual Reports/Field Visit Reports</p>	<p>Research/Data Collection (Jan-Dec 2009)</p> <p>Regular M&amp;E and Reporting (Quarterly/Annual)</p>	<p>UNDP/ DILG/ LGUs</p>	
<p><b>Output 1.4</b> Tariff-setting methodology adjusted for small scale water service providers.</p>	<p><b>Indicator(s):</b> # of tariff-setting methodology revised.</p> <p><b>Baseline:</b> Current methodology available.</p>	<p>Progress/Annual Reports</p>	<p>Research/Data collection (Jan-Mar 2009)</p>	<p>UNICEF/ NEDA</p>	
<p><b>JP Outcome 2:</b> Enhanced local capacities to develop, operate, and manage potable water services.</p> <p>Indicators: % increase over baseline in the level of competency of LGUs and WSPs to develop, operate, and manage water services.</p> <p>Baseline: Some tools for enhancing capacities available; capacity programs available, however, usually project-based; no data available on the level of competency of target beneficiaries, to be determined at start-up</p>					
<p><b>Output 2.1</b> Capacities at the local level strengthened, with participation of marginalized groups especially women</p>					
<p><b>Output 2.1.1</b> Mentoring mechanisms institutionalized.</p>	<p><b>Indicator(s):</b> # of modules for mentoring.</p> <p><b>Baseline:</b> No available</p>	<p>Capacity building &amp; M/E Modules</p>	<p>Research/Data Collection/Module Development/Training Roll-out (June 2009)</p>	<p>UNDP/ DILG/ LWUA/ WSPs</p>	<p>Forthcoming national and local elections which may highlight the issue on water and thus increase awareness among politicians and</p>

	guidelines/modules.	Progress/Annual Reports/Knowledge Products	-June 2011) Regular M&E and Reporting (Quarterly/Annual)		voting public on the "right to water" for all.  Lack of political commitment at national & local levels which may delay project implementation.  Conflicting national and local laws and policies.  Lack of coordination among UNOs, NGAs and LGUs.  Weak capacity of NGAs and LGUs to implement the project.  Lack of support from the private sector.
<b>Output 2.1.2</b> WATSAN Toolbox implemented.	<b>Indicator(s):</b> # of LGUs trained; # of user associations trained; % increase in competencies of LGUs and user associations with implementation of toolbox  <b>Baseline:</b> Toolbox available; data on current level of competency for planning, project development and formation of user association unavailable; data to be determined at start-up	Capacity building & M/E Modules/ WATSAN Tools/Manuals  LGU Development Plans  Progress/Annual Reports/Field Visit Reports/Knowledge Products	Research/Data Collection/Module Development/Training Roll-out (June 2009 -June 2011)  Research/Data Collection (June 2009- June 2011)  Regular M&E and Reporting (Quarterly/Annual)	UNDP/ DILG/ WSPs	
<b>Output 2.2</b> Improved sector plans formulated and monitoring mechanisms established.	<b>Indicator:</b> # of MW4SPs formulated; # of monitoring systems established  <b>Baseline:</b> No MW4SPs.	Government Reports (NWRB/LWUA/LGU)  LGU Development Plans	Research/Data Collection (June 2009- June 2011)  Research/Data Collection (June 2009- June 2011)	UNDP/ NEDA/ NWRB/ LGUs	

		Progress/Annual Reports/Field Visit Reports	Regular M&E and Reporting (Quarterly/Annual)		
<p><b>Output 2.3</b> Localized Customer Service Code based on the framework for service delivery developed and adopted.</p>	<p><b>Indicator(s):</b> % increase over baseline in the level of satisfaction of customers; # of customer service code formulated</p> <p><b>Baseline:</b> No customer service code but guidelines to formulate available; piloting ongoing; level of satisfaction of users to be determined at start-up</p>	<p>Progress/Annual Reports/ Field Visit Reports</p> <p>HH Surveys</p>	<p>Regular M&amp;E and Reporting (Quarterly/Annual)</p> <p>Research/Data Collection (Mar 2009)</p>	UNDP/ NWRB/ WSPs	
<p><b>Output 2.4</b> Advocacy and awareness raised of LGUs, WSPs, and community on a) WSP responsibilities; b) customer service code; c) KPIs and standards; d) tariff setting and regulation; e) management and operations options/ alternatives; and f) sanitation.</p>	<p><b>Indicator(s):</b> % increase over baseline of target clientele (LGUs, WSPs, community)</p> <p><b>Baseline:</b> Data unavailable on level of awareness; to be determined at start-up</p>	<p>Government Reports (NWRB/LWUA/LGU)</p> <p>LGU Development Plans</p> <p>Progress/Annual Reports</p> <p>IEC Plans</p>	<p>Research/Data Collection (Jan 2009-Dec 2011)</p> <p>Research/Data Collection (Jan 2009-Dec 2011)</p> <p>Regular M&amp;E and Reporting (Quarterly/Annual)</p> <p>Regular M&amp;E and Reporting (Quarterly/Annual)</p> <p>Government Reports on MDGs esp. on Water &amp; Sanitation (Annual)</p>	UNICEF/ DILG/NWRB	

### Proposed M&E Activities

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Responsible Party</b>
JP Monitoring	*AWP Quarterly Monitoring *Field Visits – Monthly	*AWP Quarterly Monitoring *Field Visits – Monthly	*AWP Quarterly Monitoring *Field Visits – Monthly	UNOs & Participating National Partners
JP Evaluation	*Project Evaluation *Gender Audit (optional)	*Project Evaluation *Gender Audit (optional)	*Project Evaluation *Gender Audit (optional)	NSC & PMC
Annual Reviews	*Semestral Review of Outcomes and Outputs by NSC & PMC  *Annual Review (end year)  *Audit (once per programme cycle)  *Missions (as required by MDG F)	*Semestral Review of Outcomes and Outputs by NSC & PMC  *Annual Review (end year)  *Audit (optional)  *Missions (as required by MDG F)	*Semestral Review of Outcomes and Outputs by NSC & PMC  *Annual Review (end year)  *Audit (optional)  *Missions (as required by MDG F)  *Terminal Review (end of programme cycle)	NSC & PMC
M&E capacity building	Training orientation on Results Based M&E	Echo M&E	Echo M&E	PMC with UNOs & Participating National Partners

**Midterm Review and Evaluation:**

The Fund through its Secretariat will establish an Evaluation Plan which ensures that all programmes supported by the Fund will undertake a final evaluation, which will assess the relevance and effectiveness of the intervention, and measure the development impact of the results achieved, on the basis of the initial analysis and indicators described at the time of programme formulation. Furthermore, the Fund Secretariat will lead Mid-Term Reviews and thematic reviews for all programmes.

**Audit:**

Activities carried out by the Participating UN Organization shall be subject to internal and external audit as articulated in their applicable Financial Regulations and Rules. In addition, the Secretariat will consult with the UN Agencies on any additional specific audits or reviews that may be required, subject to the respective Financial Regulations and Rules of the Participating UN Organizations. Participating UN Organizations will provide a summary of their internal audit key findings and recommendations for consolidation by the MDTF Office and submission to the Fund Steering Committee and NSC as applicable.

## **IX. LEGAL BASIS**

This Joint Programme is consistent with the cooperation/assistance agreements signed by the lead UN agencies with the Philippine government. For UNDP and UNICEF, this document is pursuant to the United Nations Development Assistance Framework (UNDAF), Country Programme Action Plans (CPAP) and the Standard Basic Assistance Agreement (SBAA)/Basic Cooperation Agreement (BCA) respectively for UNDP and UNICEF signed with the government of the Republic of the Philippines. All provisions in the SBAA/BCA therefore apply to this document.

Consistent with Article III of the SBAA/BCA, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP and UNICEF's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; and
- b) Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

The UNDP and UNICEF reserve the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partners agree to undertake all reasonable efforts to ensure that none of the UNDP and UNICEF funds received pursuant to the Joint Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP and UNICEF 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/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

X. 2009 WORK PLAN

Annual Targets	UN Organization	Key Activities	Timeframe				Implementing Partner	Source of Finding	Budget Description	Amount (US\$'000)
			2009							2009
			Q1	Q2	Q3	Q4				
<b>JP Outcome 1: Investment support mechanisms established for poor communities/municipalities to improve efficiency, access, affordability and quality of potable water.</b>										
<b>JP Output 1.1: Incentives mechanisms and partnership modalities (e.g., leveraging local capital and/or subsidy) developed and enhanced for investments in "waterless" and poor communities.</b>										
1 national policy issuance promoting the use of the schemes by 2010	UNICEF	Review and develop (including conduct of consultations with key stakeholders) and adopt new incentives and partnership schemes for different WSPs.					NEDA	MDG-F	Contracts	33.8
								MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	6.0
								MDG-F	Supplies, Commodities, Equipment & Transport (Equipment)	7.5
								MDG-F	Personnel (Travel)	
								MDG-F	Training of Counterparts	
								MDG-F	Other Direct Cost	8.0
<b>Sub-total</b>									<b>55.3</b>	
<b>JP Output 1.2: Financing and programming policies reviewed and amended (as necessary) to rationalize assistance and increase ownership and accountability.</b>										
1 national executive issuance mandating the use of the new/enhanced NG-LGU cost sharing arrangement by 2010	UNICEF	Develop and adopt guidelines for NG-LGU cost sharing arrangement					NEDA	MDG-F	Contracts	35.3
								MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	6.0
								MDG-F	Supplies, Commodities, Equipment & Transport (Equipment)	2.5
								MDG-F	Personnel (Travel)	
								MDG-F	Training of Counterparts	0.0
								MDG-F	Other Direct Cost	7.4
<b>Sub-total</b>									<b>51.2</b>	

1 revised guidelines in the programming and implementation of P3W by 2009	UNICEF	Develop and adopt guidelines for programming and implementation of P3W balancing subsidies with better accountability and responsibility from recipient communities.					NEDA	MDG-F	Contracts	77.5
								MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	4.8
								MDG-F	Supplies, Commodities, Equipment & Transport (Equipment)	2.5
								MDG-F	Personnel (Travel)	72.0
								MDG-F	Training of Counterparts	20.0
								MDG-F	Other Direct Cost	30.2
<b>Sub-total</b>									<b>207.0</b>	
<b>JP Output 1.3: WATSAN Councils and Water user associations formed/ organized with increased participation and membership especially among women.</b>										
1 baseline survey report on the number of user associations in the 36 waterless municipalities by 2009	UNDP	Conduct baseline survey of waterless areas without organized local user					DILG	MDG-F	Contracts	216.8
								MDG-F	Personnel	152.4
								MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	104.6
								MDG-F	Supplies, Commodities, Equipment & Transport (Equipment)	13.9
								MDG-F	Personnel (Travel)	25.0
								MDG-F	Supplies, Commodities, Equipment & Transport (Transportation)	9.6
								MDG-F	Training of Counterparts	52.7
								MDG-F	Other Direct Cost	153.9
<b>Sub-total</b>									<b>728.9</b>	
36 WATSAN (Minimum) councils and user	UNDP	Conduct inclusive consultations and mobilization for WATSAN councils					DILG	MDG-F	Contracts	
								MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	

associations in 36 municipalities by 2011							MDG-F	Supplies, Commodities, Equipment & Transport (Equipment)								
							MDG-F	Personnel (Travel)	9.6							
							MDG-F	Supplies, Commodities, Equipment & Transport (Transportation)								
							MDG-F	Training of Counterparts								
							MDG-F	Other Direct Cost								
														<b>Sub-total</b>	<b>9.6</b>	
							Conduct inclusive consultations and mobilization for user associations						DILG	MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	
														MDG-F	Personnel (Travel)	
														MDG-F	Supplies, Commodities, Equipment & Transport (Transportation)	
														MDG-F	Training of Counterparts	
MDG-F	Other Direct Cost															
							<b>Sub-total</b>									
<b>JP Output 1.4: Tariff-setting methodology adjusted for small scale water service providers.</b>																
1 methodology by 2009	UNICEF	Review and develop (including conduct of consultations with key stakeholders) and adopt new methodology for small scale providers.					MDG-F	Contracts	77.5							
							MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	4.8							
							MDG-F	Supplies, Commodities, Equipment & Transport (Equipment)	2.5							
							MDG-F	Personnel (Travel)	72.0							
							MDG-F	Training of Counterparts	20.0							
							MDG-F	Other Direct Cost	30.2							
							<b>Sub-total</b>	<b>207.0</b>								
							<b>TOTAL for JP Outcome 1</b>	<b>1,259.0</b>								

JP Outcome 2: Enhanced capacities of LGUs and WSPs to develop, operate, and manage potable water services.										
JP Output 2.1: Capacities at the local level strengthened.										
1 assessment report on effective mentoring practices and practitioners by 2009	UNDP	Assess current mentoring practices and practitioners.					NEDA	MDG-F	Contracts	
								MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	
								MDG-F	Supplies, Commodities, Equipment & Transport (Equipment)	
								MDG-F	Personnel (Travel)	
								MDG-F	Other Direct Cost	
								MDG-F	Other Direct Cost (Cash advance)*	20.0
								MDG-F	Other Direct Cost (Final Evaluation)**	
<b>Sub-total</b>									<b>20.0</b>	
1 needs assessment report by 2010	UNDP	Conduct assessment for WATSAN Councils					DILG	MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	
								MDG-F	Personnel (Travel)	
								MDG-F	Supplies, Commodities, Equipment & Transport (Transportation)	
								MDG-F	Training of Counterparts	
								MDG-F	Other Direct Cost	
<b>Sub-total</b>										
1 mentoring module for on-site skills and knowledge sharing by 2011	UNDP	Develop and pilot mentoring mechanisms (i.e., how to conduct and operationalize).					DILG	MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	
								MDG-F	Personnel (Travel)	
								MDG-F	Supplies, Commodities, Equipment & Transport (Transportation)	

								MDG-F	Training of Counterparts		
								MDG-F	Other Direct Cost		
<b>Sub-total</b>											
1 tool packaged by 2009	UNDP	WATSAN Toolbox ready for roll out						DILG	MDG-F	Contracts	24.0
									MDG-F	Training/Conf	6.9
									MDG-F	Supplies, Commodities, Equipment & Transport (Transportation)	0.2
									MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	23.0
									MDG-F	Other Direct Cost	
<b>Sub-total</b>										<b>54.1</b>	
36 LGUs and 36 user associations trained by 2011	UNDP	Conduct intensive learning program for WATSAN Councils and user associations						DILG	MDG-F	Personnel	
									MDG-F	Personnel (Travel)	
									MDG-F	Supplies, Commodities, Equipment & Transport (Transportation)	
									MDG-F	Training of Counterparts	
									MDG-F	Other Direct Cost	
<b>Sub-total</b>											
<b>JP Output 2.2: Improved sector plans formulated and monitoring mechanisms established.</b>											
36 sector plans	UNDP	Formulate sector plans						DILG	MDG-F	Contracts	176.5
									MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	
									MDG-F	Supplies, Commodities, Equipment & Transport (Equipment)	103.3
									MDG-F	Personnel (Travel)	
									MDG-F	Supplies, Commodities, Equipment & Transport (Transportation)	

								MDG-F	Training of Counterparts		
								MDG-F	Other Direct Cost		
<b>Sub-total</b>										<b>279.9</b>	
Annual Monitoring Report	UNDP	Implement/Install M & E						DILG	MDG-F	Training of Counterparts	
									MDG-F	Personnel (Travel)	
									MDG-F	Other Direct Cost	
<b>Sub-total</b>											
<b>JP Output 2.3: Localized Customer Service Code based on the framework for service delivery developed and adopted.</b>											
1 Customer service code for each water supply system by 2011	UNDP	Formulate localized service code using NWRB guidelines						DILG	MDG-F	Contracts	24.0
									MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	9.6
									MDG-F	Personnel (Travel)	19.2
									MDG-F	Training of Counterparts	62.4
									MDG-F	Other Direct Cost	14.6
<b>Sub-total</b>										<b>129.8</b>	
<b>JP Output 2.4: Advocacy and awareness raised of LGUs, WSPs, and community on a) WSP responsibilities; b) customer service code; c) KPIs and standards; d) tariff setting and regulation; e) management and operations options/ alternatives; and f) sanitation.</b>											
1 National IEC by 2009	UNICEF	Design and implement IEC Plan						DILG	MDG-F	Contracts	74.2
									MDG-F	Supplies, Commodities, Equipment & Transport (Supplies)	13.3
									MDG-F	Personnel (Travel)	77.9
									MDG-F	Training of Counterparts	5.9
									MDG-F	Other Direct Cost	8.7
<b>Sub-total</b>										<b>180.0</b>	
<b>TOTAL for JP Outcome 2</b>										<b>663.8</b>	
<b>TOTAL PLANNED BUDGET***</b>										<b>2,057.1</b>	
										Contract (International)	298.3
										Contract (National)	441.3

Personnel	152.4
Supplies, Commodities, Equipment & Transport (Supplies)	172.1
Supplies, Commodities, Equipment & Transport (Equipment)	132.2
Personnel (Travel)	275.6
Supplies, Commodities, Equipment & Transport (Transportation)	9.8
Training of Counterparts	167.9
Other Direct Cost	253.0
Other Direct Cost (Cash advance)	20.0
Other Direct Cost (Final Evaluation)	
7% Indirect support cost	134.6
<b>Total UNICEF</b>	<b>749.5</b>
Contract (International)	298.3
Contract (National)	
Personnel	
Supplies, Commodities, Equipment & Transport (Supplies)	34.9
Supplies, Commodities, Equipment & Transport (Equipment)	15.0
Personnel (Travel)	221.9
Supplies, Commodities, Equipment & Transport (Transportation)	
Training of Counterparts	45.9
Other Direct Cost	84.5
Other Direct Cost (Cash advance)	
Other Direct Cost (Final Evaluation)	
7% Indirect support cost	49.0
<b>Total UNDP</b>	<b>1,307.6</b>
Contract (International)	
Contract (National)	441.3
Personnel	152.4

Supplies, Commodities, Equipment & Transport (Supplies)	137.2
Supplies, Commodities, Equipment & Transport (Equipment)	117.2
Personnel (Travel)	53.8
Supplies, Commodities, Equipment & Transport (Transportation)	9.6
Training of Counterparts	122.0
Other Direct Cost	168.5
Other Direct Cost (Cash advance)	20.0
Other Direct Cost (Final Evaluation)	
7% Indirect support cost	85.5

\*Cash advance for JPD preparation.

\*\*Budget for final evaluation of the joint programme to be carried after programme implementation.

\*\*\*Excludes 1% AA fee

	UNDP	UNICEF
1.1 Supplies, commodities, equipment and transport	264	49.9
1.2 Personnel (staff, consultants, travel and training)	206.2	221.9
1.3 Training of counterparts	122	45.9
1.4 Contracts	441.3	298.3
1.5 Other Direct Costs	188.5	84.5
Total Direct Costs	1222	700.5
2.0 UN Agency Indirect Cost (7%)	85.5	49
Grand Total	1307.6	749.5