

FIFTH JOINT COMMISSION SPAIN-PHILIPPINES

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ANNEX I

Spanish and Philippine Delegations for the Fifth Joint Commission, Madrid, November 30th

Spanish Delegation

Mr. Juan Pablo de Laiglesia

General Secretary, AECI

Excellency, Mr. Ignacio Sagaz Temprano

Ambassador of Spain in Manila

Mr. Ricardo Martínez Vázquez

General Director of Cooperation with Africa,
Asia and Eastern Europe, AECI

Mr. José Eugenio Salarich

General Director of Foreign Policy for
Asia and the Pacific, MAEC

Mrs. Cristina Díaz Fernández-Gil

Deputy Director General, Cooperation with
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Directorate General of Cultural
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Mr. José M^a Taberné Abad

General Coordinator of the Technical
Cooperation Office, Manila

Mrs. Carmen De Juana Velasco

Technical Adviser, for Asia, AECI

Philippine Delegation

Sr. Rolando Tungpalan

Executive Deputy Director, NEDA

Excellency Mr. Joseph D. Bernardo

Ambassador of The Republic of The
Philippines in Madrid

Mrs. Evangelina Lourdes M. Arroyo

Director, Strategic Development, FIT-ED

Mr. Joselito A. Jimeno

Director of the European Affairs Office,
DFA

Mr. Marciano De Borja

First Secretary of Embassy of The
Republic of The Philippines

Mrs. Pamela Quizón

First Planning Counsellor, NEDA

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ANNEX II BRIEF ASSESSMENT OF THE FOURTH JOINT COMMISSION

Description of the Fourth Joint Commission Portfolio

The Fourth Joint Commission portfolio (GOP, UN System Agencies and NGO-implemented) involves projects amounting to €40.42 million or **more than** P 2.6 billion (at 2005 exchange rate €1=P65), which illustrates increasing development assistance compared to the 3rd and 2nd JCC with Euro 22.4 million and Euro 15.5 million respectively. The bulk of the assistance was focused on health (32%), education (13%) water & sanitation (8%) rural development and agriculture (8%), and multisectoral (32%). Other sectors assisted include natural resource management, micro-credit and enterprise development, urban development/planning, waste management and renewable energy, culture and the arts, and emergency aid.

In terms of geographical area, assistance was focused in Ilocos Sur, Central Luzon, Metro Manila, and in Mindanao in Zamboanga, Lanao del Norte, Camiguin, Cotabato, Caraga, and Maguindanao.

General Assessment of the Projects under the 4th Joint Commission

Relevance

The sectoral foci of assistance under the 4th Joint Commission, such as health, agriculture and rural development, water supply, and education continue to be appropriate to the development policies of the GOP under its 10-point agenda and the Medium Term Philippine Development Plan (2004-2010).

Effectiveness and Impact

The major outputs of some of the bilateral projects include provision of water to 50,000 people in Vigsan (level 2 and to 1,812 households (level 3) in Camiguin (additional materials were purchased for installation to service additional 2,260 households), 20 units of greenhouses, banana tissue laboratory, research/training center, nurseries/fruit groves, post-harvest facilities, reproductive health services, an eye referral center equipped and operational, and the capacity building activities appropriate for these outputs. These are expected to increase socio-economic development opportunities, enhance productivity, achieve food sufficiency, and improve health service delivery.

Efficiency

There were instances of time extensions and additional cost. The additional expenses were incurred in order to accomplish additional scope. In general, the minor deviations from project design were sufficiently shown to be justified and necessary.

Sustainability

The following are some examples of the measures undertaken by the projects to achieve institutional and financial sustainability of the interventions:

- a. The project equipment, office furniture and fixtures will be transferred without cost to the Provincial Government of Camiguin and Camiguin Integrated Water Service Cooperative (CIWASCO), a newly organized cooperative (duly registered with the Cooperative Development Authority) tasked to manage the operation and maintenance of the water supply system using initial fund from project and its expected revenues. (Spanish Assistance for Integrated Livelihood Program III).
- b. Similarly in Vigan, the installation was transferred to the Metro Vigan Water District
- c. The National Eye Referral Center will be turned over to the Philippine General Hospital (PGH) upon project completion in mid 2006. The center is now partially operational and is manned by PGH doctors, nurses and staff.
- d. The turnover of post-harvest facilities by the Caraga Food Sufficiency Project to the LGUs is governed by MOAs (which also provides for the financial management system to be applied) among the PMO, NEDA Regional Office and the LGU beneficiaries. As to the organizational scheme for the management and operation of the facilities, the Project Steering Committee, after analyzing the advantages and disadvantages of different management schemes, adopted an LGU-operated scheme. Monitoring of the viability and sustainability of the LGU-operated scheme is seen as an important input to the formulation of appropriate scheme for similar project interventions in the future.

Implementation Issues

The following are some issues encountered during the implementation of projects under the 4th Joint Commission:

LGU participation

- Coordination of project implementation between and among LGU offices appeared inadequate. AECI and NRO X were not consulted when the laboratory building design was revised, the inoculation room was not included, and some specifications indicated in bill of materials and designs not met. (Banana Tissue Culture Project)
- FS preparation, plans and compliance with other documentary requirements by the LGUs (i.e. Prosperidad and Jabonga) were delayed due to their lack of capacity/experience to undertake these requirements. Also, the fishport was not implemented because Tandag LGU was not able to provide its counterpart for widening of access road, relocation and reclamation. (Caraga Food Sufficiency Project)

Procurement

- Technical and procedural difficulties on how to translate provisions of procurement law into procedural and documentary output were encountered during bidding processes (except for office supplies) due to lack of experience of PMO and NEDA Regional Office. (Caraga Food Sufficiency Project)

- Greenhouse construction was delayed for 3 months due to failure of bidding (because of necessary transfer of funds from BTr to DBM to DA-RFU 3, and election ban). A rebidding was undertaken to complete the award. (Vegetable and Fruit Production Project)

NEDA Regional Office in Project Implementation

- There have been differences in perception on levels/delineation of authority and responsibilities of the PMO co-managers from NRO management. Also, NRO personnel involved in project implementation experienced conflicting priorities between project concerns and their regular NRO work. (Caraga Food Sufficiency Project)

Causes of Delays

Other causes of delays were natural calamities, problems during construction (e.g. unforeseen additional works, road access, late deliveries of materials), and difficulties of obtaining reports from a project in ARMM.

Lessons Learned

1. Based on the experience of some of the major bilateral projects under the 4th Joint Commission, the following are the lessons learned:
 - a. appropriate social preparation is necessary especially when the beneficiaries are expected to manage the infrastructure or other facilities after project completion,
 - b. consultation and briefing for LGU implementors should be conducted after MOA signing to ensure that they are properly guided on their responsibilities in implementation,
 - c. counterpart requirements, if any, should be made an integral part of the project MOA, and the capacity and willingness to comply with such requirements should be considered in identifying LGU beneficiaries,
 - d. project logical framework should be formulated (in coordination with project implementors) and baseline data be gathered prior to implementation as reference for both monitoring and planning,
 - e. allocation for monitoring and evaluation should be included in the project budget as designed (e.g. part of project management cost or steering committee expenses), and
 - f. there is a need for training on procurement processes and documentation skills across inexperienced LGU implementors.

2. As noted during technical secretariat discussions among NEDA personnel and some AECI staff, the projects under the 4th Joint Commission were rather small scale projects which necessarily did not benefit from the economies of scale derived from implementing large scale projects, such as providing similar technical assistance in like interventions, streamlined lessons learned among project sites, more remarkable impact, simpler and more coherent planning and monitoring, etc.

ANNEX III
LIST OF PROJECTS AND PROGRAMS OF THE FOURTH JOINT COMMISSION FOR COOPERATION

AECI SUBSIDIES IV JOINT COMMISSION (2001/2005)

SECTOR	PROJECT	EXECUTING ENTITY	COUNTERPART	AMOUNT IN EUROS	TOTAL IN EUROS	TOTAL PER SECTOR	PERCENTAGE
AGRICULTURE	Improved agricultural conservation practices using the landcare approach	ICRAF	Department of Agriculture. Provincial Governments	280.264,00	1.671.345,30		
	Support Program to the fruits and vegetables sector of Central Luzon	Department of Agriculture Pampanga Agricultural School	Department of Agriculture. Region III	156.643,88			
	Creation of greenhouses Improvement of fruit trees and nursery installations		Department of Agriculture. Region III	11.895,00			
	Creation of a banana culture laboratory, nursery and training center	Instituto Canario of Scientific Research	NEDA. Lanao del Norte	203.864,42			
	Improvement of Banana culture in Lanao del Norte	Municipality of Tubod	NEDA. Lanao del Norte	318.678,00			
	Support Program to agriculture, the environment and the social sector Region V - Bicol	Municipalities	NEDA. Bicol	700.000,00			
	Integral strengthening of the underprivileged rural population sectors	Caritas (NGO)	NASSA	897.520,52	1.383.549,51		
	Diversification of income-generating activities and agricultural productivity of rural families rurales of scant resources in the Municipality of Tubod, Lanao del Norte	Fundación CODESPA	Mindanao Cooperative for Trade & Industry (MCTI)	€ 235.988,55			
	Farming and livestock productivity and credit support for communities of the San Carlos High Plateau (Negros Occidental)	Fundación CODESPA	Julio & Florentina Ledesma Foundation	250.040,44			
					TOTAL	3.054.894,81	7,6%
BANKING AND FINANCIAL SERVICES	Expansion and improvement of the microcredit projects of APPEND	CODESPA (NGO)	APPEND	97.077,00	97.077,00		
					TOTAL	97.077,00	0,2%
CORPORATIONS AND OTHER SERVICES	Establishment of a model program of business development services for the Philippines-Phase II	Fundación CODESPA		€ 348.756,21			
					TOTAL	348.756,21	0,9%
EDUCATION	Project for training of marginal families of Tramo Pasig in the Makabata School.	Makabata School Foundation	Makabata School Foundation	59.269,00			
					1 144 972 33		

	Construction and rehabilitation of Schools in Quezon Province	Department of Public Works and Highways	Department of Education	€ 117.382,33	1.177.212,99		
	Support to the Ministry of Education for the increase in the quality of education through capacity building and rehabilitation of classrooms in Aurora, Quezon, Iloilo y Zamboanga	Department of Public Works and Highways	Department of Education	€ 968.321,00			
	Computer center in the muslim community of Taguig.	CODESPA (NGO)	MVIF	€ 494.022,24	3.035.333,73		
	Professional Training Project	Caritas (NGO)		€ 267.450,39			
	Improvement and expansion of infrastructure in the educational Center "Claret High School" of Zamboanga	FERE (NGO)	PP.Claretian Missionaries	€ 300.000,00			
	Electronic education for professional technical training centers of Visayas and Mindanao	CODESPA (NGO)	CITE	€ 122.397,00			
	Computer Education and expansion of the Holy Family Home for street girls of Manila.	CODESPA (NGO)	HTCSF	€ 39.622,00			
	Different professional training projects	CODESPA (NGO)		€ 916.000,00			
	Access to education and improvement in the quality of education in schools of the Peninsula of Zamboanga	Fundación Humanismo Y Democracia		€ 895.842,10			
	Scholarships	AECI	NEDA	€ 785.797,99		1.125.204,05	
	Language professor Posts	AECI	NEDA	€ 339.406,06			
					TOTAL	5.305.510,11	13,1%
EMERGENCY ASSISTANCE	Assistance, skills development and financial assistance to the flood victims of the Hubangon Elementary School	Religious Sisters of Charity	Camiguin	€ 2.479,72	2.479,72		
	Emergency assistance to the victims of Typhoon Nanang (Camiguin)	AECI	Provincial Government of Camiguin	€ 324.546,54	924.546,54		
	Emergency assistance to alleviate the effects of typhoons and floods	Philippine Red Cross (NGO)		€ 300.000,00			
	Emergency assistance	Philippine Red Cross (NGO)		€ 300.000,00			
					TOTAL	927.026,26	2,3%
ENERGY GENERATION AND SUPPLY	Seminar on decentralized systems with renewable energy	FIIAP/CIEMAT	Government of the Philippines	€ 23.962,46	23.962,46		
					TOTAL	23.962,46	0,1%
ENVIRONMENT	Consultancy for identification of Projects			€ 13.094,00	13.094,00		
					TOTAL	13.094,00	0,0%
FISHING	Advanced Seminar on Aquaculture (4 participants)	Board of Andalucia		€ 22.937,00			
	Scientific bases for the development of aquaculture	CSIC	CSIC	€ 20.494,51			

	Promotion of sustainable management of marine resources of Baler, Province of Aurora. Phase I	Fundesdo (NGO)	Aurora State College of Technology (ASCOT)	€ 225.000,16	780.469,67		
	Promotion of sustainable management of marine resources of Baler, Province of Aurora. Phase II	Fundesdo (NGO)	Aurora State College of Technology (ASCOT)	€ 310.000,00			
	Training for sustainable development of fishing activity in the Municipalities of Vigan and Cagayan	Accion Contra el Hambre (NGO)	MFARMC	€ 202.038,00			
	Training of the fish farming community of the Municipality of Vigan for a sustainable development of its activity	Accion Contra el Hambre (NGO)	MFARMC	€ 232.850,12		€ 232.850,12	
					TOTAL	1.013.319,79	2,5%
FOOD SUFFICIENCY	Food sufficiency program of Caraga	Neda. Caraga Region	NEDA	€ 1.808.599,95	2.448.751,95		
	Support to the decentralized systems of seed production of forest trees and community management of the land. Visayas y Mindanao	ICRAF	ICRAF	€ 640.152,00			
	Food Sufficiency Program in Caraga (Surigao del Sur)	Accion Contra el Hambre		€ 300.000,00	300.000,00		
					TOTAL	2.748.751,95	6,8%
GOVERNMENT AND CIVIL SOCIETY	Strengthening of Philippine labor unions through education and organization of workers	ISCOD (NGO)	LEARN	€ 293.086,88	293.086,88		
	Support program for peace in Mindanao. "Community Business Development Project in the non-agricultural sector"	UNDP	TESDA	€ 601.012,10	801.012,10		
	"Act for Peace" Program in Mindanao	MEDCO	UNDP	€ 200.000,00			
					TOTAL	1.094.098,98	2,7%
HEALTH	Construction and creation of the Ophthalmological center of reference	Filipinas Eye Center Foundation	PGH	€ 6.285.982,61	6.392.721,01		
	Advanced Seminar on the management of financial institutions	Health Foundation and International Cooperation Carlos III	Gobierno de Filipinas	€ 27.470,40			
	Strengthening of the National Program of the Fight Against Tuberculosis	Medicos del Mundo (NGO)	Asociacion Filipina contra la tuberculosis	€ 79.268,00			
	Improvement of Primary Health Care in Caraga.	Anesvad (NGO)	Fundacion Culion	€ 1.227.923,60	6.569.432,98		
	Community Health Program in Agusan del Sur and Surigao del Sur, Caraga.	Spanish Red Cross (NGO)	Cruz Roja Filipina	€ 1.923.193,26			
	The fight against tuberculosis. Support to the control of tuberculosis in the Islands of Luzon and Mindanao	Medicos del Mundo (NGO)	Philippine Tuberculosis Society	€ 1.155.296,78			
	Expansion of the nursing school Fray Juan Clemente Holistic Health Center with four new specializations.	FERS (NGO)	Daughters of Charity of Saint Vincent de Paul	€ 316.998,03			

	Improvement of health services through the professional training of the Filipino youth	FERS (NGO)	Daughters of Charity of Saint Vincent de Paul	€ 369.326,97		
	Improvement of primary health care in Caraga.	Anesvad (NGO)	Culion Foundation	€ 1.193.354,80		
	Strengthening community capacities in primary health care and the management of disasters in Siruma y Balatan, Camarines Sur	Cruz Roja Española		€ 383.339,54		
					TOTAL	12.962.153,99 32,1%
INDUSTRY						
	Advanced Seminar for the promotion of the small and medium enterprise (4 participants)	ICEX/CECO	Government of the Philippines	€ 20.338,00	20.338,00	
					TOTAL	20.338,00 0,1%
OTHER SOCIAL SERVICES AND INFRASTRUCTURE						
	Modernization of the National Archives	Tavera Historical Foundation	National Archives	€ 108.182,18	108.182,18	
	Housing and basic services to displaced families in Zamboanga	Manos Unidas Comité Católico De La Campaña Contra El Hambre En El Mundo		€ 793.624,79	793.624,79	
	European congress of Philippine studies	University of Alcalá de Henares		€ 61.092,88	334.600,67	
	University of Vigo- Dissemination of Chabacano			€ 3.906,58		
	Geographical and Cultural Historical Dictionary of the Philippines and the Spanish Pacific	Fundacion Carolina		€ 100.000,00		
	Program of cultural activities	OTC Manila		€ 169.601,21		
	Global alliance for cultural diversity microproject Philippines: creative Asia-Pacific communities	UNESCO		€ 50.000,00	50.000,00	
					TOTAL	1.286.407,64 3,2%
OTHER MULTISECTORALS						
	Implementation of the Vigan Master Plan through the strengthening of the Planning and Development Office	Vigan Master Plan Unit	Municipality of Vigan	€ 192.323,87	2.774.710,08	
	Cooperation funds/cooperation micro-actions	TCO		€ 254.686,21		
	Poder y Prosperidad de la comunidad (Phase I and II)	DSWD	Government of the Philippines	€ 2.327.700,00		
	Demonstration of a model of integral sustainable rural development in the selected settlements of Camiguin, Cotabato and Siargao	IPADE (NGO)	PRRM/ Convergence	€ 1.093.694,15		

Social and economic development of Displaced Families of the Province of Pampanga promoting Community Organization and Self-Management	Manos Unidas (NGO)	SACOP	€ 300.000,00	3.700.430,76			
Improvement in the quality of life of farmers of Northern Mindanao	INTERED (NGO)	Fundacion Milamdec	€ 300.000,00				
Consolidation of community organization and promotion of cooperatives in Zamboanga	Manos Unidas (NGO)	Katiling han para Sa Kalambuan	€ 204.107,00				
Integral Development of Indigenous Communities of Northern Mindanao	INTERED (NGO)	PHILDHRRRA	€ 491.914,99				
Improved ecological, economic and social participation potential, of the farmer communities of the third district of Davao	Fundación Intered		€ 791.164,54				
Improved living conditions of farmers in the municipalities of Tagbina and Hinatuan through support to a sustainable development of agroforestry resources. Surigao del Sur, Caraga	Instituto De Promoción Y Apoyo Al Desarrollo (Ipade)		€ 309.439,84				
Improved sustainable community productive systems in barangays of the Caraga region.	Instituto De Promoción Y Apoyo Al Desarrollo (Ipade)		€ 210.110,24				
JPO Program	UNDP/UNFPA		830742,84	1.457.459,52			
UNV Program	UNDP	TESDA	391516,68				
EU Program		EU in Manila	235200				
				TOTAL	7.932.600,36	19,6%	
WATER SUPPLY	SAIL III	Provincial Government of Cabaiguin	Provincial Government of Cabaiguin	€ 2.003.134,46	2.199.991,41		
	Integrated solid waste management system	Vigan Master Plan Unit	Municipality of Vigan	€ 170.048,00			
	Advanced seminar on Planning of Urban waste (4 participants)	TECNIBERIA	Government of the Philippines	€ 26.808,95			
	Potable water supply to the outlying barangays of the Municipality of Vigan. Phase II	Fundacion Humanismo y Democracia (NGO)	PBSP	€ 528.472,05	1.028.472,05		
	Potable water supply to the outlying barangays of the Municipality of Vigan. Phase III	Fundacion Humanismo y Democracia (NGO)	PBSP	€ 500.000,00			
				TOTAL	3.228.463,46	8,0%	
ADMINISTRATIVE COSTS	Technical Assistance		€ 363.276,61	€ 363.276,61			
				TOTAL	363.276,61	0,9%	
				TOTAL	40.419.731,63	100,0%	

40.419.731,64

83.023,02

177.483,54

-94.460,52

ANNEX IV

KEY DEVELOPMENT PARTNERS OF THE SPANISH-PHILIPPINE COOPERATION

SPANISH ENTITIES

1. Ministry of Foreign Affairs and Cooperation

The **Ministry of Foreign Affairs and Cooperation (MAEC)** is in charge of the policies of international cooperation for development and the coordination of Government Administration agencies that implement activities in this area. Within the Ministry, **the State Division on International Cooperation (SDIC)** has authority over the department, formulation and implementation of cooperation policies for development; in its planning and coordination; administers the funds managed by the Ministry of Foreign Affairs and Cooperation, assures Spanish participation in international aid and development organizations and defines the position of Spain in the European Union's (EU) development policies. Attached to the Ministry of Foreign Affairs and Cooperation through SDIC is the **Agencia Española de Cooperación Internacional (AECD)**, an Autonomous Organization that manages Spanish cooperation policies. Aside from its Main Office, AECI has a network of Technical Cooperation Offices (TCO), Cultural Centers and Training Centers in various countries.

2. Other Ministries of the Central Government

There are many Ministries of the Central Government that implement cooperation activities in the Republic of the Philippines in collaboration with AECI. For the period 2005-2008, the following are mentioned:

- **Ministry of Finance:** Through the **Official Credit Institute**, financing microfinance projects.
- **Ministry of Education and Science:** Offers its consultancy and co-finances projects related to the sector.
- **Ministry of Labor and Social Affairs:** Through its experts, offers technical assistance to the Institutional Strengthening Projects. Also dependent on this Ministry are the **Women's and Youth's Institutions**, through which the Technical Cooperation Offices (TCO) receive scholars annually for their training programs in matters of development cooperation.
- **Ministry of Culture:** Supports the activities of the cultural and scholarship intervention programs.
- **Ministry of Industry, Tourism and Trade:** Negotiation and eventual management of funds from Official Development Assistance (ODA), as well as donations from the line of Viability Studies Funds.
- **Other Ministries and Public Organizations:** They actively cooperate in the international cooperation programs, as shown in the different sections of this document.

3. Autonomous Communities and Local Entities

The Spanish Delegation reports that the autonomous communities and local entities constitute an additional source of financing of Spanish Cooperation overseas. They are basically involved through funding of non-government projects which are approved in their respective annual call for applications, sometimes in co-financing with the AECI.

The Philippine Delegation was especially grateful to the support and solidarity of the Autonomous Communities as main Spanish decentralized (regional) governments that provided non-reimbursable funds to the country in the years 2001-2004. Both Parties indicated the support for alleviation measures in times of natural disasters as being very positive, which they will try to further during this Joint Commission period to other Spanish Autonomous and Local Governments.

4. Non-Government Organizations

The Spanish Delegation reported that the Spanish non-government Organizations are exceptionally significant players in the management of Spanish Cooperation projects in the Republic of the Philippines. Their interventions usually focus directly on the fight against poverty and in most cases involve joint work with Philippine counterparts. In specific fields such as health and education, it is important to point out their direct or very close collaboration with Philippine Government Institutions.

Both Delegations agreed to establish periodic meetings between the corresponding agencies to respond to and establish mechanisms that facilitate these processes.

Both Delegations highlighted the importance of the NGO's projects' adherence to the priorities expressed by the Philippine government in its Medium Term Philippine Development Plan (MTPDP) for strengthening the public educational and health systems. The Spanish Delegation committed to consider the aforementioned government priorities in the assessment of projects presented by the NGOs for financing by the AECI.

5. Companies and Business Organizations

The Spanish Delegation reported that, during the period of this Joint Commission, the application of policies and regulations on social corporate responsibility by Spanish companies will be promoted in their actions of cooperation in the Republic of the Philippines.

6. Spanish Personnel in the Projects

Both Delegations agreed in their positive evaluation of the Spanish experts to implement the projects, which generate positive synergies in the respective teams, and a significant exchange of professional and personal experiences.

PHILIPPINE ENTITIES

1. Department of Foreign Affairs (DFA)

The DFA is responsible for the pursuance of Philippine foreign policy. It is mandated to advise and assist the President in planning, organization, directing, coordinating and evaluating the total national effort in the field of foreign relations.

2. National Economic and Development Authority (NEDA)

NEDA is responsible for coordinating the formulation of continuing and integrated socio-economic development plans, policies and programs, including the formulation of the MTPIP, the programming of ODA in the form of grants and concessional loans from foreign governments and multilateral agencies and organizations, and the monitoring and evaluation of plan implementation. The ODA Act of 1996 also requires NEDA to, among others, monitor and assess ODA-funded projects. As such, it is the agency primarily involve in the negotiations, consultations and coordination with ODA donors regarding the ODA.

3. Department of Budget and Management (DBM)

The DBM is responsible for the formulation and implementation of the National Budget with the goal of attaining national socio-economic plans and objectives. It is mandated to ensure efficient and sound utilization of government funds and revenues to effectively achieve the country's development objectives.

4. Department of Finance (DoF)

The DoF is tasked to (i) formulate, institutionalize and administer fiscal policies in coordination with other concerned subdivisions, agencies and instrumentalities of the government; (ii) provide general management of the financial resources of government; (iii) supervise the revenue operations of all local government units (LGUs); (iv) review, approve and manage all public sector debt, domestic or foreign; and (v) rationalize, privatize and ensure public accountability of corporations and assets owned, controlled or acquired by the government.

Attached agencies to this Department are the **Bureau of Internal Revenue (BIR)** and the **Bureau of Customs (BOC)**, which are major revenue-collection agencies of the Philippine Government. BIR is responsible for, among others, the assessment and collection of all national internal revenue taxes, fees and charges while BOC is mandated to, among others, collect lawful revenues and enforce tariff and customs laws as well as control import and export cargoes.

5. Other Philippine Government Agencies

Other Philippine Government agencies involved and relevant in the eligible sectors defined in the present Joint Commission may be local counterparts in development projects. They may be beneficiaries and/or executing bodies of the various programs and projects that may be identified and approved for funding under the Joint Commission. This may include, among others, the partners of some of the ongoing projects such as the Department of Agriculture (DA), the Department of Social Welfare and Development (DSWD) and the Department of Education (DepEd).

6. Local Government Units (LGUs)

These consist of the municipalities, cities and provinces, which would play a crucial role in the implementation of the development projects and programs in the country. In the previous Joint Commission, LGUs have been among the beneficiaries and local partners of Spanish technical assistance.

7. Non-government Organizations (NGOs)

These are non-profit domestic corporation organized and operated exclusively for scientific, research, educational, character-building and youth and sports development, health, social welfare, cultural or charitable purposes, or a combination thereof, no part of the net income of which inures to the benefit of any private individual. Philippine NGOs have an increasing role in the Philippine society and have been relevant partners of the Spanish NGOs in implementing projects and programs financed by the Spanish Government.

ANNEX V

LIST OF SPANISH NON-GOVERNMENT ORGANIZATIONS (NGOs) INVOLVED IN COOPERATION ACTIVITIES IN THE PHILIPPINES

The presence of Spanish Non-government organizations (NGOs) in the Philippines is still limited. This is due to different reasons: lack of historical tradition of work in Asia, language barrier, distant geographical location or lack of familiarity with Asia. Even so, the NGOs have played a fundamental role as development players in the country and as such this is reflected in the increase in the budget assigned to NGOs in 2005.

We include information on the Spanish NGOs that are currently working in the Philippines during the period of the IV Joint Commission as well as the title of the Project they have been working in and the call for applications wherein the project began. Also included are the religious foundations and organizations that have obtained financing through the Open and Continuous Call for Applications¹.

The list of organizations has been organized in accordance with the sectors they are dedicated to.

FISHING:

1) **ACCION CONTRA EL HAMBRE (ACTION AGAINST HUNGER):**

- 2001: PROYECTO Training of the fish-farming community of the Municipality of Vigan for a sustainable development of their activity.
- 2003: PROYECTO. Training for the sustainable development of fishing activity in the municipalities of Vigan and Cagayan.

2) **FUNDESO – Fundación de Desarrollo Sostenible (Sustainable Development Foundation)**

- 2003 PROYECTO. Promotion of the sustainable management of marine resources in Baler, Province of Aurora. Phase I
- 2004 PROYECTO. Promotion of the sustainable management of marine resources in Baler, Province of Aurora.

¹ Some NGOs have also obtained funding for their projects, in very specific cases, through the Open and Continuous Call for Applications. This is the case of Médicos del Mundo for the 2004 Project, Acción Contra el Hambre for the 2003 Project, and Fundeso for the 2003 and 2004 Projects.

AGRICULTURE:

1) CARITAS

- 2001: STRATEGY. Integral strengthening of the underprivileged rural sectors.

MULTISECTORAL:

1) CODESPA – Fundación de Cooperación al Desarrollo y Promoción de Actividades Asistenciales

(Foundation for Development Cooperation and Assistance Activities)

- 2001 STRATEGY. Contribute to the generation of employment in the developing countries, while strengthening local institutions.

2) INTERED

- 2002 PROJECT. Improvement in the living conditions of farmers in Mindanao del Norte
- 2004 PROJECT. Integral development of Indigenous Communities of Mindanao del Norte

3) IPADE – Instituto de Promoción y Apoyo al Desarrollo (Institute for Development Promotion and Assistance)

- 2001 PROGRAM. Sustainable rural development in Caraga, Mindanao

4) MANOS UNIDAS

- 2002 PROJECT. Social and economic development for displaced families of the province of Pampanga by promoting community organization and self-management.
- 2003 PROJECT. Consolidation of community organization and promotion of the cooperative movement in Zamboanga.

EDUCATION:

1) FEDERACION ESPAÑOLA DE RELIGIOSOS DE LA ENSEÑANZA (FERE) – Spanish Federation of the Religious in Education

- 2002 PROJECT. Improvement and expansion of infrastructure in the educational center “Claret High School” in Zamboanga

2) **MAKABATA FOUNDATION**

- 2003 PROJECT. Training of poor families of Tramo, Pasig in the Makabata School

HEALTH:

1) **FEDERACION ESPAÑOLA DE RELIGIOSOS SOCIO-SANITARIOS (FERS)** – Spanish

Federation of the Religious in the Social Health Field

- 2003 PROJECT. Expansion of the nursing school “Fray Juan Clemente Holistic Health Center” with four new specializations.
- 2004 PROJECT. Improvement of health services through professional training of the Filipino youth.

2) **ANESVAD**

- 2001: PROGRAM. Improved Primary Health Care in Caraga.
- 2004: PROGRAM. Improved primary health care in underprivileged areas of Southern Philippines, Phase II

3) **SPANISH RED CROSS**

- 2001 STRATEGY. Primary Health Care in the province of Eastern Samar

4) **MEDICOS DEL MUNDO** (Doctors of the World)

- 2001 PROGRAM. Fight against tuberculosis. Support to the control of tuberculosis in the islands of Luzón and Mindanao.
- 2004 PROJECT. Fight against tuberculosis. Support to the control of tuberculosis in the islands of Luzón and Mindanao.

WATER SUPPLY:

1) **FUNDACION HUMANISMO Y DEMOCRACIA** – (Humanism and Democracy Foundation)

- 2001 PROJECT. Potable water supply for the outlying barangays of the Municipality of Vigan. Phase II.
- 2003 PROJECT. Potable water supply for the outlying barangays of the Municipality of Vigan. Phase III.

EMERGENCY ASSISTANCE:

1) **HERMANAS RELIGIOSAS DE LA CARIDAD** (Religious Sisters of Charity)

- 2003 Assistance, skills development and financial assistance to the flood victims of the Hubangon Elementary School (Camiguin)

GOVERNMENT AND CIVIL SOCIETY:

1) **INSTITUTO SINDICAL DE COOPERACION AL DESARROLLO (ISCOD)** – Trade Union

Institution for Development Cooperation.

- 2001 PROGRAM. Strengthening of the Philippine trade unions through education and organization of workers.

ANNEX VI

GENERAL GUIDELINES AND PROCEDURES FOR THE IMPLEMENTATION OF THE FIFTH JOINT COMMISSION

SUBMISSION AND APPROVAL OF PROPOSALS

1. Proposals from National Government Agencies and Local Government Units (LGUs)

New Submissions

The National Economic and Development Authority (NEDA) and Agencia Española de Cooperación Internacional (AECI) will have a joint preliminary review of any proposals initially submitted to NEDA and/or AECI. In cases where the proposal is submitted to only one of the parties, either NEDA or AECI, the receiving party will furnish the other party a copy of the proposal. Upon receipt of the project documents and proponent's formal endorsement of the proposal to NEDA for review and funding consideration, the NEDA Secretariat will evaluate the proposal and provide initial comments in two weeks. Initial results of AECI's preliminary review may also be considered by the NEDA Secretariat in its review.

For projects that fall under the Investment Coordination Committee (ICC) threshold of Php 500 million, a NEDA Secretariat favourable review would have to be secured prior to NEDA's formal project endorsement to the Spanish Embassy, copy furnished the Department of Foreign Affairs (DFA). Meanwhile, projects that reach the ICC threshold would have to be presented to the ICC for approval prior to its formal endorsement to the Spanish Embassy. The NEDA endorsement would also constitute the Philippine Government's confirmation of the proposal's inclusion in the rolling pipeline. Following said endorsement, AECI may further assist in the development/improvement of the proposal.

The AECI shall notify the beneficiary of the subsidy in writing of the conditions established in the Resolution of Concession of the Subsidy, which stipulates the recipient's obligation to use the funds exclusively for the project. The AECI will await the written agreement accepting the conditions mentioned in said resolution. Furthermore, the beneficiary will send the banking details of the project in able to proceed with the transfer and the start of the project. The approval and issuance of grant funds for implementation shall be officially declared in the Memorandum of Agreement (MOA) to be signed between the AECI and the proponent Agency.

Upon the approval of the proposal by both governments of the Philippines and Spain, the financial assistance for the project from the Spanish shall be turned over to the Philippine counterpart agency upon the signing of a Memorandum of Agreement (MOA). Said MOA binds the involved parties to adhere to the economic and financial conditions, objectives and activities of the particular program. The total amount of the funds, which will be turned-over in the form of a check, shall be deposited in a special account under the project's name, using the same currency as indicated in the check. A special Peso account under the project's name would also be opened.

As soon as the grant agreement has been signed by AECI and the appropriate Philippine government agency, copies of all relevant project documents including MOA and the final version of the project proposal, as well as official confirmation of the Spanish government's support for the project, shall be forwarded to the Public Investment Staff of NEDA.

Ongoing Projects

Should there be a proposal to modify, extend and/or expand any of the bilateral projects in the ongoing portfolio, an appropriate request should be made by the proponent agency to NEDA for review and approval. Subject to a favourable evaluation of the NEDA Secretariat, NEDA will subsequently endorse the modification, extension and/or expansion of the project to the Spanish Embassy copy furnish DFA. Only upon the approval of AECI can the revisions be made

2. Proposals of Philippine Non-Government Organizations (NGOs)

The proposals shall be identified and prepared jointly with a Spanish NGO with whom prior contact and partnership must have been established. Should the proposal be approved, the Spanish NGO and the AECI shall sign an agreement defining the terms and conditions for project implementation.

Upon the completion of the approval process, the financial assistance is channelled through the co-funding program of the AECI with the Spanish NGOs partnering with Philippine NGOs. The funds are transferred directly to the Spanish NGO in Spain for the project's implementation in the Philippines. Thereafter, the necessary agreements are finalized and undertaken between the Spanish and Philippine NGOs, in compliance with the requirements of the co-funding program, where both shall agree to submit a progress report of the project and periodic reports to the AECI headquarters in Madrid.

COUNTERPART FUNDING FROM THE PHILIPPINE GOVERNMENT

Any Philippine government entity, which has proposed a project for Spanish government's financing assistance under this Joint Commission, is expected to provide a minimum counterpart contribution of 15% of the total cost of the project. Given the budget constraint confronting the Philippine government, the counterpart may be in the form of logistics, equipment, office personnel and facilities that would be necessary for the project implementation.

The recipient of the grant shall acknowledge the source of the contribution from AECI and shall display, in a visible manner, the coat of arms of Spain and the logo of AECI on the project, in any document and presentation of the project or program.

MONITORING OF THE PROJECTS AND PROGRAMS

The NEDA, as an oversight agency, would not only review and endorse the projects proposed by any government entity for AECI assistance but would also be responsible in monitoring the bilateral projects in the pipeline and ongoing portfolio. AECI, on the other hand, monitors the projects and programs (PAPs) undertaken by NGOs.

Meanwhile, to facilitate the monitoring of ongoing bilateral projects, the following items should be closely observed:

- i. The implementing agency has the responsibility to furnish NEDA a copy of the signed Memorandum of Agreement (MOA), final version of the project proposals and other pertinent documents.
- ii. Each implementing agency should submit to NEDA a logical framework with the corresponding output and outcome indicators.
- iii. Each implementing agency should provide NEDA (i.e. Project Monitoring Staff and the appropriate NRO) with semestral report, apart from the annual progress report.
- iv. Furthermore, NEDA shall also have a copy of all communications on the Project.
- v. NEDA will be invited to form part of the Project Steering Committee, through its Regional Offices, its Project Management Staff or through appropriate sectoral personnel.

On the other hand, NEDA and DFA should be formally informed by AECI once an NGO-proposed and -implemented project has been approved. Furthermore, AECI should also furnish NEDA and DFA with a list of NGO projects.

Meanwhile, in order to facilitate the pipeline as well as ongoing projects, NEDA and AECI should meet bi-annually to discuss, among others, the concerns and updates on the ongoing projects and the status of the rolling pipeline.

FINANCIAL GUIDELINES AND MANAGEMENT OF FUNDS FOR BILATERAL COOPERATION

Consistent with the standard provisions of the *Resolution of Grant Concession*, following are the general guidelines that would have to be observed in the implementation of projects under the bilateral cooperation:

Acceptance of Grant

The beneficiary of the grant fund under the bilateral cooperation will communicate in writing to AECI the acceptance of the grant and terms and conditions established in the Resolution of Grant Concession, which stipulates the obligation of the recipient to utilize the funds exclusively for the project.

Deposit and Delivery Conditions

The total funds granted by the AECI, along with the expected interests earned from existing balances, shall be deposited in a specific project account, maintaining the currency of check or of the transfer, either in Euros or in Dollars, under the project's name in which representatives from the AECI/Embassy of Spain in the Philippines and the Philippine counterpart are required to act as joint signatories in the said account. A peso current account shall be necessary, under the project's name, to allow and undertake transactions in this currency.

The availment of funds can only be made upon the presentation of the documents of collection payments through order of transfer or issuance of nominative bank checks, which should contain the Philippine counterpart signature, as well as, the authorization of the AECI General Coordinator.

Management of the Subsidy Funds

The use of project grant funds in the Philippines shall follow the rules and regulations established by the Philippine Government with exceptions in special cases as may be agreed upon by both Parties. All of these should be specified and stipulated within the project document and Resolution of Grant Concession, both of which form part of the Memorandum of Agreement (MOU) between the governments of the Philippines and Spain on any particular project.

The use of the grant and its justification to the Government of Spain, through the AECI, shall follow the norms established by the latter in strict compliance with the Bureau of Audit and the General Budgetary Law of the Government of Spain.

The fund shall be managed jointly by AECI and the implementing agency, according to the budget line approved in the MOA. The interests earned from such deposit shall be required to revert back to the account for the project's use. The use of incurred interest from the account, however, shall be subject to a plan and budget approved by the Project Board and AECI as well as the same norms of control and justification established for the grant's principal.

As indicated in the Resolution, the recipient shall refund the unused amount, due either to over estimation or unimplemented activities. Furthermore, it should reimburse to AECI the grant amount and the interest not invested in the financing objective procedures.

Obligations of Philippine Counterpart

The Philippine counterpart shall be accountable to AECI for the use of the funds received and shall provide progress reports and a final executive summary report at the end of the project, following the standard forms provided by the AECI. The implementing agency shall furnish a progress report and financial statement every six months presenting original or certified true copy of receipts, an expense summary and the accomplishments obtained based on the agreed program. The counterpart shall also present a detailed financial statement, including supporting documents such as: amount received, foreign exchange rate when funds were converted to Pesos, official receipts issued to the project only arranged in chronological order, and the bank statements (original or certified true copy by the Spanish consulate or AECI in Manila) from the opening date until the closing date, to allow the monitoring of transactions. In addition to the bank statements, the original negotiated checks or certified true copy by the Spanish Consulate or AECI, Manila, of the account must be attached to the bank statement.

The beneficiary shall facilitate the information required by the Bureau of Auditing to comply with the obligations stated in Article 81.4 of the Spanish General Budgetary Law and its development norms.

The Philippine counterpart should also highlight AECI's contribution, through its logo, in the execution of projects and programs as well as on documents and activities in which publicity and dissemination is covered by AECI.

Announcement

The concession of the grant indicating the Philippine counterpart, the amount, purpose and grant application shall be published in the "Official State Gazzette".