

**Philippines**

**Provincial Road Management Facility**

**(PRMF)**

Facility Design Document

List of Annexes  
and  
Annexes 1, 2, 7 and 9

**November 2008**

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## Annex 1 List of Persons Consulted

### SPRMP - PRMF List of People Consulted per Province

Office/Province	Name	Designation	Contact Details
<b>AGUSAN DEL SUR</b>	Adelaida Padilla (Engr)		
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	Jesusimo L. Ronquillo	Provincial Administrator	
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	Leo Limbo	Director, Limbo Construction	
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	Marilu Tan	Secretary, Petrina Grocers	
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Office/Province	Name	Designation	Contact Details
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	Raymundo Lao	Provl Budget Officer	
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Office/Province	Name	Designation	Contact Details
<b>OTHER AGENCIES</b>			
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## **Annex 2 Summary of Other Donor Projects**

This annex summarises the lessons learned from other AusAID projects which have been incorporated into this project. It also provides a brief outline of the other linked projects which will have some bearing on the implementation of the PRMF.

The table that follows provides a more complete summary of the projects referenced in the lessons learned analysis.

### **1.1 Lessons Learned**

1. In developing the PRMF strategy the design team drew upon field experience and the lessons of other donor projects in relation to a range of implementation, technical and capacity building issues.

#### **1.1.1 Implementation**

##### **1.1.1.1 Lessons**

- i. Flexibility in project design is essential. In order to disburse funds for infrastructure in a more effective manner, it may be necessary during the course of the project to change scope, sub-project focus or LGUs being supported.
- ii. Projects must build into the design the 3 year terms of local governments and take into account the political risks of changes in local administration through an insistence on longer term commitments. Advocacy is needed to ensure project sustainability.
- iii. Overly complex project approval processes based on systems outside the regular government processes can result in significant implementation delays.
- iv. The need to consistently apply a conflict-sensitive approach during implementation, especially when creating new capital assets and growth opportunities which may generate conflict through increased competition over resources.
- v. In order to sustain growth based upon the development of natural resources, explicit measures to ensure environmental sustainability will be necessary.

##### **1.1.1.2 Impact on Design**

2. The design of the facility is initially targeted at five years. The IMG notes that the institutional reforms advocated may take considerably longer. Clearly the project will evolve over time and the role of the FMC is to annually assess how the project is proceeding and adjust the approach to best continue to address the overall objectives. The project design includes ongoing independent monitoring which will serve to assess how well the design is serving the needs of the provinces and the objectives of the facility on a six monthly basis. The report of the independent monitor will address both facility delivery issues as well as facility design issues.

3. The selection of target roads for each annual program is based on the assessment criteria matrix used by the DILG and required of the provinces. Other standard GoP procedures such as contracting and design are built into the facility.

4. Commitment of the Governors to the MOI principles is essential. But the sustainability of the recommended changes must be evaluated on the basis of the actual achievements rather than the personalities involved.

### **1.1.2 Technical Issues**

#### **1.1.2.1 Lessons**

- i. Anticipate and prepare Environmental Compliance Certificate requirements which can take considerable time to obtain and impact on the project program. If the proposed sites of the project are risky, alternatives should be considered.
- ii. Ensure feasibility studies and engineering designs are reviewed to avoid costly redesign and retrofitting requirements.

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#### **1.1.2.2 Impact on Design**

5. The design includes a Programmatic Initial Environmental Examination (IEE) that will provide a compliance certificate for all 41 provinces. This can be done by specifying sensitive or no go areas which the projects will avoid and the further requirement that individual provincial Environmental Management Plans will be prepared by the MC in close cooperation with the individual provinces. This will allow for subsequent implementation to new provinces without again opening the issue of environmental clearance.

6. A national local engineering consultant is being used to develop the designs and costing for the first 10 provinces to ensure independence and quality. and the Operations Manual will include specification of the use of the GoP road design guidelines to ensure environmentally sensitive design. This management of the design and costing of works for subsequent provinces as they are added to the facility and for subsequent annual works programs will be the responsibility of the FMC. Once the standards have been set by the national consultant for design and supervision, local provincially based design engineers may be used for subsequent works programs.

### **1.1.3 Provincial Administration/Institutional Capacity Building Issues**

#### **1.1.3.1 Lessons**

- i. Institutional capacity building interventions are most effective when building on existing structures and practices in order to institute new approaches and processes which contribute to the organization's objectives. Learning-by-doing and peer-to-peer exposure methodologies are particularly effective with government units such as LGUs.
- ii. Any institutional change is a long term process and needs careful design, preparation and long- term commitment by the government and the donor.
- iii. Both executive and political/senior leadership of organizations such as LGUs must be involved in the design stage of capacity development interventions to ensure maximum ownership of the objectives and sustainability in the results being pursued.
- iv. Well defined and constructive partnership between national government agencies and local governments is the key to effective devolution.
- v. The inputs of government agencies should be complemented by engagement of those groups impacted by the project (communities, businesses) and those with an active interest in sustainable development and governance.

- vi. Using regular government personnel for governance functions, instead of contracted personnel provides for greater institutionalisation of project initiatives.
- vii. The need for a tight thematic focus in capacity building approaches with LGUs to ensure the impacts are concrete and tangible.

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#### **1.1.3.2 Impact on Design**

7. The PRMF commits to working with provincial government through existing institutions and management systems. However, the PRMF will first review the efficiency and effectiveness of the institutions and systems and where appropriate make recommendations for institutional reform and capacity building in accordance with its mandate.

8. The IMG plans to utilize the province of Bukidnon as a demonstration province to highlight issues associated with road sector planning and contracting out.

Financing Issues

#### **1.1.3.3 Lessons**

- i. It is often more effective to use development banks rather than government agencies as the intermediary for financing conduits since they have a vested interest in moving funds, have reasonable levels of capacity and can, particularly in the case of Land Bank, market effectively to local governments.
- ii. Simplify where possible funding channels to LGUs to ensure projects are not delayed by overly complex systems.
- iii. Technical assistance must be integrated with investments as it is essential to assist LGUs and the private sector in the structuring of investments.
- iv. In order to reduce the burden of repayment on LGUs with lower borrowing capacity a combination of grant aid (for capacity building, equipment and also a portion of the infrastructure) and loan funds is an appropriate mechanism.
- v. Disbursements and financial management aspects are better facilitated if there is a tight and sustained operational linkage and oversight between technical implementation and financial management at the beginning of implementation.

#### **1.1.3.4 Impact on Design**

9. The facility is designed to be grant aid. The process of financial flow is well tested within AusAID and has also been used in other Philippine based projects. Fiscal probity is being supported by the conduct of a full expenditure management review for each province and only when those provinces evidence the capacity to manage the flow of funds themselves will the responsibility for project financial management be transferred to the provinces. The disbursements under the contracts will depend on signoff by the supervising engineer to certify that works done are to acceptable engineering standards.

### **1.2 Consistency with Existing AusAID and other Donor Programs**

10. The PRMF as part of the SPRMP strategy is consistent with the existing AusAID country cooperation strategy and other donor programs. AusAID is also supporting a number of initiatives which have direct relevance to the development of PRMF.



### **1.2.1 Partnership for Economic and Governance Reform (PEGR)**

11. The PEGR is currently supporting improvements in the overall policy and regulatory environment of the infrastructure sector and strengthening the private sector's role in investing and managing infrastructure services. Additional support to national agencies such as DILG and DoF/BLGF is likely to be required. The right mechanisms (whether PEGR, PAHRDF, PRMF or other) for this support need to be determined.

### **1.2.2 Rural and Private Sector Development (RPSD)**

12. The Rural and Private Sector Development (RPSD) strategy developed in November 2006 identified a number of options for AusAID to support the Philippines rural sector. The core recommendations were to develop two programs of assistance:

- support for infrastructure development with focus on road maintenance, rehabilitation with associated capacity building for selected local government agencies; and
- rural economic growth activities, with emphasis on the development of agricultural commodity value chains.

13. Originally planned to be implemented simultaneously, the road maintenance program progressed ahead of the rural economic growth subcomponent. The implementation of the Rural Growth subcomponent is planned for 2009. A Rural Growth Program Concept Development Mission conducted June 2008, came up with recommendations building on the proposed market development/value chains approach outlined in the RPSD Strategy. However, the mission also took into account new Government of Australia development priorities and the policy context in the agricultural sector particularly in light of the global increase in food and fuel prices. Consequently, the mission also looked into the possible fit of social protection mechanisms and community driven development forms of assistance in light of the the food crisis and impact on the rural poor. A consideration for the progress of the Rural and Private Sector Development – Rural Growth Program (RGP) involves maximizing potential to complement other AusAID interventions contributing to rural economic growth including the Southern Philippines Road Maintenance Program. However, given the additional dimensions since the 2006 strategy, outlined above, to consider the Rural Growth Program is still exploring best option models for intervention to address market linkages and improving market access.

14. In anticipation of future synergies between the RGP and PRMF, the IMG has identified the development of the 5-year Provincial Road Network Development Plan (refer component 1, section 3.1.1.2) and the preparation of the priority road network feasibility studies (refer component 3) as initial points of intersection between the two activities. In the preparation of the 5 year plan and feasibility studies the PRMF has made provision for the assessment of economic opportunities and constraints with particular focus on production and market linkages within designated road catchment areas. The findings and recommendation of these studies will be shared with RGP management with the intent of exploring scope for collaboration at the project activity level.

### **1.2.3 Human Resource Development Facility (HRDF)**

15. The HRDF is still under preparation and details of the program are not yet available. It is unlikely that the full outline will be available in time to incorporate it into the planning of this PRMF project. The planning of the PRMF will therefore not rely on the HRDF for implementation of the institutional development and human resource training and development components of the PRMF. When the HRDF is in

place, the potential for linkage will once again be reviewed during the annual program review.

16. Since it is unlikely that the HRDF will be in place by the time the PRMF begins, the Managing Contractor will be responsible for developing the HRD and the reengineering business planning for the provincial agencies during the first year of the PRMF. Those plans can then form the basis for ongoing implementation with limited support from HRDF as it becomes available.

#### **1.2.4 Land Administrative and Management Project Phase II (LAMP II)**

17. Land reform in Philippines is a major priority. This is particularly true in the rural areas where land redistribution has been a significant concern for many years. The LAMP Project focuses on the following areas of activity:

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- Policy Development
- Institutional Development and Capacity Building
- Tenure Security
- Property Valuation and Taxation
- Project Management

18. LAMP II may have impact on the incentives program of PRMF. If LAMP II increases the potential for revenue enhancement at the provincial level, then that would conceptually increase the revenue sharing component of the incentive funds pool that would be allocated to untied support for the provinces. However, under the LGU Code, provinces only get funds from property transactions so the likelihood of major increases of funding from property or land reform is small.

Project Title	Brief Description and other Basic Information	Links to LEGF/RPSD and Proposed Process of Engagement
<b>Infrastructure</b>		
MRDP 2 (WB)	<p>MRDP 2 will replicate MRDP 1 successes across the majority of the 25 provinces of Mindanao, where established eligibility criteria are met.</p> <p>The program will deepen the institutional reform agenda of the DA on decentralization, including the devolution of financial resources for devolved activities; while also increasing the engagement and participation of LGUs and communities in planning and prioritizing local investments, local resource mobilization, and promotion of micro-enterprise development</p>	<p>MRDP 2 will cover all provinces in Mindanao. The project needs additional funds for capacity building. AusAID can complement rural infrastructure components of this project by providing support to selected provinces on capacity building. Process for engagement includes using existing AusAID initiatives to deliver capacity building activities for selected provinces (i.e. HRDF) or a co-financing arrangement with WB.</p> <p>MRDP 2 will work in six to nine municipalities within each Province of Mindanao. This will be a loan of USD90 million to DA, provided as grants to LGUs with 30% counterpart contribution. The Provincial Steering Committee formed by MRDP in each province to determine directions and priorities could be a mechanism for LEGF to support/utilise (as the ARMM Social Fund is doing in ARMM).</p>
MBUSSP Phases 1 & 2 (ADB)	The project involves the provision of a credit facility to finance the investment requirements for basic urban infrastructure and essential municipal services in about 40 LGUs in Mindanao.	The TA component of MBUSSP 1 ends in December 2007 while loan component ends in July 2008. DILG is looking for a donor that can provide the grant component from January – July 2008. For Phase 2 provide assistance for LGU capacity building provided project retains a focus on Visayas and Mindanao and includes some rural infrastructure initiatives.
Improvement of Quality Management for Highway and Bridge Construction and Maintenance Project (JICA)	This project provides technical assistance to DPWH in the development of manuals and on the job training for maintenance and construction of national roads and bridges.	The project will only work in Regions 7 and 11 and Bagiuo but there may be opportunities for AusAID to provide some funding to enable the program to be extended into other regions.
Land bank of the Philippines	Current programs include the Support for the Strategic Local Development and Investment Project (World Bank), the LGU	Modalities for funding these projects could include: (i) Funding for capacity building activities undertaken by Land Bank with

Project Title	Brief Description and other Basic Information	Links to LEGF/RPSD and Proposed Process of Engagement
	Investment Program (KfW) and the proposed Credit Support for Regional Development (ADB).	LGUs and SMEs; (ii) Assistance to LGUs in AusAID supported areas in project preparation to avail of funding under the Project; (iii) Provision of grant funds for infrastructure under the Project through blending grant and loan funds to enable poorer LGUs to access the project; and (iv) in the case of the Credit Support for Regional Development, funding for PPTA preparation.
Power Sector Development Program Loan (ADB)	<p>The proposed Power Sector Development Program (PSDP) has been designed to ensure the implementation of mitigating policy measures which will lead to gradual but steady restoration of the power sector's financial viability with further parallel improvements in the regulatory framework, the competitive market for power, and opportunities for private sector participation. The PSDP will support the Government's assumption of P200 billion of NPC's debt. Timely implementation of the PSDP in tandem with the implementation of tax reforms will strengthen the Government's financial management and assist in achieving fiscal consolidation.</p> <p>The primary objective of the program loan is to restore financial viability of the power sector and specifically support the Government's committed action to absorb NPC's long-term liabilities.</p>	Subject to the focus of this loan, there may be opportunities for assisting ADB in project preparation or in co-financing of some aspects of the loan should it address some key constraints in agricultural production in the AusAID targeted provinces.
Alliance for Mindanao Off-grid Renewable Energy (AMORE) – USAID	This project commenced in 2002 and is providing power with through renewable energy systems such as solar and microhydro to poor, remote, conflict-affected communities that cannot be connected to the power grid. The project will continue until 2009.	There may be some limited opportunities to collaborate with this project, although under AusAID's infrastructure for growth initiative, the communities being supported by AMORE are less likely to coincide with the AusAID targeted provinces and municipalities.
Support for Private Investment in Power for Remote Philippine Provinces (IFC)	IFC is working with the Dept of Energy and NPC to develop contractual agreements and a regulatory framework to attract private sector capital and expertise to power generation for remote islands not connected to the grid. To date the project has focused on the privatisation of electricity supplies in Marinduque, Romblon, Tablas and Masbate and is proposing similar interventions in Sulu and Tawi Tawi.	AusAID support for this program would depend upon the selection of targeted provinces. All current AusAID focussed provinces are supplied by the national grid.

Project Title	Brief Description and other Basic Information	Links to LEGF/RPSD and Proposed Process of Engagement
Port Development Projects with PPA (JBIC)	Philippine Ports Authority undertakes port development and upgrading programs at a large number of ports in accordance with an overall master plan. These developments are funded through PPA corporate funds as well as some current loans with JBIC.	There may be some opportunities to support the PPA development program at some ports identified as a constraint in the value chain analysis.
National Roads Improvement Project (WB)	The Project is structured in two parts, comprising road works and institutional and capacity development respectively. Part A – Road Improvement and Asset Preservation – comprises three components involving Road Improvement, Asset Preservation, and Long-Term Performance-Based Maintenance. Part B – Institutional and Capacity Development – comprises three components involving Institutionalization of Business Processes, Corporate Effectiveness, and Strategic Sector Reform.	Support from AusAID may be provided to the Preventive Maintenance Component of the NRIMP 2 which is complementing the Special Road Fund to undertake preventive maintenance of all national roads nationwide. AusAID support for this component would complement the proposed Road Network Management Program for local roads proposed under LEGF provided the funding for NRIP 2 could be targeted in particular to unpaved national secondary roads in the AusAID supported Provinces. Maintenance of these roads would add considerable value to the inputs provided by LEGF to provincial and barangay road maintenance.
<b>Economic Growth Activities</b>		
PEARL 2 (CIDA)	PEARL 2 Project aims to foster an environment conducive to the development of dynamic Philippine SMEs that can create jobs for both men and women.	Learning from lessons learned and building on accomplishments.
GEM (USAID)	<p>GEM intends to accelerate economic growth in Mindanao, and help assure that the benefits of growth are widely distributed among the people of Mindanao. It has three focuses:</p> <ul style="list-style-type: none"> <li>Enterprise development assistance. GEM provides assistance in market identification and access, joint venture matching, technology transfer and training, and financial packaging to producer associations, cooperatives, small and medium-scale businesses, and investors. GEM also provides assistance to chambers of commerce and other business support organizations in investment promotion and project facilitation.</li> <li>Infrastructure assistance. GEM provides technical assistance to LGUs on the infrastructure development process including: project</li> </ul>	Once LEGF provinces are identified, there may be opportunities to work with GEM in project identification and implementation, particularly with regard to infrastructure requirements stemming from value chain analysis.

Project Title	Brief Description and other Basic Information	Links to LEGF/RPSD and Proposed Process of Engagement
	<p>identification, prioritizing and implementation of projects. Technical assistance is also provided in identifying, packaging, and finding financing for BOT-suitable projects. GEM also works to facilitate the establishment of private "mom and pop" telephone companies in those areas of Mindanao where, because of concerns about limited markets, the country's major telephone companies are not be providing service.</p> <ul style="list-style-type: none"> <li>• Policy analysis and modification. GEM advises policy decision makers and constituent organizations on the apparent impact of various governmental policies and practices on Mindanao's economic growth and also identifies possible alternatives which could increase development benefits to Mindanao.</li> </ul> <p>The GEM-2 Program carries out activities to promote economic development and help consolidate peace in Mindanao. It implements programs to improve the economic infrastructure of conflict-affected areas; improve governance, and expand educational opportunities for the disadvantaged groups in the Autonomous Region in Muslim Mindanao (ARMM) and nearby conflict-affected areas in Mindanao (CAAM); and, accelerate economic and business development and growth.</p>	
Small and Medium Enterprise Development for Sustainable Employment Program (GTZ)	<p>The overall objective of the program is thus that state and private institutions shape the investment climate in the Philippines, and particularly in the Visayas, in a way that enables the development and use of entrepreneurial potential and stimulates competition. Focusing on certain pilot areas is expected to heighten their dynamic capacity, resulting in more income and employment, especially for poor population segments.</p> <p>The program supports the Visayas in the following ways:</p> <ul style="list-style-type: none"> <li>• creation of business-friendly framework conditions</li> <li>• market development for advisory services relevant to MSMEs</li> <li>• improved accessibility to middle and long-term financial credit</li> <li>• improvement of vocational training and upgrading.</li> </ul>	<p>Possible grant agreement with GTZ on selected components especially those that will complement the value-chain component of LEGF/RPSD.</p> <p>GTZ's main focus is in the Visayas, and AusAID could consider utilising and funding further work there in relation to provinces of focus for LEGF, as well as scaling-up these activities in Mindanao</p>

Project Title	Brief Description and other Basic Information	Links to LEGF/RPSD and Proposed Process of Engagement
	Outcomes from the program should also impact at national level. The experiences and concepts are to be adopted in other regions of the country as well.	
Local Governance Support Program For Local Economic Development (LGSP-LED) (CIDA)	The goal of LGSP-LED is to foster efficient, responsive, transparent and accountable governance at all levels. The project purpose is to reduce poverty by strengthening local governance and supporting sustainable local economic development	This has potential for collaboration, although at this stage CIDA does not have the flexibility like GTZ for co-funding.
<b>Support for Local Government Units</b>		
Performance Grants for Local Government Units (WB)	The grant focus is on incentivizing institutional strengthening in key areas of LGU performance. Various studies have identified weaknesses in planning, revenue mobilization, financial management, organizational structuring and functioning, good governance and transparency, but there is a need further to define the specific performance areas to be targeted by the performance grant system. It is important that these areas are within the control of the LGUs, and LGUs should have the necessary latitude to adjust on the inputs to affect this performance.	Possible co-funding arrangement.
Multi-Donor Trust Fund for LGU Project Development Assistance (WB)	This project seeks to provide support to LGUs who do not have the resources to undertake project development studies in order to access donor funding. The need for this support has been articulated by LGUs in several forums.	WB is coordinating with the various donors (particularly those that are active in the PDF WG on Local Governance Decentralisation) for contribution for this TF.
TAG (USAID and TAF)	The Transparency and Accountable Governance Program applies experience from successful USAID programs in other parts of the country to improve public service delivery in Mindanao. Focuses on increasing transparency and accountability at the local level, particularly in the ARMM.	Experience of TAG cities can be used to assist provinces create a business-friendly environment.
Provincial Development		This can be tapped to assist target provinces to prioritise programs and projects, including prioritising roads for

Project Title	Brief Description and other Basic Information	Links to LEGF/RPSD and Proposed Process of Engagement
Strategy (expanded CDS) (WB)		<p>maintenance and upgrading. This could be a mechanism by which the initial engagement with key stakeholders is done to identify economic growth opportunities in the Province.</p> <p>If target provinces are not chosen as pilot areas, AusAID can provide additional funds to WB to include them.</p>



### **Annex 3 Logical Framework Analysis**

This annex is provided as a separate document

## **Annex 4   Environmental Report**

This annex is provided as a separate document

## **Annex 5 Procurement Report**

This annex will be provided to short-listed tenderers only.

## **Annex 6 Risk Management Matrix**

This annex is provided as a separate document

## **Annex 7 Position Statements and Experience Requirements for Core PRMF Personnel**

The FMC will staff the Facility Coordination Office with personnel who collectively are able, with backup support to be provided by the FMC, to perform the full range of services described in this Scope of Services. The FMC will deliver the Scope of Services through:

- A. A long-term internationally-recruited Team Leader supported by three categories of personnel, as follows:
- B. Long-term **Local Coordinators** who will take prime responsibility for the planning and management of the PRMF component activities.
- C. Short-term **Local Specialists** who will provide technical support to the Core Team.
- D. Short-term **International Advisers** who will provide technical advice, training and mentoring support to the Core Team and the short-term specialists.

The Core team shall compose of the long-term Team Leader and Local Coordinators. Bidders should describe how responsibilities for key tasks will be allocated and scheduled among the Coordinators, the locally engaged Specialists and the international Advisers. Bidders will be responsible for defining the respective inputs of each locally engaged Specialist and international Adviser. Table 2 details the proposed Coordinator, Specialist and Adviser positions. AusAID will consider bidder comments on the Core Team composition and TOR.

### **A. PRMF TEAM LEADER – INTERNATIONAL EXPERIENCE**

**Duration: Full Time**

**Reporting to: AusAID, through the Lead Task Manager, IMG**

**Duties:** The Team Leader will have overall responsibility for the management of the Facility Coordination Office and its interaction with GOP partner provinces, SPRMP agencies and AusAID. The TL shall have responsibility for supervising and reporting on all activities contained in this Scope of Services. Specifically the TL will manage and supervise the PRMF Coordinators and their short-term specialists and advisers in developing and reporting on:

- 1. the road sector planning and management review in each partner province;
- 2. the subsequent preparation of the Provincial Road Network Development Plan (PRNDP);
- 3. the development and periodic update of provincial MOA specifying GOA and provincial inputs to the PRNDP;
- 4. the development and implementation of capacity building programs in support of improved efficiency and effectiveness within the Provincial Engineering Office and those provincial government agencies responsible for core planning, budget and financial management support functions;
- 5. province-specific criteria to be used for the Performance Incentive Program and the reporting of outcomes under this program;
- 6. formulation and implementation of a Human Resource Management and Development Plan according that supports the reform areas; and

7. the rehabilitation and maintenance of the core provincial road network.

In addition the TL will be responsible for initial and ongoing assessments of Provincial Government systems and practices and providing assurances to AusAID that these systems and practices meet minimum fiduciary requirements. Where they do not, the TL will be responsible for introducing parallel systems and processes to manage the Facility until Provincial systems are strengthened sufficiently.

### **Essential Skills and Experience**

1. Experience in managing projects or facilities involving the delivery of public infrastructure and services at sub-national levels in developing countries.
2. Experience in Public Investment Planning and facilitating institutional reform and good governance within sub-national levels of government.
3. Experience in developing public and private sector partnerships for the delivery of public infrastructure and services.
4. Capacity to build and maintain effective relationships with senior personnel in government and donor agencies.
5. Capacity to champion institutional reforms and work with local governments and executives in pursuing these reforms.
6. Strong interpersonal, oral and written communication skills in English.
7. Strong leadership and management skills, with experience managing a culturally diverse team.

### **Desirable competencies and experience**

1. An understanding of the social, cultural, political and institutional factors affecting development in Philippines.
2. Experience in the infrastructure development in the Asia Pacific region at the sub-national level.
3. Experience with AusAID or other international development agency processes and procedures.
4. An understanding of the cross-cutting themes (poverty alleviation, gender equity, health and HIV/AIDS, anti-corruption, environmental management, peace and conflict) and ability to integrate these in program development and implementation.

## **B. LONG-TERM LOCAL COORDINATORS**

### **1. PRMF Provincial Coordinator (PPC)**

**Duration:** Full Time

**Reporting to:** Team Leader

**Duties:** Under the direction of the Team Leader, the PPC will have responsibility for mobilising and coordinating PRMF activities in each province and reporting to the TL and the provincial political and administrative executive on their progress. The PPC will play a key role in managing and coordinating assistance provided to an individual province and be responsible for interactions with provincial leaders, service providers, and civil society.

Specifically the PPC will represent the PRMF in a specific province and assist the partner province, the FCO coordinators, specialists and advisers to:

- a. Facilitate the mobilisation and implementation of PRMF activities as specified in the logframe, including the agreed Performance Incentive Program;
- b. Work with the Provincial Development Committee to establish a PRMF working group to be chaired by a provincial representative appointed by the Governor;
- c. Assist the Team Leader to (i) negotiate the MOA, (ii) mobilise and manage resources for the implementation of MOA activities (iii) monitor and report on these activities.

### **Essential Skills and Experience**

- a. Strong leadership and management skills with the ability to coordinate a range of activities;
- b. Practical skills and experience in working with provincial and municipal governments in the design, implementation and management of public infrastructure and services (including procurement and contract management) and/or in public financial/administrative management programs and projects;
- c. Good understanding of LGU systems of planning, budgeting, accounting, auditing and financial management.
- d. Experience in working on donor funded projects would be an advantage.
- e. Good negotiation skills and ability to manage political environment.
- f. Good oral and written communication skills in English.

### **Desirable competencies and experience**

- a. Experience managing or working with a donor-funded project.
- b. An understanding of the cross-cutting themes (poverty alleviation, gender equity, health and HIV/AIDS, anti-corruption, environmental management, peace and conflict) and ability to integrate these in activity development and implementation.

## **2. Road Engineer Coordinator**

**Duration: Full Time**

**Reporting to: Team Leader**

**Duties:** Under the direction of the Team Leader, work with the international Road Engineering Adviser, PRMF Provincial Coordinators, PEO and other relevant provincial departments to improve the efficiency and effectiveness of the PEO in planning and managing the Provincial Road Network Development Plan with particular focus on:

- a. The conduct of the road sector planning and management review;
- b. The formulation and prioritisation of the PRNDP with emphasis on rehabilitating and maintaining the core provincial road network;
- c. The technical, procurement and service delivery (force account and contracting out) specifications for the efficient and cost effective implementation of the plan; and

- d. The HRMD requirements for (a) developing skills and capacity within the PEO to manage and monitor the plan and (b) improving contractor performance in the delivery of quality road rehabilitation and maintenance services.

#### **Essential skills and Experience**

- a. Demonstrated skills in road rehabilitation and maintenance and in working with government and the private sector for the delivery and management of road services.
- b. Experience working with the local governments on road planning and management.
- c. Good oral and written communication skills in English.

#### **Desirable competencies and experience**

- a. An understanding of the cross-cutting themes (poverty alleviation, gender equity, health and HIV/AIDS, anti-corruption, environmental management, peace and conflict) and ability to integrate these in activity development and implementation.

### **3. Human Resource Management and Development Coordinator**

**Duration: Full Time**

**Reporting to: Team Leader**

**Duties:** Under the direction of the Team Leader work with the international HRMD Adviser, Institutional/Organisational Development Specialist, Road Engineer Coordinator, Provincial Coordinators, PEO and provincial HRD unit as necessary to formulate and implement a Human Resource Management and Development Plan for the mobilisation of the:

- a. The PRMF Facility Coordination Office
- b. Provincial Road Network Development Plans

The **HRMD Plan for the Facility Coordination Office** will require the HRMD Coordinator to review the TOR for all FCO staff and prepare a plan for their mobilisation. The plan will consider the organisation and management issues and options for effectively servicing the target provinces, the SPRMP agencies and AusAID in support of the implementation and management of the PRMF. Special attention will be given to defining the role and responsibilities of the Provincial Coordinators with particular focus on ensuring that they have the knowledge and skills to adequately perform their core facilitation role.

The **HRMD plans for the mobilisation of the PRNDPs** will be jointly developed by the Road Engineering Consultant, the PEO and the Human Resources and Development Unit located within the Office of Governor with specialised organisational and engineering support as needed. Specifically the plan will develop:

- a. A stepwise reorganisation plan for the PEO that defines the outputs to be produced by the organisation as it evolves to a contracting out structure, the inputs needed to achieve those outputs including materials, equipment, management systems, financial resources and human resources;
- b. An organisation plan and management framework that will improve the operations of (i) the PEO and its linkages with other provincial offices responsible for planning, budget and financial management and (ii) private sector contractors;



- c. A staff development and training plan to improve the knowledge and skills of provincial government and private sector agencies involved in the planning, management and delivery of provincial road sector services.

In developing this framework special attention will be given to assessing the impact of the move towards outsourcing on the organisation and management of the PEO, and the development of a management plan to address redundancy and redeployment issues and the functional changes in PEO roles and responsibilities.

### **Essential Skills and Experience**

- a. The HRMD Coordinator will have experience in the development of HRMD plans for LGUs delivering public infrastructure and services. Knowledge of provincial planning, budgeting and financial management systems is essential.
- b. Good oral and written communication skills in English.

### **Desirable competencies and experience**

- a. An understanding of the cross-cutting themes (poverty alleviation, gender equity, health and HIV/AIDS, anti-corruption, environmental management, peace and conflict) and ability to integrate these in activity development and implementation.

## **4. Monitoring and Evaluation Coordinator**

**Duration:** Full Time

**Reporting to:** Team Leader

**Duties:** Under the direction of the Team Leader, work with the international M&E Adviser to:

- a. Review the proposed draft M&E framework presented in the FDD and finalise the framework in consultation with AusAID.
- b. Prepare an M&E system based on the M&E framework (including the Performance Assessment Framework) in consultation with AusAID and the partner provinces, particularly the provincial M&E unit and/or provincial M&E committee, if any.
- c. Work with the PRMF Coordinators and specialists to implement the Facility M&E system through the quarterly and six monthly reports.
- d. Ensure that findings and recommendations of these reports are used to inform the development of the annual planning and mid term review process and contribute to AusAID quality requirements and reporting (i.e., APPR and QAI).
- e. Consult with the Social and Gender Development Specialist to ensure that the M&E framework adequately monitors and evaluates key social and gender equality issues and captures the requirements of the GOP GAD guidelines for infrastructure projects.
- f. Facilitate the development and implementation of road network case studies to monitor the impact of the PRMF in terms of realising the goal, objective and outcomes and the overall contribution of the Facility to the SPRMP and AusAID's country program strategy.
- g. Assist the Team Leader in the preparation of the Annual Plan and the progressive update of the M&E framework.

- h. Assist the Team Leader in the development and updating of a PRMF web site.
- i. Participate or contribute to the preparation of the QAI and APPR and other reporting requirements of and provide information to AusAID, as necessary.
- j. Ensure compliance to GOP reporting requirements for development projects, namely: (i) ODA Annual Sectoral Review; (ii) Regional (and Provincial) M&E System (R/PMES); and (iii) GAD Reporting, particularly for monitoring and evaluating infrastructure projects.

### **Essential Skills and Experience**

- a. The M&E Coordinator will have experience in the development and management of M&E frameworks on large donor assisted programs and projects.
- b. A good understanding of GOP national and local M&E systems.
- c. An understanding of the cross-cutting themes (poverty alleviation, gender equity, health and HIV/AIDS, anti-corruption, environmental management, peace and conflict) and experience incorporating these in M&E system.
- d. Good oral and written communication skills in English.

## **C. SHORT-TERM LOCAL SPECIALISTS**

### **1. Social Development and Gender Specialist**

The services of a locally engaged **Social Development and Gender Specialist** will be recruited to develop, monitor and evaluate the Social Development and Gender Action Plan which will include annexes on HIV/ AIDS Mainstreaming and the Peace and Conflict Management. This plan will outline the specific activities to be undertaken to secure social and gender equality outcomes within the framework of the PRMF goal, objectives and component outcomes and outputs. The Specialist will assist the M&E Coordinator in developing the M&E system and monitoring and evaluating the activities and outcomes of the action plan.

### **2. Institutional / Organisational Development Specialist**

The services of a locally engaged **Institutional / Organisational Development Specialist** will be recruited to support the Human Resource Management and Development Coordinator with the reengineering planning of the PEO. The main focus of input will be providing input to the development of the Human Resource Management and Development Plan and specifically to help prepare the stepwise reorganisation plan for the PEO that will result from the move to increased contracting out of maintenance and rehabilitation activity.

### **3. Procurement Specialist**

The services of a locally engaged **Procurement Specialist** will be recruited to assist the Road Engineering Coordinator to develop and document appropriate procurement strategies and processes to facilitate the mobilisation of the PRNDPs and improve the operations of the PEO. The Procurement Specialist will give special attention to assisting provinces to review the merits of the force account and contracting out service delivery mechanisms. The Specialist will also assist in (i) the development of Annual activity and procurement works plans for the first year of operations, (ii) the development of anti-corruption and quality assurance systems associated with the procurement process and the training of PEO and provincial staff in these systems.

#### **4. Local Government Finance/ Internal Audit and Control Specialist**

The services of a locally engaged **Local Government Finance/Internal Audit and Control Specialist** will be recruited to assist the Team Leader review the efficiency and effectiveness of provincial government revenue and expenditure planning, budget and financial management systems with particular focus on accounting, internal controls and audit systems as they impact on the PEO and road sector planning and management. The Specialist will identify the strengths and weaknesses of the existing systems and make recommendations for improving expenditure planning (including revenue raising), budget and financial management (including audit) process as required. The Specialist will liaise with the HRMD Coordinator to develop a capacity building plan to improve budgeting and financial management skills within the PEO and in other the provincial offices providing planning and financial management services.

#### **5. Environmental Impact Specialist**

The services of a locally engaged **Environmental Impact Specialist** will be recruited to develop the Environmental Management Plan for each provincial partner based on the provisions of the GOP environmental clearance (the Environmental Compliance Certificate) and corresponding national-level Environmental Management Plan for the rehabilitation and maintenance of core provincial road networks. The Specialist will work with the Team Leader, Road Engineering Coordinator and Provincial Environmental and Natural Resources Officer to advise on and conduct training for provincial staff on GOP environmental management requirements and monitoring. The Environmental Impact Specialist will also work with the M&E Coordinator, Provincial Coordinator, Provincial Environmental and Natural Resources Officer and provincial M&E unit/group on the monitoring of compliance to local Environmental Management Plan for physical works.

### **D. SHORT-TERM INTERNATIONAL ADVISERS**

#### **1. Social Development and Gender Adviser**

The services of a short-term international **Social Development and Gender Adviser** will be recruited to assist the **Social Development and Gender Specialist** to develop, implement, monitor and evaluate the Social Development and Gender Action Plan.

The Adviser will have demonstrated relevant experience in the formulation of social development and gender action plans and in training and mentoring in her/his technical field.

#### **2. Human Resource Management and Development Adviser**

The services of a short-term international **Human Resource Management and Development Adviser** will be recruited to assist the Human Resource Management and Development **Coordinator** develop, implement, monitor and evaluate the PRMF HRMD Plan. The Adviser will give particular attention to the change management processes required to improve the operations of the PEO with special focus on the impact of contracting out on PEO functions and organisation and management.

The Adviser will have demonstrated relevant experience in the formulation of HRMD plans in a public infrastructure and service setting and in training and mentoring in her/his technical field.

### 3. Institutional / Organisational Development Specialist

The services of a short-term **Institutional / Organisational Development Specialist** will be recruited to support the Human Resource Management and Development Coordinator and work with the local institutional / organisational development specialist to define the scope, structure and time frame for redefining the organisation and the institutional inputs to the PEO to enable that department to function effectively as it moves from force account to contracting out maintenance and rehabilitation activity.

### 4. Road Engineer Adviser

The services a short-term **international Road Engineering Adviser** will be recruited to assist the Road Engineering Coordinator in the design, implementation and management of the PRNDPs with particular focus on the role of the PEO in developing and implementing the plans. The Road Engineer Adviser will assist the coordinator in the scoping, design, documenting, contracting and supervising of all road rehabilitation and maintenance activities associated with the rehabilitation and maintenance of the core provincial road networks as agreed in the provincial MOA.

Specifically the Adviser will assist the Road Engineer to review all PEO activities with view to improving:

- a. current approach to maintenance and rehabilitation works;
- b. technical standards for ongoing maintenance and rehabilitation;
- c. contract management and monitoring procedures;
- d. staff technical capacity and skills – particularly the skills requirements under a modified contracting out approach;
- b. the design and costing of road rehabilitation and maintenance activities;
- c. procurement procedures for hire of road contractors and contractor plans for use of labour based approaches to routine maintenance;
- d. quality control procedures for contracting monitoring and completion reporting; and
- e. the development of the technical aspects of the operations manual

The Adviser will have demonstrated relevant experience in the formulation of road rehabilitation and maintenance plans and in public works capacity building involving the interaction between government agencies and private sector contractors. The Adviser will also have demonstrated capacity in training and mentoring in her/his technical field.

### 5. Local Government Finance/ Internal Audit and Control Adviser

The services of an international short-term **Local Government Finance/ Internal Audit and Control Adviser** will be recruited to assist the **Local Government Finance/ Internal Audit and Control Specialist** to review and upgrade planning, budget and financial management systems associated with road sector planning and management. The Adviser will also assist the specialist in the conduct of random audits on PRMF activities.

The Adviser will also have demonstrated capacity in training and mentoring in her/his technical field.

## **6. Monitoring and Evaluation Adviser**

The services of an international **Monitoring and Evaluation Adviser** will be recruited to assist the M&E Coordinator confirm the M&E framework, subsequent development of the M&E system, conduct training in its implementation and management, initiate provincial case studies, and undertake periodic monitoring and evaluation activities in accordance with the approved framework/system. The Adviser will assist with the formulation of the annual plan, and will give particular attention to the integration of the lessons learned into the annual planning and budget process and the mid-term review.. The Adviser will also review the effectiveness of the M&E system on reporting outcomes and capturing lessons learned, and will make the necessary recommendations for improvements of the system, if needed.

The Adviser will have demonstrated relevant experience in the development and management of M&E systems for large international aid projects and in training and mentoring in her/his technical field.

## **ANNEX 8 Summary of Provincial Assessments**

### **Comparison of Six Provinces**

This annex will be provided to short-listed tenderers only.

## **ANNEX 9 Sustainable Livelihood Framework Analysis<sup>1</sup>**

Gary Simpson

Adapted from a framework developed by the Department for  
International Development (DFID)

(Sustainable Livelihoods Guidance Sheets)

### **1. Basic Definitions**

#### **1.1 Sustainable / Sustainability**

Something is sustainable when it can continue into the future, coping with and recovering from stresses and shocks, while not undermining the resources on which it draws for existence.

These resources may be natural, social, economic or institutional, which is why sustainability is often analysed in four dimensions: economic sustainability, environmental sustainability, institutional sustainability and social sustainability.

Sustainability does not imply that there is no change, but that there is an ability to adapt over time.

#### **1.2 Livelihood (s)**

One could describe a livelihood as a combination of the resources used and the activities undertaken in order to live. The resources might consist of individual skills and abilities (human capital), land, savings and equipment (natural, financial and physical capital, respectively) and formal support groups or informal networks that assist in the activities being undertaken (social capital).

#### **1.3 Sustainable Livelihoods**

A livelihood is sustainable when it is capable of continuously maintaining or enhancing the current standard of living without undermining the natural resource base.

For this to happen it should be able to overcome and recover from stresses and shocks (e.g. natural/man-made disasters or economic upsets, social and political tension).

### **2. Sustainable livelihoods framework (SLF)**

The SLF is intended to help users think through the different aspects of livelihoods, and particularly those factors that cause problems or create opportunities.

The SL framework can be divided into five key components:

- i. the Vulnerability Context,

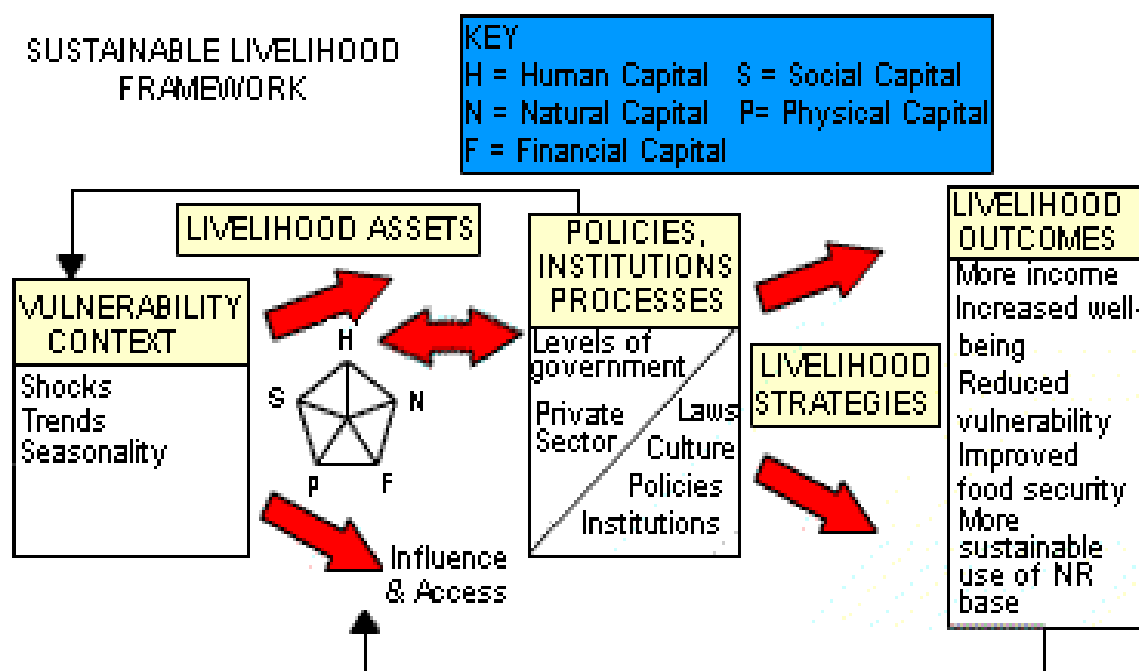
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<sup>1</sup> This document is provided for the consideration of the Managing Contractor in developing a response to the design document.

- ii. Livelihood Assets,
- iii. Policy, Institutions and Processes,
- iv. Livelihood Strategies and
- v. Livelihood Outcomes.

The SL framework gives an impression of how these factors relate to each other and aims to stimulate debate and reflection, which should result in more effective strategies for livelihood development.

**Figure 1. Sustainable livelihoods framework**



## 2.1. Vulnerability Context

The Vulnerability Context refers to the shocks, trends and seasonality that affect people's livelihoods – often, but not always, negatively. The key feature of all the factors within the Vulnerability Context is that they are not controllable by local people in the immediate or medium-term. Vulnerability or livelihood insecurity resulting from these factors is a constant reality for many poor people.

### (i) Shocks

Shocks are usually sudden events that have a significant impact – usually negative – on livelihoods. They are irregular and vary in intensity and include events such as natural or man made disasters, civil conflict, losing one's job, a collapse in crop prices for farmers etc. They can be classified into the following categories:

- Human shocks (e.g. illness, accidents);
- Natural shocks (e.g. floods, earthquakes);
- Economic shocks (e.g. job losses, sudden price changes);
- Conflict (e.g. war, violent disputes);



- Crop/livestock health shocks.

Shocks and trends may be linked. For example, some changes that appear as trends at a national or even regional level (such as increased infection rate for diseases such as AIDS and malaria) can impact upon a household or individual as severe shocks (i.e. death in the family). Similarly, an initial shock such as severe flooding may become a long-term trend because of increased sediment in the river system.

## **(ii) Trends**

Trends can have either a positive or a negative effect on livelihoods and involve changes that take place over a longer period of time than is the case with changes brought about by shocks or seasonality. Examples of trends include the following:

- Population trends (e.g. increasing population pressure);
- Resource trends (e.g. soil erosion, deforestation, water pollution);
- Economic trends (e.g. declining commodity prices, development of new markets);
- Trends in governance/politics (e.g. increasing/decreasing accountability);
- Technological trends (e.g. the development of more efficient production techniques).

## **(iii) Seasonality**

Seasonality refers to seasonal changes, such as those affecting: assets, activities, prices, production, health, employment opportunities etc. Vulnerability arising from seasonality is often due to seasonal changes in the value and productivity of natural capital and human capital (through sickness, hunger etc). The poor are often more vulnerable to these changes than wealthier groups.

## **2.2. Livelihood Assets**

The assets on which livelihoods are built can be divided into five core categories (or types of capital). These are:

- i. human capital,
- ii. natural capital,
- iii. financial capital,
- iv. social capital, and
- v. physical capital.

People's choice of livelihood strategies, as well as the degree of influence they have over policy, institutions and processes, depends partly upon the nature and mix of the assets they have available to them.

Some combination of them is required by people to achieve positive livelihood outcomes – that is, to improve their quality of life significantly on a sustainable basis. No single category of assets on its own is sufficient to achieve this, but not all assets may be required in equal measure.

## **(i) Human Capital**

Human Capital is a category of livelihood assets. It represents the skills, knowledge, capacity to

work, and good health that together enable people to pursue different livelihood strategies and achieve their livelihood outcomes.

Human capital is necessary to be able to make use of the other four types of livelihood assets.

**(ii) Natural Capital**

Natural Capital is the term used for the natural resource stocks (e.g. forest, land, clean air, fishery, water, coastal resources) upon which people rely. The benefits of these stocks are both direct and indirect. For example, land and trees provide direct benefits by contributing to income and people's sense of well-being. The indirect benefits that they provide include nutrient cycling and protection from erosion and storms.

**(iii) Financial Capital**

Financial Capital is defined as the financial resources that people use to achieve their livelihood objectives. These resources include:

- **Available stocks:** Savings are the preferred type of financial capital because they do not have liabilities attached and usually do not entail reliance on others. They can be held in several forms: cash, bank deposits or liquid assets such as livestock and jewellery. Financial resources can also be obtained through credit-providing institutions in which case liabilities are attached.
- **Regular inflows of money:** Excluding earned income, the most common types of inflows are pensions, or other transfers from the state (royalties), remittances, and compensation payments. In order to make a positive contribution to financial capital these inflows must be reliable – while complete reliability can never be guaranteed there is a difference between a one-off payment and a regular transfer on the basis of which people can plan investments.

**(iv) Social Capital**

Social Capital relates to the formal and informal social relationships (or social resources) from which various opportunities and benefits can be drawn by people in their pursuit of livelihoods. These social resources are developed through investment in:

- interactions (through work or shared interests) that increase people's ability to work together;
- membership of more formal groups in which relationships are governed by accepted rules and norms;
- relationships of trust that facilitate co-operation, reduce transactions costs and sometimes help in the development of informal safety nets amongst the poor.

Critical benefits of social capital are access to information, to influence or power, and to claims or obligation for support from others.

### **(v) Physical Capital**

Physical Capital comprises the basic infrastructure and physical goods that support livelihoods. Infrastructure consists of changes to the physical environment that help people to meet their basic needs and to be more productive. Key components of infrastructure include:

- i. affordable transport systems,
- ii. water supply and sanitation (of adequate quantity and quality),
- iii. energy (that is both clean and affordable),
- iv. good communications and access to information.
- v. shelter (of adequate quality and durability).

Other components of physical capital include productive capital that enhances income (e.g. vehicles, outboard motors, bicycles, sewing machines, agricultural equipment), household goods and utensils and personal consumption items such as radios and refrigerators. Most of these are owned by individuals or groups.

### **2.3 Policy, Institutions and Processes (PIPs)**

Policies, Institutions and Processes (PIP) are closely inter-related factors that have a great effect on all aspects of livelihoods. The PIP dimension of the SL framework comprises the social and institutional context within which individuals and families construct and adapt their livelihoods.

As such it embraces quite a complex range of issues associated with power, authority, governance, laws, policies, public service delivery, social relations as played out across government agencies, the private sector and community/civil society organisations.

Individually and collectively these organisations through the application of their policies and processes have the power to effectively determine:

- access (to various types of capital, to livelihood strategies and to decision-making bodies and sources of influence;
- the returns to different types of capital, and to any given livelihood strategy.

If the policies and process of these organisations can be aligned, the scope for capital accumulation and the development of sustainable livelihood strategies at the household and community level is greatly enhanced. If there is poor alignment, a major opportunity will have been lost and it is possible that the social and economic condition of some groups will become more vulnerable.

### **2.4. Livelihood Strategies**

Livelihood strategies is the term used to denote the range and combination of activities and choices that people make in order to achieve their livelihood goals. Livelihood Strategies include:

- i. how people combine their income generating activities;

- ii. the way in which they use their assets;
- iii. which assets they chose to invest in; and
- iv. how they manage to preserve existing assets and income.

Strategies may reflect underlying priorities, such as to diversify risk. Livelihood Strategies are diverse at every level. For example, members of a household may live and work in different places, engaging in various activities, either temporarily or permanently. Individuals themselves may rely on a range of different income-generating activities at the same time, and are likely to be pursuing a variety of goals.

## **2.5. Livelihood Outcomes**

Livelihood Outcomes are the achievements – the results – of livelihood strategies. Outcomes can be examined in relation to the following categories:

- more income
- increased well-being
- reduced vulnerability
- improved food security
- more sustainable use of the natural resource base
- social relations and status
- dignity and (self)respect

The term 'outcome' is used – as opposed to 'objectives' – to focus attention on results of the livelihood strategies. Livelihood outcomes are important because they help us to understand:

- the 'output' of the current configuration of factors within the livelihoods framework;
- what motivates people to behave as they do;
- what their priorities are (as a basis for planning support activities);
- how they are likely to respond to new opportunities; and
- which performance indicators should be used to assess support activity

## **3. Outcomes as a basis for indicator development**

The sustainable livelihoods approach is about supporting people to achieve their own livelihood goals (with the proviso about sustainability). Livelihoods programmes should therefore be judged on whether they contribute to the achievement of the livelihood outcomes that people consider important.

One way of ensuring this is to negotiate indicators with particular groups and to draw these groups into monitoring processes.