



Development Bank of the Philippines

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Makati City, Philippines

2011 Annual Report

Consultancy Services under the Technical Assistance Component of the Logistics Infrastructure Development Project



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ACRONYMS

AO	—	Account Officers
BII	—	Berkman International, Inc.
BOT	—	Build-Operate-Transfer
CCI	—	Central Consultants, Inc.
DA	—	Department of Agriculture
DBP	—	Development Bank of the Philippines
DENR	—	Department of Environment and Natural Resources
DLMC	—	DBP Maritime Leasing Corporation
DPWH	—	Department of Public Works and Highways
ECC	—	Environmental Compliance Certificate
EISCP2	—	Environmental Infrastructure Support Credit Program II
EMU	—	Environmental Management Unit
GOCC	—	Government-owned and controlled companies
JICA	—	Japan International Cooperation Agency
KPI	—	Key-performance Indicator
LGU	—	Local Government Unit
LIDP	—	Logistics Infrastructure Development Project
M&E	—	Monitoring and Evaluation System
MIS	—	Management Information System
NEDA	—	National Economic Development Authority
OPG	—	Operating Policy Guidelines
PFI	—	Participating Financial Institutions
PIC	—	Philippine Infrastructure Corporation
PIP	—	Project Implementation Plan
PMO	—	Project Management Office
PPA	—	Philippine Ports Authority
RAR	—	Rapid Assessment Report
RBM&E	—	Results-based Monitoring and Evaluation System
RoRo	—	Roll-on Roll-off
RRTS	—	Roll-on Roll-off Transport System
SLDP	—	Sustainable Logistics Development Project
TACT	—	Technical Assistance Consultancy Team
TEG	—	Technical Evaluation Guide
TPLEX	—	Tarlac-Pangasinan-La Union Expressway
TTAC	—	Technical Assistance Component
TOR	—	Terms of Reference
UICI	—	Urban Integrated Consultants, Inc.

Chapter 1.0 INTRODUCTION

1.1 OVERVIEW OF LOGISTICS INFRASTRUCTURE DEVELOPMENT PROJECT (LIDP)

The Logistics Infrastructure Development Project (LIDP) was formulated more than 4 years ago by the Development Bank of the Philippines (DBP). It is a follow-on to the long-years of successful implementation by DBP of the Sustainable Logistics Development Program (SLDP) that was funded by the then Japan Bank for Infrastructure Development (JBIC), now Japan International Cooperation Agency (JICA). On November 9, 2009, a formal agreement was signed between DBP and JICA for the implementation of LIDP.

LIDP is a 7-year, JPY30.380 billion development project that will provide financing in infrastructure and logistics systems in the country. It consists of two (2) loans: (a) fund for re-lending; and (b) training and technical assistance components (TTAC). LIDP is envisioned to assist the Philippines in addressing the need for adequate transport infrastructure, and efficient logistics for the distribution of goods and services in the country. The loan package aims to encourage the participation of private sector, government owned and controlled corporations (GOCCs), local government units (LGUs), cooperatives, and participating financial institutions (PFIs) involved in infrastructure development. This will be undertaken through investment support in physical infrastructure and institutional capability building program for the private sector, GOCCs, LGUs, PFIs, and other end users.

While SLDP was focused on Road Roll-On Roll-Off Terminal System (RRTS), Bulk Chain, and Cold Chain, LIDP was developed to be an expansion of SLDP. Aside from the three original focus sub-sectors, LIDP also includes additional sub-sectors particularly, toll roads, local government roads and maintenance equipment; and packaging, transport, and distribution facilities. Through the Project TTAC, Bank staff, LGUs, PFIs, cooperating agencies, and end-users will be trained on various aspects related to the project and technical assistance to the Bank to support the re-lending program will be provided.

The LIDP covers five (5) sub-sectors covering two major sectors in infrastructure, namely, transport and logistics. Eligible investments in the transport sector include: 1) RRTS vessels and facilities; and 2) toll roads, LGU roads, and maintenance equipment, while logistics include 3) packaging, transport and distribution facilities; 4) bulk chain, and 5) cold chain.

The RRTS forms part of the national highways providing the necessary linkage and efficiency to inter-island travel and transport. Loan investments in sub-projects are intended to fast-track establishment of RRTS routes to serve as inter-island links vital to sustaining economic development in the countryside. These would include RORO vessels deployed in RRTS connections and other RRTS facilities such as terminal facilities (marshalling areas, passenger terminal building, parking areas, ramps); access roads; support systems to include facilities such as lodging and resting areas; and shipyards for ship maintenance, repair and buildings of new units not limited to RORO vessels.

Investments on toll roads, LGU roads, and maintenance equipment will focus on those sub-projects that will produce high connectivity impact by providing missing links and significant savings in travel time and transport costs. These will include construction activities and support facilities such as towing services, resting areas, IT facilities, and road maintenance equipment.

The logistics sector investments are those sub-projects that will enhance efficiency and effectiveness of transport and logistics systems. Packaging, transport and distribution facilities were identified as priority sub-sectors that will be encouraged under LIDP. These will include cargo handling

equipment, such as cranes, transtrainer, handlift, forklift, racking system; cargo trucks; truck tractors/prime mover units; container/container vans; delivery vehicles; and warehouses. Bulk chain particularly for the development of bulk transport for grains and other dry and liquid bulk commodities have also been identified. Investments may cover processing, trading centers and aggregating centers; bulk trucking; grains terminal, including grains handling ports, silos, vacuvator – grain unloader and bulk handling equipment; bulk carriers, tankers for domestic operations, specialized vessels such as barges, tugboats, supply vessels); warehouses; other post-harvest facilities; and power generating equipment, back-up power supply or UPS. Cold chain focuses on proper storage, handling, and transport of meat, dairy products, fish, fruits, and vegetables to preserve quality and prolong shelf life, thereby reducing wastage and spoilage through a refrigerated chain from producers to consumers. These are investments in: reefer vans; cold chain transport equipment; refrigerated fishing vessels; cold storage facilities; warehouses; and power generating equipment, back-up power supply or UPS.

The LIDP funds will be re-lent through retail and wholesale lending in order to promote investments and at the same time expand the funding resources available to the mentioned industries and its allied sub-sectors. The TTAC will primarily be used to support the promotion of the Project to ultimately to move the funds for the right investment projects.

LIDP, as a Program, experienced start-up delays, its ups and downs and has recently re-gained its momentum with the support of all members of the Consulting Team and LIDP-DBP team. At present, the LIDP is in continuous implementation of the project. The vision of helping the government in developing the nation keep the Program heading in the right direction despite of delays and problems it encounters. The consultancy inputs, delivered in an intermittent manner, from the members of the Team with diverse experiences and expertise allowed the integration of different perspectives into the design and preparation of the LIDP-PMO.

On February 8, 2011, DBP signed a contract with Berkman International, Inc. (BII) for BII and its firm associates, Central Consultant, Inc. of Japan (CCI), Science and Vision for Technology, Inc. (VISION), and Urban Integrated Consultants, Inc. (UICI), to provide the consulting services. At present, Berkman still leads the consortium together with VISION and CCI.

1.2 OBJECTIVES OF THE TECHNICAL ASSISTANCE COMPONENT

The Terms of Reference (TOR) for the LIDP Consulting Services provides the following objectives:

1. To assist DBP, end-users and PFI's in the implementation of the LIDP in terms of strategy formulation, sub-project evaluation, assessment and monitoring, in accordance with the objective of LIDP to promote efficient transport and logistics systems in the Philippines; and to achieve more effective utilization of the fund.
2. To expand competence level (technology transfer) of bank officers and staff, including end-users and industry stakeholders involved in transport and logistics systems through provision of training seminars, actual on-the-job / field work, training and others.
3. To coordinate and build linkages with concerned government agencies and industry stakeholders regarding policy directions for the transport and logistics sector.

The general scope of work is divided into two (2) major activities which are the project preparation and project implementation and monitoring. Below are the details specified in the TOR.

1) Project Preparation**a) Strategy Formulation / Design of Implementation Plan**

- Setting of LIDP's basic investment strategies through rapid assessment for each of the five (5) sub-sectors;
- Design of implementation plan including its application to introduce modern technologies to existing logistics systems;
- Formulation of minimum technical and financial criteria for sub-projects to qualify for LIDP financing
- Recommendations on application of appropriate technologies and designs for RORO vessels, RORO terminals and shipyards, transport and logistics systems for bulk chain and cold chain facilities;
- Assistance in the identification of target clients and sub-projects by region and sub-sector in cooperation with government agencies and industry associations;
- Recommendations of viable models on public-private partnerships;
- Preparation of new appraisal manuals and financing arrangements covering all five (5) sub-sectors including documentation of best practices and developmental impact, and templates on financial, economic and social analyses;
- Review of the Project's Operating Policy Guidelines (OPG) and to recommend improvements, if necessary.

2) Project Implementation and Monitoring**a) Technical Assistance to End-users and/or Potential End-users – The scope includes technical assistance in:**

- Proper operations and maintenance of transport and logistics facilities;
- Project formation including review, enhancement / updating of required documents such as Feasibility Studies, Detailed Engineering Designs, Environmental Impact Assessment.
- Coaching of project proponents in the preparation and documentation of subprojects under conception or pre-feasibility stage.
- Additional services that may be required from the Consultant subject to mutual agreement of DBP and the Consultant.

b) Evaluation of Sub-Projects - The consultant shall assist DBP and participating financial institutions in the technical evaluation and assessment of sub-project loan proposals, which includes the following:

- Contribution to the efficiency in the transport and distribution of goods and services;
- Appraisal of project components; financial, economic, technical, safety, environmental, legal and policy considerations; eligibility of the proposed project under LIDP; appropriateness of the proposed technology, cost efficiency, managerial and technical capability for proper operation and maintenance; and monitoring / evaluation capability of DBP and PFI staff;
- Evaluation of proposed projects in environmental and social aspects and to take necessary measures before approval of the project in accordance with JICA Guidelines for Confirmation of Environmental and Social Considerations.
- Determination of appropriate operation and effect indicators for each proposed project before approval of the project.
- Identification of risks of subprojects to be financed and mitigating measures that can be employed to ensure sustainability and bankability of the subprojects.

- Additional services that may be required from the Consultant subject to mutual agreement of DBP and the Consultant.

c) Monitoring/Reporting - The consultants will assist DBP and PFIs in the following:

- Preparation of Quarterly Project Progress Report;
- Conduct of performance monitoring to check and address if agreed targets of operation and effect indicators are achieved;
- Establishment of project monitoring systems and procedures for the collection and analysis of baseline data, and to determine attainment of project targets – impact, outcome, output and other operation and effect indicators - during the seven (7)-year implementation period of LIDP. The procedures and institutions shall be designed in terms of collection format and mechanism of data to be monitored, analysis and summary method of such collected data, necessary corrective actions, and preparation way of reports as required.
- Assistance to formulation of post-evaluation procedures and institutions to check and address if agreed target of operation and effect indicators are achieved for each sub-project two (2) years after the LIDP closing date.
- Development/formulation of strategies/policies to overcome the bottlenecks which hamper the achievement of agreed targets of operation and effect indicators;
- Compliance to Environmental Compliance Certificate (ECC) conditionalities;
- Inspection and monitoring of the construction, installation or replacement of equipment and devices;

d) Coordination with Concerned Regulatory Agencies and Industry Stakeholders

Coordinate and build linkages with the Department of Transportation and Communications (DOTC), Philippine Ports Authority (PPA), Maritime Industry Authority (MARINA), DBP Maritime Leasing Corporation (DMLC), Department of Public Works and Highways (DPWH), Department of Agriculture (DA), National Economic and Development Authority (NEDA), Department of Environment and Natural Resources (DENR), Philippine Infrastructure Corporation (PIC) and other concerned government agencies in planning and implementation of LIDP-related projects.

e) Training for DBP, LGUs , PFIs, End Users, and cooperating agencies

i. Training shall be carried out to enhance DBP's institutional capability for more efficient and effective implementation of LIDP. Technology transfer to DBP through various training modalities (i.e. on the job, project team field visits, workshops and seminars) should be achieved. Areas of training may include but shall not be limited to the following:

- Preparation of marketing and promotional materials for LIDP;
- Promotion of LIDP investment objectives through conduct of investment briefings, roadshows, and other relevant promotional campaign activities for LIDP.
- Training for DBP and PFI AOs in the evaluation and monitoring of LIDP projects including study visits and the preparation of training materials.

ii. Transferring of know-how and expertise to enhance the DBP and PFIs institutional capability for more efficient and effective implementation of the program in terms of technical assessment and account supervision of LIDP eligible sub-projects, so that DBP and PFIs could continue implementing LIDP and finance similar programs on their own even after the completion of LIDP.

Chapter 2.0 PROBLEMS ENCOUNTERED AND REMEDIAL ACTIONS TAKEN

There are some problems that the LIDP have encountered during the first months of the project implementation. Some of the consultants who were engaged for the project were also engaged to other commitments within and outside the country with other consulting jobs. The DBP finds that , given the situation, the first batch of consultants were incapable in managing the project. The first batch of consultants was the one listed on the Inception Report which was submitted last 26 May.

The DBP then issued a suspension notice to Berkman last 13 June in accordance with the Clause GC2.8 of the contract. The DBP pursued the necessary action because of the following reason: a) the inability of Berkman, who led the consortium, to make available the services of the Deputy Project Manager (DPM) identified under the contract; and b) unsatisfactory level of the designated substitute DPM. It was also stated on the notice that the Inception Report lacks major discussion and that the report was just like the report submitted during the proposal / bidding stage of the project.

Upon acknowledging the notice of suspension, Berkman instantaneously addressed the issues raised by the DBP and Mr Raul Roberto de Guzman, Chief Executive Officer of Berkman Group of Companies and Berkman International acted as the Project Director for the project.

Likewise, Berkman submitted a new list for the DPM position and Mr Antonio Rex Chan was considered for the position. Ms Marissa David is also considered to be the Project Adviser for the LIDP, given that she was the former DPM for the Environmental Infrastructure Support Credit Program (EISCP2) of the DBP.

Berkman identified a core group of consultants which will be helping in the implementation of the LIDP aside from the DPM. Table 2.1 shows the list of consultants (foreign and domestic) and the man-months of the respective consultants. All in all the international or foreign consultants will have 50 man-months while the national or domestic consultants will have 145 man-moths.

Both foreign and domestic consultants will have “pool of consultants” where it would serve as the reserve man-months of the consultants. Pool of consultants allotted to the foreign consultants is 50 man-months while the domestic consultants have 29 man-months as pool.

Table 2.1 Consultants and man-months.

Position	Staff-month Inputs
International	
1. Project Manager	5
2. Financial Analyst	3
3. Transport Engineer	4
4. Environmental and Social Assessment Specialist	3
Sub-sector Specialists	
5. RORO Vessel Operations	9
6. RORO Vessel Design Expert	4
7. Port/Shipyards Planning	4
8. Road	4
9. Logistics/Transport Economist	4
Pool of Consultants	10
Sub-total (International)	50

Position	Staff-month Inputs
National	
1. Deputy Project Manager	45
2. Project Adviser	2
3. Transport Planner/Specialist	6
4. Logistics Planner/Specialist	6
5. Financial Specialist	5
6. Environmental and Social Assessment Specialist	4
7. Institutional Specialist	3
8. Training Specialist	5
Sub-sector Specialists	
9. RORO	6
10. Port/Shipyards Planning	6
11. Road	6
12. Bulk Chain	6
13. Cold Chain	6
Other Specialists	
14. Marketing Specialist	4
15. M&E Specialist	3
16. MIS Specialist	3
Pool of Consultants	29
Sub-total (National)	145
Total (staff-months)	195

2.1 CHANGES ON THE LIDP MANAGEMENT

There were replacements made during the course of the project. Engr. Guilas, Ms Verzola, Ms Manatad and Mr Salazar were the first batch of consultants to be replaced. Engr. Matanguihan and Engr. Rivera were the second of batch of consultants to be replaced. The second batch of replacements was mobilized on November. Table 2.2 shows the consultants replaced and their replacement.

Table 2.2 Replaced LIDP Consultant.

Replace Consultant	Position	Replacement
1. Engr. Ruben M. Guilas	Acting Deputy Project Manager/Transport Specialist	Mr. Antonio Rex S. Chan
2. Ms. Ma. Elizabeth Verzola	Logistics and Transport Economist	Dr. Deo Leo N. Manalo
3. Ms. Ma. Lourdes Manatad	Port/Shipyards Planning Expert	Engr. Alfredo P. Ocampo
4. Mr. Alfredo Salazar	RoRo Vessel Operations Expert	Engr. Danny Laureta
5. Engr. Romeo S. Matanguihan	Road Specialist	Engr. Juanito P. Buduan
6. Engr. Cherry Rivera	Environmental and Social Assessment Specialist	Engr. Antonio E. Kaimo

The first batch of consultants was mobilized last 08 August together with the DPM and Project Adviser. Table 2.3 shows the first batch of consultants mobilized.

Table 2.3 First batch of Consultants.

Consultant	Position
1. Mr Antonio Rex S. Chan	Deputy Project Manager
2. Ms Marissa V. David	Project Adviser
3. Mr Randolph Carreon	Transport Planner
4. Dr. Deo Leo N. Manalo	Logistics Planner
5. Aniceta D. Mago	Financial Specialist
6. Cesar Domingo	Institutional Specialist
7. Preciousa Contreras	Training Specialist
8. Danilo M. Laureta	RoRo Design Specialist
9. Teddy S.J. San Juan	Cold Chain Specialist
10. Arturo M. Ilano	Marketing Specialist
11. Noriel S. Sicad	M&E Specialist
12. James Dexter Grageda	MIS Specialist

During the 4th quarter of 2011, there were changes (i.e., changes on the consultants, changes on the schedule of submission) made on the LIDP. Likewise, this chapter discusses the changes on LIDP for the quarter.

Engr. Antonio E. Kaimo was employed to replace Engr. Cherry Rivera as Environment and Social Assessment Specialist. Engr. Kaimo is assigned to assist on the Technical Evaluation Guide (TEG) and give his inputs on the environment and social component of the TEG. He was also able to provide his technical assistance on the JICA-Tokyo mission for the Tarlac-Pangasinan-La Union Expressway (TPLEX) last 13 December. He was deployed on November 2011.

Engr. Juanito P. Buduan replaced Engr. Romeo S. Matanguihan as Road Specialist. Engr. Buduan is assigned to provide his expertise as Road Specialist to the Road Component as one of the five (5) sub-sectors of the LIDP. He was deployed on the early weeks of December. Alongside with Engr. Kaimo, he was able to provide his assistance on the JICA-Tokyo mission for the Tarlac-Pangasinan-La Union Expressway (TPLEX) which was held last 13 December.

Ms Jennylyn Ozeña tendered for her resignation as Project Coordinator for the LIDP and was replaced by Mr Arnold T. Abuyog which was deployed last November.

2.2 CHANGES ON SCHEDULE OF SUBMISSION OF LIDP-TACT DELIVERABLES

Given the delays that the LIDP experienced on the initial months of project implementation, the LIDP-TACT also experienced delays on carrying out some of the deliverables for the project. Last 24 November, the LIDP-TACT requested for changes on the schedule of submission of the deliverables.

The LIDP-TACT requested for changes on the schedule as summarized in Table 2.1.

Table 2.4 Requested Changes on the Schedule of Submission of LIDP-TACT deliverables.

Deliverable	Original Schedule of Submission	Proposed Schedule of Submission
1. Rapid Assessment Report	Mid-October 2011	Draft Final Report October 2011 Final Report Mid December 2011
2. Strategic Marketing Plan	End-October 2011	Mid December 2011
3. Revised Operating Policy Guidelines	End-September 2011	Draft End of November 2011
4. Technical Evaluation Guides	Mid- September 2011 for the 2 generic guides Mid-2012 for the 5 sub-sector specific guides	Draft End November 2011
5. "Sub-Project" Performance Monitoring Guides	Mid- September 2011 for the 2 generic guides Mid-2012 for the 5 sub-sector specific guides	Mid December for the 2 Generic Guides Mid-2012 for the 5 sub-sector specific guides
6. Project Implementation Plan	End-October 2011	End of December 2011
7. Promotions Plan*	End-September 2011 for initial promotions plan focusing on packaging, transport and distribution facilities, and the cold chain sub-sectors Complete Promotions Plan as part of the Strategic Marketing Plan: End-October 2011	<i>*It was submitted Mid-October 2011.</i>
8. Regional Industry Conference on LIDP (at least 4 conferences)	One by end of 2011 Three by first semester of 2012	One conference every Quarter of the Year
9. Presentation Paper or Exhibit Materials for Sub-sector Industry Conferences	As needed	As needed
10. Policy Papers	One by November 2011; others to be identified and decided later	To be identified and decided later
11. M&E System	Mid-October 2011	Draft End of November 2011
12. MIS System	Design and operationalization by end of 2011; continuing administration (if DBP MIS will not be able to handle)	End of January 2012
13. Strategies or Policy Recommendations on overcoming achievement of agreed targets of operation and	Mid-Project (2013)	Mid-Project (2013)

Deliverable	Original Schedule of Submission	Proposed Schedule of Submission
effect indicators		
14. Training Program	Mid-November 2011	End of December 2011
15. Training Workshops for DBP and PFIs	One training workshop before end of 2011; others to be scheduled (from the training program)	End of January 2012
16. Training Workshops for end-users	First run by first semester of 2012; others to be scheduled	First run by first semester of 2012; others to be scheduled

Last 20 December, the LIDP-TACT made another request to the DBP for the extension of the submission of the Training Program because of the late deployment of the consultant. It was requested that the Draft Training Program be submitted on mid-January 2012 while the Draft Final Report be submitted on the end of January 2012.

The LIDP-TACT was able to submit the soft copy of the following reports as requested by the DBP.

1. Draft Position Paper for the reactivation of the Environmental Management Unit (EMU) of the DBP;
2. Technical Evaluation Guide (TEG);
3. Economic and Financial Evaluation Guide of the TEG;
4. Results-based Monitoring and Evaluation System;
5. Rapid Assessment Report (RAR); and
6. Operating Policy Guidelines (OPG).

Chapter 3.0 **WORK CARRIED OUT FOR 2011**

This chapter discusses the work carried for the whole year of 2011. It covers the discussion on the following: 3rd Progress Report discussion, 4th Progress Report discussion, highlights of the weekly meetings of the LIDP-TACT, and the updates on the deliverables of the consultants.

3.1 HIGHLIGHTS OF LIDP-TACT MEETINGS

In preparation for implementation, the LIDP-TACT held series of meetings to discuss the deliverables and the formulation of strategies in accomplishing the services. The weekly meetings were held every Tuesday. The morning session was a meeting among the LIDP-TACT while the afternoon session was a meeting with the LIDP-TACT and the Project Development I (PD I) of the DBP.

3.1.1 First Months of the LIDP-TACT

Highlights of the meetings for the second quarter:

- The first meeting of the LIDP-TACT was held last 01 April. Significant topics discussed were the following:
 1. Orientation to LIDP program regarding the allocated budget of JPY 30.38 billion and the implementation period of more than five (5) years and the closing date of December 24, 2016;
 2. Queries to DBP pertinent to project implementation; and
 3. Preparation of revised work schedule.
- The first meeting between the LIDP-TACT and the DBP was held last 05 April. Significant topics discussed were the following:
 1. Approved accounts;
 2. Allocation of sub-projects;
 3. Marketing plans;
 4. Some deliverables of the Consultant; and
 5. Web-based monitoring.
- The second meeting of the LIDP-TACT was held last 15 April at UICI. Significant topics discussed were the following:
 1. Restructuring of related studies;
 2. Design guidelines/criteria;
 3. Logical framework;
 4. Web-based monitoring;
 5. Review of work schedule; and
 6. Schedule of meeting with other agencies.
- The third coordination meeting of the Consultant was held on April 29, 2011 at the Consultants' Project Management Office (PMO) at DBP. Significant topics discussed were the following:

1. Review of the revised work schedule;
2. Preparation of staffing schedule;
3. Schedule of promotional activities;
4. Preparation of Inception Report; and
5. Additional Specialists for M&E, Bulk Chain and Cold Chain.

Venue for the weekly team meeting was also requested by the DBP to be moved to the DBP Head Office at Makati City from the UICI office at Quezon City for easy communications between the LIDP-TACT and the DBP on all concerning the LIDP. The DBP provided a room for the project staff and requested for a venue for the conduct of the weekly meeting. To date, all of the meetings of the LIDP-TACT are held at the project office at DBP.

There were no follow-up meeting on the months from June to August because of the inability of the previous DPM in managing the project and also the suspension notice issued by the DBP. The suspension was given last July and was just lifted last August. From then, the LIDP-TACT mobilized new sets of consultants which were approved by the DBP and have been conducting the weekly meetings.

For the fourth quarter, the LIDP-TACT had the meeting from October to December 2011. All of the minutes of the meeting were submitted to the DBP for comments and approval. The DBP were able to review and approved the following minutes of the meeting: October 11, November 8, and December 14 and 20. The other minutes of the meeting will be annexed to the 3rd Progress Report upon the review and approval of the DBP.

3.1.2 October Meetings

The October meetings were mainly about the updates on the deliverables of the LIDP-TACT e.g., Operating Policy Guidelines (OPG), Rapid Assessment Report (RAR), Technical Evaluation Guide (TEG), Promotions Plan, among others.

For this month, most of the deliverables were being drafted for submission to the DBP.

3.1.3 November Meetings

Meetings for the month of November concern the position paper on the reactivation of the Environmental Management Unit (EMU) of the DBP, questionnaire from the JICA-Tokyo for concurrence on the Tarlac-Pangasinan-La Union Expressway (TPLEX), Technical Evaluation Guide (TEG), Monitoring and Evaluation System (M&E), Management Information System (MIS), among others.

Highlights of the November meetings are:

1. LIDP-TACT suggested the reactivation of the EMU of the DBP to do the monitoring of the environmental component of the projects of the DBP. It was agreed that the LIDP-TACT would draft a position paper on the reactivation of the EMU. Likewise, last 28 November, the draft position paper was submitted to the DBP.
2. JICA-Tokyo sent a questionnaire to the DBP for the concurrence on the TPLEX project. A meeting was set with Dir. Rebecca Garsuta of Build Operate Transfer of Department of Public Works and Highways (BOT-DPWH) regarding the documents required by JICA-Tokyo as enlisted on the questionnaire. Dir. Garsuta and her personnel tapped other agencies related to the TPLEX project and assure the DBP for the assistance on

the compliance of the documentary requirements e.g., resettlement action plans for the three (3) alignments, stakeholder's consultation, among others.

3. Draft Technical Guide was presented and discussed by the team. Some major parts of the guide include the process flow of loan application, key document requirements, threshold limits analysis, evaluation of parameters and requirements, outsourcing of technical experts, annexes, among others.

Environmental and Social Assessment component of the TEG was added. The threshold limits analysis discusses whether a project, loan application, would require a partial feasibility study or a full blown feasibility study.

Several parameters and standards were also set to determine the "risks" of a project. In such a way, the Account Officers (AOs) would have the means to assess if a project are relevant, effective, efficient, sustainable, and will contribute to institutional development of its influence areas.

Outsourcing of experts would enable the AOs to hire an expert to assist in the evaluation of loan application given the non-technical backgrounds of AOs.

4. It was realized on the Monitoring and Evaluation System (M&E) that the job of the AOs would be voluminous if they would handle the baseline data gathering that is why it was agreed that it cannot be passed to the AOs. It could be possible to tap the AOs on the data gathering of baseline information if the key performance indicators (KPIs) were included on the Operating Policy Guideline (OPG) where the AOs could refer.
5. On the Management Information System (MIS), common terminologies need to be reviewed because there were numerous terminologies used by the different department of the DBP. For LIDP, the team agreed to conduct a "workshop" to work on the terminologies for the project documents (OPG, TEG, M&E, MIS, etc).

Type of information to be included on the LIDP website and the level of access should also be decided. MIS expert could already upload the system to a project computer system to be tested and managed at the project office. However, the IT equipment was not yet purchased. Follow-up on the request was made and the memorandum order was requested on the DBP regarding the purchase of the IT equipment.

6. The LIDP-TACT requested for a revised schedule of submission of the deliverables for November and December. It was made because of the status of the deliverables being behind on schedule as result of the suspension of the project last July and the replacement of some consultants. A request letter was sent to and approved by the DBP last 24 December. However, the team did not request for the extension of their man-months.

3.1.4 December Meetings

The main discussion revolved around the revisions on the Technical Evaluation Guide (TEG), Strategic Marketing Plan, and follow-through on the JICA Mission for the Tarlac-Pangasinan-La Union Expressway (TPLEX).

Highlights for the December meetings are:

1. The TEG would be submitted in two (2) volumes because there would be various attachments such as Codes and Conventions, Glossaries, among others. Volume 1 of the TEG would be main discussion while Volume 2 would contain mostly the attachments.

Included in the TEG are the economic and financial guide and the environmental and social assessment checklist. The financial guide presented a discussion on the use of the financial component of loan applications. The environmental checklist would include the list of documentary requirement for the loan applications.

The financial guide would include a sample case or problem for the Project Development I.

2. Strategic Marketing Plan were presented and the LIDP-TACT suggested some major points to be included on the plan which are the following:
 - comparisons of the interest rates of other banks;
 - highlight the viability of the LIDP as a fund-source to make it attractive to loan borrowers;
 - citation of specific possible project areas; and
 - inclusion of ports, cooperatives, government-owned and controlled corporations (GOCCs), public-private partnership as target markets of the LIDP.
3. JICA conducted a mission on the TPLEX for the concurrence of the questionnaire which was given to the DBP to comply. The representatives from JICA, Tokyo-office conducted the mission last 12-16 December 2011. Last 13 December was the conduct of site visit on the three (3) segments of TPLEX together with the DBP-PD I and LIDP-TACT's Deputy Project Manager, Road Specialist, and Environmental and Social Assessment Specialist.
4. Wrap-up meeting for the LIDP was held on the last meeting for December. The LIDP-TACT discussed the schedules for the last quarter of 2011 and agreed for the schedule of submission of deliverables. With the late deployment of the Training Specialist, the LIDP-TACT requested for an extension of submission of the draft and final Training Program by January 2012 which will be submitted on Mid and Fifth week of January 2012 respectively.

3.2 UPDATE ON THE LIDP-TACT DELIVERABLES

3.2.1 Operating Policy Guidelines

The Operating Policy Guidelines (OPG) was sent to the DBP for reference and comments. To date, the LIDP-TACT is in editorial review of the guideline. Annex 4 which is the Key-performance indicators (KPIs) was obtained from the Results-based monitoring Evaluation System. The main report was submitted to the DBP while the annexes were still with the LIDP-TACT. Upon accomplishing the editorial review of the LIDP-TACT the whole report including the annexes will be submitted to the DBP.

3.2.2 Project Implementation Plan

Project Implementation Plan (PIP) is still under drafting stage of the LIDP-TACT. The PIP would be the basis of the Task Authorization for the consultants for the succeeding year.

3.2.3 Rapid Assessment Report

Last 18 October, the draft final Rapid Assessment Report (RAR) was submitted to the DBP. Several revisions were made on the report after which, it was resubmitted to the DBP for their comments last 25 November. Follow-up of the comments of the DBP on the Rapid Assessment Report (RAR) was made. The DBP gave their comments on the report which was then forwarded to the consultants. To date, the consultants are still working on the comments of the DBP.

3.2.4 Results-Based Monitoring and Evaluation System

The Results-based monitoring and evaluation system (RBM&E) was drafted during this quarter. It was realized that the job of the AOs would be voluminous if they would handle the baseline data gathering that is why it was agreed that it cannot be passed to the AOs. It could be possible to tap the AOs on the data gathering of baseline information if the key performance indicators (KPIs) were included on the Operating Policy Guideline (OPG) where the AOs could refer. Likewise, the LIDP-TACT added the KPIs as annex to the OPG.

3.2.5 Strategic Marketing Plan

Some points were suggested by the LIDP-TACT be included in the strategic marketing plan which are the following: a) comparisons of the interest rates of other banks; b) highlight the viability of the LIDP as a fund-source to make it attractive to loan borrowers; c) citation of specific possible project areas; and d) inclusion of ports, cooperatives, government-owned and controlled corporations (GOCCs), public-private partnership as target markets of the LIDP. It was proposed that the marketing plan will be submitted by mid-January 2012.

3.2.6 Technical Evaluation Guide

Several revisions were made on the Technical Evaluation Guide (TEG) for the LIDP. Major components were added on the guide so that the user will be able to use it with ease. Some of the components added are the environmental and social assessment checklist, economic and financial evaluation, among others. Given that there would be too many attachments for the TEG, it was suggested that there would be two (2) volumes to be submitted by the LIDP-TACT. The first volume will include mostly the major discussion about the guide while volume 2 will include the annexes or attachments for the guide.

The process flow of loan application was also polished. The LIDP-TACT agreed to add the concurrence of JICA depending on the amount of loan.

Chapter 4.0 EXPENDITURES FOR THE 4TH QUARTER

This chapter discusses the expenditures of the LIDP-TACT during for the year of 2011. Table 4.1 shows the summary of the expenditures of the LIDP. It includes the remunerations and reimbursable expenses of the LIDP per quarter of 2011 and the total expenditures for the whole year. The remunerations, which are mostly the payment of the regular expat consultants and the local consultants, for the year sums to JPY 17,750,915 while the local reimbursable expenses sums to JPY 890,056.

The expenditures incurred for 2011 totals to JPY 18,640,971. The expenditure for the year increased because of the local travel, vehicle rental and gasoline expenses incurred during the TPLEX Site Visit last 13 December and also the full mobilization of the other consultants for the LIDP.

It is expected that the expenditures of the LIDP-TACT will increase for next year because of the full implementation of the LIDP. Next year, 2012, would be the year of deploying the foreign consultants, conduct of trainings for the AOs, conduct of roadshows for the LIDP, among others.

Table 4.1 Summary of the expenditures incurred for 2011.

	Unit Prices/Budget Figures (¥)	Expenditures per quarter 2011 (¥)			Total Expenditures for 2011 (¥)
		2nd Quarter (Apr-June)	3rd Quarter (July-Sept)	4th Quarter (Oct-Dec)	
Man-months Se. Expat Cons.					-
Man-months Reg. Expat Consultants	50	-	0.13	0.3295	0.4595
Man-months Local Cons.	145	3.44	13.67	16.35	33.4600
Remunerations					
Senior Expat Consultants		-			-
Regular Expat Consultants	80,324,067.06	-	223,811	564,392	788,203
Local Consultants	79,178,445.93	1,602,246	7,113,060	8,247,407	16,962,713
Sub-Total		1,602,246	7,336,870	8,811,799	17,750,915
Reimbursable Expenses:					
A. LOCAL	39,035,159.02				
Accommodation		6,207			6,207
Daily Allowance					-
International Travel (Home Ofc)					-
Travel Related Costs					-
Study Tours, internat, Sem.					-
Home Office Communication					-
local Travel		15,235			15,235
Transportation		727			727
Vehicle Rental				8,467	8,467
Gasoline				6,774	6,774
Communication Cost		2,617	22,805	3,559	28,982
Meeting Expenses		5,656	8,515	12,081	26,251
Office Operations		188,847	217,955	363,141	769,942
Equipment (Computer/Others)		2,519			2,519
Reports and Drawings	Lumpsum	6,513		18,438	24,951

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		Expenditures per quarter 2011 (¥)			
	Unit Prices/Budget Figures (¥)	2nd Quarter (Apr-June)	3rd Quarter (July-Sept)	4th Quarter (Oct-Dec)	Total Expenditures for 2011 (¥)
B. FOREIGN	15,738,236.85				
Sub-Total	214,275,908.86	228,321	249,275	412,460	890,056
Provisional sums - local	3,675,000.00				
Contingencies - foreign	7,000,000.00				
- local	8,000,000.00				
TOTAL	232,950,908.86	1,830,567	7,586,145	9,224,259	18,640,971

Chapter 5.0 **PLANS FOR 2012**

This chapter discusses the plans of the LIDP-TACT for 2012. Supposedly, the plans for the coming 2012 would be based on the Project Implementation Plan (PIP) but given the delays of the submission, the plans indicated in this chapter would be for the quarter of 2012. Other plans for the year would be updated upon the submission and completion of the plan.

The plans for the first quarter of 2012, January to February, were reflected in Annex 1 which is the Individual Quarterly Progress Report of the LIDP-TACT.

5.1 PLANS OF THE LIDP-TACT FOR THE 1ST QUARTER OF 2012.

The first quarter of 2012 would be mostly the submission of the reports which was not submitted last December 2011. These reports are in the final drafting stage and editorial review of the LIDP-TACT for submission to the DBP. Aside from the submission of the reports, the main activity for the first quarter would be the conduct of training for the AOs in the NCR.

There would be few meetings among the LIDP-TACT and the DBP as this year would be the full blast implementation of the LIDP. Below are the specific plans of the LIDP-TACT (see Annex 1. Individual Quarterly Progress Report of the LIDP-TACT for the 4th Quarter of 2011).

5.1.1 Project Adviser

1. Participation in TACT meetings and meeting with LPT
2. QA/QC and editorial review of all project documents due for submission during the period

5.1.2 Financial Specialist

1. Contribution in the finalization of all reports upon approval of the draft final reports by the DBP Staff;
2. Finalization of the training program to be undertaken;
3. Conduct of training of DBP Staff and other project stakeholders.

5.1.3 Environmental and Social Assessment Specialist

1. Performance Monitoring Guide for sub-projects such as Ports and Harbors and Shipyards, RORO facilities, Roads and Bridges, Bulk Chain Projects, Cold Chain Projects and Other Infrastructure Projects.
2. Quarterly Progress Report.

5.1.4 Institutional Specialist

1. Complete the development of the Technical Evaluation Guide
2. Design improved systems, procedures and forms to implement the use of the TEG.
3. Participate as presenter in the training program for end users of the TEG and OPG.
4. Participate in the development of the Project Implementation Plan and Strategic Marketing Plan.
5. Participate in the development of the Performance Monitoring & Evaluation guides

5.1.5 Training Specialist

1. Finalization of the Training Program
2. Preparation of the 1st Quarter Training for National Capital Region (NCR)
3. Implementation of the Training Program
4. Preparation of the Terminal Report

5.1.6 Port/Shipyard Panning Specialist

1. Preparation of Feasibility Studies for the Expansion of Sasa Port
2. Technical Support on Subprojects Evaluation and Processing
3. Regional Industry Conferences

5.1.7 Road Specialist

1. Final input for the Technical Evaluation Guide in relation to roads.
2. Provide inputs/evaluation guide for flood control proposals.

5.1.8 Bulk Chain Specialist

1. Provision of inputs on the preparation of Training Workshops for DBP personnel and participating financial institutions (PFIs)

5.1.9 Cold Chain Specialist

1. Technical Support on Sub-project Evaluation and Processing

5.1.10 Monitoring and Evaluation Specialist

1. Testing and finalization of the Results-Based M&E Guide and its integral subproject performance M&E on transport and logistics using the information and data from about 5 subprojects (1 subproject for each category)
2. Incorporation of Results-based M&E to the capacity building and training program of the LIDP;
3. Support to the integration of KPIs and other data into the MIS; and
4. Participation and provision of inputs to the other undertakings and outputs of the Consultant Team.

5.1.11 Marketing Specialist

1. Contribution to the finalization of all reports upon approval of the draft final reports by the DBP Staff;
2. Finalization of the training programs to be undertaken for marketing; and
3. Conduct of training for the DBP Staff and relevant branch members as needed.