GUIDELINES FOR ACCOMPLISHING ICC-PE FORMS NO. 1 - 6

ICC- PE Form No. 1
GENERAL INFORMATION

1. Indicate the project title used in the program/project's Feasibility Study.

2. The description must be a concise explanation of the desired outcomes/outputs, objectives and components. It should give information if the program/project is only a phase of a bigger, multi-phased, or part of an integrated area development intervention.

3. Indicate in project location the province or provinces where the program/project facilities and/or installations are to be constructed (e.g., where the proposed road traverses)

4. Total project cost will include all program/project expenditures from detailed engineering/design until the completion of construction, but prior to operation. It is the sum of the foreign component and local component costs.

   (a) Foreign component is the amount of the total cost which will be provided by foreign sources (refer to ICC-PE Form No. 2). It is expressed in equivalent Philippine peso. The exchange rate used to convert the foreign currency into Philippine peso must be indicated. In cases where a project may have two or more foreign sources, indicate the exchange rate of all foreign sources.

   (b) Local component is the amount of the total cost which will be provided by local sources (refer to ICC-PE Form No. 2). Indicate the sources of local counterpart requirements, i.e. budgetary outlay, internally-generated funds, domestic loans, etc.

5. The proposed start-up date and the target date for completion of construction should be indicated. These two dates define the implementation schedule. For a multi-phased project, the implementation schedule of all stages/phases of the project should be indicated. For single-phased projects, fill-up space for phase I only.

6. The estimated life of the project is the number of years the program/project will be in operation. It excludes the construction years of the program/project. The start of project life is the first year when it is in operation. The end year is the year when flow of program/project benefits and costs are expected to terminate.

7. The implementing agency(s)/firm(s) is/are the entity with the primary responsibility for carrying out or coordinating project activities.

ICC-PE Form No. 2
SOURCES OF FINANCING

1. Indicate the sources of financing, whether local or foreign, or both.

2. Indicate the actual years when funds will be obtained.

3. Under LOCAL SOURCE, state the amount of program/project financing corresponding to the types and sources indicated. This should refer to finances obtained from local sources and should be expressed in Philippine peso.

   a) Budget appropriation refers to the amount appropriated out of the funds in the National Treasury for the operation of the Government of the Republic of the Philippines (i.e., national government agencies).

   b) Equity refers to capital invested in local firms by Philippine nationals, and includes retained earnings. For government corporations, this should exclude contributions derived from budgetary appropriations.

   c) Bonds and Notes are evidences of indebtedness which may be interest or non-interest bearing, issued by domestic borrowers to domestic lenders under which the issuer agrees to repay the principal at a stated future date. Bonds are negotiable instruments with fixed interest rates and fixed maturity date which is longer than a year.

   d) Direct borrowing are loans directly obtained from the indicated sources – deposit money banks, specialized banks, thrift banks, and other financial institutions (as defined below).

   e) Deposit money banks consist of commercial banks and rural banks, accepting demand deposits.

   f) Specialized government banks consist of government performing specific economic functions as Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP) and the Philippine Amanah Bank (PAB).

   g) Thrift banks are composed of savings and mortgage banks, stock savings and loan associations and private development banks.

   h) Other financial institutions are those institutions regularly engaged in the lending of funds obtained from the public through the issuance of their own debt instruments (but not in the form of deposits) and/or those institutions that are regularly engaged in lending of funds but do not obtain funds from the public (either in the form of deposits or other evidences of indebtedness).

      (1) Those which are regulated by or under the supervision of the Bangko Sentral ng Pilipinas. This includes investment houses, financing companies, pawnshops, money brokers, and the Government Service Insurance System (GSIS) and Social Security System (SSS).

      (2) Those which are not regulated by or are under the supervision of the Bangko Sentral ng Pilipinas include the private insurance companies.

4. Under FOREIGN SOURCE, state the amount of program/project financing corresponding to the types and sources indicated. These should refer to finances obtained from foreign sources and should be expressed in Philippine peso. Use the same exchange rate/s assumption indicated in ICC-PE Form No. 1.

   a) Foreign loans (whether fixed or revolving, in cash or in kind) are borrowings secured from foreign sources, which should include offshore banking units located in the Philippines.

b) Under direct obligation, the proponent or the end-user is the primary borrower.

c) Concessional loans are foreign borrowing with maturities of over 15 years. For the purpose of this guidelines, ignore the interest rate definition.

d) Commercial loans are foreign borrowings with maturities of up to 15 years.

e) Foreign loans from relending lines are loans wherein the proponent is the end-user but not the primary borrower. In a separate sheet, please specify details, i.e., 1) source of loan, e.g., DBP, PNB, etc., and 2) other particulars on the credit line, if available.

f) Bonds and Notes are as defined in 3(c) except that these are issued to foreign lenders.

g) Equity includes capital invested in local firms by non-Philippine nationals, whether in the form of foreign exchange in other assets, including reinvested earnings and capitalized expenses.

h) Under "Other" (II.3), include financing obtained from sources other than those specified under II.1 and II.2.

ICC-PE Form No. 3:
ESTIMATED PROJECT COST, INVESTMENT PHASE

1. Indicate the costs incurred during the Investment Phase of the program/project. This covers the detailed engineering stage and the construction/installation stage of the Program/project.

2. Expenditures for detailed engineering and other activities before start of construction in year 1 are considered year 0 expenditures.

3. All costs must be expressed in constant prices. Thus, any contingency for domestic and foreign inflation of the general price level should be excluded. However, physical contingency allowances as projected say, by the engineers, are included in cost calculation.

4. Foreign exchange costs include costs of all materials, equipment and manpower (supervision and technical assistance) for which offshore procurement would be required to satisfy the needs and specifications of the program/project. Foreign exchange costs should include both direct and indirect costs. Direct foreign exchange costs are cost of equipment and materials which are directly imported (CIF prices). Indirect foreign exchange cost should include costs of inputs imported for the local production of materials used in construction.

   Foreign exchange cost should be expressed in both US dollars (or its equivalent in US dollars in cases where a different currency is used other than US dollar) and its equivalent in Philippine peso using the exchange rate assumptions indicated in ICC-PE Form No. 1.

5. The estimated project cost required in ICC-PE Form No. 3 should include the following:

a. Costs should specify taxes and duties paid by the program/project. For example, if the project pays $10,000 for an imported equipment and P2,000 for import tax of the same equipment, the relevant cost is the $10,000, plus the P2,000 paid for tax.

b. Cost should indicate interests on loans and other loan charges on a separate schedule.

6. The cost of the following items should be indicated:

(a) Civil works include the construction of access roads, bridges, camp, operator's village, diversion works, processing plants, dam, spillway powerhouse, shafts and associated works. The costs must indicate: i) expenditures including rent on equipment and machineries used in civil works, (ii) materials and supplies and (iii) labor costs. Moreover, labor costs should indicate: (i) cost of direct supervision and consultancy fees (also known as engineering and administrative costs) and (iii) salaries and wages for laborers and construction workers.

(b) Machineries and equipment include costs of mechanical or electrical equipment installed for the program/project. These are different from the equipment and machineries used in the civil works.

(c) Land acquisition costs are payments made for the acquisition of land for the use of the program/project.

(d) Other investment costs will include those costs not included in the above listing. The components of these costs must be specified in a separate sheet.

(e) Sum up the foreign exchange and local costs given the (a) to (d) classification above. Again, the foreign exchange cost should be expressed in both US dollars (or its equivalent in US dollars in cases where a different currency is used other than US dollar) and its equivalent in Philippine peso using the exchange rate assumptions indicated in ICC-PE Form No. 1.

7. Item 6 refers to the total amount of subsidies allocated for the program/project. Subsidies usually take the form of price reductions (price subsidy) on materials and supplies to be purchased by the program/project. In this case, the price subsidy is the difference between the purchase price by the program/project and the market price of goods. The subsidy may also take the form of lowered rates for utilities (power and water) consumed by the program/project. Indicate in the space provided the subsidized items and the total amount of subsidies which is expected to be availed of by the program/project.

8. If investment costs are incurred after year 4, provide the required details in additional columns/sheets.

ICC-PE Form No. 4:
ANNUAL OPERATIONS AND MAINTENANCE COSTS

1. The Operational Phase of the program/project is the stage following the completion of program/project construction/implementation. Year 1 is the first year of operation. Cost items which should be indicated are:

a. equipment/machineries
b. materials and supplies
c. labor costs (payments to personnel)
d. costs of utilities
e. depreciation
f. other operating and maintenance (O & M) costs
g. taxes

2. The annual O & M costs apply to the operation and maintenance of all program/project components. For example, if a multipurpose project has an irrigation project as one of its components, the O & M cost for the irrigation project should be estimated. Further, if the irrigation component involves associated costs for agriculture extension and services, the associated costs should also be included as part of the O & M costs.

3. The expenditures during this phase should include replacement costs necessary to refurbish existing equipment and machineries when their useful life is completed. These are entered as equipment/machineries costs.

4. Cost estimates are required for the entire life of the project. Use a separate sheet for additional specifications.

5. For the definition of foreign exchange costs, labor costs, subsidies, refer to Guidelines for Accomplishing ICC-PE Form No. 3 above.

ICC-PE Form No. 5:
ESTIMATED PROJECT BENEFITS AND REVENUE

A. Benefits

1. The basic guide to identifying items of benefit through the program/project is the definition of benefit itself, i.e., in terms of the income objective, benefit constitutes an increase in the economy's real resources either through increases in output or savings in resource use.

In the use of transport facilities, for instance, the set of direct benefits may include:

a. reduced vehicle operating costs;
b. lower maintenance costs;
c. fewer accidents;
d. savings in time for passenger and freight; and
e. production increases (in the case of developmental transport facility).

Admittedly, only the first two benefits and the last are easily quantifiable (and practical). However, the effects of the other benefits on national income (e.g. value of each human life saved in terms of the capacity to earn during productive life) should be quantified.

2. Specify the source of benefit in the space provided. For more than two sources, use additional sheets. Example of benefit sources are:

a. value of increased rice production (irrigation project)

Note: The increased value of production attributable to the project and considered project benefit is the increment between "Without-the-project" and "With-the-project" value of production net of associated production costs.

b. vehicle operating savings (highways/road projects)
c. income derived from sale of the product (for industrial projects)

For multi-purpose programs/projects, benefits for each component should be presented.

3. Present the following in the Worksheets provided:
(Use additional sheets when needed)

a. sample steps used in the calculation of the value of benefits;
b. the sources of data;
c. the methods of projections, for all projections made; and
d. all assumptions used.

4. The project benefits should be estimated for the entire program/project life. Use additional sheets when necessary.

B. Revenue

For income-generating programs/projects, indicate the income in another sheet. This should be supported by projected production volume and the prices used in projecting income.

ICC-PE Form No. 6
LOGICAL FRAMEWORK (RESULTS MONITORING AND EVALUATION)

1. Definition of RME

Results Monitoring and Evaluation (RME) is a development management approach aimed at enhancing the likelihood of achieving the desired outcomes and long-term impact of development programs/projects. RME enables agencies to assess the effectiveness of programs/projects with respect to their development objectives.

The RME process encompasses the project development cycle, explicitly linking one phase to another, and consistently focusing on the planned results. [1] This contrasts with the input-output monitoring commonly adopted, whereby the main focus is on program/project activities and outputs, with emphasis on meeting the program/project specifications within the given timeframe and budget.

RME is a project design instrument that explicitly adopts a set of performance indicators of program/project outcome and impact, defined at project preparation stage, and agreed to between the proponent and the approving authority. The indicators provide measurement of project success.

[1] In this context, results refer to outcomes and longer-time impact arising from the use of project outputs.

2. Variants of RME

   a. Benefit Monitoring and Evaluation
   b. Objectives-Oriented Project Planning (ZOPP)
   c. Goal Achievement Matrix
   d. Project Cycle Management
   e. Strategic Objectives Results Review
   f. Project Performance Management System

3. Common Elements among RME Variants

   a. Use of a Logical Framework (LOGFRAME) as a design and M&E instrument
   b. Explicit use of performance indicators or objectively verifiable indicators (OVI)
   c. Adoption of systematic but quick reliable and inexpensive means to verification (MOV).

Output – program/project deliverables arising form the activities carried out with the program/project resources

Purpose – the immediate-term development objective of the program/project, the immediate reason for the program/project, the outcome expected shortly after completion of the program/project implementation.

Results – outcomes and long-term impact arising from the use of program/project outputs

Results Monitoring and Evaluation – a development management approach aimed at enhancing the likelihood of achieving the desired outcomes and long-term impact of development programs/projects.

Target – an explicit statement of results desired for an indicator over a specified period of time.