



COMPACT GOAL

The Compact intends to support: (i) reforms and investments to modernize the Bureau of Internal Revenue to increase fiscal space for public investment and to reduce opportunities for corruption in tax administration; (ii) expansion and enhancement of a community-driven development project, Kalahi-CIDSS; and (iii) rehabilitation of a secondary national road connecting the provinces of Samar and Eastern Samar.



COMPACT AT A GLANCE

Compact Signed	09-23-2010
Entry Into Force	05-25-2011
Compact End Date	05-25-2016
Compact Total	\$433,910,000
Amount Committed	\$353,451,423
Amount Expended	\$185,301,798
Estimated Program Beneficiaries	125,822,000
Estimated Increase in Household Income	\$649,300,000

% OF TOTAL COMPACT		BUDGET (USD MILLIONS)
28%	Kalahi-CIDSS Community Development Project	\$120.0
49%	Secondary National Roads Development Project	\$214.4
13%	Revenue Administration Reform Project	\$54.3
2%	Monitoring and Evaluation	\$8.2
9%	Program Administration & Control	\$36.9

■ Project Preparation ■ Project Implementation

Kalahi-CIDSS Community Development Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES*																								
	\$120,000,000	\$106,016,191	\$68,776,032																								
<p>Improve the responsiveness of local governments to enhance economic self-reliance in rural areas by targeting poor communities for small-scale, community-driven development projects. Empower and strengthen capacity of communities by helping them prioritize, design, and implement development projects.</p> <p>Projected Long-Term Results (Up to 20 years)</p> <table border="0"> <tr> <td>ESTIMATED BENEFICIARIES</td> <td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td style="text-align: center;">5,215,000</td> <td style="text-align: center;">\$118,100,000</td> </tr> <tr> <td></td> <td>Residents of barangays in municipalities selected for the sub-projects.</td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	5,215,000	\$118,100,000		Residents of barangays in municipalities selected for the sub-projects.	<table border="0"> <thead> <tr> <th></th> <th>YEAR 1</th> <th>YEAR 2</th> <th>YEAR 3</th> <th>YEAR 4</th> <th>YEAR 5</th> </tr> </thead> <tbody> <tr> <td>Capacity Building and Implementing Support</td> <td style="background-color: #e0e0e0;"> </td> </tr> <tr> <td>Grants for Community Projects</td> <td style="background-color: #e0e0e0;"> </td> </tr> </tbody> </table> <p style="text-align: center;">PRESENT</p>				YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Capacity Building and Implementing Support						Grants for Community Projects					
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	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>Depending on the priorities identified by each community, results are expected to include savings in transport costs, reduced post-harvest losses, time savings, decreased morbidity from waterborne diseases, and higher education enrollment rates and lower dropout rates.</p>	<p>PROGRESS TO DATE</p> <p>To date, 2,616 K-C sub-projects have been initiated, of which 1,587 have been completed. With an end of Compact target of 2,740 completed sub-projects and almost two years remaining in implementation, K-C is expected to surpass the target, indicating significantly higher benefits without increasing the project budget.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>MCA-Philippines signed an amendment to the Memorandum of Understanding (MOU) with Peace Corps, which extends the partnership until the end of the Compact. The MOU, signed in April 2012, will place a Peace Corps Response Volunteer in K-C subproject sites for six months to assist in documenting the impact of the Compact.</p>																								

Secondary National Roads Development Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]
	\$214,440,000	\$206,748,176	\$85,035,959

Reduce transportation costs and improve access to markets and social services through the rehabilitation of an existing 222 km road segment on the island of Samar.



Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
282,000	\$205,100,000

PROJECTED RESULTS BY END OF COMPACT

Savings in time and lower vehicle operating costs and road maintenance costs are intended to increase commerce in and between the provinces of Samar and Eastern Samar, and ultimately increase incomes.

PROGRESS TO DATE

Construction Package 1, a 16.3 km road segment, and one of four civil works packages, has been completed, with enhanced safety features that were incorporated into the design. Work is progressing on the remaining construction packages. Resettlement activities continue and are nearing completion.

PROJECT ACHIEVEMENTS

Phase 2 of the community outreach campaign on MCA-P's Trafficking in Persons Campaign is underway. The objective is to increase awareness in communities along the road on detecting and preventing trafficking in persons. The campaign will build upon the community outreach and capacity-building activities started in 2013 in 14 municipalities and 1 city that will directly benefit from the project.

Revenue Administration Reform Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]
	\$54,300,000	\$20,475,133	\$10,549,545

Address the need to raise tax revenues and reduce tax evasion and revenue agent-related corruption by increasing the efficiency and sustainability of revenue collection through a redesign and computerization of business processes.



Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
125,000,000	\$160,100,000

PROJECTED RESULTS BY END OF COMPACT

Narrow the gap between potential and actual tax collections, and improved efficiency through better public sector revenue administration and increased taxpayer compliance. Reduce the discretion of individual tax and customs collection officers.

PROGRESS TO DATE

The Bureau of Internal Revenue's 2014 nationwide tax campaign is ongoing. The campaign, a component of RARP's public awareness activity, was broadcast across media outlets, including social media and outdoor billboards to inform the taxpayers of their obligations and the adverse effects of their non-compliance. Preliminary studies show that tax registrations increased at an above-trend rate due, at least in part, to the new campaign.

PROJECT ACHIEVEMENTS

Implementation of several key functionalities in the automated tax administration system are underway at pilot sites. This follows the assessments conducted by the IMF earlier in the year, that found positive impacts from three pilot projects initiated with the assistance of the Compact-funded resident adviser and other IMF experts.

[†]Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.