



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	\$399,438,838
Amount Expended	\$294,729,475
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 EXPENDITURES¹
\$120,000,000	\$125,583,744	\$108,706,687

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.



Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
5,215,000	\$118,100,000
	Residents of barangays in municipalities selected for the sub-projects.

PROJECTED RESULTS BY END OF COMPACT

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.

PROGRESS TO DATE

3,595 subprojects have been prioritized by project communities. More than 2,900 of those have been completed, surpassing the Compact's target of 2,740. Additionally, 28 of the proposed 44 K-C subprojects funded under the Gender Incentive Grant (GIG) have also been completed. These include construction of facilities for protection of women against violence, gender-sensitivity, livelihood and skills training.

PROJECT ACHIEVEMENTS

The compact has surpassed the target of 2,740 completed subprojects. MCA-Philippines signed an amendment to the Memorandum of Understanding (MOU) with Peace Corps, which extends the partnership until the end of the Compact. As part of this partnership, three (and eventually six) Peace Corps Response Volunteers (PCRVs) are in country to provide monitoring and oversight support of K-C subprojects.

Secondary National Roads Development Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS					TOTAL PROJECT EXPENDITURES [†]
	\$214,440,000	\$218,489,293					\$138,120,939
<p>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.</p> <hr/> <p>Projected Long-Term Results (Up to 20 years)</p>							
	<p>ESTIMATED BENEFICIARIES</p> <p>282,000</p>	<p>ESTIMATED INCREASE IN HOUSEHOLD INCOME</p> <p>\$205,100,000</p>	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>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.</p>	<p>PROGRESS TO DATE</p> <p>Construction Package 1, a 16.3 km road segment, and one of four civil works packages, has been completed, with enhanced safety features incorporated into the design. Work is progressing on the remaining construction packages. As of the end of December, over 202 km or approximately 90% of the total road length has been paved.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>The Department of Public Works and Highways, the implementing agency of the SNRDP, passed a resolution integrating anti-trafficking in persons measures in its policies and programs. The resolution cites the successful work of MCC and MCA-P in promoting gender equality as a core principle in its projects.</p>		

Revenue Administration Reform Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS					TOTAL PROJECT EXPENDITURES [†]
	\$54,300,000	\$28,032,921					\$19,507,957
<p>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.</p> <hr/> <p>Projected Long-Term Results (Up to 20 years)</p>							
	<p>ESTIMATED BENEFICIARIES</p> <p>125,000,000</p>	<p>ESTIMATED INCREASE IN HOUSEHOLD INCOME</p> <p>\$160,100,000</p>	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>Filipinos who enjoy an increase in material welfare arising from increased public expenditure or investment due, in turn, to the RARP.</p>	<p>PROGRESS TO DATE</p> <p>The approval process is in final stages for the nationwide rollout of IMF-initiated pilots to reform VAT audits and the collection of tax arrears. The pilot projects have verified the potential for significant revenue gains. The development of the main tax administration system, eTIS, continues.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>Four of the five modules of the Bureau of Internal Revenue's (BIR) Electronic Tax Information System (eTIS), have been implemented in 13 BIR offices selected as pilot sites. The BIR has committed to continue to invest in eTIS following the end of the Compact. BIR has agreed to expand three programs initiated with help of IMF technical assistance, two of which have shown strong revenue growth in pilots phases.</p>		

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