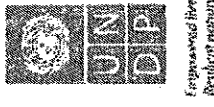


UNDP
Philippine Country Office
AUTHORIZATION

Date Received: 2/24/17
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Cc: _____
Action Needed:
 For Action, Pls.
 Others:



**QUARTERLY PROGRESS REPORT
FIRST QUARTER 2017**

A. BASIC INFORMATION

Project ID / Output ID	00075132 / 00088347	Reporting Date:	First Quarter 2017
Full Title:	Philippine Poverty Environment Initiative (Phase 3)	Completion date, approved extension (if any)	6/1/2018
Start Date	1/1/2016	Annual Project Fund: AWP Budget (2017)	USD 140,517.11
Total Project Fund: (and fund revisions, if any)	USD 267,323.11 (budget for 2016 and 2017)		
Implementing Partner:	Department of the Interior and Local Government (DILG)		
Donor/s	PEF		
Responsible Partners:			

B. INDICATIVE/EMERGING RESULTS OF THE PROJECT AND LESSONS LEARNED

1. **INDICATIVE/EMERGING RESULTS OF THE PROJECT**

2. **LESSONS LEARNED**

C. TECHNICAL ACCOMPLISHMENTS

- Evidence-based reporting. Include relevant reports/publications and/or photo-documentation (description, date, location) as an annex.
- Quarterly financial performance is reported in the FACE Form. Please ensure consistency of technical accomplishments with the submitted Quarter FACE form and the AWP.
- Interim annual financial performance data is reported in the APR.

EXPECTED OUTPUTS		Baseline				2016 Milestone ²		2017 Target		End-of-project Target 2018	
Output 1. Mechanisms developed and strengthened for transparency of ENR revenues at sub-national level.		2015		2016		2017		2018		2019	
Project Output Indicators ³	Activity/Sub-activity Description	Planned Budget For Q1 2017	Donor and Budget Code	Expenditure	Delivery Rate (cumulative expenditure / planned budget) *100	Status of Activity ⁴	Accomplishment for the Quarter	Physical Performance	Financial Performance	Challenges / Bottlenecks and plans to address them / Lessons Learned	REMARKS
1.1 Existence of an institutional mechanism for a cross-sectoral policy advocacy on ENR revenue management	Meetings; Policy briefs and technical notes of TWC policy recommendations	2332.04	PEF 75700	0	0						
1.2 Number of policy reform measures proposed and/or adopted through the PEI supported inter-sectoral advocacy platform	Expenditure Review on selected LGUs using data from ENRD/MT	0	PEF 71300	0	0						
1.3 Number of LGU participation on the enhanced ENRD/MT through provision of relevant data	Enhanced and updated ENRD/MT based on the rollout review and feedback from LGUs and BLGF / DLIC	0	PEF 71300	0	0						
1.4 Number of LGUs whose expenditure on ENR and poverty tracked and/or reviewed expenditures on pro-poor environment and climate change initiatives	Training of Trainers (TOT) to support the implementation of the DOF Department Order and roll-out the ENRD/MT to cover all 210 LGUs that receive shares from National Wealth	3326.53	PEF 71300	6554.74	78.72%						

² Please ensure consistency with ProDoc and AWP indicators.

³ Use traffic light to indicate progress vs 3-6 annual output targets in AWP. **Green** (Completed), **Yellow** (On track/Ongoing), **Red** (At risk/delayed). Data provided can be qualitative or quantitative based on the nature of the output indicator (UNDP PHL CO Data Clean-up Guidelines).

⁴ Use traffic light to indicate progress vs 3-6 timelines assigned for planned activities.

EXPECTED OUTPUTS									
Output 2: Improved sharing and use of ENR benefits to fund pro-poor environment and climate change investments at the sub-national levels.									
Project Output Indicators ¹		Baseline			2016 Milestones ²		2017 Target		End-of-project Target 2018
2.1 Number of policy issuance on equitable sharing and use of ENR revenues at the sub-national levels endorsed or approved		2015	0	0	0	1	3		
2.2 Number of LGUs using the cost-benefit analysis for local plans and budgets		2015	0	0	0	0			
2.3 Number of policy and institutional reform measures proposed to increase green investments in the country		2015	0	0	0	1	1		
		Physical Performance			Financial Performance			REMARKS	
Activity/Sub-activity Description	Accomplishment for the Year	Status of Activity	Planned Budget for Q1 2017	Donor and Budget Code	Expenditure	Delivery Rate (cumulative expenditure / planned budget) *100	Challenges / Bottlenecks and plans to address them / Lessons Learned		
Planned Activity 2.1 Policy issuance on ensuring equitable sharing and use of ENR revenue endorsed and approved	2.1 Updated PPEI websites to better support advocacy on P-E-CC linkages		0	PEF 71400		0	Need to level off on ideas and concepts on the role of the website in the sustainability of PPEI and how to make it dynamic.		
	2.2 Networking and partnerships forged to support project policy reform advocacy		402.18	PEF 75700	0	0	Partnerships with like-minded organizations are key to broaden the advocacy for ENR / P-E reforms.		
	2.3 Conduct of the SDMP Study		10204.08	PEF 71300	8032.77	78.71%	Payment of consultant – 2016 activity carried over in 2017; Final payment pending acceptance of final draft.		

¹ Please ensure consistency with ProBID and AWP indicators.

² Use traffic light to indicate progress as a one annual output targets in AWP. (Completed), (On track/ongoing), (Not started/delayed). Data provided can be qualitative or quantitative based on the nature of the output indicator (UNDP PHIL CO Data Clean-up Guidelines).

³ Use traffic light to indicate progress as a one annual activities assigned for planned activities.

EXPECTED OUTPUTS						
Output 3. Effective and efficient programme management and support.						
Project Output Indicator/s ¹		Baseline	2016 Milestones	2017 Target	End-of-project Target 2018	
3.1	Number of monitoring report produced.	2015 3 quarterly and 1 Annual Monitoring Reports produced	3 quarterly and 1 Annual Monitoring Reports produced for UNDP CO / 1 Semestral Report and 1 Annual Progress Report for PEF Region	3 quarterly and 1 Annual Monitoring Reports produced for UNDP CO / 1 Semestral Report and 1 Annual Progress Report for PEF Region	3 quarterly and 1 Annual Monitoring Reports produced for UNDP CO / 1 Semestral Report and 1 Annual Progress Report for PEF Region	
3.2	Number of financial reports produced	2015 3 quarterly and 1 Annual Financial Reports produced	3 quarterly and 1 Annual Financial Reports produced	7 quarterly and 3 Annual Financial Reports produced	3 quarterly and 1 Annual Financial Reports produced	
3.3	Number of PPEI Board Meetings conducted.	2015 2 PPEI Regular Board Meetings conducted.	2 PPEI Regular Board Meetings conducted	5 PPEI Regular Board Meetings conducted.	2 PPEI Regular Board Meetings conducted.	
Financial Performance						
Activity/Sub-activity Description	Accomplishment for the Year	Status of Activity²	Planned Budget for Q1 2017	Donor and Budget Code	Expenditure	Delivery Rate (cumulative expenditure / planned budget) %³
Planned Activity 1.1 Effective and efficient programme management and support	3 quarterly one Annual Monitoring Reports produced for CO / 1 Semestral and 1 Annual Progress Report submitted to PEF Region		3019.618	PEF 71400	3808.75	99.7%
	3 quarterly two semi-annual and one Annual Financial Reports produced		2171.771	PEF 71400	2165.25	99.7%
	Reports and documentation of Project Board Meetings / Technical Meetings and Workshops		0	PEF 72600	0	0
			0	PEF 75700	0	0
			4177.38	PEF 72400	4017.76	96.18%
	Quarterly Monitoring and Evaluation report		0	PEF 75700	0	0
	Spot-check / audit expenses		0	PEF 72100	0	0
Government Contribution in-kind						Payment for 3 laptops procured in Dec 2016
REMARKS						
Challenges / Bottlenecks and plans to address them / Lessons Learned						

¹ Please ensure consistency with ProDoc and AWP indicators.

² Use traffic light to indicate progress vis-a-vis annual output targets in AWP: Green (Completed), Yellow (On track/Ongoing), Red (Not started/delayed). Data provided can be qualitative or quantitative based on the nature of the output indicator (UNDP PHL CO Data Clean-up Guidelines).

³ Use traffic light to indicate progress vis-a-vis timelines assigned for planned activities.

D. PARTNERSHIPS FORGED

Name of partner	Type	Description of partnership and how it has contributed to project results or sustainability
DOF - Bureau of Local Government Finance Green Thumb Coalition	National Government Agency Civil society organization	Through an administrative order, DOF will sustain the implementation of the ENR data management tool to LGUs post project. Green Thumb is a broad coalition of green CSOs in the country and has committed to support the advocacy for ENR reforms post project
EITI - Philippines	Tri-partite (public, private and CSO) organization	Project is exploring the possibility of lodging the TWG on ENR as one of the committees under EITI PH to sustain ENR reform advocacy since most of its members are also active members of the EITI.

E. INFORMATION, COMMUNICATION, EDUCATION, AND KNOWLEDGE MANAGEMENT

IEC/Knowledge Product produced in 2016	Type	Date published/ produced	Target audience	Link (if available)
Expenditure Review of LGUs	Publication	End 2017	LGUs and policy makers	To be provided once available
Upscale PPEI website	Online platform	End 2017	LGUs, policy makers and advocates,	To be provided once available
Green Investment Options for LGUs	Publication	End 2017	LGUs and local chief executives	To be provided once available

Was the project cited / quoted / featured in media reports / articles? If yes, please provide link to article / video.

F. ACTIONS TAKEN REGARDING AUDIT AND/OR SPOT CHECK FINDINGS

Describe actions taken to address the findings from the audit / spot check as applicable.

- Administrative and financial policies have been approved and will provide the basis for the implementation of corrective actions to address the spot-check findings.

Audit/Spot Check Recommendations	Action Taken	Responsible Person	Implementation Date
BRS and DVs were not reviewed/certified by an accounting/authorized personnel.	Work in progress, being reviewed for appropriate action.	Admin and Finance Officer with guidance from the National Project Coordinator	June 2017
BRS and DVs should be reviewed and certified by an accounting / authorized personnel in order to check the correctness of amounts and accounting entries presented on the documents.			
DVs have incomplete supporting documents. Complete documentation for DVs should be strictly observed.	Work in progress, being reviewed for appropriate action.	Admin and Finance Officer with guidance from the National Project Coordinator	June 2017

Unreleased checks were already reported as disbursements in the FACE reports.	Work in progress, being reviewed for appropriate action.	Admin and Finance Officer with guidance from the National Project Coordinator	June 2017
Checks should be released first before including in the disbursement in the FACE forms.			
Non-withholding of taxes to all expenditures covered - both direct cash transfer and direct payment transactions.	Work in progress, being reviewed for appropriate action.	Admin and Finance Officer with guidance from the National Project Coordinator	June 2017
Withholding taxes should be netted from the expenses incurred. These should be remitted to BIR on or before the 10 th day of the following month. Non-compliance of this will be subject to penalties and other charges. It is the obligation of the IP to withhold taxes on all its purchase which cannot be passed on to the suppliers.			
Absence of accounting records to support the expenditures incurred.	Work in progress, being reviewed for appropriate action.	Admin and Finance Officer with guidance from the National Project Coordinator	June 2017
Trial Balance, Journal Entry Voucher, and other accounting records should be accomplished for proper accounting of expenditures and to maintain records of project's transactions.			

G. RISK LOG UPDATE

- Assess identified risks and record new risks that may affect project implementation.
- Include risks identified in the Project's Social and Environmental Screening, if any

No.	Description	Date Identified	Type	Status	Countermeasures / Management response (What actions have been taken/will be taken to counter this risk)
1	Funding support may not be sufficient to cover project budget	3/11/2016	Financial	Improved	A concept proposal was submitted tapping TRAC funds. Proposal was approved by UNDP CO, amounting to \$68k for 2017 and another \$50k for 2018.
2	Foreign exchange status	January 2016	Financial	Improved	Peso depreciation have resulted to forex gains, providing additional funds for project activities
3	National and local elections	May 2016	Operational	Work in progress	The closure and suspension of 23 large mining companies have affected the implementation of some project activities. However, these activities are expected to proceed, appropriate timing is just being considered.
4	Minimal support of LGU to project due to national elections	May 2016	Political	Work in progress	While LGU support to the initial rollout of the ENRDMT is 50%, BLCF and DILG is expecting that compliance will reach 100% in 2017 given that this is an iterative process.
5	Limited capacity of LGUs	May 2016	Operational	Work in progress	Additional training workshops and materials will be developed in 2017 to increase LGU capacities on the use of the ENRDMT platform.

Note: PPEI activities have no risks of adverse social or environmental impacts.

H. MONITORING & EVALUATION

Total Spent on Monitoring in 2017	0	Total spent on Decentralized Evaluations in 2016 (Mid Term / Final)	0
Is the project's M&E Plan being adequately implemented? Are progress data against indicators in the project's RRF being reported regularly using credible data sources and collected according to the frequency stated in the M&E Plan?			
		Yes, monitoring and reporting of results using the quarterly / semester reports as tools for M&E.	

I. MAINSTREAMING GENDER EQUALITY

Incorporation of gender perspectives in various outputs and activities by giving emphasis on gender-sensitive concerns especially in leadership roles, decision-making processes, capacity-building and protection of women, including the children and elderly

1. Qualitative description

-	In Governance Mechanisms (Participation in Project Board (including representation of PCW, TWGs, Experts' Group and other governance mechanisms set up by the Project, e.g. National multi-sectoral committees). Not applicable. PPEI project is gender neutral.
-	In Capacity Building and Policy, Planning and Programming Not applicable. PPEI project is gender neutral.
-	Women's Empowerment Key Results Not applicable. PPEI project is gender neutral.

2. Gender Issues

No	Gender Issues Identified	How the project is addressing identified gender issues
1	Not applicable. PPEI project is gender neutral.	
2		

3. Disaggregation of data of Beneficiaries/Participants of Activities conducted under the Project

Project Activities	Number of beneficiaries/participants	Gender disaggregation	Remarks (if any)
Trainings/Consultations/Workshops/ Surveys	19	M - 3 / F - 16	
PPEI Planning Session (13 Jan 2017)			
Total	19	M - 3 / F - 16	

4. Classification of Gender responsiveness¹

PPEI project activities for the first quarter of 2017 is gender neutral. We will ensure that in the expenditure review that will be conducted in the remaining quarters of the year will look into how LGUs are able to integrate gender concerns when they address poverty and environmental concerns using ENR revenues.

Classification of gender-responsiveness: Project Implementation, Management, Monitoring and Evaluation (PIMME) Select one	<input type="checkbox"/>	A: Project is gender-responsive (15.0-20.0)
	<input type="checkbox"/>	B: Project is gender-sensitive (8.0-14.9)
	<input type="checkbox"/>	C: Project has promising GAD prospects (4.0-7.9)
	<input type="checkbox"/>	D: Gender and development (GAD) is invisible in the proposed project (0-3.9)

Prepared by:

PAMELA A. GRAFILO
Project Manager/Coordinator

Signature:

Date: 11 April 2017

Noted by:

DIR. ANNA LIZA F. BONAGUA
National Project Director, DLG
Implementing Partner

Signature:

Date: 11 April 2017

Noted by:

FLORADENA ELEAZAR *FE*
Programme Team Leader
ISD, UNDP

Signature:

Date:

J. SAMPLE RISK LOG UPDATE

#	Description	Date Identified	Type	Status	Countermeasures / Management response
1	The change in national and local leadership after the May 2013 elections will create a transition process that may result in delay in project implementation because of changed priorities or uncertainties	Mar 2015	Political	High-level Risk - New	Conduct of proper and continuing consultation and dialogue at all levels and sectors will be undertaken to ensure support and continuous ownership of / buy in for the project. Briefing to be specifically provided to new or incoming leadership to enable an understanding of and secure buy-in for the project.
2	Critical partners failed to deliver outputs on time	Mar 2015	Strategic	Materialized, medium-level risk (Describe particular output affected, cause of failure/delay, RP and other relevant information)	Close monitoring of implementation of deliverables of responsible agencies is underway-a catch-up plan has been submitted and outputs will need to be delivered on.

K. Reference: Types of Risks¹²

External Risks	Internal	Operational	Political	Organizational	Regulatory	Strategic	Other
Natural Disasters: storms, flooding, earthquakes	EXTERNAL economic factors: interest rates, exchange rate fluctuation, inflation	Institutional Arrangements	Corruption	Complex Design (size: larger/multi-country project; technical complexity; innovativeness; multiple funding sources)	New unexpected regulations, policies	Partnerships failing to deliver	Other risks that do not fit in any of the other categories
Pollution incidents	INTERNAL:	Institutional/ Execution Capacity	Government Commitment	Project Management	Critical policies or legislation fails to pass or progress in the legislative process	Strategic Vision, Planning and Communication	Might refer to socioeconomic factors such as: population pressures; encroachment - illegal invasions; poaching/illegal hunting or fishing
Social and Cultural	Co-financing difficulties	Implementation arrangements	Political Will	Human Error/Incompetence		Leadership and Management	
Security/Safety	Use of financing mechanisms	Country Office Capacity (specific elements limiting CO capacity)	Political Instability	Infrastructure Failure		Programme Alignment	
Economic	Funding (Financial Resources)	Governance	Change in Government	Safety being compromised		Competition	
	Reserve Adequacy	Culture, Code of Conduct and Ethics	Armed Conflict and Instability	Poor monitoring and evaluation		Stakeholder Relations	
	Currency	Accountability and Compensation	Adverse Public opinion/media intervention	Delivery		Reputation	
	Receivables	Succession Planning and Talent Management		Programme Management		UN Coordination	

¹² UNDP Programme and Operations Policies and Procedures (POPP)

	Accounting/Financial Reporting	Human resources Processes and Procedures		Process Efficiency	UN Reform	
	Budget Allocation and Management			Internal Controls		
	Cash Management/Reconciliation			Internal and External Fraud		
	Pricing/Cost Recovery			Compliance and Legal		
				Procurement		
				Technology		
				Physical Assets		