



Project Title: Pipol Konek

Project Number: 00113425

Implementing Partner: UNDP

Start Date: 26 September 2018

End Date: 31 December 2022

PAC Meeting date: 22 March 2019

Brief Description

The Philippines is recognised as a high user of online services, with an estimated 67 million Filipinos using Facebook. It is ironic, therefore, that 45% of the total population and 61% of households do not have access to the internet. The Free Wi-Fi Internet Access in Public Places Project, otherwise known as Pipol Konek, implemented by the Department of Information and Communications Technology (DICT) aims to provide free broadband internet access to public places across the country. However, challenges in the bidding and implementation process, limited access to cost-effective and up-to-date technology options, as well as limited capacity of local Philippine telecommunications companies have slowed progress toward this goal.

This project will support DICT’s commitment to accelerate the roll-out of the Pipol Konek project. Working in partnership with DICT, UNDP will use its National Acceleration Modality to apply its procurement system and partnership agreement instruments to provide Wi-Fi services for designated areas that currently have no or limited access to internet. This phase of the DICT-UNDP partnership aims to expand internet access in 6,000 sites.

The project will contribute to closing the digital divide in the Philippines by providing incentives to encourage new and existing local and international service providers to expand internet coverage in designated areas, incorporate citizen monitoring mechanisms to ensure internet service providers meet service quality standards, and include resources to develop the capacity of DICT staff to oversee the procurement, management and implementation of future large-scale ICT investments.

Programme Period:	39 months
Atlas Project Number:	
Atlas Output ID:	00111581
Gender Marker:	GEN1

Total resources required:	
	PHP 1,391,084,618.28
	USD 26, 153, 123.11
Total allocated resources:	
Government:	PHP 1,362,084,618.28
	USD 25,606,463.50
	UNDP (advisory services, technology)
	PHP 29,000,000.00
	USD 546,659.61

Agreed by DICT:

ELISEO M. RIO, JR.
DICT Acting Secretary

Agreed by UNDP:

TITON MITRA
UNDP Resident Representative

LIST OF ACRONYMS

Civil Society Organisations	CSOs
Commission on Audit	CoA
Department of Budget and Management	DBM
Department of Education	DepEd
Department of Information and Communications Technology	DICT
Department of the Interior and Local Government	DILG
Fiber Optic Cable	FOC
Joint Memorandum Circular	JMC
Local Government Unit	LGU
Long Term Agreement	LTA
Memorandum of Agreement	MoA
Monitoring and Evaluation	M&E
National Government Agency	NGA
National Telecommunications Commission	NTC
Philippine Long Distance Telephone Company	PLDT
Public Telecommunications Entity	PTE
Television White Space	TVWS
United Nations	UN
United Nations Development Programme	UNDP
Standard Basic Assistance Agreement	SBAA

a

I. BACKGROUND

The Philippines is recognised as a high user of online services, with an estimated 67 million Filipinos using Facebook. It is ironic, therefore, that 45% of the total population and 61% of households do not have access to internet.¹ A further 74% of 46,700 public schools nationwide are unable to connect to Internet facilities in their communities, despite having been provided a budget from the Department of Education (DepEd).² The Free Wi-Fi Internet Access in Public Places Project, otherwise known as Pipol Konek, was implemented starting June 2016. Pipol Konek aims to provide free broadband Internet access to public places across the country. The target beneficiary sites of Pipol Konek is 13,024 by December 2018. As of August 2018, a total of 3,509 sites have already been installed, with 1,592 live sites and 1,689 sites with access points installed but awaiting telecommunication links.

On August 2, 2017, Republic Act No. 10929 otherwise known as the Free Internet Access in Public Places Act of 2017 was enacted, which mandates the Department of Information and Communications Technology (DICT) as the lead implementing agency that will oversee its effective and efficient implementation. The law created the Public Internet Access Programme, which aims to provide free access to internet service in public places throughout the country such as the national and local government offices; public basic education institutions; state universities and colleges, and TESDA technology institutions; public hospitals, health centres and rural health units; public parks, plazas, libraries, and barangay reading centres; public airports and seaports; and public transport terminals.

However, there have been a number of challenges that have slowed the implementation of this programme. They are as follows:

- i) **Regulatory Issues:** The current regulatory environment for internet provision and access in the Philippines is complex. The mix of different governing laws leaves pockets of ambiguity which has hindered innovation, experimentation and entrepreneurial attempts to expand internet access to areas and communities underserved by existing market players. One such issue is the ambiguity in the classification of Internet Service Providers (ISPs), and the extent to which they can build their own internet infrastructure. In the Philippines, ISPs are considered a “Value Added Service” (VAS), separate from the basic-telecoms services that are provided by a “Public Telecommunications Entity” (PTE).³

PTEs provide telecommunications infrastructure and services to the public and are required to obtain a franchise license from Congress as well as a provisional authority (PA) or certificate of public convenience and necessity (CPCN) from the National Telecommunications Commission (NTC). Only PTEs are allowed to build telecommunications infrastructure. Under the law, ISPs are not allowed to build their own networks, but instead are required to utilise network infrastructure provided by PTEs. The definition of a “network” in this case is that of “a set of nodes or links that provides connections between two or more defined points to accommodate telecommunication between them,”⁴ and is thus a rather strict limitation on ISPs.

¹ Broadband Commission (2017). The State of Broadband: Broadband catalyzing sustainable development. Retrieved from: https://www.itu.int/dms_pub/itu-s/opb/pol/S-POL-BROADBAND.18-2017-PDF-E.pdf 15

² Data from the Department of Education (2016).

³ John Garrity (2018) A Review of the Current Policy and Regulatory Context and the Impact on the Pipol Konek Programme Rollout.

⁴ Implementing Rules and Regulation For Republic Act No. 7925 Re: An Act To Promote And Govern The Development Of Philippine Telecommunications And The Delivery Of Public Telecommunications Services.

However, the “Free Internet Access in Public Places Act of 2017” does encourage for ISPs to identify innovative sources and partnerships for internet backhaul. Section 6 of the Act notes: “ISPs shall be allowed to acquire and utilize internet connectivity directly from satellites and other emerging technologies to ensure universal internet coverage, which when used to provide internet connectivity shall be considered value-added services”.⁵

Furthermore, there are clarifications in existing regulatory environment for emerging technology solutions which could potentially encourage greater involvement and participation in the Pipol Konek program. These include licensing requirements for:

- Satellite/ VSAT, service. Currently satellite operators doing business in the Philippines require a telco franchise (dictated by R.A. 7925) and payment of spectrum user fees.
- Outdoor use of Wi-Fi. Regulations in the Philippines appear to limit the use of license-free spectrum for Wi-Fi to only indoor uses. These limitations are placed on radiated power thresholds and no external antennas. Radiated power beyond the set threshold and/or using an external antenna pushes the network into the definition of a “public data network” that can only be provided by a PTE. This suggests that using license-free spectrum for Wi-Fi outdoors (such as for public Wi-Fi APs, fixed wireless or backhaul purpose) could run afoul of existing regulation.
- TV White Space (TVWS) and other wireless technologies. No existing regulations allow for the commercial use of spectrum for TVWS though the NTC appears to review the issue on a case-by-case basis. Again the “Free Internet Access in Public Places Act of 2017” appears to support and allow for the use of TVWS by DICT private sector partners, and apparently some partners are already using TVWS in situations where line of sight technologies are not viable. However, the NTC cautions that it still is necessary to clear the use of TVWS with its Radio Spectrum Planning Division and Broadcast Services Division.⁶

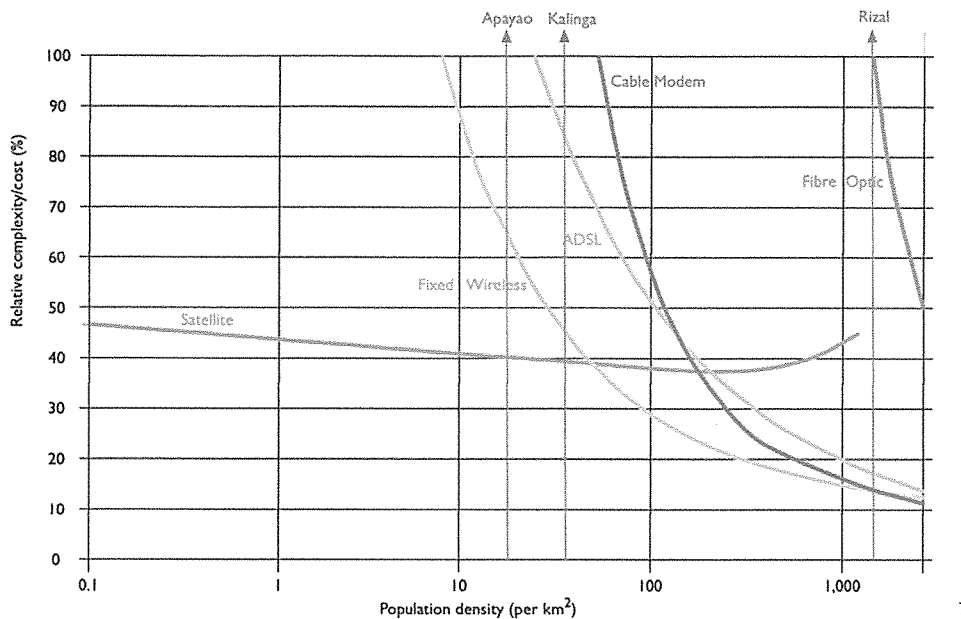
ii) **Government Procurement Issues:** In previous rounds of Pipol Konek, several challenges in the bidding and implementation process were encountered. The fact remains that the telecommunications market is effectively dominated by two major companies, which have shown a reluctance to implement contracts that connect last mile communities due to poor projected return of investment. However, the government procurement rules make it difficult to procure international firms without a franchising license. Furthermore, given the scale of the challenge encompassed by previous Pipol Konek programmes, the smaller ISPs presently do not have the capacity to pursue this.

iii) **Geographical Issues:** The Philippines is an archipelago of over 7,641 islands. Some are mountainous, others are very remote, while many are prone to flooding, typhoons, earthquakes, and other natural disasters. It is clear therefore, that one technology solution cannot apply for all scenarios. Fiber optic cable is not feasible for island provinces, while meshing is not appropriate for sparsely populated communities. In this sense, the majority of technology solutions have to be tailored specifically for the geographical area, and an area-based approach should be adopted.

⁵ Sec. 6 of R.A. 10929 or the “Free Internet Access in Public Places Act of 2017”

⁶ John Garrity (2018) A Review of the Current Policy and Regulatory Context and the Impact on the Pipol Konek Programme Rollout.

Figure 1: Suitable broadband access technologies as a function of population density



iv) Technology Issues: The prevailing technology in the Philippines right now for internet connectivity is fibre optic cables. This technology, however, is only appropriate for sites which are geographically flat, and are not broken by large bodies of water. To connect the last mile communities – those that are in remote uplands or islands, would therefore require a significant investment from the private sector. Previous agreements with the two largest telecommunications companies in the Philippines – PLDT and Globe Telecom - have proved unsuccessful, as the companies did not foresee a major return of investment in remote communities. Emerging technologies are proving more feasible. Wireless mesh networks, TV white space, and particularly satellite technology, which has improved in reliability and speed in the past 10 years, may prove to be better alternatives. As Figure 1 above notes, appropriateness of technology significantly depends on population densities, and trade-offs exist that include cost and bandwidth requirements.

v) Political Issues: The Philippine political system is decentralised, with the 1991 Local Government Code devolving administrative and fiscal autonomy to LGUs. It is the local governments, therefore, that authorise the installation of Wi-Fi infrastructure, particularly the Wi-Fi Access Points, within their jurisdiction. Previous initiatives that have sought to install Wi-Fi infrastructure without prior approval have encountered resistance at the local level, particularly from chief executives that are not familiar with the project. The Commission on Audit’s review of the first year of the Pipol Konek programme noted the lack of permits from the LGUs as one of the most commonly cited reasons for the challenges faced by the providers. In this regard, it will be important to secure their commitment prior to the installation roll out.⁸

⁷ Mary Grace Mirandilla-Santos, Jonathan Brewer, Jaime Faustino (2018) “From Analogue to Digital: Philippine Policy and Emerging Internet Technologies”, The Asia Foundation and the Better Broadband Alliance, Manila. Pg. 20.

⁸ Department for Information Communication Technology Consolidated Annual Audit Report for 2017 (2018) Commission on Audit of the Philippines.

Handwritten signature and the number 5.

Another critical issue is to ensure security of infrastructure since separatist groups in conflict areas have a history of destroying public infrastructure, such as water systems and bridges. Thus, it will be important to secure political commitments from the host LGUs to ensure security for people and equipment during installation and operation and maintenance stage.

UNDP AS A PARTNER OF CHOICE:

To hasten the implementation of Pipol Konek, the DICT and UNDP forged partnership to bring in viable options for building network infrastructure in unserved and underserved communities. UNDP's mandate is to eradicate poverty by working on key areas of democratic governance, climate resilience, and peacebuilding. The provision of internet access to these communities is aligned with the Country Programme Document 2019-2023 indicator of increasing number of people accessing essential public services, including access to information and technology.

Under this country programme UNDP is currently pursuing a number of initiatives on service delivery and technology which would benefit from increased internet access for its government and citizen partners. In this respect, UNDP would ensure that Pipol Konek sites would serve as critical points of convergence for development initiatives that would require or benefit from internet access. An example of the initiatives are as follows in table 1:

Table 1: Pipol Konek Sites as Critical Points of Convergence for Development Initiatives

UNDP Project Partner and Name	Project Description	Potential Benefit from Pipol Konek	Cost (USD)
DepEd: K to 12 computerization programme	Delivering IT equipment and solar panels to 3,694 schools nationwide with support of citizen monitors.	<ul style="list-style-type: none"> ● Allow students and teachers to access educational courses and articles to improve attainment. ● Platform for digital literacy. 	25,045,419.86
DILG: Paving the Road to SDGs through Good Local Governance	Building an electronic project management system for local governments.	<ul style="list-style-type: none"> ● Allow local governments to utilize the electronic project management system. 	7,436,332.97
Development LIVE	Cell phone application that allows citizens to upload monitoring reports on infrastructure projects related to the SDGs.	<ul style="list-style-type: none"> ● Allow citizens to send more monitoring reports with greater efficiency. 	200,000.00
Leapfrogging Public Service Delivery in the Philippines	Develop prototype e-governance systems that would lead to more efficient delivery of local services by LGUs.	<ul style="list-style-type: none"> ● Providing internet access for local governments to develop and utilise e-governance systems. 	350,000.00
Presidential Communications and Operations Office (PCOO) Freedom of	Following through from the FOI Executive Order, the PCOO is conducting an information caravan to promote the FOI portal for	<ul style="list-style-type: none"> ● PCOO will be able to conduct their information caravan in newly connected Pipol Konek municipalities, thereby reaching more people and 	N/A

Information Campaign	citizens to request information from government.	encouraging greater participation.	
UNDP-RAPID	A ClimEx.Db console and app-based system that allows LGUs to collect, organize and manage information on climate change and disaster risk vulnerabilities, as well as SDG monitoring.	<ul style="list-style-type: none"> ● Allow local government to utilise ClimEx.Db more efficiently. 	4, 533, 895.85
UNDP-Office of the Cabinet Secretary EMPATHY System for Yolanda-Affected areas	A system that enables government to monitor the physical implementation and fund utilisation of infrastructure projects.	<ul style="list-style-type: none"> ● Enables the government to utilise the system more efficiently. 	N/A
DSWD Bottom Up Budgeting	Delivering services including infrastructure to local governments that have been defined in partnership with the people.	<ul style="list-style-type: none"> ● Centres, such as day care centres, women crisis centres, and evacuation centres to benefit from internet access. 	10,493,242.41

In addition to ensuring that Pipol Konek sites act as points of convergence for maximising development outcomes, UNDP would also be able to provide DICT with the following:

- 1. UNDP will ensure that Pipol Konek will accelerate the achievement of the Sustainable Development Goals (SDGs),** particularly Goal 5 on gender equality, Goal 9 on industry innovation and infrastructure particularly universal and affordable internet access by 2020, Goal 10 reduced inequalities, and Goal 17 on partnerships for the goals. UNDP will assist DICT to put in place a robust monitoring and evaluation framework that will both maximise and monitor impact of free Wi-Fi on these development outcomes.
- 2. Cost efficiency and timely delivery of project outputs (i.e. access to global network of service providers and experts, long-term agreements, direct contracting).** With DICT currently faced with procurement constraints of internet service providers, UNDP will be able to accelerate the process by using its own procurement system to access both national and international markets. UNDP has a proven track record in the speedy delivery of goods and services, as demonstrate by the K to 12 computerisation programme with the Department of Education. A time and cost efficiency summary comparing UNDP's procurement system with that of DepEd's is included in Annex B.
- 3. Highest standards of transparency as UNDP was rated as most transparent development agency in the world according to the 2014 and 2016 International Aid Transparency Index.**
- 4. Clear strategy to build government capacity so that it can operate independently of external support.**
UNDP will focus on building capacity and initiating reforms that will enable government to gradually take on full operational functions through a clear exit strategy.

5. **Clear and full legality of UNDP-Government co-financing.** The legality of this agreement is supported by the following documents:

- UNDP Standard Basic Assistance Agreement (SBAA): UNDP's presence in the Philippines is governed by the Standard Basic Assistance Agreement, which was duly ratified in 12 December 1977 as an international treaty recognised as having been incorporated as national legislation by the virtue of Section II and Article 2 of the Philippine Constitution. Under Cf. Clause 1, Article II of the Agreement, assistance *"may be made available by the UNDP to the Government" upon request consisting, among others, of "services of advisory experts and consultants", "equipment and supplies" and "any other form of assistance or form of execution, which may be agreed upon by the Government and UNDP."*
- Opinion of the Government Procurement Policy Board: released in 2015, The GPPB recognised the provisions of the 1977 SBAA as in faithful observance of the country's treaty and international obligations – *pacta sunt servanda*, such that procurement by UNDP utilizing contributions or funds received from the GoP, pursuant to the 1977 SBAA is governed by the UNDP Financial Rules and Regulations, which embodies the processes, procedures, rules and regulations that the UNDP may adopt in the conduct of its procurement activities to implement identified UNDP development support services.
- Commission on Audit Internal Memorandum released in 2015 confirmed exemption of UNDP Support Services from CoA's scope.
- Revised Implementing Rules and Regulations for Republic Act 9184: released in 2016, Sec. 4.2, *"Any Treaty or International or Executive Agreement to which the GoP is a signatory affecting the subject matter of the Act and this IRR shall be observed. In case of conflict between the terms of the Treaty or International or Executive Agreement and this IRR, the former shall prevail."*



II. STRATEGY

The main outcome of the programme is to ensure that **women and men from disadvantaged communities are able to improve their educational attainment, deepen their engagement in governance processes, and avail of opportunities for economic development through increased access to up to 6,000 Public Wi-Fi hotspots.**

The project will support four main areas:

Output 1. Broadening people's access to free internet services in designated sites. UNDP will use the global reach of its procurement systems to expand the currently available range of internet service providers (ISPs) and technologies best suited to servicing "last-mile" communities in the Philippines. National and international ISPs would be invited to bid to provide internet access in public places, under a managed services contract, covering up to 6,000 additional sites with a minimum bandwidth capacity of 2MBPS. Services will focus on providing access for disadvantaged groups, such as children in schools, women in public markets, the elderly and people with disabilities in front-line services of government buildings. To maximize participation in the bidding, existing technical specifications for the managed services will be reviewed and revised as needed, based on international good practice. Specifications would be prepared in consultation with and approved by DICT to ensure they are appropriate for the Philippine socioeconomic context. The performance of managed services contactors would be proactively monitored by a dedicated UNDP project management team working in close cooperation with the DICT project team. The UNDP procurement system will also allow bidders from the international market, subject to approval from DICT.

Under output 1, the following research tracks will be pursued.

Track 1: Technology and Modelling Appraisal: providing information on the established and emerging technology solutions for Public Wi-Fi. This will cover fiber optic cables, TV white space, meshing, satellite technology amongst others. A Request for Information will be sent amongst private companies, and technology conference will be held to determine appropriate solutions that could potentially be deployed under the project. This shall include unit approximate unit cost of technologies, as well as installation and service fees. Furthermore, the appraisal shall also include a section of exiting management models if Wi-Fi services, such as those which are community-owned. In addition, UNDP will conduct a review of public subsidy programs around the world that provide support for free Wi-Fi programs in order to identify 'good practice', relevant examples and lessons learned that can be applied to this implementation of the Pipol Konek program.

Track 2: Area-Based Connectivity Assessment of where the 6,000 approximate free Wi-Fi sites will be concentrated. The study itself will cover the gaps and challenges related to existing telecommunications infrastructure, geography, political economy, gender and conflict analysis as well as other dimensions required to determine viable options for the targeted underserved and unserved communities. The study is expected to produce baseline information and a clear analysis of the project site challenges, as well as clear recommendations of viable technology solutions per site.

Track 3: Analysis of Pipol Konek's past RFP processes. DICT's Pipol Konek program has already conducted RFPs for at least 13,024 sites in multiple RFPs and lots. However, as noted above in the COA's report, a number of problems have limited the rollout of the Pipol Konek program. In order to comprehensively gather lessons learned from the previous RFP experiences, an in-depth analysis will be conducted to understand previous RFP designs. The analysis will also determine how best to apply UNDP's procurement processes to the program.

The research findings will determine the specifications for the procurement plan and terms of references, which shall be centred on the most appropriate technology solutions for the specific project sites that will be chosen by UNDP and agreed in partnership with DICT. The project sites will follow the same definition as Pipol Konek. UNDP shall inform DICT of any changes to the list deemed necessary due to procurement issues, business feasibility as deemed by the contractor, administrative issues or natural hazards. There shall be no geographical quota or required distribution of the project sites.

The ToRs shall also be developed in close coordination with DICT and shall be tendered in the international market. Depending on the findings of the area-based network analysis, UNDP will utilise the most appropriate partnership modality to provide Wi-Fi services, including but not limited to:

- Service contracts to private internet service providers.
- Partnership agreements with technology firms.
- Community owned models.

Prior to the installation of Wi-Fi infrastructure, UNDP shall roll out a communications plan for local government units (LGUs). This will include an orientation on the programme, and commitment setting to ensure their political support and help solicit the necessary administrative requirements and provision of security in the installation and operation of the network infrastructure.

Once installed, UNDP shall manage the contract of the service provider, which initially covers installation and internet service for at least 1 year, and or until the end of the project, at which time operation and management accountability may be either turned over to DICT, or alternatively maintained by UNDP subject to a project extension and additional transfer of funds from DICT.

In addition, under this project, the following may be implemented in coordination with DICT:

1. Direct procurement of equipment and maintenance / technical support services
2. Engaging commercial and/or international entities to provide Free Public Wi-Fi
3. Engaging small and medium ISPs, electric coops and cable TV operations with regional expertise and coverage.

Where necessary, DICT may provide the middle mile and backbone connectivity for the target sites under this partnership.

The initial fund (Php 1,391,084,618.28) will cover the installation and one-year operation and maintenance of Free Public Wi-Fi in designated sites.

The cost of the operation and maintenance of Free Public Wi-Fi sites setup under this project for succeeding years shall be provided by DICT, and managed either by DICT or UNDP.

Output 2. Organize and develop the capacity of citizens to use, monitor delivery and installation of internet connections and performance of the free public internet service. Drawing on UNDP's substantial experience of working with citizen groups to monitor the delivery of government-provided services, a third-party monitoring system will be established to ensure internet services provided under the managed services contracts meet minimum quality standards for speed and reliability defined in the bid documents. In consultation with DICT, UNDP will enter into partnerships with local civil society organizations (CSOs) to develop the necessary capacity of citizen monitors to carry out their responsibilities effectively. CSOs will be surveyed, pre-qualified and engaged as responsible parties to the project. UNDP will also work with DICT to broaden and institutionalise its partnerships with civil

society to ensure that it is able to draw on sustained grassroots support in monitoring the quality of internet service in last mile communities after the completion of this project. This may include incorporating a budget for citizen monitoring in succeeding appropriations of the PIPOL Konek budget, or even identifying citizen monitoring mechanisms as a key component of the draft Implementing Rules and Regulations of the Budget Reform Act, which would ensure a regular appropriation for such activities in the annual budget.

The first activity under this output will be to conduct a mapping of citizen organisations in project sites, using both the existing UNDP Governance Hub Network and the Citizens Participating in Governance established under the DepEd-UNDP K to 12 Computerisation programme. In parallel to this, a monitoring guide will be developed, with specific metrics to measure the quality and reliability of bandwidth in compliance with DICT's minimum standards; and documenting the development impact.

From here, UNDP's existing technology solution can be customised to collect both bandwidth speed reports, as well as geotagged photos of both installed Wi-Fi equipment and beneficiaries, to a cloud-based dashboard. This dashboard will have preconfigured analytics, including a GIS map, detailing the project status as well as quality of internet service under the project. This real time information will make it easy for the project managers to respond to any implementation or quality issues that may arise.

Further, to bridge the digital divide, selected LGUs and communities across the 6,000 sites will be provided with appropriate training to capacitate them for the adoption and beneficial use of the internet, including the development of local content. This will be implemented, in coordination and complementation with DICT and other national government agencies such as DILG, DepEd and DTI.


Output 3: Develop the capacity of DICT to contract and oversee the performance of internet service providers. Recognising that DICT is a recently created agency with a mandate to play a vital role in significantly expanding access to and application of internet and cloud-based computing services for the public and government agencies at local and national level, UNDP, in close consultation with DICT, will develop a comprehensive set of activities to develop the capacity of DICT staff to progressively take on and manage the procurement and implementation process for ICT-related services.

Public Financial Management (PFM): For plans to be executed well, the PFM system of DICT can be strengthened. In this respect, clean and clear inflow and outflows of data and information is required to improve monitoring, reporting, and recording of not just physical but also financial targets. The DICT procurement processes under RA 9184 must also be enhanced through the APCPI being used as a standard monitoring tool of government. Improvement on procurement planning process is also necessary. By partnering with UNDP, DICT will be able to enrol a number of staff to UNDP organized training courses, including certifications from the Chartered Institute of Procurement and Supply, project management, and project management fundamentals from the Project Management Institute.

The project will also document the lessons learnt of the project, as well as ideas for policy reforms which may emerge. These proposed reforms will be discussed at the Project Partnership and Advisory Group, which can be formally endorsed to DICT as recommendations for more focussed policy development and advocacy work that UNDP may offer in future engagements with the government, whether that be through the extension of this existing project or a new project altogether.

Project management and quality assurance

To ensure a strong focus on results, a Project Management Office (PMO) will be established by UNDP, to oversee the day-to-day operations of the project following UNDP operations policies and procedures. A Project Manager, reporting to the Governance Team Leader and / or Senior Economic Advisor, will lead the PMO and will be responsible for the overall management of project activities including, but not limited to the following:

- a) Overall management of the initiative and technical inputs in the implementation of the project under the overall guidance and advisory support of the Project Board.
 - b) Preparation of detailed annual and financial plans based on the project results framework and theory of change;
 - c) Management, certification and reporting on financial disbursements based on approved work plan and payment schedule;
 - d) Ensuring the effective, efficient and timely implementation of activities;
 - e) Programme advocacy and visibility and coordination with relevant stakeholders;
- 

OUTCOME

Women and men from disadvantaged communities are able to enhance teaching/learning, (improve their educational attainment), deepen their engagement in governance processes, and avail of opportunities for economic development through increased access to 6,000 Public Wi-Fi hotspots.

RESULTS

Output Results:

- 6,000 public sites connected with free public Wi-Fi.
- 3,200 CSOs/citizens monitoring the quality and reliability of internet service in their respective communities.
- Improved success rate of DICT in completing procurement processes of internet connectivity.

Outcome Results

- Enhanced collaboration and interactive learning through on-line educational services.
- Improvement of political awareness of current issues and governance processes.
- Improvement in e-commerce activity.

ASSUMPTION

Accurate area-based research informs well-crafted TORs. Bids received from interested, capable providers. LGUs cooperate.

Citizens are able to provide accurate information about potential project sites. Citizen monitoring reports provide public pressure to ensure quality and reliability of services from contractors.

DICT with the capacity to procure and manage internet services effectively.

OUTPUTS

Output 1: Free internet service provided to women and men in disadvantaged communities in approximately 6,000 sites across the Philippines.

Output 2: Citizens organised in 10 provinces to ensure the efficiency and integrity of free internet service to last mile communities.

Output 3: Capacity of DICT built to procure and manage internet services.

ACTIVITIES

Research of project sites and appropriate technologies. Procurement of ISPs that offer most feasible technology to project sites. Manage deployments and contracts of ISPs.

- Conduct CSO stakeholder mapping
- Design citizen monitoring modules and customize existing DevLIVE platform for citizen monitoring
- Train citizens to monitor efficiency.
- Conduct M&E activities

- Conduct capacity assessment of DICT
- Roll out capacity building activities
- Draft sustainability plan

ASSUMPTION

- UNDP can provide administrative support in fast tracking of procurement of ISPs.
- Citizens can provide support to DICT in identification and validation of project sites, as well as ensure quality and integrity of ISPs.
- DICT, with enhanced capacity on PFM and policy environment, will be able to effectively manage the deployment of ISPs to last mile communities without the need for external support.

COMPONENTS

Administrative and Financial Support to Procurement and Deployment of Wi-Fi Infrastructure

Citizen Participation

Capacity development for DICT

KEY ISSUES

Disadvantaged women and men have no access to the internet and are therefore denied access to online opportunities for education, citizen engagement, and economic development.

III. PARTNERSHIPS

Local Governments: A key partner in this project will be the local governments, who can play a critical role in identifying project sites, beneficiaries. They will also be the permitting body for Wi-Fi installation and operation and can play an important role in regulation and sustainability after UNDP's engagement is withdrawn.

DILG: As the oversight body of local government units, DILG can provide a key role in laying the administrative framework for the installation of Wi-Fi technology in the form of a memorandum circular to all LGUs. Furthermore, their two road infrastructure programmes at the provincial level (Conditional Matching Grants to Provinces, CMGP) and municipal level (Assistance to Municipalities) represent opportunities to expedite the delivery of Wi-Fi services. By synchronising construction timelines, UNDP may be able to lay cabled technology underneath the roads – a 'one dig' which would save on both time and cost. If UNDP is to continue providing management support of internet service providers beyond the project end date, and if the funding is to come from local governments, then that partnership can be facilitated by a letter of agreement and cost sharing agreement under DIM between UNDP and the LGU.

Department of Education: UNDP is currently supporting DepEd to implement the K to 12 Computerisation programme, which aims to deliver and install computers and solar panels to over 12,000 schools nationwide. With UNDP already having delivered computer equipment to schools, as well as solar panels to schools which are unenergised, there is already a validated list of schools without internet but are fully equipped to receive it. While DepEd is already implementing its own connectivity programme, UNDP and DICT will coordinate closely to ensure that the validated schools can already serve as an initial list of project sites for Pipol Konek.

Governance Hubs: The UNDP Governance Hub network has been established in 2012 across 16 regions across the Philippines. Each Hub is constituted by 3-6 member organisations from civil society, local government, and the private sector, typically headed by a State University or College. Their capacities were originally focused on organising and training citizens to participate in water governance processes under the MDG-F 1919 Water Governance Project. A number of Hubs have also developed a specialisation in public finance, with tools now prepared for roll out in other areas, as well as quality assurance for the construction of road projects. Under Pipol Konek, UNDP can use the Governance Hubs to organise citizen monitors. IT schools within universities may be organised to provide technical support to LGUs for the management of free public Wi-Fi. The partnership with Hubs can be facilitated either by extending existing or establishing new RPAs, procurement contracts, or where feasible, MCGA.

Citizens Participating in Governance: In addition to the Governance Hub infrastructure, UNDP has setup up the CPAG group specifically for the DepEd K to 12 Computerisation Programme. The CPAGs are organised per cluster of region, where one CSO group manages their own networks to monitor the delivery of and usage of IT equipment in schools. The CPAG network currently consists of 11 national CSOs with a network of up to 3,200 community volunteers to monitor the delivery of IT equipment to over 5,000 schools across the country, including those in far-flung areas such as Sitangkai in Tawi-Tawi. And Tineg in Abra. There is great potential for the CPAG network to be organised and mobilised to support the Pipol Konek project, specifically in terms of site validation, monitoring the quality of connectivity, and measuring impact under Output 2 of the project document. These CSOs may be contracted via the Micro Capital Grant Agreement or Responsible Party Agreement.

Electric Cooperatives and Cable TV Operators. There is an existing Memorandum of Understanding between NEA and PHILRECA in regard to cooperation for the National Broadband Plan. UNDP will tap

into the partnership, with the two entities recommending a list of Electric Cooperatives which could act as potential partners.

The specific roles and responsibilities of UNDP, with the concurrence of the DICT, shall be defined in greater detail in the form of an annex to this project document.

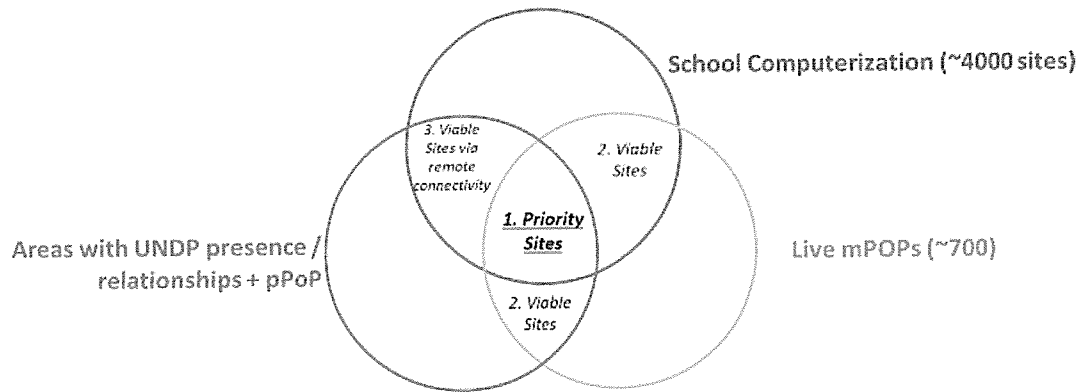
Site Selection and Prioritisation:

The Pipol Konek programme of DICT must deliver free public Wi-Fi to 200,000 public sites. Under the UNDP project, UNDP will be delivering up to 6,000 public sites. The selection of these sites, to be determined by UNDP in agreement with DICT, will be governed by principles that carefully balance practical and economic feasibility, as well as ensuring a development impact for disadvantaged. List of sites will be made part of this Agreement once finalized by both DICT and UNDP as Appendix. In this regard the following principles for site selection will be observed.

1. **Access and technical feasibility:** The sites must be accessible and suitable for the available technology solutions. Furthermore, the site must have been verified in terms of physical presence and readiness to accept and manage Wi-Fi.
2. **Market development:** While expediency of service delivery will be an important consideration, the project will balance this with the need to contribute to diversifying the market for ISPs, particularly community owned models. Sites with high potential for community organisation, such as schools with strong parent teacher associations, will therefore be prioritised.
3. **Economic Feasibility:** Minimum return of investment for ISPs to ensure economic sustainability. This shall be determined based on proximity of site in relation to existing internet connectivity infrastructure, such as MPOPs, population density, and technology selection.
4. **Remoteness versus Impact:** While disadvantaged, remote communities will be targeted, the project sites within those communities will be chosen on the basis of reaching the greatest number of people. Centres where women and / or girls frequent will be prioritised to ensure that internet connectivity have a positive impact on women.

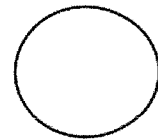
Figure 2 below demonstrates the prioritization exercise that UNDP will conduct to identify the set(s) of sites to target and the order upon which to target different types of sites.

Figure 2: Site Acceleration Guided by Site Viability



Establishing other relationships as a third-party convener between:

- 1) Commercial providers and public sites;
- 2) Existing site locations offering Free WiFi;
- 3) Private site installations offering Free WiFi to public areas (outside their own sites)



Following these principles, the 4,000 schools under the DepEd-UNDP K to 12 computerisation programme are excellent candidates for project site selection, due to the fact that the schools have already been validated, both in terms of location, access, and readiness for internet connectivity since all schools have been recently equipped with IT equipment and electricity but not regular internet access. Furthermore, communities have been organised around most of these schools, wherein market development – particularly community managed models, may be tested.

In addition to this, the 198 infrastructure projects under the UNDP BUB programme have also been validated, and many of the structures, particularly women crisis centres and daycare centres, would have high concentration of potential women beneficiaries. Furthermore, other sites, particularly those located near the municipality POPs – that is existing internet infrastructure, would represent an economical and logistically straightforward option for site selection.

Similarly, UNDP will leverage its unique position as an international organization to explore innovative partnerships that may be able to accelerate roll out in approaches that may not have been available to DICT. These include engaging existing commercial enterprises offering public free Wi-Fi and potentially supporting public sites.

This project will primarily provide Wi-Fi to the 6,000 sites.

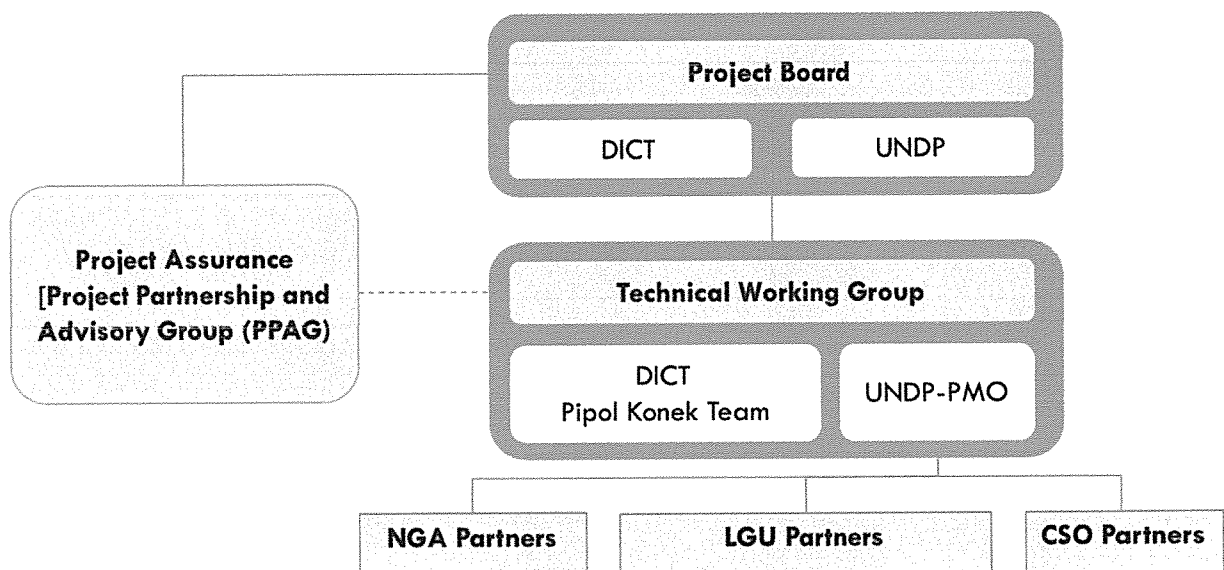
Assumption Budgeting

Aggregate site deployment totals will be dependent on a range of factors that pertain to the quality of service requirements, site specific details and decisions on service sustainability. Variability in site locations types, in particular, will significantly impact total site numbers. Therefore, any cost budgeting

IV. MANAGEMENT ARRANGEMENTS

The project shall be implemented through the UNDP Direct Implementation Modality (DIM), and therefore bound by DIM rules and regulations.

A **Project Board** shall be established with DICT and UNDP as core members. Stakeholders, particularly those enumerated under the partnerships section of this project document, from other government agencies and civil society may be invited to attend Project Board meetings when necessary. The Project Board shall meet at least every 6 months and shall provide strategic guidance and direction regarding the implementation of the project. Any changes deemed necessary to the strategy and annual workplan, including the revision of outputs and any budget allocation, realignment, and/or reallocation, shall be discussed and approved at the Project Board level, which may initiate amendment of the project document, annual work plan, and/or Project line item budget subject to the mutual written approval of the DICT and the UNDP. These amendments shall be formalised via an exchange of letters between DICT and UNDP. Any reallocation of funds shall be related to Pipol Konek Project activities.



A **Technical Working Group (TWG)** shall be established under the project with DICT and UNDP as core members. Representatives from wider stakeholders from government and civil society may also be identified as regular members. The technical working group shall meet on a monthly - or as needed - basis to discuss physical and financial progress, as well as technical and administrative matters. The TWG shall also discuss sensitive matters (such as political issues at the local level) and decide on information and / or documentation that should not be disclosed.

A **Project Partnership and Advisory Group (PPAG)** shall be established to provide high level policy and technical advice and to ensure coordination across government agencies, private sector and civil society. The advisory group shall consist of key project partners, complemented by IT Industry Associations and respected experts in the field.

UNDP Country Office: The UNDP Resident Representative shall overall be accountable for the project. The Democratic Governance team shall conduct impartial monitoring and oversight on the development and implementation of workplans, effective roll out of results, monitoring and data collection, as well

as regular results and evidence-based reporting. The unit ensures that the project follows all corporate policies and guidelines and remains transparent and accountable to UNDP's financial and programme oversight mechanisms.

A **UNDP Project Management Office (PMO)** will be created to implement the day to day activities of the project. The UNDP Project Management Office will consist of a project manager, technical experts specialised in ICT, procurement, monitoring and evaluation officers, as well as operational support staff. The project staff shall hold office both in DICT and UNDP, and shall divide their time between the two offices depending on the need.

PUBLIC DISCLOSURE OF INFORMATION

The following information and documentation remain public

1. Project Document
2. Annual Work Plans
3. Quarter and Annual Progress Reports (Although we can choose to just publish Annual Progress Reports)
4. Tender/RFPs
5. All purchase orders (but not in detail, only the PO ID, vendor name, and amount).

All other documents and information in relation to this Agreement shall be considered confidential information and shall not be disclosed by any party hereto to any third party except as herein Parties agree otherwise or in accordance set forth under this Agreement; provided such that such confidential information shall not include information that is in the public domain other than caused by the breach of the confidentiality obligations. Any press release, announcements, or conference materials shall be approved in advance in writing by the herein Parties. The Confidentiality and Non-Disclosure also covers the directors, officers, employees, auditors, counsels, consultants and/or other authorized agents of the Receiving Party. The Receiving Party shall not provide any Confidential Information until and unless they are bound by the non-disclosure covenants embodied in this Agreement.



V. MONITORING FRAMEWORK AND EVALUATION

- **Bi Annual Progress Report (QPR)** shall be submitted by the PMU, through the Democratic Governance Team, to the Project Board through Project Assurance, using the standard report format, which will contain the progress towards the completion of key results (outcome and outputs), risks and assumptions which may have affected the project implementation based on the project's results framework and lessons-learned to ensure on-going learning and adaptation within the organization. Three QPRs are submitted during the Annual Cycle.
- **Annual Progress Report** shall be prepared by the PMU and shared, through Democratic Governance, with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.
- **Final Project/Terminal Report and Lessons Learned**
- **Monitoring and Evaluation Plan** shall be submitted and activated in Atlas and updated to track progress on results indicators and key management actions/events (including field visits, project board meetings, etc.). Social and Environmental Risks will be monitored on a regular basis to ensure that environmental and cultural considerations are respected.
- A third-party monitoring system will be established to ensure internet services provided under the managed services contracts meet minimum quality standards for speed and reliability defined in the bid documents.

Audit and External Evaluation

Under UNDP guidelines, the programme will go through an annual internal M&E exercise (i.e. mid-term assessment). In addition, an external reviewer will conduct an assessment of the programme results at the end of its implementation (i.e. terminal evaluation), as assessed by the programme advisory board. The mid-term assessment and terminal evaluation will engage the full range of programme stakeholders and offer concrete recommendations for course corrections as appropriate. Regular monitoring/field visits will be conducted throughout the duration of the programme. An audit of the programme will likewise be conducted based on standard UNDP audit guidelines.

A full set of qualitative and quantitative indicators will be delivered for each of the pillars. A baseline study will be conducted at the start of the programme to establish/validate baselines. These indicators will be used by the assessors. The measurement of the indicators will be done using the "milestone" approach, wherein the building of relevant capacities, their application by the concerned

stakeholders, and the development of a sustainability strategy for each of the capacities will be assessed as distinct milestones.


At Project Completion

The project's Terminal or Project Completion Report (PCR) that will sum up the level of the project's accomplishments in meeting its objectives, outcomes and outputs. The PCR will also highlight the breakthroughs and innovative contributions of the project in the field of coordination system development which are worth replicating in similar projects to be undertaken in other countries. It will also set out the strategies to efficiently managing resources;

Results from the Project will be disseminated within and beyond the Project intervention through information sharing networks and/or through publications. For publications, proper acknowledgement to UNDP for providing funding will be ensured.

Adaptive Management and Project Revisions

The results and resources framework will provide the project management with regular information on the project status. In addition, regular feedback will come from the Project Board. Collectively, this feedback will enable the project management to continuously learn lessons and modify approaches and strategies, and to overcome challenges and exploit opportunities.

Budget revisions/amendments to the contract including an extension will be done through a formal exchange of letters between UNDP and DICT along with a revised Work and Financial Plan. 

RESULTS FRAMEWORK

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:

Outcome 1. The most marginalized, vulnerable, and at-risk people and groups benefit from inclusive and quality services and live in a supportive environment wherein their nutrition, food security, and health are ensured/protected.

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

Applicable Output(s) from the UNDP Strategic Plan:

2.2.1 Use of digital technologies and big data enabled for improved public services and other government functions

Number of countries using frameworks¹ that leverage digital technologies and big data for:

- a) Delivery and monitoring of services
 - b) Public engagement
 - c) Access to and protection of information
 - d) Legal identity and civil registration
 - e) Urban development using smart technologies
- Other critical public services (e.g. public procurement)

Project Title and Atlas Project Number: Pipol Konek - 00113425

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value	Year	2018	2019	2020	FINAL	
Output 1 Free internet service provided to men and women in last mile communities across the Philippines.	1.1 Number of public sites connected with free public Wi-Fi	Monitoring (regular reporting, reviews) and evaluation reports	0	2018	0	4,000	6,000	6,000	M&E Systems
	1.2 Number of analytical works conducted to support the Request for Proposal (RFP) process	Monitoring (regular reporting, reviews) and evaluation reports	0	2018	0	3	3	3	M&E Systems; Extant Report and Documents
	1.3 Proportion of schools with access to the Internet for pedagogical purposes	Monitoring (regular reporting, reviews) and evaluation reports	TBD	2018	0	60%	100%	100%	M&E Systems; Extant Report and Documents

	1.4 Number of users provided with access to the internet	Survey	TBD	2018	TBD	TBD	TBD	TBD	TBD	Questionnaires
Output 2 Citizens organised to ensure the efficiency and integrity of free internet service to last mile communities.	2.1 Number of individuals and institutions using devLIVE to monitor service level requirements	Monitoring (regular reporting, reviews) and evaluation reports	0	2018	0	4,000 individuals 11 CSOs	6,000 individuals 16 CSOs	6,000 individuals 16 CSOs	6,000 individuals 16 CSOs	M&E Systems
	2.2 Proportion of individuals who are satisfied with the Internet service of Pipol Konek	Monitoring (regular reporting, reviews) and evaluation reports	0	2018	0	70%	80%	80%	80%	M&E Systems
Output 3 Capacity of DICT built to procure and manage internet services.	3.1 Percentage of internet services procurement transactions that are completed by DICT (solicitation, award, delivery, evaluation) in less than XX days	Monitoring (regular reporting, reviews) and evaluation reports	0	2018	0	100%	100%	100%	TBD	M&E Systems; Extant Report and Documents
	3.2 Mean time to restore service in event of problem	Monitoring (regular reporting, reviews) and evaluation reports	TBD	2018	TBD	TBD	TBD	TBD	TBD	M&E Systems; Extant Report and Documents

VII. LEGAL CONTEXT

This document together with the CPD/UNDAF JIP signed by the Government and UNDP which is incorporated herein by reference, constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA); as such all provisions of the CPAP apply to this document. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner", as such term is defined and used in the CPD/UNDAF JIP and this document.

UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations safety and security management system.

UNDP will undertake all reasonable efforts to ensure that none of the [project funds]^[1] [UNDP funds received pursuant to the Project Document]^[2] are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Documents.

Special Provisions:

Under the NAM partnership, there are 2 potential sources of residual funds that could be incurred under the project:

- UNDP's capability of soliciting cheaper prices in comparison to government due to access to international markets, which can help to drive down prices.
- With UNDP being exempted from VAT on goods (12%)

Potential 'savings' will be rechannelled back into the project, allowing DICT and UNDP to realign it to other project outputs including project management, citizen monitoring, capacity building, or even expanding the project scope to include more project sites from the list of 200,000.

In situations where the total budget of Pipol Konek provided to UNDP does not cover the costs of all goods and services, whether due to inaccurate / out of date costings, or unforeseen delays such as natural disasters or administrative issues with local governments, UNDP and DICT shall negotiate on a resolution, whether that would be the provision of additional funding by DICT or the narrowing of project scope.

M



VIII. RISK MANAGEMENT

[UNDP (DIM)]

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]⁹ [UNDP funds received pursuant to the Project Document]¹⁰ are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/ag_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
6. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
 - a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

⁹ To be used where UNDP is the Implementing Partner

¹⁰ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

- b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
- c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
- d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
- e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- g. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used

inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

- h. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- i. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- j. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.



RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner
1.	Certain members of the hubs unable to provide an acceptable level of support to QA of projects.	January 2019	Organisational	P = 2 I = 2	<ul style="list-style-type: none"> ● UNDP to provide rapid capacity assessment and support to potential hub members. ● UNDP to secure political support from multiple members within and nearby region and CPAGs who can supplement capacity shortfalls. 	UNDP PMU
2.	Local governments unwilling to work diplomatically with citizen monitors.	September 2018	Political	P = 3 I = 2	<ul style="list-style-type: none"> ● Constructive engagement approach used by project to foster good relations between state and society. ● DILG to directly inform local governments of mandatory requirement of citizen monitors in field to monitor Wi-Fi service level requirements. 	UNDP PMU
3.	Procurement delays due to lack of qualified bidders.	September 2018	Organisational	P=2 I=3	<ul style="list-style-type: none"> ● A market study as well as area-based assessment will be conducted to ensure that the final TORs provide for the most feasible technology solution that the market is capable of offering for specific project sites. 	UNDP PMU
4.	Procurement bids exceed the budget.	September 2018	Organisational	P=2 I=4	<ul style="list-style-type: none"> ● DICT and UNDP to seek a resolution, whether this would be DICT providing additional funding to cover the shortfall, or lowering of targets. 	UNDP PMU UNDP Procurement Specialist
5	Delays in the acquisition of necessary permits for the installation of equipment	February 2019	Organizational	P=3 I=2	<ul style="list-style-type: none"> ● Commitments from the host LGUs, with assistance from DILG, will be sought as part of site finalization 	UNDP PMU DILG

ANNEXES

Annex A: Government Cost-Sharing Agreement and Project Initiation Plan

Annex B: Time Efficiency Analysis of the DepEd-UNDP K to 12 Computerisation Project and Cost Analysis of the DSWD-UNDP Accelerating Bottom Up Budgeting through Inclusive and Effective Governance

Annex C: Cost Benefit Analysis Prepared by DICT *Ab*



UNDP Philippines

Project Title: PIPOL KONEK

Expected UNDAF/CP Outcome(s): Outcome 1: The most marginalized, vulnerable, and at-risk people and groups benefit from inclusive and quality services and live in a supportive environment wherein their nutrition, food security, and health are ensured/protected.

Expected CPD Output(s):

- 1.2.1 Number of UNDP-assisted NGAs and LGUs implementing reforms and innovations for:
 - a) Delivery and monitoring of services
 - b) Public finance management
 - c) Public procurement
- 1.3.1 Number of individuals and institutions engaged in NGAs and LGUs through UNDP-supported civic engagement mechanisms

Start/End Dates: 18 months (subject to revision)

Implementing Partner: United Nations Development Programme

Four handwritten signatures are located at the bottom right of the page. They are written in black ink and appear to be initials or names of individuals involved in the project.

Brief Description

The Philippines is recognized as a high user of online services: an estimated 67 million Filipinos use Facebook. Yet 59% of the population and 72% of all households lack access to the internet. The Free Wi-Fi Internet Access in Public Places Project, otherwise known as Pipol Konek, was implemented starting June 2016. Pipol Konek aims to provide free broadband Internet access to public places across the country. The target beneficiary sites of Pipol Konek is 13,024 by December 2018. As of August 2018, a total of 3,509 sites have already been installed, with 1,592 live sites and 1,689 sites with access points installed but awaiting telco links.

On August 2, 2017, Republic Act No. 10929 otherwise known as the Free Internet Access in Public Places Act of 2017 was enacted, which mandates the Department of Information and Communications Technology (DICT) as the lead implementing agency that will oversee the effective and efficient implementation of said Act. Under said law, the Free Public Internet Access Program was created that shall provide free access to internet service in public places throughout the country such as the national and local government offices; public basic education institutions; state universities and colleges, and TESDA technology institutions; public hospitals, health centers and rural health units; public parks, plazas, libraries, and barangay reading centers; public airports and seaports; and public transport terminals.

The vision is to reach 200,000 sites by 2026. However, challenges in the bidding and implementation process, limited access to cost-effective and up-to-date technology options, as well as limited capacity of Philippine telecommunications companies at the local level have slowed progress toward this goal.

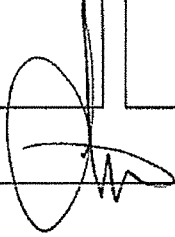
This proposed project will support DICT's commitment to accelerate the roll-out of the *Pipol Konek* project. Working in partnership with DICT, UNDP will use its National Acceleration Modality to draw international expertise and temporarily apply its procurement system for managed services contracts for designated areas that currently have no or limited access to internet in public places. This phase of the DICT-UNDP partnership aims to expand internet access in up to 6,000 additional sites.

The project will contribute to closing the digital divide in the Philippines by providing incentives to encourage new and existing local and international service providers to expand internet coverage in designated areas. The project will incorporate third-party monitoring mechanisms to ensure internet service providers meet service quality standards. The project will also include resources to develop the capacity of DICT staff to oversee the procurement, management and implementation of future large-scale ICT investments. Governance arrangements will be established for the project that ensure proactive management of project activities and performance.

Programme Period: 18 months (subject to revision)
Atlas Project Number: _____
Atlas Output ID: _____
Gender Marker: GEN1

Total resources required (Philippine Pesos) 1,391,084,618.28
Total allocated resources:
• Regular
• Other:
 • Government: 1,362,084,618.28
 • UNDP (advisory services, technology) 29,000,000.00

Agreed by UNDP: _____



I. PURPOSE AND EXPECTED OUTPUTS

Project Purpose: Enable DICT to access wider range of internet service providers and technologies to substantially expand the provision of free internet services in public places, especially for disadvantaged groups, meeting minimum quality standards for reliability and speed. The project will specifically provide the following services:

- *Domestic IP Backhaul Services in six (6) provinces;*
- *Municipal IP Backhaul Services in 403 municipalities, 76 cities, 24 provincial capitols, and 23 DICT field operations office – provincial offices; and*
- *Public Access Wi-Fi Network and Services for 66 provinces.*

The project will support the following four main areas:

Broadening people's access to free internet services in designated sites. UNDP will use the global reach of its procurement systems to expand the currently available range of internet service providers (ISPs) and technologies best suited to servicing "last-mile" communities in the Philippines. Through the partnership, UNDP may draw international expertise from its Global Procurement Services Unit in Copenhagen, Bangkok Regional Hub, as well as technology experts in Headquarters or other Country Offices for the benefit of the project. National and international ISPs would be invited to bid to provide internet access in public places, under a managed services contract, covering up to 6,000 additional sites. Services will focus on providing access for disadvantaged groups, such as children in schools, women in public markets, the elderly and people with disabilities in front-line services of government buildings. To maximize participation in the bidding, existing technical specifications for the managed services will be reviewed and revised as needed, based on international good practice. Specifications would be prepared in consultation with and approved by DICT to ensure they are appropriate for the Philippine socioeconomic context. The performance of managed services contactors would be proactively monitored by a dedicated UNDP project management team working in close cooperation with the DICT project team. The UNDP procurement system will also allow bidders from the international market, subject to approval from DICT.

Organize and develop the capacity of citizens to monitor delivery and installation of internet connections and performance of the free public internet service. Drawing on UNDP's substantial experience of working with citizen groups to monitor the delivery of government-provided services, a third-party monitoring system will be established to ensure internet services provided under the managed services contracts meet minimum quality standards for speed and reliability defined in the bid documents. In consultation with DICT, UNDP will enter into partnerships with local civil society organizations (CSOs) to develop the necessary capacity of citizen monitors to carry out their responsibilities effectively. CSOs will be surveyed, pre-qualified and engaged as responsible parties to the project. UNDP will also work with DICT to broaden and institutionalise its partnerships with civil society to ensure that it is able to draw on sustained grassroots support in monitoring the quality of internet service in last mile communities after the completion of this project.

Develop the capacity of DICT to contract and oversee the performance of internet service providers. Recognizing that DICT is a recently created agency with a mandate to play a vital role in significantly expanding access to and application of internet and cloud-based computing services for the public and government agencies at local and national level, UNDP, in close consultation with DICT, will develop a comprehensive set of activities to develop the capacity of DICT staff to progressively take on and manage the procurement and implementation process for ICT-related services.

Project management and quality assurance

To ensure a strong focus on results, a Project Management Office (PMO) will be established by UNDP, to oversee the day-to-day operations of the project following UNDP operations policies and procedures. A Project Manager will lead the PMO and will be responsible for the overall management of project activities including, but not limited to the following:

- a) Overall management of the initiative and technical inputs in the implementation of the project under the overall guidance and advisory support of UNDP/DICT;
- b) Preparation of detailed annual and financial plans based on the project results framework and theory of change;
- c) Management, certification and reporting on financial disbursements based on approved work plan and payment schedule;
- d) Monitoring, reporting and evaluation of outputs and accomplishments towards the achievement of project intended outputs;
- e) Ensuring the effective, efficient and timely implementation of activities;
- f) Programme advocacy and visibility and coordination with relevant stakeholders;
- g) Support services to the project for procurement, subcontracting and outsourcing of services.

II. MANAGEMENT ARRANGEMENTS

A **Project Board** shall be established with DICT and UNDP as core members. Stakeholders from other government agencies and civil society may be invited to attend Project Board meetings when necessary. The Project Board shall meet quarterly, or as needed, and shall provide strategic guidance and direction regarding the implementation of the project. Any changes deemed necessary to the strategy and annual workplan, including the revision of outputs and any budget allocation, realignment, and/or reallocation, shall be discussed and approved at the Project Board level, which may initiate amendment of the project document, annual work plan, and/or Project line item budget subject to the mutual written approval of the DICT and the UNDP. These amendments shall be formalised via an exchange of letters between DICT and UNDP. Any reallocation of funds shall be related to Pipol Konek Project activities.

A **Technical Working Group** shall be established under the project with DICT and UNDP as core members. Representatives from wider stakeholders from government and civil society may also be identified as regular members. The technical working group shall meet on a monthly - or as needed - basis to discuss physical and financial progress, as well as technical and administrative matters.

A **UNDP Project Management Office (PMO)** will be created to implement the day to day activities of the project. The UNDP Project Management Office will consist of a project manager, technical experts specialised in ICT, procurement, monitoring and evaluation officers, as well as operational support staff.

An exit plan to be crafted by the UNDP shall specify that at the end of the project, all Pipol Konek project-related equipment shall be transferred to the DICT.

III. MONITORING

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring plan:

Monitoring Plan Outline:

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against activities and results will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Specific risks that may threaten achievement of intended results will be identified at inception. A risk log will be used to monitor risk management actions. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Data and evidence from all monitoring actions will inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		
Project Report*	Progress reports will be presented to the Project Board and key stakeholders, consisting of progress data showing project progress and fund	Monthly, quarterly and at the end of the project (final report)			

	utilization against pre-defined annual targets.				
--	---	--	--	--	--

* DICT will get full access to the UNDP audit reports and project evaluation

7    

IV. ESTIMATED BUDGET AND WORK PLAN

EXPECTED OUTPUTS	2018				2019				RESPONSIBLE PARTY	FINANCING PLAN (P/HP)	
	Q3		Q4		Q1		Q2			DICT	UNDP*
	Q3	Q4	Q1	Q2	Q3	Q4					
DICT-UNDP Partnership for Inclusive Net Access and Services (PINAS)										1,362,084,618.28	29,000,000.00
Broadening people's access to free internet services in designated sites									UNDP	1,259,515,208.35	1,000,000.00
<ul style="list-style-type: none"> Conduct assessment of technology options to provide internet service Draft procurement strategy and plan Procure and install technology Manage contracts 	x	x	x	x							
Organize and develop the capacity of citizens to monitor delivery and installation of internet connections and performance of the free public internet service		x							UNDP / CSOs	8,000,000.00	10,000,000.00
<ul style="list-style-type: none"> Conduct CSO stakeholder mapping Design citizen monitoring modules and customize existing DevLIVE platform for citizen monitoring Train citizens to monitor efficiency and integrity of internet service Conduct monitoring and evaluation activities 			x								
Develop the capacity of DICT to contract and oversee the performance of internet service providers.									UNDP	27,325,000.00	8,000,000.00
<ul style="list-style-type: none"> Conduct capacity assessment of DICT Roll out capacity building activities Draft sustainability plan 			x								
Project management and quality assurance									UNDP	67,244,409.93	10,000,000.00
<ul style="list-style-type: none"> Advisory experts and consultants for strategic, financial and administrative management support Communications Audit and evaluation Direct Project Cost GMS (3%) 	x	x	x	x	x	x	x	x			

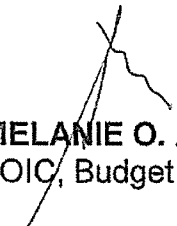
* value of advisory services and in-kind contribution of systems technology



CERTIFICATION

This is to certify that the amount of One Billion Three Hundred Sixty-Two Million Eighty-Four Thousand Six Hundred Eighteen & 28/100 Pesos Only (Php 1,362,084,618.28) is available for the engagement with United Nations Development Programme (UNDP) as a development partner in the implementation of the following services under the Free WiFi Internet Access in Public Places and Free Wifi for State Universities and Colleges, to wit:

	Item	Amount
1	Public Access Wi-fi Network and Services	Php 801,770,647.30
2	Municipal IP Backhaul Services	483,977,123.26
3	Domestic Backhaul Services	11,475,675.43
	Sub-total	Php 1,297,223,445.99
	5% Service Fee	64,861,172.30
	TOTAL	Php 1,362,084,518.28


MELANIE O. AGAPITO
OIC, Budget Division

27 September 2018



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY

30 July 2018

TITON MITRA

Country Director

United Nations Development Programme Philippines

15th Floor, North Tower, Rockwell Business Center Sheridan

Sheridan Street corner United Street

Highway Hills, Mandaluyong City 1550

LETTER OF INTENT

This is to signify the intent of the Department of Information and Communications Technology (DICT) to engage with the UNDP as a development partner in the implementation of the following under the Free Wi-Fi Internet Access in Public Places Project:

	Items	ABC	Service Fee + ABC
1	Public Access Wi-Fi Network and Services	801,770,647.30	841,859,179.66
2	Municipal IP Backhaul Services	483,977,123.26	508,175,979.42
3	Domestic IP Backhaul Services	11,475,675.43	12,049,459.20

TOTAL ABC: PhP 1,297,223,445.99

TOTAL AMOUNT INCLUDING SERVICE FEE: PhP 1,362,084,618.28

Attached herewith are the following documents for your consideration:

- Agency Outsourcing Request;
- Terms of Reference; and
- Certificate of Funds Availability.

ELISEO M. RIO, JR.

Acting Secretary, DICT

Date: _____

**FINANCING AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND
THE GOVERNMENT OF THE PHILIPPINES**

WHEREAS, the United Nations Development Programme (hereinafter referred to as "UNDP") and the Government of the Philippines – Department of Information and Communications Technology (hereinafter referred to as the "Government") have agreed to co-operate in the implementation of a project in the Philippines (hereinafter referred to as "the Project"), as described in the Project Document *Project ID 00111581 PIPOL KONEK*, in the Philippines, and submitted to the Government for information.

WHEREAS, the Government has informed UNDP of its willingness to contribute funds (hereinafter referred to as "the contribution") to the UNDP on a cost-sharing basis to increase the resources available for the Project;

WHEREAS, the UNDP shall designate as Implementing Partner, the UNDP Country Office in the Philippines, for the implementation of the Project financed from the contribution (hereinafter referred to as "the Implementing Partner");

NOW THEREFORE, UNDP and the Government hereby agree as follows:

Article I

1. The Government shall, in the manner referred to in paragraph 2 of this Article, place at the disposal of UNDP the contribution of **One Billion Three Hundred Sixty Two Million Eighty Four Thousand Six Hundred Eighteen and Twenty Eight Philippine Pesos (1,362,084,618.28)**;
2. The Government shall, in accordance with the schedule of payments set out below, deposit the contribution in

**UNDP Representative Peso Account
Current Account No. 0132549315001
(SWIFT ID: SCBLPHMM)
Standard Chartered Bank
6788 Ayala Avenue
Makati City**

<u>Date payment due</u>	<u>Amount (stated currency)</u>
(a) 25 September 2018	PhP 700,000,000.00
(b) 15 January 2019 	PhP 662,084,618.28

3. The Government will inform UNDP when the Contribution is paid via e-mail with remittance information to contributions@undp.org, providing the following information:

**Government of the Philippines – Department of Information and Communications
Technology
UNDP Philippines Country Office
Project ID 00111581
PIPOL KONEK**

This information should also be included in the bank remittance advice when funds are remitted to UNDP.

4. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the Project may be reduced, suspended or terminated by UNDP.
5. The above schedule of payments takes into account the requirement that contributions shall be paid in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery. UNDP shall not absorb any loss (including but not limited to exchange fluctuations) under the Project. The Parties acknowledge and agree that all losses shall be charged to the Project.
6. All financial accounts and statements shall be expressed in United States dollars.
7. UNDP may agree to accept Contributions in a currency other than United States dollars provided such currency is fully convertible or readily usable by UNDP and subject to the provisions of paragraph 6 above. Any change in the currency of the Contribution shall be made only in agreement with UNDP.

Article II

1. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 3%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.
2. The aggregate of the amounts budgeted for the project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the project under this Agreement as well as funds which may be available to the project for project costs and for support costs under other sources of financing.



Article III

1. The contribution shall be administered by the UNDP in accordance with UNDP regulations, rules, policies and procedures, applying its normal procedures for the execution of its projects.
2. Project management and expenditures shall be governed by the regulations, rules, policies and procedures of UNDP and, where applicable, the regulations, rules, policies and procedures of the Implementing Partner.

Article IV

1. The implementation of the responsibilities of the UNDP and of the Implementing Partner pursuant to this Agreement and the relevant project document shall be dependent on receipt by the UNDP of the contribution in accordance with the schedule of payments set out in Article I, paragraph 2, above. UNDP shall not start implementation of the activities prior to receiving the Contribution or the first tranche of the Contribution (whichever is applicable).
2. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) UNDP shall submit to the Government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to make available to UNDP the additional funds required.
3. If the Contribution referred to in Article I, paragraph 2, above, are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2, above, is not forthcoming from the Government or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

Article V

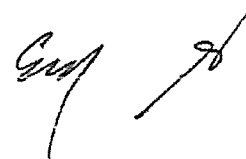
Ownership of equipment, supplies and other property financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article VI

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP.

Article VII

UNDP shall provide the Government on request with financial and other reports prepared in accordance with UNDP reporting procedures.



Article VIII

1. UNDP shall notify the Government when all activities relating to the Project have been completed in accordance with the Project Document.
2. Notwithstanding the completion of all activities relating to the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the activities finance by the contribution have been satisfied and these activities brought to an orderly conclusion.
3. If the unutilized funds prove insufficient to meet such commitments and liabilities, UNDP shall notify the Government and consult with the Government on the manner in which such commitments and liabilities may be satisfied.
4. In cases where the Project is completed in accordance with the project document, any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Government.

Article IX

The Parties agree that it is important to take all necessary precautions to avoid corrupt practices. To this end, UNDP shall maintain standards of conduct to govern the performance of its staff, including of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules, and the UND Procurement Manual.

Article X

Consistent with numerous United Security Council resolutions, including S/RES/1269 (1999), S/RES 1368 (2001), and S/RES/1373 (2001), both the Donor and UNDP are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of UNDP to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, UNDP undertakes to use reasonable efforts to ensure that none of the Donor funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

Article XI

1. After consultations have taken place between the two Parties to this Agreement and provided that the funds from the Contribution already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project, this Agreement may be terminated by UNDP or by the



Government. The Agreement shall cease to be in force thirty days after either of the Parties may have given notice in writing to the other Party of its decision to terminate the Agreement.

2. If the unutilized contribution-payments, together with other funds available to the Project, are insufficient to meet such commitments and liabilities, UNDP shall notify the Government and consult with the Government on the manner in which such commitments and liabilities may be satisfied.
3. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in implementation of the activities financed by the contribution have been satisfied and these activities brought to an orderly conclusion.
4. In cases where this agreement is terminated before Project completion any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Government.

Article XII

Any notice or correspondence between UNDP and the Government will be addressed as follows:

- (a) To the Government:
Eliseo Mijares Rio, Jr.
Acting Secretary
Department of Information and Communications Technology
C.P. Garcia Ave., Diliman, Quezon City
Philippines 1101

- (b) Upon receipt of funds, UNDP shall send an electronic receipt to the Government email address provided below as confirmation that the remitted funds have been received by UNDP

Government email address: eliseo.riojr@dict.gov.ph

With a copy to:

Attention: cheryl.ortega@dict.gov.ph

- (b) To UNDP Philippines:
Titon Mitra
Country Director
United Nations Development Programme
15th Floor, North Tower, Rockwell Business Center Sheridan
Sheridan Street corner United Street



Highway Hills, Mandaluyong City
Philippines 1550

Article XIII

This Agreement shall enter into force upon the signature of this Agreement by parties hereto, on the date of the last signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Government:



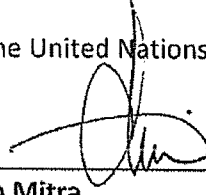
Eliseo Mijares Rio, Jr.
Acting Secretary
Department of Information and
Communications Technology

Date:

Place:



For the United Nations Development Programme:



Titon Mitra
Country Director
UNDP Philippines

Date:

Place:



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES
CITY OF QUEZON CITY) s.s.

Before me, this SEP 26 2018 in the City of QUEZON CITY,
Philippines, personally appeared:

Name	Gov't issued I.D.	Issued at	Issued on
ELISEO M. RIO, JR.			

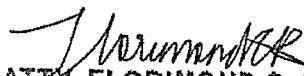
Known to me be the same persons who executed the foregoing instrument, and they acknowledged to me that the same is their free act and deed.

This instrument, consisting of six (6) pages, including the page on which this acknowledgment is written, has been signed on each and every page thereof by the parties and their witnesses, and sealed with my notarial seal.

IN WITNESS WHEREOF, I have hereunto set my hand, the day, year, and place above written.

NOTARY PUBLIC

Doc. No. 219
Page No. 42
Book No. VI
Series of 2018


ATTY. FLORIMOND C. ROUS
Notary Public for Quezon City
Until December 31, 2018
PTR No. 552122771-3-18 / Q.C.
IBP LIFETIME NO. 00315
ROLL NO. 25769 / RR 142-154-935
MCLE 5 Comp-00001549: 1-22-2014
Adm Matter No.156 / RTC-QC / 2016

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES
CITY OF QUEZON CITY) s.s.

Before me, this SEP 26 2018 in the City of QUEZON CITY,
Philippines, personally appeared:

Name	Gov't issued I.D.	Issued at	Issued on
TITON MITRA			

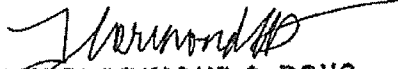
Known to me be the same persons who executed the foregoing instrument, and they acknowledged to me that the same is their free act and deed.

This instrument, consisting of six (6) pages, including the page on which this acknowledgment is written, has been signed on each and every page thereof by the parties and their witnesses, and sealed with my notarial seal.

IN WITNESS WHEREOF, I have hereunto set my hand, the day, year, and place above written.

NOTARY PUBLIC

Doc. No. 217
Page No. 42
Book No. V1
Series of 2018


ATTY. FLORIMOND C. ROUS
Notary Public for Quezon City
Until December 31, 2018
PTR No. 5521227/1-3-18 / Q.C.
IBP LIFETIME NO. 00315
ROLL NO. 25769 / TIN 142-154-935
MCLE 5 Comp-00001549: 1-22-2014
Adm Matter No.156 / RTC-QC / 2016

Annex B. Time and Cost Efficiency Analysis

DepEd – UNDP K to 12 Computerization Programme, DepEd-UNDP (2016-2019)

	DepEd Procurement				UNDP Procurement			
	Batches 26-28		Batches 29-33		Batch 37 (Lot 1)	Batch 38 (Lot 2)	Lot 3	Lot 4
	Original: 4/9 Lots	Rebid: 5/5 Lots	Rebid 2: 8/20 Lots	Rebid 3: 6/8 Lots				
Time Efficiency								
# Days from Posting to Notice of Award	280	139	178	146	64	86	31	160*

*After bidding process DepEd requested for additional roof mounts for solar panels, which led to further negotiations with contractor.

DSWD-UNDP Accelerating Bottom-Up Budgeting through Inclusive and Effective Governance (2016-2019)

	LGU Procurement	UNDP Procurement	% of Price variance
Assistive Devices			
• Wheelchair (adult)	Php 5,000	Php 2,475	50%
• Wheelchair (pedia)	Php 6,000	Php 2,673	55%
• Crutches	Php 1,000	Php 792	20%
• Single Cane	Php 700	Php 198	71%
• Walker	Php 2,800	Php 831	70%



COST-BENEFIT ANALYSIS

Engagement with the United Nations Development Programme (UNDP) as a Development Partner in the Implementation of the Pipol Konek – Free Wi-Fi Internet Access in Public Places Project

I. Background

The Free Wi-Fi Internet Access in Public Places Project is an undertaking by the national government, through the Department of Information and Communications Technology (DICT), which aims to provide free Wi-Fi Internet access in public places across the Philippines in order to facilitate and accelerate economic, social, and educational opportunities and reduce the Digital Divide under the government's National Connectivity Program.

However, successful deployment of the Project has been primarily hampered by administrative and technical issues. Procurement during the first phases posed several challenges, particularly: (a) slow or limited response in request for information; (b) same bidders joining the bidding, even if their previous contracts have proved to be otherwise satisfactory; (c) incomplete or erroneous submission of bid documents, or non-compliance to technical requirements by bidders which automatically disqualify them from the bidding; (d) big lots requiring a bigger financial capacity from the bidder; and Single Largest Completed Contract (SLCC) can only be complied by the big TELCOs or through a joint venture, which resulted to a limited number of bidders; (e) tedious process on the approval of contracts and other pertinent documents; and (f) lack of quorum from BAC/TWG.

Due to the above-mentioned reasons, previous tenders under DICT procurement spanned over a period which was longer than the required number of days mandated for a government procurement.

Upon implementation, more than thirty (30) contracts were awarded to big companies, including the two major TELCOs since 2015. At least 57% of these contractors requested for suspension and/or extension of contracts due to challenges in securing permits from the LGUs, lack of co-location/ request-to-attach/ joint pole agreements, not enough manpower to deploy in the coverage areas, etc. Additionally, their lack of manpower led them to collaborate with the small ISP players at the localities, therefore adding another layer in the coordination and implementation process on the part of the contractor. These led to the delays in the completion of the services, and consequently, the low turn-out of live sites at the targeted areas. Thus, undergoing the same procurement process shall probably lead to the same winning bidders, which will probably render same results.

The DICT then considered to enhance and/or undertake other strategies in implementing the Project. Partnership with the UNDP was one of the identified strategies.

The UNDP, which is the United Nations' global development network working in about 170 countries to help eradicate poverty and reduce inequalities and exclusion, helps countries to develop policies, leadership skills, partner abilities, institutional capabilities and build resilience in order to sustain development results¹. It has been assisting the Philippine Government since 1965². Its Philippine Country Office was sought as a partner by agencies like the Department of Education (DepEd), Department of Social Welfare and Development (DSWD), Department of the Interior and Local Government (DILG), and the Office of the Presidential Adviser on Peace Process (OPAPP), to name a few, in the rollout of their respective projects/programs. The project cost of each of these agencies' partnership programs are shown in the Cost Analysis.

II. Cost Analysis

Based on available data, the average lead time for the previous procurements of the Free WiFi Project from pre-procurement stage up to contract award spans around eight (8) months involving different reasons. In the UNDP engagement, however, the DICT may be able to translate savings from the timely delivery of services. Shown below is the comparative advantage matrix of UNDP and Government Procurement System³:

UNDP Procurement		Government Procurement	
Below US\$ 5,000 to a single vendor within a calendar year	3 days to a week + delivery lead time	Only allowed up to about US\$ 1,000	
Between US\$ 5,000 to US\$ 99,999	1-2 weeks + delivery lead time	Minimum of 14 days of advertisement, followed by a minimum of 30 days of bid preparation period, which goes up to 60 or 90 calendar days of bid preparation time for consulting services	
Above US\$ 100,000	60-120 days + delivery lead time	Below P25Million (US\$ 568,000)	Advert must be for 15-30 calendar days
		Above P25M up to P50M (US\$ 1.1M)	Advert must be for 15-45 calendar days
		Above P50M up to P200M (US\$ 4.5M)	Advert must be for 30-60 calendar days
		Above P200M	Advert must be for 60-90 calendar days

The projected cost shall cover an additional 6,000 Free Wi-Fi sites. Meanwhile, this cost shall be subjected to capacity development cost (2%) to be given back to the DICT employees and the citizen monitors, as well as the standard general

¹ <http://www.undp.org/content/undp/en/home/about-us.html>

² <http://www.ph.undp.org/content/philippines/en/home/about-us.html>

³ <https://info.undp.org/docs/pdc/Documents/PHL/PRODOC%20DSWD-BUB.pdf>

A

management support (3%) cost to the UNDP – which sum up to the 5% service fees initially costed under this engagement.

The 5% service fees are likewise referenced in the UNDP-government partnerships of the DepEd⁴ and the DSWD⁵ to be composed of 3% GMS and 2% technical assistance funds covering capacity development activities for government agencies contributing to the fund.

Further, UNDP's portfolio on government partnerships, which shall point towards the Free Wi-Fi project as a possible point of convergence, shows the following projects:

UNDP Project Partner and Name	Project Description	Contribution (USD)
DepEd: K to 12 computerization programme	Delivering IT equipment and solar panels to 3,694 schools nationwide with support of citizen monitors	25,045,419.86
DSWD Bottom Up Budgeting	Delivering services including infrastructure to local governments that have been defined in partnership with the people	10,493,242.41
DILG: Paving the Road to SDGs through Good Local Governance	Building an electronic project management system for local governments	7,436,332.97
UNDP-RAPID	A ClimEx.Db console and app-based system that allows LGUs to collect, organize and manage information on climate change and disaster risk vulnerabilities, as well as SDG monitoring	4,533,895.85
Leapfrogging Public Service Delivery in the Philippines	Develop prototype e-governance systems that would lead to more efficient delivery of local services by LGUs	350,000.00
Development LIVE	Cell phone application that allows citizens to upload monitoring reports on infrastructure projects related to the SDGs.	200,000.00

III. Benefit Measures

Ease

The UNDP assumes full accountability in all its procurement of goods and services and absorbs any legal risk on behalf of the government. With a top-notch rating from the International Aid Transparency Initiative⁶, the UNDP ensures the transparency of its procurement process.

⁴ https://info.undp.org/docs/pdc/Documents/PHL/DepEd%20Prodoc_Amendment.pdf

⁵ <https://info.undp.org/docs/pdc/Documents/PHL/PRODOC%20DSWD-BUB.pdf>

⁶ <http://www.undp.org/content/brussels/en/home/presscenter/pressreleases/2018/UNDP-again-ranked-as-one-of-worlds-most-transparent-development-aid-organisations.html>

UNDP's internal mechanism called National Acceleration Modality (NAM) has the capacity to accelerate the delivery of services through their flexible procurement system, enunciating high thresholds and low turnaround times for bidding, evaluation, delivery and ability to solicit competitive process in the international and national markets.

Economy

UNDP ensures transparent purchasing processes that delivers the best value for money. It also includes application of a strategic management approach, with the goal to reduce purchase costs by consolidating global volumes and standardizing categories through centrally-managed long term agreements and corporate partnerships; and supporting project design, planning and implementation of supply-chain management in sustainability projects.

With UNDP's VAT exemption (12%) and solicitation of cheaper pricing (5%) from suppliers, as cited in the Project Document of the DSWD's Bottom-Up Budgeting⁷, the government can generate savings which may be used in financing other substantive aspects of the Free Wi-Fi Project.

Furthermore, UNDP employs cost-sharing, usually by providing its technical staffs' man hours benefitting the Project in totality. The UNDP counterpart for this Project is projected at PhP 29 Million worth of technology and advisory services.

Technical Expertise

UNDP offers global expertise and track record in co-implementing programs with governments (i.e., tapping support from headquarters and regional offices), high standards of transparency and accountability, and expert program management support to accelerate service delivery. A few of the projects undertaken by the UNDP in partnership with the Philippine government include: (1) DepEd's Kinder to Grade 12 Basic Education Programme amounting to USD 60 Million; (2) OPAPP's Support to Peacebuilding and Normalization Programme amounting to around PhP 649 Million; and (3) DSWD's Accelerating Bottom-Up Budgeting through Inclusive and Effective Governance amounting to around PhP 569 Million.

With the cited projects being among the large-summed government-funded projects, UNDP is considered to have the skills, expertise and manpower to accept and carry out the requirements of the Free Wi-Fi Internet Access in Public Places Project.

⁷ <https://info.undp.org/docs/pdc/Documents/PHL/PRODOC%20DSWD-BUB.pdf>

^

Legal Basis

The UNDP-government partnership is based on UNDP's presence in the Philippines through the Standard Basic Assistance Agreement (SBAA) duly ratified in 12 December 1977.

The 1977 ratification has made the SBAA an international treaty recognized as having been incorporated as part of the law of the land, by virtue of Section II and Article 2 of the Philippine Constitution.

Under SBAA, assistance "may be made available by the UNDP to the Government" upon request consisting, among others, of "services of advisory experts and consultants", "equipment and supplies" and "any form of assistance or form of execution, which may be agreed upon by the Government and UNDP".

Value Added Services

Alongside the program management support services, UNDP is implementing a technical assistance package. It provides capacity building and systems reform programs to government agencies by promoting "learning by doing." Formal courses, workshops and direct involvement shall be provided to the partner government agency.

It also provides mechanisms to monitor the delivery of the Project by involving community-based citizen monitors, therefore strengthening the value of the Free Wi-Fi Project especially at the grassroots level. The UNDP also has an exit strategy in place in all its projects upon achievement of measurable milestones, ensuring that the government entity has the capabilities to implement the program directly.

Moreover, it is keen on adopting community-based models that may answer the issues on last mile connectivity. As such, it can provide sustainable and innovative approaches and options that may be most beneficial not only to the government but also to the Project beneficiaries and the public, in general.

Prepared by:



ENRICO A. TOLEDO

Project Manager, Free Wi-Fi Internet Access in Public Places Project

Noted by:



ALAN A. SILOR

Assistant Secretary