

TERMS OF REFERENCE

Hiring of Consultancy Firm for the Harmonization of the DA Planning and Budgeting System

I. Background and Rationale

The Department of Agriculture (DA) has a big challenge as overseer of the development of the agriculture and fisheries sector. The sector's critical roles in the country's economic progress, most especially in building inclusiveness in growth, is recognized -- a recognition apparent in the DA's increasing budgetary allocations.

The past five years – 2010-2014 have been challenging for the agriculture and fisheries sector. The pernicious effects of climate change, primarily flooding and drought, caused billions worth of livelihood and production losses to the sector. Typhoon Yolanda alone decimated the stock of coconut trees in the Eastern Visayas and destroyed the boats of fisherfolk. Despite these, the sector managed to maintain its upward trend as output grew at an annual average of 2.08 percent.

However, significant sector advancement is weighed down by various factors, not the least of which is the way that the Department has been pursuing the mandated sector goals, setting Department purposes and targets, and allocating and using available resources.

The Philippine Rural Development Project (PRDP) is a 6-year project of the DA aiming to provide needed infrastructure and enterprise investment support to the agriculture and fisheries sector but within more efficient governance systems consistent with principles espoused in the Agriculture and Fisheries Modernization Act (AFMA) of 1997. The IPLAN component of the program intends to institutionalize the Agriculture and Fisheries Modernization Plan (AFMP) and the Regional Agriculture and Fisheries Modernization Plan (RAFMP) as the basis for the allocation and use of investments available to the sector. To this end, it seeks to strengthen the Department's planning, programming and budget execution processes for the attainment of mandated sector goals.

II. Objectives

1. Main

To assist the DA achieve the PRDP IPLAN's objective of rationalizing DA decision-making by designing guidelines, processes and institutional arrangements that will ensure that DA plans, programs and budgets are mainly derived from and fully consistent with the AFMP.

2. Specific

- i. To assess the consistency, harmony, and integration of current national, regional, commodity and bureau/agency planning, programming and budgeting guidelines, processes, and institutional arrangements;
- ii. To evaluate the consistency of current DA regional, commodity, and bureau/agency plans and budgets, including a representative sample of approved PCIPs, with the current AFMP;
- iii. To develop an integrated and harmonized set of planning, programming and budgeting manuals, which would include proposed institutional arrangements, that will effectively address the gaps determined in objectives (i) and (ii) above; and
- iv. To formulate a Planning, Programming and Budgeting Guidelines, derived from the approved manuals in objective (iii) above, to initiate the next AFMP updating cycle.

III. Scope of Work

The consultancy firm shall undertake the following services to achieve the objectives stated in this TOR:

1. Assess the consistency, harmony, and integration of current DA national, regional, commodity and bureau/agency planning, programming and budgeting guidelines, processes, and institutional arrangements, at least for the following:
 - a. Updating of the national Agriculture and Fisheries Modernization Plan (AFMP) and Regional Agriculture and Fisheries Modernization Plans (RAFMPs);
 - b. The integration of Provincial Commodity Investment Plans (PCIPs) under the i-Plan component of the PRDP into the RAFMPs;
 - c. The preparation of the annual plan and budget proposals (PBP) and the quarterly workplan, using PCIPs as one of the basis; and
 - d. The preparation of the agriculture Public Investment Program (PIP).
2. Evaluate the consistency of current DA regional, commodity, and bureau/agency plans and budgets, including a representative sample of approved PCIPs, with the current AFMP;

3. Review the plans and budgets of attached corporations and the coordination and institutional arrangement with other national government departments/agencies vis-à-vis the objective of IPLAN Subcomponent 1.2 to harmonize technical service provision by the technical agencies, bureaus and other NG departments with the needs of the RAFMPs and PCIPs;
4. Review the usefulness of various available documents on the DA planning, programming and budgeting processes, including frameworks, manuals, guidelines, forms, instructions, and other such documents that circumscribe the work of DA's planners and budget officers;
5. Recommend changes in the guidelines, processes, and institutional arrangements (across the DA operating units, attached bureaus/agencies, attached corporations and other national government departments/agencies), based on the gaps determined in specific objectives (i) and (ii), so that the various outputs become consistent and mutually reinforcing in support of AFMP implementation. This include the integration of the PCIPs, which should emanate from and should be consistent with the AFMP and, more immediately, their respective RAFMP. The AFMP and the RAFMPs are the main reference documents of the PCIPs and the resulting manuals and guidelines should ensure that the planning, programming and budgeting processes, activities, indicators and institutional arrangements reflect this.
6. Document the enhanced processes and institutional arrangements in an integrated and harmonized set of planning, programming and budgeting manuals that will be used by DA planners in undertaking the various planning and budgeting activities of the DA;
7. Develop a Planning, Programming and Budgeting Guidelines, derived from the approved manuals in specific objective (iii) above, to initiate the next AFMP updating cycle;
8. Recommend core indicators for the AFMP and RAFMP, including indicators for organizational outcomes of the DA;
9. Conduct the following workshops/orientation and meetings:
 - a. *Consultation workshops* – This workshop aims to present the result of the review of the current planning, programming and budgeting system of the DA, next steps of the technical assistance (e.g. formulation of manuals), and solicit comments and suggestions. The workshop will be organized in three (3) clusters for manageability and the expected participants are the DA RFO's, Bureaus, Attached Agencies and Attached Corporations.
 - b. *Workshops to refine the draft manuals/guidelines* – This workshop aims to present the (i) draft manuals and (ii) guidelines for AFMP updating and solicit comments and suggestions. The workshop will be organized in three (3) clusters for manageability and the expected participants are the DA RFO's, Bureaus, Attached Agencies and Attached Corporations.

- c. *Progress meetings* – The series of meetings is a venue for the consultants to present the progress of the technical assistance to the DA-Planning and Monitoring Service (PMS) and the DA Management. The expected participants are personnel from DA-PMS, DA Management and selected concerned staff.
10. Provide the food, accommodation, venue, presentation materials, resource person/facilitator during the consultation workshops/orientation and meetings.

IV. Project Duration

The engagement of the consulting firm is **six (6) months** from receipt of Notice to Proceed (NTP).

The procuring entity is after the quality of the outputs that would be submitted at the end of the project. The estimated number of professional staff-months required for the project is entrusted to the consulting entity for them to apportion it to the various deliverables stipulated in this TOR, with the concurrence of the procuring entity.

V. Qualifications of the Consultancy Firm

1. The firm has at least 10 years of experience in development/strategic planning, public finance and investment programming. The firm will also be evaluated based on an assessment of the quality of previous similar sample output (e.g., planning, programming and budgeting manuals and guidelines) which they must submit to the DA;
2. The members of the team of consultants of the firm has the following qualifications:
 - a. Development Planning Expert (Team Leader)
 - 10 years of work experience in strategic planning in the field of agriculture and fisheries
 - Has an academic degree in development planning, rural development, economics or other related field of studies
 - At least a Masters Degree holder
 - Has a firm grasp of major issues and concerns in Philippine agriculture and fisheries
 - b. Public Finance Expert
 - 8 years of work experience in public finance, preferably, in the preparation of budget proposals and workplans in the agriculture and fishery sector
 - Has an academic degree in public finance, public management, banking and finance, or other related field of studies
 - At least a Masters Degree holder
 - Has a firm grasp of major issues and concerns in Philippine agriculture and fisheries

c. Investment Programming Expert

- 8 years of work experience in investment programming, preferably, in the preparation of public investment plans/programs in the agriculture and fishery sector
- Has an academic degree in development planning, economics, project management or other related field of studies
- At least a Masters Degree holder
- Has a firm grasp of major issues and concerns in Philippine agriculture and fisheries

VI. Obligations/Duties and Responsibilities of the DA

1. Review the timetable in consultation with the firm for the project, including workshops/orientation and meetings;
2. Review and approval of the food, accommodation and venue to be provided by the Consultancy Firm for the workshops/orientation and meetings;
3. Review and approval of the manuals and reports of the consulting firm; and
4. Pay the consultancy firm's fees as follows:

Milestone	% of Payment	Schedule of Payment
Upon the client's receipt of a copy of the contract signed by both parties with Notice to Proceed (NTP)	15 %	Upon receipt of NTP
Upon submission and acceptance of the Inception Report	15 %	Two (2) months after NTP
Upon submission and acceptance of the draft manuals	40 %	Two (2) months after Inception Report
Upon submission and acceptance of the final version of the manuals	30 %	Two (2) months after the draft
Total	100%	Six (6) months

VII. Institutional and Reporting Arrangement

The consulting firm will report directly to the Director of the Planning and Monitoring Service (DA-PMS). The timelines and formats of the reports must have the concurrence also of the Director.

VIII. Deliverables

1. Inception Report which includes the assessment and gap analysis mentioned in specific objectives (i) and (ii);
2. An integrated and harmonized set of planning, programming and budgeting manuals of the DA, namely:
 - a. Manual on:
 - i. Updating of the AFMP and RAFMPs, including the integration of the PCIPs; and
 - ii. Preparation of the annual PBP and quarterly workplan;
 - b. Manual for preparation of the PIP and its regular updating.

At the minimum, the manuals should include the purpose and objectives, definition of terms, main activities, process flows, inputs and outputs, institutional arrangements, recommended tools and timetable of, as well as interconnections among, the various planning and budgeting processes.

3. Planning, Programming and Budgeting Guidelines for the next AFMP updating.

IX. Ownership and Property Rights

The DA shall have ownership of the planning and budgeting manuals to be developed.

X. Estimated Budget

The estimated budget is Php 8,200,000.00 chargeable against the Philippine Rural Development Project (PRDP) funds. This amount is inclusive of taxes, travel expenses of the consulting firm and the cost of the workshops to be conducted.

Item	Budget (Php)	Assumptions
1. Hiring of Consultancy Firm	4,320,000	
a. Development Planning Expert (Leader)	1,500,000	Php 250,000/month x 6 months x 1 pax
b. Public Budgeting/Finance Expert	1,200,000	Php 200,000/month x 6 months x 1 pax
c. Investment Programming Expert	1,200,000	Php 200,000/month x 6 months x 1 pax
d. Research Assistant	420,000	Php 35,000/month x 6 months x 2 pax
2. Conduct of Workshops	2,970,000	
a. Consultation Workshop	1,485,000	
i. Cluster A	495,000	Php 1,800/pax x 55 pax x 5 days
ii. Cluster B	495,000	Php 1,800/pax x 55 pax x 5 days
iii. Cluster C	495,000	Php 1,800/pax x 55 pax x 5 days
b. Workshop to Refine the Draft Manuals	1,485,000	
i. Cluster A	495,000	Php 1,800/pax x 55 pax x 5 days
ii. Cluster B	495,000	Php 1,800/pax x 55 pax x 5 days
iii. Cluster C	495,000	Php 1,800/pax x 55 pax x 5 days
3. Conduct of Meetings	48,000	Php 300/pax x 40 pax x 4 meetings
4. Printing of Manuals	675,000	Php 1,500 x 450 copies
5. Supplies and Materials	187,000	2.3% of total cost
Grand Total	8,200,000	

XI. Schedule of Activities

Activity		Month 1				Month 2				Month 3				Month 4				Month 5				Month 6			
		Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4
1)	Issuance of Notice to Proceed	■																							
2)	Contract Signing	■																							
3)	Conduct of Preparatory Meeting		■																						
4)	Review of current planning and budgeting system in the DA		■	■	■	■																			
5)	Conduct of consultation workshop																								
	a. Cluster A			■																					
	b. Cluster B				■																				
	c. Cluster C					■																			
6)	Drafting of Inception Report					■	■																		
7)	Submission of Inception Report								■																
8)	Conduct of Progress Meeting								■									■						■	
9)	Preparation and writing of manuals									■	■	■	■	■	■	■	■	■							
10)	Submission of draft manuals																	■							
11)	Workshop to refine the draft manuals																								
	a. Cluster A																	■							
	b. Cluster B																		■						
	c. Cluster C																			■					
12)	Refinement of manuals																	■	■	■	■	■	■	■	
13)	Submission of final version of manuals																							■	