



Technical Assistance Report

Project Number: 41060
Policy and Advisory Technical Assistance (PATA)
December 2008

Republic of the Philippines: Harmonization and Development Effectiveness

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 15 November 2008)

Currency Unit	–	peso (P)
P1.00	=	\$0.02
\$1.00	=	P49.42

ABBREVIATIONS

ADB	–	Asian Development Bank
COA	–	Commission on Audit
DAR	–	Department of Agrarian Reform
DBM	–	Department of Budget and Management
DENR	–	Department of Environment and Natural Resources
DOF	–	Department of Finance
e-NGAS	–	Electronic New Government Accounting System
NEDA	–	National Economic and Development Authority
ODA	–	official development assistance
OECD	–	Organisation for Economic Co-operation and Development
TA	–	technical assistance
TOR	–	terms of reference

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Policy and advisory technical assistance (PATA)
Targeting Classification	–	General intervention
Sector	–	Law, economic management, and public policy
Subsector	–	National government administration
Themes	–	Governance, capacity development
Subthemes	–	Public governance, organizational development

NOTE

In this report, "\$" refers to US dollars.

Vice-President	C. Lawrence Greenwood, Jr., Operations 2
Director General	A. Thapan, Southeast Asia Department (SERD)
Director	N. Jain, Philippines Country Office, SERD
Team leader	C. Buentjen, Senior Governance and Capacity Development Specialist, SERD

I. INTRODUCTION

1. The Government of the Philippines has sought advisory technical assistance (TA) from the Asian Development Bank (ADB) in continuing support of the country's implementation of the Paris Declaration for Development Effectiveness and the Accra Agenda for Action, international commitments to accelerate progress toward development effectiveness. The TA is included in the country operations business plan for 2007–2008 and is the second TA to support development effectiveness in the Philippines.¹ The Fact-Finding Mission from 10 September to 3 October 2008 reached agreement on the impact, outcome, outputs, implementation arrangements, cost, financing arrangements, and terms of reference (TOR). The TA framework is in Appendix 1.²

II. ISSUES

2. Net official development assistance (ODA)³ to the Philippines in 2004–2006 averaged \$524 million yearly, or about 0.5% of gross national income (GNI).⁴ This ratio is comparable to Indonesia's (0.5%) but lower than that in other Southeast Asian countries like Cambodia (8.8%), Lao People's Democratic Republic (11.5%), and Viet Nam (3.6%). ADB's share in total ODA to the Philippines is about 20%. The Government realizes that, to develop the full potential of ODA, it must accelerate progress toward development effectiveness. The Government is a signatory to the Paris Declaration⁵ and has consistently shown strong ownership and leadership in implementing the country's commitments. Processes meant to strengthen country systems were well established even before the Paris Declaration was adopted. The Paris Declaration contains a framework for monitoring progress in meeting the Paris Declaration commitments, including targets for 2010. Government compliance has been monitored by the OECD⁶ and the country has undergone a country evaluation.⁷ The monitoring has documented substantial progress, but has also revealed areas that require further work, not only by the Government but also by development partners.⁸

3. The Government is also a signatory to the Accra Agenda for Action,⁹ which was endorsed to further accelerate the implementation of the Paris Declaration commitments. The Accra Agenda for Action is centered on ways to ensure that developing countries (i) take the lead in and strengthen their capacity to determine their development strategies and organize programs and processes to realize those strategies; (ii) build more effective and inclusive

¹ ADB. 2007. *Country Operations Business Plan (2007–2008): Philippines*. Manila.

² The TA first appeared in the business opportunities section of ADB's website on 17 September 2008.

³ Net ODA is defined (by the Development Assistance Committee of the Organisation for Economic Co-operation and Development, or OECD) as ODA minus principal repayments on outstanding ODA.

⁴ World Bank. Various years. *World Development Indicators*. Washington, DC.

⁵ The Paris Declaration on improving development effectiveness through ownership, harmonization, alignment, results, and mutual accountability was adopted in March 2005. More than 100 countries and agencies committed themselves to carry out specific actions to improve the effectiveness with which development partners provide, and countries use, development funds.

⁶ OECD. 2008. *Report on the Government of the Philippines' Compliance with the Paris Declaration Commitments (First and Second Survey Round Results)*, Paris (March).

⁷ Wood, B., D. Kabell, N. Muwanga, and F. Sagasti. 2008. *Evaluation of the Implementation of the Paris Declaration*. Copenhagen (July). The case study on the Philippines, which is summarized in Annex 7.12, includes sector studies on rural development and health and was financed by German development cooperation through KfW.

⁸ The Government has so far achieved the 2010 targets for coordination of capacity development support, use of country procurement systems, and predictability. Further progress is needed in the reporting of aid in support of the budget, use of public financial management systems, reduction in the number of parallel project implementation units, use of program-based approaches, coordination of missions, and coordination of country analytical work.

⁹ The Accra Agenda for Action was adopted during the third High-Level Forum on Aid Effectiveness in Accra, Ghana, on 2–4 September 2008.

partnerships for development; and (iii) enhance delivery and accounting for development results. The Government is committed to implementing reforms in all three areas.

4. ADB has taken a leading role among the development partners in supporting the implementation of Paris Declaration commitments in the Philippines. A TA for Harmonization and Managing for Results¹⁰ was implemented from March 2006 to May 2008 to help make development more effective and efficient and support the achievement of results. A key achievement was the provision of technical and financial assistance to the Harmonization Committee of the Government in drafting a country-led harmonization program. The committee is chaired by the Department of Finance (DOF) and has members from the National Economic and Development Authority (NEDA), the Department of Budget and Management (DBM), and the Commission on Audit (COA). Harmonization agendas and action plans were drawn up to guide reforms in procurement, public financial management, quality-at-entry (environment, gender and development, land acquisition, and resettlement), managing for development results, and other areas.

5. The latest progress review, made at a workshop in February 2008, concluded that there has been progress in (i) preparing a harmonization action plan and baseline study; (ii) updating and implementing harmonized Government of the Philippines–development partner procedures and guidelines for the national and local governments; (iii) updating the assessment of financial management and audit with revised guidelines for the audit of foreign-assisted projects; (iv) increasing the capacity of DBM and national agencies to bring the operations performance indicator framework into the development mainstream; (v) preparing and implementing a streamlined and improved environmental impact assessment process; (vi) improving and implementing harmonized gender and development guidelines; and (vii) preparing streamlined processes for land acquisition and resettlement.

6. The implementation of the TA for Harmonization and Managing for Results brought out the following lessons: (i) the Harmonization Committee must have greater capacity to assume its steering and coordination functions more effectively and sustainably; (ii) the harmonization framework and action plan must be further developed into a results-based framework and action plan that will be monitored regularly to complement the Paris Declaration monitoring system; (iii) once the Harmonization Committee gains increased capacity, ADB can be selective in providing technical and financial support for activities covered by the action plan and will not need to support the full range of activities. Those areas where there is strong demand from the Harmonization Committee and where ADB has a comparative advantage over other development partners should be emphasized.

7. ADB and other development partners have supported Paris Declaration implementation in the harmonization of procurement regulations, the alignment of environmental safeguards, gender, and managing for development results, among other areas. Efforts are well under way to establish a program-based approach in the health sector. The Philippines has assumed leadership of ADB's developing member countries in Paris Declaration implementation and is seen more and more as a model for such implementation. The concepts of government leadership, ownership, and alignment are taken more seriously in the Philippines than in many other countries and are increasingly interpreted as ownership of development programs beyond central government ownership. Such ownership assumes alignment of all external development actors with the priorities and strategies of counterparts in the sector agencies and local

¹⁰ ADB. 2005. *Technical Assistance to the Republic of the Philippines for Harmonization and Managing for Results*. Manila (TA 4686-PHI, \$700,000, approved 25 November).

governments. It also increasingly includes the notion of “democratic” ownership, by Congress and civil society organizations.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The TA will accelerate progress in improving the efficiency and effectiveness of development in the Philippines. Its outcome will be better-coordinated and accountable management of the implementation of Paris Declaration commitments and other measures to strengthen development effectiveness in the Philippines.

B. Methodology and Key Activities

9. The outcome will be achieved through five outputs. The first two will involve strengthening the steering and coordination capacity of the Harmonization Committee, and the last three, setting up specific procedures in oversight agencies or between oversight agencies and sector agencies to achieve development effectiveness. The TA implementation will begin with output 1. Details of the sequencing of the other TA activities and more specific TOR for the consultants will be worked out during the inception mission.

10. **Output 1.** An organizational setup that will enable the Harmonization Committee to assume its steering and coordination functions sustainably for greater development effectiveness will be agreed on. To this end, the functions, capacity, and stakeholders of the committee will be assessed and an organizational setup that clearly distinguishes between the functions of the committee and related functions of oversight agencies will be recommended. The assessment will cover (i) the role and institutional basis of the Harmonization Committee;¹¹ (ii) the links between the functions of the committee and related functions of oversight agencies (a clearer definition of functions will be recommended); (iii) the capacity of the technical secretariat to support the functions of the Harmonization Committee (more realistic priorities and sequence of operating procedures in support of the steering and coordination functions of the committee will be recommended); and (iv) options for better coordination between the Harmonization Committee, oversight agencies, and other stakeholders, such as the Philippines Development Forum. The findings and recommendations will be presented to the Harmonization Committee for comment and decision.

11. **Output 2.** The Harmonization Committee will demonstrate greater ownership and leadership and will steer and coordinate the activities of government agencies, development partners, and civil society organizations more efficiently and sustainably. High-quality policy advice and other support will be provided to senior government officials on the Harmonization Committee to enable them to steer the committee’s activities more effectively. In particular, the committee will develop a well-prioritized, sequenced, and measurable results-based framework and action plan for development effectiveness at an initial workshop for important stakeholders, and will review the plan regularly. The committee will thus have a more systematic way of meeting the Paris Declaration targets and prioritizing the activities. The implementation of the plan will be discussed with government agencies, development partners, and civil society organizations at an annual conference. The committee will also approve and supervise the implementation of the procedures developed and tested under output 3.

¹¹ The legal basis for the Harmonization Committee is a memorandum of understanding between oversight agencies.

12. **Output 3.** Procedures for advocacy, mutual accountability, knowledge management, capacity development, and monitoring and evaluation will be developed and tested selectively, according to the priorities set in output 1. The Harmonization Committee must engage more actively with government agencies and development partners to speed up the achievement of Paris Declaration commitments (advocacy function). There is also initial demand from civil society organizations for procedures that will allow them to be more effectively involved in monitoring and overseeing key development projects in cooperation with government agencies (mutual accountability function).¹² Similarly, stakeholders are demanding better information about international commitments, ongoing activities, and good practices (such as a program-based approach in the health sector) related to the implementation of Paris Declaration commitments in the Philippines (knowledge management function). Targeted workshops and a Harmonization Committee website would meet this demand. The committee could also help identify and prioritize capacity development support for sector agencies and local governments through oversight agencies. These procedures will be tested under the TA. The procedures for the monitoring and evaluation of Paris Declaration commitments will be improved but are not expected to be tested under the TA. The support will largely be provided through oversight agencies, which will also jointly host the technical secretariat of the Harmonization Committee.

13. **Output 4.** Better-integrated, results-based sector planning and budgeting systems will be developed, agreed on, and initially tested in the rural development sector. Better integration of sector plans and budgets is seen by many stakeholders as critical to achieving development effectiveness. The current weaknesses have been assessed and priority actions identified in various studies,¹³ and the rural development sector has been selected by the Government through the Harmonization Committee for the pilot-testing of an integrated system. The implementation will begin with a workshop in results-based management concepts for secretaries of the Department of Agriculture, the Department of Agrarian Reform (DAR), and the Department of Environment and Natural Resources (DENR). The output will be implemented in close cooperation with the Philippines Development Forum working group on sustainable rural development.

14. **Output 5.** Better harmonization and alignment of financial reporting procedures will continue the work started under the Harmonization and Managing for Results TA to align inconsistent financial reporting procedures within the Government as a prerequisite for development partner alignment around country systems. COA's Electronic New Government Accounting System (e-NGAS) will be harmonized with the eBudget system introduced by DBM. The Harmonization Committee will see to it that the activities under this component are closely coordinated with ongoing assistance funded by the United States Trade and Development Agency, the World Bank, and ADB. The degree of integration between the two systems will be assessed and options for improved alignment will be identified and tested in the rural development sector. Requests for support in this area that may arise during project implementation will be considered.

¹² This will help ADB and the Government to implement key recommendations of the Advisory Group on Civil Society and Aid Effectiveness at the country level. (Advisory Group on Civil Society and Aid Effectiveness. 2008. *Synthesis of Findings and Recommendations*. Paris [August]).

¹³ Philippines–Australia Partnership for Economic Governance Reforms (PEGR). 2006. *Audit of NEDA and DBM Operating Systems and Processes Related to Plan-Budget Management*. Manila. (May); PEGR. 2008. *Consolidating and Embedding Public Expenditure Reforms in DBM and NEDA*. Activity 4.3 Developing an Operational Plan to Improve Linkages between NEDA, DBM and Proponent Agencies on Capital Works Programming. Manila; PEGR. *Quality Assurance Review of Project Evaluation Reports*. Manila. (February).

C. Cost and Financing

15. The TA is estimated to cost \$1,000,000 equivalent. The Government has requested ADB to finance \$900,000 equivalent. The TA will be financed on a grant basis from ADB's TA funding program. The Government, through DOF as Executing Agency, will contribute the local currency equivalent of \$100,000 by providing office space and staff resources. The Fact-Finding Mission was assured by the Government that the relevant counterpart facilities and resources will be available as required according to the implementation schedule of the TA. A detailed cost estimate is in Appendix 2.

D. Implementation Arrangements

16. DOF, as chair of the Harmonization Committee, will act as Executing Agency of the TA, with the committee defining a results-based development effectiveness framework and action plan and overseeing its implementation. The country's progress toward development effectiveness will be prioritized and tracked against the plan. The Harmonization Committee, made up of senior officials from DOF, NEDA, DBM, and COA, will also serve as the steering committee, overseeing the implementation and resolving policy issues related to the TA. The technical secretariat of the steering committee, with technical staff representatives from member agencies of the Harmonization Committee, will shepherd the efforts of the agencies involved and report on the progress of TA implementation. The steering committee will also coordinate, facilitate, and supervise the work of the consultants, with the help of the technical secretariat. The Implementing Agencies will be DOF, NEDA, DBM, COA, the Department of Agriculture, DENR, and DAR. The consultants will work directly with the Harmonization Committee and the relevant implementation agencies according to the agreed TOR for each output. The agency concerned will commit one senior official and an appropriate number of technical staff to support policy, technical, and administrative work expected under the TA, and will provide office space. A total of 10 person-months of international and 65 person-months of national consulting services will be required. ADB, in coordination with the Government through DOF and with the supervision of the project officer, will directly recruit three international and five national individual consultants, and will hire the consultants according to ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time). Disbursements under the TA will conform to ADB's *Technical Assistance Disbursement Handbook*.¹⁴ Indicative TOR for consulting services, with details of service duration and reporting arrangements, are in Appendix 3, but a certain level of flexibility must be maintained to allow ADB to respond to requests made by the Harmonization Committee during TA implementation. The TA will be implemented from February 2009 to December 2011 (34 months).

17. The expected outputs and the outcome evaluation will be made public through the Harmonization Committee website, which will be developed under the TA.

IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$900,000 on a grant basis to the Government of the Philippines for Harmonization and Development Effectiveness and hereby reports this action to the Board.

¹⁴ ADB. 2008. *Technical Assistance Disbursement Handbook*. Manila.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact More efficient and effective development in the Philippines</p>	<p>Capital expenditure of the National Government as a share of GDP improves from 2.4% in 2006 to 3.5% by 2014.</p>	<p>ADB <i>Key Indicators</i>^a</p>	<p>Assumption Politics does not interfere with the implementation of improved planning, budgeting, and financial reporting processes.</p> <p>Risk National elections in 2010 delay progress in achieving development effectiveness.</p>
<p>Outcome More coordinated and accountable management of the implementation of Paris Declaration commitments and other measures intended to strengthen development effectiveness in the Philippines</p>	<p>80% of relevant action plan indicators defined in output 2 are achieved as planned by 2011.</p>	<p>Action plan monitoring reports</p>	<p>Assumption Government agencies continue to be ready to implement the agreed reforms, including those that require cooperation between agencies.</p> <p>Risk Lack of readiness among development partners to increasingly use country systems that meet international standards.</p>
<p>Outputs 1. An organizational setup for the Harmonization Committee that will enable it to assume its steering and coordination functions sustainably for greater development effectiveness</p>	<p>The recommended organizational setup for the Harmonization Committee is discussed by the committee 2 months after the inception mission.</p> <p>Realistic and well-sequenced work plans for the technical secretariat are agreed on by the Harmonization Committee 3 months after the inception mission.</p>	<p>Consultant report Minutes of Harmonization Committee meeting</p> <p>Technical secretariat and staff work plans</p> <p>Minutes of Harmonization Committee meeting</p>	<p>Assumption The Government continues to finance two technical secretariat staff positions in the Harmonization Committee from 2011 onward.</p> <p>Risk Lack of political will to institutionalize the Harmonization Committee endangers its sustainability.</p>

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>2. Stronger ownership and leadership demonstrated by the Harmonization Committee, which steers and coordinates the activities of government agencies, development partners, and civil society organizations more efficiently and sustainably</p>	<p>A results-based harmonization framework and action plan for development effectiveness is prepared in 2009 and reviewed in 2010 and 2011.</p> <p>At least one Harmonization Committee meeting is held quarterly.</p> <p>The Harmonization Committee chairs at least one strategy and progress review workshop yearly with government agencies and development partners.</p>	<p>Technical secretariat reports</p> <p>Workshop reports</p> <p>Publications and websites</p>	<p>Risk Tensions between oversight agencies or personality conflicts not directly related to the TA affect TA activities.</p>
<p>3. Procedures for supporting advocacy, mutual accountability, knowledge management, capacity development, and monitoring and evaluation functions, developed and tested selectively</p>	<p>Procedures are gradually developed for supporting advocacy, mutual accountability, knowledge management, capacity development and monitoring and evaluation functions.</p> <p>At least eight initiatives to pilot-test the newly adopted procedures are supported by the end of December 2011 (excluding the procedures developed for monitoring and evaluation).</p>	<p>Technical secretariat progress reports, workshop proceedings</p>	<p>Risk Political changes in crosscutting agencies or sector agencies dilute leadership of the proposed changes.</p>
<p>4. Better-integrated results-based sector planning and budgeting systems, developed and initially tested in the rural development sector</p>	<p>Priority actions to better integrate results-based planning and budgeting systems in the various sectors are agreed on by NEDA and DBM in 2009.</p> <p>At least one rural development sector agency implements results-based planning and budgeting by 2011.</p>	<p>DBM, NEDA, and rural development sector agency reports</p>	<p>Assumption High-level leadership of results-based management and convergence is sustained in the Harmonization Committee, the Department of Agriculture, DAR, and DENR.</p>

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
5. Better-harmonized and better-aligned financial reporting procedures	e-NGAS and eBudget reporting systems are integrated and aligned with the organizational performance indicator framework for fiscal year 2011 and tested in at least one agency.	COA progress reports	Assumption Oversight agencies (DBM, COA) are prepared to cooperate in budget reporting.
Activities with Milestones			Inputs
<p>1.1 In coordination with Harmonization Committee members, the technical secretariat, and development partners, identify the range of functions that should be assumed by the committee (1 month after the inception mission).</p> <p>1.2 Assess the current functions, capacity (organizational and network), and stakeholders of the Harmonization Committee and propose alternative organizational setups to achieve committee functions (2 months after the inception mission).</p> <p>1.3 Decide on organizational and networking arrangements, including staffing and well-prioritized and adequately sequenced work plans for the technical secretariat (3 months after the inception mission).</p> <p>2.1 Introduce and pursue mechanisms for effectively steering and resolving development effectiveness issues (3 months after the inception mission).</p> <p>2.2 Develop and monitor quarterly a results-based framework and action plan for development effectiveness (develop action plans by the end of the second quarter of 2009, 2010, and 2011).</p> <p>2.3 Hold an initial workshop for government agencies and development partners to formulate an action plan (by the end of June 2009).</p> <p>2.4 Hold an annual conference to review the progress of implementation of the results-based development effectiveness framework and action plan (by the end of May 2010 and 2011).</p> <p>3.1 Develop procedures for advocacy, knowledge management, mutual accountability, capacity development, and monitoring and evaluation functions (at least four procedures should be developed by the end of 2009 and the remaining four by the end of 2010).</p> <p>3.2 Hold workshops, develop websites, etc., to test the procedures developed in 3.1 (at least eight pilot-tests should be conducted by December 2011).</p> <p>4.1 Expose senior officials of the Department of Agriculture, DAR, and DENR to results-based management concepts (by June 2009).</p> <p>4.2 Conduct studies to assess DBM and NEDA results-based planning and budgeting systems and their application in the rural development sector, drawing on existing reports and discussions with DBM and NEDA agriculture and sector staff and development partners, and develop alternative proposals for addressing the weaknesses in the current systems (by December 2009).</p> <p>4.3 Develop an approach to better integrating results-based planning and budgeting in the various sectors, including a decision to adopt an agency or a sector approach (by March 2010).</p> <p>4.4 In close cooperation with SEAE, German development cooperation through GTZ's Environment and Rural Development Program, NEDA agriculture</p>			<p>ADB: \$900,000 Consultants: \$614,000 Training, seminars, and conferences: \$120,000 Surveys: \$30,000 Miscellaneous Administration and support: \$2,000 Contingencies: \$134,000</p> <p>Government \$100,000 Office accommodation and transport: \$50,000 Remuneration and per diem: \$50,000</p> <p>Total: \$1,000,000</p>

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>staff, DBM, and the Philippines Development Forum working group on sustainable rural development rural development, pilot-test the integrated results-based planning, budgeting, and financial reporting system in selected agencies (Department of Agriculture, DENR, and DAR) (by the end of September 2010).</p> <p>4.5 Develop and support the implementation of a capacity development plan to introduce the integrated results management framework in the agencies (by the end of October 2010).</p> <p>5.1 Assess the degree of integration of COA's e-NGAS and DBM's eBudget system on the basis of existing reports (e.g., the diagnostic study prepared by the US Trade and Development Agency) (by the end of 2010).</p> <p>5.2 Assess the degree of alignment of the e-NGAS and eBudget systems with the operations performance indicator system (by the end of 2010).</p> <p>5.3 Develop and pilot-test an approach to integrating the systems (by the end of 2011).</p>			

COA = Commission on Audit; DAR = Department of Agrarian Reform; DBM = Department of Budget and Management; DENR = Department of Environment and Natural Resources; e-NGAS = Electronic New Government Accounting System; GDP = gross domestic product; NEDA = National Economic and Development Authority; SEAE = Southeast Asia Agriculture, Environment, and Natural Resources Division.

^a ADB. 2008. *Key Indicators for Asia and the Pacific 2008*. Manila.

Source: ADB Staff

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
A. Asian Development Bank Financing^a	
1. Consultants	614
a. Remuneration and Per Diem	547
i. International Consultants	222
ii. National Consultants	325
b. International and Local Travel	64
c. Reports and Communications	3
2. Training, Seminars, and Conferences	120
a. Facilitators	30
b. Training Program	90
3. Studies	30
4. Miscellaneous Administration and Support Costs	2
5. Contingencies	134
Subtotal (A)	900
B. Government Financing^b	
1. Office Accommodation and Transport	50
2. Remuneration and Per Diem of Counterpart Staff	50
3. Others	
Subtotal (B)	100
Total	1,000

^a Financed by the Asian Development Bank technical assistance funding program.

^b Including computers, printers, and other office equipment.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The technical assistance (TA) will require 10 person-months of international and 65 person-months of national consultants mainly in results-based management, organizational and institutional capacity development, financial management and accounting, and knowledge management. All consultants will report to the Asian Development Bank (ADB) project officer and work closely with the Harmonization Committee. More detailed terms of reference (TOR) for the consultants will be prepared during the implementation of the TA. A certain degree of flexibility in the use of consultants will be required to accommodate Harmonization Committee requests during TA implementation

A. Policy Adviser (Organizational Development) and Lead Consultant (international, 4 person-months, intermittent, February 2009–December 2011)

2. The organizational development consultant will have a degree in a social science, political science, economics, or public administration and at least 15 years of experience in designing and implementing complex organizational reforms involving a network of stakeholders. The position requires strong analytical, facilitation, and intercultural communication skills and long-term experience in Asian countries. Experience in the Philippines and previous involvement in Paris Declaration–related efforts would be an asset.

3. The consultant will

- (i) be responsible for the overall management of the TA, including (a) preparing an inception report, a midterm review report, and a final report; (b) working closely with senior government officials and working-level staff of the Harmonization Committee, oversight and sector agencies, and other development partners and advising them on the development and implementation of the framework and action plan for development effectiveness; (c) together with the project officer, guiding and coordinating the work of all consultants employed under the TA; (d) coordinating closely with ADB and other external funding agency projects concerned with development effectiveness–related reforms; (e) preparing dissemination materials, in particular for ADB and Harmonization Committee websites, brochures, and presentation materials; and (f) agreeing with the Government on the use of the study budget and developing TOR for a consultant to prepare the studies;
- (ii) together with Harmonization Committee members, the technical secretariat, and development partners, identify the range of functions that should be assumed by the Harmonization Committee, i.e., advocacy, mutual accountability, knowledge management, capacity development, and monitoring and evaluation functions;
- (iii) assess the capacity of the Harmonization Committee organization and network to carry out the committee's current functions with regard to strengthening development effectiveness and meeting international commitments;
- (iv) present options for strengthening the Harmonization Committee to the members of the committee and follow up on comments received, as needed;
- (v) develop a realistic organizational setup and work plan for the Harmonization Committee and the technical secretariat in view of the existing capacity and roles of oversight agencies;

- (vi) develop procedures for advocacy, knowledge management, mutual accountability, capacity development, and monitoring and evaluation and conduct at least eight initiatives to pilot-test these procedures;
- (vii) support the Harmonization Committee and the technical secretariat in the development and implementation of specific work plans, including the preparation of detailed consultant TOR for consultants C, D, E, F, and H; and
- (viii) support the National Economic and Development Authority (NEDA), the Department of Budget and Management (DBM), and the sector agencies in the preparation of the capacity development components of results-based readiness assessments and capacity development action plans in rural development agencies.

B. Policy Adviser (Results-Based Management) (international, 3 person-months, intermittent, February 2009–December 2011)

4. The consultant will have a degree in economics, public administration, or business administration and proven knowledge of results-based management and its application in the sectors. He or she will have at least 15 years of experience supporting the institutionalization of results-based management approaches in ADB's developing member countries. The position requires strong facilitation and intercultural communication skills and long experience in the developing member countries. Experience in the Philippines and previous involvement in Paris Declaration–related activities would be an asset.

5. The consultant will

- (i) assist the Harmonization Committee in developing a results-based development effectiveness framework and action plan for implementing international commitments and other priorities for development effectiveness, including identifying other priorities and assessing government ownership;
- (ii) support the Harmonization Committee in the conduct of regular progress reviews and annual workshops for government agencies and development partners to discuss progress and next steps;
- (iii) review the monitoring requirements under the Paris Declaration monitoring system,¹ assess the strengths and weaknesses of the system,² and propose to the Harmonization Committee an approach to engaging with OECD to strengthen the system and to ensure that progress on implementation of the Paris Declaration is well documented and understood by external parties;
- (iv) review the work plans of Harmonization Committee subsidiaries and strengthen their focus on results;
- (v) support the development of a results-based sector road map for the Department of Agrarian Reform (DAR), the Department of Agriculture, and the Department of Environment and Natural Resources (DENR);

¹ Progress in the implementation of the Paris Declaration will continue to be monitored for reporting at the 4th High-Level Forum on Aid Effectiveness in December 2011. A third round of monitoring and a second round of evaluation are planned for 2011.

² The monitoring system, while providing some indications of the strengths and weaknesses of Paris Declaration implementation, is of limited use when it comes to managing the complex process of strengthening development effectiveness in the Philippines. Some indicators are beyond the Government's control and others are not applicable to the Philippines. The system also does not capture reforms that are more ambitious than the Paris Declaration targets (e.g., those in the area of managing for development results).

- (vi) assess DBM and NEDA results-based planning and budgeting systems and their application in the rural development sector, drawing on existing reports and discussions with DBM and NEDA agriculture staff and sector staff, and relevant development partners and working groups;
- (vii) develop alternative proposals for addressing the weaknesses in the current system and present the proposals to decision makers in DBM and NEDA, including a decision to adopt an agency or a sector approach;
- (viii) pilot-test the integrated results-based planning and budgeting system in close cooperation with relevant development partners; and
- (ix) agree with the Government and ADB on the use of the study budget for results-based management and monitoring, and recommend the TOR and the hiring of researchers for the studies and have the recommendations approved by the ADB project officer to avoid conflicts of interest.

C. Public Financial Management and Accounting Specialist (international, 3 person-months, intermittent, February 2009 and December 2011)

6. The consultant will be a public accountant with at least 15 years of experience supporting the institutionalization of public financial management and accounting in developing countries. The position requires strong facilitation and intercultural communication skills and long experience in ADB's developing member countries. Experience in the Philippines and previous involvement in Paris Declaration–related activities would be an asset.

7. The consultant will

- (i) assess the degree of integration of the Commission on Audit's (COA's) Electronic New Government Accounting System (e-NGAS) and DBM's eBudget system on the basis of existing reports (e.g, the diagnostic study prepared by the United States Trade and Development Agency);
- (ii) assess the degree of alignment between the e-NGAS and eBudget systems and the operations performance indicator system;
- (iii) develop and pilot-test an approach to integrating the systems;
- (iv) support other initiatives to strengthen country systems for financial management and accounting on request; and
- (v) assess the use of financial reporting system in the rural development agencies and suggest improvements in the system to make it better aligned with planning and budgeting systems.

D. Capacity Development and Knowledge Management Specialist (national, 24 person-months)

8. The consultant will have a master's degree in economics, public administration, or organizational development and proven knowledge of public sector management and institutional and organizational assessments.

9. The consultant will

- (i) provide administrative and management support to the Harmonization Committee, particularly to Department of Finance (DOF) officers engaged in technical secretariat functions and international consultants working on the TA;

- (ii) support the coordination of efforts of government agencies and development partners with regard to development effectiveness, through the preparation of workshops, background papers, and meetings; and
- (iii) maintain the website of the Harmonization Committee.

10. This consultancy will be for the entire project implementation period. The first 24 months will be financed by ADB; the remaining months will be financed out of DOF's personnel budget. Reporting arrangements will follow the financing source.

E. Results-Based Management Specialist (national, 24 person-months)

11. The consultant will have a master's degree in economics, public administration, or business administration and proven knowledge of results-based development planning and monitoring.

12. The consultant will

- (i) provide administrative and management support to the Harmonization Committee, particularly to NEDA officers engaged in technical secretariat functions; and
- (ii) support the coordination of efforts of government agencies and development partners with regard to development effectiveness, through the preparation of workshops, background papers, and meetings.

13. This consultancy will be for the entire project implementation period. The first 24 months will be financed by ADB; the remaining months will be financed out of NEDA's personnel budget. Reporting arrangements will follow the financing source.

F. Knowledge Management and Website Development Specialist (national, 4 person-months, intermittent, February 2009–December 2011)

14. The consultant will have a master's degree in communication and at least 5 years of experience in website development.

15. The consultant will

- (i) discuss information needs with potential users of a development effectiveness website;
- (ii) review the websites of NEDA and DOF and identify proposals for potential site location in coordination with the Harmonization Committee and the lead consultant;
- (iii) develop a draft website in close coordination with the user division, and incorporate changes requested by the Harmonization Committee;
- (iv) train staff responsible for maintaining the website; and
- (v) draft summary information and good-practice notes for posting on the Web in coordination with the user division.

G. Results-Based Management Specialist (national, 8 person-months, intermittent, February 2009–December 2011)

16. The consultant will have a master's degree in public administration, business administration, economics, or organizational development and at least 10 years of experience working with DAR, the Department of Agriculture, or DENR. Experience in the agriculture sector will be required.

17. The consultant will

- (i) support the conduct an assessment of existing DBM and NEDA results-based planning, budgeting, and financial reporting systems and their application in the rural development sector, drawing on existing reports and discussions with DBM and NEDA agriculture staff and sector staff, and relevant development partners and working groups;
- (ii) develop alternative proposals for addressing the weaknesses in the current system and present the proposals to decision makers in DBM, NEDA, and COA, including a decision to adopt an agency or a sector approach;
- (iii) prepare, facilitate, and document workshops as requested;
- (iv) support the pilot-testing of the integrated results-based planning and budgeting system in close cooperation with relevant development partners;
- (v) coordinate with civil society organizations involved in monitoring rural development projects; and
- (vi) support the development of a results-based convergence sector road map as well as individual sector road maps for DAR, the Department of Agriculture, and DENR.

H. Financial Management and Audit Specialist (national, 5 person-months, intermittent, February 2009–December 2011)

18. The consultant will be a public accountant with at least 15 years of experience supporting the institutionalization of public financial management and accounting in the Philippines.

19. The consultant will

- (i) coordinate with COA, DBM, and relevant consultants under ADB and other relevant projects;
- (ii) support the assessment of the degree of integration of COA's e-NGAS and DBM's eBudget system based on existing reports (e.g., the diagnostic study prepared by the United States Trade and Development Agency);
- (iii) support the assessment of the degree of alignment of the e-NGAS and eBudget systems with the operations performance indicator system;
- (iv) develop and pilot-test an approach to integrating the systems, preferably in the rural development sector; and
- (v) support other initiatives to strengthen country systems for financial management and accounting on request.