

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: OED2

TA No. and Name TA 3308-PHI: Strengthening Results Monitoring and Evaluation		Amount Approved: \$400,000	
		Revised Amount: N/A	
Executing Agency: NEDA—PMS	Source of Funding: TASF	TA Amount Undisbursed \$50,106.32	TA Amount Utilized \$349,893.68
Date		Closing Date	
Approval 24 Nov 1999	Signing 13 Dec 1999	Fielding of Consultants 17 Apr 2000	Original August 2001
			Actual October 2002
<p><b>Description</b> The Philippine Government has been engaged in a series of reforms based on international best practices for better governance. The focus of these reforms is the public expenditure management system (PEMS), a public sector resource allocation system that prioritizes spending oriented towards achieving desired outcomes. TA 3308-PHI addressed a key component of PEMS at the project level, i.e., development of performance evaluation measures and indicators. Together with other external grants on building capacity for results monitoring, the technical assistance (TA) was to stimulate improved project performance monitoring and evaluation in the country, contributing towards the goal of PEMS.<sup>1</sup> Specifically, the TA took on the task, on a pilot basis, of operationalizing the Investment Coordination Committee (ICC) Guidelines that require all projects subject to ICC approval, to have a logical framework (LF) with measurable output, purpose and goal indicators and reporting on results. The National Economic and Development Authority-Project Monitoring Staff (PMS) served as the Executing Agency of the TA.</p> <p><b>Objectives and Scope</b> The long-term goal of the TA was to improve the efficacy of development expenditures by providing feedback on project impacts into the planning and management process. The immediate purpose was to be able to operate a cost-effective and responsive results-monitoring and evaluation (RME) system built upon existing monitoring and evaluation (M&amp;E) systems, particularly the Official Development Assistance (ODA) Review and the Regional Project Monitoring and Evaluation System (RPMES). The scope of the TA included system development, pilot system implementation, and capacity building.</p> <p><b>Evaluation of Inputs</b> A consultant team of 1 international and 5 local experts undertook the assignment for 11 person-months (PM) and 36 PM as compared to 6 PM and 30 PM, respectively, at approval. Use of a Manila-based international expert enabled a substantive extension to improve the quality and timing of interventions. The consultants' terms of reference were generally adequate but did not provide for a systems specialist to develop the RME software. Sector specialists carried out institutional reviews on three pilot line agencies. Except for a sector specialist who failed to submit a final report, consultant performance met their respective terms of reference. Performance of the TA team, however, was affected by internal differences including (i) perceived overlaps in the roles of the international and lead domestic consultants, and (ii) confusion on the TA methodological orientation in respect to focusing on a project vis-a-vis mother agencies and their sector concerns. Amidst the difficulties, overall performance of PMS and ADB proved satisfactory. To strengthen ownership, it was agreed that daily management would be with PMS, which designated a focal point for RME to coordinate its activities. Through informal discussions and periodic consultations, ADB was quick to respond on budget and key TA implementation issues raised by PMS and the TA team. The scope of the TA was responsive to the objectives of system development and support training services. However, the TA did not provide for resources and time to go through the full cycle of obtaining feedback and inputting this in the decision process. Physical completion of the TA also took 8 months more than envisaged at approval. Time required for preparing the RME system, software and manual, and pilot testing was underestimated. Apart from this design weakness, inefficiencies were noted from excessive use of limited resources for training and retrofitting LFs. A horizontal focus to retrofit LFs of non-pilot projects resulted in a trade-off against the required intensive focus on a few pilot projects to break through beyond the LF and end-of-project indicators, to periodic targets from which reports could be made. This confusion resulted in delays in pilot projects' outputs, only one of which made a good actual against target report. At completion, TA disbursements were 87.5% of estimated costs. ADB allotment for training and seminars was fully disbursed. Computer and peripherals were procured and distributed. Training equipment provided to PMS, however, was not fully utilized. Counterpart financing for training amounted to P1.2 million.</p> <p><b>Evaluation of Outputs</b> The TA experienced difficulties at the political and operational levels. At the political level, a change in government caused instability and discontinuity in leadership that influenced pilot agencies' operations. In addition, the TA team only once met with one of two NEDA Director Generals under two administrations. This meant that while outputs were largely delivered, including a system, supporting training packages and an action plan, the degree of commitment at top level to use the RME output in decision making remains uncertain. In respect to operations, the need to build upon RPMES and streamline report requirements, became a challenge due to the reduced coverage and format of RPMES (focused on major projects), and its outdated and non-user friendly data base software. The TA team also experienced difficulty in retrofitting LFs with no baseline values or indicators. Another problem faced was the difficulty to obtain a "buy-in" from stakeholders, including unqualified support from ADB project staff, to use RME results and retrofitted LFs. Additional reporting and M&amp;E was also not popular with project management which resulted in some questionable outputs in terms of quality and practicability during pilot</p>			

<sup>1</sup> In preparing for and implementing PEMS and especially RME over the past 6 years or so, NEDA was supported by a series of TA interventions, i.e., World Bank for *Capacity Building for Development Assistance Results Monitoring (CBDARM)*, GTZ for *Information Systems Project*, and AUSAID for *Monitoring Public Investment Performance*, with contributions at the sector and institutional levels as well as program and project levels. CBDARM and the partly successful ADB TA 2782-PHI: *Pilot Implementation of Project Performance Management System*, contributed in advocacy, training and methodological approaches, strengthened network of RME practitioners and laid the groundwork for approval of the ICC guidelines on results monitoring which started in July 2000.

tests. Despite these problems, a practical RME system was developed and pilot tested while a revised ICC guideline incorporating RME was drafted. RME was adopted and implemented initially by pilot agencies/regions/projects. Full integration of RME with existing M&E systems, however, was not undertaken. A time-bound action plan to replicate the RME system government-wide was drafted. For post-TA adoption of RME, a comprehensive Trainers' Manual, an Operations Manual and a Software Users' Manual were prepared and tested. RME training modules were prepared, reviewed and packaged. The new RME system was presented to NEDA management and external funding agencies. No major objections were articulated by the funding agencies. Agreement was also reached with Development Academy of the Philippines (DAP) and the Statistical Research and Training Center to pursue post-TA training and academic integration. The latter regularly offers and undertakes modules within its areas of expertise, but DAP involvement as per an initial Memorandum of Agreement did not materialize due to resource and policy constraints. Nonetheless, DAP included RME in its regular course offering on a cost-plus-fee basis and attended some of the pilot training. The draft RME software (on CD), which was installed in pilot agencies/regions/projects, was finalized but requires refinement to deal with "bugs" in the program. The training component accomplished more than its expected deliverables in terms of trained key staff and training manuals. Training seminars and workshops were conducted for both pilot and non-pilot agencies/regions/projects. At completion, at least 50 workshops were conducted and attended by about 1,000 persons. A PMS assessment of the pilot training showed generally positive results but a major constraint noted was the limited duration of the training. At completion, the TA team, together with PMS, prepared a detailed concluding report assessing TA experience including key issues, lessons and follow up actions.

**Overall Assessment and Rating** The TA objectives remain highly relevant, particularly for oversight agencies monitoring ODA, in line with the current Medium-Term Philippine Development Plan, 2001-2004. The TA was efficacious in meeting its objectives and substantially met these at the purpose, output, and activities level albeit with lapses in terms of time and quality of outputs. Institutional development was significant but mostly within NEDA and the pilot agencies/regions/projects. The new RME System Manual took into account the ICC process and procedures while NEDA Board Resolutions Nos. 3 and 14, series of 1999, govern RME-related activities. Requests for capacity building, particularly in the use of LFs, increased. The TA implementation process was less than efficient. While ownership was ensured through PMS's daily management of TA activities, implementation was constrained by counterpart budget availability, personal differences on TA focus/methodological orientation, inadequate "buy-in" from stakeholders, and competing work requirements within PMS. Sustainability of TA impacts and meeting the longer-term goal is assessed less likely at this time. Change management to adopt and sustain RME will take a long time. Attaining the goal requires a major change in the monitoring culture of the Government starting with NEDA, the agency mandated to coordinate and monitor all ongoing projects and programs. Organizational staff reorientation and skills retooling is necessary since the LF is a tool where practice rather than formal training is critical. Overall, the TA is rated as successful, although at the lower end, in recognition of its achievements at completion. Present institutional conditions, e.g., inadequate staff/budget allocation and lack of high-level support to use RME outputs in the decision process, threaten to marginalize if not reverse progress towards the RME vision. NEDA itself aims to achieve institutionalization of RME without creating new positions and additional budgetary outlay as much as possible.

**Major Lessons Learned** (i) *Level of commitment*. A TA of this magnitude and strategic importance should be negotiated with the highest executive authority of both implementing agencies in government and the operations department in ADB. TA objectives must match time, resources, staff support, and policy commitments required to attain these; (ii) *Two-stage TA input*. To ensure quality at entry, a comparable organizational/policy reform TA should use a phased approach with initial assessment and planning followed by implementation; (iii) *Conceptual complexity of LF and indicator development*. There is need for an authoritative "forum" or focal point to review cases in doubt as LF terminology is full of differences, points of view and "schools of thought"; (iv) *Additional reports and M&E, especially on regional basis, are not popular with project management*. RME must be "sold" on its value to management as basis for internal M&E, including financial monitoring, and for external reporting. In adopting RME, it would be better to introduce it in new projects; (v) *Review of LFs*. Critical review of LFs at start-up and during implementation is important. The same is true for regular monitoring of assumptions and risks at every stage of implementation. Institutional preconditions not met at project start-up and even to a certain extent during implementation that adversely affects compliance with targets should be identified; and (vi) *Future assistance to NEDA on ODA programming and monitoring*. This needs to start with an assessment of actual organization and functional set-up, more than the mandated functions.

**Recommendations and Follow-Up Actions** Sustainability depends on (i) *more advocacy work to generate a demand-driven RME*, (ii) *compliance with ICC requirements on RME including strong-effective top-level NEDA commitment to adopt the RME implementation plan*, and (iii) *high-quality project start-up workshops possibly through external support to finance installation*. In the short term, follow-up actions should include: (i) clear designation within NEDA of strong RME advocates, particularly from its National Development and Regional Operations Offices; (ii) resolute implementation of the RME action plan including integration of RME and RPMES and involvement of the National Project Monitoring Committee; (iii) undertaking the "Adopt RME Project" campaign at the regional and sector levels; (iv) issuance by NEDA of pertinent directives to operate the RME system on a government-wide basis; (v) strict monitoring of RME compliance of proponents and implementing agencies by ICC/Technical Board; (vi) pursuance by PMS of full integration of RME within existing M&E systems of line agencies that are focused on efficiency considerations; (vii) continued training support for RME including local government units; and (viii) provision of additional budget resources for RME, particularly at the NEDA regional office level.