
CIDA PHILIPPINES PROGRAM
COUNTRY PROGRAM EVALUATION

SYNTHESIS REPORT

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EXECUTIVE SUMMARY

1.0 Country Program Evaluation (CPE) Objectives, Scope, Issues and Questions

Between 1986/87 and 2001/02, the Canadian International Development Agency (CIDA) provided almost \$490 million in Official Development Assistance (ODA) to the Philippines. Canada's ODA has helped address a set of thematic priorities that have remained consistent over the period. The priorities were strengthening non-governmental organizations (NGOs) and people's organizations (POs), promoting good governance, and supporting private sector development (PSD).

The purpose of the CPE was strengthening aid effectiveness. The evaluation objectives were: (1) To provide information on the performance of CIDA's programming in the country; (2) To foster learning by identifying results, what worked, what did not and why; and (3) To contribute to the development of Asia Branch's new programming strategy.

The evaluation examined the program effectiveness in achieving results, the sustainability of results, and the relevance of programming. It placed primary emphasis on Asia Branch programming, which was assessed against Asia Branch country program frameworks. It examined the complementarity of selected Canadian Partnership Branch (CPB) programs to the bilateral thematic areas. The CPE focused on the period from 1989/90 to 2001/02, which extends from the start of the Country Program Review (CPR) to the completion of the first Country Policy Development Framework (CDPF).

The CPE examined a selection of Asia Branch and CPB programming in the three thematic areas. The team reviewed 63 large initiatives with combined budgets of \$298.72 million. This represented 76 percent of the amount disbursed in the Philippines by Asia Branch and CPB during the period. Asia Branch initiatives disbursed 88 percent of the total amount examined. These included bilateral, regional and development fund initiatives.

The CPE 'organizing framework' linked project results to the country program frameworks. The framework was comprised of three result areas: access, capacity and enabling environment.

- *Access* – This refers to the availability and use of resources, opportunities, services and programs for development by program beneficiaries.
- *Capacity* – This refers to the capacity of individuals and institutions to define and influence priorities, strategic direction and resource use, and the increased capacity to manage and implement processes and systems for development.
- *Enabling Environment* – This refers to the policy, legislative, institutional and infrastructural environment for development.

Gender equality and the environment were crosscutting themes in all of these result areas.

The CPE team members produced reports on NGO, governance and PSD programming. The Team Coordinator produced this Synthesis Report bringing together the programming area reports. The Team Leader will produce an Executive Report for CIDA executive management once the desk has approved the Synthesis Report and the Programming Area Reports.

2.0 Program Context

2.1 Philippines Development Context

The Philippines is a lower-middle income country. In the early 1980s, the country experienced the worst economic crisis in its postwar history. This was marked by high inflation, rising debt, falling employment, and persistent income inequalities and disparities among the regions. The crisis resulted mostly from structural weaknesses and economic mismanagement in the domestic economy. Under Ferdinand Marcos, patronage and cronyism were rife in the economy and in government.

In 1986, Corazon Aquino became president on a program of open democracy, social justice and economic change. Her administration is best remembered for re-establishing constitutional democracy in the country. She made far-reaching plans for land reform, decentralization, and a collection of legal and institutional initiatives for improving human rights. However, she faced challenges from a political and military elite who were opposed to the reform agenda especially as it affected their landholdings.

Under Aquino, the country began to implement the decentralization process, which affected the responsibilities of governments and the participation of people in local governance processes. It also affected the development plan for the country as local government units were expected to act as development managers and facilitators of participatory governance. The process to professionalize the government sector has been slow and steady since the time of Aquino, but it has brought decision-making closer to community members and beneficiaries of services.

Civil society took enormous strength from its success in bringing down the Marcos government in the People Power revolution. Aquino rewarded the NGOs for their support of her agenda with an expanded role in Philippines development. This was formally expressed in the 1987 Constitution and the 1991 Local Government Code. However, the NGOs were largely unprepared for their new role and their collaboration with officials in local governance processes.

The conflict in Mindanao has persisted since the 1960s. Although President Ramos made progress in peace building, hostilities heated up again under presidents Estrada and Arroyo. The high cost of security and corruption in Mindanao has taken its toll on Philippines development.

Under Ramos, the government continued the economic restructuring and liberalization strategies pursued by Aquino. The economy recovered and grew until the Asian financial crisis undermined the economy in 1997. Under the Ramos economic recovery, the distribution of income became more concentrated (lower percentage of people earning higher percentage of income). The most equitable distribution of income among Filipinos in the past 40 years occurred in the 1985-1988 period.

Since 1986, the country has made steady progress in reducing the incidence of poverty among the growing population. From 1985 to 1997, the poverty incidence fell from 44.2 to 31.8 percent of Filipino families. The progress was most significant among urban families. The incidence of poverty jumped 2.4 percent from 1997 to 2000.

2.2 GOP Development Planning

The GOP has developed numerous Medium-Term Philippines Development Plans (MTPDPs) starting well before the period under review in the CIDA CPE. These MTPDPs act as the government's strategic framework for poverty alleviation, social equity and sustainable development over a six-year period. Since 1986, the GOP has articulated four MTPDPs, which have each expressed similar priorities and themes. The development priorities have included poverty reduction, growth with equity, and sustainable development. The themes have included macro-economic stability and growth, employment generation, rural development, private sector development, good local governance, human development and social equity.

The MTPDPs have provided a framework for government-donor consultations on the use and targeting of ODA. The GOP also prepares Medium-term Philippines Investment Plans, which describe the investment scenario for the development plan. The MTPDPs provide a framework for the development of donor country programs, which as a result have been largely consistent with GOP plans.

The MTPDP 1987-92 articulated a new development path for the country after the Marcos years. The underlying agenda in the plan was one of expanding democratic space, redefining the role of private sector institutions, and promoting employment-oriented, rural-based development. The Aquino plan wanted to create a professional government structure to replace the systems of patronage and cronyism that were used in government decision-making and implementation under Marcos. It emphasized public sector competence, jobs and employment, rural development, agrarian reform, privatization, decentralization and participatory development involving the private sector, particularly NGOs and community organizations. The CIDA program took shape from the priorities, analysis and processes that were advocated in the Aquino plan. The plan influenced CIDA's strategy and approach for much of the next decade.

The MTPDP 1993-98 articulated development priorities complementary to the direction taken in the Aquino plan, but it also shifted the underlying agenda toward economic reform and international competitiveness. The Ramos plan highlighted the institutional context for development, borrowing language from the popular struggle and setting 'people's empowerment' as its goal. It framed medium-term development in the Philippines 2000 vision and values. It emphasized human development, world competitiveness, privatization and private sector-led development, decentralization and sustainability of local autonomy, and infrastructure development. In 1995, the CIDA program re-affirmed its support of the development priorities, while similarly expanding its focus to include institutional dimensions.

2.3 ODA to the Philippines

The Philippines received US \$20.94 billion in ODA in the ten years from 1989 and 1998.¹ The ODA inflow averaged almost \$2.1 billion annually in the period. In 1991, ODA reached a peak of \$2.72 billion, but soon fell to a low of \$1.19 billion in 1993. The country reduced its reliance on ODA during the period. Between 1990 and 1998, the ratio of ODA to GDP fell from 6.2 to 2.9 percent, while the ratio of ODA to government budget dropped from 33 to 14 percent. By 1997, GOP reliance on ODA was comparable to its neighbours in the region as well as other lower-middle income countries worldwide.

¹ Sources: For the ODA figures, Gonzales (2000); for the GDP figures, Key Indicators 2001: Growth and Change in Asia and the Pacific, ADB (2001A).

ODA to the Philippines comes mostly from the three largest donors. From 1992 to 1999, Japan, the ADB and the World Bank provided 82 percent of the ODA to the country. CIDA provided less than 1 percent of ODA during the period. The priorities of three largest donors were consistent with GOP priorities as articulated in MTPDPs. They focus on the environment, governance, social services, infrastructure, and agri-industry and agriculture development. CIDA's priorities were consistent with and complementary to the priorities of these donors.

About 85 percent of ODA to the country was provided as loans, while 15 percent was given as grants. CIDA provided about 6 percent of the ODA grants to the country. The GOP allocated about 60 percent of the ODA in the period to infrastructure development. Most of this ODA was used in the transportation and energy sectors. A further 21 percent of ODA was invested in agri-industry, while 12 percent was committed to social and human development. About 4 percent of ODA was invested in development management and governance.

3.0 CIDA Program Profile

In 1986, Canada pledged \$100 million in ODA to the Philippines over five years. The ODA was designed to support democratic and economic reform. This timely, decisive display of support for the Aquino government helped build profile for Canada and CIDA's program.

After implementing its Interim Strategy for 1986 to 1988, CIDA developed three frameworks to help guide the program: the Country Program Review (1989/90-1994/95), the Country Development Policy Framework (1995/96-2000/01) and the CDPF Update (2001/02-2003/04).² The frameworks have focused on priorities in three programming areas – NGO/PO support, governance, and private sector development. More recently, CIDA articulated a new programming area – social development – while integrating its support to NGOs and POs into its governance and PSD programs. Asia branch is currently engaged in developing a new CDPF for the next five to seven years.

CIDA's initial program was shaped by local priorities and needs, and by the GOP reform agenda. CIDA took a consultative and participatory approach to program design, which helped the program to expand networks, build partnerships, and develop the long-term relationships that would be critical to program success.

CIDA took a 'skills-and-systems' approach to capacity building under the CPR. It endorsed the Aquino government's plan to create a professional government structure to replace the patronage and cronyism that were rife in government under Marcos. The program focused on improving the management of public and private sector organizations, and emphasized better planning and administrative skills, better decision-making systems, better local revenue generation and control, and greater government accountability to local communities. The program also supported the government's plan for the private sector – particularly NGOs and community organizations – to play a new role in local governance and service delivery. It helped address NGO concerns for improved capabilities and management and delivery systems in the NGO sector.

The CPR delivery strategy highlighted the use of responsive facilities to strengthen decision-making, management and ownership of the program by Filipinos. Between 1986 and 1991, CIDA and its partners designed ten large demand-driven bilateral projects that behaved as donor facilities managed by local executing agencies. These facilities increased access to the

² These dates refer to Canadian government fiscal years.

program for many public and private organizations in the Philippines, including NGOs, while allowing the projects to remain flexible and adaptable to emerging priorities in the development context.

In the mid-1990s, CIDA moved away from the use of responsive facilities in the bilateral program toward more strategic and focused programming. This programming was based on proactive project development by strategic managers, integrated programming within organizational contexts, focused frameworks of short-term and long-term results, and focused attention on downstream beneficiaries in programming. CIDA re-affirmed the 'skills-and-systems' approach to capacity building in the CDPF, while expanding the analysis to cover institutional dimensions of good governance and civil society participation. The stronger institutional, legal and policy frameworks would help ensure that the improvements in public and private sector organizations were institutionalized.

CIDA's overall ODA investment in the Philippines was \$489.43 million in the 16-year period from 1986/87 to 2001/02. Under the CPR, CIDA spending averaged about \$38.35 million annually. It reached almost \$47 million in 1993/94, but then fell dramatically from this peak. Under the CDPF, CIDA spent about \$23 million annually in the Philippines. As expected, the largest contributor to the program was Asia Branch, which disbursed \$335.33 million or 68.5 percent of the total from 1986/87 to 2001/02. Multilateral Programs Branch (MPB) disbursed \$97.11 million, or 20 percent of the total, and Canadian Partnership Branch (CPB) disbursed \$56.99 million, or 11.5 percent of the total. Asia branch disbursements shaped CIDA's spending patterns in the country.

The program has worked in 12 'sectors:' (1) local government support – which received \$82.5 million in CIDA support, (2) SME development – \$37.4 million, (3) national government support – \$34.3 million, (4) telecommunications infrastructure development – \$33.25 million, (5) NGO institution strengthening – \$30.5 million, (6) livelihood and micro and small enterprises – \$23.3 million, (7) health – \$21.0 million, (8) cooperative development – \$14.6 million, (9) education – \$9.2 million, (10) social sector – \$9.2 million, and (11) micro-credit – \$3.5 million. The program also provided \$115.8 million in commodity support, most of which was monetized and channeled toward projects in the other 11 'sectors.'

4.0 CIDA Program Results

4.1 Overview of Results

Achievement of Results – The program performed well in achieving its stated objectives and expected results. It achieved important outcomes in NGO sector development, national government management, local government management, gender equality, health and healthcare, livelihood operations, micro credit and SME development. It strengthened human and organizational capacity, improved people's access to services, and reinforced aspects of the enabling environment in relevant areas. The program helped develop capacity for improving gender equality issues in public and private organizations, and improved women's access to relevant services. It addressed environmental concerns especially at the local level. It created a good number of unintended results, including fostering leadership and goodwill and the replication of good practices by stakeholders beyond the program. However, the program did not always maximize its opportunities to help transform the public and private institutions with which it worked.

Sustainability of Results – The program had a positive impact on the democratic reform processes in the country. It helped reinforce the return of constitutional democracy; it

contributed to the implementation of the decentralization framework; and it helped improve national governance by developing systems and processes for increased transparency in GOP operations. The program impact on economic reform, while positive, was perhaps less pronounced. In terms of outcomes, the program sustained the results achieved in capacity building, the enabling environment, and improving access to services, when it created the institutional conditions for success. It is difficult to assess the sustainability of people's access to services because of a shortage of good data.

Relevance of Programming – The program was responsive to and respectful of Filipino leadership, approaches and concerns. It was consistent with GOP stated priorities for development, as articulated in the Medium-Term Philippines Development Plans (MTPDPs). The program built local partnerships and strong networks, which helped it remain relevant to partners' priorities and beneficiaries' needs. The program was responsive to and consistent with CIDA's mandate, policies and evolving priorities. It was consistent with the programming thrusts of the main donor agencies working in the country. The program evolved its strategies as conditions changed.

All three programming area reports identified positive contributions of the program to poverty reduction in the Philippines.

4.2 Capacity Building

HRD and Organizational Development – The program strengthened the knowledge and skills of numerous personnel in key public and private organizations in program sectors. This resulted in more development-oriented leaders, more qualified managers, and more competent staff members. The training produced immediate results in terms of professional competencies, but its impact on organizational performance was not guaranteed and in some cases negligible. The projects did not always articulate the link between training activities and organizational plans or reform programs, though making the link became more common as key bilateral projects moved toward more strategic and focused programming in the mid-1990s.

National Government Management – The governance program was oriented toward improving government management and accountability at the national level. It resulted in improved management systems, mechanisms and structures in the streamlining efforts within the national bureaucracy; improved capacity to manage the devolution of services within key NGAs; improved GOP capacity to lead and oversee gender mainstreaming in the bureaucracy; and improved systems and processes for increased transparency in their government operations. CIDA's partners experienced lasting change in their organizations when the initiatives strengthened the institutional leadership, enabling policy, human competencies, and tools and systems that were necessary for improved government management. The development of systems to increase transparency in government operations were particularly important in strengthening the 'institutional glue' that is needed to sustain improvements in government management when the commitment to good governance wanes as it did under the Estrada leadership.

Local Government Management – The governance program was meant to help make local government more effective in planning and implementation, and resource generation and management, in order to improve local development and the quality and availability of services in communities. Toward this end, the program helped improve decision-making processes at the local level; it strengthened government capacity and community involvement in planning and priority setting; it helped LGUs develop plans to mobilize external resources; and it helped strengthen LGU financial systems to generate resources from within the LGU.

Institutional Development and the Profitability of Micro, Small and Medium Enterprises (MSMEs) – The PSD program has demonstrated that the capacity to define and influence is essential to business productivity and development. Its strategy for helping improve private sector revenue and income has focused on strengthening the leadership and service delivery capacity of key institutional partners. With program support, they were better able to provide training services and inculcate business values among local businesses, which have helped improve the productivity and profitability of participating MSMEs and cooperatives. Changes in production and profit were realized only after cooperatives and micro-enterprises understood basic business concepts and practices.

Institutional Development and Management Capacity in the NGO Sector – The NGO program was a critical and major support to the development of the NGO sector in the country. It helped improve coalition building, sector leadership, and innovation and pro-activity among NGO networks. Indeed, the program helped strengthen civil society in fundamental ways during the time when CIDA's GOP and NGO partners were struggling to reinforce the return of constitutional democracy to the Philippines. CIDA's readiness to let NGOs come together to build coalitions and networks, develop their leadership, and follow their agenda resulted in strong institutional arrangements and natural checks and balances in the sector. The program was also instrumental in supporting NGO management capacity building. It resulted in better skills and systems for planning, human resource management, project management, and financial management in hundreds of NGOs. However, the support did not increase financial self-reliance among NGOs that was necessary to sustaining progress in the sector, and many NGOs still suffer from management weaknesses that the program had aimed to improve.

4.3 Enabling Environment

Institutional Reform in the Public Sector – The governance program provided direct support to institutional reform in the public sector. It supported reform programs within NGAs by helping develop new systems and approaches, and by assisting NGAs in processes to streamline, re-organize or re-engineer their operations and approaches to service delivery. This included strengthening the delivery of health, education and social services within the decentralization framework, and streamlining the GOP procurement practices. The NGO program was also active in lobbying for institutional reform processes. It helped strengthen NGO capacity to engage government agencies and representatives in advocating issues and concerns for legislative and policy reform.

National and Local Policy Formulation – The program wanted to help improve public sector capacity to design, formulate and monitor economic and social policies for development. At the national level, it helped develop new policies and legislation to improve the enabling environment for capital market development and monetary policy; it helped NGAs develop policies that institutionalized gender equality priorities; it supported the development of the Philippine Plan for Gender Responsive Development 1995-2002 and for Law RA 7192, which put in place allocations of 5 percent of the government budgets for GAD; it participated in drafting the Cooperative Code of the Philippines; and it helped shape the enabling policy environment for the telecommunications industry through support to the National Communications Development Plan, and the development of policy and procedures for the National Telecommunications Commission. But the program was more effective at strengthening national government than local government capacity to formulate and monitor development policies. It placed little emphasis on policy formulation at the local level, though some projects are now beginning to help local councils rationalize their legislative frameworks

Philippine and Canadian Linkages for PSD – The program supported linkages between Philippine and Canadian companies, business associations, and government partners. The linkages helped Philippine companies, cooperatives and enterprises to increase effectiveness and competitiveness, implement priority projects, protect and manage resources, and promote learning and replication of successful practices. The program provided telephone services that enabled MSMEs to conduct business outside of their immediate market area as well as access to government departments that provide services to business. These results were achieved largely through the effective working relationships that Canadian companies developed with a number of GOP telecommunication departments and agencies

NGO Institutional Development and Enabling Policy – The NGO program was instrumental in strengthening NGO networks and coalitions, and contributing to the formation of sustainable institutional mechanisms for NGO advocacy. It helped strengthen NGO capacity to engage government agencies and representatives in advocating issues and concerns for legislative and policy reform. It laid the foundation for the establishment of national NGO formations for research, coordination and advocacy. It promoted accountability within the sector; it lobbied the GOP to preserve NGO privileges for tax exemption while guaranteeing standard of financial management and accounting for NGOs; it lobbied for government support of peace bonds in the financial market; it impacted the Indigenous People's Rights' Act and revisions in the Mining Law; it supported the passage of the Local Government Code of 1991, which included representation of NGO and PO representatives in Local Development Councils; and it supported the Congress for People's Agrarian Reform coalition in lobbying for agrarian reform.

4.4 Improving Access

Access to LGU Services – The program helped organize communities and make them more influential in engaging with local government. It has also helped LGUs become more responsive to local needs and accountable to citizens. CIDA support to LGUs tended to focus on strengthening human resources and management as a means to increasing the availability of services. The assumption was that improving systems and procedures would lead to improved service delivery in LGUs. Some examples of highly specialized interventions exist where there is evidence of improved services. These include solid waste management, coastal resource management, and water supply. In other areas, the link between strengthening systems and improving access did not develop because of a wide range of factors at the local level. The result was that the interventions had limited impact on the availability and quality of services.

Access to Micro Credit, Employment and Income Generation Opportunities – The program increased the people's access to credit facilities and income generation opportunities. It has supported hundreds of local cooperatives and NGOs that provide micro-credit to the working poor and micro and small enterprises in their communities. Ensuring sustainable access to micro credit has remained a challenge in the program. Lending organizations require expertise and management systems for sustainability, and the borrowers need an ethic of re-payment so that revolving funds are sustained. The program also helped create jobs and raise incomes for the poor and the working poor in the formal and informal sectors. These results were achieved through institutional strengthening activities that increased capacity and enhanced the enabling environment for employment and income generation.

Access to Healthcare and Health Services – The program has helped provide populations-in-need with improved access to healthcare and health services, which has contributed to positive health outcomes in the country. The program contributed to the national immunization initiative, and helped improve the diagnosis and treatment of tuberculosis. The program has relied on a range of strategies to promote better health and healthcare in poor communities. It has trained

health care workers in substantive and management areas; provided tools, technologies and healthcare commodities; strengthened community health centres and community health posts; and strengthened national health organizations and government departments. The health projects illustrate the importance of establishing ownership at multiple levels. CIDA's contributions to national health sector programs were effective in part because they successfully engaged key partners at international, national, local and community levels.

5.0 Explanation of Results

5.1 Program Strategy and Design

CIDA took a consultative and participatory approach to program design under the CPR. The approach helped establish direction and set priorities in the program that remained relatively consistent over the period under review. This consistency in direction and priorities allowed the program to expand networks, build partnerships and develop the long-term relationships that were critical to program success. The consultative and participatory approach was particularly appropriate to the Philippines context, which has a relatively deep pool of human talent and strong tradition of participatory development.

The widespread use of responsive facilities under the CPR strengthened local decision-making and management, and local ownership, while remaining flexible to address emerging priorities. Responsive facilities increased access to program resources for many public and private organizations, and expanded CIDA's program and political network. But the responsive model also constrained CIDA's ability to ensure that program resources were used strategically for the achievement of downstream results, and for the creation of an enabling institutional environment to increase sustainability.

CIDA moved away from responsive facilities in the bilateral program toward more strategic and focused programming in the 1990s. This approach was based on proactive project development by strategic managers, integrated programming, focused frameworks of short- and long-term results, and focused attention on downstream beneficiaries in programming. The approach led to better results in key initiatives.

While CIDA relied primarily on local executing agencies (LEAs) to implement the CPR, the Agency increased its use of Canadian executing agencies (CEAs) under the CDPF. LEAs and CEAs have both proven capable of generating results in the program, and Filipino and Canadian experts have both been effective. But the local partners and experts have provided a good amount of leadership, knowledge and expertise, and the quality of their inputs was a key factor in the achievement of results.

CIDA introduced results-based management in the 1990s. It took a compliance approach and emphasized project-based RBM for reporting purposes. RBM led to better results planning and measurement by partners, and helped facilitate the movement toward strategic and focused programming. But CIDA's project-oriented approach may have hindered results management at the program level. Its RBM systems for program management were developed sufficiently developed to help in decision-making in program resource use and results monitoring.

The program was innovative and experimental in some respects. However, the structures for increasing and sharing learning in the program were under-developed. As a result, there was insufficient transfer of learning about successful practices between projects and sometimes even within projects. This diminished the potential for synergy in the program.

CIDA has not yet developed some of the necessary tools for effective strategic management of the program. The focus and logic of the program investment was not clearly articulated, and the program has weak or informal structures for managing portfolios of initiatives and coordinating investments through bilateral projects and funds and CPB programs. This has constrained CIDA's ability to learn and adapt in order to improve the results of its program.

CIDA's approach to capacity building focused primarily on improving skills and management systems within government agencies and NGOs. The approach led to more and better skills and systems, but it failed to meet needs for changes in the enabling environment and improvements in service delivery, and diminished the sustainability of results.

5.2 Program Partnerships and Ownership

From its outset in 1986, the CIDA program was concerned with strengthening partnerships and fostering local ownership of development strategies. As a result, it developed a wide range of partnership models and a relatively high level of local ownership in decision-making. These partnerships and long-term relationships were critical factors in the achievement of results.

Almost all projects built strong partnerships that were responsive to local needs and priorities. The different partnership models developed in projects were linked to different types of results. Some partnership models were associated with short-term results, some with the mandates of implementing partners, some with the plans and programs of beneficiary organizations, and some with the partnership structures themselves and the issues the structures were created to help address.

The impact of partnerships on the achievement of results was often influenced by other mitigating factors. These include whether the partners' capacity, skills and knowledge was sufficient to participate effectively in project formulation, planning and monitoring, whether the approaches they designed were realistic and appropriate to achieving results, and whether they had sufficient financial resources for participation and follow-up.

The program is noted for supporting various initiatives that attempted to develop innovative partnership approaches to implementation and results achievement. The NGO program was focused on coalition building for the purpose of improving the enabling environment. However, the partnership approach was unnecessarily complex for the immediate task of acting as a funding agency for development in the sector.

Strong partnerships, which are built on mutual trust and accountability, will increase local ownership if they provide local autonomy in decision making, respond to local needs and priorities, ensure local commitment and leadership, and give local partners significant management responsibility and control over resource use. The level of local ownership was often a key factor in the overall performance of initiatives. The correlation between local ownership and success was seen in all three programming areas. However, ensuring local ownership was not always enough to guarantee sustainable outcomes. Good levels of local ownership had a positive impact on the achievement and sustainability of results when the locally owned investments were strategic, focused and results oriented, and the local organizations involved had the commitment, capability and resources to carry on beyond CIDA's support.

5.3 Program Consistency and Coherence

The program supported GOP priorities as reflected in successive Medium-term Philippines Development Plans (MTPDPs). This made CIDA's program more relevant to CIDA's GOP partners. The program was also consistent with local partners' priorities and beneficiaries' needs, though at times the initiatives were focused on the needs of intermediary groups such as service providers rather than community groups who would use the services. This was a reflection of the use of locally managed responsive facilities and approaches. The quality of program networks, partnerships and local ownership increased the focus on local needs and priorities, which contributed positively to program performance.

The program was largely consistent with the prevailing conditions and realities in the local development context. However, in some instances the projects failed to take contextual issues into account, which affected project performance.

The program was relevant to and consistent with other donors' priorities over the review period. However, ensuring consistency in donors' priorities and frameworks was generally less challenging than ensuring coordination in donors' programming initiatives. If there is more coordination now, there is insufficient evidence to say that it has led to improvements in aid effectiveness and development.

The program was effective in supporting CIDA corporate policies and country program priorities. However, there was insufficient internal coherence among projects and initiatives. Asia branch directive projects were not effectively coordinated within or between programming areas; the directive and responsive programming mechanisms were not always used strategically for the achievement of program results; and the bilateral and CPB programs were not formally linked or managed in coordinated manner by CIDA. The lack of internal coherence limited the overall performance of the program, especially in terms of lost opportunities for resource sharing, learning, and leveraging results for greater long-term benefit and sustainability.

6.0 Conclusions, Lessons and Considerations

6.1 Conclusions

Overall, the program performed well in achieving its stated objectives and expected results. It achieved important outcomes in NGO sector development, national government management, local government management, gender equality, health and healthcare, livelihood operations, micro credit and SME development. It strengthened human and organizational capacity, improved people's access to services, and reinforced aspects of the enabling environment in relevant areas. The program addressed gender equality issues in public and private organizations, improved women's access to relevant services, and addressed environmental concerns especially at the local level. It created a good number of unintended results, including fostering leadership and goodwill and the replication of good practices by stakeholders beyond the program. It brought about sustainable change in a range of instances.

The program achieved a good reputation for inclusive methodologies in the process of achieving these results. It was responsive to and respectful of Filipino leadership, priorities, approaches and concerns. It relied on local guidance where appropriate, built strong local networks, and developed the long-term relationships that were critical to past success. It involved Canadian experts where their expertise was required. The program evolved its strategies as conditions changed, while remaining patient and consistent in its commitment to the long-term vision of its

initial program. It has remained open to dialogue and new thinking from its outset in the mid-1980s.

While the program achieved many important results, it did not always maximize its opportunities. It focused much of its effort on strengthening organizational know-how and management systems, but sometimes it was not strategic in addressing the conditions for lasting and meaningful development. It strengthened institutional leadership and inculcated fundamental values in national and local government, the private sector and civil society, but it sometimes worked in narrow paradigms that did not take system-wide issues into account. It successfully invested in the planning, resource management, and service delivery capacities of governments and their partners, but sometimes failed to ensure new services were made available to the poor. It gave its partners responsibility to determine the focus and approaches in their initiatives, but at times without strategic guidance from CIDA.

6.2 Lessons Learned

- CIDA's approach to achieving sustainable outcomes has evolved and become more complex since 1987. They increasingly recognized the complexity of the changes that are required for sustainability. CIDA now recognizes that it is necessary to ensure strategic coordination among initiatives for the program to make meaningful contributions to change. The stronger the strategic management framework, the more likely CIDA can increase its learning about how to achieve sustainable outcomes.
- The program has employed various approaches, models and mechanisms for results achievement. The different approaches and models will shape the relationships among partners, the expectations for results, and the ability to build momentum or critical mass through a series of initiatives. The more information that CIDA generates about the relationship between approaches taken and results achieved, the more effective CIDA can be in guaranteeing this link.
- The program has supported a range of partners in results achievement. Some of these partners were intermediary groups that provided services to the poor. The assumption was that program would help build their capacity to ensure sustainable service delivery for the poor. The assumption seemed to hold true more often when capacity building was defined in strategic terms that included enabling institutional conditions such as leadership, values and policy frameworks.
- Program performance is improved when a group of key factors are found in the programming. The success factors include quality partnerships, strong local ownership, effective strategy, appropriate responsibilities, and sufficient implementation capacity.
- Strong partnerships, which are built on mutual trust and accountability, will increase local ownership if they provide local autonomy in decision-making, respond to local needs and priorities, ensure local commitment and leadership, and give local partners significant management responsibility and control over resource use.
- The level of local ownership was often a key factor in the performance of initiatives. While local ownership was linked with success in NGO, governance and PSD programming, ensuing local ownership was not always enough to guarantee sustainable outcomes. Good levels of local ownership will have a positive impact on the achievement and sustainability of results if locally owned investments are strategic, focused and results oriented, and the local organizations involved have the commitment, capability and resources to carry on beyond CIDA's support.

6.3 Considerations for Strengthening Aid Effectiveness

These considerations for CIDA focus primarily on strategic issues that could be addressed in the CDPF exercise. The assumption is that the program is continuing to move toward focused and results-oriented programming. Asia Branch has referred to the evolving strategy as the 'portfolio approach.' The portfolio approach is based on increased focus within programming portfolios in chosen 'sectors,' coordination of initiatives in the portfolio, a management framework for CIDA and key partners in the 'sector,' and a results approach to managing the portfolio. The approach would serve as strategy for strengthening aid effectiveness in the program. CIDA could operationalize the approach by implementing these considerations:

1. CIDA could develop a strategy for managing partnership issues in the portfolio approach.
2. CIDA could re-examine and re-define the key development, reform and transformational issues impacting 'sector' performance, so that it takes a systemic or sector-wide perspective when identifying expected results and appropriate strategies in the program.
3. CIDA could redefine the focus of the program so that it concentrates on creating institutional conditions, ensuring critical mass, and improving access to resources and services as the sustainable outcomes of a sector-wide investment.
4. CIDA could redefine the target beneficiaries of the program so that the program increases access to resources and services for the poor and other populations-in-need.
5. CIDA could articulate the logic of its investment, so that it knows the logical relationships among results areas, knows what should be sustained, knows its level of and timeframe for investment – in short, its portfolio performance theory.
6. CIDA could expand its approach to capacity building so that it can better address systemic and institutional issues.
7. CIDA could redefine its role in program management so that it can play a stronger role in strategic management rather than just acting as a funding agency.
8. CIDA could examine the role of its Philippine partners in strategic management so that the program increasingly moves toward supporting the 'rightful managers' of sector development. For example, the Department of the Interior and Local Government (DILG) and the leagues of LGUs are the 'rightful managers' of the local government sector. CIDA could provide support to DILG and the leagues so that they can play their role as sector leaders and managers, rather than focusing exclusively on LGU support, as has been the case until recently in LGSP and other initiatives in the portfolio.
9. CIDA could take greater control of the framework within which implementing agencies and partners operate, and develop tools for guiding and monitoring project investments and progress.
10. CIDA could take a program-based approach to RBM, and develop program-level systems for gathering and using results information for management more than reporting purposes. The systems could be designed and implemented at the sector level.

ACRONYMS

ACE	Access, Capacity, Enabling Environment
ADB	Asian Development Bank
ARMM	Autonomous Region in Muslim Mindanao
AusAID	Australian Agency for International Development
BHN	Basic Human Needs
CDPF	Country Development Policy Framework (CIDA)
CEA	Canadian Executing Agency
CG	Consultative Group
CIDA	Canadian International Development Agency
CP	Country Program
CPB	Canadian Partnership Branch (CIDA)
CPE	Country Program Evaluation
CPR	Country Program Review (CIDA)
DAC	Development Assistance Committee (OECD)
DBM	Department of Budget and Management (GOP)
DF	Philippines-Canada Development Fund
DFAIT	Department of Foreign Affairs and International Trade (Canada)
DOE	Department of Energy (GOP)
DOH	Department of Health (GOP)
EC	European Community
EDSA	The Epifanio de los Santos Avenue
FY	Fiscal Year
GDP	Gross Domestic Product
GEF	Global Environment Facility (UN)
GOP	Government of the Philippines
GNP	Gross National Product
GTZ	<i>Deutsche Gessellschaft fur Technische Zusammenarbeit</i>
HRD	Human Resources Development
IDG	International Development Goals
IDRC	International Development Research Centre
IFC	International Finance Corporation
IFI	International Financial Institution
ILO	International Labour Organization

INC	Industrial Cooperation Division (CIDA)
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
KAR	Key Agency Results (CIDA)
LEA	Local Executing Agency
LGU	Local Government Unit
MDG	Millennium Development Goals
MPB	Multilateral Programs Branch (CIDA)
MTPDP	Medium-Term Philippine Development Plan
NATCCO	National Confederation of Cooperatives
NEDA	National Economic Development Authority
NGA	National Government Agency
NGO	Non-governmental Organization
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PCCO	Philippines Canada Cooperation Office (CIDA)
PO	People's Organization
PSD	Private Sector Development
RBM	Results-Based Management
SIDA	Swedish International Development Agency
SME	Small and Medium Enterprises
SZOPAD	Special Zone for Peace and Development
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
USAID	United States Agency for International Development
WB	World Bank
WHO	World Health Organisation
WID	Women in Development

ACRONYMS OF CIDA PROJECTS AND PROGRAMS REVIEWED

ACC	Anglican Church of Canada (CPB)
ACCC	Association of Community Colleges of Canada (CPB)
AUCC	Association of Universities and Colleges of Canada (CPB)
BAP	Business Advisory Project
BTDP	Batangas Telecommunications Development Project
CAP	Commodity Assistance Program
CBDP	Cooperative Business Development Project
CCA	Canadian Cooperative Association (CPB)
CESO	Canadian Executive Service Organization (CPB)
CFLI	Canada Fund for Local Initiatives
CRWRC	Christian Reformed World Relief Canada (CPB)
CUI	Canadian Urban Institute (CPB)
DIWATA	Development Initiative for Women's Alternatives and Transformation Action
ELP	Enterprise Linkages Project
ERM	Environment and Resource Management
ESP	Entrepreneur Support Project
FCM	Federation of Canadian Municipalities (CPB)
IPAC	Institute of Public Administration of Canada (CPB)
LGSP	Local Government Support Program
NCRFW	National Commission on the Role of Filipino Women
NRDF	Negros Rehabilitation and Development Fund
PCHRD	Philippines-Canada Human Resource Development
PCODAP	Philippines Cooperative Development Assistance Program
PDAP	Philippines Development Assistance Program
PEARL	Private Enterprise Accelerated Resource Linkages
PNFE	Philippines Non-Formal Education Project
PPDSA	Program for Peace and Development in SZOPAD Area
PPSE	Promoting Participation for Sustainable Enterprises
PTTAF	Policy, Technical Assistance and Training Facility
SEAFLD	Southeast Asia Fund for Institutional and Legal Development
SEAGEP	Southeast Asia Gender Equity Program
SEDCOP	Socio-Economic Development through Cooperatives in the Philippines
TISP	Telecommunications Import Support Project

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1. INTRODUCTION

1.1 CPE Objectives, Issues and Questions

Country Program Evaluation at CIDA

CIDA began four country program evaluations (CPEs) in 2002-03, including this evaluation of its Philippines program. CIDA selected the Philippines program for review because it provided a good opportunity to assess long-term results of the program and to use evaluation findings and recommendations in strategic planning processes. The Agency has carried out numerous assessments of individual projects in the country, and various corporate evaluations that have included the Philippines, but it had not conducted a review of its country program.

Between 1986 and 2001, CIDA provided almost \$490 million in Official Development Assistance (ODA) to the Philippines.³ Canada's ODA has helped address a set of thematic priorities that have remained much the same over the period. These priorities were strengthening non-governmental organizations (NGOs) and people's organizations (POs), promoting good governance, and supporting private sector development (PSD).

In early 2003, Asia Branch began preparing a strategic plan to guide CIDA programming in the Philippines over the next five-to-ten years. The CPE was intended to feed performance analysis into the strategic planning process.

CPE Purpose and Objectives

As stated in the CPE terms of reference, CIDA evaluates its international co-operation initiatives for purposes of learning, accountability, planning and improvement. In the past, the focus of evaluation has been on project or corporate-level programming priorities. In response to the principles outlined in *Canada Making A Difference in the World - A Policy Statement on Strengthening Aid Effectiveness* (2002), CIDA Performance Review Branch changed its focus by moving to a program level.

The purpose of the CPE was to examine how CIDA could strengthen the effectiveness of its development assistance. The evaluation objectives were: (1) To provide information on the performance of CIDA's programming in the country; (2) To foster learning by identifying results, what worked, what did not and why; and (3) To contribute to the development of Asia Branch's new programming strategy.

Purpose of the Synthesis Report

The CPE team members produced three separate evaluation reports on the NGO, governance and PSD programming areas. The Synthesis Report summarizes the findings in the three reports, and analyses the trends within and across programming areas, primarily over a 12-year period from 1989 to 2001.

The readers of the Synthesis Report are invited to read the Programming Area Reports to gain a more complete appreciation of the achievement of results, sustainability of results, and

³ All figures in Canadian dollars unless otherwise stated.

explanation of results in the NGO, Governance, and PSD programs. Where the Synthesis Report tends to examine strategic issues in the program, the Programming Area Reports focus on substantive issues, and offer conclusions, lessons learned and considerations for CIDA in the programming areas. These reports also contain project summaries with details about the various initiatives examined during the CPE.⁴

Core Evaluation Issues

The evaluation addressed a range of core issues related to the achievement and sustainability of results, and the relevance of programming.⁵ *Achievement of Results* refers to the effectiveness with which objectives and expected results were achieved. *Sustainability of Results* refers to the continuation of benefits from the program after development assistance was completed. *Relevance of Programming* refers to the extent to which the programming objectives and results were consistent with CIDA's objectives, beneficiaries' requirements, country needs, partners' and donors' policies, and the context of development assistance.

Evaluation Questions

The evaluation addressed the following questions:

1. What was the context that shaped the evolving Philippines program?
2. To what extent has the program achieved stated objectives and intended results? What were significant unintended results? What results and benefits continued, or are likely to continue, after programming was completed?
3. How were these objectives and results realized and delivered?
4. What resources were invested to achieve objectives and results? How strategically were these resources used?
5. Who were the key beneficiaries, partners and implementing agencies for programming? How did their performance in the management and implementation of programming affect the achievement of objectives and results?
6. To what extent were the objectives and results achieved coherent with the changing context for the development assistance? To what extent were they coherent with the Government of the Philippines and donors' policy direction?
7. What lessons may be drawn from the analysis of results and success factors in the program? What considerations for the future could be taken from the analysis and lessons?

Terms Used in the Evaluation

The CPE uses these terms in the review:

- *Strengthening NGOs and POs* – This area of CIDA programming was meant to build capacity in and among NGOs, POs and civil society organizations (CSOs). This ran parallel

⁴ The CPE team leader has also produced a Summary Report for CIDA executive management.

⁵ See Annex 1 for the CPE Evaluation Framework.

to CIDA 'governance' programming, because it helped strengthen communities in their relationship with governments. In the CPE, strengthening NGOs and POs also included CIDA programming to improve access to health, basic education, micro credit and social services.

- *Governance* – This area of CIDA programming was meant to build capacity among government partners at the local, regional and national levels.⁶ This programming focused on the 'government' portion of the governance equation, which in some other CIDA country programs involves government organizations as well as CSOs.
- *Private Sector Development* – This area of CIDA programming was meant to build capacity among micro, small and medium-sized enterprises, cooperatives and members of the telecommunications industry. The programming focused on private sector organizations but also included relevant government bodies. PSD programming also covered the commodity assistance provided to the Government of the Philippines (GOP) by CIDA.
- *Program* – The term is used to refer to different groups of CIDA projects and initiatives. The terms 'CIDA Philippines program,' 'CIDA program' and 'country program' refer to the entire group of Asia Branch and Canadian Partnership Branch (CPB) initiatives in the Philippines. The 'governance program' refers to the entire portfolio of CIDA projects and initiatives in the governance programming area. The CPE uses the terms 'NGO program' and 'PSD program' in a similar manner. The term 'program' is also used to refer to a set of initiatives supported by a CPB partnership arrangement, e.g. the Anglican Church of Canada program.
- *Program Strategy* – This refers to CIDA's strategy for delivering the program. The strategy was operationalized at three levels: (1) by focusing on particular 'sectors' such as local government support in order to achieve the broad program objectives; (2) by designing the program to have particular components (e.g. the separate national government, local government and civil society components of the governance program) or to use particular models (e.g. responsive facilities) and initiatives; and (3) by incorporating particular principles, themes or approaches into the programming (e.g. local ownership, gender equality and results-based management). The term is synonymous with 'delivery strategy.'
- *Strategic and Focused Programming* – This refers to the design of programming that was characterized by proactive project development by program managers, integrated programming within organizational contexts, focused frameworks of short-term and long-term results, and focused attention on downstream beneficiaries in programming. CIDA moved toward strategic and focused programming in the 1990s after relying on responsive facilities in the initial program.
- *Strategic* – This refers to ensuring a correspondence between programming and its context. Programming is said to be 'strategic' when, say, the investment logic for particular initiatives is linked to broader institutional needs and developments, GOP priorities, organizational plans, existing investments, ongoing activities, and CIDA's long-term agenda in the country.
- *Strategic Management* – This refers to the management of the program objectives and delivery strategy in the particular policy, stakeholder, resource and development context. It refers to CIDA's capacity to identify its program focus and objectives, articulate its investment logic, track performance, make decisions and deploy resources accordingly. The 'strategic managers' in the program oversee this management control framework.

⁶ The only exception to this was some of the sub-projects under the two Governance Funds that went to support NGOs and other civil society groups.

- *Beneficiaries* – This refers to the direct target groups of particular CIDA projects.
- *Capacity* – This refers to human capabilities and organizational plans and systems. It is used in a narrow sense because of CIDA's approach to capacity building in the program, which basically focused on strengthening individual skills and management systems. The term 'capacity' is often used within CIDA to refer to the policies, organizations, resources and institutions that function within a broader national context or sector system.⁷

Evaluation Parameters

The evaluation placed primary emphasis on Asia Branch programming, which was assessed against Asia Branch country program frameworks. It examined the complementarity of Canadian Partnership Branch (CPB) programs to the Asia Branch thematic areas. It focused on the period from 1989/90 to 2001/02, which extends from the start of Asia Branch's first country program in the Philippines to the completion of the Country Program Development Framework.⁸

The evaluation examined a selection of Asia Branch and CPB programming in the three thematic areas. The team reviewed 63 large initiatives with combined budgets of about \$298.72 million.⁹ Asia Branch initiatives disbursed about \$262.85 million, or 88 percent of the total amount examined. These included bilateral, regional and Development Fund initiatives that met the selection criteria.¹⁰ See section 3.2 for a description of the selected initiatives.

The evaluation did not examine these issues or programs:

- Cost effectiveness or value-for-money in the CIDA program;
- CPB initiatives in relation to CPB performance frameworks, or the stated objectives for the CPB programs under which the initiatives were funded;
- Multilateral Programs Branch (MPB) core funding or institutional support to the multilateral development institutions working in the Philippines¹¹; and
- Programming implemented by the International Development Research Centre (IDRC).

1.2 CPE Methodology

Challenges to Program Evaluation

CIDA's move to program level evaluation presented some challenges to evaluators. First, CIDA has taken a project-oriented approach to results-based management (RBM), which means that performance measurement frameworks exist for the projects but not for the program. As

⁷ The broad definition of capacity is consistent with the work of CIDA's Capacity Development Network.

⁸ Though the evaluation was focused on the period between 1989/90 and 2001/02, it sometimes included data and analysis of the period between 1986/87 and 1988/89.

⁹ The CPE also reviewed the Commodity Assistance Program (CAP) with expenditures of \$115.8 million over four phases. However, CAP was not included in the total number of projects examined or amount budgeted. Some of the revenues generated through the CAP were used in the Philippines-Canada Development Fund to support the Local Government Support Program and 29 small initiatives. The CAP totals were not included in order to avoid counting some amounts twice. The amount does include \$21.1 million in CIDA INC projects, which we count as one initiative in the CPE.

¹⁰ See Annex 3 for a list of the programming initiatives reviewed in the CPE.

¹¹ Only one MPB initiative was included in the sample – the Canadian Red Cross Primary Health Care Project (M003713) which was a Food Aid initiative lasting 5 years and valued at \$3.4 million.

explained below, the CPE team needed to create an organizing framework to analyze information from the programming areas. Second, CIDA did not systematically collect baseline data for the stated objectives and expected results of the evolving country program. In the CPE, the evaluators tried to link results achieved to the prevailing conditions at the outset of the 1989 Country Program Review (CPR) and the 1995 CDPF. As well, CIDA policies, management practices, and programming strategies evolved during the period, which is not typically the case in project level evaluations focusing on a shorter duration. The CPE evaluators needed to analyze the broad trends in programming as a context for results achievement, while avoiding imposing current expectations on the past.

Organizing Framework

CIDA articulated its intentions for Philippines programming in three program frameworks: the 1989 CPR, the 1995 CDPF, and the 2000 CDPF Update. These frameworks listed the objectives and expected results of the country program.¹² Working with CIDA personnel, the CPE team developed the 'organizing framework' to link the results of the various initiatives to the country program frameworks. The organizing framework would allow the CPE team to group results from any number of initiatives.

The framework was comprised of three result areas: access, capacity and enabling environment.

- *Access* – This refers to the availability and use of resources, opportunities, services and programs for development by program beneficiaries.
- *Capacity* – This refers to the capacity of individuals and institutions to define and influence priorities, strategic direction and resource use, and the increased capacity to manage and implement processes and systems for development.
- *Enabling Environment* – This refers to the policy, legislative, institutional and infrastructural environment for development.

CIDA program results in the three areas (referred to as ACE) were meant to contribute to the broader goal of poverty reduction in the country. Gender equality and the environment were crosscutting themes in all of these result areas.

Exhibit 1 The Philippines CPE Organizing Framework

Poverty Reduction in the Philippines			
1. Access	1.1 Access to resources and opportunity	1.2 Access to services and programs	A
2. Capacity	2.1 Capacity to define and influence	2.2 Capacity to manage and implement	C
3. Enabling Environment	3.1 Enabling Policy and Legislation	3.2 Enabling Institutions and Infrastructure	E
Gender Equality and the Environment			

The CPE team members recognize the strengths and shortcomings of the ACE framework for analysis. As expressed, the framework can organize the expected and actual results of the CIDA program since 1986. However, this organization might not communicate the dynamic and

¹² See Annex 2 for the CPE Organizing Framework of Stated Objectives/Expected Results.

inter-relationships among the three result areas. The quality of 'access' to resources and services tends to depend on underlying 'capacity' and the 'enabling environment.'

The CPE uses the ACE framework to organize results data and explain program performance. We also rely on the *CIDA Framework of Results and Key Success Factors* for analysis of performance. In addition, we use the principles of strengthening aid effectiveness as a means of organizing lessons learned and considerations for improving programming.

Evaluation Approach

The CPE team produced the *Evaluation Design and Work Plan*, which CIDA personnel at the desk and the post formally approved in March 2003. The work plan detailed the approach used by the team. The approach involved:

- Developing the evaluation questions and indicators of performance;
- Selecting groups of projects or initiatives under each of the three programming areas;
- Identifying the organizing framework in terms of the key result areas to which the group of initiatives were meant to contribute;
- Building the instrumentation for collecting, managing, analyzing and presenting the information and findings on performance and explanations of performance;
- Collecting the data through interviews and document review;¹³
- Analyzing the data and preparing findings on CIDA program performance and explanation of performance;
- Reporting on CIDA's country program performance.

Sources of Data

The CPE team interviewed about 250 people in Canada and the Philippines. The CIDA interviewees included past and present director generals in Asia Branch and CPB, chiefs of operations and heads of aid, program analysts and program managers, and thematic experts and locally engaged staff. Other interviewees included directors, managers, and senior local staff from Canadian and Philippine implementing agencies as well as local experts who were active in the past or current program. The team also interviewed CIDA's partners in the National Economic Development Authority and CIDA's colleagues in other donor agencies.

The team reviewed about 400 documents in Canada and the Philippines. The majority were project documents, including approval documentation, implementation plans, management plans, annual reports and evaluation reports for each of the selected initiatives. In addition, the team reviewed program documents, including the frameworks, strategies and analyses linked to the CPR and CDPF especially. The team examined CIDA corporate policies, donor program documents, thematic materials and documents written by experts on the development context.

Transparency in the Process

The process was carried out in a transparent, inclusive manner so as to maximize the knowledge building opportunities for CIDA managers and NEDA personnel. This was reflected

¹³ See Annex 8 for a list of the people interviewed. See Annex 9 for a list of the documents reviewed.

in the use of teams of local and Canadian consultants, the active participation of team members in work planning and data collection missions in the Philippines, regular meetings with CIDA and NEDA personnel to ensure that they were involved in defining the work plan and kept abreast of developments, debriefings on findings at key points in the process, including at the end of missions and upon return to Canada, and during a video-conference with CIDA and NEDA personnel and consultants in Hull and Manila.

Limitations of the Methodology

The limitations to the methodology were related to data collection and performance analysis. In the former instance, some of the limitations included:

- The interviews were focused on project staff rather than project beneficiaries, and were carried out primarily in Ottawa and Manila, which made it difficult to assess the sustainability of outcomes;
- The absence of baseline data made it difficult to assess the validity of some performance information;
- The methodology required the integration of results information from projects into the organizing framework at thematic and program levels, but the different approaches to performance reporting in Asia Branch and CPB initiatives made this difficult; and
- Performance information on initiatives from the CPR was sometimes unavailable or poor quality, which made it difficult to assess results and answer the evaluation questions.

The evaluation team decided not to focus interviews on project beneficiaries because of the cost involved in this methodology, especially considering the difficulty in tracking down beneficiaries to understand the sustainability of outcomes. The team felt that the data collected through interviews with project staff and in documents were sufficient to the analysis of performance. (The richness of the data presented in the programming area reports and the synthesis report attests to the accuracy of this view.) The team also used several sources of information to check the validity of the data provided in order to ensure all sides of the performance story were told. This was especially relevant given our reliance on CIDA and implementing agency sources for performance data for programming with which they were closely involved.

The limitations linked to the analysis and presentation of performance information in the Synthesis Report included:

- The CPE team members had different definitions for some terms used in the evaluation;
- The team members followed the same outline for the programming area reports, but sometimes approached the discussion in particular sections quite differently, which made roll-up and comparison challenging; and
- The evaluators employed different standards for judging performance in the programming areas, which made comparison of performance across the three areas challenging.

The latter group of limitations was addressed through an iterative review of all four reports, and a series of clarifications and refinements to the information contained in the Synthesis Report.

Team Members

The CPE team comprised eight members, who carried out the work in a nine-month period.

- Janet King of CIDA was the Evaluation Team Leader;
- Peter Bracegirdle was the Team Coordinator and Methods Consultant;
- Angelita Gregorio-Medel and Steven Mendelsohn were the NGO/PO Program Area Consultants;
- Henedina Razon-Abad and Mary M. Lynch were the Governance Program Area Consultants; and
- Elena D. Roaring and Curtis E. Whyte were the PSD Program Area Consultants.

2. PROGRAM CONTEXT

2.1 Philippines Development Context

Summary of Trends in Development Conditions

- The Philippines is a lower-middle income country. In the early 1980s, the country experienced the worst economic crisis in its postwar history. This was marked by high inflation, rising debt, falling employment, and persistent income inequalities and disparities among the regions. The crisis resulted mostly from structural weaknesses and economic mismanagement in the domestic economy. Under Ferdinand Marcos, patronage and cronyism were rife in economic and government affairs.
- In 1986, Corazon Aquino became president on a program of open democracy, social justice and economic change. Her administration is best remembered for re-establishing constitutional democracy in the country. She made far-reaching plans for land reform, decentralization, and a collection of legal and institutional initiatives for improving human rights. However, she faced challenges from a political and military elite who were opposed to the reform agenda especially as it affected their landholdings.
- The decentralization process has affected the responsibilities of governments and the participation of people in local governance processes. It also affected the development plan for the country as local government units were expected to act as development managers and facilitators of participatory governance. The process to professionalize the government sector has been slow and steady since the time of Aquino, but it has brought decision-making closer to community members and beneficiaries of services.
- Civil society took enormous strength from its success in bringing down the Marcos government in the People Power revolution. Aquino rewarded the NGOs for their support of her agenda with an expanded role in Philippines development. This was formally expressed in the 1987 Constitution and the 1991 Local Government Code. However, the NGOs were largely unprepared for their new role and their collaboration with officials in local governance processes.
- The conflict in Mindanao has persisted since the 1960s. Although President Ramos made progress in peace building, hostilities heated up again under presidents Estrada and Arroyo. The high cost of security and corruption in Mindanao has taken its toll on Philippines development.
- Under Ramos, the government continued the economic restructuring and liberalization strategies pursued by Aquino. The economy recovered and grew until the Asian financial crisis undermined the economy in 1997. Under the Ramos economic recovery, the distribution of income became more concentrated (lower percentage of people earning higher percentage of income). The most equitable distribution of income among Filipinos in the past 40 years occurred in the 1985-1988 period.
- Since 1986, the country has made steady progress in reducing the incidence of poverty among the growing population. From 1985 to 1997, the poverty incidence fell from 44.2 to 31.8 percent of Filipino families. The progress was most significant among urban families. The incidence of poverty jumped 2.4 percent from 1997 to 2000.

Crisis and Upheaval – The End of the Marcos Dictatorship (1983-1986)

In 1983-1986, the Philippines experienced the worst economic crisis in its postwar history. The period was marked by high inflation, rising debt, falling employment, and persistent income inequalities and disparities among the regions of the Philippines.

The crisis resulted mostly from structural weaknesses and economic mismanagement in the domestic economy. Under Ferdinand Marcos, patronage and cronyism were rife in the economy and government. The impact of the crisis hit the poor majority most directly as per capita incomes fell, maternal and child mortality rose, and the budgetary allocation for basic services declined slowly in 1983-85.

Despite these conditions, the final years of the Marcos dictatorship are remembered for political upheaval more than economic crisis. The assassination of Benigno Aquino in 1983 was a watershed in the Philippines democracy movement. The event spurred the anti-Marcos forces in the democratic struggle.

In February 1986, Marcos called a snap presidential election amidst widespread domestic opposition to the regime. The opposition seized the opportunity to oust the dictatorship through parliamentary means. Many NGOs plunged headlong into electoral organizing and mobilization for Corazon Aquino's candidacy. When Marcos attempted to steal the election, and military reformists plotted a *coup d'etat*, the mass movement launched a civil disobedience campaign that culminated in the flight of Marcos into exile and the ascension of Aquino to the presidency.

Open Democracy – The Philippines Under Aquino (1986-1992)

Cory Aquino became president in February 1986 on a program of open democracy, social justice and hopes for economic change. She made far-reaching plans for land reform, decentralization, and a collection of legal and institutional initiatives for improving human rights. Her administration is remembered for re-establishing constitutional democracy in the country.

The national terrain changed overnight in the political democratization that followed the EDSA revolt. The executive branch initiated various dialogues on development matters with the NGO sector, which had gained much experience in networking and coalition building during the Marcos era. Many of the leaders of civil society groups achieved national prominence. However, the NGOs engaged in work with the grassroots tended to take a 'critical collaboration' stance vis-à-vis the government.

Exhibit 2 Philippines Economic Statistics (1983-85)

Measures	1983	1984	1985
GNP Growth Rate	1.1%	-6.8%	-3.8%
Annual Inflation Rate	63.0%	50.0%	23.0%
Debt Service ¹⁴	15.9%	23.6%	23.0%
Unemployment (national)	10.4%	10.4%	12.5%
Unemployment (Manila)	17.5%	20.3%	24.9%
Population Growth Rate	2.5%	2.5%	2.5%

Source: NEDA, MTPDP 1987-1992.

¹⁴ The debt service rate is the share of debt service in the national budget.

*“The Aquino administration responded to the challenge of people’s participation by reaching out to civil society as partners in the rebuilding of political democracy. The role of NGOs and POs in democratic society was included in key provisions of the 1987 Constitution. Various bills, which detailed the provisions of the basic charter, institutionalized the role of NGOs in development. These included the Urban Development and Housing Act and the Women in Development and Nation Building Act, among others.”*¹⁵

The Aquino government faced numerous challenges from the political and military elite who were opposed to the reform agenda. The reform processes were slowed by intergovernmental and factional disputes, pressure from left-wing insurgents and secessionist Muslims in Mindanao, and continued human rights violations, especially in the countryside. The landed elite, who had reinstalled themselves in Congress, derailed Aquino’s plans for agrarian reform.

In 1991, the government enacted the Local Government Code, which had a deep impact on the responsibilities of governments and the participation of people in local governance processes. Local and national government alike were expected to reconstitute themselves to fulfill the law’s requirements. For local governments, this meant addressing institutional and financial issues, and strengthening themselves as development managers and facilitators of participatory governance. With greater power in the hands of local authorities, government decision-making was brought closer to community members and beneficiaries of services.

NGOs had lobbied extensively for the passage of the Code. But they were unprepared for their role in the devolution process, and the resistance of local government officials to power sharing.

*“The Local Government Code of 1991 further highlighted the role of NGOs and POs in the governance process. The Code provided for their participation in these areas: membership in local special bodies; partnership with the government in joint ventures in development projects; participation and sectoral representation in local legislative bodies and processes; the provision of checks and balances in the use of local power; and as recipients of funds and other forms of state assistance.”*¹⁶

Aquino tried to reverse the economic trends that had crippled the country in the preceding period. The administration adopted structural reform in the economy, while attempting to maintain economic stability and manage the impact of global integration through sound economic and social policy. Aquino placed renewed emphasis on the development of agriculture and employment opportunities in rural communities.

Structural adjustment helped improve the balance-of-payments situation, but rising inflation, a growing trade deficit, and large debt burdens created problems for the economy under Aquino.

Reform and Resurgence – The Ramos Period (1992-1998)

Fidel V. Ramos was elected president in 1992 for a six-year term of office. After the polarization of the Marcos and Aquino years, the new president brought relative stability to the fractured

¹⁵ Source: Alegre, 1996.

¹⁶ Source: Alegre, 1996.

political landscape. Ramos tackled long-overdue economic reforms, and rallied diverse groups to his 'Philippines 2000' vision.

The Philippine economy recovered and grew from 1992 to 1996. The government continued economic restructuring and liberalization of the economy, and saw a sustained improvement in the fiscal balance. Per capita income rose. The growth continued until the Asian financial crisis undermined the economy in 1997.

“Between 1989 and 1998, [the Philippines] real gross domestic product (GDP) in Philippine pesos grew by 2.7 percent every year, which was dramatically lower than the 18.8 percent recorded for GDP at market prices. The 10-year period was marked by a slowdown in the early 1990s, followed by a short-lived resurgence from 1993 to mid-1997, with the annual growth rate peaking at 5.8 percent in 1996, just before the economic crisis that hit several countries in East Asia. In 1998, the height of the crisis, GDP contracted by 0.6 percent. It has since grown by 3.4 percent to 4.0 percent every year¹⁷.”

The Ramos government also managed to improve 'peace and order' conditions in the country. He reduced political factionalism and the obstacles to reform. In 1996, he signed a peace agreement with the Moro National Liberation Front, which led to the creation of a Special Zone for Peace and Development (SZOPAD) in Mindanao.

The incidence of human rights violations fell in this period. Social indicators were more positive in the Philippines than in other countries in the region, though health and education services for the poor were neglected and gender inequities were prevalent. The country made good progress on poverty reduction during the Ramos presidency. The poverty incidence among families fell from 39.9 percent in 1991 to 31.8 percent in 1997.¹⁸ But income and investment in the Philippines were unevenly distributed among the regions.

Plunder and Protest – The Estrada Years (1998-2000)

Joseph Estrada became president in 1998 after capitalizing on his image as a champion of the poor with his anti-crime and anti-corruption agenda. By the end of his first year in office his popularity and approval rating had soared. By 2000, however, investor confidence and public approval began to slide as the government proved unable to battle graft and corruption.²¹

Exhibit 3 Human Development in the Philippines (1994-99)

Measures	1994	1999
Life Expectancy at birth	67.4	69.0
Adult literacy rate	94.6%	95.1%
Gross enrollment ratio ¹⁹	80%	82%
Human Development index	0.73 ²⁰	0.75

Source: UN, Human Development Report, 2001

¹⁷ Source: ADB, 2001a (from Illo, 2003).

¹⁸ Source: Family Income and Expenditure Survey, National Statistics Office (from Illo, 2003).

¹⁹ Combined 1st, 2nd and 3rd level gross enrollment ratio.

²⁰ 1995 data.

²¹ World Bank, Combating Corruption in the Philippines (Pasig City, Philippines: World Bank, 2001)

The local press complained persistently about corruption in the Estrada government. They described Estrada's 'personalistic,' erratic and lackadaisical approach to his presidency, which was made more problematic by the patronage and cronyism that resurfaced in government and bureaucratic decision-making.

Despite Estrada's desire to help the poor, his presidency was largely a period of lost opportunity and bankruptcy in governance. The accusations that Estrada had received kickbacks from gambling syndicates plunged the country into crisis. The stock market was depressed, the budget deficit ballooned, and foreign and domestic investments in the country declined.

Estrada was unable to rule amidst accusations of plunder, mass resignation from government, and the EDSA II uprising of the social elite and civil society. In late 2000, he was forced to resign as president. In January 2001, the Supreme Court administered the presidential oath of office to Vice President Gloria Macapagal-Arroyo.

Struggle against Corruption – The Macapagal-Arroyo Presidency (2001-2004)

In contrast to the previous regime, Gloria Macapagal-Arroyo based her power on an anti-corruption platform. She pledged to end the nepotism and collusion infecting the country's bureaucracy. Her policies focused on improving service delivery, promoting ethical standards, and strengthening institutions.

Arroyo has faced the challenge of ruling a divided country wracked by the effects of the people power force that got her into office. Her efforts to revive a sluggish economy have been undermined by factional disputes, widespread corruption, low domestic confidence, and continued kidnappings, violence and insurgency in Mindanao.

As written in the governance programming area report:

"It is estimated that over the last 20 years, at least US\$48 billion was lost due to corruption²². On a yearly basis, the Commission on Audit estimates that at least US\$40 million is lost from public funds due to corruption. The dismal performance of the Philippines in fighting corruption poses a serious threat to improved delivery of services and effective design and implementation of anti-poverty programs."²³

The threat that corruption poses to development investments is detailed in the table on the following page.

²² Abad, Florencio. "Poverty and the Politics of Populism and Opportunisms." Paper delivered during the International Conference of the Council of Asian Liberal Democrats in Sri Lanka, May 2003.

²³ Razon-Abad and Lynch, Governance Programming Area Report.

Exhibit 4 Estimates of Sectoral Losses in Terms of Commissions Paid in Bribes²⁴

Sector	Government Agency	Loss Estimates	Source
Infrastructure	Department of Public Works and Highways	10-30% of total cost of public works projects	Parenno, 1998
	Mount Pinatubo Commission	10-30% of total costs of public works projects	Florentino-Hofilena, 1998
Education	Department of Education, Culture and Sports	20-65% of total cost of textbooks procured	Chua, 1999
Health	Department of Health	20-40% of total cost of medicines procured	Corotan, 2000
Agriculture	Department of Agriculture Rural Field Units	10-50% of total cost of farm inputs procured	Sarmiento, 2000
Finance	Bureau of Internal Revenue and Bureau of Customs	30-43% of potential revenues	Talisayon, 1998
Environment	Department of Environment of Natural Resources	15% of reforestation costs, 1998-1992	Danguilan-Vitug, 1993
Local Government	Philippine National Police	P 45 million a year – ghost payroll	Carino, 1999
Justice	Bureau of Immigration	P200,000 to P350,000 per illegal alien	Chua and Rimban, 1998

Poverty Reduction in the Philippines (1985 to 2000)

Since 1986, the country has made modest progress in reducing the incidence of poverty among the growing population. At the same time, the population grew 4.4 percent annually between 1980 and 1989, and 2.6 percent annually between 1990 and 1998.²⁵

Exhibit 5 Poverty Measures, by urban and rural areas (1985-00)²⁶

Item	1985	1988	1991	1994	1997	2000
Number of poor families (in millions)	4.355	4.23	4.781	4.531	4.511	5.22
Poverty incidence among families (in percent)	44.2	40.2	39.9	35.5	31.8	34.2
Among urban families	33.6	30.1	31.1	24.0	17.9	20.4
Among rural families	50.7	46.3	48.6	47.0	44.4	47.4

The most equitable distribution of income among Filipinos in the past 40 years occurred in the 1985-1988 period. The distribution of income among Filipinos stayed much the same under the CPR (1988 to 1994) though it improved in the first two years of the Ramos government. Under the CDPF, the distribution of income became more concentrated (lower percentage of people earning higher percentage of income) until it reached a peak in 1997 before the Asian financial crisis.

²⁴ Razon-Abad and Lynch, Governance Programming Area Report.

²⁵ Source: World Bank, World Development Report 1999/2000.

²⁶ Source: Family Income and Expenditure Survey, National Statistics Office (from Illo, 1993, p.9.)

2.2 GOP Development Planning

Summary of Trends in GOP Development Planning

- The GOP has developed numerous Medium-Term Philippines Development Plans (MTPDPs) starting well before the period under review in the CIDA CPE. These MTPDPs act as the government's strategic framework for poverty alleviation, social equity and sustainable development over a six-year period. They articulate the development priorities, themes, targets and strategies within sectors of concern.
- The MTPDPs are expressions of the planning culture in the Philippines, which values inclusive planning processes and comprehensive planning documents. The CIDA program has provided support to this culture by strengthening planning skills and processes in public and private sector organizations.
- The NEDA Secretariat develops the MTPDPs through consultative processes that involve other NGAs, planning committees and inter-agency committees. The NEDA Board, which is the highest policy-making body in the country, formally approves the MTPDPs.
- Since 1986, the GOP has articulated four MTPDPs, which have each expressed similar priorities and themes. The development priorities have included poverty reduction, growth with equity, and sustainable development. The particular themes in each plan were consistent with the global development discourse at the time. They have included macro-economic stability and growth, employment generation, rural development, private sector development, good local governance, human development and social equity.
- The MTPDPs have provided a framework for government-donor consultations on the use and targeting of ODA. The GOP also prepares Medium-term Philippines Investment Plans, which describe the investment scenario for the development plan. The MTPDPs provide a framework for the development of donor country programs, which as a result have been largely consistent with GOP plans.
- The MTPDP 1987-92 articulated a new development path for the country after the Marcos years. The underlying agenda in the plan was one of expanding democratic space, redefining the role of private sector institutions, and promoting employment-oriented, rural-based development. The Aquino plan wanted to create a professional government structure to replace the systems of patronage and cronyism that were used in government decision-making and implementation under Marcos. It emphasized public sector competence, jobs and employment, rural development, agrarian reform, privatization, decentralization and participatory development involving the private sector, particularly NGOs and community organizations. The CIDA program took shape from the priorities, analysis and processes that were advocated in the Aquino plan, which influenced CIDA's strategy and approach for much of the next decade.
- The MTPDP 1993-98 articulated development priorities complementary to the direction taken in the Aquino plan, but it also shifted the underlying agenda toward economic reform and international competitiveness. The Ramos plan highlighted the institutional context for development, borrowing language from the popular struggle and setting 'people's empowerment' as its goal. It framed medium-term development in the Philippines 2000 vision and values. It emphasized human development, world competitiveness, privatization and private sector-led development, decentralization and sustainability of local autonomy, and infrastructure development. In 1995, the CIDA program re-affirmed its support of the development priorities, while similarly expanding its focus to include institutional dimensions.

Exhibit 6 Philippine Government Priorities, as identified in MTPDPs (1987-04)²⁷

MTPDP Priorities	MTPDP Strategies or Areas of Concern
<p>Aquino 1987-1992</p> <ul style="list-style-type: none"> • Alleviation of poverty • Generation of more productive employment • Promotion of equity and social justice • Sustainable economic growth 	<ul style="list-style-type: none"> • Employment-oriented, rural-based development • Development of rural infrastructure, modernization of agriculture, agrarian reform • Decentralization, devolution, and local government strengthening through planning and management skills and systems development • Private sector participation, esp. NGOs, in governance, advocacy, service delivery • Promoting small entrepreneurship through skills development & credit support • Management of natural resources • Greater access to family welfare, basic education, community health services • Fiscal policies to stimulate demand-led recovery
<p>Ramos 1993-1998</p> <ul style="list-style-type: none"> • People empowerment • Alleviation of poverty • Social equity • Sustainable development 	<ul style="list-style-type: none"> • Human development through capability building & socio-political restructuring • Competitiveness through enabling policy environment and domestic industries • Decentralization and sustainability of local autonomy • Privatization and private-sector-led development • Democratic consultation, and role of NGOs and other members of civil society • Full cost recovery tempered with concern for social equity • Macroeconomic stability and transparency • Infrastructure development
<p>Estrada 1999-2004</p> <ul style="list-style-type: none"> • Sustainable development • Economic growth with social equity • Poverty reduction • Equitable distribution of income 	<ul style="list-style-type: none"> • Acceleration of rural development through agriculture and fisheries modernization • Delivery of social development services, including basic education, health and water • Strengthening competitiveness through promotion of free enterprise • Sustained development of infrastructure • Ensuring macroeconomic stability • Reforming governance to include participation of the poor • Redistribution of physical and resource assets, particularly land and credit
<p>Arroyo 2001-2004²⁸</p> <ul style="list-style-type: none"> • Macroeconomic stability with equitable growth • Agricultural modernization with social equity • Comprehensive human development and protecting the vulnerable • Good governance and rule of law 	<ul style="list-style-type: none"> • Promoting full, decent and productive employment • Enhancing competitiveness of industry and services including ICT and tourism • Accelerating infrastructure development • Modernizing agriculture and fisheries, and advancing social equity by land reform • Promoting sustainable management and use of natural resources • Investing in education and training • Enhancing health care, expanding access to shelter, protecting vulnerable groups • Pursuing balanced regional development, and peace and development in Mindanao • Improving peace and order, law enforcement and administration of justice • Harnessing governance through international collective action

²⁷ Sources: MTPDP 1987-1992; MTPDP 1993-1998; MTPDP 1999-2004; and MTPDP 2001-2004.

²⁸ When Gloria Macapagal-Arroyo became president in 2001, the GOP updated the Estrada MTPDP.

Development Planning and Management

The National Economic Development Authority (NEDA) is responsible for development planning and development management in the Philippines. NEDA consists of a board and a secretariat. The NEDA Board is the highest policy-making body in the country headed by the President, with most of the Cabinet Secretaries as members.

NEDA develops the MTPDPs through consultative processes. The NEDA Board issues planning guidelines to all concerned government agencies, the NEDA Secretariat, and the Planning Committees and Inter-agency Committees that will be involved. The NEDA Secretariat prepares a draft plan with inputs from concerned government agencies. The NEDA Secretariat holds consultations with Planning Committees and Inter-agency Committees to assess and further improve the draft plan. The NEDA Secretariat submits the completed plan to the NEDA Board for adoption.

Influence of MTPDPs on CIDA Programming Frameworks

The CIDA Country Program Review (CPR) took shape from the priorities, analysis and processes that were advocated in the Aquino development plan. The MTPDP 1987-92 influenced CIDA's framework and approach to design and capacity building for the much of the next decade of programming.²⁹

The CPR endorsed the MTPDP analysis of the development conditions in the country, and aligned its program with some of the priorities and key strategies. The Aquino government's concerns with creating a professional government structure to replace the Marcos system of patronage and cronyism were embedded in the CPR. The CIDA framework emphasized better planning and administrative skills, better decision-making systems, better local revenue generation and control, and greater government accountability to local communities. In effect, CIDA's overall approach to capacity building in the country program – which focused on building management skills and systems in public and private sector organizations – was shaped by the Aquino leadership's concern with professionalism in the public sector.

The CPR also endorsed the Aquino government's plan for the private sector, particularly NGOs and community organizations, to play an advocacy role and strengthen service delivery mechanisms to ensure better planning, coordination and targeting of priority groups. The MTPDP 1987-92 heralded a new role for NGOs in local governance and service delivery. The plan focused NGOs' attention on the need for professionalism within the sector, and the need for human resources development and management systems building in NGOs. The CPR reflected these concerns and responded with support to the Aquino priorities.

CIDA's CDPF 1995-00 was consistent with the goals and strategies of the MTPDP 1993-98. With the country gathering economic and political momentum under Ramos, the CDPF recognized the continuing need for improved skills and systems in the public and private sectors, but it also affirms the need for stronger institutional, legal and policy frameworks to ensure the improvements in public and private sector organizations were institutionalized. The CDPF endorsed the skills-and-systems approach to capacity building, while expanding the analysis to cover institutional dimensions of good governance and civil society participation.

²⁹ See Annex 5 for a description of how successive MTPDPs have dealt with key priorities and themes.

2.3 ODA Context

Summary of Trends in ODA to the Philippines

- The Philippines received US \$20.94 billion in ODA in the ten years from 1989 and 1998.³⁰ The ODA inflow averaged almost \$2.1 billion annually in the period. In 1991, ODA reached a peak of \$2.72 billion, but soon fell to a low of \$1.19 billion in 1993. The country reduced its reliance on ODA during the period. Between 1990 and 1998, the ratio of ODA to GDP fell from 6.2 to 2.9 percent, while the ratio of ODA to government budget dropped from 33 to 14 percent. By 1997, GOP reliance on ODA was comparable to its neighbours in the region as well as other lower-middle income countries worldwide.
- ODA to the Philippines comes mostly from the three largest donors. From 1992 to 1999, Japan, the ADB and the World Bank provided 82 percent of the ODA to the country. CIDA provided less than 1 percent of ODA during the period. The priorities of three largest donors were consistent with GOP priorities as articulated in MTPDPs. They focused on the environment, governance, social services, infrastructure, and agri-industry and agriculture development. CIDA's priorities were consistent with and complementary to the priorities of these donors.
- The GOP allocated about 60 percent of the ODA in the period to infrastructure development. Most of this ODA was used in the transportation and energy sectors. A further 21 percent of ODA was invested in agri-industry, while 12 percent was committed to social and human development. About 4 percent of ODA was invested in development management and governance.
- About 85 percent of ODA to the country was provided as loans, while 15 percent was given as grants. CIDA provided about 6 percent of the ODA grants to the country.

ODA to the Philippines in Perspective

The Philippines is a lower middle-income country. Its GDP grew by 1.0 percent annually between 1980 and 1989, and 3.3 percent annually between 1990 and 1998.³¹ The GDP almost doubled in size from US \$42.57 billion in 1989 to \$83.34 billion in 1997. It fell to \$65.17 billion in 1998 at the height of the Asian financial crisis.

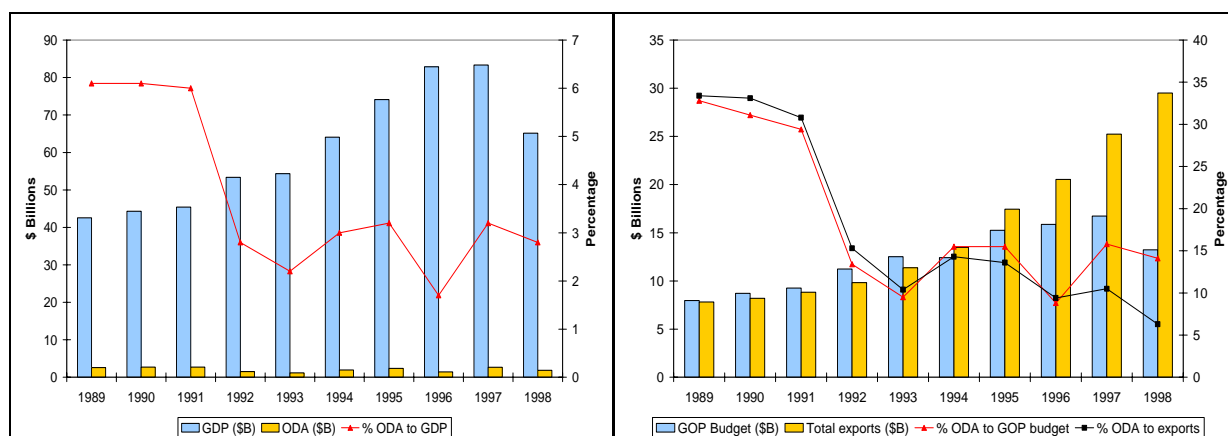
The flow of ODA to the Philippines slowed in volume in the ten-year period from 1989 to 1998. The country received US \$20.94 billion in ODA (almost \$2.1 billion annually) during the period. The volume of ODA dropped dramatically from the Aquino to the Ramos administrations. It rose to a peak of \$2.72 billion in 1991, but soon fell to a low of \$1.19 billion in 1993.

The Philippines reduced its reliance on ODA during the period. The ratio of ODA to GDP fell from 6.2 to 2.9 percent between 1989 and 1998. From 1989 to 1991, ODA averaged about US\$ 2.7 billion annually, which represented about 6 percent of the GDP. By 1993, ODA to the country had fallen to US\$1.19 billion, which was 2.2 percent of the GDP. From 1989 to 1998, the ratio of ODA to government budget dropped from 33 to 14 percent, and the ratio of ODA to total exports dropped from about 33 to 6 percent (see exhibit).

³⁰ Sources: For the ODA figures, Gonzales (2000); for the GDP figures, Key Indicators 2001: Growth and Change in Asia and the Pacific, ADB (2001A).

³¹ Source: World Bank, World Development Report 1999/2000.

Exhibit 7 ODA as percentage of GDP, GOP Budget, and Exports from Philippines (1989-98)³²



A number of factors contributed to the reduction of ODA to the country. The flow of ODA was slowing down after increasing during the Aquino presidency when the leader became a darling of Western publics and aid agencies. By 1992, however, the OECD countries were implementing aid programs in the countries-in-transition in Eastern Europe and the former Soviet Union, which impacted the ODA flow to the Philippines and other developing nations. Also, the United States closed its military bases in Luzon and reduced the size of its aid program to the country, which had included US military training and assistance. Under Ramos, there was a desire to reduce ODA and the associated debt-load, which the growing economy helped them accomplish.

The Philippines' reduced reliance on ODA commitments compares favourably to similar countries. In 1990, the ratio of ODA to GDP in the Philippines was almost double the average for lower-middle income countries worldwide. It was nearly three times the average for countries in East Asia and the Pacific. In 1997, the ratio of ODA to GDP in the Philippines was the same as the average for these two groups of countries.

The Philippines has compared favourably to selected countries in its region. In 1990, the country received US \$2.71 billion in ODA or the equivalent of 2.9 percent of its GNP. The figure was higher in the Philippines than in Malaysia, Thailand, Indonesia or Vietnam. In 1998, the Philippines received only \$1.86 billion in ODA, which was 0.9 percent of the GNP – a figure that is close to the average of these countries.

Exhibit 8 Comparable ODA Statistics in Selected Southeast Asia Countries (1990 and 1998)³³

Country	ODA per capita (US\$)		ODA as % of GNP	
	1990	1998	1990	1998
Indonesia	10	6	1.6	1.5
Malaysia	26	9	1.1	0.3
Philippines	20	8	2.9	0.9
Thailand	14	11	0.9	0.6
Vietnam	3	15	2.4	4.3

³² Sources: For the ODA figures, Gonzales (2000); for the GDP figures, Key Indicators 2001: Growth and Change in Asia and the Pacific, ADB (2001A).

³³ Source: Illo, 2003.

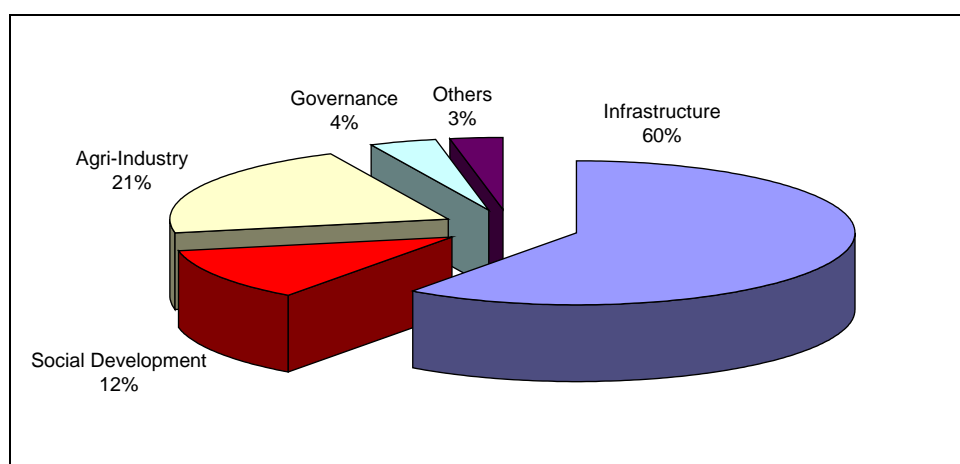
Over the same period, the Philippines reduced its per capita ODA from US\$20 to \$8. Among its neighbours, only Malaysia made greater reductions in per capita ODA between 1990 and 1998.

ODA Commitments by Sector

The use of ODA has reflected global and national priorities as well as the political and economic considerations of donors in pledging aid funds to the country. Almost 60 percent of the total ODA pledged between 1992 and 1999 was used for infrastructure development. Most of this aid was targeted to the transportation sector (44 percent or US\$3.7 billion) and the energy sector (33 percent or US\$2.7 billion).

In the same period, about US \$2.9 billion, or 21 percent of ODA, was invested in agri-industry, while about US \$1.7 billion, or 12 percent of ODA, was committed to social and human development and basic services. About 4 percent of the ODA was invested in governance and development management, and 3 percent in other areas including integrated area development.

Exhibit 9 ODA Commitments to the Philippines by Sector (1992-99)

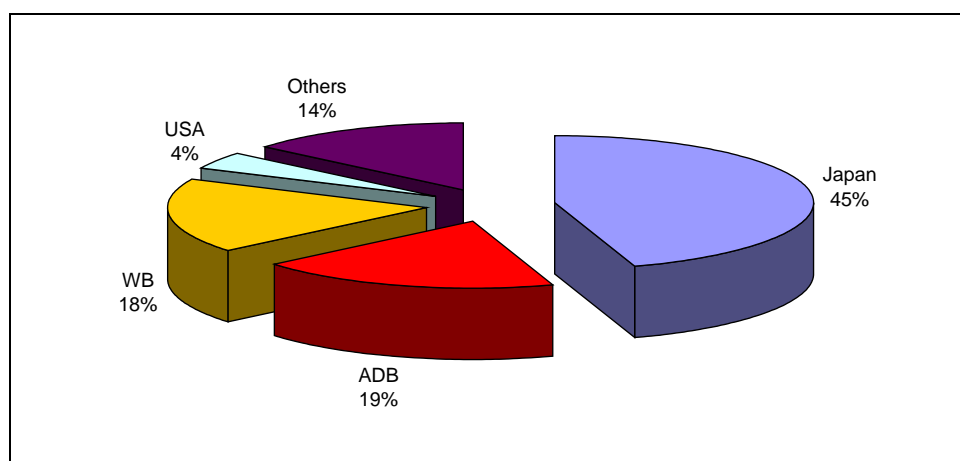


ODA Commitments by Source

A full range of bilateral and multilateral donors, and private sector institutions, have provided development assistance to the Philippines. But the ODA is concentrated in the programs of three donors – Japan, the Asian Development Bank (ADB), and the World Bank. Together these three donors provided 82 percent of ODA commitments to the Philippines from 1992 to 1999 (see exhibit below). Canada's bilateral ODA to the country, which equaled less than 1 percent of total ODA during the period, is included in the block of 'others.'

Beyond the big three donors, and the United States and Canada, the other donors to the Philippines include: Australia, Belgium, Denmark, the European Union, Finland, France, Germany and Sweden, the United Nations Children's Fund, United Nations Development Programme, United Nations Population Fund, Joint United Nations Programme on HIV/AIDS, United Nations Development Fund for Women, the International Finance Corporation, and the International Labour Organization.

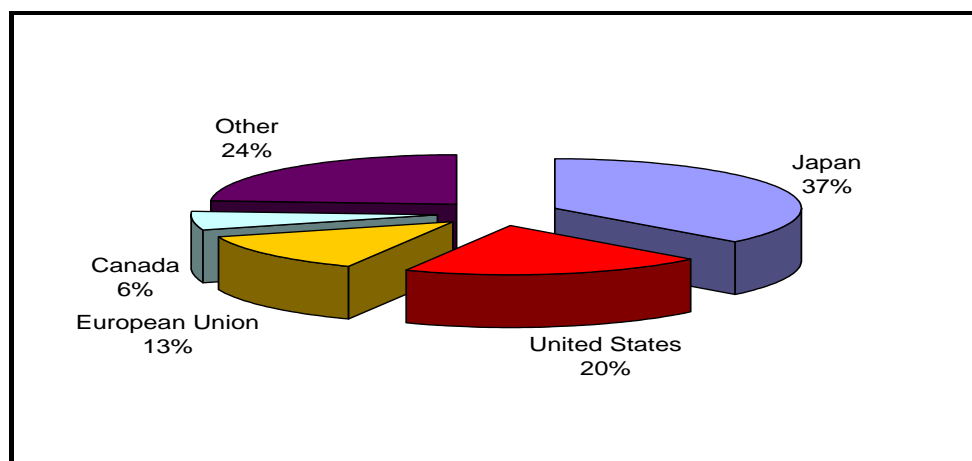
Exhibit 10 ODA Commitments to the Philippines by Source (1992-99)³⁴



ODA Commitments by Form

Most ODA to the Philippines was provided as loans. About US \$11.90 billion, or 85 percent of ODA between 1992 and 1999, were loans, while \$2.13 billion, or 15 percent, were grants³⁵. Japan was the largest provider of ODA grants to the Philippines, followed by the US and the European Union. Canada provided about 6 percent of total ODA grants during the period.

Exhibit 11 ODA Grants to the Philippines by Source (1992-99)³⁶



ODA loans and ODA grants were invested differently. While 60 percent of ODA loans were invested in infrastructure, only 13 percent of ODA grants were invested this way. Four percent of loans, and 17 percent of grants, were allocated to the governance. About 21 percent of loans and 29 percent of grants were invested in agri-industry, and 12 percent of loans and 29 percent of grants were allocated to social and human development.

³⁴ Source: NEDA Public Investment Staff

³⁵ Source: NEDA Public Investment Staff

³⁶ Source: NEDA Public Investment Staff

Donor Priorities

The programming priorities of the three largest donors – Japan, the ADB and the World Bank – are consistent among the three programs, and between the donors and the GOP. The three donors focus on the environment, governance, social services, infrastructure and agri-industry and agriculture development. CIDA's priorities are consistent with and complementary to the priorities of these donors (see exhibit).

Most other countries and donors – including Australia, Austria, Germany, Sweden, the United Kingdom, the European Union, the United States and the United Nations – established programming priorities that were similar to those of Canada. Many of the donors were active in the seven regions in Western Visayas and Mindanao that comprise CIDA's geographic focus.³⁷ The CPE did not look at private foundations such as Ford Foundation or Asia Foundation, which are both active in the Philippines.

Exhibit 12 Programming Focuses of the Japan, ADB, the World Bank and CIDA³⁸

Donor	Good Governance	Social Development	Private Sector Development
Japan	<ul style="list-style-type: none"> Environmental conservation and disaster management 	<ul style="list-style-type: none"> Basic living conditions Basic Education Technical education Administrative and institution building 	<ul style="list-style-type: none"> Macroeconomic management Economic structure and infrastructure Small and Medium Enterprises Agriculture and rural development
ADB	<ul style="list-style-type: none"> Environment Governance 	<ul style="list-style-type: none"> Basic social services, such as education, health, sanitation and housing 	<ul style="list-style-type: none"> Agriculture / rural development Energy Transportation
World Bank	<ul style="list-style-type: none"> Environment Governance Urban development 	<ul style="list-style-type: none"> Poverty alleviation Human development Social services 	<ul style="list-style-type: none"> Infrastructure Agri-industrial development
Canada	<ul style="list-style-type: none"> National government support Local government support Environment as crosscutting theme Gender equality as crosscutting theme 	<ul style="list-style-type: none"> NGO sector Health Basic Education Social sector 	<ul style="list-style-type: none"> Livelihood and MSEs SMEs Cooperatives Commodities support Telecommunications

³⁷ See Annex 6 for a summary of the programming priorities of other donors mentioned here.

³⁸ Source: NEDA Public Investment Staff for Japan, ADB and World Bank priorities, and CPE for CIDA sectors.

3. PROGRAM PROFILE

3.1 Program Priorities and Strategy

Summary of Trends in the Profile of the CIDA Philippines Program

- In 1986, Canada pledged \$100 million in ODA to the Philippines over five years. The ODA was designed to support democratic and economic reform. This timely, decisive display of support for the Aquino government helped build a generous profile for CIDA's program.
- After preparing its Interim Strategy (1986-88), CIDA developed three frameworks to help guide the program from the start to the present: the Country Program Review (1989-94), the Country Development Policy Framework (1995-00) and the CDPF Update (2001-03). The frameworks have focused on priorities in three programming areas – NGO/PO support, governance, and private sector development. More recently, CIDA articulated a new programming area – social development – while integrating its support to NGOs and POs into its governance and PSD programs. Asia branch is currently engaged in developing a new CDPF for the next five to seven years.
- CIDA took a consultative and participatory approach to the design of the initial program, which was shaped by local priorities and needs, and by the GOP reform agenda. The approach helped the program to expand networks, build partnerships, and develop the long-term relationships that would be critical to program success.
- CIDA took a 'skills-and-systems' approach to capacity building under the CPR. It endorsed the Aquino government's plan to create a professional government structure to replace the patronage and cronyism in government. The program focused on improving the management of public and private sector organizations, and emphasized better planning and administrative skills, better decision-making systems, better local revenue generation and control, and greater government accountability to local communities. The CIDA program also supported the government's plan for the private sector – particularly NGOs and community organizations – to play a new role in local governance and service delivery. It helped address NGO concerns for improved capabilities and management and delivery systems in the NGO sector.
- The CPR delivery strategy highlighted the use of responsive facilities to strengthen decision-making, management and ownership of the program by Filipinos. Between 1986 and 1991, CIDA and its partners designed ten large demand-driven bilateral projects that behaved as donor facilities managed by local executing agencies. These facilities increased access to the program for many public and private organizations in the Philippines, including NGOs, while allowing the projects to remain flexible and adaptable to emerging priorities in the development context.
- In the mid-1990s, CIDA moved away from the use of responsive facilities in the bilateral program toward more strategic and focused programming. This programming was based on proactive project development by strategic managers, integrated programming within organizational contexts, focused frameworks of short-term and long-term results, and focused attention on downstream beneficiaries in programming.
- CIDA re-affirmed the 'skills-and-systems' approach to capacity building in the CDPF, while expanding the analysis to cover institutional dimensions of good governance and civil society participation. The stronger institutional, legal and policy frameworks would ensure that the improvements in public and private sector organizations were institutionalized.

- CIDA's overall ODA investment in the Philippines was \$489.43 million in the 16-year period from 1986/87 to 2001/02. Under the CPR, CIDA spending averaged about \$38.35 million annually. It reached almost \$47 million in 1993/94, but then fell dramatically from this peak. Under the CDPF, CIDA spent about \$23 million annually in the Philippines.
- As expected, the largest contributor to the program was Asia Branch, which disbursed \$335.33 million or 68.5 percent of the total from 1986/87 to 2000/01. Multilateral Programs Branch (MPB) disbursed \$97.11 million, or about 20 percent of the total, and Canadian Partnership Branch (CPB) disbursed \$56.99 million, or 11.5 percent of the total. Asia branch disbursements shaped CIDA's spending patterns in the country. Asia disbursed about \$25.5 million annually from 1987/88 to 1994/95, about \$16.8 million annually from 1995/96 to 2000/01, and about \$20 million in 2001/02.
- Between 1986 and 2001, CIDA provided support to almost 500 initiatives in the Philippines. As indicated, the CPE examined 63 Asia Branch and CPB initiatives, which had budgets totaling \$298.72 million. This represented about 76 percent of the \$392.32 million in Canadian ODA to the Philippines through Asia Branch and CPB from 1986/87 to 2001/02.
- CIDA's program has worked in 12 'sectors:' (1) local government support – which received \$82.5 million in CIDA support, (2) SME development – \$37.4 million, (3) national government support – \$34.3 million, (4) telecommunications infrastructure development – \$33.25 million, (5) NGO institution strengthening – \$30.5 million, (6) livelihood and micro and small enterprises – \$23.3 million, (7) health – \$21.0 million, (8) cooperative development – \$14.6 million, (9) education – \$9.2 million, (10) social sector – \$9.2 million, and (11) micro-credit – \$3.5 million. The program also (12) provided \$115.8 million in commodity support, most of which was monetized and channeled to projects in the other 11 'sectors.'

CIDA Policy Context

Since 1987, CIDA has introduced a number of policies and strategies for increasing aid effectiveness. Some of these policies have helped shape the Philippines program, while others have had less impact on programming.

In 1987, CIDA introduced *Sharing Our Future*, which articulated its mandate for promoting sustainable development, while introducing priorities for the ODA program. The priorities were: poverty alleviation, structural adjustment, increased participation of women, environmentally sound development, food security, and energy availability. Human resource development was the lens through which Canada's ODA would flow, and decentralization was CIDA's approach to deploying its personnel for program delivery. CIDA introduced 'partnership' as the key to fostering and strengthening the links between Canada's people and institutions and those of the developing world. The Agency created the Canadian Partnership Branch at this time. As important as the policy was to the Agency, the initial programming areas and priorities in the Philippines were shaped more by local priorities and needs, and by the GOP reform agenda, than by *Sharing Our Future* or other CIDA policy.

In 1995, the Canadian government published *Canada in the World*, which was a new foreign policy statement for the country. The policy statement aligned ODA with the new foreign policy objectives. It provided six priorities for Canada's ODA program, while expressing Canadian commitment to working with partners, improving effectiveness, and demonstrating results.

Canada in the World marked the beginning of the current era of policy-driven programming in the Philippines. The approach was reinforced through the subsequent introduction of a number of CIDA policy statements and guidelines:

- *CIDA's Policy on Results-based Management* (1996) – This statement committed CIDA and its partners to taking a results-approach to the management of development projects.
- *CIDA's Policy on Meeting Basic Human Needs* (1997) – This policy committed 25 percent of ODA to meeting basic human needs through support to primary health care, nutrition, basic education, family planning, water, sanitation and shelter, and humanitarian assistance.
- *CIDA's Policy on Gender Equality* (1999) – This policy articulated the goal, objectives and guiding principles for integrating gender equality into all CIDA programming. It was a fresh update to CIDA's Women in Development (WID) and Gender Equity policy (1995) as well as an extension of previous work in this theme, including an initial WID policy in 1984.
- *CIDA's Social Development Priorities* (2000) – This policy expressed CIDA's commitment to programming in health and nutrition, basic education, HIV/AIDS, and child protection.
- *Strengthening Aid Effectiveness* (2001) – This policy articulated a set of principles for CIDA to follow in strengthening aid effectiveness and increasing the impact of programming.

Philippines Programming Areas and Priorities

In 1986, CIDA put in place its Interim Strategy following Canada's commitment to provide \$100 million in ODA to the Philippines over the next five years.³⁹ The assistance, which was meant as support to democratic and economic reform, was designed to help the Philippines government achieve economic stability in the short term and sustained and equitable growth in the long term. The strategy was focused on supporting commodity assistance, development planning, and community-based projects (see Exhibit 14).

After launching the initial strategy, CIDA developed three frameworks to guide the Philippines program:

- The Country Program Review (1989/90 to 1994/95);
- The Country Development Policy Framework (1995/96 to 2000/01); and
- The CDPF Update (2001/02 to 2003/04).⁴⁰

In 1989, Asia Branch launched its first five-year Country Program Review (CPR) for the Philippines. The goal was to help key public and private organizations develop and implement policies and programs for poverty alleviation and structural adjustment. The 1989-94 program aimed to:

- Provide policy support to assist the overall adjustment process and decentralization thrust,
- Build capacity of public and private institutions to improve access to resources and services,
- Provide commodity assistance, and
- Support development in telecommunications.

³⁹ In fact, Canada provided the country with \$165.91 million in ODA in the five years between 1986 and 1990, including \$105.59 million in bilateral assistance.

⁴⁰ When dates are presented in this manner – i.e. 1986/87 – they refer to Canadian government fiscal years.

In 1995, Asia Branch introduced its first Country Development Policy Framework (CDPF) for the Philippines. The CDPF reinforced the Canadian foreign policy objectives that were expressed in *Canada in the World* (1995). CIDA aligned its programming with Canada's ODA priorities as described in the foreign policy statement. It focused on good governance and private sector development (PSD), while integrating the other ODA priorities into the program as crosscutting themes. The CDPF described CIDA's support to NGOs and POs as linked to its objectives for governance and PSD. By 1997, CIDA had integrated this support into these other areas, and dropped NGO and PO strengthening as a program objective.

In 2000, Asia Branch updated the Philippines CDPF for the period 2001/02 through 2003/04. The goal of the program remained contributing to poverty reduction through equitable, sustainable development, but the objectives now included strengthening social development as well as promoting responsible government and building private sector capacity to create jobs. The exhibit below describes CIDA objectives in each of the programming areas during the key programming periods from 1986 to the present.

Exhibit 13 CIDA Philippines Program – Programming Areas and Program Objectives

Period	Strengthening NGOs & POs	Governance	Private Sector Development
Interim Strategy 1986/87 to 1988/89	<i>Community-based Projects</i> To support direct impact projects at the grass-roots level	<i>Development Planning</i> To provide support for economic stabilization assistance in economic and sectoral planning	<i>Commodity Assistance</i> To support the policy adjustment process and ease balance of payments and budgetary deficits
Country Program Review 1989/90 to 1994/95	<i>Public & Private Organizations</i> To strengthen public and private organizations critical to enabling the poor to gain access to assets and services	<i>Government Decentralization</i> To strengthen the capacity of national, regional and local government authorities to develop and implement policies and programs in support of Philippines government decentralization	<i>Economic Development</i> To support the Philippines macro-economic adjustment process
CDPF 1995/96 to 2000/01	<i>NGOs and POs</i> To strengthen the capacity of democratic institutions and NGOs/POs to promote responsible governance and the factors which will build private sector capabilities	<i>Good Governance</i> To promote responsible governance related to economic and social policy through improved mechanisms, legal frameworks, resources and services	<i>Private Sector Development</i> To promote factors which will build Philippine private sector capabilities by sharing Canadian technology and skills in areas of mutual interest
CDPF Update ⁴¹ 2001/02 to 2003/04	<i>Social Development</i> ⁴² To contribute to poverty reduction through support to social development priorities	<i>Good Governance</i> To foster efficient, responsive, transparent and accountable governance at all levels	<i>Private Sector Development</i> To support the development of small and medium enterprises that create meaningful jobs for both men and women

Asia Branch is currently developing a new CDPF for the Philippines for the next five-to-ten years. It should be in place to begin programming in the 2004/05 fiscal year.

⁴¹ Statements are from Jan. 2001 draft of strategic objectives and expected results of Philippines program.

⁴² The 'social development' objective was introduced to the CDPF Update in late 2000. It is not viewed as an extension of NGO support programming.

Program Strategy and Design

CIDA took a consultative and participatory approach to program design under the CPR. The Agency consulted with NEDA, other national government agencies, local government units, NGO networks, the National Confederation of Cooperatives, a number of Philippine business associations, and key Canadian organizations and partners. The approach helped establish direction and set priorities in the program that remained consistent over the period under review. This consistency allowed the program to expand networks, build partnerships and develop the long-term relationships that were critical to program success. It also allowed time for the development of innovative approaches and the testing of models through the projects.

CIDA's delivery strategy for the CPR highlighted the use of responsive facilities to strengthen local decision-making, management and ownership. These facilities increased access to the program for many public and private organizations, including NGOs, while allowing the projects to remain flexible and adaptable to emerging priorities in the development context. The CPR relied on local partners for a good amount of leadership, local executing agencies for project management and implementation, and local experts for technical assistance and expertise. This approach expanded CIDA's program and political networks.

In the 1990s, CIDA moved away from responsive facilities in the bilateral program toward more strategic and focused programming. The new approach was based on proactive project development by strategic managers, integrated programming within organizational contexts, focused frameworks of short-term and long-term results, and focused attention on downstream beneficiaries in programming. CIDA also increased its use of Canadian executing agencies and Canadian experts under the CDPF.

CIDA introduced results-based management in the 1990s. It took a compliance approach and emphasized project-based RBM for reporting purposes. RBM led to examples of better results planning and measurement by partners, and helped facilitate the movement toward strategic and focused programming.

Program Focus and Approach to Capacity Building

As described, CIDA's CPR 1989-94 endorsed the Aquino government's plan to create a professional government structure. The program's approach to capacity building focused on building management skills and systems in public and private sector organizations. The CPR emphasized better planning and administrative skills, better decision-making systems, better local revenue generation and control, and greater government accountability to local communities. The projects relied primarily on training and technical assistance for the skills and systems development.

The program also supported the Aquino government's plan for the private sector – particularly NGOs and community organizations – to play a new role in local governance and service delivery. The sector would play an advocacy role and help strengthen service delivery mechanisms to ensure better planning, coordination and targeting of priority groups. The NGOs also focused on the need for professionalism within the sector, and the need for human resources development and management systems building in NGOs. The CPR reflected these concerns and supported these priorities.

With the Philippines gathering economic and political momentum under Ramos, the CDPF reaffirmed the 'skills-and-systems' approach to capacity building, while expanding the analysis to

cover some of the institutional dimensions of good governance and civil society participation. In the expanded approach to capacity building, the stronger institutional, legal and policy frameworks were seen as helping ensure that improvements in public and private sector organizations were institutionalized.

Geographic Focus

In the early 1990s, the geographic focus of the country program grew from three regions to seven regions in Western Visayas and Mindanao. It has maintained this geographic focus to the present time.

CIDA began programming in the Autonomous Region in Muslim Mindanao (ARMM) in 1996. It supports opportunities for promoting peace, equity and growth in the Special Zone for Peace and Development (SZOPAD) in the western parts of Mindanao.

3.2 Program Management and Implementation

CIDA's Line Branches

CIDA's programming in the Philippines was delivered through three line branches – Asia Branch, Multilateral Programs Branch (MPB) and Canadian Partnership Branch (CPB). Asia Branch has been the largest contributor to Canadian programming in the Philippines. Between 1986/87 and 2001/02, it disbursed \$335.33 million or 68.5 percent of the total CIDA program in the country. Asia Branch priorities were described above in the CPR and CDPF statements of objectives and expected results.

Since 1996, MPB programming has been aligned with Canada's ODA priorities and the International Development Goals, which were updated in 2001 as the Millennium Development Goals. MPB provides about 50 percent of its program budget as institutional support, or core contributions, to multilateral development institutions. The largest recipient of MPB support is the Asian Development Bank, which provides 19 percent of all ODA to the Philippines.

CPB is mandated to promote the establishment of mutually beneficial partnerships between organizations in Canada and overseas. Like the MPB, CPB is organized along institutional rather than geographic lines. The branch provides support each year to about 750 Canadian organizations, including private firms, business associations, NGOs, universities, volunteer-sending organizations, municipalities, professional associations, cooperatives and unions.

Under the 1995 CDPF, CIDA established a 'corporate approach' to implementing its country program. The approach identified programming roles for Asia Branch, CPB and MPB. Asia Branch was responsible for ensuring co-ordination among the branches to assure progress toward the CDPF objectives. CPB and MPB were responsible for integrating the objectives and principles outlined in the CDPF into their support for partner institutions.



Programming Mechanisms

The three branches deliver the country program through a variety of programming mechanisms. These include bilateral and regional programs, partnership programs with Canadian organizations, and institutional arrangements with multilateral development institutions.

Exhibit 14 CIDA Approach to Implementing the Philippines Country Program

Branch	CIDA Programs and Divisions	Programming Mechanisms
Asia Branch	<ul style="list-style-type: none"> Philippines Program – Indonesia, Philippines and South Pacific (BSE/G) Southeast Asia Regional Program (BSY) 	<ul style="list-style-type: none"> Bilateral directive Bilateral responsive Development funds Regional project support
Canadian Partnership Branch	<ul style="list-style-type: none"> Non-Governmental Organizations (SNG) Industrial Cooperation Program (INC) Institutional Cooperation Division (SPC) 	<ul style="list-style-type: none"> Canadian partnership arrangements
Multilateral Programs Branch	<ul style="list-style-type: none"> International Humanitarian Assistance Food Aid Centre (MFA) UN and Commonwealth Program (MUN) International Financial Institutions (MFD) 	<ul style="list-style-type: none"> Core funding to international organizations Program support for thematic initiatives Emergency assistance

CIDA used these programming mechanisms in the Philippines program.⁴³

- *Bilateral Directive* – The mechanism requires CIDA bilateral staff members to take the lead in project identification, appraisal, design and planning processes. This is done in response to and in cooperation with the recipient country. This was the main mechanism for delivering ODA to the Philippines.
- *Bilateral Responsive* – The mechanism allows for the submission of unsolicited proposals to the bilateral desk by the private and not-for profit sectors. The project proponents take the lead in the project design processes, though the funding comes from existing bilateral resources and the bilateral desk remains responsible and accountable for the achievement of results. Five initiatives in the Philippines sample were bilateral responsive projects.
- *Regional Program* – The mechanism allows Asia Branch to support multi-country initiatives in Southeast Asia. The initiatives may be directive or responsive. Only two initiatives in the CPE sample were from the regional program.
- *Development Funds* – The mechanism allows CIDA to establish funds to respond to a development need. CIDA determines the objectives of the fund, sets a financial envelope, and provides criteria for accessing the fund. CIDA established a number of responsive funds in the Philippines program, including the Governance Fund, the Gender Equity Funds I and II, and the Canada Fund for Local Initiatives. It also established a counterpart fund called the Philippines-Canada Development Fund (DF).
- *Philippines-Canada Development Fund* – The DF is a counterpart fund that is jointly managed by CIDA and NEDA. The total DF funds were PhP 1.556 billion, of which 1.294

⁴³ See Annex 4 for a list of the CPE programming initiatives under each programming mechanism.

billion was monetized from the CAPs and 262 million was from interest and other revenues. The DF has supported 30 projects with total committed funds totaling 1.64 billion. CIDA has used the DF to support the Local Government Support Program (LGSP), which has received almost two-thirds of DF funds (about \$50 million) since 1991/92.

- *Canadian Partnership Arrangements* – CPB promotes and supports the work of Canadian organizations and their partners in developing countries. CPB provides the Canadian organizations with program support for use in a number of countries. The evaluators reviewed 19 CPB programs in the CPE, including \$21.1 million through CIDA-INC.

It is difficult to analyze the effectiveness of the bilateral directive and bilateral responsive mechanisms in the achievement of results. Under the 1989 CPR, CIDA designed many of the initial bilateral directive projects as demand driven or responsive facilities. This was in accordance with the program delivery strategy that CIDA developed for the CPR, which stated that projects would be flexible and adaptable to changes and demands in the Philippines context. As a result, the formal classification of bilateral directive and bilateral responsive projects is not useful in understanding the relative effectiveness of the delivery mechanisms (see pages 69-70 for a discussion of the performance of responsive facilities).

Program Initiatives

Between 1986 and 2002, CIDA provided support to almost 500 programming initiatives in the Philippines. This includes all projects supported under the six mechanisms outlined above. During this time, Asia Branch and CPB provided \$392.32 million in ODA to the Philippines. As indicated, the CPE examined 63 initiatives in the three programming areas. These initiatives had budgets totaling \$298.72 million⁴⁴. They accounted for 76 percent of Asia Branch and CPB disbursements from 1986/87 to 2001/02.⁴⁵

Exhibit 15 Overview of Initiatives Examined in the Philippines CPE

Programming Area	Overall Initiatives			Asia Branch			CPB/MPB ⁴⁶		
	No.	Amount	%	No.	Amount	%	No.	Amount	%
NGO Support	20	\$73.40 m	100	14	\$64.70 m	88	6	\$8.70 m	12
Governance	24	\$116.77 m	100	15	\$112.00 m	96	9	\$4.77m	4
Private Sector	19	\$108.55 m	100	15	\$86.15 m	79	4	\$22.40 m	21
Totals	63	\$298.72 m	100%	45	\$262.85 m	88%	19	\$35.87m	12%

The initiatives are further organized by sectoral or thematic groupings in Exhibit 16 on the next page.

⁴⁴ The amount does not include \$115.8 million for CAP I to CAP IV.

⁴⁵ This figure indicates that the CPE sample of initiatives covered a good percentage of CIDA activity in the country during the period under review. However, the figure is also problematic. The total amount of CIDA disbursements covers a 16-year period from 1986/87 to 2001/02, while the total amount for the CPE sample covers a 19-year period from 1986/87 to 2004/05. For 2002/03 to 2004/05, the figure refers to what was budgeted rather than disbursed.

⁴⁶ As indicated, only one MPB initiative – a \$4.3 million food aid initiative – was included in the sample.

Exhibit 16 Summary of Initiatives Examined in the Philippines CPE

Area	Sector	Initiatives Examined Under the CPE	No.	Total
NGO	NGO and PO Support	The Philippines Development Assistance Program (PDAP I-II), and the Philippines-Canada Human Resources Development Project (PCHRD).	3	\$30.5 million
	Health	The Philippines Tuberculosis Control and Prevention projects (I-II), the Philippines Immunization Program, the UNICEF Area-Based Child Survival and Development Project, the Davao Health Development Project, and the Canadian Red Cross Primary Health Care Project.	6	\$21.0 million
	Micro-credit	The Christian Reformed World Relief Canada (CRWRC) program, and the Canada Fund for Local Initiatives.	2	\$3.5 million
	Education	The Philippines Non-formal Education project, the Association of Community Colleges of Canada (ACCC) program, the Association of Universities and Colleges of Canada (AUCC) program, and the Dalhousie Island Sustainability, Livelihood and Equity (ISLE) program.	4	\$9.2 million
	Social	The Anglican Church of Canada (ACC) program, the Southeast Asia Gender Equity Program (SEAGEP), the Gender Fund, the Gender Equity Fund, and the Development Initiative for Women's Alternatives and Transformation Action (DIWATA).	5	\$9.2 million
Gov.	National Government Support	The Policy, Technical Assistance and Training Facility (I-II), the National Commission on Role of Filipino Women Institutional Strengthening project (I-II), the Philippines Information Infrastructure Policy Support project, the Environment and Resource Management project (I-II), and the Southeast Asia Fund for Institutional and Legal Development (SEAFILD).	8	\$34.3 million
	Local and Regional Government Support	Local Government Support Program (I-II), Philippines-Canada Environmental and Economic Management project, Canadian Urban Institute (CUI) programs (I-IV), Federation of Canadian Municipalities (FCM) programs (I-III), Institute of Public Administration of Canada (IPAC) programs (I-II), the Responsive Governance Fund, Philippines Governance Fund, Southeast Asia Fund for Institutional and Legal Development (SEAFILD), Environmental Security and Management Program, and Governance for Philippine Agenda 21 project.	16	\$82.47 million
PSD	Infrastructure Development	The Batangas Telecommunications Development Project (BTDP), the Philippines Telecommunications Technical Assistance project (Telecom TA) and the Telecommunications Import Support Project (I-II).	4	\$33.25 million
	Cooperative Development	The Philippines Cooperative Development Assistance Program (P-CODAP), the Cooperative Business Development Program (CBDP), the Socio-Economic Development through Cooperatives in the Philippines (SEDCOP), and the Canadian Cooperative Association (CCA I-II)) programs.	5	\$14.6 million
	SME Development	The Private Enterprise Accelerated Resource Linkages (PEARL) project, the Entrepreneur Support Project (ESP), the Business Advisory Project (BAP), the Canadian Executive Service Overseas (CESO) program, and projects under the Industrial Cooperation Program (CIDA-INC).	5	\$37.4 million
	Livelihood and Micro and Small Enterprise Development	The Negros Rehabilitation and Development Fund (NRDF), the Enterprise Linkages Project (ELP), the Promoting Participation for Sustainable Enterprises (PPSE), the Program for Peace and Development in SZOPAD Area (PPDSA), and the Canada Fund micro-finance initiatives.	5	\$23.3 million
	Commodity Assistance/ Monetization	The Commodity Assistance Program (CAP I-II), and Philippines-Canada Monetization Facility Project (CAP III-IV).	4	\$115.8 million

Commodity Assistance/Monetization

The CPE examined four projects under the Commodity Assistance Program (CAP). CAP was implemented in four phases from 1987 to 2005 with budgets totaling approximately \$115.8 million. The main priority for CIDA in providing commodity assistance was supporting private sector development through economic integration. A secondary priority was promoting good governance through increased public sector competence. The Philippines-Canada Development Fund was financed by the sale of Canadian commodities under the CAP.

Program Partners and Beneficiaries

The program partners and beneficiaries have included national, regional and local governments; informal sector entrepreneurs, private sector enterprises, and business associations; and a wide range of civil society groups including NGOs, POs, academic institutions and cooperatives.

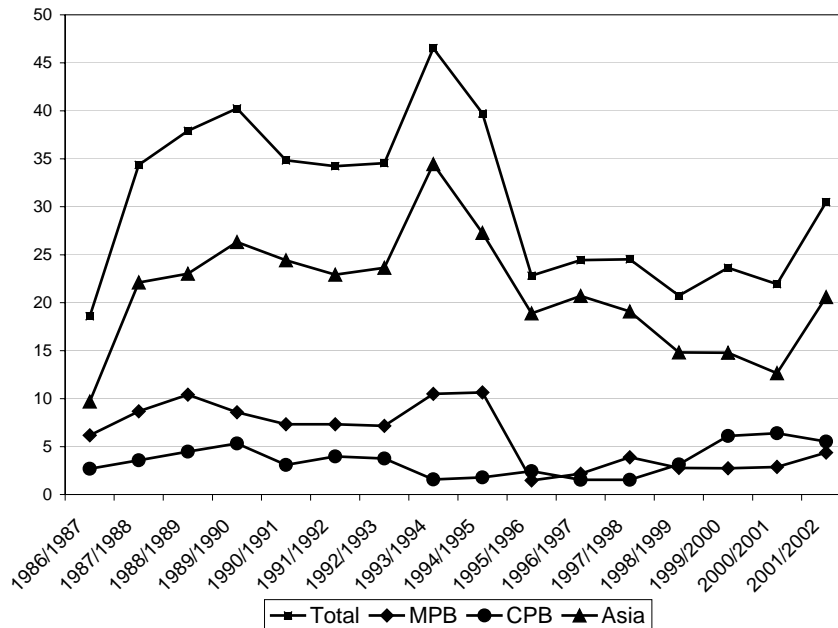
Exhibit 17 CIDA Philippines Program Partners and Beneficiaries (1986-01)

Partners and Beneficiaries	NGO Program	Governance Program	PSD Program
National Govt Agencies	Tuberculosis II, PIP, UNICEF, Primary Health, SEAGEP	PTAFF I & II, NCRFW I & II, PIIP, LGSP II, ERMP I & II, Gov. Fund	CAP I – IV, Batangas, Telecom TA, TISP I & II
Regional Governments		NCRFW I & II, LGSP I & II	
Local Govt Units		LGSP I & II, PCEEM, ERMP I & II, CUI, FCM, IPAC, DF, Gov. Fund	
Leagues of Cities, etc.		LGSP II, FCM	
Democratic Institutions		Governance Funds	
Academic Institutions	ACCC, AUCC, CRWRC, Dalhousie, PNFE	ERMP I & II, IPAC, DF sub-projects	
Informal Sector Entrepreneurs			P-CODAP, SEDCOP, CCA, ELP, PPSE, NRDF, PPDSA, CFLI
Private Sector Enterprises			ESP, PEARL, BAP, CIDA-INC, CESO
Business Associations			ELP, ESP, PEARL, BAP
Cooperative Associations			P-CODAP, SEDCOP, CBDP, CCA
NGOs, CSOs and POs	Tuberculosis I & II, PDAP I & II, PCHRD, DIWATA, Gender funds, ACC, CFLI, Davao Health, SEAGEP	Governance Funds, DF sub-projects	NRDF, PPSE
Individuals in Communities	Tuberculosis I & II, PDAP I & II, PCHRD, DIWATA, ACC, ACCC, AUCC, Dalhousie, CFLI, Davao Health, PNFE, PIP, UNICEF, Primary Health		

3.3 Program Investment

CIDA's overall ODA investment in the Philippines program was \$489.43 million in the 16-year period from 1986/87 to 2001/02. CIDA's annual investment ranged between \$34 million and \$40 million in each of the six years from 1987/88 to 1992/93. It reached almost \$47 million in 1993/94, but then fell dramatically from this peak. Since 1995/96, CIDA has invested between \$20 million and \$30 million annually in the country.

Exhibit 18 CIDA ODA to the Philippines (1986-01)



ODA by CIDA Branches

Asia Branch disbursed \$335.33 million of the \$489.43 million in the 16-year period between 1986/87 and 2001/02. This represented 68.5 percent of the total. MPB disbursed \$97.11 million, or 19.8 percent of the total, and CPB disbursed \$56.99 million, or 11.6 percent of the total.

Exhibits 17 and 18 show that the pattern in the branch's investment over the 15 years closely resembles the overall investment trend. Asia Branch invested \$22 million to \$26 million annually in the program from 1987/88 to 1992/93. This amount climbed to almost \$35 million in 1993/94, but it dropped to \$19 million to \$20 million each year from 1995/96 to 1997/98. Asia Branch disbursed less than \$15 million annually in the program from 1998/99 to 2000/01, though this climbed to over \$20 million again in 2001/02.

Exhibit 19 CIDA Disbursements in the Philippines by Branch (in \$ millions)⁴⁷

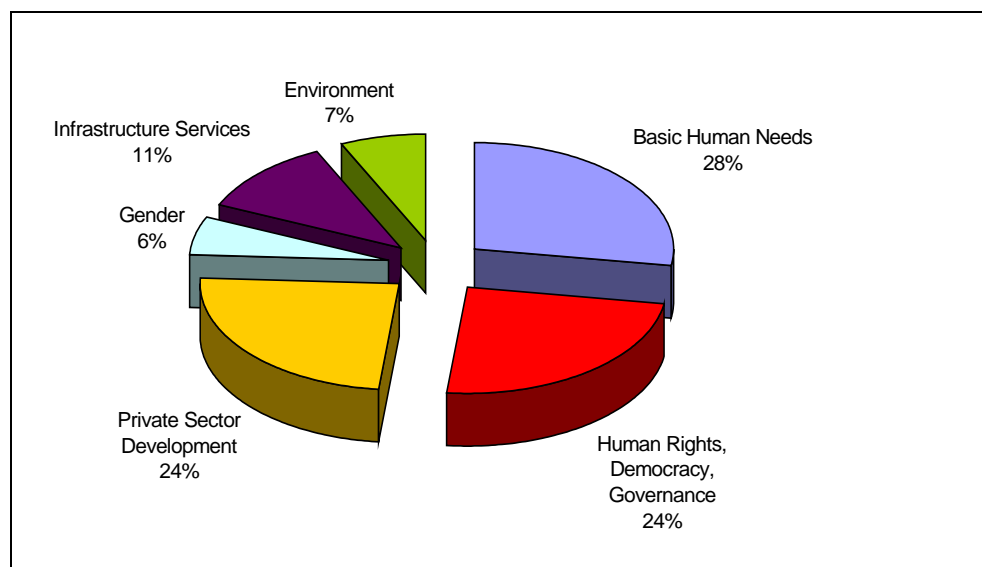
Branch	Fiscal Year																Total
	86/87	87/88	88/89	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	
Asia	9.71	22.11	23.02	26.33	24.42	22.91	23.63	34.44	27.27	18.88	20.71	19.08	14.81	14.78	12.65	20.58	335.33
CPB	2.69	3.57	4.48	5.33	3.10	3.98	3.76	1.58	1.80	2.45	1.54	1.54	3.15	6.11	6.39	5.52	56.99
MPB	6.17	8.68	10.40	8.58	7.32	7.32	7.15	10.50	10.65	1.48	2.18	3.89	2.77	2.75	2.89	4.38	97.11
Total	18.57	34.36	37.90	40.24	34.84	34.21	34.54	46.52	39.72	22.81	24.43	24.51	20.73	23.64	21.93	30.48	489.43

Asia Branch disbursements comprised 65 to 75 percent of annual CIDA investment in the Philippines from 1989/90 to 1994/95. The portion rose to about 85 percent in 1995/96 and 1996/97 as MPB disbursements slowed. Since then, Asia Branch investment in the Philippines has declined steadily relative to the other branches. In 2000/01, Asia Branch disbursed only 58 percent of ODA to the country, as CPB investment grew to its highest level in the 16-year period. Asia Branch disbursements rose to 67.5 percent of the annual total in 2001/02.

ODA by Priority Area

The exhibit below describes the approximate breakdown of CIDA's investment by ODA priority area between 1995/96 and 2001/02.⁴⁸

Exhibit 20 CIDA ODA to the Philippines by ODA Priority Area (1995-01)



⁴⁷ Source: CIDA Statistical Reports on ODA, from 1986/87 to 2001/02.

⁴⁸ CIDA's corporate database captures projects operational in 1995/96 but not before. It is difficult to make strong links between CIDA investments, CIDA programming and ODA priorities for the entire period covered by the evaluation. The data from the post-1995 period may be imprecise because of the coding challenges that CIDA personnel experience. CIDA has not coded a good percentage of its initiatives.

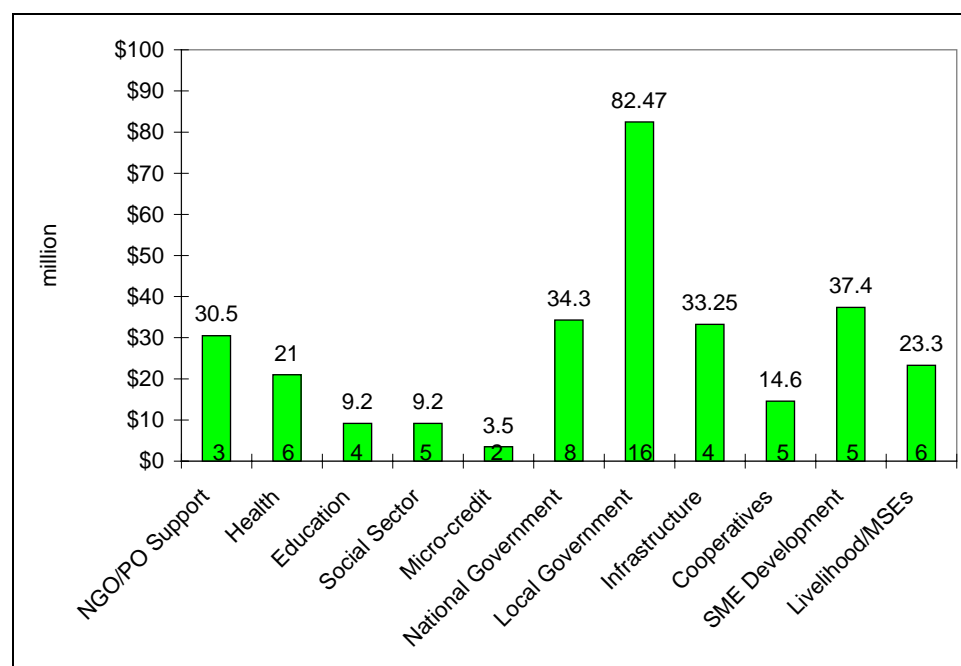
ODA by Program 'Sector'

As indicated, the total budget of the CPE sample of 63 projects and initiatives was \$298.72 million. This represents 76 percent of the \$392.32 million in ODA to the Philippines through Asia Branch and CPB from 1986/87 to 2001/02.

The projects are grouped into 12 program 'sectors.' In its largest 'sector' of support, CIDA invested \$82.5 million in local government strengthening in 16 projects and initiatives from 1986/87 to 2003/04. It invested \$37.4 million in SME development, \$34.3 million in national government support, \$33.25 million in telecommunications infrastructure development, and \$30.5 in NGO and PO support. The figure for SME development includes CIDA-INC investment (see exhibit below).

The exhibit does not include the \$115.8 million invested in four phases of the Commodity Assistance Program (CAP) from 1987 through 2005. CAP monies were used in the DF, which invested about \$50 million (of the \$82.47 million above) in LGSP I & II. The CPE examined five DF initiatives with combined budgets of \$6.1 million or 2 percent of the CPE sample.

Exhibit 21 CIDA ODA to the Philippines by Programming Area and Sector (1986-03)



ODA by ACE Result Area

The CPE team estimated the amount of spending by project in the three program result areas – improving access, capacity building, and the enabling environment. As seen below, the projects in the CPE sample focused primarily on capacity building – about 56 percent of the

project resources were invested in this result area. About 35 percent were invested in improving access to services and about 9 percent at enhancing the enabling environment.⁴⁹

Exhibit 22 CIDA ODA to the Philippines by ACE Result Area (1986-04)

	NGO and PO Support		Governance		Private Sector Development		Totals	
	Amount	%	Amount	%	Amount	%	Amount	%
Access	\$52.0 m	71%	\$4.0 m	3%	\$48.8 m	45%	\$104.8 m	35%
Capacity	\$16.3 m	22%	\$110.0 m	95%	\$41.7 m	38%	\$168.0 m	56%
Enabling	\$5.1 m	7%	\$2.7 m	2%	\$17.9 m	17%	\$25.7 m	9%
	\$73.4 m	100%	\$116.7 m	100%	\$108.5 m	100%	\$298.5 m	100%

⁴⁹ This amount does not include the \$115.8 million for CAP I-IV, which was channeled in part through the DF to other program initiatives.

4. PROGRAM RESULTS

4.1 Introduction

Since 1986, the Philippines program has supported a diverse range of partners and beneficiaries in a variety of sectors in three programming areas – NGO/PO strengthening, governance, and private sector development (see Exhibit 16). This part of the report analyses the achievement and sustainability of the intended and unintended results of the program, including results of crosscutting efforts to strengthen gender equality and protect the environment.

Basic ‘Results Logic’ in the Program

The CPE team used the ACE framework to organize results information. The ACE elements – namely, access to resources and services, capacity to define and manage, and the enabling institutional and policy environment for development – are interrelated and mutually supportive.

CIDA’s approach in the program suggests a basic ‘results logic’. The program was primarily focused on strengthening human capabilities and management capacities through training and technical assistance. Often these new or improved skills and systems in partner and beneficiary organizations were the end-results the program was targeting.

In other instances, the capacity building was a means to other ends. It was sometimes meant to help improve strategic management or service delivery mechanisms to create new access to resources and services for the poor or populations-in-need. The program sometimes strengthened organizational capacities with the long-term aim of improving the enabling environment. The NGO program, for example, invested in its partners’ capacity for advocacy, which would help the NGOs to lobby for policy changes effectively.

While the approach suggests this basic ‘results logic,’ there were other cases in which the program invested directly in improving access to services or improving the enabling environment without investing first in strengthening the underlying organizational capacity.

Organization of Results Information

The report examines the program results in this order – capacity, enabling environment, access. Capacity building is discussed first because it is often a foundation for influencing the enabling environment and improving access to services. Improving access is discussed last because these results are further downstream and closer to poverty reduction efforts.

Program Approach to Capacity Building

Given its centrality in the program, it is important to reiterate CIDA’s approach to capacity building. As described, CIDA took a ‘skills-and-systems’ approach to capacity building especially in the initial program. It endorsed the Aquino plan to create a professional government structure by improving the management of public and private sector organizations. It emphasized better planning and administrative skills, better decision-making systems, better local revenue generation and control, and greater government accountability to local communities. CIDA invested an estimated 95 percent of its governance program resources in capacity building primarily through a skills-and-systems approach.

The CIDA program also supported the government's plan for the private sector – particularly NGOs and community organizations – to play a new role in local governance and service delivery. It helped address NGO concerns for improved capabilities and management and delivery systems in the NGO sector. The NGO program invested an estimated 22 percent of its resources in building capacity in the sector. In some instances, capacity building was the end in itself, while in others it was the necessary means to create access to resources and services. In the main, however, the NGO program invested directly in improving access to services when this was the expected result of its activities.⁵⁰

CIDA re-affirmed the skills-and-systems approach to capacity building in the CDPF. But in an effort to improve sustainability, it expanded the analysis to cover some of the institutional dimensions of good governance and civil society participation. The stronger institutional, legal and policy frameworks would help ensure that improvements in public and private sector organizations were institutionalized.

4.2 Results of the Program

4.2.1 Summary of Results Achieved

Core Evaluation Issues

Achievement of Results – The program performed well in achieving its stated objectives and expected results. It achieved important outcomes in NGO sector development, national government management, local government management, gender equality, health and healthcare, livelihood operations, micro credit and SME development. It strengthened human and organizational capacity, improved people's access to services, and reinforced aspects of the enabling environment in relevant areas. The program helped develop capacity for improving gender equality issues in public and private organizations, and improved women's access to relevant services. It addressed environmental concerns especially at the local level. It created a good number of unintended results, including fostering leadership and goodwill and the replication of good practices by stakeholders beyond the program. However, the program did not always maximize its opportunities to help transform the public and private institutions with which it worked.

Sustainability of Results – The program had a positive impact on the democratic reform processes in the country. It helped reinforce the return of constitutional democracy; it contributed to the implementation of the decentralization framework; and it helped improve national governance by developing systems and processes for increased transparency in GOP operations. The program impact on economic reform, while positive, was perhaps less pronounced. In terms of outcomes, the program sustained the results achieved in capacity building, the enabling environment, and improving access to services, when it created the institutional conditions for success. It is difficult to assess the sustainability of people's access to services because of a shortage of good data.

Relevance of Programming – The program was responsive to and respectful of Filipino leadership, approaches and concerns. It was consistent with GOP stated priorities for

⁵⁰ CIDA invested an estimated 72 percent of its NGO program resources in improving access. This includes access to services provided by NGOs, especially through PDAP and DIWATA, and access to health, education, social and micro-credit services.

development, as articulated in the Medium-Term Philippines Development Plans (MTPDPs). The program built local partnerships and strong networks, which helped it remain relevant to partners' priorities and beneficiaries' needs. The program trends and strategic decisions were responsive to and consistent with CIDA's mandate, policies and evolving priorities. They were consistent with the programming thrusts of the main donor agencies working in the country. The Philippines program evolved its strategies as conditions changed.

Capacity Building

HRD and Organizational Development – The program strengthened the knowledge and skills of numerous personnel in key public and private organizations in program sectors. The provision of training produced immediate results in terms of professional competencies, but its impact on organizational performance was not guaranteed and in some cases negligible.

National Government Management – The program helped improve government systems, mechanisms and structures in reform and decentralization processes within the national bureaucracy. This included improving systems and processes for increased transparency in government operations. CIDA's partners experienced lasting change when the initiatives strengthened the institutional leadership, enabling policy, human competencies, and tools and systems that were necessary for improved government management.

Local Government Management – The program helped make local government more effective in planning and implementation, and resource generation and management, in order to improve local development and the availability of services in communities. These processes, plans and systems helped make local governments more responsive to communities.

Institutional Development and the Profitability of MSMEs – The program helped improve private sector revenue and income by strengthening the leadership and service delivery capacity of key institutional partners. They were better able to provide training services and inculcate business values among local businesses, which have helped improve the productivity and profitability of participating MSMEs and cooperatives.

Institutional Development and Management Capacity in the NGO Sector – The NGO program helped improve coalition building, sector leadership, and innovation among NGO networks. CIDA's readiness to let NGOs come together to build coalitions and networks, develop their leadership, and follow their agenda resulted in strong institutional arrangements and natural checks and balances in the sector. The program was also instrumental in supporting NGO management capacity building. However, the support did not increase financial self-reliance among NGOs, and many NGOs still suffer from management weaknesses that the program had aimed to improve.

Enabling Environment

Institutional Reform in the Public Sector – The governance program provided direct support to institutional reform in the public sector. It supported reform programs within national government agencies (NGAs) by helping develop new systems and approaches, and by assisting NGAs in processes to streamline, re-organize or re-engineer their operations and approaches to service delivery. This included strengthening the delivery of health, education and social services within the decentralization framework, and streamlining the GOP procurement practices.

National and Local Policy Formulation – The program wanted to help improve public sector capacity to design, formulate and monitor economic and social policies for development. At the national level, it helped develop new policies and legislation to improve the enabling environment for capital market development and monetary policy, gender equality, cooperative development, and the telecommunications sector. But the program placed little emphasis on policy formulation at the local level, though some projects are now beginning to help local councils rationalize their legislative frameworks.

Philippine and Canadian Linkages for PSD – The program supported linkages between Philippine and Canadian companies, business associations, and government partners. The linkages helped Philippine companies, cooperatives and enterprises to increase effectiveness and competitiveness, implement priority projects, protect and manage resources, and promote learning and replication of successful practices.

NGO Institutional Development and Enabling Policy – The program contributed to the formation of sustainable institutional mechanisms for NGO advocacy. It helped strengthen NGO capacity to engage government agencies and representatives in advocating issues and concerns for legislative and policy reform. NGO advocacy increased accountability and sustainability in the sector, and ensured the involvement of NGOs in local governance.

Improving Access

Access to LGU Services – The program helped organize communities and make them more influential in engaging with local government. It has also helped LGUs become more responsive to local needs and accountable to citizens. Strengthening management systems improved the availability of LGU services in some but not all areas. Those LGU service areas showing improvements included solid waste management, coastal resource management, and water supply.

Access to Micro Credit, Employment and Income Generation Opportunities – The program increased people's access to credit facilities and income generation opportunities, but ensuring sustainability has remained a challenge. The program also helped create jobs and raise incomes for the poor and the working poor in the formal and informal sectors. These results were achieved through institutional strengthening activities that increased capacity and enhanced the enabling environment for employment and income generation.

Access to Healthcare and Health Services – The program has helped provide populations-in-need with improved access to healthcare and health services, which has contributed to positive health outcomes in the country. The program relied on a range of strategies to promote better health and healthcare in poor communities. It has trained health care workers in substantive and management areas; provided tools, technologies and healthcare commodities; strengthened community health centres and community health posts; and strengthened national health organizations and government departments. The health projects illustrate the importance of establishing ownership at multiple levels.

4.2.2 Capacity Building

Stated Objectives and Expected Results

In the CPE, 'capacity building' refers to program efforts to increase the capacity of individuals and institutions to define and influence priorities, plans and resource use, and to manage and implement processes and systems for development.

Exhibit 23 Stated Objectives and Expected Results for Capacity Building in the Philippines

Result Areas	Stated Objectives and Expected Results for Capacity Building
Capacity to define and influence – Decision-making, planning, and resource mobilization in the public and private sectors.	Under the CPR, the program intended to strengthen government capacity to define and influence by reinforcing decentralized decision-making, strengthening decentralized revenue generation and control, and improving planning skills at all levels of government and in the private sector. Under the CDPF, CIDA continued to focus on improving planning capacity. Under the CDPF Update, CIDA expressed its support for participatory, transparent decision-making processes, and accountable national and local governments.
	The PSD program focused on helping improve private sector revenue and income. Under the CPR, the objective was improving MSME productivity and revenue, while under the CDPF it was increasing SME capacity to mobilize resources, expand market access, and increase employment. The program was also aimed at fostering the regional development of business and enlarging the tax base.
Capacity to manage and implement – Strengthening skills and professionalism, management and production, financial self-reliance, linkages and partnerships, and implementation and service delivery to reach the poor.	Under the CPR, CIDA's governance program was intended to help improve administrative skills at all levels of government. This general statement was reiterated under the CDPF as a desire to improve public sector management. The CDPF Update identified the need to improve government implementation.
	The CPR and CDPF presented five aspects of the private sector's capacity to manage and implement its work. These themes were echoed in the objectives for NGO/PO support. From the outset, the program emphasized building linkages and partnerships between Philippine and Canadian organizations, strengthening skills and professionalism, increasing productivity, increasing financial self-reliance, and improving service delivery by organizations. The NGO program was meant to increase resource mobilization and financial self-reliance, more than increase productivity.

HRD and Organizational Development

The program strengthened the knowledge and skills of numerous personnel in key public and private organizations in program sectors. The provision of training produced immediate results in terms of professional competencies, but its impact on organizational performance was not guaranteed and sometimes negligible. The projects did not always articulate the link between training activities and organizational plans or reform programs, though making the link became more common as key bilateral projects moved toward more strategic and focused programming in the mid-1990s.

The investment in training for people in public and private sector organizations was expected to result in more development-oriented leaders, more qualified managers, and more competent staff members. The training was valued for the knowledge and skills it produced, and to a lesser extent, it was seen as an input to change and development processes within organizations and within broader networks, industries and sectors.

The program provided training to thousands of individuals. CIDA projects:

- Trained almost 1,000 local chief executives and senior officials in local leadership and priority setting in some 200 LGUs in Mindanao and Western Visayas;
- Provided 'train the trainer' sessions to about 350 participants, who went on to deliver almost 150 seminars on gender mainstreaming to over 5,000 government officials;
- Trained about 1,000 officers and staff at the National Confederation of Cooperatives (NATCCO), eight Regional Development Centres, and some 200 primary cooperatives nationwide;
- Trained almost 5,000 persons in the SZOPAD area in Mindanao on managing livelihood projects and MSMEs; and
- Trained thousands of NGO and PO leaders and staff members through PCHRD, which spent about 70 percent its program budget on training and capability building.

These activities helped develop pools of trained leaders, managers and staff members in NGAs, LGUs, NGOs, and private sector organizations. In some cases, these leaders had a significant impact on the direction taken by the organization, but in others the trainees left the organization or sector to take up responsibility elsewhere. The broad-based training approach may be more appropriate for HRD than organizational development.

National and Local Government Management

The governance program was oriented toward improving government management at the national and local levels. CIDA and the program partners agreed that NGAs and LGUs needed to perform better and become more responsive and accountable to citizens. Under the CPR, the program was meant to help improve administrative skills for operations management and service delivery. Under the CDPF, the objective was improving public sector management.

A wide range of CIDA interventions were aimed at strengthening the skills of government officials, and improving management systems and techniques.

The program achieved results in a number of areas in dozens of NGAs and hundreds of LGUs:

- Increased recognition of the importance of training and development activities for elected and appointed officials at the national, regional and local levels;
- Improved management systems, mechanisms and structures in the streamlining efforts within the national bureaucracy;
- Improved capacity to manage the devolution of services within key NGAs, including the Department of Education, Culture and Sports, the Department of Social Welfare and Development, and the Department of Health;
- Improved and streamlined systems and procedures for managing and utilizing human resources and financial resources in LGUs;
- Improved systems for utilizing physical resources in LGUs; and
- Improved systems for LGU planning and service delivery in areas such as waste management, housing and shelter, water provision, and economic enterprises.

Gender Mainstreaming in Government Operations

The program helped the GOP to mainstream gender issues in government line agencies and oversight agencies at the national level. It strengthened the National Commission on the Role of Filipino Women (NCRFW) to lead and oversee gender mainstreaming in the bureaucracy. NCRFW has influenced a range of NGAs in their management of gender equality issues, and in the development and implementation of gender equality policies. This combination of institutional leadership, enabling policy, and management tools and systems for gender mainstreaming was likely sufficient to sustain the results achieved in this area.

At the start of the CPR, few NGAs thought about gender issues, but NCRFW training programs, which reached over 5,000 officials, increased awareness of gender mainstreaming. NCRFW helped set in place some of the policy cornerstones needed to expand the importance of gender in GOP program development and delivery, and helped develop a range of tools for promoting gender mainstreaming for use by NGAs. CIDA support to NCRFW resulted in the following:

- The Philippine Plan for Gender Responsive Development 1995-2002 and Law RA 7192 were developed, establishing requirements for allocations of 5 percent of budgets for Gender and Development (GAD) at national and local levels.
- The Department of Budget and Management and the Civil Service Commission have demonstrated increased commitment to integrate gender equality concerns into their specific responsibilities as partner oversight agencies;
- GAD Resource Centers have been established at the sub-national level; and
- GAD Focal Points have been institutionalized within a number of agencies and play an important leadership role in gender mainstreaming.

Transparency in Government Operations

The governance program was expected to help national government agencies develop and use systems and processes for increased transparency in their operations. Through PTTAF II, the GOP developed electronic systems in key line agencies that enhanced the transparency of operations to the public. The GOP viewed these initiatives as important in the fight against corruption because they have increased the public's access to information and opportunities.

More broadly, this work was important because it became part of the 'institutional glue' that is needed to sustain improvements in government management when the commitment to good governance wanes as it did under the Estrada leadership.

- The GOP has implemented the Pilot Electronic Procurement System, which is a government-wide system for improving efficiency and encouraging transparency in procurement practices.
- The Bureau of Customs has developed a computerized system for the public to access customs rules and regulations through the Internet.
- The Bureau of the Treasury has established an automated debt auction system.
- The program provided support to the Inter-Agency Anti-Graft Coordinating Council by helping identify the coordination issues across agencies and helping clarify the roles of these agencies in fighting corruption.

LGU Planning and Government Responsiveness to Citizens

The governance program was meant to help make local government more effective in planning and implementation, and more responsible and accountable to citizens. Toward this end, the program helped improve decision-making processes at the local level. It strengthened government capacity and community involvement in planning and priority setting as part of its strategy to reinforce the decentralization process. In recent years especially, participating LGU officials were more likely to involve local communities in planning processes and develop plans that addressed community needs and priorities.

The program helped hundreds of LGUs strengthen their knowledge of, and systems for, long-term planning. Local officials have increased their understanding of the value of cooperation and participation in planning, and their knowledge of integrating key development concerns, such as sustainability and gender equality, into their plans. They have improved their planning methodologies, systems and procedures, and increased their citizens' awareness of and participation in local planning. With program support, the participating LGUs have:

- Undertaken extensive consultations with community members in 'executive agenda' setting processes;
- Built consensus on local needs and priorities, especially in the provision of social, economic and environmental services;
- Increased the flow of internal and external resources to programs identified as priorities;
- Improved linkages between government, academic institutions and NGOs in priority areas;
- Developed more regular and routine civic engagement in local government affairs, including through reactivated Local Special Bodies; and
- Designed monitoring systems for citizen oversight and government accountability in the implementation of decisions, priorities and plans.

LGU Planning and Access to Services

Improving LGU planning processes was important, but better planning has not necessarily improved people's access to services in local communities.

CIDA support to integrating gender concerns into decision-making was illustrative of the limitations to progress. At national and local levels, the program strengthened mechanisms for integrating gender concerns, but the impact of its successes on the availability of services for women was unclear. In fact, the available data suggest that it may have been better to invest directly in making services available through service delivery providers, than to invest in LGU skills and systems for planning better services.

The program helped increase the number of LGUs with gender codes to increase the profile of gender issues within the community. More LGUs have women and children's desks, and more barangays have women's committees to integrate their concerns into LGU programs. These actions reflect well on local governments. But few local governments comply with the requirements of Law RA 7192, which established requirements for allocations of 5 percent of the budgets for Gender and Development at the national and local levels. The program was largely unable to impact the level of LGU spending on services for women (although it was able to help LGUs improve their resource generation and management systems).

The NGO program was successful in helping communities set up 'community watch' structures and women's crisis centres in the struggle to reduce violence-against-women. In this case, the program was better off investing directly in making these services available. The 1994 evaluation of DIWATA estimated that these changes resulted in improvements in the lives of a half million Filipino women. Unfortunately, the program did not generate good data on the sustainability of these services.

LGU Resource Mobilization and Access to Services

The governance program was meant to help local governments improve their resource generation and management systems in order to improve local development and the quality and availability of services in communities. It helped local governments develop strategic plans and management systems that improved local officials' ability to mobilize external resources from private investors, national programs and international donors. It has also helped strengthen LGU financial systems, which have increased the local officials' ability to generate resources from within the LGU.

- The program helped strengthen LGU skills, knowledge, systems and procedures for resource generation and management, particularly in regions VI, IX, X and XIII.⁵¹
- It supported senior and elected officials in developing executive agendas, legislative agendas, annual investment plans, annual budgets, and other planning documents required under the Local Government Code.
- It helped improve internal revenue generation by strengthening LGU financial systems, including systems for real property assessment, tax collection, records management, and financial planning and reporting. The increase in local government revenue was most pronounced in regions IX and X.
- It helped LGUs leverage external resources. LGUs in Region X showed the largest increase in the number of successfully negotiated ODA, Build-Operate-Transfer, and Build-Own-Operate projects.
- While LGUs in regions IX and X performed well in resource generation, only one of 24 participating LGUs in ARMM has adequate systems for resource mobilization, while none have adequate tax base and tax collection efficiency.

Improving LGU access to resources is necessary for improving service delivery, but increasing resources does not necessarily translate into more services. The LGSP II data suggest that the program made little progress in increasing the number and type of services being delivered by LGUs, and increasing the number of households and communities reached. The program raised awareness of the role of local authorities in fighting poverty, creating livelihood opportunities, and generally promoting (rather than simply regulating) the local economy. But the impact of increasing LGUs' access to resources on the availability of services for the poor was uncertain.

Institutional Development and the Profitability of MSMEs

The PSD program has demonstrated that the capacity to define and influence is essential to business productivity and development. Its strategy for helping improve private sector revenue and income has focused on strengthening the leadership and service delivery capacity of key

⁵¹ The source of data used in this section is the LGSP Performance Information System.

institutional partners. With program support, they were better able to provide training services and inculcate business values among local businesses, which have helped improve the productivity and profitability of participating micro, small and medium enterprises (MSMEs) and cooperatives. According to CIDA's partners in PSD, the program has been successful in this regard because they recognize the importance of shaping business values among beneficiaries. Changes in production and profit were realized only after cooperatives and micro-enterprises understood basic business concepts and practices.

MSME development remains a major focus of the GOP. The Department of Trade and Industry (DTI) has said that 99.6 percent of all Philippine enterprises are MSMEs, which are classified according to their total assets. CIDA's desire to help improve the productivity of MSMEs, thereby making them more competitive and profitable, is consistent with GOP priorities and a number of donors' programs.⁵² Under the CDPF, the

Exhibit 24 Micro, Small and Medium Enterprises in the Philippines (2003)

Type	Total Assets	Number	Percent
Micro	Below 3 million pesos	751,556	90.9%
Small	3 to 15 million pesos	68,781	8.3%
Medium	15 to 60 million pesos	3,239	0.4%

Source: GOP Dept. of Trade and Industry

program has increasingly focused on SME development, coming to recognize the importance of SMEs to the economy, including for employment and income generation (see exhibit).

The program has achieved a number of important results in institutional development and profitability for PSD program clients.

- The program strengthened the leadership and service delivery capacity of two key institutional partners – namely, the National Confederation of Cooperatives (NATCCO) and the Bureau of Small and Medium Enterprise Development (BSMED) of DTI.⁵³ NATCCO and BSMED have enhanced their capacity to deliver services to cooperative members and MSEs/SMEs respectively, which has helped the two organizations become more influential.
- It strengthened the supply side capacity for improving management and production by helping 45 Philippine organizations introduce new programs, services and training courses to local businesses. These organizations attempt to teach business values to trainees.
- It helped improve the productivity and profitability of participating MSMEs and cooperatives. In one example, the Enterprise Linkage Project helped 518 MSEs in Regions VI, VII and XI improve their performance through exposure to market fairs, better technology and best practices, and market support. Collectively, the MSEs posted 116 percent increase in sales, 24 percent increase in investments, and 41 percent increase in jobs.
- The PDAP mid-project review noted that rural beneficiaries experienced a 20-percent increase in income and increased crop yields. Almost 75 percent of PDAP funds were spent in support of food production or income generation during the CPR period.

⁵² Donors with programs to support SME development include CIDA, USAID, GTZ, JICA, ADB and the World Bank.

⁵³ BSMED was formally the Bureau of Small and Medium Business Development (BSMBD).

Institutional Development and Sustainability in the NGO Sector

The NGO program was a critical and major support to the development of the NGO sector in the country. It helped improve coalition building, sector leadership, and innovation and pro-activity among NGO networks. Indeed, the program helped strengthen civil society in fundamental ways during the time when CIDA's GOP and NGO partners were struggling to reinforce the return of constitutional democracy to the Philippines. CIDA's trust and commitment to NGOs in the initial program was evident in the many consultative, collaborative and responsive activities undertaken with NGOs. Its readiness to let NGOs come together to build coalitions and networks, develop their leadership, and follow their agenda resulted in strong institutional arrangements and natural checks and balances in the sector.

When CIDA funding priorities shifted away from core support to the NGO sector, the program began relating to NGOs not as a sector but individually under the responsive funds in the governance and PSD programs. (In effect, the individual NGOs were now going to CIDA and the DF with their project proposals, whereas before they were going to PDAP, PCHRD and DIWATA, which had access to much larger amounts of funding.) With the end of PCHRD, the projects were no longer focused on NGO capacity building and the institutional changes that the NGO program had built its reputation upon. Instead, they were focused on service provision. From the CIDA point of view, the NGOs were still regarded as partners in development, though the mode of engagement was now different. CIDA saw the NGOs not as beneficiaries but as service providers that could increase availability of services for the poor. From the NGO perspective, CIDA had simply dropped them after a dozen years as program partners.

The shift away from core funding had a largely debilitating impact on the NGOs. They were no longer the direct beneficiaries of CIDA programming; they were left with no solid resources to continue their consultations and networking. The question of sustainability became a dilemma for NGOs because it forced many organizations to engage in service provision and consulting services for government agencies and donor groups. The changes had varying impacts (positive and negative) on the sector:

- The NGO networks were unable to dedicate their resources to the coalition building, networking, advocacy and exchange that led to the creative thinking and innovation that was a hallmark of the program.
- The networks abandoned the coalition that they had formed to oversee and manage PCHRD financial resources.
- The NGOs became more preoccupied with their "professionalization" and yearned for the type of skills and systems development that was previously available through PCHRD.
- They began to rationalize their operations and strategies from a management perspective.
- They took up the challenge to become more entrepreneurial and to ensure the viability of economic interventions benefiting the poor and the sustainability of their work.
- They paid less attention to the non-entrepreneurial and non-managerial dimensions of poverty reduction and development transformation.
- Many of the NGO leaders that the program had nurtured left the sector to eventually take up senior administrative positions in government departments.

Management Capacity in the NGO Sector

The CIDA program was instrumental in supporting NGO management capacity building. It spent about \$15 million in capacity building and capability building in the NGO and PO sectors. The investment resulted in better skills and systems for human resource management, planning, project management, and financial management in hundreds of NGOs. However, the support did not increase financial self-reliance among NGOs that was necessary to sustaining progress in the sector, and many NGOs still suffer from management weaknesses that the program had aimed to improve. (The NGOs were no different from other private and public sector organizations that CIDA has supported in the Philippines). Their weakness in results management contributed to CIDA's decision to discontinue program support to the sector.

The NGO program resulted in improvements in these management areas:

- Leadership, strategic management, strategic planning, and institutional governance;
- Human resource management and professional development, especially in areas linked to the expanded role for NGOs in service delivery, advocacy and oversight under the Local Government Code;
- Financial management, planning, budgeting and reporting;
- Project management, development and proposal writing;
- Research, documentation and evaluation activities, which were integrated with programming and advocacy efforts; and
- Gender education, planning, mainstreaming, and project appraisal.

Results Management in the NGO Sector

One area of NGO management that the program failed to strengthen adequately was results-based management, which started to appear in the NGO discourse as early as 1993. Numerous CIDA officials interviewed in the CPE suggested that the NGOs' inability to plan for and report on program results in a satisfactory manner contributed to CIDA's decision to discontinue its program support to the NGO sector in the CDPF period. While the program successes in building NGO management capacity were numerous, the perceived shortcomings in the RBM area were consequential.

This is not to blame the NGOs for the CIDA decision to discontinue support to the sector. It was likely that CIDA representatives were unable to explain CIDA's approach to RBM in the short time before the program was closed down. Certainly, the project-based approach to RBM was ill suited to the management of consortia and responsive facilities. But, at the same time, the program invested \$15 million in skills and systems in NGOs, so questions about shortcomings in NGO management, especially at the senior levels of the NGO networks in the PCHRD coalition, ought to be directed toward the NGOs and their representatives.

It should be noted that CIDA and its NGO partners have continued to work together in strengthening the NGOs' RBM capacity. CPB has put in place a performance framework system and has undertaken systems development and training of NGOs in the use of RBM.

4.2.3 Enabling Environment

'Enabling Environment' refers to the policy, legislative, institutional and infrastructure environment for development.

Exhibit 25 Stated Objectives and Expected Results for the Enabling Environment

Result Areas	Stated Objectives and Expected Results for the Enabling Environment
Enabling institutions and infrastructure – NGO institutions, public sector structure, private sector structure, income support and infrastructure support.	Under the CPR, CIDA's support to create enabling institutions and infrastructure focused primarily on the private sector. The program wanted to strengthen MSMEs to help balance a skewed industrial structure, and provide commodities for income support and for easing the balance of payments situation. Under the CDPF, the program was aimed at improving infrastructure services in the telecommunications sector, increasing the growth of export zones, and enhancing the competitiveness of the private sector.
	The objectives of CIDA's support to creating enabling institutions and infrastructure through NGO strengthening and governance programming were expressed in general terms. Under the CDPF, CIDA wanted to address the balance of power between the government and non-government sectors, and support institutional reform in the public sector. Under the CDPF Update, CIDA shifted its focus in this result area to helping improve peace and order, law enforcement, and the administration of justice in the country.
Enabling policy and legislation – Macroeconomic policy, telecommunications industry, agrarian reform, cooperatives development, local government policy, and social reform.	Under the CPR, the program meant to help in the development of policy and legal frameworks to support the decentralization and adjustment processes. This support was reiterated in the CDPF as helping improve legal frameworks generally, and the legal and regulatory environment for the private sector specifically. The program would help ensure the sensitivity of the enabling environment for PSD to gender equity, worker's rights, the environment, and equal access to resources and benefits.
	The program wanted to help improve public sector capacity to design, formulate and monitor economic and social policies for development. Under the CDPF Update, the program aimed at making governments more effective at social and economic policy making in a range of sectors, including improving policies, legislative and regulatory frameworks that facilitate SME development.

Institutional Reform in the Public Sector

The program provided direct support to institutional reform in the public sector. It supported reform programs within national government agencies (NGAs) by helping develop new systems and approaches, and by assisting NGAs in processes to streamline, re-organize or re-engineer their operations and approaches to service delivery. Senior government officials who were exposed to Canadian public service technology adopted some of these technologies in their modernization processes. Other officials undertook innovations and change in their departments with the support of local experts. This included strengthening the delivery of health, education and social services within the decentralization framework, and streamlining the GOP procurement practices.

As mentioned, the program supported gender mainstreaming within the national bureaucracy. NCRFW provided guidance and support in these change processes. The Civil Service Commission (CSC) and the Department of Budget and Management (DBM) demonstrated increased commitment to integrating gender equality concerns into their responsibilities as partner oversight agencies. NEDA demonstrated leadership in applying gender responsive planning skills at the regional level. GAD Focal Points have been institutionalized within a number of NGAs and provide guidance in gender mainstreaming.

The NGO program was also active in lobbying for institutional reform processes. It helped strengthen NGO capacity to engage government agencies and representatives in advocating issues and concerns for legislative and policy reform. Among its successes, NGO advocacy resulted in support to the passage of the Local Government Code of 1991, which made provision for NGO and PO representation in Local Development Councils.

National and Local Policy Formulation

Under the CDPF, the program wanted to help improve public sector capacity to design, formulate and monitor economic and social policies for development. This goal was reformulated in the CDPF Update as making governments more effective at social and economic policy making in a range of sectors.

Overall, the program was more effective at strengthening national government than local government capacity to formulate and monitor development policies. It increased the knowledge base of senior GOP officials (through presence of sufficient and reliable data and studies, and lessons learned from study missions and training), which made them more able to influence policy decision-making and formulation. It helped NEDA develop a technology to strengthen its evaluation process for reviewing investment projects. At the national level, it supported the introduction of various new policies through legislation change or internal policy shifts within government departments.

At the local level, the results in policy formulation and monitoring were mostly found in the environment sector. The program helped LGUs formulate and implement local environment codes in targeted municipalities, and help develop Comprehensive Land Use Plans, which provided a framework for developing environmental protection and zoning ordinances. LGSP helped 15 LGUs in region XIII implement environmental plans by developing enabling policies, ordinances and resolutions. Overall, however, the LGU-focused projects placed little emphasis on policy formulation in other key areas over the period. Some projects are now beginning to help local councils rationalize their legislative frameworks, but this work is at an early stage.

Macroeconomic Policy and Legislation

The CIDA program was meant to help develop policy and legal frameworks to support political and economic reform processes. Under the CDPF, this objective was reiterated as helping improve the legal and regulatory environment for the private sector.

The governance program helped develop new policies and legislation to improve the enabling environment for capital market development and monetary policy:

- It supported the Securities and Exchange Commission in redrafting the Investment Companies Act, which enabled the development of the mutual fund industry as a key capital market catalyst;
- It helped the Bangko Sentral ng Pilipinas contributed to the operationalization of inflation targeting as a monetary policy to improve price stability; and
- It increased preparedness within the GOP for complying with World Trade Organisation requirements.

Commodities for Income Support

From 1987 to the present, CIDA has provided about \$115.8 million in commodities to the Philippines through the Commodity Assistance Program (CAP). The commodities provided the GOP with import support to ease the balance of payments problem, and benefited the agriculture sector by providing fertilizer and the education sector by providing textbooks. By not having to use its foreign exchange resources to purchase these commodities, the GOP was able to use its limited foreign exchange reserves in financing much-needed infrastructure.

Under the Interim Strategy, the CAP was designed as a responsive facility. In the \$30 million CAP I (1987-91), a GOP steering group received and approved project proposals from NGAs. The group was comprised of NEDA, the Instructional Materials Corporation, and the National Agriculture and Fishery Council. The NGAs implemented the projects, which benefited the GOP and the education and agriculture sectors.

Telecommunications Infrastructure and Enabling Policy

Between 1987 and 1998, CIDA invested \$33.25 million in the telecommunications sector. The program provided telephone services that enabled MSMEs to conduct business outside of their immediate market area as well as access to government departments that provide services to business. However, the sustainability of CIDA's investment was mitigated by debt conditions in the country. According to the PSD program report:

"Unfortunately, due to a lack of funding, a number of donor projects that require the GOP to run, or perhaps duplicate in other regions, will not occur. The lack of funds within the Department of Transportation and Communications to maintain and repair telephone systems installed under the Telecommunications Import Support – Phase I and II is an example of the problem that has and will continue to be an issue."⁵⁴

The program helped shape the enabling policy environment for the industry. The enabling results were achieved largely through the effective working relationships that Canadian companies developed with a number of GOP telecommunication departments and agencies:

- The Canadian companies involved in the projects had input into developing the National Communications Development Plan, which was issued in 1990 and updated in 1993.
- They helped develop policy and procedures for the National Telecommunications Commission.
- They were directly involved in liberalization process within the industry as it opened up to the private sector.

Philippine and Canadian Linkages and Improved Competitiveness

The program supported linkages between Philippine and Canadian organizations to improve private sector competitiveness. It involved developing alliances between Philippine and Canadian companies and business associations, and partnerships among Philippine and Canadian NGOs and educational institutions. These alliances and partnerships were based on complementarity of purpose, interests and approaches, while being directed toward the needs

⁵⁴ Whyte and Roaring, 2003.

of the local partner. They were established and maintained for numerous reasons, including increasing effectiveness and competitiveness, implementing priority projects, protecting and managing resources, and promoting learning and replication of successful practices.

The partnerships and linkages were effective in achieving results:

- Philippine companies, cooperatives and enterprises became more competitive, which they attributed to the partnerships and linkages with Canadians;
- SEDCOP helped about 100,000 individual members receive services from 28 active cooperatives;
- Canadian companies developed effective working relationships with a number of GOP telecommunication departments and agencies, which contributed to improvements in the enabling policy environment for the industry;

There were constraints to the effectiveness of building alliances and partnerships in the PSD program. Such linkages were sometimes constrained by resource realities and by designing technical interventions without sufficient analysis of the local partners' capacity and environment. As well, the model often supported one-to-one linkages between private sector organizations as opposed to helping establish 'dynamic clusters' among SMEs in a geographic area or sector.

Enabling Policy and the Growth of Cooperatives

The PSD program contributed to the development of enabling policy and legislation for cooperatives. This legislation had a central impact on the growth of cooperatives in the country.

The effectiveness of program contributions in this area was attributable to the work of local champions and the political support garnered in the process. NATCCO was instrumental in having cooperatives recognized as important to the development of the economy. It participated in drafting the Cooperative Code of the Philippines, which was passed in 1990. The Code unified and rationalized existing laws related to cooperatives, and contributed to significant growth in the number of registered cooperatives in the country. From 1986 to 1993, the number of cooperatives increased from about 5,000 to about 21,000. About 70 percent of the new cooperatives were multipurpose agricultural cooperatives. The growth in cooperatives peaked once the Cooperative Code was passed in 1990.⁵⁵

NGO Institutional Development and Enabling Policy

The CIDA program was instrumental in strengthening NGO networks and coalitions, and contributing to the formation of sustainable institutional mechanisms for NGO advocacy. This support was channeled primarily through PCHRD – which helped establish regional and national NGO formations, including the Caucus of Development NGOs (CODE-NGO) – and through DIWATA, which allocated most of its program budget to advocacy for gender issues.

CODE-NGO represents a major achievement for the Philippine NGO movement in the post-EDSA period. It was formed in 1992 by leading NGO networks as a national NGO formation for research, coordination and advocacy. It is a well-recognized representative of the NGO sector to national government and donors, and it has gained local influence by establishing regional

⁵⁵ Source: Alegre, 1996.

partners in Mindanao and the Visayas. CODE-NGO achieved these successes in lobbying for enabling institutional development of the sector:

- CODE-NGO brings the positions of NGOs and POs on the donors' policy and program decisions to the World Bank, the ADB and UNDP;
- It promoted accountability within the sector by developing a Code of Ethics for NGOs, which was agreed to by the major Philippine NGO networks;
- It successfully lobbied the GOP to preserve NGO privileges for tax exemption while taking on the responsibility to maintain a standard of financial management and accounting;
- It actively supported advocacy groups and campaigns for agrarian reform beneficiaries, indigenous peoples, gender and violence, and children's rights; and
- It lobbied for government support of peace bonds in the financial market. The proceeds of these bonds have secured the long-term financial sustainability of CODE-NGO.

PCHRD was a key source of support to help CODE-NGO come to fruition, but some NGO representatives suggested in interviews that it might have been formed in any case.

NGO Advocacy and Economic and Political Reform

The NGO program contributed to the enabling environment for economic and political reform through PCHRD and other initiatives. PCHRD helped strengthen NGO capacity to engage government agencies and representatives in advocating issues and concerns for legislative and policy reform. It funded many action research projects, which helped to set the Philippine agenda at various global conferences.

Some other NGO projects did not have any explicit objective for policy reform, but were nevertheless able to help develop the enabling policy environment. PDAP provides a good example of a project that could not claim direct and intended impact on policy formulation, but that contributed to policy analysis and policy dialogue at the macro level as a result of its work on the ground. PDAP engaged the support of Canadian NGOs in its advocacy efforts.

The NGO program strengthened the enabling environment for economic and political reform:

- It impacted the Indigenous People's Rights' Act and revisions in the Mining Law;
- It supported the passage of the Local Government Code of 1991, which included NGO and PO representation in Local Development Councils; and
- It supported the massive lobby for agrarian reform under the Congress for People's Agrarian Reform coalition of peasant organizations and NGO support groups, though the landed elite railroaded the agrarian reform process.

CIDA's NGO partners also lobbied for 'internal' policy development. When CIDA set about to reorganize its programs and structures, the NGOs lobbied the Agency to advance their issues.

Enabling Policy for Gender and Development

The program supported change and improvement in social policy in the Philippines. One prominent area was gender equality. The program strategy to support parallel initiatives for supporting gender equality – a GOP-led initiative through NCRFW and an NGO-led initiative

through DIWATA – helped create a solid effort for change in social policy affecting gender and development.

- The Civil Service Commission, the Department of Budget and Management, the Department of the Interior and Local Government, and NEDA all developed policies that institutionalized gender equality priorities.
- The program supported the development of the Philippine Plan for Gender Responsive Development 1995-2002 and for Law RA 7192, which put in place allocations of 5 percent of the government budgets for GAD. This latter achievement corresponded to a 1994 presidential directive for all government departments to include programs and projects for women in their 1995 budget proposals.

Enabling Peace and Security

CIDA's support to creating enabling institutions through governance programming and NGO strengthening were expressed in general terms. Under the CDPF, CIDA wanted to address the balance of power between the government and non-government sectors, and under the CDPF Update CIDA wanted to help improve peace and order, law enforcement, and the administration of justice in the country.

The program has provided support to organizations and processes for promoting justice, rights and peace in Mindanao. In recent years, CIDA has provided support through its responsive mechanisms to Philippine groups addressing these issues. The program has helped:

- The GOP and Moro National Liberation Front implement the peace agreement in Mindanao;
- The Southern Philippines Council for Peace and Development strengthen its capacity;
- The Philippines Human Rights Commission improve its effectiveness;
- The ASEAN Human Rights Mechanism strengthen national working groups and enhance the profile of the regional mechanism;
- The business community develop networks among national business councils and universities; and
- The Barangay Human Rights Officers build awareness of human rights issues among community members.

The outcomes of these initiatives have not been determined. CIDA recently evaluated its Governance Fund and Development Fund to document the results and lessons learned.⁵⁶

4.2.4 Improving Access

'Access' refers to the availability of resources, opportunities, services and programs for specified target groups.

⁵⁶ Some of the proponents supported by the Governance Fund include: the Canadian Human Rights Foundation, Commonwealth Judicial Education Institute, the University of the Philippines, the Initiatives for International Development, the Pilipina Legal Resources Center, and the Balay Alternative Legal Advocates for Development of Mindanaw. The Development Fund has also supported a number of peace and development initiatives, including resettlement programs.

Exhibit 26 Stated Objectives and Expected Results for Improving Access to Services

Result Areas	Stated Objectives and Expected Results for Improving Access
Access to resources and opportunities – Community networking and organizing, government responsiveness and accountability, government access to resources, and people's access to resources and income.	Under the CPR, CIDA wanted to help poor communities network and organize to secure access to land, employment and credit. It aimed to improve government responsiveness to local needs and government accountability to local communities. These objectives were reiterated in the CDPF as enhancing the role for civil society in influencing responsible government, reinforcing inclusive, consensual decision-making, and fostering government by popular consent. The CDPF Update sought greater participation of women in socio-politico-economic activities.
	Through PSD programming, CIDA also wanted to increase MSME access to credit, marketing and non-traditional exporting. Under the CDPF, this was formulated as increasing employment opportunities and improving people's incomes. The CDPF Update identified improving SME access to medium-term financing for investment.
Access to services and programs – People's access to social services, financial services, business services, and decentralized services.	From the outset, the CIDA program wanted to secure access for the poor to a full range of (improved) government programs and services within the decentralized framework. The CPR and CDPF listed social, financial and business services.
	Under the CPR, the program wanted to improve MSME access to business services, and enhance women's participation and role in SME development.

Community Organizing and LGU Responsiveness

The program helped organize communities and make them more influential in engaging with local government. There is evidence of community strengthening through advocacy and organizing efforts with program support. For instance, the program helped increase women's access to project funds and community resources. Women are now more effective in managing the family food and monetary requirement.

The program has also helped LGUs become more responsive to local needs and accountable to citizens. It strengthened LGU capacity to carry out consultations with constituents, undertake multi-stakeholder decision-making, and manage priority-setting processes that are responsive to local needs. This helped LGUs play their mandated role in the decentralized framework.

The program also reinforced the underlying assumption of decentralization that bringing government closer to the people will make it more responsive to their needs. This is important given the adversarial relationships that sometimes exist between LGUs and NGOs or in some cases between LGUs and the community. The result helped LGUs move towards broader based decision-making and participatory planning. It contributed to the sustainability of the decentralized framework for government management and service delivery.

Access to LGU Services

CIDA support to LGUs tended to focus more on strengthening human resources and management than increasing the availability of services. Through LGSP II, the number of LGUs with competent personnel for service delivery has risen almost 20 percent, and the number with adequate systems, procedures and technologies for services has risen 25 percent. But the number of LGUs with adequate numbers and types of services being delivered has risen only 4

percent, while the number of LGUs with sufficient numbers of households reached has stayed the same.⁵⁷ (The situation for LGU service delivery is particularly bad in ARMM.)

The projects tended to provide only anecdotal evidence that local communities now enjoy improved services. They reported that particular models for improved delivery of economic and environmental services have been tested, disseminated and replicated. But the approach to improving services was developing plans or strengthening systems or increasing transparency in operations. The assumption was that improving systems and procedures would lead to improved service delivery in LGUs, and indeed some examples of specialized interventions exist where there was clear evidence of improved LGU services. This included services in solid waste management, coastal resource management, and water supply. In other areas, the link between strengthening systems and improving access did not develop because of a wide range of factors at the local level. The result was that the program interventions had only limited impact on the availability and quality of local services.

Access to Micro Credit and Income Generation Opportunities

The program increased access to credit facilities and income generation opportunities. It has supported hundreds of local cooperatives and NGOs that provide micro-credit to the working poor and micro and small enterprises in their communities. The projects supporting this access included PDAP, the Canada Fund, SEDCOP, and the Anglican Church of Canada (ACC) and the Christian Reformed World Relief Canada (CRWRC).

- SEDCOP helped about 100,000 individual members receive services from 28 cooperatives.
- The Anglican Church of Canada assisted 158 communities, which have used the credit for community projects in economic livelihood, alternative energy, water and sanitation, and education. These projects resulted in improved living conditions in the communities.
- The CRWRC program has supported three NGO partners working with communities to develop community loan funds based on the mobilization of their own savings. One partner reported assisting 1,750 families through micro lending projects, of which 780 (or 45 percent) increased their income. The other partner organizations were less successful.
- The Canada Fund helped over 11,000 clients receive micro-finance loans, and household incomes have reportedly increased as a result. However, a recent evaluation found these micro credit projects to have low rates of sustainability.

Ensuring sustainable access to micro credit has remained challenging in the program. Lending organizations require expertise and management systems for sustainability, and the borrowers need an ethic of re-payment so that revolving funds are sustained. Under the CPR, the sustainability of micro-finance organizations was problematic, as many projects were provided grant funds and capacity building was insufficient. PDAP's experience with the Central Loan Fund (CLF), which provided 25 loans mostly to community-based cooperatives, may be the positive exception to the rule. The CLF was handed over to the Federation of People's Sustainable Development Cooperatives in 1997, and continues to operate in 2003 with the capital from PDAP and the revenue from the Fund.

The issue of property ownership might also have constrained the effort to increase the poor's access to resources and opportunities.⁵⁸ Most lending organizations were unlikely to provide

⁵⁷ Source: LGSP Performance Information System.

credit to people who have no land or other assets, which affected the rural poor engaged in agriculture or agriculture-related business. This was an impediment to results in the Negros Rehabilitation and Development Fund and Promoting Participation for Sustainable Enterprises.

Employment and Income in the Informal and Formal Sectors

The program helped create jobs and raise income for the poor and working poor in the formal and informal sectors. Employment generation took place in all areas of the PSD program.

- *Infrastructure Development* – The program helped create mostly short-term employment to install and operate the telephone system.
- *Cooperative Development* – The program helped about 100,000 individuals access services from 28 cooperatives involved with SEDCOP. SEDCOP helped establish employment-generating worker co-op models. The cooperatives reported creating 400 permanent staff jobs, and cooperative members reported increases in family incomes.
- *Livelihood and MSE Development* – The program assisted about 2,000 MSEs in Southern Mindanao, Western Visayas and Cebu through the ESP initiative, and supported 78 livelihood projects through PPDSA in Mindanao. Monthly net income of farm families has reportedly increased from 30 percent to 100 percent across targeted farm areas. However, agriculture jobs were difficult to sustain.
- *SME Development* – The program beneficiaries reported increased sales, investment and employment in SMEs. PEARL helped create about 830 new jobs. The Partnership Development Facility created 720 new jobs, and the Investment Promotion and Technology Transfer Mechanism created 110 new jobs.

These results were achieved through institutional strengthening activities that increased capacity and enhanced the enabling environment for employment and income generation through MSME and cooperative development. CIDA support to the Bureau of Small and Medium Enterprise Development (BSMED) of the Department of Trade and Industry enhanced its capacity to deliver services to MSEs and SMEs. These included services linked to marketing and non-traditional exporting, business networks, access to credit, cooperatives, use of technology, and local and international trade fairs. The program helped the BSMED become more influential within the sector.

The program has helped other associations to deliver better services and increase members' access to resources. CIDA support to the Wood Producers Association and the Metal Industries Association in Cebu, for example, reportedly helped the associations enhance the productivity of their SME members. CIDA support to NATCCO helped improve its services to members and make NATCCO more influential in cooperative development in the country.

Access to Healthcare and Health Services

The program has helped provide populations-in-need with improved access to healthcare and health services. It has contributed to positive health outcomes in the Philippines. Under the CPR, the program contributed to the national immunization initiative, and under the CDPF and

⁵⁸ The issue of property ownership likely diminished the overall results achieved in the PSD program. Most initiatives under the CPR and CDPF that involved agriculture were affected by questions of access to quality land and ownership of the property.

CDPF Update, it helped improve the diagnosis and treatment of tuberculosis. The exhibit below describes the partners, reach and results of the health projects.

Exhibit 27 Summary of Results of CIDA Programming in Health Sector in the Philippines

Project	Partners	Reach	Outputs	Health Outcomes
Philippines Immunization Program \$4.9 million 1986-1993	Dept. of Health Expanded Program of Immunization Donors	National program to vaccinate population	EPI enjoyed 95% vaccine efficiency rate	WHO estimates EPI saved lives of 146,900 children since 1986 Drop in incidence of polio, tetanus and diphtheria from 1968 to 1988 Decreased incidence in measles after rise from 1980 to 1987
UNICEF Child Survival and Development Project \$4.4 million 1989-1994	Government NGOs Community Groups UNICEF	Women and children in Maguindanao, Sulu and Negros	Improved access to health services and survival programs for children Improved access to clean water, immunization and literacy programs for women	Decreased malnutrition among children in Maguindanao Increased literacy among target population in Sulu
Primary Health Care Project \$3.4 million 1997-2002	Philippines National Red Cross Canadian Red Cross	Women and children in ARMM	Stronger primary health care programming and service delivery by PNRC Stronger local health system in ARMM	Maternal mortality rates in ARMM have decreased Child morbidity/mortality rates in ARMM have decreased
Davao Health Development Project \$2.1 million 1988-1993	Philippine Institute for Primary Health Care (IPHC) University of Calgary	100 poor communities in Southeast Mindanao	90% of participants experienced increase in income of at least 15 pesos per day	Income generation led to improvements in health indicators among the targeted communities
World Vision Kusog Baga Tuberculosis Project (I & II) \$6.2 million 1998-2004	Dept. of Health National Tuberculosis Program (NTP) LGUs in 9 provinces Donors	People with TB in nine provinces as part of the national program	Improved access to quality health care for people with tuberculosis 100% of targeted provinces and cities have adopted DOTS strategy	TB cure rates have increased to 87% in nine provinces TB treatment failure rates have fallen to 1% in nine provinces

The program has relied on a range of inputs and strategies to promote better health and healthcare in poor communities. The health projects trained health care workers in substantive and management areas, and provided tools, technologies and healthcare commodities. They strengthened community health centres and community health posts, and national health organizations and government departments. Where appropriate, they worked in partnership with local, regional, national, Canadian and international organizations.

The program has also been innovative and experimental at times. The Davao Health Project, for instance, tried to establish links between health and economic well being, and sought to improve health outcomes by promoting income generation. Some partnerships between Philippine and Canadian municipalities improved water supply delivery by introducing Canadian technology. As water quality was enhanced, potential health problems were reduced.

The health projects illustrate the importance of establishing ownership at multiple levels. CIDA's contributions to national health sector programs were effective in part because they successfully engaged key partners at international, national, local and community levels.

Access to Non-formal Education Opportunities

Under the CPR, the program provided poor and marginalized groups with improved access to non-formal education opportunities.

- As a result of the Philippines Non-Formal Education project, the Department of Education has accepted non-formal education (NFE) learning, many colleges now promote NFE, and 21 schools now offer NFE courses to communities.
- The Dalhousie project helped promote 'island development,' which linked community access to natural resources for income generation and development initiatives that are sensitive to the environmental requisites of a sustainable island development.

Access to Services for Women

The program helped increase women's access to services. It supported grassroots women's organization as they raised awareness of issues facing women and helped bring about improvements in local services for women.

- The NGO program provided access to services for women that were aimed at increasing women's knowledge of their rights, and making changes in the community to address the violence against women. With DIWATA support, the beneficiaries set up and maintained 'community watch' structures to guard against the violence, and in some communities they established women's crisis centres. The 1994 evaluation of DIWATA estimated that these changes resulted in improvements in the lives of a half million Filipino women.
- After DIWATA ended, the Gender Funds contributed to initiatives that made services available to women, such as support to returning overseas Filipina workers.
- The governance program helped improve women's security by increasing their access to services. With CIDA support, some LGUs implemented programs to reduce against violence against women. In case of Bacolod, the initiative was developed in partnership with Canadian municipalities. The program helped develop a number of models for how LGUs can deal with violence against women, and helped promote the models in other locales.
- The PSD program increased women's access to opportunities and services. This reflects the growing recognition of the success of women who run livelihood operations, micro-enterprises and SMEs. This recognition is important to women seeking assistance in the future.

4.3 Results by Crosscutting Theme

Integration of Gender Concerns in the Program

CIDA has placed strong emphasis on gender equality in the program. CIDA and its partners in the Philippines have developed expertise and capacity in improving gender equality issues, which has contributed to the achievement of results in this area. The program has improved women's access to micro-credit services, health care, and counseling and medical services for victims of violence against women. It has supported NCRFW in mainstreaming gender issues

in national government agencies as well as women's groups and organizations under DIWATA and the responsive gender funds. Inevitably, Filipino women were active participants in initiatives that were successful in achieving results.

CIDA and Philippine and Canadian partners and implementing agencies support women's work and contribute to gender equality results. CIDA provides effective support from the Post and the Philippines-Canada Cooperation Office (PCCO), and the desk at CIDA headquarters. The experts help integrate gender concerns into the program design.

- CIDA's partners in the Philippines tend to value and promote gender equality issues in capacity building processes in organizations and communities. This is true not only of NCRFW and DIWATA, but among many of CIDA's other NGO and PSD partners.
- These partners and beneficiaries have acquired expertise and built capacity in gender equality programming and agenda setting. The investment through NCRFW has yielded results, including more ability to integrate gender concerns in the design of future NGA initiatives.
- CIDA developed solid guidelines and methods for integrating gender concerns into programming, including gender policy statements, diagnostic tools, instruments and manuals for use by CIDA personnel, local partners and implementing agencies.
- Implementing agencies and implementing partners are aware of CIDA's policy on gender equality. Gender champions have helped guide the implementation of gender policy in project design and monitoring. The planning for gender equality was well outlined in early documentation and annual work plans in various projects.
- CIDA has built its own staff expertise and invests in staff persons needed for the managing gender equality issues. In Manila, a CIDA Senior Program Officer is responsible for gender equality issues. The PCCO employs a full-time gender advisor to support the program. The desk at CIDA headquarters has a gender advisor and the branch advisor.

At the same time, there were limitations to the integration of gender concerns in the program:

- The emphasis on gender equality in the planning stage did not always translate to the implementation of gender concerns in the projects.
- The gender focus and accomplishments were often linked to the work and priorities of the CIDA 'officers-in-charge.'
- Some governance and PSD initiatives did not go beyond the minimum effort in complying with CIDA policy regarding integrating gender equality concerns into project management and implementation.

Integration of Environment Concerns in the Program

From its outset, the program has viewed the environment as both a crosscutting theme and the subject of specific initiatives. This reflected CIDA policy, GOP priorities, and the prominent rise of the 'sustainable development' concept in the 1980s. The 1987 MTPDP recognized the economic and political importance of managing natural resources effectively, and it called for capacity building in this area, especially as LGUs took on more of these responsibilities in the decentralization framework. At the same time, the environmental movement had grown from a handful of small groups into a collection of large NGOs with regional and national scope.

The initial program responded to this context by reinforcing the environment as a crosscutting issue. It called for the integration of environmental screening into program mechanisms. During decentralization, the embassy employed an environmental specialist who worked with the projects to address environmental concerns. Many projects displayed a willingness to examine the environmental implications of their activities, while others incorporated these concerns into their work. But overall, environmental issues were not as fully mainstreamed into the program as was the case for gender.

Under the 1995 CDPF, the environmental theme took on more of a compliance aspect. This was largely because Canadian law required all CIDA projects to comply with environmental assessment requirements under the Canadian Environmental Assessment Act. The focus was on the design of projects to ensure compliance with the Act, rather than the integration of environmental issues into monitoring and reporting processes. In fact, there was limited integration of environmental issues beyond a compliance level.

The program has tended to address environmental concerns within the context of specific projects more than as a crosscutting theme. Under the CPR, CIDA supported various environmentally focused initiatives, especially in the NGO and governance programs. This included the Environment and Resource Management Project, which strengthened environmental education and environmental policy development, the UNICEF Child Survival and Development Project, which focused on providing better access to health and environmental services, and PDAP II, which supported a large number of community-based sustainable development initiatives. Under the CDPF, CIDA supported the Dalhousie Livelihood Sustainability and Equity, and the Philippines-Canada Environmental and Economic Management (PCEEM) project.

The exceptions were the governance initiatives (largely LGSP and PCEEM) that strengthened LGU capacity to manage and deliver environmental services. Improving local environmental management was highlighted as a program priority within the broader aim of improving LGU management and operations. The work in this area was successful in strengthening management systems and building institutional capacity for participation in the governance and management of natural resources.

Some of the initial projects focused on building LGU capacity in coastal resource management. The LGUs developed many successful initiatives, including ecosystem alliances designed to protect and manage the shared natural resources. Later, the program helped increase the use of alliances between LGUs to manage environmental issues, and helped LGUs establish methods for on-going consensus building and dispute resolution in the environmental sector.

This expanded approach to management capacity building and institutional development was the result of program partners recognizing that skills, systems and institutional arrangements such as alliances are all necessary in the management of environmental issues

The PSD projects did not have a detrimental effect on the environment, but they tended not to integrate environmental concerns into their activities. The exception was NATCCO, which has inscribed environmental issues into its vision and mission statement.

4.4 Significant Unintended Results

The program created a good number of unintended results during the period under review. One type of unintended result was created within the program. The most significant of these results

were linked to the leadership and goodwill that was fostered by the program. As seen in the list below, many of these unintended results were linked to money matters:

- Canada's timely, decisive display of support for the Aquino government in the form of a \$100-million ODA commitment created a generous profile for the country and the program;
- CIDA created goodwill among local business associations through financial support to SME development initiatives, which provided benefits to the Canadian Ambassador and Senior Trade Commissioner as they organized trade and investment missions in the country;
- NATCCO created the Central Liquidity Fund to invest member cooperatives' funds on their behalf, which has helped members obtain a better rate of return on the monies;
- NGO leaders emerged in the program who are now in senior positions in the Philippines national government; and
- NGOs became dependent on CIDA funding, which caused them problems when the NGO program was discontinued in 1997 as they were unable to continue strengthening the institutional environment and building coalitions for advocacy.

Another type of unintended result was created when learning was carried outside of the program framework. The most important of these results were linked to the replication of best practices by outside groups. Some good examples were found in local government initiatives in the governance program:

- A water group in Cebu adopted PCEEM's process of electing sectoral representatives to their board (increasing participation) based on what they saw as a successful initiative in PCEEM.
- Multi-sectoral planning processes developed under LGSP I aided the regional and provincial governments in formulating their development plans, which were considered the driving force for local governance.
- Other LGUs have adopted various models from LGSP II such as establishment of an Executive Agenda. This was often done through informal contacts between LGUs supplemented by project manuals and information.

4.5 Sustainability of Results

CIDA's ODA to the Philippines was designed to support democratic and economic reform in the country. At the level of program impact, the sustainability of results refers to CIDA's contributions to the lasting changes in these contexts. At the level of sustainable outcomes, it refers to changes in the way partner organizations perform, the environment in which they perform, and the benefits of improved performance to beneficiaries, including the poor and populations-in-need.

Measuring sustainability in the program was challenging for these reasons:

- The program frameworks articulated CIDA expectations for sustainability in the three programming areas in terms that suggest that all results be sustained regardless of the results logic, value of results, or nature of investment.
- The projects did not typically identify indicators of sustainability or methodologies for measuring sustainability, though they did suggest that evaluators measure sustainability after projects were completed.

Impact on Democratic and Economic Reform

The program had a positive impact on the democratic reform processes in the country. It helped create various institutional structures in the NGO sector at a time when CIDA's GOP and NGO partners were struggling to reinforce the return of constitutional democracy to the Philippines. It also contributed to the sustainability of the decentralized framework for government management, service delivery and effective governance in the country. It reinforced the underlying assumption of decentralization that bringing government closer to the people will make it more responsive to their needs. The program also helped improve national governance by developing systems and processes for increased transparency in GOP operations. This work can be considered part of the 'institutional glue' that is needed to sustain improvements in government systems and operations.

The impact on economic reform, while positive, was perhaps less pronounced. The program helped improve the enabling environment for capital market development, monetary policy and the cooperative sector. However, the sustainability of the investment in telecommunications infrastructure was mitigated by debt conditions in the country.

Capacity Building

The approach that partners have taken to capacity building has largely determined the degree of sustainability of results. As explained in the governance report:

“Projects where capacity building interventions have largely focused on training, without institutionalization of competencies acquired through systems improvements or new ordinances, suffer the consequence of project results not being sustained even at an interventions level. A pool of competent technicians or managers may be developed but reforms that lead to improved access to policy, resources and services by the poor could not be guaranteed. A wide range of projects at both the national and local levels have seen much of their training not being applied within the context of their organizations. Individuals gain in terms of enhanced skills but the organizations do not change or improve their performance. What is usually developed is a group of champions for better government performance, who in the end prefer to work with organisations outside of the public sector to apply the skills they learned.”⁵⁹

While only some gains in the program were likely sustained at the organizational level, the efforts by the GOP to mainstream gender equality concerns in government line agencies are illustrative of the need to create the institutional conditions for success. The institutional leadership provided by NCRFW, the developments in enabling policy within NGAs and government-wide, and the management tools and systems that were developed for use by NGAs were significant factors in ensuring sustainability of results in this case.

The NGO program provides a somewhat ironic illustration of the point made above about individuals who have enhanced skills within organizations that do not change. The quality of human resources in the NGO sector – many of whom are now in leadership positions in the government sector – was seen as another area of sustainable result through the program.⁶⁰

⁵⁹ Razon-Abad and Lynch, Governance Programming Area Report.

⁶⁰ Mendelsohn and Medel-Gregorio, NGO Programming Area Report.

Enabling Environment

Sustainability in the enabling environment is a more complex notion than organizational change. The initiatives to build institutional structures, including policy and legislation, were typically operating on numerous levels without blueprints for implementation. The successful initiatives in strengthening the enabling environment took into account the institutional gaps to fill in the system, the organizations involved and the structures in which they relate, the leadership in the sector and the agendas of key stakeholders, and the need for a propitious spectrum of interventions to reinforce the change process. Given these complexities, the program partners performed relatively well in bringing about lasting changes in the enabling environment.

One area of sustainable change took place within the NGO sector. The program helped strengthen the NGO community through coalition building for advocacy at the national level. It helped create various institutional structures – from CODE-NGO to policy reform to stronger networks and communication channels – that have been sustained since the end of the NGO program in 1997. It also had a lasting impact on government legislation for ensuring gender equality, attitudes towards gender equality, and issues affecting women in communities.

Improving Access

The program was successful in improving access to healthcare services, livelihood opportunities, micro finance, services for women, and environmental management services, but it difficult to assess the sustainability of this access because of a shortage of good data.

The example of micro credit is illustrative. Generally speaking, the sustainability of micro-finance organizations and revolving funds was problematic. Under the CPR, many projects provided grant funds; there was insufficient capacity building for lending organizations; and the borrowers' ethic of re-payment was not reinforced. Under the CDPF, the sustainability of micro finance organizations seemed to improve when the program:

- Took into account a full spectrum of issues while building capacity in the lending and borrowing environments;
- Increased beneficiaries' knowledge of basic business concepts and practices;
- Strengthened lenders' management systems and procedures in addition to providing capital for grants or loans;
- Fostered an ethic of repayment among borrowers from revolving funds in co-ops and NGOs;
- Strengthened public and private institutions such as development boards and offices;
- Identified indicators for designing and planning to assess sustainability; and
- Applied lessons from past experience in programming approaches.

Factors Affecting the Sustainability of Results

Some of the main factors that affected the sustainability of program results have included:

- Analysis of institutional needs, conditions, capacity and objectives in program design;
- Approach taken to capacity building within organizations and sectors;
- Local ownership of initiatives by multiple levels of government stakeholders, where appropriate;

- Leadership, commitment and individuals' skills in implementing reform and institutionalizing change;
- Ongoing financial support for the activities previously supported by the program; and
- Inculcation of the 'right' values and thinking.

The last point was stressed in the PSD programming area report:

"The emphasis placed on cooperatives, especially those in financial intermediation, to operate as a business instead of as a social development organization, and the emphasis placed on being a single-purpose versus a multi-purpose cooperative, helps make cooperatives more economically viable and more sustainable."⁶¹

The program performance was also impacted by external conditions that were well beyond the control of project partners. Some of these conditions would not only affect sustainability of results, but whether any results were achieved in the first place:

- Land-ownership by the poor needs to be addressed to improve sustainability
- The Asian financial crisis in 1997-98 reduced the availability of credit and financial resources for government partners and private sector enterprises;
- Typhoons have destroyed initiatives and infrastructure funded by CIDA;
- Security issues in Mindanao have made program delivery more time consuming, costly and fraught with risk; and
- National debt has affected the sustainability of governance projects requiring on-going funding for sustainability.

⁶¹ Whyte and Roaring, PSD Programming Area Report.

5. EXPLANATION OF RESULTS

Organization of the Explanation of Results

The CPE evaluation framework asked how the program results were realized and delivered. The evaluation questions focus this inquiry on the program design, the delivery channels and mechanisms, the use of a results approach, the program partnerships and networks, the degree of local ownership, the program relevance to beneficiaries, and the coordination, coherence and consistency with GOP priorities and other donor priorities.⁶² This section explains what worked, what did not work, and why. It is organized into three parts: program strategy and design; program partnerships and ownership; and program consistency and coherence. Key issues in these areas have affected the realization and sustainability of results.

Summary of Factors Affecting Results

Some of the key factors that have contributed to the results achieved in the country program include the following:

- The program established direction and set priorities that remained consistent over time;
- It expanded networks, built partnerships and developed long-term relationships;
- It was consistent with and responsive to the expressed priorities of local partners;
- The consistency in programming allowed time for development of innovative approaches and testing of models;
- The projects were flexible and able to change to meet the evolving needs of partners;
- They relied on a high degree of Philippine implementation; and
- They became more strategic, focused and results-oriented over time.

Some of the key factors that have constrained the achievement of program results include:

- The program initially relied on responsive facilities that could not ensure programming was strategic in its support of broader changes within a sector or agency;
- It had difficulty clearly defining and tracking the expected results of the program;
- It had difficulty balancing CIDA requirements for accountability and results with various local delivery models;
- Its structures for increasing and sharing learning in the program were under-developed;
- It lacked feedback mechanisms to allow better integration of issues such as sustainability into project decision making;
- It did not develop some of the necessary tools for effective strategic management of the program; and
- Its skills-and-systems approach to capacity building paid insufficient attention to the enabling environment and improvements in service delivery that would have increased the likelihood for sustainability of results.

⁶² Some of these issues are identified in *CIDA's Policy Statement on Strengthening Aid Effectiveness (2002)*.

5.1 Program Strategy and Design

Summary of Trends in Program Strategy and Design

- CIDA took a consultative and participatory approach to program design under the CPR. The approach helped establish direction and set priorities in the program that remained relatively consistent over the period under review. This consistency in direction and priorities allowed the program to expand networks, build partnerships and develop the long-term relationships that were critical to program success. The consultative and participatory approach was particularly appropriate to the Philippines context, which has a relatively deep pool of human talent and strong tradition of participatory development.
- The widespread use of responsive facilities under the CPR strengthened local decision-making and management, and local ownership, while remaining flexible to address emerging priorities. Responsive facilities increased access to program resources for many public and private organizations, and expanded CIDA's program and political network. But the responsive model also constrained CIDA's ability to ensure that program resources were used strategically for the achievement of downstream results, and for the creation of an enabling institutional environment to increase sustainability.
- CIDA moved away from responsive facilities in the bilateral program toward more strategic and focused programming in the 1990s. This approach was based on proactive project development by strategic managers, integrated programming, focused frameworks of short- and long-term results, and focused attention on downstream beneficiaries in programming. The strategic and focused approach led to better results in key initiatives.
- While CIDA relied primarily on local executing agencies (LEAs) to implement the CPR, the Agency increased its use of Canadian executing agencies (CEAs) under the CDPF. LEAs and CEAs have both proven capable of generating results in the program, and Filipino and Canadian experts have both been effective. But the local partners and experts have provided a good amount of leadership, knowledge and expertise, and the quality of their inputs was a key factor in the achievement of results.
- CIDA introduced results-based management in the 1990s. It took a compliance approach and emphasized project-based RBM for reporting purposes. RBM led to better results planning and measurement by partners, and helped facilitate the movement toward strategic and focused programming. But CIDA's project-oriented approach may have hindered results management at the program level.
- The program was innovative and experimental in some respects. However, the structures for increasing and sharing learning in the program were under-developed. As a result, there was insufficient transfer of learning about successful practices between projects and sometimes even within projects. This diminished the potential for synergy in the program.
- CIDA has not yet developed some of the necessary tools for effective strategic management of the program. The focus and logic of the program investment was not clearly articulated, and the program has weak or informal structures for managing portfolios of initiatives and coordinating investments through bilateral projects and funds and CPB programs. This has constrained CIDA's ability to learn and adapt in order to improve the results of its program.
- CIDA's approach to capacity building focused primarily on improving skills and management systems within government agencies and NGOs. The approach led to more and better skills and systems, but it failed to meet needs for changes in the enabling environment and improvements in service delivery, and diminished the sustainability of results.

Consultative and Participatory Approach to Program Strategy and Design

CIDA took a consultative and participatory approach to program design from the outset of the Philippines program. The approach helped ensure the program design was relevant and responsive to Philippine partners and appropriate to the Philippine context. It helped CIDA establish direction and set priorities in the program that have remained relatively consistent over time. As described, the 1989 CPR was focused on NGO and PO strengthening, governance, and private sector development (PSD). In the 2000 CDPF Update, CIDA was still focusing on governance and PSD priorities, though it had discontinued its core support to the NGO sector, while articulating social development priorities in its place.

CIDA's approach to program design contributed to the effectiveness of the program in key ways:

- It has allowed the program to expand networks, build partnerships, and develop the long-term relationships that were critical to program success;
- It gave implementing partners significant autonomy to develop implementation approaches, which in some instances fostered innovative, experimental programming;
- It strengthened the program profile and reputation for risk-taking, especially under the Interim Program and CPR, and within the Philippine NGO community; and
- It strengthened local ownership in the development community, which has a relatively deep pool of human talent and a robust and vocal tradition of participatory development.

Stakeholder Consultations to Develop the CPR and the CDPF

The consultative and participatory approach was manifest in the development of the program frameworks as well as the program management and implementation approaches.

When developing the CPR and CDPF, CIDA consulted with program partners and stakeholders in the Philippines and Canada to help define the priorities, focus and design of its country program. In 1988, CIDA held extensive consultations on the CPR with stakeholders, which had a significant impact on the focus and design of the CPR. The stakeholders included NEDA, other national government agencies, NGO networks from across the development spectrum, NATCCO, a number of business organizations and business service providers, and key Canadian organizations, private sector interests, and partners.

- The NGO program took shape based on the results of consultations. At Tagaytay, NGO representatives agreed on parameters for a 'human resource development' program for NGOs, which formed the basis for PCHRD.
- In the governance program, the participating NGAs wanted separate programming streams for national line agencies, local government units, and civil society organizations. NEDA and the NGAs wanted the governance program to focus on building professionalism in the government sector, which took shape in skills and systems development for government agencies.
- The NCRFW suggested that CIDA separate the original WID fund into two parts – the smaller portion for NCRFW and the larger fund for NGOs. The latter became DIWATA.

In 1994, CIDA held consultations on the CDPF with stakeholders in the Philippines and Canada. The stakeholders included NEDA, NGAs, LGUs, NGO networks, NATCCO, numerous business organizations and business service providers, and Canadian organizations and partners. Both the NGAs and the LGUs reinforced the decision to continue governance programming as it was,

that is, to continue to focus on the skills-and-systems approach to capacity building with the existing projects going into subsequent phases.

It should be noted that CIDA personnel were not unanimous in their assessment of the need for the 1995 CDPF. While CIDA corporate personnel at headquarters reportedly 'pushed for the CDPF,' the Post and the Philippine partners were less convinced of its need and value. As mentioned, the CDPF reinforced the ODA priorities as stated in the 1995 Canadian foreign policy statement, *Canada in the World*, and marked the beginning of the current period of policy-driven programming in the Philippines. But it did not signal any significant change in the direction and priorities of the program, except to include some institutional issues in the results framework for the governance program.

Use of Demand Driven or Responsive Facilities Under the CPR

CIDA developed a program delivery strategy for the 1989 CPR. According to the strategy, the projects would be flexible and adaptable to changes and demands in the Philippines context, and as much as possible, they would use local executing agencies. The initial group of NGO and governance projects especially were designed and implemented on this basis.

In order to ensure that the program was flexible and adaptable to changes in the local context, CIDA and its partners designed many of the initial bilateral projects as demand driven or responsive facilities. Depending on the project, the proposal proponents were NGOs and POs, national government agencies, or local government units. Project boards, committees or management offices approved the proposals. More often than not, the project beneficiaries were the same organizations and agencies accessing the funding. In effect, this initial set of bilateral projects behaved as donor funding facilities (see exhibit).

Exhibit 28 Demand-driven Programming through the Bilateral Directive Mechanism

Initiative	Proposal Proponents	Proposal Approval	Implementation	Beneficiaries
PDAP I & II (1986-97)	NGOs and POs	PDAP Philippines and PDAP Canada boards	NGOs and POs	POs and Communities
PCHRD (1990-97)	NGOs and POs	PCHRD board (member networks)	NGOs and POs	NGOs and POs
DIWATA (1991-97)	NGOs and POs	DIWATA board (member networks)	NGOs and POs	NGOs and POs
PTTAF I (1992-96)	National Government Agencies (NGAs)	Project Steering Committee	NGAs	NGAs
LGSP I (1991-99)	Local Government Units (LGUs)	Regional Program Management Offices	LGUs	LGUs
NCRFW I (1991-96)	NGAs	NCRFW Exec Director & Management Cmte	NGAs	NGAs
NRDF (1986-93)	Governmental and non-government agencies	NRDF Program Committee	NGOs	Displaced sugar workers, rural poor, NGOs
CAP I (1987-91)	NGAs	GOP	NGAs	GOP, education sector, agriculture sector
Telecom TA (1988-96)	NGAs	Steering Committee (DOTC, NTC, TELOF)	NGAs, Private sector	NGAs (telecommunications)

The use of responsive facilities offered the program various advantages:

- The responsive facilities were highly flexible and adaptable to changing circumstances;
- They were driven by the demands of local partners, which helped ensure consistency with partners' and beneficiaries' needs and GOP priorities;
- They reinforced trust and commitment in the relationship between CIDA and its partners;
- They helped the program develop its network and profile;
- They offered wide coverage in terms of the issues and needs to which they could respond;
- They provided funding to activities for which there would be no other outside funding; and
- They fostered experimentation, innovation and risk-taking, which helped create a good reputation for the CIDA program.

At the same time, there were disadvantages and shortcomings in the use of responsive facilities as they were designed in the program:

- The responsive facilities could not ensure that programming was strategic in its support of broader changes within a sector or agency;
- They limited the project staff's role to contract approvals and monitoring, but not assessing the results and sustainability of initiatives and the commitment within the agency for change;
- They were resource intensive and inefficient in the ratio of administration to programming;
- They could not ensure that the funded activities, which were often discreet and short-term, would have a lasting impact on organizations;
- They presented challenges to taking a RBM approach, particularly in terms of tracking results beyond activities and identifying results at the program level;
- They presented challenges to CIDA's need for accountability and control over the flow and use of public funds;
- They sometimes reflected an individual's interest more than an organization's priorities, which limited the impact and value of the initiative and the likelihood of sustainability; and
- They could not guarantee that the beneficiaries of CIDA projects were the poor or other populations-in-need.

In the end, the use of responsive facilities under the CPR impacted the type of results achieved in the program. Generally, they helped the program achieve a wide range of immediate and valued results for a large number of organizations while building a foundation for the long-term success of the program. But these results were often short-term and isolated in the overall framework, while relatively expensive to administer, risky to achieve, and difficult to document.

Use of Filipino and Canadian Executing Agencies and Technical Assistance

As mentioned, the CPR delivery strategy expressed CIDA's intention to use local executing agencies (LEAs) as much as possible. The initial group of bilateral projects were designed and implemented on this basis. By the mid-1990s, CIDA began moving away from the use of LEAs to the use of Canadian Executing Agencies (CEAs). The shift was especially apparent in the governance program, which introduced CEAs to PTTAF II in 1997 and LGSP II in 1999 after relying on LEAs for phase I (see exhibit).

Exhibit 29 Trends in Use of Executing Agencies in Philippines Bilateral Program (1989-01)

Area	CIDA CPR (1989-1994)	CDPF 1995-2000 and Update
NGO Support	<ul style="list-style-type: none"> Partnership in PDAP I & II LEA in PCHRD LEA in DIWATA 	<ul style="list-style-type: none"> CEA in PPSE⁶³ (PDAP III) PCHRD closed in 1997 DIWATA closed in 1997
Governance	<ul style="list-style-type: none"> LEA in LGSP I LEA in PTTAF I LEA in NCRFW ISP I 	<ul style="list-style-type: none"> CEA in LGSP II CEA in PTTAF II LEA in NCRFW II
PSD	<ul style="list-style-type: none"> CEA in P-CODAP CEA in Telecom TA and TISP I LEA in ESP LEA in NRDF LEA in CAP I & II 	<ul style="list-style-type: none"> CEA in SEDCOP CEA in TISP II CEA in PEARL NRDF closed in 1993 CEA in CAP III & IV

The Philippines program was also characterized by its reliance on local experts for the delivery of knowledge and management services. This was fitting given the relatively deep pool of human talent in the Philippines, and the large number of local organizations participating in development. By the early 1990s, CIDA was employing about 30 local staff at the decentralized Post, which contributed to the direction and success of the program.

The shift from LEAs to CEAs began in the mid-1990s in response to changes in the CIDA management context at the time. The changes propelling the shift from LEAs to CEAs were:

- In 1993, CIDA closed its decentralization experiment in Manila. As the desk at CIDA headquarters assumed greater responsibility for projects, CIDA officers needed more contact with project implementation, which was facilitated by the use of CEAs.
- At the same time, CIDA was increasingly concerned with accountability issues in the country program. The shift to the use of CEAs followed evaluation and audit reports that raised control issues for CIDA in using the LEA model in the country. It also took place after the development of the new Accountability Framework for CIDA as a government agency, which increased public scrutiny of the Agency and fueled CIDA's aversion to risk.
- In the re-centralization process, the number of local CIDA staff in Manila was greatly reduced, which hindered CIDA's ability to monitor LEA programming.

LEAs and CEAs have both proven capable of generating results in the program, and Filipino and Canadian TAs have both been effective. But the program has relied on local partners and experts for a good amount of leadership and expertise. This approach and the quality of local inputs were key factors in the achievement of results.

CIDA's local partners have set high expectations for Canadian contributions in the program. As seen in the PSD program, Canadians have introduced expertise or technologies not available locally. For example, Canadian firms introduced telecommunication expertise, CESO

⁶³ Although PPSE is implemented by PDAP, it being assessed as a project in the PSD programming area.

volunteers introduced production technologies, and Canadian experts worked along side Filipinos to achieve notable results in SEDCOP and ESP.

Filipino and Canadian executing agencies and experts each offer the program advantages and disadvantages (see exhibit). But as the CIDA policy on strengthening aid effectiveness suggests, and the CPE experience confirms, CIDA should turn first to Filipino experts when the required expertise is available locally.⁶⁴

Exhibit 30 Advantages and Disadvantages of Using Local Vs. Canadian Agencies and Experts

	Use of LEAs and Local Experts	Use of CEAs and Canadian Experts
Main Advantages	<ul style="list-style-type: none"> • Enhances local ownership and flexibility • Reinforces long-term relationships • LEAs rely on local knowledge and networks • Well-suited to implementing projects under decentralized and counterpart funds • Able to work in sensitive areas including less secure parts of the country 	<ul style="list-style-type: none"> • CEAs may be held accountability for use of funds under Canadian law • CEAs more familiar with CIDA policy • Access to exemplary practices and models used in Canada or other developing countries • Access to Canadian specialists who may provide expertise not available in Philippines
Main Disadvantages	<ul style="list-style-type: none"> • Vulnerable to collusion and pressure in use of funds • Tendency to keep using a small number of groups for TA, which decreases inclusiveness • Impairs CIDA's accountability for use of public funds • Some local experts not given to participatory or inclusive processes 	<ul style="list-style-type: none"> • Cross-cultural issues may arise • Canadians need time to develop their local networks • CEAs and Canadian experts are often more expensive than LEAs and local experts • Some Canadian experts are unable to work in some areas (e.g. Muslim Mindanao)

Movement toward Strategic and Focused Programming

In the mid-1990s, the program began to introduce proactive programming models in key bilateral projects. This was part of a gradual movement away from responsive facilities toward strategic, focused and results-oriented programming in the bilateral program.

This approach was introduced within some existing projects through gradual changes in management structures and programming approaches. In the governance program, for example, CIDA moved from seven regional programs to one national program in LGSP. The proactive model allowed for more strategic and focused programming in the local government sector, with greater potential for synergy and sharing of lessons among initiatives. It also allowed more opportunity to connect CIDA support to skills and system development in local government to the macro-level policy and institutional environment. This work has gained momentum in LGSP in phase II.

Some of the key features of the strategic and focused programming models were:

- Proactive project development by strategic managers;
- Integrated programming approach through alliances;

⁶⁴ For a convincing examination of the use of Filipino experts in development programming, see Jeanne Illo, *Reforming Technical Cooperation: The Philippine Experience*, UNDP, 2002

- Focused framework of short-term and long-term results of programming; and
- Focused attention on the downstream beneficiaries of programming.

The movement from the use of responsive facilities to strategic, focused and results-oriented programming made sense given the changes in the programming and policy environment.⁶⁵

Exhibit 31 Conditions Giving Rise to Evolution in CIDA Programming Approach in the Philippines

	Conditions in 1987	Conditions in 1995	Conditions in 2003
Development Conditions	Period of political instability and economic stagnation	Period of relative political stability and economic growth	Period of political and economic precariousness
Program Networks	The program had not yet developed solid networks	The program networks were in place and functioning	The program networks and partnerships are mature
Program Framework	Flexibility within framework of broadly stated objectives	Introduction of results-oriented framework and ODA priorities	Stated desire for focused, results oriented 'portfolio' approach
CIDA Leadership	Decentralized leadership took consultative approach	CIDA Post less consultative and participatory than before ⁶⁶	CIDA Desk has new leadership open to changes in approach
Analytical Capability	Strong analytical capability among local staff at CIDA Post	Strong analytical capability among project personnel	Strong analytical capability among project personnel
Program Operations	Program operations about to be decentralized to Manila	CIDA program operations re-centralized to Hull	CIDA centralized program management in Hull
Program Management	CIDA personnel involved in program management	CIDA plays role of funding agency, and partners manage	CIDA plays role of funding agency, and partners manage
Strategy for Sustainability	Invest in HRD for better skills and stronger organizations	Support 'right' organizations within enabling policy context	Build institutional capacity within macro-meso-micro framework
Key CIDA Concerns	Democratic and economic development in post-EDSA era	Canadian fiscal responsibility and accountability concerns	Results, accountability and strengthening aid effectiveness
Financial Resources	Asia Branch disbursed \$25.5 million annually (87/88-94/95)	Asia Branch disbursed \$16.8 million annually (95/96-00/01)	Asia Branch currently disbursing about \$20 million annually

The movement toward a strategic and focused approach in the Philippines program has faced some challenges. It has raised partnership issues for Filipino and Canadian participants, managers and sponsors like CIDA and NEDA. This is largely because the change has decreased local autonomy in decision-making and the presence of local program staff. At the same time, it has increased the requirements for accountability and reporting on results and the involvement of Canadians in the program. Nevertheless, the movement toward strategic and focused programming has been a key factor in the achievement of results in all three areas of programming. According to the governance program report, the evolution towards increased focus in the program has been positive:

“This evolution in programming from broad responsive funds to more focused and strategic programming was critical in the achievement of the results over the

⁶⁵ Over this period, other donor agencies in the Philippines have implemented similar changes in their approach.

⁶⁶ Some of CIDA's Filipino implementing partners remarked that the CIDA Post seemed less open and consultative after CIDA program operations were re-centralized to Hull and the CDPF was developed. They believed the previous leadership was more accessible and open to their ideas on an informal, day-to-day basis. CIDA's GOP partners did not articulate this view.

*period studied. The more focused approach that emerged allowed the projects to have greater impact with their government partners while still allowing flexibility to respond to changes in the governance environment”.*⁶⁷

In preparation for the next CDPF, CIDA has stated its desire to take a ‘portfolio approach’ to programming. As described, the portfolio approach is seen as further continuation of the movement toward a strategic and results-based approach. As such, it will impact the program results framework, the planning processes, the coordination among projects, and the management responsibilities of CIDA and project personnel. As seen in the exhibit above, some of the current conditions listed will support the evolution, while CIDA will need to address some others. The latter group would include:

- CIDA’s strategic management capacity may need to be improved;
- Its analytical capability may need to be strengthened;
- Its role in program management may need to be reviewed and strengthened;
- The responsibility of the decentralized CIDA personnel in program management may need to be reviewed and increased; and
- The responsibilities of local partners in the strategic management of the program may need to be reviewed and reinforced.

Introduction and Use of Results Based Management

The introduction of RBM in CIDA programming had a significant impact on the management of the Philippines program. Introducing RBM raised concerns for the use of responsive facilities in the program; it reinforced new expectations for strategic and focused programming; it created new reporting requirements for CIDA and its implementing partners; it set in motion the development of new information management capacities; and it contributed to CIDA’s decision to discontinue the NGO program after PCHRD, DIWATA, and PDAP II were completed in 1997.

Some realities that made RBM challenging to NGOs were also found in the other programs.

Exhibit 32 Program Features that Make RBM Challenging in the Philippines Program

Features	NGO and PO Program	Governance and PSD Programs
Partnership and Consortia Approach	The NGO projects involved elaborate partnership and consortia structures. Sub-projects sometimes involved five or six levels of management and implementation (e.g. PDAP). Results data could not flow effortlessly through six levels of consortia.	The partnership structures in the governance and PSD programs were not as elaborate as the structures created by NGOs. Generally, they were able to make results data flow through their project structures.
Focus on Coalition Building and Advocacy	Some areas of the NGO program did not lend themselves to results measurement. This included coalition building, network building, and advocacy for change and reform.	Some areas of the governance program did not lend themselves to results measurement. This included transparency, accountability and government responsive to local needs.
Measuring Results of a Responsive Facility	The NGO initiatives supported hundreds of sub-projects, which were aligned with project objectives. NGO accountability and control, and results planning and measurement, were weak.	Governance and PSD projects provided support to sub-projects, though they have developed results frameworks. They still presented challenges to results measurement.

⁶⁷ Source: Razon-Abad and Lynch, 2003.

Features	NGO and PO Program	Governance and PSD Programs
Building Capacity to Meet RBM Requirements	The NGO initiatives developed their strategic management thinking and frameworks without building their RBM capacity.	The implementation of RBM improved in some program areas from 1995 to the present. Governance and PSD projects provide CIDA with more informative results reports now.
Establishing Project Baseline Data	NGO projects lacked clarity in planned outcomes, which hindered their ability to develop indicators, collect baseline data and track changes.	Few governance and PSD projects collected baseline data that allowed them to measure results. LGSP II is an exception to the rule.

RBM made a positive contribution to the program to the extent that it helped in the movement toward strategic and focused programming, and set partners on the path toward better results planning and measurement. But while CIDA's partners have become more effective in results-based reporting over the years, it is difficult to identify how RBM helped the program achieve more or better results. In fact, CIDA's project-oriented approach to RBM may have hindered results management at the program level:

- CIDA has taken a 'reporting' approach to RBM, which it uses as a compliance and accountability framework for project-level results, rather than a 'management' approach;
- CIDA requirements for RBM reporting were focused on populating its RBM database, rather than using the results data throughout the management cycle;
- CIDA has become dependent on executing agencies and partners for developing RBM frameworks and providing results information, rather than generating its own results data;
- The program has attempted to roll up project performance data to the program level, rather than building an RBM system for the program;
- Most partners have endorsed RBM and tried to build systems that meet CIDA requirements as opposed to meeting their own management needs; and
- Asia branch and CPB requirements for RBM were so different that the Agency is unable to use the latter in helping measure the outcomes of its overall investment in the Philippines.

In general, CIDA has not made the most of RBM as part of its program management tool chest.

Innovation and Learning in the Program

The CIDA program developed a reputation for innovative programming in the three programming areas. Numerous initiatives experimented with design and procedures, and tested alternative models for capacity building and service delivery. The NGO program developed innovative management structures to reinforce local decision-making. This innovation increased local knowledge and ownership and had a generally positive impact on program performance.

However, the impact of innovative programming on results was constrained by limitations in the methods and structures for capturing, sharing and applying lessons among and within projects. This was in spite of the movement toward strategic and focused programming, which increased the potential for synergy in the program. For instance, the lack of linkages among bilateral projects, and between bilateral and CPB initiatives, hampered the sharing of learning in micro finance and health sectors. The governance program had similar experiences:

"Governance is a complex area and the devolution of decision making to a wide range of projects meant that few CIDA staff (local or in Headquarters) by the mid-

1990s could necessarily keep on top of the lessons emerging. Little interaction between the projects meant that any lessons emerging were not shared to any extent. This resulted in the governance program overall being less strategic than it could have been.”⁶⁸

In some instances, the continuity of projects being implemented over two or three phases by the same implementing agencies may have helped the emerging lessons to be applied in the program. But in other instances, models that were tested in one project phase or for one project partner were not used in the second phase or with another partner. Instead new models were developed, which did not always prove as effective.

Strategic Management of the Program

Strategic management of the program refers to CIDA’s capacity to identify its program focus and objectives, articulate its investment logic, track performance, make decisions and deploy resources accordingly. Generally speaking, CIDA has not yet developed some of the necessary capacity for effective strategic management of the program. As described in the bullets below, these tools include: sector analyses, objectives and investment theories; structures for managing a portfolio of initiatives in each sector; and methodologies for tracking the performance of the investment in the sector. This has constrained CIDA’s own ability to learn and adapt in order to improve the results of its program.

- The focus of the program investment was not clearly articulated in program documentation. Instead, the CPR and CDPF described general objectives and expected results in broad areas. It did not articulate what it wanted to achieve in ‘sectors’ such as health, local government, cooperatives development, etc.
- The logic of the program investment was not clearly articulated in program documentation, except that the overall goal was poverty reduction and the basic strategy was capacity building and capability building. The logical relationships among building human and organizational capacity, enhancing the enabling environment, and improving access to resources and services were not clearly articulated at a program, sector or thematic level.⁶⁹
- The program has weak or informal structures for managing the portfolio of initiatives in each sector for results. There are few formal structures for ensuring that CIDA investments through bilateral projects and funds and CPB programs were coordinated.
- The agencies and partners managing projects determined the emphasis placed on each of the ‘micro-meso-macro’ elements in the sector. In some of the largest investments, the emphasis was more on management capacity building than improving access to services or enhancing the enabling environment.
- The program did not ensure a critical mass of investment in any particular sector or locale. There was little coordination and targeting of initiatives within geographic or thematic areas.

The shortage of strategic management tools diminished CIDA’s ability to manage its overall portfolio of projects, and the assistance strategy behind them, as a country program.

⁶⁸ Source: Razon-Abad and Lynch, 2003.

⁶⁹ The evaluation team developed the ACE framework in consultation with the CIDA Post. It was created for use as an organizing framework for the CPE. While the program may be described in terms of the ACE result areas, CIDA did not use this framework for organizing the CPR and the CDPF.

Program Approach to Capacity Building

As stated, CIDA's main strategy for program effectiveness was capacity building. The approach to capacity building focused primarily on improving specific skills and management systems within government agencies and non-governmental organizations. The approach was largely based on the concept of professionalism that grew in response to the conditions facing the country in the post-EDSA period.

- Prior to 1986, the governing structures at the national and local levels were instruments of Marcos and his political and business associates. The decision-making and implementation systems in government were based on patronage and cronyism.
- When Aquino won the presidency in 1986, the new leadership asked: how do we create a professional government structure based on democratic principles? The response, which was reflected in the priorities identified in the 1989 CPR, was better planning and administrative skills, better decision-making systems, better local revenue generation and control, and greater accountability to local communities.
- The NGO leadership asked itself similar types of questions. After years of political and advocacy activities, their focus began to shift toward human resource development, management systems building, and the skills and structures required for NGOs to play an effective role in local governance and service delivery.
- By the time CIDA began developing its 1995 CDPF, the country was gathering economic and political momentum under Ramos. The CDPF recognized the need for better skills and systems in the public and private sectors, but it also recognized the need for stronger institutional, legal and policy frameworks to ensure the improvements were institutionalized.
- The economic and political momentum was reversed during the Asian financial crisis and under the Estrada administration. The commitment to reform waned, the political leadership faltered, and the system of cronyism resurfaced in government. For the program, the skills-and-systems approach to capacity building began to show its limitations. It was not focused enough on the broader institutional environment and governance system to defend its earlier gains in building human capabilities and management systems.

CIDA's approach to capacity building was a key factor in the achievement of results. It led to important developments in public and private sector management systems, but it fell short of meeting needs for changes in the enabling environment and improvements in service delivery. The approach was inappropriate for institutional development, especially in governance areas, which likely diminished the overall sustainability of results.

5.2 Program Partnerships and Ownership

Summary of Findings on Partnerships and Ownership

- From its outset in 1986, the CIDA program was concerned with strengthening partnerships and fostering local ownership of development strategies. As a result, it developed a wide range of partnership models and a relatively high level of local ownership in decision-making. These partnerships and long-term relationships were critical factors in the achievement of results.
- Almost all projects built strong partnerships that were responsive to local needs and priorities. The different partnership models developed in projects were linked to different types of results. Some partnership models were associated with short-term results, some

with the mandates of implementing partners, some with the plans and programs of beneficiary organizations, and some with the partnership structures themselves and the issues the structures were created to help address.

- The impact of partnerships on the achievement of results was often influenced by other mitigating factors. These include whether the partners' capacity, skills and knowledge was sufficient to participate effectively in project formulation, planning and monitoring, whether the approaches they designed were realistic and appropriate to achieving results, and whether they had sufficient human and financial resources for participation and follow-up.
- The program is noted for supporting various initiatives that attempted to develop innovative partnership approaches to implementation and results achievement. The NGO program was focused on coalition building for the purpose of improving the enabling environment. However, the partnership approach was unnecessarily complex for the immediate task of acting as a funding agency for development in the sector.
- Strong partnerships, which are built on mutual trust and accountability, will increase local ownership if they provide local autonomy in decision making, respond to local needs and priorities, ensure local commitment and leadership, and give local partners significant management responsibility and control over resource use.
- Local ownership was often a key factor in the performance of initiatives. The correlation between local ownership and success was seen in all programming areas. However, ensuring local ownership was not always enough to guarantee sustainable outcomes.
- The levels of local ownership will have a positive impact on the achievement and sustainability of results if the locally owned investments are strategic, focused and results oriented, and the local organizations involved have the commitment, capability and resources to carry on beyond CIDA's support.

Impact of Partnership Models on Results

The CIDA program successfully expanded its networks, built partnerships, and developed long-term relationships that were a critical factor in the achievement of results. For the most part, the partnerships were developed in the context of specific projects. The program used various partnership models for project design and implementation. The impact of different partnership models on the achievement of results was influenced by other mitigating factors. But generally, the different partnership models offered these possibilities in terms of results achievement:

- The *Funding Agency* model helped the program achieve a wide range of immediate results that were relevant to beneficiaries. The results were often short-term and isolated in the overall framework, while relatively expensive to administer and difficult to document.
- The *Direct CIDA Partnership with Agency* and *Agency-to-Agency* models helped legitimize and reinforce the institutional mandate and capacity of the implementing partner. The results were linked to the partners' mandate, though achieved in beneficiary organizations.
- The *Canadian Partnership* and *Expert-to-Client* models helped beneficiary organizations achieve results linked to their own purpose, needs and priorities. They were strategic in terms of their relationship to the beneficiaries' institutional plans and programs.
- The *Regional Partnership*, *Multi-stakeholder Body* and *Institutional Linkage* models helped partners and beneficiaries develop institutional structures that were necessary for results achievement. The results were linked to the structures and/or issues being addressed.

Exhibit 33 Partnership Models Used in the Philippines Program⁷⁰

Partnership Model and Description	Examples
<p>1. Funding Agency</p> <p>The project is a responsive fund. It receives and funds proposals from participants and beneficiaries, but it is not involved in implementation. The beneficiaries tend to be the groups putting forward the proposals. A number of projects in the CPR were based on this model, which is used in development funds.</p>	<p>PTTAF I, LGSP I, PCHRD, NRDF, DIWATA</p>
<p>2. Direct CIDA Partnership with Agency</p> <p>The project is a partnership between CIDA and a national government agency (NGA). CIDA and the NGA jointly design and implement the project. The NGA puts forward proposals to CIDA, which manages the funds and contracts resource providers. The NGA is then responsible to use policy inputs to develop options for government planning.</p>	<p>PIIP, CAP I & II, TISP I & II</p>
<p>3. Agency to Agency</p> <p>The project provides funding to assist the implementing agency in providing technical support to other agencies. The linkage between implementing agency and the NLAs is based on a shared purpose, such as mainstreaming gender concerns. The implementing agency develops linkages with NGAs to strengthen their policy and implementation frameworks.</p>	<p>NCRFW ISP I & II</p>
<p>4. Canadian Partnership</p> <p>The project is a Canadian institution or enterprise that develops linkages between Canadian and Philippine groups. The linkage is based on complementarity of purpose and interest. The groups jointly design and implement the initiatives. The institutional linkage is directed toward the needs of the local partner.</p>	<p>FCM, CESO, AUCC, CIDA-INC</p>
<p>5. Expert to Client</p> <p>The project involves highly technical and short-term interventions. The project staff members work with client agencies to identify priorities and possible areas of intervention. The project then provides technical inputs to the client's plan or program. The client is responsible for the institutionalization of results.</p>	<p>PTTAF, ESP, BAP, LGSP II</p>
<p>6. Regional Partnership</p> <p>The project is a partnership of regional groupings of beneficiaries. The project staff and project beneficiaries sign MOUs that clarify roles and expectations. They undertake joint decision-making on strategies and resource use. The project provides inputs and manages the implementation of initiatives.</p>	<p>LGSP I, PPSE</p>
<p>7. Multi-stakeholder Body</p> <p>The project helps beneficiaries in developing multi-stakeholder bodies for management of shared resources. The multi-stakeholder bodies develop a shared vision for the undertaking. The project provides inputs and the multi-stakeholder body implements the project and is accountable for finances and results.</p>	<p>PCEEM, CBDP</p>
<p>8. Institutional Linkage</p> <p>The project is a linkage between Canadian and Filipino institutions or enterprises. The linkage is based on complementarity of interests and approaches, and involves a joint management model. The partners jointly design and implement the initiatives, though the project helps ensure that the interventions are appropriate to achieving their vision.</p>	<p>ERMP I & II, PEARL</p>

The program is noted for supporting various initiatives that attempted to develop innovative partnership approaches to implementation and results achievement. For example, the NGO program was largely focused on coalition building for the purpose of strengthening enabling

⁷⁰ See Razon-Abad and Lynch, Governance Programming Area Report, for more information on partnership models in the governance program.

institutions in the sector and advocating for changes in the policy environment. While achieving some important gains in these areas, the partnership approach may have been unnecessarily complex for the immediate task of bringing together diverse networks to act as a funding agency for development in the sector. According to the NGO program report:

“The partnership approaches in the PDAP, PCHRD and DIWATA projects provided for a level of complexity not often seen in CIDA projects and/or programs. Although much was accomplished, it is not clear whether this level of complexity was ultimately valuable. The projects involved developing networks in the Philippines and in Canada, with both individual and network partnership being attempted. This type of coalition approach was fraught with difficulties due to the differing goals, objectives and ideologies of the members. The coalitions worked as long as the objective was obtaining funding, and the issues were common themes that the individual NGOs and networks could identify with. However, it is clear that there are limits in “forcing” partnerships and coalitions.”⁷¹

Impact of Local Ownership on Results

From its outset in 1986, the CIDA program was concerned with strengthening partnerships and fostering local ownership of development strategies. These were key aspects of the CPR delivery strategy. As a result, the program displayed a relatively high level of local ownership in decision-making:

- In its capacity as the Philippines’ development planning and coordinating body, NEDA has provided local leadership to the CIDA program and numerous projects, including the \$115.8 million Commodity Assistance Program and the Philippines-Canada Development Fund.
- The NGO program fostered local ownership through project management structures, which gave the Philippine NGOs significant responsibility for project identification, selection, assessment and decision-making. Local ownership was manifest in more local control over resource use and management of personnel, including Canadians involved in the projects.⁷²
- The governance program has also provided a central role for local partners in managing and leading the development process. Almost all of the recent governance projects have required that the partners have a role in design and implementation.
- The PSD program has fostered strong institutional leadership and management by NATCCO and the Department of Trade and Industry, which has been responsible for direction setting by local partners and the tactical management of sectors and portfolios.

As attested by the CPE, the level of local ownership was often a key factor in the overall performance of the initiatives. In the NGO program, increasing local ownership through project management structures strengthened NGO management capacity in ways that were consistent with CIDA’s investment in the sector. According to the NGO program report:

“PDAP, PCHRD, and DIWATA were novel in that delegation of responsibility for project selection was given to the various boards involved in each project. In each case, the autonomy of the local boards to make decisions on projects was considered unprecedented. The decision authority was used effectively, and the

⁷¹ Source: Mendelsohn and Medel-Gregorio, 2003.

⁷² In one example of local ownership, the Filipinos in PCHRD determined that the Canadian project director in Manila was too expensive. CIDA agreed with the NGOs’ decision and the position was downgraded.

independence and local knowledge of the project boards provided strong control over funding. In PDAP, for example, local ‘endorser’ NGOs assessed project proposals and recommended projects to the Philippine PDAP Committee for approval. Only approved projects were then sent to Canada. The fact that 50 percent of PDAP projects were considered sustainable indicates the effectiveness of the decision-making.”⁷³

The correlation between local ownership and success was seen in other initiatives:

- CIDA projects in the health sector that fostered local ownership at various government and community levels tended to achieve better results than projects that were less consistent in attaining buy-in by LGUs and barangays.
- National and local government support projects that displayed a high level of local ownership in project design and implement tended to impact positively on results;
- Cooperative development and SME development projects involving NATCCO and DTI respectively tended to benefit directly from their leadership and management inputs; and
- Education sector projects that had more mixed results in achieving local ownership were less successful in supporting changes in college administrations.

However, ensuring local ownership in program design and management was not always enough to guarantee sustainable outcomes. Sometimes local partners designed approaches that were unrealistic and unsuccessful in achieving results. The projects operating as responsive facilities sometimes focused on intermediary groups, which resulted in capacity building for government agencies and NGOs without making improvements in the lives of the poor or other populations-in-need. Indeed, the skills-and-systems approach to capacity building in the program, which likely diminished the overall sustainability of results, was developed with the active involvement of CIDA’s GOP and NGO partners.

5.3 Program Consistency and Coherence

Summary of Findings on Coherence in the Program

- The program supported GOP priorities as reflected in successive Medium-term Philippines Development Plans (MTPDPs). This support increased the relevance of the program to CIDA’s GOP partners.
- The program was largely consistent with local partners’ priorities and beneficiaries’ needs. This consistency helped improve program results through various initiatives. The quality of program networks, partnerships and local ownership increased the focus on local needs and priorities, which contributed positively to program performance.
- The program was largely consistent with the prevailing conditions and realities in the local development context. However, in some instances the projects failed to take contextual issues into account, which affected project performance.
- The program was relevant to and consistent with other donors’ priorities over the review period. However, ensuring consistency in donors’ priorities and frameworks is generally less challenging than ensuring coordination in donors’ programming initiatives. If there is more

⁷³ Source: Mendelsohn and Medel-Gregorio, 2003.

coordination now, there is insufficient evidence to say that it has led to improvements in aid effectiveness and development.

- The program was effective in supporting CIDA corporate policies and country program priorities.
- The program set direction and priorities that were consistent over time, but there was insufficient internal coherence among projects and initiatives. Asia branch directive projects were not effectively coordinated within or between programming areas; the directive and responsive programming mechanisms were not always used strategically for the achievement of program results; and the bilateral and CPB programs were not formally linked or managed in coordinated manner by CIDA. The lack of internal coherence limited the overall performance of the program, especially in terms of lost opportunities for resource sharing, learning, and leveraging results for greater long-term benefit and sustainability.

CIDA Policy and Program Coherence with GOP Priorities

CIDA policy and programming priorities were largely consistent with GOP priority areas, as reflected in successive MTPDPs. This consistency was partly a result of CIDA's consultative approach to program design and NEDA's involvement in program consultations, which was supported by the positive and productive relations that CIDA and NEDA have enjoyed from the outset of the program.

The program coherence with GOP priorities was also a reflection of NEDA's effective management of the development policy agenda and ODA flow in the Philippines. The GOP employs numerous mechanisms to ensure that ODA was directed toward development priorities:

- As mentioned, NEDA develops MTPDPs lasting six years with each new presidential administration. NEDA also develops Mid-term Philippines Investment Plans to describe the investment scenario for the MTPDPs. CIDA aligns its program with these plans.
- NEDA has regular consultations with the members of the donor community in formal structures, such as the meetings of the Consultative Group (CG) and CG Working Groups, and in informal settings or structures. CIDA is an active member of the donor community, and participates in the formal structures and many of the informal working groups.
- NEDA and CIDA have regular consultations and meetings about the CIDA program. NEDA also participates in special consultations on the CIDA country program and in other activities such as the annual partners' forum.

The Philippines government priority areas were largely consistent with Canada's ODA priorities. This includes expressed priorities for poverty reduction, economic growth, sustainable development, basic human needs, gender equity, environmental protection, good governance and social development. Canada's ODA priorities were expressed Sharing Our Future (1987), Canada in the World (1995), CIDA's Policy on Poverty Reduction (1996), Our Commitment to Sustainable Human Development (1997), CIDA's Policy on Meeting Basic Human Needs (1997), CIDA's Policy on Gender Equality (1999) and CIDA's Social Development Priorities (2000).

The program coherence with GOP priorities increased the relevance of the program to CIDA's partners, but it did not lead directly to more and better results in the program.

As seen in the following exhibit, there was CIDA policy and program coherence with most thematic areas in the MTPDPs:

Exhibit 34 CIDA Policy and Program Coherence with GOP Priorities, as identified in MTPDPs

MTPDP Areas	CIDA Policy Coherence	CIDA Programming Coherence
Poverty Alleviation	CIDA has a poverty reduction mandate, which was formally articulated in succession of CIDA policies, including <i>CIDA's Policy on Poverty Reduction</i> (1996).	All CIDA projects were aimed at reducing poverty, although the beneficiaries of CIDA projects were often intermediaries who provide services to the poor and disadvantaged.
Economic Growth and Competitiveness	The Interim Strategy (1986) identified support to Philippines structural adjustment program (SAP) as objective. <i>Sharing our Future</i> (1987) committed CIDA support to SAPs worldwide.	CIDA projects such as PTTAF, PEARL, CAP and TISP targeted public sector officials who implemented economic reforms at sector and national levels.
Employment Generation	CIDA Interim Strategy (1986), CPR (1989) and CDPF (1995) and update have all highlighted employment creation and income generation through SMEs, MSEs, and cooperatives.	CIDA supported SME, MSE and cooperative development since 1986 with over \$75 m in investments through at least 15 bilateral, partnership and DF projects.
Human Resource Development	<i>Sharing our Future</i> (1987) saw HRD as lens through which all CIDA programming flows. The CPR 1989-94 examined various issues through HRD lens.	NGO programming was aimed at HRD in sector. CIDA also supported basic education particularly through CPB. All projects provided training for skills development and application.
Rural Development	The recent CIDA policy on rural development has not yet had an impact on the program.	PSD and NGO programming has supported rural development through livelihood projects, cooperative development, alternative rural technologies, and enterprise development.
Infrastructure	Support to infrastructure services was one of six ODA priorities identified in <i>Canada in the World</i> (1995). From 1987, GOP and GOC saw telecommunications as area of mutual interest.	CIDA supported telecommunications sector from 1987 to 1998 with \$33.25 m investment through four projects to reinforce institutional environment for privatization in sector.
Public Sector Competence	The 1999 Strategy Framework on Governance for the CIDA Philippines Program described CIDA's support to public sector reform processes.	Many governance and PSD initiatives strengthened public sector competence at national, regional and local levels, especially LGSP, PTTAF and PEARL.
Decentralization and Participatory Development	The 1999 Strategy Framework on Governance for the CIDA Philippines Program described CIDA's support to decentralization processes.	Support to decentralization was cornerstone of program since LGSP in 1991. CPB also involved in LGU support. NGO program aided people's participation in development.
Regional Development	Under CPR, CIDA took regional approach and targeted poorest regions. It has focused on Mindanao, working in ARMM. It coordinates efforts with other donors as per MTPDP.	CIDA has targeted regional inequities though governance programming, particularly LGSP, which was closely aligned to regional plans and structures, especially in phase I.
Peace and Order	<i>Canada in the World</i> (1995) identifies security and stability as foreign policy objective. CIDA's policies focus on social equity and participation more than peace and order.	CIDA focused on Mindanao since outset of program. The responsive funds – DF and the governance funds – have supported numerous peace building initiatives.
Sustainable Development	CIDA stated its commitment to sustainable development in <i>Sharing our Future</i> (1987) and <i>Our Commitment to Sustainable Human Development</i> (1997) among other policies,	CIDA projects in all three programming areas have reinforced concepts of sustainable economic growth and sustainable management and use of natural resources.

Program Consistency with Local Partners' Priorities and Beneficiaries' Needs

The program was largely consistent with local partners' priorities and beneficiaries' needs. This was a reflection of CIDA's consultative approach to program design, the consistency in program priorities over time, the widespread use of responsive facilities under the CPR, the partnership models used, the degree of trust and commitment to local ownership in the program.⁷⁴

The consistency with local partners' priorities and beneficiaries' needs helped improve program results through various initiatives. Some examples included:

- The key cooperative development and NGO support initiatives were managed and implemented by membership organizations, which reinforced local priority setting and accountability structures that contributed to meaningful and successful programming;
- PCHRD was focused on the NGOs' agenda, which included developing enabling institutions such as CODE-NGO that could not have been proposed from the outside by donors;
- LGSP II became more strategic and focused at the same time that local leaders undertook extensive consultations with community members in 'executive agenda' setting processes;
- NCRFW Institutional Strengthening was focused on supporting the partner's institutional mandate, which gave added impetus to NCRFW capacity building; and
- CPB programs in social development, local government support, cooperative development and SME development were successful in part because they were based on the Canadian partners' commitment to the local partners' institutional plans and programs.

Similarly, the program sometimes strayed from the priorities of local partners and beneficiaries – or promoted its own priorities – which then diminished the achievement of results:

- The responsive projects were sometimes focused on the short-term needs of intermediary groups rather than the long-term needs of the poor or disadvantaged, which constrained the achievement of downstream and sustainable results;
- The program introduced management approaches such as RBM and crosscutting themes such as gender equity, which were not always in the plans or among the priorities of local partners, but nevertheless consumed project resources; and
- The program introduced CEAs in the 1990s, which was not in the plans or among the priorities of local partners.

Overall, the quality of program networks, partnerships and local ownership increased the focus on local needs and priorities, which contributed positively to program performance.

Program Consistency with the Philippines Context

The program was largely consistent with the prevailing conditions and realities in the local development context. This was a reflection of the quality of inputs in design and strategy by

⁷⁴ Overall, CIDA took a consultative approach to program design as evidenced in the CPR and CDPF consultative processes and the management of responsive facilities by local partners in the CPR. At the same time, however, various Filipinos with whom we spoke in the CPE expressed the view that CIDA Manila was less accessible to local implementing partners and project proponents in the post-decentralization period. According to these sources, this was partly a reflection of a maturing program that needed less consultation and partly the result of CIDA personalities at the post at the time.

local partners. However, some of these contextual issues may have constrained performance in particular instances, while in others the projects failed to take key realities into account:

- The long-standing debt of the Philippines government, which affected partners' ability to co-invest and sustain results;
- The instances of patronage, which affected the selection of partners and local resource providers and the design of some activities;
- The cultural legacies of colonialism, which at times affected working relationships between Filipinos and Canadians; and
- The security issues in some regions, which have impacted the focus of activities, commitment of partners, involvement of experts, and travel and logistics in the program.

Donor Consistency and Coordination

The CIDA program remained relevant to and consistent with other donors' priorities over the review period. The consistency is partly attributable to NEDA's management of the development policy agenda. As mentioned, NEDA has managed relations with the donor community through the use of MTPDPs and informal and formal coordinating structures such as the Consultative Group (CG).

At the same time, the donor community helped ensure ODA complementarity through its involvement in working groups or discussion groups. According to CIDA documentation, these currently include three CG Working Groups, three Informal Working Groups, and nine Donor Discussion Groups.

- *CG Working Groups* – The GOP and donors have formed CG Working Groups on Poverty Alleviation, Mindanao and Governance. The purpose is to continue the dialogue among the CG members on the issues raised at the CG meetings, and to serve as a venue to assess progress on actions agreed to at CG meetings. CIDA is a member of these working groups.
- *Informal Working Groups* – The GOP and donors have formed Informal Working Groups on Judicial Reform, Rural Power, and Health. The purpose is to discuss developments and issues related to specific sectors. These groups are more informal in nature and generally smaller in membership than the CG Working Groups. They consist of GOP line agencies and donors involved in specific sectors. CIDA is a member of the Judicial Reform and Health working groups.
- *Donors Discussion Groups* – The donors have formed at least nine discussion groups on specific themes, sectors or geographic areas (see exhibit below). They serve as a venue for information sharing on donor programming in specific areas. These groups are informal in nature and they meet infrequently at the initiative of any one member. Membership is open to all interested donors, and GOP representatives are sometimes invited to join the meetings. CIDA is a member of six of nine discussion groups.

During the review period, there was an increasing amount of consistency between CIDA programming and other donors' priorities in the country. This convergence was likely the result of global trends – particularly the emphasis that the international community has placed on donor coordination since the OECD Development Assistance Committee (DAC) published *Shaping the 21st Century* in 1996 – and the increasing attention that other donors have placed on CIDA programming areas, including PSD, social development, governance and Mindanao.

Ensuring consistency in donors' priorities and frameworks is generally less challenging than ensuring coordination in donors' programming initiatives. The former involves donor agencies and the GOP aligning frameworks, while the latter involves donors, implementing agencies, and their partners and beneficiaries organizing their efforts on the ground.

If there is more coordination now, there is insufficient evidence to say that it has led to improvements in aid effectiveness and development.

Exhibit 35 Summary of Donor Working Groups and Discussion Groups in the Philippines⁷⁵

Type	Focus	Membership	Chair	Since
CG Working Group	Poverty Alleviation	GOP and all local CG members	WB/UNDP	
	Mindanao	GOP and all local CG members	WB/GOP	1998
	Governance	GOP and all local CG members	DBM	2000
Informal Working Group	Judicial Reform	Most local CG members	Supreme Court	1999
	Rural Power	ADB, JBIC, IFC, UNDP, USAID, WB	DOE	2000
	Health	GOP and donors with health programs	DOH	
Donors Discussion Group	Anti-corruption	ADB, AusAID, CIDA, UNDP, USAID, WB	WB	1999
	Mindanao	Donors with programs in Mindanao	UNDP/CIDA	1999
	Decentralization	ADB, AusAID, CIDA, UNDP, USAID, WB	USAID	
	Agrarian Reform	ADB, Belgium, EC, UNDP, WB		
	Micro finance			
	Small Grants	Embassy small grants, UNDP GEF	Rotated	
	SME Development	ADB, CIDA, GTZ, IFC, JICA	ADB	2001
	Gender Equality	ADB, CIDA, EU, ILO, JICA, SIDA, UNDP, UNFPA, UNICEF, UNIFEM, USAID, WB	Rotated	
Population, Health and Nutrition	ADB, AusAID, CIDA, EU, GTZ, JICA, WB, UNICEF, UNAIDS, UNFPA, USAID, WHO	Rotated		

Program Consistency with CIDA Policies

The program trends and strategic decisions were responsive to and consistent with CIDA's mandate, policies and evolving priorities. As described in the Programming Area reports, this was the case for the NGO, governance, and private sector development programs.

CIDA's 1987 policy statement, *Sharing Our Future*, was particularly relevant to the Philippines program. As explained in the NGO report:

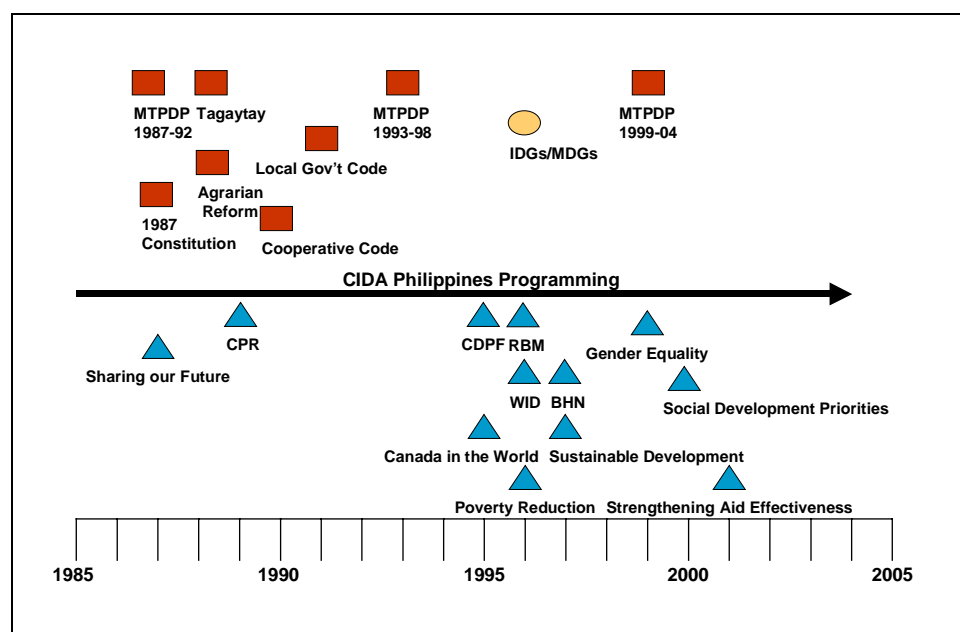
"This report gave a new prominent place to the idea of partnership. In Sharing Our Future, the government committed itself to creating a new Partnership Program, the 'biggest innovation' of Canada's new strategy, which would channel money from CIDA to a wide range of groups, including domestic and international NGOs, universities, cooperatives, multilateral organizations (including the World

⁷⁵ Source: CIDA memo "Philippines – Summary of Working Groups Related to Aid Coordination," 6 March 2002. The missing information in the exhibit reflects the information gaps in the memo.

Bank and International Monetary Fund), as well as the business sector in Canada and the Third World.⁷⁶

The CIDA program become more policy-oriented with introduction of the 1995 foreign policy statement, *Canada in the World*, and the six priorities for Canada's ODA. In the CDPF period, CIDA introduced a range of corporate policy statements that had a direct impact on the Philippines program. As suggested in the exhibit, the Philippines policy environment was key in shaping the program under the Interim Strategy and the CPR, while the Canadian policy environment was key in shaping the program under the CDPF and CDPF Update.

Exhibit 36 Policy Environment Shaping CIDA Philippines Program⁷⁷



Coherence within the CIDA Program

CIDA used a range of programming mechanisms in the Philippines. Of the total amount of \$298.72 million in spending examined in the CPE sample, about 91.5 percent was invested through 'directive' projects, 4.5 percent through 'responsive' projects, 3.5 percent through CPB programs, and 0.5 percent through the regional program. While the program set direction and priorities that were consistent over time, there were missed opportunities for strengthening internal coherence in the program:

- Asia Branch directive projects were not effectively coordinated within or between programming areas. This was because there were few formal incentives for implementing agencies to coordinate their activities. Their performance was planned, measured and rewarded at the level of individual projects.
- The directive and responsive programming mechanisms were not always used strategically for the achievement of program results. CIDA sometimes used the responsive funding

⁷⁶ Mendelsohn and Medel-Gregorio, NGO Programming Area Report.

⁷⁷ See Annex 7 for a list of the Canadian ODA and CIDA policies that were influential in the Philippines program.

facilities for parallel funding (that is, two funding sources for the same project), which caused unnecessary complications in project management in the case of LGSP. It also used the responsive funds for complementary funding, although in this regard the funds were not used to their potential, especially in support of experimental projects that could test models or generate lessons for large bilateral projects. The funds were also used for sequential funding (that is, pre-project support or interim project funding), which provided needed flexibility to CIDA in program management.⁷⁸

- Based on the two regional initiatives examined in the CPE, it was difficult to judge the extent to which the bilateral and regional programming mechanisms were used strategically. NCRFW was an implementing partner in the Southeast Asian Gender Equity Program, which reportedly strengthened NGA capacity to address gender equity issues. The coordination that took place was likely a result of the partner's efforts. The Southeast Asia Fund for Institutional and Legal Development supported civil society organizations in their promotion of human rights. This was complementary to initiatives supported by the Philippines-Canada Development Fund, but its coordination with bilateral support to national and local government was apparently minimal.
- While the bilateral and CPB staff consulted on their respective programs in the country, these programs were not formally linked or managed in coordinated manner by CIDA. This was primarily a consequence of the project-oriented approach taken to date and the differences in the mandates of the two branches. Some initiatives were coordinated on the ground through the efforts of CIDA's Canadian partners such as the Federation of Canadian Municipalities, which has received CPB support and was involved in a bilateral project, in this case LGSP.

Similarly, CIDA's partners in the PSD program used on occasion CPB support to further their objectives in their bilateral projects. As described in the PSD report:

"For PSD to be most effective, it must operate in an enabling environment where the enterprise has the opportunity to develop. Those implementing agencies that have bilateral projects (CCA, DID, CESO) and also have access to worldwide block funding under the Canadian Partnership Branch (CPB) have, on specific occasions, used the CPB funding to investigate issues pertaining to the enabling environment which need to be addressed, e.g. financial cooperatives under the Department of Finance."⁷⁹

The lack of internal coherence limited the overall performance of the program, especially in terms of lost opportunities for resource sharing, learning and leveraging results for greater long-term benefit and sustainability.

- The program missed opportunities for making strategic investments. In the governance program, for instance, the worked at the macro level through PTTAF was often unconnected to work at the micro level through LGSP.
- It missed opportunities for increasing access to key stakeholders. The networks developed in governance and PSD programming were not well shared despite the potential benefit that the former could bring to the latter in terms of the enabling environment.

⁷⁸ See the Governance Programming Report by Lynch and Abad, section 5.1.1 for a thorough discussion of the complementarity of directive and responsive mechanisms in the governance program.

⁷⁹ Whyte and Roaring, PSD Programming Area Report.

- The program missed opportunities for testing and transferring learning about effective models in specific areas. For example, CIDA supported numerous income generation and micro finance activities, but the lessons and expertise developed in these initiatives were not shared throughout.

6. CONCLUSIONS, LESSONS AND CONSIDERATIONS

The CPE evaluation framework asked what conclusions and lessons may be drawn from the analysis of results in the program, and what considerations for the future can be taken from the conclusions and lessons. The evaluation questions focused the inquiry on the principles of strengthening aid effectiveness from the 2002 CIDA policy statement – namely, the principles of strong partnership, local ownership, donor coordination, program coherence, and the results approach to program management.

This section presents the conclusions on the core evaluation issues, and the key factors contributing to the success and shortcomings of the program. It identifies lessons emerging from the country program evaluation, and offers a set of considerations for CIDA in developing a new country program framework. Given the timing of the CPE in the bilateral planning process, the considerations focus primarily on strategic issues that could be addressed in the current CDPF exercise.

CIDA and NEDA personnel are invited to review the CPE programming area reports on the NGO support, governance and PSD programs for the evaluators' analyses, conclusions and lessons in the thematic areas.

6.1 Conclusions on Program Performance and Success Factors

Achievement of Results

Overall, the program performed well in achieving its stated objectives and expected results. It achieved important outcomes in NGO sector development, national government management, local government management, gender equality, health and healthcare, livelihood operations, micro credit and SME development. It strengthened human and organizational capacity, improved people's access to services, and reinforced aspects of the enabling environment in relevant areas. The program helped develop capacity for improving gender equality issues in public and private organizations, and improved women's access to relevant services. It addressed environmental concerns especially at the local level. It created a good number of unintended results, including fostering leadership and goodwill and the replication of good practices by stakeholders beyond the program.

While the program achieved many important results, it did not always maximize its opportunities to help transform the public and private institutions with which it worked. It focused much of its effort on strengthening organizational know-how and management systems, but it was not always strategic in addressing the conditions for lasting and meaningful development. It strengthened institutional leadership, inculcated fundamental values for development, and invested in the planning, resource management, and service delivery capacities of governments and their partners, but it sometimes worked in narrow paradigms that did not take system-wide issues into account. It promoted partnerships, fostered local ownership, delegated responsibility and relied on partners for determining the focus and approaches in programming, but at times the program would have benefited from more strategic guidance from CIDA.

All three programming area reports identified positive contributions of the program to poverty reduction in the Philippines.

Sustainability of Results

The program demonstrated instances of sustained results in capacity building, the enabling environment, and access to services, though it was difficult to assess overall sustainability because of a shortage of good data. The program had a positive impact on the democratic reform processes in the country. It helped reinforce the return of constitutional democracy; it contributed to the implementation of the decentralization framework; and it helped improve national governance by developing systems and processes for increased transparency in GOP operations. Its impact on economic reform, while positive, was perhaps less pronounced.

Generally speaking, the program brought about sustainable change when it created the institutional conditions for success. The quality of partnerships was a key factor affecting institutional reform. This was seen in the leadership provided by partners, the commitment to institutionalizing change, the approach taken to capacity building, the values and thinking within organizations, and the amount and quality of local ownership by multiple levels of stakeholders. The program relied on local guidance where appropriate, built strong local networks, and developed the long-term relationships that were critical to lasting success.

Relevance of Programming

The program achieved a good reputation for inclusive methodologies in the process of achieving these results. It was responsive to and respectful of Filipino leadership, priorities, approaches and concerns. It involved Canadian experts where their expertise was required. The program remained patient and consistent in its commitment to its long-term vision for programming, while adapting its approach as conditions changed. It has remained open to dialogue and new thinking from its outset in the mid-1980s.

The program was consistent with GOP stated priorities for development, as articulated in the MTPDPs. It built strong partnerships, which helped the program remain relevant to local priorities and needs. The program trends were responsive to and consistent with CIDA's mandate, policies and evolving priorities. They were consistent with the programming thrusts of the main donor agencies working in the country, though the amount of coordination with other donors' programming was minimal.

The challenge for CIDA at this juncture is understanding the successes and shortcomings of the past so that its Filipino partners can benefit from the learning in the future. We believe this is largely a matter of CIDA improving its strategic management of the program so that it knows more clearly the sectors of its programming, the priorities in these sectors, the expected results and strategies for sustainable change and development, and its ongoing performance in designing and implementing strategies and strengthening aid effectiveness.

People and Relationships

A key success factor in programming was the strong Philippine influence in the program. This was especially apparent in the initial period when program partnerships were established, networks were developed, and the foundations for long-term relationships were built. At this time, the program established priorities and direction that remained consistent over the years.

- The program took a consultative approach to program design, which helped establish effective government and civil society partnerships in the three programming areas. The program gave local partners a high level of autonomy in decision-making, and appropriate levels of responsibility and control over resources, which nurtured local commitment and

ownership to program plans. The Philippine influence helped the program address local needs and realities. The CPE suggests that quality partnerships, local ownership, and good results are linked, though the former alone cannot ensure the latter.

- The program relied on locally controlled responsive facilities under the CPR, which helped develop the program networks in the government, non-governmental and private sectors. This allowed the program to benefit from local leadership, knowledge and capacity, which were factors in the achievement of results. These networks have helped the program to work in sensitive areas like Muslim Mindanao.
- The program was consistent in its programming priorities, which allowed it to establish long-term relationships for results. This helped build the reputation, profile, and good will among CIDA, NEDA, and the Philippine and Canadian partners. The strength of these relationships allowed the program to implement policy changes that were not the priority of local partners (such as the increased use of CEAs or the introduction of RBM under the CDPF). CIDA may find itself again relying on the support of key local partners as it accelerates its movement toward strategic and focused programming by implementing the 'portfolio approach' under the next CDPF.

It should be noted that the CIDA decision to discontinue its NGO program in 1997 continues to reverberate among its former NGO partners. As described, CIDA's readiness to let NGOs come together to build coalitions and networks, develop their leadership, and follow their agenda resulted in stronger institutions in the sector. In this case, the key factor in the success of the program – the strength and impact of the partnership models that the program helped nurture – was also the most pressing matter and point of contention between CIDA and the NGOs as the program adjusted its framework and strategy. The lesson might be to ensure that CIDA's strategic agenda in its partnerships is fully appreciated by its partners so that transitions in programming are better understood and implemented.

The importance of articulating CIDA's strategic agenda in its partnerships was also seen in the governance program. Under the advice of CIDA's partners, the national government, local government and civil society thrusts in the programming were kept separate when the program was designed in the late 1980s. While this approach was understandable at the time, it was counter-intuitive to CIDA's agenda for promoting good governance – which is a system of relationships that allows governments and constituents to communicate, cooperate and make choices. It was in CIDA's interest to bring these stakeholders together in the programming, not to reinforce their differences through separate project structures.

The relationships with and among program partners were critical to program success. The broader question is: How can CIDA manage these partnerships so that local commitment and ownership remain, while CIDA's agenda and needs are respected?

Strategy

Strategy refers to CIDA's capacity to identify its program focus and objectives, articulate its investment logic, track its performance, and make decisions and deploy resources accordingly. As discussed, CIDA has not yet developed some of the necessary tools for effective strategic management of the program. This has diminished CIDA's ability to manage its overall portfolio of projects as a country program.

- CIDA did not define the development and reform issues being addressed by the program from a systemic and sector-wide perspective. As a result, the focus of the program investment was described in broad terms of little use to strategic managers. The documents

did not demonstrate a clear understanding of what CIDA wanted to achieve in 'sectors' such as health, cooperatives development, etc., or the ways in which the program would manage its portfolio of initiatives to bring about the changes that make sense according to its analysis. CIDA did not clearly articulate the logic of the program investment, except that the overall goal was poverty reduction and the basic strategy was capacity building. CIDA did not develop a program plan that it could implement, monitor, revise and improve.

- The program has weak or informal structures for managing the initiatives in each 'sector' for results. There were few formal structures for ensuring that CIDA investments through bilateral projects and funds and CPB programs were coordinated. CIDA's role in program management was simply as funding agency; the partners managing projects determined the approach to take and the emphasis placed on each of the 'micro-meso-macro' elements in the sector. The program did not ensure a critical mass of investment in any particular sector or locale. There was little targeting of initiatives within CIDA's geographic or thematic areas.

The program did demonstrate the use of strategic programming models – in fact, the movement from the use of responsive facilities to strategic and focused programming was a critical factor in the achievement of results. Even though this took place at the project level, some of the key features of the models could be transferred to the program managers. These include: proactive program development by strategic managers; integrated programming approaches through improved internal coherence; focused framework of short-term and long-term results within programming portfolios; and focused attention on the downstream beneficiaries of the program.

As mentioned, the program took a skills-and-systems approach to capacity building, which focused on improving the management of public and private sector organizations. In effect, the approach defined the target beneficiaries as 'service providers' rather than 'service users.' This limited the range of results achieved in the program. The program did not focus on how to ensure that its support to service providers was translated into action, so that these intermediaries made services available to the poor or other populations-in-need.

The shortcomings in strategic program management limited CIDA's capacity to ensure that the program helped transform the public and private institutions that affect people's quality of life in the Philippines. The question is: How can CIDA develop its strategic management capacity so that the program is strengthened and the partners benefit?

Management and Implementation

While CIDA's partners have managed their projects well over the years, management issues have propelled some of the key changes in the overall program strategy and approach. CIDA's increasing emphasis on results-oriented programming and accountability and control issues in the mid-1990s hastened the movement from the use of responsive facilities to strategic and focused programming. It also contributed to the increased use of CEAs in the program. If CIDA accelerates the movement toward strategic, focused and results-oriented programming through the use of the 'portfolio approach' in the new CDPF, it will face another set of management issues.

- The CEA model did not appear to increase CIDA's role in management and implementation decision-making. CIDA has acted more as a funding agency than as a strategic manager with an active role in the program. But the 'portfolio approach' will require CIDA to examine its own role in management vis-à-vis the roles being played by implementing agencies and local partners. For instance, the approach will impact the program planning processes and it will require effective coordination among projects. Who will be responsible for, and who

will participate in, these management processes? Currently, the implementing agencies play a central role in project management, while the local partners provide leadership and guidance in implementation. The 'portfolio approach' implies a more central role for CIDA as program managers and for Filipino partners as 'sector' managers. The possibilities will need to be defined and examined.

- The approach will raise accountability and control issues within the program. CIDA's bottom line will not change – it will need to ensure sufficient control and accountability over the use of public resources in the program – but the expectations for results and the approaches used will become more complex. The structures through which financial resources flow could also change.
- Another challenge for CIDA is the implementation of RBM at the program level. The current RBM stance is inappropriate for a program-based approach in which CIDA will need management information as opposed to compliance information. If CIDA's local partners play the role of 'sector managers' in the program, what are their responsibilities for RBM? How does CIDA ensure the timely gathering and use of results information in the program management cycle? The obvious might need to be stated: CIDA will have difficulties taking a program-based approach to RBM until it knows in precise terms what results it wants to achieve in the country program.

CIDA decisions in program management should support the achievement of program objectives. If CIDA were investing in RBM capacity as a development result, the initiative would fall under its governance program. Its current approach to RBM would suggest that governance involves ensuring compliance in the use of public resources. Its approach to governance programming would suggest that RBM is a management system for use in planning and priority setting. The CPE has highlighted the value of the institutional approach to capacity building, which would suggest that RBM is both a compliance and management system, but more importantly a way of promoting transparency and ownership in decision making among partners.

The management and implementation issues facing CIDA in the portfolio approach are linked to partnership and ownership matters. The question is: How can CIDA balance its need for control and accountability for resource use with its desire to rely on its partnerships and long-term relationships for continued success in the program? How can CIDA promote autonomy in local decision-making while increasing its strategic presence in the program?

6.2 Lessons Learned about the Programming

The CPE has identified a number of lessons learned about the programming that are relevant to the Philippines program and other CIDA programs. The lessons highlighted below focus on the factors influencing the performance of the program, which often revolve around the principles of aid effectiveness.

Lessons for the Philippines Program

- CIDA's approach to achieving sustainable outcomes has evolved and become more complex since the initial program. The program managers increasingly recognized the complexity of the changes that are required for sustainability. CIDA now recognizes that it is necessary to ensure coordination among initiatives for the program to make meaningful contributions to change. The stronger the strategic management framework, the more likely CIDA can increase its learning about how to achieve sustainable outcomes.

- The program has employed various approaches, models and mechanisms for results achievement. The different approaches and models will shape the relationships among partners, the expectations for results, and the ability to build momentum or critical mass through a series of initiatives. The more information that CIDA generates about the relationship between approaches taken and results achieved, the more effective CIDA can be in guaranteeing this link.
- The program has supported a range of partners in results achievement. Some of these partners were intermediary groups that provided services to the poor. The assumption was that program would help build their capacity to ensure sustainable service delivery for the poor. The assumption seemed to hold true more often when capacity building was defined in terms that included enabling institutional conditions such as leadership, values and policy frameworks.

Lessons for Other CIDA Programs

- Program performance is improved when a group of key factors are found in the programming. The success factors include quality partnerships, strong local ownership, effective strategy, appropriate responsibilities, and sufficient implementation capacity.
- Strong partnerships, which are built on mutual trust and accountability, will increase local ownership if they provide local autonomy in decision-making, respond to local needs and priorities, ensure local commitment and leadership, and give local partners significant management responsibility and control over resource use.
- The level of local ownership was often a key factor in the performance of initiatives. While local ownership was linked with success in NGO, governance and PSD programming, ensuing local ownership was not always enough to guarantee sustainable outcomes. Good levels of local ownership will have a positive impact on the achievement and sustainability of results if locally owned investments are strategic, focused and results oriented, and the local organizations involved have the commitment, capability and resources to carry on beyond CIDA's support.

6.3 Considerations for Strengthening Aid Effectiveness

This section offers CIDA a set of considerations as it develops the Philippines program framework for the coming five-to-ten years. Given the input of the CPE into the program planning process, these considerations focus primarily on strategic issues that should be addressed in the CDPF exercise.

These considerations are based on the assumption that CIDA will move toward a new strategy for the program. In discussions with the CIDA program leadership, this new strategy was labeled the 'portfolio approach.' The portfolio approach is based on increased focus within programming portfolios in chosen 'sectors,' coordination of initiatives in the portfolio, a management framework for CIDA and key partners in the 'sector,' and a results approach to managing the portfolio.

In this thinking, the sectoral portfolio of initiatives would exist in a results hierarchy between the country program and the individual projects. CIDA and its partners would manage for results at this level (i.e. carry out sector analyses, articulate objectives and investment theories, identify roles and responsibilities, build structures for managing the portfolio of initiatives; and develop methodologies for tracking the performance of the portfolio).

The 'portfolio approach' would serve as strategy for strengthening aid effectiveness in the program. CIDA would operationalize the approach over time by implementing the following 10 considerations. It could begin by selecting a smaller number of sectors and portfolios as pilots for the approach. It could then monitor the effectiveness of the approach and make adjustments as needed before expanding its use in the program.

People and Relationships

As described throughout the report, the success of the program was linked to the quality of program partnerships and the efforts of CIDA partners. CIDA ought to reinforce the positive relationships in the program.

1. CIDA could develop a strategy for managing partnership issues in the portfolio approach.

Strategy

The program evolved successfully from a responsive to a strategic and focused approach to programming. This change had a positive affect on the achievement of results. With the current planning process underway, CIDA is now facing a similar opportunity to strengthen its overall program strategy.

2. CIDA could re-examine and re-define the key development, reform and transformational issues impacting 'sector' performance, so that it takes a systemic or sector-wide perspective when identifying expected results and appropriate strategies in the program.
3. CIDA could redefine the focus of the program so that it concentrates on creating institutional conditions, ensuring critical mass, and improving access to resources and services as the sustainable outcomes of a sector-wide investment.
4. CIDA could redefine the target beneficiaries of the program so that the program increases access to resources and services for the poor and other populations-in-need.
5. CIDA could articulate the logic of its investment, so that it knows the logical relationships among results areas, knows what should be sustained, knows its level of and timeframe for investment – in short, its portfolio performance theory.
6. CIDA could expand its approach to capacity building so that it can better address systemic and institutional issues.

Management and Implementation

For the most part, the programming has been well managed by partners and implementing agencies. But the expectations for CIDA and partners' management have changed with the changing strategy for results achievement. In order to manage for results,

7. CIDA could redefine its role in program management so that it can play a stronger role in strategic management rather than just acting as a funding agency.
8. CIDA could examine the role of its Philippine partners in strategic management so that the program increasingly moves toward supporting the 'rightful managers' of sector development. For example, the Department of the Interior and Local Government (DILG)

and the leagues of LGUs are the 'rightful managers' of the local government sector. In LGSP, the implementing agency is a leading entity in the sector by virtue of the financial resources it has available. While DILG and the leagues of LGUs play an ongoing leadership role in the sector, they do not play a similar role in LGSP. CIDA could provide support to DILG and the leagues so that they can play their role as sector leaders and managers, rather than focusing exclusively on LGU support, as has been the case until recently in LGSP and other initiatives in the portfolio.⁸⁰

9. CIDA could take greater control of the framework within which implementing agencies and partners operate, and develop tools for guiding and monitoring project investments and progress.
10. CIDA could develop RBM systems for gathering and using results information for program management more than project reporting purposes. The RBM systems could be designed and implemented at the sector level. CIDA could use indicators at the sector level to measure the performance of CIDA interventions and their overall contribution to sector changes and global donor efforts.

⁸⁰ In some instances, the CIDA program has strengthened sector leaders and managers to play their role in the sector. The NGO initiatives, for example, strengthened leadership in the sector through institutional development and coalition building. In most other sectors, the institutional leaders already exist, but sometimes they are too weak to play their role as 'rightful managers' of sector development. The argument is that they need to be able to play their role effectively for the sustainable development to take place in the sector.

Annex 1 CPE Evaluation Framework

	EVALUATION QUESTIONS	INDICATORS	SOURCES/METHODS	RESPONSIBLE
1.0	What was the context that shaped the evolving Philippines program?			
1.1	What was the development context for CIDA programming in the Philippines?	<ul style="list-style-type: none"> • GOP policy direction over the period • Needs and priorities of beneficiaries, partners 	<ul style="list-style-type: none"> • Document review 	Methods Consultant
1.2	What was the CIDA programming and policy context for this programming?	<ul style="list-style-type: none"> • CIDA's changing policies, priorities and strategies for effectiveness 		
1.3	What was the policy direction of the other donors over the programming period?	<ul style="list-style-type: none"> • Other donors' changing policies, priorities and strategies for effectiveness (trends) 	<ul style="list-style-type: none"> • Donor interviews 	Methods Consultant
1.4	What were CIDA's stated objectives and intended results for programming over the 1989-2002 period?	<ul style="list-style-type: none"> • 1989 Country Program objectives • 1995 CDPF objectives and expected results • 2000 CDPF update objectives, expected results 	<ul style="list-style-type: none"> • Document review • CIDA interviews 	Programming Area Consultants
2.0	To what extent has the Philippines program achieved stated objectives and intended results? What were significant unintended results?			
2.1	What were the baseline conditions linked to the objectives for governance, private sector development and NGO/PO programming as stated in the 1989 CP, 1995 CDPF, and 2001 CDPF update?	<ul style="list-style-type: none"> • Access to resources and opportunity • Access to services and programs • Capacity to define and influence • Capacity to manage and implement • Enabling Policy and Legislation • Enabling Institutions and Infrastructure 	<ul style="list-style-type: none"> • Document review • Interviews 	Methods Consultant works on baseline conditions in programming profile
2.2	What were the expected results and results achieved through bilateral programming linked to these baseline conditions?			
2.3	What were the results achieved through CPB and MPB programming linked to these baseline conditions? How did these results complement the results achieved through bilateral programming?			
2.4	What results and benefits have continued, or are likely to continue, after the programming is completed?			
				Programming Area Consultants

	EVALUATION QUESTIONS	INDICATORS	SOURCES/METHODS	RESPONSIBLE
2.5	What is the overall assessment of program performance in achieving stated objectives and intended results from 1989 to 2002?	<ul style="list-style-type: none"> • Contribution of program results in five key result areas to poverty reduction 		
3.0	How were these objectives and results realized and delivered?			
3.1	How did the various business delivery models that were used enable/affect results achievement? How appropriate was the balance of the business delivery models?	<ul style="list-style-type: none"> • Directive programming • Responsive initiatives • Core or institutional support 	<ul style="list-style-type: none"> • Document review • Interviews 	Programming Area Consultants
3.2	What was the influence of the various delivery mechanisms on the approach used and kinds of results achieved in the programming?	<ul style="list-style-type: none"> • Bilateral programming • Canadian Partnership programming • Philippines-Canada Development Fund • Use of local executing agencies • Food Aid 		
3.3	How successfully were the crosscutting themes integrated into the programming? What were the results of this?	<ul style="list-style-type: none"> • Women in development/gender equity/equality • Environment 		
3.4	How appropriate was the design of programming? How did the design of the programming affect the achievement of results?	<ul style="list-style-type: none"> • Expectations for achievement of objectives and results were realistic • Program design had sound causal links and is logically consistent and coherent • Use of participatory approaches in defining goals, objectives, results and indicators • Resources and services designed to respond to conditions, risks, needs or problems identified • Risks were identified and monitored 		
3.5	How were innovative and creative approaches explored or used to achieve stated objectives and expected results?	<ul style="list-style-type: none"> • Experiment with new program design and procedures • Application of lessons from development experience, and lessons learned from innovations recorded, reported and disseminated 		

	EVALUATION QUESTIONS	INDICATORS	SOURCES/METHODS	RESPONSIBLE
4.0	What resources were invested to achieve results in Philippines programming? How strategically were these resources used?			
4.1	What type and level of resources were invested in the programming governance programming? How the type and level of investment affect the achievement of stated objectives and expected results?	<ul style="list-style-type: none"> Type and level of financial, human and physical resources Trends in resource investment Level of expertise 	<ul style="list-style-type: none"> Document review Interviews 	<p>Programming Area Consultants</p> <p>Methods Consultant for financial resources</p>
4.2	How strategically were these resources used? How did the strategic use of resources affect the achievement of objectives and results?	<ul style="list-style-type: none"> Mix of Canadian and Filipino resources Canadian and Philippine capacity to provide required goods and services Good match between needs and expertise 		
5.0	Who were the key beneficiaries, partners and vendors of programming? How did their performance in the management and implementation of programming affect the achievement of objectives and results?			
5.1	Who were the key beneficiaries of the programming? Who were the vendors and implementation partners?	<ul style="list-style-type: none"> Access to resources and opportunity Access to services and programs Capacity to define and influence Capacity to manage and implement Enabling Policy and Legislation Enabling Institutions and Infrastructure 	<ul style="list-style-type: none"> Document review Interviews 	<p>Programming Area Consultants</p>
5.2	What was the quality of the partnerships in the programming? How did this affect the achievement of objectives and results?	<ul style="list-style-type: none"> Participation of Philippine partners, recipients and beneficiaries (including women) in program design, implementation and monitoring/evaluation Partnership defined and effective partnership models used to achieve objectives and results Characteristics of effective partnerships, comparison of partnerships in different models 		
5.3	To what extent were the program structures flexible enough to adapt to changes in the program environment? How did this affect the achievement of objectives and results?	<ul style="list-style-type: none"> Effective networks and processes to identify and assess trends/events in program environment Evidence that action was taken to adapt to changes and mitigate risks 		

	EVALUATION QUESTIONS	INDICATORS	SOURCES/METHODS	RESPONSIBLE
6.0	To what extent were the objectives and results achieved coherent with the changing context for the development assistance?			
6.1	To what extent were the objectives and results achieved coherent with the Govt of the Philippines' policy direction?	<ul style="list-style-type: none"> Consistency with GOP development plans and strategies 	<ul style="list-style-type: none"> Document review Interviews 	Programming Area Consultants responsible for analysis Methods Consultant to provide some data in programming profile
6.2	To what extent were the objectives and results achieved coherent with the changing needs and priorities of the beneficiaries? Of the partners?	<ul style="list-style-type: none"> Consistency with needs and priorities of targeted beneficiaries/local partners/country/region Consistency with the efforts of local organizations and Canadian organizations 		
6.3	To what extent were the objectives and results achieved coherent with CIDA's changing policies, priorities and strategies for effectiveness?	<ul style="list-style-type: none"> Consistency with CIDA's poverty reduction, sustainable development and other corporate policies, including gender and environment Consistency with CPR, CDPF, and other branch priorities and programs Consistency with Canadian foreign policy, including potential benefits to Canada 		
6.4	To what extent were the objectives and results achieved coherent with other donors' policy direction?	<ul style="list-style-type: none"> Consistency with the policy and strategies of other donors for addressing the same needs or problems 		
7.0	What lessons may be drawn from the analysis of results and key success factors in the programming? What considerations for the future could be taken from the analysis and lessons?			
7.1	What lessons may be drawn that could be relevant to future programming in the Philippines? What lessons may be drawn that could be relevant to other CIDA programming?	<ul style="list-style-type: none"> Supporting good governance Supporting private sector development Supporting civil society development 	<ul style="list-style-type: none"> Interviews Analysis of data and findings 	Programming Area Consultants
7.2	What considerations could be taken to strengthen aid effectiveness in CIDA programming in the Philippines?	<ul style="list-style-type: none"> Principles of aid effectiveness as stated in Canada Making a Difference in the World: A Policy Statement on Strengthening Aid Effectiveness (September 2002) 		

Annex 2 CPE Organizing Framework of Stated Objectives/Expected Results

Result Areas	Governance	Private Sector Development	NGO Support
<p>1. Access</p> <p>1.1 Access to resources and opportunities</p>	<ul style="list-style-type: none"> • Government responsiveness to local needs (89) • Government accountability to local communities (89) • Enhanced role for civil society in influencing responsible government (95) • Greater participation of women in socio-politico-economic activities (00) 	<ul style="list-style-type: none"> • Employment opportunities (95) • Improved incomes (95) • Improved access by SMEs to medium-term financing for investment (00) 	<ul style="list-style-type: none"> • Appropriate alternative development (95) • Inclusive, consensual decision making (95) • Government by popular consent (95) • Community organizing and networking (95)
<p>1.2 Access to services and programs</p>	<ul style="list-style-type: none"> • Decentralized access to programs (89) • Access to services (95) • Improved protection of basic human rights of women and children (00) 	<ul style="list-style-type: none"> • Greater participation and enhanced role of women in SME development (00) 	<ul style="list-style-type: none"> • The poor's access to employment, land, credit, and social services (89) • Capacity of poor to organize themselves to secure access to available programs (89) • Access for the poor to financial and social services (95)
<p>2. Capacity</p> <p>2.1 Capacity to define and influence</p>	<ul style="list-style-type: none"> • Decentralized decision-making (89) • Improved planning skills at the national, regional and local levels in the public and private sectors (89) • Planning capacity (95) • Capacity of public sector departments and agencies, national and local, to design, formulate and monitor economic and social policies in favour of equitable and sustainable development (95) • More effective social and economic planning in a number of sectors (00) • More participatory, transparent decision-making process and accountable national and local governments (00) 	<ul style="list-style-type: none"> • Effectiveness and productivity of enterprises and livelihood programs (95) • Enlargement of tax base (95) 	<ul style="list-style-type: none"> • Capacity of democratic institutions (such as the public sector, Congress, local councils and the judiciary) to contribute to (95) <ul style="list-style-type: none"> o Philippine economic and social development o regional issues o improved human rights o accountability, transparency and other elements of the democratic process • Resource mobilization (95)

Result Areas	Governance	Private Sector Development	NGO Support
<p>2. Capacity</p> <p>2.2 Capacity to manage and implement</p>	<ul style="list-style-type: none"> • Improved administrative skills at the national, regional and local levels in the public and private sectors (89) • Decentralized revenue generation and control (89) • Improved public sector management (95) • More effective social and economic implementation in a number of sectors (00) • Improved management of coastal and marine resources (00) 	<ul style="list-style-type: none"> • Linkages with Canadian and ASEAN small and medium firms and NGOs (95) • Improved productive and employment generating capacity of selected SMEs (00) • Expanded and more effective use of information and communication technologies (00) • Enhanced capacity of technical institutions to respond to labour market demand (00) • Enhanced effectiveness of business organizations to deliver services to SMEs (00) 	<ul style="list-style-type: none"> • Capacity of government and non-government agencies to reach the poor (89) • Technology exchange and linkages with Canadian counterpart organizations with expertise in non-traditional education, credit, regional industrial planning, and management services (95) • Improvements to NGOs/POs skills, professionalism, alliances, and financial self-reliance (95)
<p>3. Enabling Environment</p> <p>3.1 Legislation and Policy</p>	<ul style="list-style-type: none"> • Decentralized decision-making (89) • Improved legal frameworks (95) • More effective social and economic policy making in a number of sectors (00) 	<ul style="list-style-type: none"> • Policy support to adjustment process (89) • Legal and regulatory environment (95) • Sensitivity of enabling environment for PSD to gender equity, worker's rights, the environment, and equal access to resources and benefits (95) • Improved policies, legislative and regulatory frameworks that makes it easier for SMEs to develop (00) 	

Result Areas	Governance	Private Sector Development	NGO Support
3.2 Institutions and Infrastructure	<ul style="list-style-type: none"> • Institutional reform (95) • Fairer and more equitable administration of justice (00) • Improved peace and order, law enforcement, administration of justice (00) 	<ul style="list-style-type: none"> • Balance of payments (89) • Budgetary deficits (89) • Industrial structure (micro, small and medium enterprise development) (89) • Infrastructure services (95) • Growth in export zones (95) 	<ul style="list-style-type: none"> • Partnerships between Canadian and Philippine organizations (89) • Balance of power between the government and non-government sectors (95)

Annex 3 CIDA Programming Initiatives Reviewed in the Philippines CPE

1. NGO and PO strengthening

Number	Name	Dates	Amount
A012330	Philippines Development Assistance Program	1986-1990	\$5.0 m
A015646	NGO Support Project (PDAP II and PCHRD)	1990-1997	\$25.5 m
A016070	Development Initiative for Women's Alternatives and Transformation Action (DIWATA)	1991-1997	\$3.6 m
A020760	SPPE Gender Fund	1997-2003	\$0.5 m
A019571	SPPE Gender Equity Fund	1995-2000	\$0.5 m
S046690	ACCC/Can College Partnership Program	1994-2002	\$1.0 m
S054665	ACC Development Program 98-01	1998-2001	\$0.6 m
S047074	AUCC University Partnerships Program 94-02	1994-2002	\$1.0 m
S053914	Christian Reformed World Relief C Program 98-01	1998-2001	\$0.4 m
S049740	Dalhousie Island Sustainability, Livelihood and Equity	1995-2002	\$2.3 m
A020865	World Vision Canada Philippines Tuberculosis Control (Phase I)	1998-2001	\$2.0 m
A030734	Philippines Tuberculosis Control and Prevention (Phase II)	2001-2004	\$4.2 m
A031122	Canada Fund for Local Initiatives	1983-2003	\$3.1 m
A013372	Philippines Non-formal Education (PNFE)	1988-1995	\$4.9 m
A013535	Philippines Immunization Program	1986-1993	\$4.9 m
A015228	UNICEF Area-Based Child Survival and Development Project	1989-1994	\$4.4 m
M003713	Can Red Cross Primary Health Care Project (Food Aid Initiatives)	1997-2002	\$3.4 m
A014377	Davao Health Development Project	1988-1993	\$2.1 m
A019119	Southeast Asia Gender Equity Program (SEAGEP) ⁸¹	1995-2001	\$4.0 m
			\$73.4 m

⁸¹ The overall budget for this initiative was \$5.0 million. We estimate the 10 percent was disbursed in the Philippines.

2. Governance

Number	Name	Dates	Amount
A016073	Policy, Technical Assistance and Training Facility (PTTAF I)	1992-1996	\$10.0 m
A020859	Policy, Technical Assistance and Training Facility (PTTAF II)	1997-2003	\$9.5 m
A017010	National Commission on Role of Filipino Women Inst Strengthen I	1991-1996	\$1.53m
A019105	NCRFW Institutional Strengthening II	1996-2004	\$4.9 m
A020757	Philippines Information Infrastructure Policy Support	1997-1999	\$0.575m
A016069	Local Government Support Program (LGSP I)	1991-1999	\$34.8 m ⁸²
A020272	Local Government Support Program (LGSP II)	1999-2004	\$31.0 m
A019102	Philippines-Canada Environmental and Economic Management	1998-2003	\$9.6 m
A014409	Environment and Resource Management I	1989-1994	\$4.95 m
A018635	Environment and Resource Management II	1994-1996	\$2.49 m
S045462	Philippines Canada Cooperative Program (CUI) – Pilot Phase	1993-1994	\$0.10 m ⁸³
S047212	Philippines Canada Cooperative Program (CUI) - Implementation	1994-1996	\$0.40 m
S049469	CUI Strategic Urban Management (IAPSUM)	1995-1998	\$0.40 m
S053929	CUI Program 1999-2001 – Urban Development (IPPSUM)	1998-2001	\$0.75 m
S049442	FCM Program 1995-1996	1995-1996	\$0.32 m
S051256	FCM Program 1996-1999	1996-1999	\$1.0 m
S055068	FCM Program 1999-2002 – Municipal Development	1999-2002	\$1.0 m
S049467	IPAC Program 1995-1998	1995-1998	\$0.50 m
S053927	IPAC Program 1998-2001 – Public Administration Development	1998-2001	\$0.30 m
A020261	SPPE Responsible Governance Fund	1996-2001	\$0.50 m
A030679	Philippines Governance Fund	2000-2004	\$0.50 m
A018143	Southeast Asia Fund for Institutional and Legal Dev't (SEAFILD)	1995-2002	\$0.36 m
	Environmental Security and Management Program ⁸⁴	1996-1999	\$0.68 m
	Governance for Philippine Agenda 21	1999-2000	\$0.617 m
			\$116.77 m

⁸² The DF portion going to LGSP Phase I and II is included in the LGSP budgets above. This totalled \$30 million for LGSP I and \$20 million for LGSP II.

⁸³ The amounts listed for the CPB initiatives (i.e. S-series) and the SEAFILD regional program represent the estimated percentage of budget that was utilized in the Philippines

⁸⁴ This DF initiatives budget was converted from pesos to Canadian dollars at exchange rate in 1999.

3. Private Sector Development

Number	Name	Dates	Amount
A013901	Negros Rehabilitation and Development Fund (NRDF)	1986-1993	\$11.0 m
	Batangas Telecommunications Development Project (BTDP)	1987-1991	\$0.45 m
A014388	Philippines Telecommunications TA Project (Telecom TA)	1989-1997	\$6.1 m
A014576	Telecommunications Import Support Project (TISP I)	1989-1996	\$15.0 m
A018476	Telecommunications Import Support Project (TISP II)	1993-1998	\$11.7 m
A013389	Phil Cooperation Development Assistance Program (P-CODAP)	1987-1995	\$4.9 m
	Cooperative Business Development Program (CBDP)	1996-1999	\$1.7 m ⁸⁵
A020262	Socio-Economic Dev't through Cooperatives in the Phil (SEDCOP)	1998-2003	\$7.2 m
S051301	Canadian Cooperative Association (CCA) General Program	1996-1999	\$0.5 m ⁸⁶
	Canadian Cooperative Association (CCA) General Program	1999-2002	\$0.3 m
A020860	CESO Business Advisory Project (BAP)	1998-2003	\$3.0 m
S052131	Canadian Executive Service Overseas (CESO) General Program	1996-2000	\$0.5 m
A016071	Entrepreneur Support Project (ESP)	1993-2000	\$8.3 m
	Enterprise Linkages Project (ELP)	1998-2001	\$1.3 m ⁸⁷
A019564	Private Enterprise Accelerated Resource Linkages (PEARL)	1997-2001	\$4.5 m
A019663	Promoting Participation for Sustainable Enterprises (PPSE)	1996-2001	\$7.9 m
	Program for Peace and Development in SZOPAD Area (PPDSA)	1997-2001	\$1.8 m ⁸⁸
	Canada Fund (CLFI) Micro-Finance	1995-2000	\$1.3 m ⁸⁹
K-series	Industrial Cooperation Program (CIDA-INC)	1990-2002	\$21.1 m
			\$108.55 m
A014469	Commodity Assistance Program (CAP I) ⁹⁰	1987-1991	\$30.2 m
A015669	Commodity Assistance Program (CAP II)	1989-1999	\$55.6 m
A018917	Philippines-Canada Monetization Facility Project (CAP III)	1996-1998	\$15.0 m
A020265	Philippines-Canada Monetization Facility Project (CAP IV)	1999-2005	\$15.0 m
			\$115.8 m

⁸⁵ This Philippines-Canada Development Fund (DF) initiative had budget of PhP 40,730,000. The equivalent Canadian dollar amount was calculated at average currency exchange rate for period.

⁸⁶ Amounts for all CPB initiatives (i.e. S-series) represent the percentage of program budget that was utilized in the Philippines (as estimated by the partner organization).

⁸⁷ This DF initiative had budget of PhP 37,500,000

⁸⁸ This DF initiative had budget of PhP 50,700,000

⁸⁹ This CFLI initiative had budget of PhP 31,400,00

⁹⁰ The four CAP initiatives are coded under PSD because they have been important to Philippines balance of payments. The revenue generated from the sale of Canadian goods under the CAP initiatives was deposited into the DF, which has supported initiatives in all programming areas.

Annex 4 Programming Initiatives and Mechanisms in the Philippines Program

Programming Initiative	Bilateral Directive	Bilateral Responsive	Regional Program	Dev't Funds	Phil-Can Dev't Fund	Canadian Partnership
<i>NGO Strengthening</i>						
PDAP I	X					
PDAP II	X					
PCHRD	X					
DIWATA	X					
Gender Fund				X		
Gender Equity Fund				X		
ACCC						X
ACC						X
AUCC						X
CRWRC						X
Dalhousie ISLE						X
Tuberculosis Control I	X					
Tuberculosis Control II	X					
CFLI				X		
PNFE	X					
Immunization Program	X					
UNICEF Child Survival	X					
Primary Health Care	Food Aid					
Davao Health Project	X					
SEAGEP			X			
<i>Governance</i>						
PTTAF I	X					
PTTAF II	X					
NCRFW ISP I	X					
NCRFW ISP II	X					
PIIP	X					
LGSP I	X				X	
LGSP II	X				X	
PCEEM	X					
ERMP I		X				
ERMP II		X				

Programming Initiative	Bilateral Directive	Bilateral Responsive	Regional Program	Dev't Funds	Phil-Can Dev't Fund	Canadian Partnership
CUI						X
FCM						X
IPAC						X
Governance Fund				X		
ESMP					X	
Philippines Agenda 21					X	
SEAFILD			X			
<i>Private Sector Dev't</i>						
NRDF	X					
BTDP	X					
Telecom TA	X					
TISP I	X					
TISP II	X					
P-CODAP		X				
CBDP					X	
SEDCOP		X				
CCA						X
CAP I	X					
CAP II	X					
CAP III	X					
CAP IV	X					
BAP		X				
CESO						X
ESP	X					
ELP					X	
PEARL	X					
PPSE		X				
PPDSA					X	
CFLI				X		
CIDA-INC initiatives						X

Annex 5 Summary of GOP Development Priorities from MTPDPs (1987-04)

Development Planning and Management

The National Economic Development Authority (NEDA) is responsible for development planning and development management in the Philippines. NEDA consists of a board and a secretariat. The NEDA Board is the highest policy-making body in the country headed by the President, with most of the Cabinet Secretaries as members.

NEDA develops the MTPDPs through consultative processes. The NEDA Board issues planning guidelines to all concerned government agencies, the NEDA Secretariat, and the Planning Committees and Inter-agency Committees that will be involved. The NEDA Secretariat prepares a draft plan with inputs from concerned government agencies. The NEDA Secretariat holds consultations with Planning Committees and Inter-agency Committees to assess and further improve the draft plan. The NEDA Secretariat submits the completed plan to the NEDA Board for adoption.

Poverty Alleviation

Successive administrations have made the alleviation of poverty an over-arching goal for medium-term development. The MTPDPs consistently identified improving economic competitiveness, generating employment, reforming economic structures, and including the poor in development processes, as key thrusts in their antipoverty strategies. At the same time, the plans articulated different means to the end of poverty.

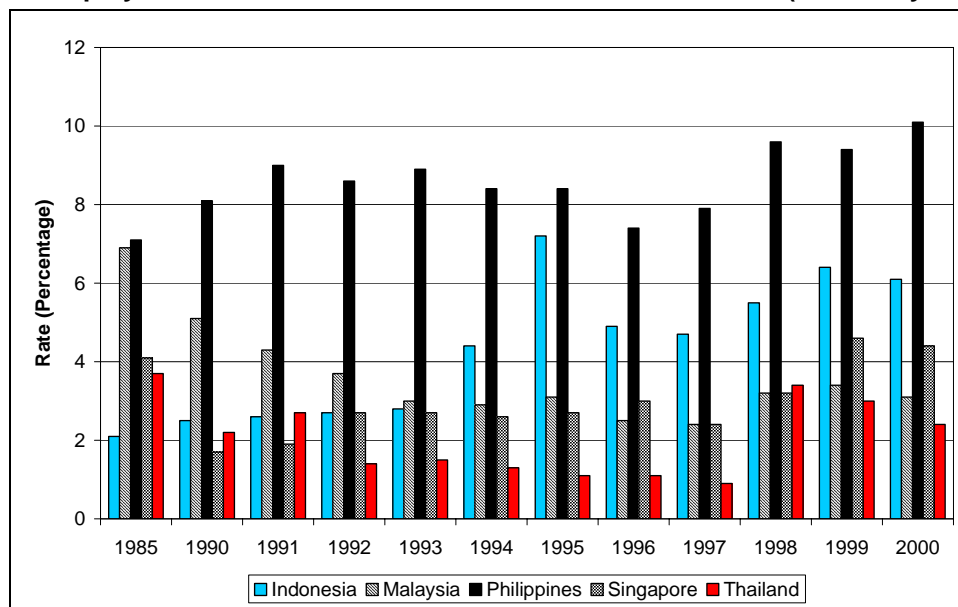
Economic Growth and Competitiveness

Successive administrations have identified the need for increased economic growth in the Philippines. The Aquino and Ramos plans spoke about *sustainable growth*, the Estrada plan about *equitable growth*, and the Arroyo plan about *sustained growth with equity and stability*. All plans set growth targets for the Gross National Product, which if achieved were to increase per capita income. The MTPDP 1993-98, in particular, emphasized a more efficient and competitive economy. One of the twin goals of the Ramos plan was increasing 'world competitiveness,' which meant increasing labour productivity through better education and training, maximizing the use of foreign investment, and upgrading technology, especially for SMEs.

Employment Generation

All MTPDPs have emphasized the need to generate productive employment, which would stimulate recovery or growth by inducing demand through increased incomes. The MTPDP 1987-92 emphasized employment generation by launching a small-scale infrastructure program to provide employment opportunities in rural areas. The MTPDP 1993-98 argued that dismantling policy biases, restructuring the economy, encouraging self-organization of workers, and providing timely information about job opportunities, would generate more productive employment. The MTPDP 1999-04 argued that generating productive employment relied on policies that addressed concerns on both the labor supply side and the demand side. Nevertheless, unemployment has remained a critical issue in the Philippines (see graphic).

Unemployment Rates in Selected Southeast Asian Countries (selected years)⁹¹



Human Resource Development

Successive MTPDPs have emphasized the importance of education and training for human resource development. The MTPDP 1987-92 emphasized education and manpower development, and established targets for expanded access to quality education at all levels. The MTPDP 1993-98 presented better education and skills training as integral to the goals of human development and world competitiveness for people empowerment. The MTPDP 1999-04 argued that investments in education and training would broaden the skilled manpower base and increase productive employment in the country. The MTPDP 2001-04 saw the value of education in social and economic transformation, especially as knowledge is a form of capital.

Rural Development

All MTPDPs have stressed the importance of rural development and agrarian reform in the Philippines, though perhaps none more so than the Aquino plan. The MTPDP 1987-92 presented employment-oriented, rural based development as a core strategy for national development.⁹² The MTPDP 1993-98 supported rural development, though it placed more emphasis on infrastructure development (as witnessed in the patterns of ODA investment from 1992 under Aquino to 1993-98 under Ramos). The Estrada plan had more in common with the Aquino plan as it emphasized the acceleration of rural development through agriculture and fisheries modernization, and through an asset reform program to redistribute physical and resource assets, particularly land and credit.

⁹¹ Source: Key Indicators 2001: Growth and Change in Asia and the Pacific, ADB (2001a)

⁹² The GOP passed the Agrarian Reform Law in 1988 and the Cooperative Code of the Philippines in 1990 as enabling legislation for rural development.

Allocation of Philippines ODA Commitments to Selected Sectors (1992-98)⁹³

	1992	1993	1994	1995	1996	1997	1998	Ave.
ODA to Agri-Industrial Development (as % of ODA)	35.7	12.2	23.5	20.3	19.0	11.9	18.1	20.3
Infrastructure Development (% ODA)	32.0	64.9	67.9	67.4	43.3	68.0	85.5	60.6
Human Development/Basic Services (% ODA)	28.8	13.8	4.9	10.1	9.0	14.8	8.2	12.4
Development Management (% ODA)	1.9	5.4	0.7	0.6	12.5	1.5	4.0	3.3
Integrated Area Development (% ODA)	1.5	3.7	3.0	1.5	1.2	3.1	4.2	2.1
Total ODA Commitment (in billions US\$)	1.50	1.19	1.93	2.37	1.40	2.65	1.86	1.84

Infrastructure

GOP development plans have consistently addressed the need for infrastructure and technology support to development. They each presented wide-ranging plans for investment in transportation, water resources, social infrastructure, energy and communications. They recognized the necessity of infrastructure facilities in supporting the production, distribution and consumption of a variety of goods and services. They also recognized financial requirements of modernizing the country's infrastructure system and bringing it up to international standards. Successive plans have emphasized private participation in infrastructure development when cost recovery is possible, and public sector provision of infrastructure in the case of socially desirable infrastructure, such as communal irrigation and rural electrification. Under the Ramos plan, about two-thirds of all ODA was allocated to infrastructure development.

Public Sector Competence

Successive MTPDPs have cast the role of government as encouraging, supporting and facilitating private sector institutions as they propel the economy and society. The plans have therefore highlighted the importance of public sector competence for development. The MTPDP 1987-92 emphasized the need to strengthen the planning and implementation capacities of government and non-government organizations. The MTPDP 1993-98 wished to improve revenue generation by the national government, allocate public expenditures more efficiently, and rationalize further the government corporate sector. The MTPDP 1999-04 argued that effective governance, which was vital in the struggle against poverty, was built on a sound moral foundation, a philosophy of transparency, and an ethic of effective implementation.

Decentralization and Participatory Development

The Aquino plan set new directions for provision of services and participation in governance. It stated that the key organizational principles guiding the role and structure of government were decentralization, checks and balances, and minimal government intervention in economic activities. Implementing decentralization required the devolution on power from central units, the strengthening of regional and local units as focal points of development efforts, and more active people's participation in development planning and implementation.⁹⁴ The Aquino plan encouraged the private sector, particularly NGOs and community organizations, to play an advocacy role and strengthen service delivery mechanisms to ensure better coordination and more focused targeting of priority groups. The Ramos plan similarly argued for greater

⁹³ Source: NEDA Public Investment Staff, (Gonzales 2000, p.18).

⁹⁴ The GOP enacted the Local Government Code in 1991 as enabling legislative for the decentralization process.

participation of the private sector in local governance. It stressed the importance of the orderly devolution of responsibilities to local governments and the strengthening of institutional capabilities at the sub-national levels in planning, programming, public finance and budgeting, and in identifying and managing development programs and projects.

Regional Development

Starting with the principle that each region of the Philippines is an integral geographic body with delineated needs and objectives, successive MTPDPs have promoted development plans for the country's regions. From Aquino to Arroyo, the goal of regional development has been minimization of disparities and sharing of economic and social gains. The MTPDP 1987-92 highlighted poverty, low productivity, insurgency, the need to better utilize land and other physical resources, and the need to promote and maintain ecological balance and environmental protection as concerns for regional development. It stressed that Regional Development Councils were integral to identifying and monitoring development programs in line with the decentralized, participative approach to development planning. The MTPDP 1993-98 also promoted area development strategies through policy reforms, including land reform, industrial dispersal, developing alternative hubs of international trade, building the tourist industry, strengthening infrastructure, and strengthening local government capabilities.

Peace and Order

The MTPDPs have consistently viewed social equity, participation and public sector competence as integral to improving peace and order in the country. The MTPDP 1987-92 argued that the "ultimate defense against any form of insurgency is the building of a just, progressive, and democratic society." It linked peace and order to employment generation and rural development. The MTPDP 1993-98 focused on the responsibilities of the public sector in improving peace and order, law enforcement and justice administration. The proposed strategy included pursuing a program of national unification, improving crime prevention agencies, professionalizing police and military personnel, and reforming and strengthening the justice system. The MTPDP 1999-04 wanted to improve social protection of vulnerable communities through social welfare and assistance, local safety nets and social security and insurance, and security and protection against violence, including in the home. The MTPDP 2001-04 talked directly about securing peace and development in Mindanao, recognizing the economic inequities and deep social and cultural conflicts that have led to armed rebellion. The plan announced the government's intention to "talk peace" with rebels, provide relief and rehabilitation services, promote good governance, and invest in Mindanao development.

Sustainable Development

The GOP development plans have promoted sustainable development as a goal or priority. Sustainability has been viewed in terms of sustainable economic growth and sustainable management and use of natural resources. The attention given to sustainable development grew during the period to the point where the MTPDP 1999-04 argued that installing environmental safeguards and protecting the country's natural resources for present and future generations was fundamental to equitable development. The MTPDP 2001-04 presented four ways of practicing and promoting sustainable development. These included integrating the concept of sustainability into development planning, including all stakeholders in decision-making about the use of natural resources, issuing ancestral domain titles to lands for indigenous peoples, and using advances in production technology to promote sustainability.

Annex 6 Selected Donors' Program Priority Areas

Donor	Governance	Social Development	Private Sector Development
Canada	<ul style="list-style-type: none"> • National government support • Local government support • Environment as CTT • Gender as CTT 	<ul style="list-style-type: none"> • NGO Sector • Health • Basic Education • Social sector 	<ul style="list-style-type: none"> • Livelihood and MSEs • SMEs • Cooperatives • Commodities Support • Telecommunications
Australia	<ul style="list-style-type: none"> • Governance • Gender • Environment 	<ul style="list-style-type: none"> • Health • Education 	<ul style="list-style-type: none"> • Rural incomes
Belgium	<ul style="list-style-type: none"> • Support to NGOs and multilateral organizations • Agrarian reform 	<ul style="list-style-type: none"> • Health • Education • Emergency grant aid 	<ul style="list-style-type: none"> • Micro-cottage industries
Denmark	<ul style="list-style-type: none"> • Water supply and treatment 	<ul style="list-style-type: none"> • Health & hospital upgrading • Waste water treatment 	<ul style="list-style-type: none"> • Agri-industry • Renewable energy
European Union	<ul style="list-style-type: none"> • LGU institutional strengthening • Support to agrarian reform • Environment protection 	<ul style="list-style-type: none"> • Health 	<ul style="list-style-type: none"> • Agricultural development • Rural infrastructure • Cooperatives and credit • Business promotion
Finland	<ul style="list-style-type: none"> • Forestation projects • Water and sewage management • Water supply management 	<ul style="list-style-type: none"> • Social projects • Upgrading of hospitals 	
France	<ul style="list-style-type: none"> • Public and urban city administration • Environment 	<ul style="list-style-type: none"> • Health • Equipping of hospitals • Social security 	<ul style="list-style-type: none"> • Agriculture
Germany	<ul style="list-style-type: none"> • Environment management • Natural resources management • Water management 	<ul style="list-style-type: none"> • Health and family planning • Vocational education 	<ul style="list-style-type: none"> • Regional economic development • SMEs
UNICEF	<ul style="list-style-type: none"> • Local policy and institutional development • Gender and development • Water sanitation 	<ul style="list-style-type: none"> • Health and nutrition • Education • Child survival, development and protection 	
UNDP	<ul style="list-style-type: none"> • Governance • Environmental protection and regeneration 	<ul style="list-style-type: none"> • Special initiatives for sustainable human development 	<ul style="list-style-type: none"> • Poverty alleviation
USA	<ul style="list-style-type: none"> • Democracy and governance • Environmental resources management 	<ul style="list-style-type: none"> • Maternal & child healthcare • HIV/AIDS prevention and assistance to Amerasians 	<ul style="list-style-type: none"> • Agribusiness and infrastructure • Trade and investment development

Annex 7 Canadian ODA Policies of Influence in the Philippines Program

These Canadian policies had an important influence in the Philippines program:

- *Sharing Our Future* (1987). This was CIDA's response to the Brundtland Report on Sustainable Development in 1985. It highlighted human resources development, structural adjustment programs, and the decentralization of CIDA's ODA management
- *Canada in the World* (1995). The Canadian government foreign policy statement provided direction for Canada's ODA to support sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable and prosperous world. The statement introduced six ODA priorities.
- *CIDA's Policy on Poverty Reduction* (1996). This policy committed CIDA to making poverty reduction a key element in each of six ODA priority areas.
- *CIDA's Policy on Results-based Management* (1996). This policy statement introduced the results-approach to the management of CIDA development projects, and established key terms, concepts and implementation principles.
- *Our Commitment to Sustainable Human Development* (1997). This policy recognized "within the broad purpose of supporting sustainable development, the central thrust of Canadian international co-operation is poverty reduction."
- *CIDA's Policy on Meeting Basic Human Needs* (1997). This policy committed 25 percent of Canada's ODA to meeting basic human needs.
- *CIDA's Policy on Gender Equality* (1999). This policy articulated CIDA's commitment to achieving gender equality objectives and integrating gender equality priorities into all management and programming activities.
- *CIDA's Social Development Priorities* (2000). This policy committed Canada to stronger programming in health and nutrition, basic education, HIV/AIDS and child protection.
- *Strengthening Aid Effectiveness* (2001). This policy focused on improving Canadian ODA effectiveness and ways for CIDA to increase the impact of its development programming.

Annex 8 People Interviewed in the Philippines CPE

The CPE Team Leader and Team Coordinator interviewed the following people in preparation of the Synthesis Report. This list does not include the people interviewed by the programming area consultants in preparation of their reports. Their lists were included in their programming area reports.

Asian Development Bank

Richard Ondrik	Chief Country Officer	ADB
Marilyn Collette	Governance Specialist	ADB

Canadian Government

Sajjad Rahman	Director General, Asia Branch	CIDA
Jim Carruthers	Director General, Interdepartmental Partnerships	DFAIT
Ted Langtry	Director General, Business Operations Group	CIDA
Vivien Escott	Deputy Director, Southeast Asia Division	DFAIT
Tom Carroll	Chief of Operations, Philippines Program	CIDA
Norm Macdonnell	Chief of Operations, Humanitarian Assistance	CIDA
Robert Beadle	Head of Aid, AMEB	CIDA
Ingrid Knudson	Director, RZC	CIDA

Japanese Embassy

Hirohito Takata	Deputy Resident Representative	JICA
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Philippine Partners

Rogelio Antalan	City Mayor	Island Garden City of Samal
Cleto Gales, Jr.	City Administrator	Island Garden City of Samal
Camilio Naraval	Medical Doctor	Health Management and Research Foundation, Davao
Marilou Laguting	Official	Department of Trade and Industry
Laarni Peralta	Official	Network Rural Bank, Davao City
Leopoldo Balayon	Executive Director	RC PAG-ASA, PCEEM
Marcel Gono	Field Project Director	PCEEM

Emma Remito Country Project Manager CESO Business Advisory Project

United Nations Development Programme

Terence Jones Resident Representative UNDP

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Annex 9 Documents Reviewed in the Philippines CPE

The consultant reviewed the following documents in preparation of the Synthesis Report. This list does not include those documents reviewed by the programming area consultants in preparation of their reports. These lists were included in the respective programming area reports. The list below does not include CIDA, Asia Branch, Canadian Partnership Branch, and Philippines Program annual performance reports. The consultant reviewed the available reports from 1989 to the present.

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