

Independent Progress Review of the

Australia-TAF Partnership

in the Philippines

Revised

Final Report

15 February 2014

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Abbreviations & Acronyms

AFP	Armed Forces of the Philippines
AUD	Australian Dollar [one Australian Dollar = approximately 40 Philippine Peso]
ARMM	Autonomous Region of Muslim Mindanao
AusAID	The former Australian Agency for International Development. AusAID was integrated with Australia’s Department of Foreign Affairs and Trade (DFAT) a few days before the Review. Documents inevitably still refer to ‘AusAID’, but should now read ‘the Australian aid program’, and/or refer to the Development Cooperation Branch (DCB) of DFAT in the Australian Embassy in Manila.
BEI	Board of Election Inspectors
CfC	Coalitions for Change
COMELEC	Commission on Elections
CSO	Civil Society Organisation
DAC	Development Assistance Committee of the Organisation for Economic Cooperation and Development
DCB	Development Cooperation Branch of DFAT in the Australian Embassy in Manila
DepEd	Department of Education
DFAT	Department of Foreign Affairs and Trade of the Australian Government
DILG	Department of the Interior and Local Government
DPWH	Department of Public Works and Highways
DRR	Disaster Risk Reduction
FAN	Fully Abled Nation
GPB	Grassroots Participatory Budgeting (formerly Bottom-Up Budgeting—BUB)
IPR	Independent Progress Review
ISF	Innovation Support Fund
IRA	Internal Revenue Allotment
JMR	Joint Management Review
JSC	Joint Steering Committee
LGC	Local Government Code
LGU	Local Government Unit
M&E	Monitoring and Evaluation
MEL	‘Monitoring, Evaluation and Learning’ (TAF’s approach to M&E)
MSC	Most Significant Change
ODE	DFAT’s Office of Development Effectiveness
PACAP	Philippines-Australia Community Assistance Program
PhilHealth	A Government Corporation attached to the Philippines Department of Health that administers the National Health Insurance Program
PMT	Program Management Team
PWD	Persons with disabilities
SNG	Sub-national governance
TAF	The Asia Foundation
TISP	Transition and Investment Support Plan
ToR	Terms of Reference

Important Definitions and Concepts Used in this Report

'Civil Society'

In this Review we have taken, and encourage, a broad definition of 'civil society'. We see civil society as the individual, and the aggregate of the, non-governmental organisations that represent or advance the interests of society and its citizens¹. However, for us this captures more than simply the established 'NGOs' and community-based organisations. It would include, for example, business / private-sector bodies, the media, and faith-based organisations. Some would also include 'societal instruments' such as ombudsmen and elected representatives as being part of 'civil society' in the widest context.

More conceptually, 'civil society' can be thought of as a coalescing among citizens—often in relation to the affairs of the state—in pursuit of public goods². 'Civil society' is both a voluntary social/political capital and an economic force.

'Governance'

Governance is about ³ "the rules and processes determining how decisions are made and implemented. Good governance requires the rules and processes to be legitimate, fair, decent, accountable, transparent, and efficient and to enable collective action to solve problems for the public good". Governance also pertains to the organisational structures of the state as they provide administrative, coercive (police and military), judicial, and revenue generating capacity. Key concepts articulated in CfC's design and management documents—for example voice, transparency, legitimacy, capacity of government to deliver public goods, accountability, responsiveness—are essentially all contributors to 'good governance'.

'Institutions'

Throughout this Review, we use 'institutions' across two rival definitions. First, in the *New Institutional Economics* sense of 'the rules of the game': the rules, incentives and sanctions that ultimately shape how individuals, groups, coalitions, organisations, sectors and perhaps whole populations behave—socially, economically, and politically. They may be written and formal (for example, legislation) or informal and implied (for example, societal conventions or traditions)—and many things in between. Second, in the mainstream political science sense of organisational structures that are characterised by coherence, complexity, autonomy and adaptability. Across these four characteristics, effective institutions (whether bureaucracies, militaries or political parties) have the capacity to endure over time.

'Partnership'

In contrast to a 'principal-agent' relationship (see below), a 'partnership' represents a collaborative effort between fully-competent parties with complementary agendas, with each contributing assets⁴ that the other does not have (or have enough of). By so doing, both parties achieve more than they could achieve by acting alone, or something that they could not otherwise achieve at all. Important principles in any such partnership is the recognition of the other party's/parties' right/s to have their own—possibly different—values and so legitimately to influence the course of the joint endeavour. (And to benefit from the fruits of that joint endeavour.) Similarly, both or all parties should bear any risks⁵ of failure.

¹ Although there are plenty of examples where civil society has been decidedly 'uncivil', and has not always advanced the interests of society as a whole but of a particular section of society only and to the cost of others.

² But see caveat in footnote 1 above. We would clearly have no interest in supporting civil society in—for example—any corrupt or rent-seeking endeavour.

³ This definition is from the 'Effective Governance' Thematic Strategy of the Australian aid program, November 2011.

⁴ Intellectual, physical, financial, position and influence, skills, experience, etc.

⁵ It is in this sense that the word 'risk' appears throughout the report: we are referring to the risk of failure, or at least the risk that success is far from guaranteed. We are *not* anticipating a higher level of risk along other dimensions,

'Principal-Agent'

In contrast to a 'partnership', a 'principal-agent' relationship exists where one party (the 'principal') has its own values and objectives and seeks to deliver on those by employing an 'agent' to 'do the running' on its (the principal's) behalf. Sometimes a principal is employing the agent because the agent has greater knowledge or influence than the principal has. This situation can potentially result in 'agency dilemmas' where the agent, through their advantageous knowledge and positioning, is potentially able to pursue courses of action of more interest to itself (the agent) than to the principal, or to the principal's original objectives. There are therefore 'agency costs' either in accepting that the agent delivers on a slightly different agenda, or in mitigating such 'dilemmas'.

'Strategic Opportunism'

The notions of 'policy windows opening and closing', and of 'chasing change' where the return on investment (or risk) will be highest, are important tenets of policy work⁶. 'Strategic opportunism' captures this ability to be 'fleet and flexible' (ODE) or 'nimble and strategic' (this Review) and by so doing capitalise on unexpected opportunities that emerge through the inevitably chaotic and often unplanned processes of policy reform. This is not to say that a program should deviate from its original objectives, but rather to recognise that no 'plan' is ever likely to capture, *ex ante*, all the relevant, interesting, policy options and opportunities that may present themselves over time. This is particularly so where the priorities of both the donor and the partner government ebb and flow as political values change.

'Transformational' vs. 'Transactional' Development

When the development community started thinking about achieving the pace and scale of social and economic development implied by the Millennium Development Goals, it realised that it had to do far more than 'just buy things' that people or organisations needed. Rather, it had to leverage change in the 'institutions' (definition preceding page) that ultimately shape the nature and course of the lives and livelihoods of whole populations of people. (Hence the parallel recognition of the irreplaceable role of government and good governance in such a process.)

Just buying results, where the value of the outcome equates to the value of the transaction (financial or otherwise) itself, for example providing food aid or renovating classrooms, is referred to as 'transactional' development. The total value of the intervention is essentially (and merely) the sum of its inputs. One could never deliver enough 'transactional' aid and development to achieve the Millennium Development Goals at a global level, or even nationally in most cases.

By contrast 'transformational' development brings about fundamental change for the better in institutions whose reach goes beyond (hopefully far beyond) the direct influence of the development intervention itself. (Such change is often referred to as 'reform'.) The value of the intervention is more than the sum of its parts. In leveraging impacts the scope and scale of which is far greater than the input, transformational development is also about effectiveness, efficiency and value for money.

whether it be fiduciary risk, fraud risk, etc. The risk of systematic program failure, moreover, can be judged to be low.

⁶ See for example ODE's 'Thinking and Working Politically: an Evaluation of Policy Dialogue in the Australian Aid Program', Australian Government, April 2013.

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Key Points:

- Overall, this was a positive review: the initiative is relevant (now and in the foreseeable future), effective, probably⁷ efficient, and sustainable.
- An extension to mid-2018 is recommended—to take the Partnership through the May 2016 presidential election and allow time to assess the new administration's priorities, to evaluate progress to date and to design a new phase if appropriate.
- There is a need for more proactive leadership and decision-making on program direction, including instilling a more universally understood clarity of purpose.
- A more succinct and elegant M&E system is required to match that greater clarity of purpose.
- There needs to be greater attention to gender and the important influence which thinking and working politically can have on gender outcomes.
- The Partnership needs to be open to 'strategic opportunism', without deviating from its core objectives.

⁷ The review was not in a position to undertake any form of quantitative benefit-cost analysis, and there is no counter-factual against which to compare performance. Qualitatively, however, the review suggests that the partnership is an efficient mechanism for delivering against objectives.

The Review

1. The Review was to provide an assessment of the quality of the Australia-TAF Philippines Partnership to assist the Australian aid program to determine whether support to the initiative is warranted beyond June 2014. The Review was also to consider progress at component level, and provide recommendations for improvement. (The Review's terms of reference are provided at Annex 5.)
2. The Review team (Annex 6) worked in-country from 4 to 15 November 2013. It:
 - Studied an extensive range of design and programming documents and reports, both historical and contemporary;
 - Was briefed by management teams from both parties to the partnership, separately and jointly;
 - Met with senior executives of both the Australian aid program and TAF;
 - Conducted semi-structured interviews with multiple stakeholders at country-program, program management, partner-organisation and government levels;
 - Visited a limited number of field sites. (Typhoon Yolanda curtailed the field visits.)

Pitch

3. The Partnership—and in particular its *Coalitions for Change* (CfC) component—relates to some high-level objectives of the country program, set in a complex political context. On top of this, CfC's objectives and *theory of change* have been the subject of some nuancing since the initiative was designed and a number of schematics are circulating outlining its re-thought logic and aspirations.
4. For the purposes of this Review we pitched our enquiries at a relatively strategic level. Based on some foundational reference documents—not least the formal *grant agreement* between the Australian aid program and TAF Philippines—and discussions with senior management, the Review produced what it considers to be a *basic hierarchy of objectives* for CfC, together with a set of defining *qualities*. (Figure 1 below, which sets out i) what the Partnership delivers for the aid program (its output), ii) the change brought about by the Partnership's success (its outcomes/purpose), and iii) expected impacts beyond the Partnership (its goal).) It is against this hierarchy of objectives and set of defining qualities that the Review pitched its analysis.
5. An internal Joint Management Review was undertaken in June-July 2013. Its very useful observations and recommendations, written up in a substantial report⁸ circulated in draft prior to this Independent Progress Review, are principally at the operational / activity level and are not rehearsed in this report.

Independence

6. The Review was independent in that no team member has had any prior management or implementation role in the Partnership. However some members of the team have connections with one or other partner organisations, or have played a role in related prior review or design processes. These provided valuable historical and institutional insights.
7. The Review had no opportunity, and was not resourced, to undertake primary data collection or analysis and thus relied on accounts of progress provided by management. It was also unable to conduct in-depth analysis across the multiple targets of reform or various sub-programs. (Para 36, in particular, should thus be read in this context.)
8. This was not an evaluation, although the Review was asked to provide a commentary against the normal DAC/Australian aid program evaluation criteria. (Annex 1)

⁸ 'Lessons and reflections from the first two years of implementation of the Australian aid program-The Asia Foundation Partnership in the Philippines', September 2013.

Figure 1: Where and how the Review pitched its analysis of CfC

	Hierarchy of objectives	Defining Qualities
III. Beyond the Partnership (Goal)	Enhanced impact of public policy and expenditure choices on priority development and stability issues	<ul style="list-style-type: none"> • Clear benefits to clearly defined beneficiaries, at substantial scale • Issues that have emerged from solid economic, poverty and social analysis <ul style="list-style-type: none"> ○ Including gender analysis • Evaluate it later, but continuously track progress towards these goals • Country program priorities as a guide but not a straightjacket
↻	↻	
II. The Change Brought About by the Partnership's Success (Outcomes/Purpose)	Improved policy development & policy implementation in high-impact areas	<ul style="list-style-type: none"> • Truly transformational: the impact will be significantly bigger than the sum of the parts, and will be sustained through that transformation • High returns—high enough—to justify the risks taken • In [difficult] areas where it wouldn't happen [as well] by working alone • Key concepts: <ul style="list-style-type: none"> ○ Voice ○ Transparency ○ Legitimacy ○ Capacity of government to deliver public goods ○ Accountability ○ Responsiveness
↻	↻	
I. What the Partnership Delivers for the Aid Program (Output)	Leverage on policy processes achieved by 'thinking and working politically' and understanding and supporting the role and influence of networks, coalitions and [development] entrepreneurs ... and generating /using evidence	<ul style="list-style-type: none"> • Agile and flexible • Technically sound, politically possible <ul style="list-style-type: none"> ○ Robust selection ○ Ruthless termination • Influential, locally-driven, networks and coalitions working towards significant change • Often 'strategically opportunistic'—recognising 'policy windows' • Broad interpretation of 'civil society' • Arm's length for the Australian government • Inspiring changed ways of working within and beyond the country program—'catalytic'—knowledge-sharing—collaboration

The Partnership and its Components

9. The 'AusAID (sic) - The Asia Foundation Partnership in the Philippines' was established through a *grant agreement*, signed in October 2011, which finances collaborative activities between the two organisations in the Philippines through to June 2014. The Australian government grant is for a total of **±AUD 12.7 million** for the [slightly less than] **three-year period**.
10. The partnership was established principally around a discussion over how the emergent *Coalitions for Change* (CfC) program (already designed and under approval by the Australian aid program) might best be managed. That discussion had rejected the idea of contracting-out CfC's implementation to a managing agent⁹ while in parallel noting TAF's similar experience and comparative advantage in related areas. There was, clearly, scope for collaboration. The partnership that developed was thus around a set of activities that both parties had pre-existing interests in pursuing, recognising existing comparative advantage.
11. Crucially, establishing such a partnership created opportunities to achieve development outcomes that neither party would be able to achieve acting individually within their own resources or through their own positioning or level of influence. (See definition of '[partnership](#)', page v.)
12. While the grant agreement does not explicitly specify so, the basis (but not, formally, mandate) of the Partnership is a meld of an Australian aid program design document¹⁰ and a proposal¹¹ for grant funding in related areas from an independent non-profit international development organisation (TAF).
13. The Partnership also provides for some less-clearly specified policy research, analysis, capacity development and other activities and—for the sake of expediency—the management of Australia's long-standing community-sector small grants program in the Philippines (PACAP).
14. The grant agreement thus covers three areas¹²:
 - a. A new **Coalitions for Change** program. CfC's budget is approximately AUD 5.4 million, or 42% of the total Partnership budget, over the three years.

Although the current funding is for three years only, CfC was designed as a longer-term (perhaps 10-year) investment.
 - b. The extant **Philippines-Australia Community Assistance Program (PACAP)**, with a budget of AUD 3.9 million (or 31% of the total Partnership budget) over three years. (Substantially reduced from its peak of AUD 28 million for the five-year period 2005-2010.)
 - c. An element for '**research, analysis, capacity development and other activities**', accounting for ±AUD 1.8 million or about 14% of the total budget.
15. A 'core funding' budget line also covers annual audit costs (AUD 57,000) and TAF overheads (±AUD 1.55 million). (Total 'core funding' amounts to AUD 1.6 million or 13 % of the total budget.)

Coalitions for Change

16. The context and justification for CfC are discussed in the next section and relate to the challenges of achieving impact, at game-changing scale, in the complex political economy of a large middle-income country where aid flows are relatively insignificant.
17. CfC, in the Review's analysis, is fundamentally about achieving leverage on policy processes by 'thinking and working politically' and understanding and supporting the role and influence of networks and coalitions and 'development entrepreneurs'. It therefore has an implied interest in the particular but

⁹ Because of its experimental features, complexity and potentially risky nature.

¹⁰ 'Coalitions for Change' Revised Design Document, the Australian aid program, January 2011.

¹¹ 'Coalitions for Change Program: a proposal to the Australian aid program', TAF, July 2011.

¹² Per revised figures provided by TAF.

not exclusive role and influence of 'civil society'. It is also about generating and using evidence. It therefore represents a radically different way of working for the aid program, while still seeking—absolutely—to support government in its efforts to improve policy-making and implementation in high-impact areas related to the wider country program.

18. An important, defining, characteristic of the design was that policy influence would not be based on adversarial relationships between civil society and government, but on supporting 'coalitions of the willing' (where that sort of relationship existed or was embryonic).

19. To date CfC has been involved in 19 discreet policy reform programs across six thematic areas. (Table 1, below.)

Table 1: CfC Thematic Areas and Reform Areas

Thematic Areas	Reform Areas Jan—Dec 2013	Proposed ¹³ Reform Areas Jan—Jun 2014
Basic Education	<ul style="list-style-type: none"> ○ Local School Boards ✘ Classrooms Monitoring ◆ IP Education ◆ SPED ○ Classrooms Decongestion ○ BEI Reform 	<ul style="list-style-type: none"> ○ Expanding Local Resources for Education ○ Classrooms Decongestion ○ BEI Reform
Mindanao	<ul style="list-style-type: none"> ARMM Reform ✓ Electoral Reform (re-registration) ✓ Election-related violence ✓ TISP Monitoring ○ Conflict Mitigation ○ Security Sector Reform 	<ul style="list-style-type: none"> ○ Conflict Mitigation ○ Security Sector Reform
Sub-national Governance (SNG)	<ul style="list-style-type: none"> SNG Roads ◆ SNG Bohol ◆ SNG Surigao ◆ SNG Guimaras 	<ul style="list-style-type: none"> ○ SNG Roads
Public Finance Management	<ul style="list-style-type: none"> ○ Excise Tax Reform ☞ CSO Engagement (GPB) 	<ul style="list-style-type: none"> ○ Excise Tax Reform ☞ CSO Engagement (GPB)
Disaster Risk Reduction/Climate Change Adaptation	<ul style="list-style-type: none"> ○ DRR ISF ✘ DRR La Liga 	<ul style="list-style-type: none"> ○ DRR ISF Metro Manila
Persons with Disabilities	<ul style="list-style-type: none"> ✓ Fully Aabled Nation (FAN) 	<ul style="list-style-type: none"> ☞ Polling accessibility & inclusive education

✓ Completed • ◆ Redefined/Realigned • ✘ Discontinued • ☞ Exploratory

(Data provided by TAF M&E Unit)

PACAP

20. PACAP is a long-running, Australian **small grants program** supporting Filipino civil society organisations engaged in community development. Since its inception is 1986¹⁴, PACAP has awarded more than 2,000 grants to over 1,200 organisations benefitting an estimated 1.5 million people in poor communities throughout the Philippines.

¹³ Proposed but not yet discussed by the Joint Steering Committee.

¹⁴ PACAP's origins relate to the implications for Australia of the 1986 People Power Revolution in the Philippines.

21. While the main game under the new Philippines Australia-TAF Partnership was to shift the emphasis of the Australian aid program’s support to civil society from the transactional [PACAP] to the transformational [CfC], there nonetheless remained a strong political and public diplomacy case for the parallel continuation of such a small grants program—a scaled-down PACAP—within the country strategy. PACAP is highly valued both within the Government of the Philippines and within Australia’s foreign affairs portfolio: it brings visible and tangible benefits—albeit at small scale—to the communities with which it works, as compared with the invisible and somewhat intangible processes of policy analysis and reform.

22. Such a program would continue to deliver local impact through small grants at community and grass-roots level, with a focus on basic education, disaster risk reduction and climate change, local governance, and peace building in Mindanao—including addressing cross-cutting issues of gender equality and persons with disabilities.

23. The administration and management of PACAP has had a number of iterations but was transferred to The Asia Foundation (TAF) with the signing of the Australia–TAF country partnership in October 2011.

Research, Analysis, Capacity Development and Other Activities

24. From the Australian aid program’s perspective CfC is constituted as a foundational activity supporting the effective implementation of its established country program¹⁵. However there is nonetheless provision for supporting demand-driven proposals (from either TAF or the Australian aid program) for policy research, analysis, and capacity development and other activities that fall outside these agreed parameters. We further discuss the importance of this notion at paras 55 to 60 below in the context of supporting ‘[strategic opportunism](#)’. (Definition, page vi).

25. As of December 2013 this component of the Partnership had approved two concept notes for funding. (Table 2 below.)

Table 2: Approved Concept Notes for Research, Analysis, Capacity Development and Other Activities

Thematic Areas	Reform Areas Jan—Dec 2013	Proposed ¹⁶ Reform Areas Jan—Jun 2014
Research, Analysis Capacity Development and Other Activities <i>[Approved Concept Notes]</i>		<ul style="list-style-type: none"> ○ Land Offices ○ Support for the Bangsamoro Leadership and Management Institute (BLMI)

(Data provided by TAF M&E Unit)

¹⁵ As articulated in the Australia-Philippines Development Cooperation Program *Statement of Commitment* 2012-2017.

¹⁶ Proposed but not yet discussed by the Joint Steering Committee.

Context of, and Justification for, the Partnership

26. This large middle-income country with complex governance issues, where despite reasonable economic growth there remain significant development challenges, raises many questions about the 'how' of delivering a relevant, effective, aid program. Reviews¹⁷ of earlier Philippines programs highlighted the largely [transactional](#) nature of the activities, with implied limited impacts on the underlying policies and [institutions](#) that ultimately determine the nature and quality of sustainable social and economic development, and societal stability. They also criticised the limitations of a 'top-down' approach to reform.

“The minor role played by aid in the Philippines, together with a difficult governance environment, means that supporting national-level reform through the aid program is challenging. This is reflected in the limited success of the Australian aid program support for top-down reforms to date. However, when conditions are right, reform is possible.”

ODE Mid-Term Evaluation of the Australia-Philippines Development Assistance Strategy, March 2012

27. The largely transactional nature of earlier programs also extended to Australia's significant investment in supporting civil society.

28. Since that time there has been a concerted effort to develop a higher-impact country program recognising the need to bring about large-scale, sustained, flows of benefits through policy reform ('changing the rules of the game') and through improved policy implementation (adapting the institutional structures of government)—*i.e.* a more [transformational](#) concept of the utility of development assistance.

29. CfC was born out of, and contributes to, this reorientation of the country program. A number of design iterations took CfC from, initially, a consideration of what to do with PACAP, through concepts of 'voice and accountability' and 'building demand for better governance', to its final emphasis on more recent notions of *thinking and working politically* and recognising the power of networks and coalitions.

30. At the time of design, progress had only recently been made in bringing greater focus to the country program. (The country program having previously been criticised for being spread too thinly over too many activities.) It was therefore a design requirement that CfC (and any continuing civil society support) should not constitute an additional standalone pillar of the country program but should, rather, form one of the foundational activities supporting the effective delivery of the four by-then established pillars¹⁸ of the country program.

31. This design requirement—of supporting the four pillars of the country program—has important implications for both the substance and process of CfC (and to a lesser extent the other components of the Partnership), and for what success should look like and where success would be found. We discuss some issues arising from these implications later at paras 55 to 60 below, but it is worth noting here that:

- i.) Opportunities to 'think and work politically' and to 'use the power and influence of networks and coalitions' [see CfC's hierarchy of objectives, page 3] to worthwhile effect can be found across all the mainstream areas of the country program. But there is no reason to expect that there will be an equal spread of such opportunities across the various components of the program.
- ii.) The process of thinking and working politically and engaging with networks and coalitions for change may yield relevant, high-impact, opportunities to deliver development outcomes that, while still complementary to the country program, are not explicitly captured by the prescriptions of the country program.

¹⁷ See for example the 2007 Mid-Term Review of PACAP and ODE's 2012 Mid-Term Evaluation of the Australia-Philippines Development Assistance Strategy.

¹⁸ 'Improved Education' • 'Improved Local Government Capacity to Deliver Basic Services' • 'Strengthened Climate Change Adaptation and Disaster Risk Management' • 'Improved Conditions for Peace and Security'.

32. It is also worth noting here that the essential ingredients of the Partnership—the ability to engage meaningfully in reform and achieve significant development outcomes in the context of a complex political economy—will be as valid to any new agenda or set of priorities as to those being pursued now. Indeed, CfC (and PACAP) may well represent a very immediate way of moving into new or different areas of interest as political and strategic priorities develop.

33. Thinking and working politically and engaging civil society and others in coalitions for change was a new departure for the aid program, and one that implied some risks. It also implied working in ways and places of which the Australian aid program in the Philippines had relatively little experience. There were valid concerns, therefore, as to how such an initiative might be managed and implemented through conventional contracting-out or staffing models. Opting for a *partnership approach* with a reputable organisation that was already doing this sort of work was clearly an appropriate move. A country-level partnership with TAF also complemented, and drew strength from, an existing 'global' partnership between the Australian aid program and the Foundation managed centrally.

34. However, 'partnership' also has implications for both the substance and process of the program, how decisions are made and for what success should look like. (Discussed at paras 102 to 109 below.)

Progress after Two Years

Coalitions for Change

35. Progress has been good. As a member of the Review team involved in the design discussions commented: "*CfC has delivered more, and more quickly, than was probably envisaged at design.*" This notwithstanding the complexity and at times experimental nature of both the substance and process of the Partnership.

36. While the Review was not resourced to examine the Partnership across its many sub-programs, we highlight here six examples of important CfC reform achievements to date:

Revenue enhancement for better health outcomes:

In December 2012, a new law imposed a higher 'sin tax' on alcohol and tobacco products. This has already led to an 82% increase in revenue from this source (compared to the same period in 2012) and came about through a broad coalition, capturing conflicting private-sector interests, which offered vital support to a government reform initiative—with the ultimate goal of enhancing resources for the national healthcare program. It is being followed up with efforts to ensure that the gains of the new tax are distributed—as intended—to PhilHealth.

ARMM voter re-registration:

ARMM has long been considered the best place in the country to manufacture votes in national-level elections, with lucrative 'profits' accruing to prominent politicians and their clans. This 2012 reform initiative succeeded in the 'cleansing' of nearly 600,000 names from the electoral rolls (a roughly one-third reduction). As with the health-related revenue enhancement, this initiative offered vital coalition support to a government reform initiative. It is feeding into a broader set of planned governance reforms in ARMM that have been crafted by the Mindanao team.

School congestion:

An on-going pilot project in Pampanga, complementing current government initiatives in classroom construction with attention to the follow-on problem of cramming too many classrooms into the same quantum of land. The coalition has demonstrated initial success in working with the Region III office of DepEd, bringing together staff from DepEd and other agencies to calculate critical pupil:land ratios—thereby flagging schools that needed to acquire more land. There is strong potential for replication elsewhere in the country. Unlike the other examples, this initiative began by identifying a problem that had yet to be addressed by the government—and which took several iterations to identify.

Sub-National Governance—more strategic investments for provincial roads:

CfC's subnational team works with chambers of commerce and industry and other partners in selected provinces (Bohol, Guimaras and Surigao del Norte) to ensure that road construction and maintenance is tightly linked to analysis of economic growth potential. While the current system of planning for road investment is highly fractured, new structures promote a much more integrated approach. Local officials, in close association with the private sector, are identifying strategic road linkages that are tied to the most promising sectors of growth (agriculture, tourism, mining, etc.)

Fully Abled Nation (FAN):

In preparation for the May 2013 midterm elections, a team from TAF forged linkages with a range of stakeholders to promote greater participation of persons with disabilities (PWDs) in the electoral process. The resulting reform coalition, calling itself Fully Abled Nation (FAN), connected organisations of PWDs with 'reform champions' on the Commission on Elections (COMELEC), NGOs and other groups. The most prominent early achievement was 65,000 more PWD registrants as compared to the previous elections in 2010. A concomitant goal was to ensure that all polling places should be accessible to the disabled. Unfortunately, after FAN succeeded in convincing COMELEC to pass a resolution to that effect, there was a last-minute reversal of the decision. In the end, only two of nearly 37,000 precincts could be judged Accessible Polling Places. The reform coalition will continue its efforts to expand PWD participation in future elections, and sees this goal as an important 'strategic entry point' for broader efforts in support of 'disability-inclusive development'. Moving forward, FAN seeks to work with the Department of Education to support schools that will be accessible both to PWD voters and to PWD students.

Security Sector Reform:

Launched in late 2011, the *Bantay Bayanihan* network promotes civil society engagement with the Armed Forces of the Philippines (AFP). It derives its name from the goal of providing citizen oversight (*bantay*) of the AFP's Internal Peace and Security Plan *Bayanihan* (referring to the traditional Philippine system of village or community cooperation). The network links national-level civil society organisations with local partners from across the Philippines, seeking to promote regular opportunities for dialogue between community groups and the armed forces. They have enjoyed active support from some of the top echelons of the Philippine military, where many senior commanders value the opportunity to talk with local and national CSOs not only about specific peace and security concerns but also about larger issues of security sector reform. The network also encourages the active involvement of other government agencies as well as the academe and the media.

37. These sorts of change represent not-insignificant policy developments, or improvements in policy implementation and in most cases represent truly 'transformational' development. (That is strategically leveraged development which reaches well beyond the intervention itself by means of adjusting the 'institutions' that shape the course of progress, at some scale and with some real prospect of sustainability.) Given the relatively modest cost of bringing about these shifts, it suggests that CfC represents an interesting and potentially potent vehicle for supporting reform. (Compare with, for example, ODE's 2012 observation of "the limited success of the Australian aid program support for top-down reforms to date", text box, page 7.)

38. However, policy development and implementation is non-linear and chaotic and subject to influences that are often not predictable and sometimes not, in the light of experience, actually amenable to being supported meaningfully. It is completely unsurprising, therefore, that not all of CfC's intervention areas (there were 19 in 2013: see Table 1, page 5) have yielded such high returns on the investment made. These sorts of interventions involve an inherently high degree of risk¹⁹ and need to demonstrate a

¹⁹ Throughout the report we are referring to the risk of failure, or at least the risk that success is far from guaranteed. We are *not* anticipating a higher level of risk along other dimensions, whether it be fiduciary risk, fraud risk, etc. The risk of systematic program failure, moreover, can be judged to be low.

high enough return on that risk, as will be discussed further below.

39. This observation raises two important questions: i) what sort of return on investment is warranted and ii) the need to be pro-active in pulling back from interventions that do not, in the light of experience, appear to be on track to achieve the desired return.

PACAP

40. Principally on the grounds of expediency and TAF's experience in managing grants for civil society organisations, the management of Australia's long-standing civil society small grants program in the Philippines—PACAP—was incorporated into the grant agreement with TAF.

41. The Review did not seek to evaluate the interventions that PACAP has funded. However we can note that, under TAF's management, 43 grants were funded from a 'Call for Proposals' that attracted 287 Expressions of Interest. The total value of these grants was AUD 1,657,532—an average of AUD 38,547 per grant awarded.

42. In addition, TAF inherited the management of 40 extant PACAP 'bridging' or legacy projects, already approved and funded from the previous phase.

43. DCB expressed a particular interest in the *efficiency* of PACAP's current management model:

44. Clearly some efficiency has been lost, as might be expected, by the down-sizing of PACAP from its previous incarnation and the loss of the significant economies of scale in managing the previously much bigger program.

45. Nonetheless, PACAP still delivers proportionality in terms of the management costs of a small grants program. For example it disburses 53% of the total program budget as grants, whereas comparable small grants programs in Papua New Guinea and Indonesia²⁰ disbursed as grants around 45% of their respective total budgets. (However the much larger previous phase of PACAP disbursed 73% of its total budget as grants.)

46. The current phase of PACAP has funded 15% of grant applications received, which is a significantly lower proportion than the previous phase of PACAP (which funded between 43% and 94% of applications) or than the small grants programs in Papua New Guinea and Indonesia which have funded between half and one-third of applications. This may or may not be efficient use of the management team's time. One argument might be that greater selectivity yields higher quality and continuous improvement, particularly where constructive feedback is provided on both successful and unsuccessful applications. Another argument might be that the method used to attract applications is raising unrealistic expectations of funding, and represents unwelcome transaction costs for the majority who are not successful²¹.

47. PACAP has maintained a relatively large average grant size, which is undoubtedly one of the contributors to efficiency. The Review endorses such an approach on both efficiency and effectiveness grounds. However bigger projects also imply bigger risks, and the Review reiterates the advice of previous PACAP reviews that 'Do No Harm'²² must be the first principal of a small grants program whose main objective is essentially one of public diplomacy. If there is to be proportionality in management costs, it is always going to be difficult to appraise comprehensively the social and economic parameters of short-duration small-grant projects, and there are inevitably higher risks of such projects being unsustainable, or of falling into the ubiquitous development traps of elite capture, community divisiveness, etc.

48. On balance, we do not consider the management inputs to PACAP to be disproportionate.

²⁰ Based on somewhat old (2008) comparative data.

²¹ Although as TAF point out, the initial screening process is not particularly burdensome for the applicants.

²² An established principle of aid effectiveness adopted by the OECD DAC.

49. Some comparative data on the efficiency of PACAP are presented in Annex 1, page 24. (Note there are some difficulties in making like-for-like comparisons because of the unknown impact on management resources of the inherited legacy projects.)

Research, Analysis, Capacity Development and Other Activities

50. This component of the Partnership has been relatively underutilised to date, but two project concept notes have been approved for 2014.

51. The Review sees this component as being an important one, however, and one that needs to both to be maintained but also developed. We discuss at para 59 below this component being re-named 'Related Activities'—for supporting unplanned but highly strategic initiatives.

Overall: good progress, but time for some hard decisions

52. Overall progress is good: it is a positive story. But—given the valuable and relevant experience that the Partnership has gained now—it is time to make some hard decisions on its future direction and how its future direction must be managed.

53. The initial spread of interventions was too wide, and risked losing its strategic edge. There is not a universal-enough understanding of what success looks like, and which interventions are likely or unlikely to reach the point of success. There has to be a robust mechanism to review and—without any sense of failure—to pull back from reform areas that are not looking promising enough to yield the return required on investment and risk.

54. Some specific elements of the process have also not yet surfaced as success areas: clarity of purpose (and therefore monitoring and evaluation), gender, and the extent to which the program is serving as a crucible of energy and inspiration for the wider country program and beyond. These and other issues are discussed in the following section.

Issues and Perspectives

Selection and selectivity

55. There is a lack of clarity, both within TAF and DCB, about the choice of reform initiatives being undertaken by CfC. TAF has been keen to respond to a perceived desire of DCB to have CfC contribute more or less equally to all four of the major priorities of the aid program—both those in which TAF has a very impressive track record (Mindanao and Subnational Governance) as well as those in which TAF had no significant prior programming (Disaster Risk Reduction and Education). We were pleased to find clear examples of success across a broad swath of the aid program (para 36 above and examples on pages 8-9 profiling important CfC reform achievements to date). At the same time, however, there is no question but that TAF has often struggled to find traction in those areas in which it has relatively less experience.

56. While TAF is to be commended for extending its reform techniques into new fields of endeavour, there seem to be rather limited mechanisms in place for 'horizontal learning' across the separate teams that make up CfC. More fundamentally, it is our sense that responsiveness to the donor has sometimes led TAF to plough forth on initiatives even when they appear not to be promising in terms of delivering high-impact reforms. A key finding of this Review is the need for TAF to exert stronger leadership in terms of pulling back from less-promising targets of reform. The high levels of risk inherent in the CfC program must be matched with the prospect of a high level of return on investment.

57. DCB, for its part, has seemingly sent mixed signals to TAF. The first issue pertains to the desired degree of overlap between CfC priorities and the four Australian aid priorities in its Philippines Country

Strategy. At the outset of the Partnership, DCB leadership insisted that CfC activities cover all four of the aid priorities. Across the DCB, however, TAF has found some sectors to be more attentive to the work of CfC than others.

58. The second issue pertains to new opportunities that may emerge outside of the 'four pillars'²³. Within DCB, we found different views as to how CfC might balance between a) being 'on plan' with regard to the country strategy and b) scope out new strategic opportunities, albeit unplanned, that can respond to changing circumstances and advance slightly broader goals of the aid program. There are at present two major types of changing circumstances: one responding to the dynamic landscape of possibilities for 'transformative change' in the Philippines (with a reform-minded administration that will not remain in power beyond mid-2016) and the other responding to shifting priorities of the Australian aid program (instituted by the new government in Canberra).

59. Achieving the right balance will not be easy: DCB has responsibilities to the Statement of Commitment that it has signed with the Philippine Government. At the same time, a program of the nature of CfC can be a powerful instrument to respond nimbly and strategically to emerging needs and priorities. A process for 'nimble and strategic reaction' needs to be done systemically, rather than on an ad hoc basis. The Review proposes the following principles be adopted by the Joint Steering Committee:

- ☞ The core activities of CfC should remain closely tied to the Australian aid program's Philippines country strategy. That said, there is absolutely no virtue in choosing a 'low-return' investment simply for the purpose of achieving equal treatment across the four sectors. Rather, the selection of reform initiatives should be based first and foremost on potential returns on investment (high risks demand high returns, as emphasised above).
- ☞ The component and budget line currently termed 'Research, Analysis, Capacity Development and Other Activities' should be renamed 'Related Activities'. This can be the category for, among other things, unplanned but highly strategic opportunities arising from the two major types of changing circumstances highlighted above. The experiences of the ISF will deserve careful reflection and analysis as DCB begins to think about crafting a new country strategy post-2017.
- ☞ The determination of what is 'strategic' (and therefore worth undertaking and sustaining) needs to be based on clear criteria. We propose three major considerations, building on some thinking that has already been undertaken within the CfC Project Management Team:
 - **First**, is there a good prospect that the reform initiative will bring **high-level returns and contribute to transformative change**?²⁴ Transformative change, in turn, can be viewed along three dimensions — the first of which we expect to be determinative of the latter two:
 - a) Is the reform genuinely oriented toward bringing institutional change? Across the two dimensions of institutional change highlighted in our 'Important Definitions and Concepts' (page v), this would be judged in terms of bringing a 'game-changing' shift in the rules of the game and/or leading to a sustained increase in institutional capacity (most likely in key state administrative agencies). In contrast to mere project interventions, institutional change has the capacity to produce significant development outcomes.

²³ One important example of a 'reform conjuncture' that has arisen amidst shifting political dynamics is the 2012 passage of an excise tax whose proceeds are to be targeted to a badly underfunded national health care system. See first text box under para 36.

²⁴ We are aware that the Joint Steering Committee may choose to approve reform initiatives that are not in themselves substantively 'transformative' but which may nonetheless constitute important intermediate developmental objectives. To quote from a 19 December 2013 Project Management Team paper: "Some simple reforms...enable a deeper reform down the road. And some critical agencies need capacity building to enable them to undertake deep critical transformative reform".

- b) Beyond the partnership, within the broader context of Australia’s development investment, does the reform initiative have significant *scale* in terms of impact and/or does it lend itself to *scalability*?
- c) Is the reform initiative *sustainable?* *i.e.*, does it have the prospect of enduring over time?
- **Second**, is the reform initiative **technically sound**? In other words, is it based on rigorous analysis and careful examination of the empirical evidence?
- **Third**, is the reform initiative **politically feasible**? This needs to be viewed from two perspectives:
 - a) Will the reform effort be able to build effective coalitions or networks and have some reasonable chance of coming to fruition within the Philippine political context?
 - b) Will it also be politically feasible from the standpoint of the Australian Government that is funding the reform?

60. In the current political context, the latter includes more self-conscious attention to Australian national interests, the promotion of economic growth, and aid-for-trade policies. TAF is extremely well positioned to respond to these priorities, given its longstanding leadership in important policy reforms across major economic sectors. CfC reform teams have already forged strong linkages with business groups, emphasising the centrality of private sector initiative and developing the practice of ‘development entrepreneurship’ (a highly creative approach that has elicited significant interest in international aid circles). By the same token, CFC should benefit from the closer alignment and integration of the aid program with Australia’s foreign affairs interests and resources.

Institutionalising direction, emphasis and “stopability”

61. As discussed above, there has been too wide a range of initiatives being pursued in terms of likely returns on investment with, in our view, at least three contributing causes:

- There is not enough unanimity across the Partnership in terms of clarity of purpose or the essential principles of a transformational development agenda.
- Selection of initiatives to be pursued needs to focus more aggressively on reform areas that would likely demonstrate a high (or sometimes higher) return on investment²⁵—in particular high enough returns across the program to justify the risks involved. This cannot always be fully assessed *ex ante*: it may only become apparent in the light of experience.
- Difficulty, under the current management model, in pulling back from, or stopping, interventions that—in the light of experience—do not look so promising in delivering particularly high-impact reforms.

62. There needs to be careful consideration about the management structures and dynamics that might have allowed this less-than-clear direction and emphasis to persist, two years into the partnership.

63. Curiously there is a sense that both parties to the Partnership see it as valuable and worthwhile, but both parties note some degree of dissatisfaction over their ability to derive what they want from the Partnership. Both parties note high transactions costs—and some angst—in terms of decision-making in the program. There also appears a predominance of dialogue about low-level management issues (logos, accounts, reports, VIP visits to projects, etc.) and not enough clarity and consensus—based on values and hard decision-making—about more strategic issues and direction (which reform areas are the ones to pursue and which are not, and why).

64. Some of these things would appear to be within the purview of TAF management to address: clarity of purpose across the whole program, lesson-learning and peer review of progress across the

²⁵ Sometimes referred to in policy reform as ‘chasing change’.

program, institutionalisation of robust performance frameworks, getting administrative imperatives right the first time, etc.

65. However other aspects probably relate to the function, and decisiveness, of the Joint Steering Committee (JSC). The Review would like to see the JSC focus more in the role of a **'portfolio review committee'**, maintaining the kind of selectivity over programming and investment choices emphasised in paras 59 and 60 above. (For which purposes they would require a particular form of briefing from program managers.) This committee should also ensure that what has been learned about the determinants of success—or lack of it—are properly documented.

66. Part of this should be the institutionalisation of what the Review termed 'stopability'—or the ability to make an informed judgement about what return on investment (or risk) that a particular avenue of work is likely to achieve—and then pull back from those initiatives that are not, in the light of experience, going to deliver such a high return. This has many parallels to modern business processes in the research sector, where finite resources must be targeted at those endeavours most likely to yield success to achieve any degree of competitiveness.

67. Important in institutionalising 'stopability' is the explicit acknowledgement that pulling back from an area of interest is not a failure and is not an adverse marker of its manager's performance. Rather it is a positive, valuable, characteristic of management to be able proactively to focus and re-focus resources on areas of greatest return.

68. A further benefit of institutionalising a robust ability to pull back is the ability that provides of investing in potentially higher-risk and higher-return initiatives. (If one can pull back without losing face or pride, one may be more prepared to test the waters in higher-return areas.)

The Partnership as a crucible of energy, thinking and innovation

69. Throughout the Review, DCB leadership and colleagues in DFAT Canberra emphasised the importance of all four sectors of the country program 'thinking and working politically'. Our impression is that the Partnership has contributed to achieving this goal, albeit in different degrees from one sector to another.

70. Australia's aid program in the Philippines is recognised as an innovative bilateral program, working to support the strategies and decision-making of the Philippine Government. The 2012–2017 country strategy outlines a desire to encourage policy change, and pushes the program beyond a more traditional service delivery / transactional model of aid delivery. Adopting the approach of 'thinking and working politically' is a growing feature of the Philippines program.

71. The Partnership, and CfC in particular, has a positive profile in DFAT Canberra. The Partnership is seen by DFAT Canberra as having broken the mould of traditional grant agreements with NGOs. It has sown the seed for other country programs also to look at ways of working differently. However, while DFAT Canberra is positive on the concept of CfC, it appears to have only a cursory understanding of what CfC is actually seeking to achieve. Some areas of DFAT Canberra view CfC as 'civil society mobilisation'. Others did not appreciate that the breadth of CfC members was beyond just CSOs, through a 'development entrepreneur' model that builds networks involving not just NGOs but also business groups, government officials, politicians and others. (Incidentally, CfC was often cited by DFAT Canberra as being synonymous with the Partnership; the other two components of the Partnership have a much lower profile).

72. Given the Partnership has already garnered positive interest, yet some confusion surrounds the aims and objectives of CfC, DFAT Canberra is eager to receive more information and analysis on the progress, lessons learnt and success stories of both the Partnership and CfC. This is opportune for the Philippines Program. The Review concurs that the Philippines program is adopting an innovative and bold (but well considered and sound) approach in working to achieve policy reform, rather than reliance on conventional aid delivery mechanisms. The responsibility for the Philippines program is to better share

the learnings from this new approach. The program is in a position where it can lift its profile in Canberra and establish itself as a crucible of energy, thinking and inspiration on 'thinking and working politically'.

73. The Philippines program is not unique in undertaking good political analysis, nor is it the first bilateral program to trial an approach of partnership and building coalitions to bring about change. It is, however, a program that has brought these together with early signs of success. The program has clearly undertaken political and economic analysis to understand the current Philippines context. In response to that analysis, and the desire of the country strategy to effect policy change, it has developed an approach such as CfC.

74. In addition, CfC is not 'doing things the usual way': it is an innovative and comparatively bold program. Any attempts to replicate a CfC approach in another country program is beyond the scope and control of the Philippines program, but the Philippine program can serve as an inspiration to other programs as they explore their own local political context more carefully, appreciate and understand the approach of the Partnership and CfC, and consider how the tactics used in CfC could be applied more widely.

Gender: untapped opportunities

75. The review of gender as a cross-cutting theme looked at the integration of gender in the Partnership as a whole, as well as the focus on gender in the PACAP and CfC projects.

76. Gender equality is central to economic and human development. Equal opportunity for women and men supports broad based economic growth and helps to reduce poverty by ensuring that all people can benefit from a more prosperous society. Gender is also one of the critical variables mediating economic growth and human development. Evidence shows that empowering and investing in women returns a demonstrable development dividend for the broader community.

77. As noted earlier, the original concept and design of CfC led to the development of the Australia–TAF Partnership. Each of the concept, design and TAF proposals for CfC included a focus on gender: a commitment both to mainstream gender across all activities of the CfC program and to deliver gender-specific projects. This was an appropriate two-pronged approach to understand and address how policy changes have a differential impact on women and men.

78. However the Review found in this early implementation phase of the Partnership that gender has largely been forgotten. One contributing factor for this is the absence of gender in the Grant Agreement and the Partnership Operating Guidelines: these crucial scene-setting instruments for the Partnership are gender-blind. At some point between CfC design and proposal, and drafting the Grant Agreement, a commitment to gender was lost. Initial assurances to mainstream gender and support specific gender-focused activities in the CfC program have not been honoured. This means strategic opportunities to accelerate policy reform towards gender equality in the Philippines have not been seized. For a program as innovative as the Partnership this is a shame.

79. An important issue of context is that the Australian aid program and TAF came to the Partnership with varying levels of expertise and interest on gender policy. The Australian aid program brings to the Partnership greater strength and expertise on gender. The Australian Government has committed to remaining a firm and persistent advocate and practical supporter of gender equality. Gender equality has been identified as a critical cross-cutting theme across the aid program, with accompanying policy and strategies for all country programs. Outlining how a program will mainstream gender is a requirement for Australian aid program activities.

80. TAF works across the Asia region to improve lives through the development of a peaceful, just and thriving Asia region. While gender is absent from the mission and values of TAF, the Foundation has identified the importance of supporting women's empowerment to improve lives and help societies flourish.²⁶ Gender expertise and resources are available to TAF through its global program on women's

²⁶ 'Coalitions for Change Program: a proposal to the Australian aid program', TAF, July 2011.

empowerment, though it was unclear to the Review team the extent to which TAF in the Philippines was accessing this. Globally TAF has developed a gender equality policy and is currently preparing the implementing guidelines. However it is still to be determined how the policy will be adopted by TAF in the Philippines. Both the Australian aid program and TAF are supported by a staff person designated as gender focal point in their organisations. Encouragingly in TAF this is a senior management position. However, in both organisations gender focal points are responsible for strategy and policy on gender mainstreaming across a full range of activities, beyond just the Partnership. The capacity of these individuals to support the Partnership on gender is limited.

81. A positive finding on gender was the ongoing commitment to gender focused activities in the PACAP program. As a legacy initiative for the Australian aid program, PACAP came to TAF administration with a previous focus on gender. Project applications to PACAP were previously assessed under selection criteria that included the Australian aid program's priority cross cutting themes (women, people with disabilities and environment). This has been maintained under the current TAF management. Encouragingly, since TAF assumed responsibility for PACAP the number of PACAP projects specifically focusing on issues affecting women has grown: in 2012–13, three out of 25 projects specifically focused on gender; in 2013–14 this increased to 5 out of 21 projects.

82. In comparison to the well-established PACAP, CfC is a new investment implemented through the Partnership. There is no overarching gender framework to assist and guide CfC projects to apply a gender lens or to guide coalitions on specific gender reform issues. This has severely impacted CfC. In the political analysis of policy reform issues, there is only — at best — ad hoc analysis on how women and men may be affected differently by the problem issue or the desired reform. In most CfC projects gender analysis was absent. No CfC projects are dedicated specifically to addressing gender inequality in any policy area. In those projects where a gender analysis is applied, it is driven by coalition partners, or individuals within the coalition who happen to have an interest or expertise in women's rights or gender equality. This is disappointing.

83. The Review did observe that individual women and women's organisations were actively participating in some PACAP and CfC projects. During interviews, meetings and site visits, some PACAP and CfC civil society partners cited how their networks included women's organisations. However these networks were not in the majority. Particularly in CfC, most thematic teams (within TAF) and coalitions themselves displayed low to no gender awareness. Given the vibrant and active women's movement in the Philippines, it was expected at a minimum that women and women's organisations would be active in projects such as PACAP and CfC. Simply including (or not excluding) women in CfC or PACAP projects does not constitute an adequate appreciation of gender equality, or an acceptable integration of gender issues into the Partnership activities.

84. The Review found it very difficult to attribute a contribution towards gender equality by the Partnership or CfC activities. In select CfC activities, reform outcomes have led to positive impacts for women and improvements in gender equality.²⁷ However, these have been unintended or coincidental outcomes, rather than outcomes achieved as a result of a deliberate and intended strategy. Without a gender strategy or framework, and indicators to measure progress, it will be impossible for the Partnership to identify and claim that its activities have made a contribution towards gender equality.

Conclusion on gender

85. Overall, there is a low degree of gender awareness and a degree of gender blindness within the Partnership. This is despite an active women's movement within the Philippines, a good degree of expertise and resources on gender equality within the Australian aid program and an initial commitment by both parties in the Partnership to mainstreaming gender. One might expect much better outcomes from a pioneering program of this scale and level of donor involvement.

²⁷ During the Review, TAF highlighted reform projects that had positive but unintended consequences for women (*i.e.* the TAF land titles reform project).

86. In the early concept and design phase for the Partnership, gender was included as a priority cross-cutting issue, but in the set-up phase and early implementation of the Partnership this commitment to gender has been lost. This represents missed opportunities not only for the Partnership to harness the strength of the Australia aid program for the learning and benefit of TAF. It also represents missed opportunities to advance reform and implementation of policies to benefit all people in the Philippines.

87. On the positive side, the Review found Australian aid program and TAF staff openly recognised the absence of gender as a substantial gap in the Partnership. There was no resistance or opposition to the principles of gender mainstreaming or developing gender-specific activities. Both parties appear willing and eager to improve the Partnership's focus on gender.

88. Given the context of the Philippines (a society with a vibrant and active women's movement; good coverage of gender in policy and legislation, though with substantial gaps in implementation; and a commitment from the Philippine Government to address gender disparity), the possibility for the Partnership to make a real contribution to improving gender equality is high. In particular, the CfC represents a 'green field' into which to build gender analysis and awareness. These untapped opportunities have already been recognised by the Australian aid program: the 2013 Quality at Implementation report on the Partnership notes:

"the partnership could choose to pursue activities that directly address gender equality issues ... for CfC, options to address gender equality could be through mainstreaming and/or supporting coalitions and networks around a specific gender reform issue".²⁸

89. The Partnership is an innovative program with scope to leverage major policy reform to improve economic and social development in the Philippines. Undoubtedly in these areas needing reform, gender disparity will be present. Policy reform 'solutions' may also have a differential impact on women compared to men. As the Partnership moves into a second phase of implementation, now is the time to make adjustments in strategy to ensure the Partnership can critically assess and appropriately respond to these development issues with a suitable gender lens.

Gender recommendations

90. The Australian aid program has prioritised gender as a cross cutting issues and has invested in resources and tools to incorporate gender into design, implementation and evaluation of programs.

91. Through the Partnership, both the Australian aid program and TAF need to recognise and articulate the importance of understanding how policy change differentially affects women, men, girls and boys. The Review recommends that the:

- Partnership operating guidelines be amended to include gender as a strength of the Australian aid program;
- Australian aid program share its gender expertise, resources and tools with TAF;
- Partnership establish a common understanding and strategy to prioritise and pursue a two-pronged approach on i) gender mainstreaming and ii) support for specific gender-focused activities;
 - Given the progress on gender within PACAP, but the low degree of gender awareness in CfC, CfC in particular needs to allocate greater effort and priority to understanding gender implications in policy development and implementation, and to directing CfC resources towards both gender mainstreaming and to specific gender-focused reforms.

²⁸ The 2013 Quality at Implementation Report also recognises that while the CfC design contains a gender analysis and integrating gender issues into the program has been covered in the operations manual, 'translating that into practice is yet to be seen'.

- Partnership Program Management Team identify priority CfC projects where a gender analysis and gender mainstreaming approach can be immediately adopted, and model this for future CfC projects.
 - Recommend the Program Management Team work with thematic teams (TAF) and sector teams (DCB) to share common guidelines and expectations regarding gender analysis in CfC projects.
 - Note the research component of the Partnership as a possible seeding ground for analysis of gender reform issues.
- Partnership Program Management Team work with CfC projects and gender focal points in TAF and DCB to identify gender 'spotlight' projects for CfC.
 - These being gender specific projects to provide visibility on gender issues and build momentum on gender for CfC.

Monitoring & Evaluation

92. This review of the Partnership's monitoring and evaluation (M&E) assesses whether the current M&E framework will be able to effectively measure progress toward meeting the Partnership's goal and objectives. More specifically, as stated in the Review's ToR, this section attempts to answer²⁹:

- Is the success of the Partnership and its activities clearly articulated?
- Is the system of measuring progress sufficient and appropriate?
- Have the processes, structure and feedback loops been put in place to learn from experience at all levels and manage-for-results accordingly?
- How well is the Partnership communicating and sharing the lessons internally, bilaterally and externally?

93. It is important to note that not all reform efforts, and very few project sites, were investigated and thus the findings below cannot necessarily be applied to all parts the Partnership, CfC or PACAP.

CfC

94. Since the start of the CfC program, considerable effort has gone into developing a 'monitoring, evaluation and learning' (MEL) system, with a strong focus on a learning component. Following the first CfC Australia-TAF workshop in March 2012, and numerous M&E-related consultations and discussions, TAF, with extensive input from DCB staff, developed an overall MEL Framework. This framework was approved by the Joint Steering Committee in September 2012.

95. Since developing the overall framework, M&E efforts have focused primarily on assisting thematic staff as they develop and further refine individual reform efforts' theories of change and, more recently, identify relevant "progress markers". In addition, the M&E team has been monitoring and documenting key events, developing various tools and formats, and facilitating different types of feedback mechanisms and opportunities for learning. And more recently, M&E efforts have also begun developing tools to enable evidence-based management decision-making.

96. However, in the review of documents and interviews with staff, it appears that the M&E system, thus far, is not sufficient in being able to track progress in meeting the program's higher-level goal and objectives. Thus this Review confirms the Joint Management Review's finding that, although some progress has been made, the M&E system is "not yet generating information on a sufficiently systematic

²⁹The Terms of Reference lists additional M&E-related questions; however, because of overlap, they have been folded into the questions listed above.

basis ... to fully assess overall performance”³⁰. Instead, and as is often common in the start-up phase of a complex program such as this, the focus has been on identifying and tracking lower-level, reform-specific changes or progress markers, which may not aggregate across reform efforts. As a result, internal monitoring and evaluation may have lost sight of both the larger questions that will need to be answered by the end of the project, and of the tracking of higher-level outcomes.

97. This limited focus may be due in large part to the lack of clarity in the program’s higher-level expected outcomes. In addition, M&E efforts seem to have focused on identifying data collection methods before clarifying what information is actually needed by whom, and for what specific purposes. Nevertheless, some reform efforts have made impressive progress in establishing processes and feedback loops to learn from experience and manage-for-results, as well as starting to communicate and share lessons both internally and bilaterally.

98. These points are explored in greater depth in Annex 2.

Recommendations on CfC M&E

99. This Review concurs with the JMR finding that CfC’s current approach to M&E is not yet sufficient to fully assess overall performance. We recommend specifically that CfC:

- Gain clarity on the program’s higher-level expected outcomes, including the meaning and attributes of “transformational change.”
- Identify major stakeholders M&E needs by conducting an M&E stakeholders analysis. This entails identifying the program’s major stakeholder groups, what M&E information each group needs, how they will use that information, what format they need it in, and by when. The Review team recognises that some of this information was collected early-on, but it would be good to revisit it with stakeholders who now have more experience with the program.
- Develop a more concrete operational M&E plan based on the agreed-upon expected higher-level outcomes and major stakeholders’ M&E needs, which includes what specifically will be tracked for the higher-level outcomes, the data collection methods that will be used, and how these data will be aggregated and reported.
- Such a plan should be developed in concert with program stakeholders, and particularly with DCB staff, to gain relevant content and for mutual learning. This could be done through a Participatory M&E Planning Workshop, where a broad range of stakeholders would first identify their own M&E needs and then come to consensus on the major M&E questions and related factors that should be tracked.
- Collect and report both quantitative and qualitative data, in order to convey a more complete story, plus to satisfy different stakeholders’ preferences for certain kinds of data.

PACAP

100. PACAP has its own monitoring system. Because of the small size and short duration of the numerous grants, DCB and TAF decided to keep the monitoring system simple and track three clear aspects of the program: visibility, basic service delivery, and CSO strengthening. With these aspects in mind, TAF is in the process of developing a relatively simple system consisting of a Project Status Matrix, which looks at the implementation of activities and accomplishments of milestones, a Program Reach Matrix, and a Scorecard. In addition, TAF conducts two verification visits during the life of each one-year grant. TAF plans to hire a consultant to develop a monitoring database, so that project information may be retrieved easily and quickly when requested by the Australian Embassy. In terms of feedback loops, TAF and DCB meet once a month to review implementation issues and to plan future VIP visits. For

³⁰ ‘Lessons and reflections from the first two years of implementation of the Australian aid program-The Asia Foundation Partnership in the Philippines’, September 2013, page 24.

sharing lessons, PACAP staff participate in a Donor Small Grants Group and plan to conduct a Learning Conference (postponed to 2014 due to the Australian elections and caretaker government requirements).

101. Although 'success' within PACAP seems well articulated at the goal and objective level, PACAP's M&E system intentionally does not focus on these levels. Instead, it focuses on certain lower-level components of the program. When staff were asked if they thought this system is "sufficient and appropriate", they explained that they do not know yet since the new tools are currently being piloted. Although this system may be enough to meet minimal information needs, questions remain about the program's overall effectiveness, both in terms of developing the capacities of CSOs and development outcomes in poor communities. Current systems for managing-for-results seem to be working well; however, TAF expressed the need for a database and database personnel to be able to respond quickly to requests for information. In addition, and as requested by grant recipients, there is greater scope for sharing lessons between certain types of PACAP projects, in such areas as DRR.

Recommendations on PACAP M&E

- Although it is understandable that DCB staff wish to keep PACAP's M&E system simple, particularly given the size and duration of the grants, there may be cost-effective and meaningful ways to document changes in some of the higher-level outcomes. For example, to track CSO capacity development, grant recipients could conduct a capacity self-assessment using a simple index or rubric before and after receiving the grant. Also, to discover important changes within the participating communities, the Most Significant Change technique could be used to collect outcome-focused stories. These stories would come from community members themselves, based on what they think are significant changes within their own communities, as opposed to externally-composed "success stories."
- When conducting verification site visits, TAF should ensure that projects are abiding by the 'do no harm' principle³¹, as well as assess the quality of the data reported to TAF.

Perspectives on 'partnership'

102. While not initially part of the Review Plan, it became clear that 'the partnership' was an area of interest beyond its component parts.

103. The Review agrees that a program as complex, political, and potentially risky, as CfC could not be delivered through a conventional contracted-out management model. DCB need to have a much closer involvement with, and indeed accountability for, decision-making than such a contracted-out model would enable, while still—somehow—maintaining an arm's-length³² from the external relationships involved.

104. The Review also agrees that the Australian aid program could not achieve the kind of results that CfC is achieving if it was not harnessing the experience, expertise, networks and contacts of TAF.

105. For its part, The Asia Foundation has, through the Partnership, been able to ramp-up both the breadth and depth of its engagement with civil society and its ability to think and work politically: the funding provides for scale and continuity, but importantly the association with a major bilateral donor adds a number of less tangible benefits, such as a certain degree of intellectual rigour, a credibility beyond its traditional range of interlocutors, etc.

106. It is less clear whether the relationship has yet worked itself through all the implications of 'partnership' as we define it on page v. Some elements of the relationship have more of a principal-agent look about them—but perhaps that is inevitable.

³¹ This is not to suggest that the review found any evidence of current PACAP grants having a harmful effect. (Although there have been suggestions of harmful effects such as elite capture in reviews of earlier phases). It is simply to reinforce that this important, established, DAC aid-effectiveness principle must always be pre-eminent where proportionality dictates relatively modest investment in technical, social (etc.) appraisal of proposals.

³² With the arm's length nature of those relationships being an important requirement for risk-taking.

107. More importantly, and as TAF highlighted to the Review, there is further thinking to do in terms of being able to articulate clearly the values that each party holds to be essential and which it is able to discuss in the spirit of partnership. Where does the 'power of the purse' have an unavoidable but nonetheless acceptable influence on the agenda of an independent development organisation, and where does it start to turn that organisation into a contractor? (This being a particularly important question where the strength of the organisation in question is its independence.)

108. As discussed above (paras 69 to 74), we believe the Partnership can and should be more of a crucible of energy, thinking and innovation. There are clearly examples of other parts of the aid program observing and learning from the Partnership, but perhaps not as much is being gained in this respect as the asset could deliver.

109. Overall we suggest that the Partnership is an extremely valuable and relevant instrument in progressing the agendas of both parties, in ways and to extents that neither party could fully deliver without. Whether the *grant agreement* is the best vehicle for framing such a partnership is perhaps more doubtful and DFAT might consider how better to structure partnership agreements such that each party can express its values and expectations without it becoming a delivery contract in sheep's clothing.

Overall Conclusion

110. The Reviews findings are, overall, very **positive**.

111. This is a highly **relevant** program, both to the Philippines context and to the Australian aid program's efforts to be more effective and deliver greater impact by working smarter. Likewise, it is highly relevant to TAF's mission and values. It is the right thing to be doing, in the right place and the right time.

112. In addition, the Partnership is more than a wrapper around the three components. It is bringing additional benefits both for the Australian aid program and for TAF.

113. Notwithstanding its short life to date, the Partnership is **proving effective** at delivering on improving policy development and implementation, with some notable early policy outcomes. CfC will be able to determine better the extent to which its initiatives have contributed to the achievement of DFAT's wider objectives after the articulation of an updated performance assessment framework for the country program, including expected outcomes and indicators.

114. The Partnership capitalises on TAF's unique experience and comparative advantage in working on complex, multi-dimensional, political and policy issues (including peace and stability issues) in the Philippines, and on its extensive networks and contacts. It is unlikely that any other modality would be as **efficient** in terms of delivering and leveraging this quantum of results for the level of aid flows invested. (Or even if anything more direct or hands-on from the donor's side could engage with the same range of actors). However there have been significant **transaction costs** in managing the transition into such a novel partnership arrangement, and some important management decisions are not being taken.

115. There are particular questions to consider over the extent to which CfC (and PACAP) programs should match or mirror the four pillars of the country program, or whether they should, rather, 'complement' those priority areas while allowing for innovation and 'strategic opportunism'.

116. Creative strategies for influencing and supporting both policy reform and policy implementation at scale, and through Philippines institutions and systems, are likely to result in a flow of benefits (social, economic, security) that will be **sustained** well beyond the life of the program. In addition, the program is influencing thinking and approaches in the wider country program, which may over time result in similar such effects across the sectors.

117. Confident in the program's value and effectiveness, now is the time, however, to consider a number of issues that—while not show-stoppers—serve to compromise the Partnership's performance and durability, and ultimately its contribution to development outcomes.

Principal Recommendations (see main text for detail)

118. **Extend the Partnership to early/mid 2018.** This will take the Partnership past the May 2016 Presidential election, provide for 6-9 months to assess the direction of the new Administration, provide for formal review and evaluation (early 2017), and then a 12-month period to finalise (if appropriate) a third phase to commence early/mid-2018.

119. There is a need for **more proactive and directional leadership and decision-making**, including the ability to bring about an uncomplicated clarity of purpose, more robust selection of initiatives, and the ability to re-direct effort and resources where needed.

120. Part of this management-strengthening should be more robust and proactive analysis of the likely returns on investment and risk from each reform area, and institutionalisation of a positive, forward-looking, ability to redeploy resources to areas of likely higher-return.

121. Capitalising on CfC's potent analytical and transformational abilities to drive innovation and reform in the area of **gender equality** (and indeed sensitive poverty / social analysis more generally).

122. While honouring the overall thrust of the country program and its priorities, being **open to 'strategic opportunism'** beyond the country program, and certainly not distorting CfC's portfolio with lower-value initiatives in terms of likely impact and return on investment for the sake of slavishly mirroring country program initiatives.

123. An effective and more 'elegant' **M&E** system, based on a more straightforward program logic and clarity over what success looks like at various levels—including at the Partnership and CfC levels.

124. While there must be proportionality in the management input afforded to a small grants program such as PACAP, the **principal of 'do no harm'**³³ **must prevail** and (as per earlier PACAP reviews) some attention needs to be given to the potential for development 'harms' such as elite capture, non-sustainability and non-feasibility.

Acknowledgements

125. We are extremely grateful for the time and insights provided by the many people whom we met on this Review: without your candour and willingness to engage we would not have got anywhere at all. We know, from the experience of sometimes being on the other side of the table, how all-preoccupying such reviews and evaluations can be.

126. Special thanks go to Joji, Jerryll and Joy for their flawless logistical arrangements, extensive briefing materials, and their support throughout.

³³ See para 47 / footnote 22, and para 101 / footnote 31, above.

Annex 1: Performance against DAC / DFAT Criteria

Relevance

This large middle-income country with complex governance issues, where despite reasonable economic growth there remain significant development challenges, raises many questions about the 'how' of delivering a relevant, effective, aid program. Reviews of earlier Philippines programs highlighted the largely transactional nature of the activities, with implied limited impacts on the underlying policies and institutions that ultimately determine the nature and quality of sustainable social and economic development, and societal stability. They also criticised the limitations of a 'top-down' approach to reform.

CfC is therefore a **highly relevant** program, both to the Philippines context and to the Australian aid program's efforts to be more effective and deliver greater impact by working smarter.

Likewise, it is highly relevant to TAF's mission and values. It is the right thing to be doing, in the right place and the right time.

Effectiveness

- *CfC* is probably delivering more, and sooner, than was envisaged at design. It may be spread thinly in places, and some of its efforts may not—in the light of experience—yield the kind of development impact anticipated. However many of its early activities are clearly having a considerable effect on policy development and policy implementation, and are likely to impact at some scale. The Review judges CfC to be **effective**, and that it could be even more effective if greater selectivity is introduced.
- *PACAP* remains an **effective** program in the context of its primary function of delivering high quality, highly visible, community-based projects for—principally—public diplomacy purposes.

Efficiency

The review was not in a position to undertake any form of quantitative benefit-cost analysis, and there is no counter-factual or other similar program against which to compare performance. Qualitatively, however, the review suggests:

- *CfC* In that efficiency is essentially a ratio of the quantum of output over the quantum of input, the Review considers the partnership arrangement for CfC to be efficient. Each partner brings unique, value-adding, attributes to the endeavour, and it is difficult to see how any other vehicle could deliver the same kind of results. Efficiency could be enhanced further by being more selective about the program's intervention areas (as above), and by smoothing-out a number of internal program management issues.
- *PACAP* was previously a market leader in terms of the efficient management and delivery of a small grants program. Economies of scale have subsequently been lost through its downsizing, but it remains reasonably efficient in comparison to other small grant programs. Contributors to this efficiency include a relatively large average grant size and modest overhead charges. The proportion of project proposals that are actually funded is now rather low, arguably representing inefficiency but potentially also encouraging project quality. (See table of comparative data, next page.)

Comparison of Key Cost Statistics: CDS PNG / ACCESS Indonesia / Former PACAP / Current PACAP

CDS PNG', 'ACCESS Indonesia' and 'Former PACAP' figures derived from a June 2008 Report (7) on Australia's small grants scheme in PNG
Current PACAP' figures derived from [revised] data provided by the TAF Program Management Team

	CDS PNG	ACCESS Indonesia	Former PACAP Philippines	Current PACAP Philippines
Program duration (years)	5	6	5	2
Total number of grants/projects	967	396	376	43 (1)
Total disbursed as grants/projects	AUD 17,293,304	AUD 9,873,535	AUD 20,000,000	AUD 1,239,138 (2)
Average disbursement per grant/project	AUD 17,883	AUD 24,933	AUD 53,191	AUD 28,817
% project proposals funded	+/- 50% ?	66%	94%	15% (3)
Former PACAP had 2 different mechanisms			43%	
Total direct costs of project delivery	AUD 8,100,392	AUD 9,833,612	AUD 2,815,939	AUD 507,401 (4)
Direct costs of delivery per grant/project	AUD 8,377	AUD 24,832	AUD 7,489.20	AUD 11,800 (5)
Direct costs of delivery as % of disbursements	47%	100%	14%	41%
Total contract price of program (incl. o/heads)	AUD 37,741,296	AUD 22,165,550	AUD 27,543,259	AUD 2,349,209 (6)
Total contract <i>minus</i> grants <i>minus</i> direct costs ('X')	AUD 12,347,600	AUD 2,458,403	AUD 4,727,320	AUD 602,670
'X' per A\$ of grant disbursed	AUD 0.71	AUD 0.25	AUD 0.24	AUD 0.49
'X' per grant/project	AUD 12,769	AUD 6,208	AUD 12,573	AUD 14,016
Total AusAID investment per grant/project	AUD 39,029	AUD 55,974	AUD 73,253	AUD 54,633
% of contract value delivered as grants	46%	45%	73%	53%
International staff (full-time equivalents)	4	4	1	0
National professional staff	19	21	12	4.3
National support staff	23	4	7	0.5

Notes on 'Current PACAP' figures:

- (1) Actual number of grants made to date. A further *Call for Proposals* is being discussed within the current funding period
- (2) Includes existing commitments but excludes as yet un-programmed funds and 40 bridging projects
- (3) A total of 287 grants Expressions of Interest received to date, 43 funded
- (4) Staff, training, monitoring, audit (except mange fee). (Excludes costs associated with the 40 bridging projects.)
- (5) Not including the 40 bridging projects novated to TAF 30-50% into their implementation
- (6) The total 'contract' price was A\$4,466,000. However this includes tranches and management fees associated with the 40 bridging project novated to TAF
- (7) Bazeley, Peter, Kelly, L., Morona, J. & Sekhon, J. (2008), PNG Community Development Scheme Phase 2 Independent Completion Report, AusAID

Monitoring & Evaluation

Because much of the focus of the CfC M&E unit has been on helping staff develop individual reform efforts' theories of change and progress markers, the **M&E system is not yet capable of fully assessing overall performance**, particularly at the goal, objective and program outcome levels. However, based on the unit's knowledge of the different reform efforts, now is a good time for it to shift its focus to developing a more concrete operational plan for tracking and reporting on the program's higher-level expected outcomes.

Sustainability

CfC's focus on transformational development (page vi) and 'changing the rules of the game' through institutional adjustments are not just about achieving scale, but also sustainability. CfC **is inherently likely to deliver sustainable development outcomes**, at scale, if this focus is maintained.

As with effectiveness, sustainability can be better assured by including in a more robust selection process a test for whether the benefits from a program intervention will likely be sustained.

There are wider sustainability issues, too, surrounding the catalytic role that the Partnership can play in mainstreaming the approach and practice of thinking and working politically (internally for Australian aid program) and sustainability of reform (externally for the Philippines).

Analysis and Learning / Lesson-Learning

By design, all reform efforts within the CfC program are planned and reviewed using different forms of analysis, including technical, political economy, and theory of change analyses. Also, nearly all reform efforts participate in numerous learning opportunities, such as thematic knowledge sharing sessions, cross-thematic learning sessions, and across the Partnership annual workshops. In addition, the use and generation of evidence is an observed principle throughout the Partnership. Within CfC, there are numerous instances of individual reform efforts using existing data to identify issues and to continuously refine its strategies, including the Excise Tax Reform effort, FAN, and more recently, the Classroom Decongestion effort. Thus, **many of the activities within the Partnership are based on sound technical analysis and continuous learning**.

Gender

Gender equality is not being addressed sufficiently across the program as a whole, although there are some exceptions. The Partnership should be a 'centre of excellence' in terms of mainstreaming gender, and it isn't. But most importantly, a program that is focused on transformational development and changing the rules of the game for the benefit of citizens is blind to a huge part of the agenda if it isn't using those instruments to effect gender outcomes.

Annex 2: Discussion of Monitoring & Evaluation

Articulating Success

Although there is consistency across most major program documents in stating CfC's general goal and objective, different documents seem to have different ways of interpreting or breaking down the goal and objective. This, in turn, makes it difficult to definitively define what "success" means within CfC. In addition, during the review stakeholders gave different takes on what they think CfC's "success" looks like, as well as differing views on the hierarchy of expected outcomes. Because of this muddling of outcomes, it has been difficult for the M&E unit to then design a system to track these outcomes.

As part of the recent Joint Management Review, the Program Management Team proposes a new results framework for the CfC program. Pending the Joint Steering Committee's approval of the results framework, the TAF M&E team believes it can then identify progress makers at the program level. However, it is the opinion of this Review team that this results framework still needs a clearer articulation of success, particularly at the strategic objective level.

In contrast to the general program level, most of the individual reforms now have clear ideas of what success should look like, as articulated in their individual theories of change. However, developing this clarity has taken considerable time, in order to drill down and fully assess circumstances. This is particularly true in areas where TAF had less experience, such as disaster risk reduction and what evolved to be classroom decongestion. However, of the different reforms looked at, at least one still had an overly complicated theory of change with questionable assumptions.

Measuring Progress

In determining if CfC's current M&E system is sufficient and appropriate in measuring the program's progress, the Review team asked TAF for the most recent M&E plan. The team was pointed back to the M&E Framework in the Operations Manual, which was put together over a year ago and which has not been updated since. Thus, the Review team is concerned that, even with two years of program experience, M&E is still being thought of in general and conceptual terms, and that it is still not clear what at the program level will be measured or tracked, much less how it will be measured, aggregated and reported. In addition, the Review team, as well as some DCB staff, are questioning if and how the unique progress markers from the individual reform efforts can, indeed, be aggregated. Thus, there is real concern that current M&E efforts will not be able to show the extent to which the program is achieving its goal, objective and higher-level outcomes.

In talking with the TAF M&E Unit, they recognise the need to go back to the Program Management Team and clarify the larger questions that need to be answered and the higher-level outcomes that need to be tracked. They then plan to work backwards from these questions, to determine the specific information that the individual reform efforts will need to collect and report.

DCB staff expressed frustration in not seeing more progress in implementing the M&E framework and in receiving only occasional updates when requested. Instead, they see designing and implementing an effective M&E system as a shared challenge, and one that should be co-constructed and developed in partnership.

Following parts of the CfC Design Document and the existing M&E framework, and depending on the approval of the JMR results framework, levels of outcomes to track within each reform effort, and possible data collection methods, may include:

i. **Development Sector-related Outcomes:**

Until the Australian aid sector indicators are available, each reform effort should identify one or two metrics that can clearly show the amount of change in achieving its highest level expected outcome. Examples of such metrics include number of residential titles issued per year for the Property Rights reform effort or number of users per year for the Telecommunications reform effort. The selected metric should have obvious logical connections to the appropriate Australian aid delivery strategy, and, preferably, for which secondary data exist. When reporting the metric, TAF staff will also need to conduct a Contribution Analysis to make a plausible argument that the change is, indeed, a result of the reform effort.

(http://www.cgjar-ilac.org/files/ILAC_Brief16_Contribution_Analysis_0.pdf).

ii. **Governance-related Outcomes**, such as better voice, transparency, accountability, and responsiveness.

Changes in these outcomes might be measured quantitatively through participatory assessments using program-crafted indices or rubrics (<http://betterevaluation.org/evaluation-options/rubrics>). For useful descriptions of some of these terms, see the M&E Annexes in the CfC Design Document.

iii. **Process-related Changes:**

Stated as key principles of the program, process-related changes that should be tracked include shifts in: 1) partnership or relationships within and between coalitions, 2) the use and generation of evidence, 3) capacity development, and 4) TAF's facilitation of the coalition. These qualities may be tracked both qualitatively and quantitatively, through the use of activity logs, monitoring reports, observation, and key informant interviews.

iv. **Unintended Outcomes:**

To capture unintended outcomes in any of the above areas or in unidentified areas, and to meet the need for 'stories', the program may want to consider using the Most Significant Change (MSC) approach (http://betterevaluation.org/plan/approach/most_significant_change). However, words of caution: Most Significant Change should always be used in combination with other data collection methods and because it can be a challenge to implement, it should first be done on a small-scale.

v. **Institutional Changes:**

Although not stated within the program's goal and objective, an implicit purpose of the program is to help the DCB incorporate 'thinking and working politically' more in the way it does its work. To track these kinds of institutional changes, the team recommends that an external researcher be hired to conduct a detailed case study.

In addition to tracking progress in meeting the program's goal, objective, and higher-level expected outcomes, it is also important to address other M&E needs as well. When interviewing program stakeholders, various M&E information needs surfaced. For example, and from the Australian side, M&E needs include stories that capture the contribution of Australian aid, certain types of knowledge pieces that describe the work to date and lessons learned, and the need for individual reform efforts to feed into development sector outcomes and indicators. On the TAF side, M&E needs include a tool, such as a data dashboard, to help make evidence-based management decisions, a more complete knowledge management system, and a series of stories and more analytical think pieces that build a body of evidence. These few examples of multiple M&E needs demonstrate the importance in determining more systematically the M&E requirements of all major stakeholders.

Processes, Structures and Feedback Loops for Managing-for-Results

CfC overall and specific reform efforts have established several different processes and feedback mechanisms to facilitate greater learning from experience and managing-for results. Such mechanisms and opportunities include: thematic knowledge sharing sessions with the thematic teams, partners and coalition members; cross-thematic learning sessions held with TAF teams; and across the Partnership workshops with Australian aid and TAF staff. In addition, there are joint DCB and TAF Program Management Team meetings, as well as work plan meetings between the TAF thematic teams and the DCB sector teams. The TAF Program Management Team also meets regularly with some of the thematic teams; however, the level of engagement is uneven across reform efforts and seems to depend on issues of personal interest and personalities.

When looking within specific reform efforts, several seem to have extensive learning and feedback mechanisms. For example, the school decongestion team reports that feedback loops are “very much there” and work in real time as events occur. They provide updates as they occur via phone, text messages or email, and often go right into analysing the situation and “identifying possible strategies and windows of opportunities.”

Communicating and Sharing Lessons

Similar to establishing learning and feedback mechanisms, CfC has also devised several ways to communicate and share lessons learned. Some of these overlap with the feedback mechanisms already mentioned, such as thematic knowledge sharing sessions, cross-thematic learning sessions, and across the Partnership annual workshops. But as noted by the TAF M&E unit, there is opportunity for greater interaction between the Program Management Team and the various thematic teams; however, it is a challenge to bring together people with busy schedules and who hold different philosophies and approaches.

When looking at specific reform efforts, the TAF Sub-National Governance team in particular has good examples for communicating and sharing lessons internally. For example, in a Development Entrepreneurship workshop staff brought together the teams from three provinces to share, compare and refine their three different theories of change. By doing so, participants learned from each other’s experiences, as well as from the comments they received on their theories of change.

It is still a bit early in the program to share lessons externally; however, TAF plans to produce several ‘knowledge products’ such as policy briefs, case studies and published articles.

Annex 3: Update on Civil Society in the Philippines

The CSO Story in Policy Development and Implementation: an Update from Conversations with Coalition for Change Partners³⁴

Project design assumptions

The theory of change proposes that consultations with civil society, government and other partners enhance technical and political analysis, allow exploration of issues and entry points and possible solutions around which coalitions and network of support for specific reforms are established and will result to improve policy-making and implementation to better meet the needs of poorer citizens. The assumption is that the political context for reforms is possible but needs good strategy and execution. A key to this is an evidence-based situational analysis of the political economy of the country as a whole and the specific areas of reforms around which a common platform for thinking and working politically can draw support from individuals, organisations and institutions into autonomous societal groups and coalitions of pro-reform forces. The underlying assumption is that CSOs when organised and mobilised around reform issues are likely to create both social and political capital (pro-reform coalitions, networks) that can overcome (*thinking and working politically*) the traditional interest group system which captures the agencies of the state in favour of the wealthier citizens (*the rule of the game*) and thereby improved policy development and implementation increasing the opportunities for better life-choices among the marginalised poor.³⁵

This assumption is backed by the long history of CSOs in advancing a poverty reduction or social protection agenda both as partner and agent/contractor of aid money. CSOs also have aces on their sleeves in achieving important policy reforms in the Philippines through building networks and coalitions in constructive engagement with government. In the past, constructive engagements created symbiotic interaction between autonomous societal groups and reform-oriented individuals within the state bureaucracies, regardless of their potential and actual differences in motivations and long-term goals and induced change in the process. At this juncture, the CSOs attain prominence and stature among aid donors as aid delivery channels as well as for pursuing reform agenda that require depth and breadth in terms of evidenced-based policy development and broad stakeholders' representation across different sectors of society.

The Australian aid program, informed of CSOs' role and value in its previous engagement on aid delivery services, seeks to further strengthen its role in pursuing policy change to enhance its aid effectiveness, this time in making government institutions more transparent, responsive, and accountable to its citizens.³⁶ This time, the overarching goal of ensuring that its commitments to building peaceful society (Mindanao focus) and stable states (security, governance, public finance) and making recipient government to be more accountable and responsive to its citizens, gets value for its money. This time, aid giving would not purely be "business-as-usual" but cutting-above the rest in 'thinking and working politically' by providing the CSOs the impetus for overcoming formidable forces that make people poor.

³⁴ Based on conversations that the IPR team had with CfC coalition partners and those who have been involved at one time or another with the CfC.

³⁵ Coalition for Change (CfC) Revised Design Document, January 2011.

³⁶ "CSOs can be powerful agents for change—as partners in the delivery of better services, enabling social inclusion and making governments more effective, accountable and transparent" (the Australian aid program Civil Society Engagement Framework; the Australian aid program's Effective Governance strategy (November 2011), www.ausaid.gov.au)

Hence, the Australian aid program in the Philippines and The Asia Foundation entered into an agreement on a “country strategic partnership” as distinct from earlier Australia-TAF engagements which were largely transactional in nature.

The Partnership and CfC

The Australia-TAF Partnership in the Philippines, aside from its mutually beneficial motivation, is based on their respective strengths. Quite strangely, sometimes one’s strength is its greatest vulnerability. The Australian aid program’s strength of having “well-established relationships with key government agencies” is an area of “reputational risk” when aid delivery becomes ‘thinking and working politically’. Even so, the Australian aid program puts its bet on “strategic opportunism” beyond the country program in terms of likely impact and return on investment by making available to civil society organisations its “status of being respected and influential donor with ability to convene a wide range of stakeholders” to act politically in pushing for policy reforms—something that DCB could not do on its own, even with its significant bilateral aid program in the Philippines.³⁷

For TAF and its coalition partner CSOs, constructive engagement with government politically is not only a right given to them by the 1987 Philippine constitution, but also in a number of legislative mandates such as the Local Government Code of 1991 and the various CSO-line agency engagement mechanisms and government issuances. Most important of all is that engagement with government, which historically, progressed from antagonistic to critical to a level of partnership; from confrontational to transactional to transformational, has been the hallmark of CSOs development politics. For TAF, in particular, to raise the bar of partnership to a “bilateral” kind (“deeper” than it had with USAID)³⁸, must be more than an international non-governmental organisation operating in the country can hope for. For TAF and the CSO coalition partners, the bilateral aid has been important in jumped-starting their policy reform agenda and in bankrolling their political engagements.

The parameters for the Partnership to proceed with high visibility and clear from risks are: 1) Its focus on supporting effective CSO engagement will be in the form of providing “venue” or processes for CSOs’ constructive engagement with government and providing effective facilitation of this dialogue in policy reform processes. 2) The Partnership will work on explicit strategically-identified transformational reform agenda rather than service delivery agenda. 3) For dialogue to be effective, the Partnership will put premium on evidence-based decision-making and capacity development to allow both government and civil society to be more effective participants.³⁹

The practice of the Theory of Change

Change is a process. The Partnership reform agenda is the “change in the institutions that ultimately determine the quality of governance and service delivery.” As opposed to direct service delivery support, the process of policy development and implementation focus on capacitating and strengthen the role of CSOs in enhancing the transparency, accountability and responsiveness of government that would likely inspire key activities of the other aid portfolio to think differently and act politically as well. The overall expected outcome, it is theorised, is the flow of benefits (social, economic, security) that is sustainable beyond the program.

Change, according to the CfC experience, is brought about through iterative process of analysis, political organisation and action. Politics in the country is addition: the interplay of formal and informal rules which shape the incentives and behavioural change that result to desired outcomes.

³⁷ The Australia-TAF Partnership in the Philippines, February 2012 Approved Partnership Operating Guidelines.

³⁸ Notes from TAF meeting with Steven Rood and Ky Johnson; Joint Management Committee meeting with IPR team.

³⁹ Coalition for Change (CfC) Revised Design Document, January 2011.

First and foremost, is putting like-minded individuals to *thinking and acting politically* on current situation looking for windows of opportunity and entry points (analysis) with focus on the ties that bind, namely:

1. Targeted *reform agenda* that once introduced would influence people and institutions that determine the rules into thinking differently and taking action to change behaviour within the institutions. In this aspect, the planning framework for physical facilities and potentials for budget allocation in the classroom congestion experience is a highlight. Through CfC's evidence-based analysis, the traditional DepEd's strategy of building new additional classroom bumped into the lack of 'buildable' space in existing classrooms forcing the CfC core group to look for other planning tool to address the issue of classroom congestion. In the search for new perspective, the CfC core group brought other experts and officials within DepEd, DPWH, LGUs, looking for solutions. This process consisted the 'constituency analysis and action' through which the land-classroom ratio planning framework was added as an innovative lens to the traditional classroom-pupil ratio analysis in allocating budgets for physical facilities. The reform area also drew in the support of the local chief executives and the congressmen for the possible insertion of land acquisition budget into the General Appropriation budget of the DepEd which traditionally had no budget allocation for this purpose and normally delegated to the discretion of the LGU. Around this reform area, the real estate developer association came into the picture to explore solutions to school-land development. It is hoped that with the planning system adopted by Regional DepEd, the national application of the system would remain a contribution of the CfC and with national application, national budget allocation for the acquisition of land for school building will not be far behind.
2. *Formation of "coalition of the willing"*. The logic is to add political muscles into thinking politically through engagements with development entrepreneurs supporting local leaders, linking individual influence with institutions, at times through half-luck and serendipity (informal rules), and harvesting social and political capital in an open competition with anti-reform forces using mainstream media as avenue for public debate and formation of public opinion.
3. In this aspect, "Sin Tax" experience is an example. The various vertical and horizontal layers of coalition of individuals, autonomous peoples' organisations, government official and institutions, local and international business associations, the tie that bounded the coalition was its quality of data-evidence which argued for its approval into a bill. The coalitions built upon this technically-sound policy created the politically possible muscle to overcome the powerful might of the cigarette lobby. In contrast to the classroom congestion coalition, which was formed by individual professionals, local entrepreneurs and technical people coming from both private and public sectors, the 'sin tax' coalition was led by an NGO which had previous experience working with coalitions and had pre-existing network of its own. Similar experience can be compared to the social protection agenda of FAN, though the experience preceded CfC.
4. *Acting politically* by combining technical skills and political clout, the introduction of policy reform has initially led to its intermediate outcomes with the likelihood for scaling up and impact flowing over beyond the institution: the CSO 'voice'; responsiveness; accountability and transparency of government institutions, and value for money. The overarching facility for acting differently, relative to the 'business-as-usual' aid delivery, is the CfC's ability to facilitate dialogue, maintain momentum, learn lessons, and build relationships.

In the case of basic education reforms, the dialogue started with exploration of issues among a core advocates (a cell of development entrepreneurs) facilitating consultations with key players of government institutions, distilling further the nuances of the issues and gaining more adherents in the process and thereby building not only political clout but social relations as well with key individual and decision-makers in the target institution. Similar approach was also used, although with less effect on changes in the institutions, in the case of the Board of Election Inspectors (BEI), Expanding Local Resources for Education, and voters' re-registration in ARMM.

The Excise Tax reform experience is quite distinct from the basic education reform experience in its approach. This case is clearly a CSO-led policy reform agenda in two ways: 1) the core team is an NGO with tract record in coalition work, coordinating technical and political analysis and building informal coalition of allies in government, private sector and CSOs including international links; unlike the basic education coalition, which are mainly local individual personalities linking up with technical people in private sector, LGU officials, line agencies and congressmen. 2) The target of reform in the case of the basic education reform coalition is the way the institutions (DepEd and COMELEC) think and do in terms of planning and implementing allocation and construction of classroom and lessening political interference in the selection and appointments of teachers and DepEd management by politicians (BEI); in the 'sin tax' coalition, the target is not institutional reform per se but increasing revenues from 'sinning' for the use of universal health care. This approach is also the case of FAN but applied to social protection as the main reform outcome.

Unfolding "success"

What 'success' means to the partners of the Partnership varies according to their respective expectations. Even so, one thing is of interest to both partners: has the CfC theory or assumptions improved policy-making *and implementation* better to meet the needs of poorer citizens, as the Partnership's overarching goal intended? The Review team was not equipped to prove the ultimate outcome of meeting the needs of poorer citizens. However, as to the CfC purpose of improving policy in key areas of government institutions, and taking advantage of the positive enabling policy environment, the CfC sample experiences are expressions of 'success'.

CfC, in such a short span of time, is proving effective at policy reform development highlighted by the Excise Tax, ARMM voter re-registration and school congestion experiences. The underlying transformative role of CSOs in enhancing the transparency, accountability and responsiveness of government in these cases is outwitting politicians and vested interest groups at their own game (rule of the game), i.e., putting pressure on decision-makers through the rule of evidence and coalition of social and political capital weighing on their shoulders in the court of public opinion. In a more positive frame, building coalitions brings together government and CSOs to work together in partnership in policy reform, as distinct from service delivery agenda, which is properly an implementation issue. In these experiences, CfC built the capacity of government institutions and CSOs to work together effectively.

In thinking politically, the rule of evidence has shown its effectiveness in drawing-in champions, civic-minded individuals and organisations, reform-oriented private and public officials, business leaders and firms and development entrepreneurs to take part in CfC; in unifying motivations and commitments around reform issues; and in casting their collective influence on specific target institution's behaviour and incentive systems to create the desired change outcomes. In particular, the rule of evidence played facilitative role in identifying and creating avenues for informed dialogue and advocacy, political strategy and execution.

Challenges to CfC⁴⁰

With the wisdom of hindsight, veteran CSO coalition leaders working outside of government such as ex-government officials and "crossover" CSOs (in and out of government)⁴¹, affirm the value of coalition building for a policy reform to get through the interest groups and political parties in government processes. These veterans argue, however, that the impetus for CSOs to overcome the formidable anti-reform forces does not end in policy development. So far the "success" story that change theory has achieved is its intermediate outcomes on changing the target institutional thinking and behaviour, but is a long way to a more arduous task of embedding good governance practice into the government's mode of

⁴⁰ The discussion is an abstract from the series of conversations with CSO leaders in the current Administration and CSO leaders' representatives with linkages to the CfC that the Review team visited during the course of the Review.

⁴¹ CSO leaders that are now in government, CSO leaders who are not only 'crossovers' but also 'turncoats', and ex-government officials that are now leading lights in CSO politics of change.

thinking and delivering the benefits flowing from the policy reform to the poorer citizens. Pushing the coalition throughout implementation of the reform is the maelstrom test of the responsiveness, transparency, and accountability of these institutions in the delivery of the benefits from policy to its ultimate outcomes—the welfare of the poorer and marginalised sectors of society. Engaging CSO coalitions in policy implementation empowers CSOs to monitor the accountability and transparency of governments.

For this to happen, these veteran CSO leaders see wisdom in broadening the value of CfC outside of pre-existing linkages with TAF and the Australian aid program. This is in recognition of some areas of CfC which have pre-existing coalition with individuals or organisations which are doing coalition building on the ground as part of their work, among which are the big CSO coalitions working in the country⁴². The challenge remains for CfC to translate these strengths into effective participation in decision-making, and influencing at scale acknowledging the constraints to effective collaboration between various stakeholders for change.

In light of the Aquino Administration's willingness to engage with CSOs on critical policy issues and improved enabling environment for coalition for change, CSO leaders in and out of government suggest the need for a platform for 'coalition for change movement.' Against the background of key positions in the current administration coming from CSOs, a bold proposal is afoot for building a political base to support 'crossover' to improve governance in the areas of social protection, economic development, peace and security, governance and politics through building constituencies in government and political parties. This requires harnessing political power through partnerships with power blocks on economic change and social reform areas into a 'change politics movement'. In this challenge, thinking and acting politically means knowing the 'zero-sum' game in reform processes and learning how to work with 'crossover' in embedding good governance practice in the critical areas of reform policies, especially in those processes opened to CSOs that are aimed at reducing poverty at the community level.

⁴² Among these is the International Center for Innovation, Transformation and Excellence in Governance (INCITEGov), an "...institutional nucleus for a reform-centered democratic movement. INCITEGov aims to develop and operationalize a policy agenda that links democratic politics, good governance, and development outcomes in critical reform areas".

Annex 4: Schedule of IPR Meetings

4 November 2013, Monday	
IPR Team meeting	
Partnership Program Management Team	
TAF Thematic Team 1 (Disaster Risk Reduction)	
TAF Thematic Team 2 (Subnational Governance)	
5 November 2013, Tuesday	
TAF Thematic Team 3 (Excise Tax)	
TAF Thematic Team 4 (Education: School congestion)	
TAF Thematic Team 5 (Education: Local School Board)	
TAF Thematic Team 6 (Fully Abled Nation)	
6 November 2013, Wednesday	
<i>Group 1</i>	<i>Group 2</i>
Legal Network for Truthful Elections and other partners	Meeting on M&E, The Asia Foundation
Sam Chittick, Australian Development Cooperation Branch Governance Adviser	
TAF Team 7 (PACAP)	
Joint Steering Committee	
7 November 2013, Thursday	
<i>Group 1</i>	<i>Group 2</i>
Teleconference with Andrew Egan, Assistant Director General, Governance and former Manila Post Counsellor	Under Secretary Angelita Medel, Dept. of Social Welfare and Development
Union of Local Authorities in the Philippines and Robredo Institute of Governance in La Salle	Action for Economic Reform

8 November 2013, Friday	
<i>Group 1</i>	<i>Group 2</i>
Undersecretary Marie Labajo, National Anti-Poverty Commission HRODF Office,	Teleconference with Layton Pike, Minister Counsellor, Development Cooperation Manila
IPR Team meeting	
PACAP Partners (2013)	
<i>Group 1</i>	<i>Group 2</i>
1. Robredo Institute of Governance	1. Haribon
2. SLB	2. COSCA
3. Bigay Buhay	3. Dakila
4. CIC-CARES	4. TWH
5. VINE	5. NEAPWD
6. SEED	6. Process Foundation
7. BALAOD	7. GVSP
8. Pailig	8. GASA
9. Don Bosco	9. PARFUND
10. MARADECA	10. Kaisampalad
	11. Higa-onon Ha Migsabuwa Ta Lanao
9 November 2013, Saturday	
International Institute of Rural Reconstruction Y.C. James Yen Centre, Biga Silang, Cavite	
Travel to Rosario, Cavite Courtesy Call to Barangay Captain of Muzon I and Muzon II Introduction and interaction of Project Implementation Team (PIT) members Visit around the community to see project outputs such as Flood Early Warning System, Community Nursery, CERT equipment and posted IEC materials	
10 November 2013, Sunday	
IPR Team meeting	
11 November 2013, Monday	
<i>Group 1</i>	<i>Group 2</i>
Children Education First Coalition Venue: Metro Angeles Chamber of Commerce and Industry Office, Angeles, Pampanga	TAF Team 8 (Mindanao)
School visit	Bantay Bayanihan members ISO, Ateneo de Manila University

12 November 2013, Tuesday	
<i>Group 1</i>	<i>Group 2</i>
	Civil society representatives PFMP Office
Lunch meeting with DFAT Program Management Team	
Steven Rood (TAF Country Representative) and Ky Johnson (TAF Deputy Country Representative)	
13 November 2013, Wednesday	
<i>Group 1</i>	<i>Group 2</i>
Undersecretary Fernando Fernandez Department of the Interior and Local Government	Robyn Biti, Counsellor, Development Cooperation Manila
Meeting on gender and inclusive development at TAF	
TAF Program Management Team	
14 November 2013, Thursday	
<i>Group 1</i>	<i>Group 2</i>
Teleconference with Timor Leste Post	Cel Habito, TAF M&E
IPR team discussion	
DFAT Political Economy presentation (postponed)	
15 November 2013, Friday	
Debriefing with DFAT Development Cooperation Branch	
Debriefing with TAF Management and Program Management Team	
21 November 2013, Thursday	
Teleconference with Gordon Hein, Vice President, Programs, The Asia Foundation, San Francisco	

Annex 5: IPR Terms of Reference as issued

Note that these ToR were issued before [the former] AusAID's integration into DFAT.

Independent Program Review AusAID-The Asia Foundation in the Philippines Terms of Reference

Background: AusAID-The Asia Foundation Partnership

1. In October 2011, AusAID Manila and The Asia Foundation (TAF) in the Philippines entered a country-level Partnership for three years (2011-2014).⁴³ This reflects the intentions of both institutions to work together and the deepening dialogue between AusAID in Canberra and TAF in San Francisco to establish an overarching partnership.
2. The country-specific partnership arrangement intends to support the Philippine Government's development agenda within the context of AusAID and TAF's respective country strategies. The overall goal of the Partnership is to: "Enhance the impact of evidence-based public policy making and implementation on priority development issues in the Philippines that are jointly determined by AusAID and the Foundation."
3. The specific objectives⁴⁴ of the Partnership are to:
 - a) better leverage the assistance programs of TAF and AusAID to facilitate and develop capacity for more constructive engagement between government, civil society and other stakeholders;
 - b) expand networks of both organisations to facilitate locally-driven policy reform;
 - c) develop capacity and increase knowledge sharing and collaboration between the Foundation and AusAID, especially tools and approaches to support locally-driven policy reform;
 - d) enhance the role of evidence in informing policy reform; and
 - e) establish more integrated and joined-up approaches in the design and implementation of programs in areas of common interest.
4. The Partnership has three components:
 - a) **Coalitions for Change (CfC)**, which supports multi-sectoral coalitions/networks around specific policy or implementation reform issues. CfC adopts innovative and experimental approaches to supporting coalition/network as agents for reforms. This entails dealing with difficult and complex stakeholders often working on politically sensitive issues. CfC provides financial and technical support to build capacity of coalitions and the evidence base in support of reforms largely in priority sectors (basic education, local governance, peace and security in Mindanao, and disaster risk management/climate change) of the Australian Aid Program in the Philippines. CfC also works for a strengthened civil society participation to improve

⁴³ Covering Fiscal Year July to June 2011/12, 2012/13, 2013/14

⁴⁴ A results framework to sharpen these objectives has been developed and will be finalised following the Joint Management Review, an internal process of the Australia-TAF Project Management Team to reflect on what has worked and has not worked.

transparency, accountability and responsiveness in government to better meet the needs of its citizens. Attached are the CfC design document (Annex A) and Operations Manual (Annex B).

- b) **Philippines-Australia Community Assistance Program (PACAP)**, which supports civil society organisations in the delivery of services. PACAP is a 26 year-old small grants facility for civil society organisations (CSOs) that aims to improve delivery of services to communities across the Philippines.
- c) **Other research/analytical and capacity development activities**, which provides a pool of flexible resources for responding to reform opportunities of interest to AusAID and TAF.

5. TAF and AusAID have jointly developed Partnership Operating Guidelines that articulates the principles and respective motivations and strengths of each organisation to the Partnership. It also sets out the management arrangements (Annex C).

6. Funding for the Partnership is ending by June 2014. AusAID will consider support beyond the initial 3-year implementation period subject to an assessment of the Partnership and its activities (i.e., CfC, PACAP and research/analytical and capacity development) in achieving and progressing towards expected outcomes. To inform this assessment, AusAID is fielding an Independent Program Review (IPR) Team.

7. This IPR will come after the Joint Management Review (JMR), an internal process of the AusAID and TAF Program Management Team to reflect on what has worked and has not worked. Attached is the Program Review Terms of Reference describing both the JMR and the IPR (Annex D). Also attached is the draft JMR report (Annex E).

8. Further to Annex D, these terms of reference outline the composition, the roles and responsibilities, the deliverables and timing of the IPR.

Objectives of the Independent Program Review

9. The IPR shall provide evidence-based assessment on the quality of the AusAID-TAF Partnership to assist AusAID determine whether support beyond June 2014 is warranted. In assessing the Partnership, the IPR will review and articulate the progress of the components. The IPR is similarly expected to provide recommendations for improvement as applicable.

Scope and Focus

10. The assessment will cover the first two years of implementation (October 2011 to September 2013). But for CfC, this will be within the perspective of a five-year design. The IPR must look at initial successes and progress towards achieving the expected outcomes of the Partnership and its activities including CfC.

11. AusAID's quality criteria will be used in making the assessment. Below are preliminary guide questions that will be finalised upon the submission and approval of the review plan by AusAID prior to the mobilisation of IPR team in-country.

- a) **Relevance:** What have been the changes in the contexts within AusAID and TAF, and Australia and the Philippines that significantly impact on the relevance of the Partnership and its activities?

- b) Effectiveness: How are we progressing towards achieving the Partnership and CfC objectives? How much of the Partnership is contributing to Australia and TAF's interest/s to support reform in the Philippines? Which design assumptions are working and which ones are not working?
 - c) Efficiency: Does the Partnership offer an efficient means of supporting AusAID and TAF's intention to contribute to reforms in the Philippines? How well are the different parts of the management systems working? How well is PACAP managed? Is the system or resources sufficient to ensure good visibility of Australian Government aid program? Is there still capacity to scale up or accommodate additional activities?
 - d) Monitoring and Evaluation: Is the success of Partnership and its activities clearly articulated? Is the system of measuring progress sufficient and appropriate? Are there appropriate systems in place to generate the right kinds of monitoring and evaluation data at the right time?
 - e) Sustainability: Do CfC's strategies for civil society engagement give confidence that there will be sustained benefits beyond the activity? What are fundamentals to protecting the early gains and the reforms achieved from changing political environment? How much is the Partnership and CfC contributing to setting up these fundamentals?
 - f) Lessons learning: Have the processes, structure and feedback loops been put in place to learn from experiences (at all levels) and manage-for-results accordingly? How well is the Partnership communicating and sharing the lessons internally, bilaterally and externally? In light of the early gains of the Partnership and its activities and in order to maximise the remaining years of the current Administration to achieve reforms, how appropriate is the balance between supporting reforms directly linked to AusAID's country strategy and those opportunistic reforms but are not necessarily directly linked to AusAID's priority sectors?
 - g) Cross-cutting issues: How are AusAID's priority cross-cutting agendas on gender, disability, and other cross-cutting considerations being factored into the Partnership, CfC and PACAP?
12. The IPR must provide clear recommendations to be considered by AusAID management on the feasibility of future support. It should include identifying areas for improvement and how they could be addressed.

Scope of Services

13. The IPR team shall provide the following services:
- a) Give high-quality, independent and professional advice and expertise to ensure that the objectives of the IPR are met;
 - b) Attend all meetings, learning workshops and briefings/debriefs scheduled by AusAID;
 - c) Consult with relevant stakeholders
 - d) Review all related literature provided by AusAID;
 - e) Have a good understanding of the AusAID-TAF Partnership design and of its component programs;
 - f) Develop a solid appreciation of the external factors underpinning the Partnership that lends its complex nature;

- g) Advise AusAID of any risks, concerns, or issues that may adversely impact on the conduct of the review in a timely manner;
- h) Provide well-written reports in a format to be agreed with AusAID;
- i) Use evidence to support the review and final assessment;
- j) Provide exit debriefing to AusAID and TAF on the last day of the field mission.

Reporting Requirements

14. The IPR team are expected to deliver the following documents and reports:
- a) **An evaluation plan** - providing details on how the team will execute the review. The plan should include assumptions, approaches, guide questions, timeframe, and deliverables. AusAID and TAF must be consulted on the finalisation of the plan.
 - b) **Exit Report** – outlining preliminary findings coming from the field (in-country) mission; no more than 5 pages
 - c) **Draft IPR Report** - using the format agreed with AusAID to be submitted to AusAID and TAF for review.
 - d) **Final IPR Report** - incorporating suggestions and comments from AusAID and TAF on the draft version.

Timing

15. The IPR will be conducted on October – December 2013. Following is the indicative timeline:
- Week of 23 September: Get confirmation of IPR team and start contract negotiation with external consultants
 - Week of 30 September: Process contracts of external consultants
 - Week of 7 October: Finalise contracts of external consultants and draft review plan
 - Week of 21 October: Draft and finalise mission itinerary
 - First half of November: In-country IPR mission
 - Week of 9 December: IPR submission of draft report to AusAID and TAF
 - Three weeks after receipt of AusAID comments: IPR submission of revised report to AusAID and TAF

Team Composition and Responsibilities

16. The IPR will be conducted by a team of external consultants who are not directly involved in the management and implementation of the Partnership and its activities. Recognising the benefit of having members with sufficient appreciation of the objectives and rationale of the AusAID-TAF Partnership, and the intentions of the CfC, the external review team may include some members who have had involvement during the design stage.
17. The team is expected to have an aggregate skills in:
- a. policy reform and development advocacy
 - b. monitoring and evaluation
 - c. data collection
 - d. civil society engagement and coalition-building
 - e. partnerships
 - f. gender
 - g. facilitation
 - h. report writing
 - i. good understanding of the political economy in the Philippines.

18. The external review team will be composed of the following who would have respective key expertise, skills and responsibilities:
- a. Aid effectiveness and development strategy consultant (Team Leader):
 - Must have (i) at least 10 years of experience in M&E including those involving evidence-based public policy and civil society capacity development projects and (ii) good facilitation skills
 - Key responsibilities:
 - Manages the review and the members of the team to execute the review plan and achieve the objectives
 - Leads in assessing and providing recommendations on monitoring and evaluation, knowledge management and feedback loops
 - Leads in producing the outputs of the team including review plan, draft and final reports, and presentation materials
 - Leads in facilitating discussions/workshops
 - Leads in presenting findings and recommendations of the review to AusAID and TAF
 - b. Civil society specialist
 - Must be a Filipino with extensive knowledge of the Philippine civil society sector and good understanding of the political economy in the Philippines
 - Key responsibilities:
 - Leads in providing the context of the Philippine civil society, the evolution of civil society–government engagements, and the broad political economy of the Philippines
 - Contributes in developing and finalising IPR outputs
 - c. AusAID-Canberra: He/she must have at least 10 years of experience working on gender including integrating genders issues in complex development projects. He/she would also ensure that a broader AusAID perspective on partnerships with civil society organisations and more specifically with The Asia Foundation is brought in.
 - An AusAID colleague in Canberra with a gender specialisation and a good understanding of various partnership modes of AusAID (especially with non-government organisations) and the Philippine Program
 - Key responsibilities:
 - Leads in providing the gender perspective including recommendations on how gender could be integrated into the activities
 - Leads in bringing in the AusAID-Canberra perspective in the review
 - Contribute in developing and finalising IPR outputs
 - Focus:
 - Provides (i) recommendations to integrate gender into CfC and other Partnership activities, and (ii) a ‘sounding board’ for the team
 - d. The Asia Foundation:
 - Must have at least 10 years of experience working on international development assistance programs
 - Key responsibilities:
 - Leads in providing the broader TAF perspective on partnerships with civil society organisations and more specifically with AusAID

- Contributes in developing and finalising IPR outputs
- Focus:
 - Provides (i) recommendations for the implementation of CfC's monitoring and evaluation and learning system, (ii) input to review team's method/s of collecting and analysing information especially for effectiveness, M&E and lessons learning criteria, and (iii) a 'sounding board' for the team
- e. AusAID (in-coming) Governance Adviser:
 - Must have good understanding of the development challenges and the broader governance issues in the Philippines
 - Key responsibilities:
 - Leads in providing contestability on the assumptions of the Partnership and its activities especially the Coalitions for Change
 - Contributes in developing and finalising IPR outputs
 - Focus:
 - Provides strategic recommendations to improve CfC's Theory of Change, and its implementation

19. To ensure that there is no undue influence exercised over the evaluation process or findings, the team leader decides, after team deliberation, the final content of the review report.

Given the complex nature of the Partnership and its activities, select members of the AusAID-TAF PMT will be joining the IPR mission as resource persons to the IPR team particularly in providing context and background related to AusAID-TAF Partnership and its activities.

Annex 6: IPR Review Team

Peter Bazeley (Team Leader) – an independent aid effectiveness and development-strategy specialist who has worked on the design, configuration and performance of Australian (and other agencies’) aid programs at sector and country-program level across Africa, Asia and the Pacific, as well as on agency-wide strategy and performance issues.

✉ peter.b@zeley.com

Ana Coghlan (M&E Specialist) – Senior Monitoring and Evaluation Adviser in the Program Strategy, Innovation and Learning unit of The Asia Foundation’s Bangkok office, and an independent consultant with over 20 years’ experience in assisting organisations design, implement, and assess utilisation-focused M&E systems.

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Edgar Dones (Philippines Civil Society Specialist) – Executive Director of a partnership-based civil society organisation in the Eastern Visayas, and independent consultant working on community development, rural development, and civil society partnerships.

✉ ed_dones2003@yahoo.com

Paul Hutchcroft (Governance Specialist) – recently-joined lead governance adviser for the Australian aid program in the Philippines; professor (on leave) in the Department of Political and Social Change at the Australian National University and until recently Director of the School of International, Political and Strategic Studies. Extensive research and wider experience in the Philippines.

✉ paul.hutchcroft@dfat.gov.au

Kathy Richards (Gender Specialist) – Policy & Program Manager in the Philippines Section of Australia’s aid program headquarters in Canberra. Formerly manager of the largest coalition of civil society organisations addressing gender equality issues in Australia.

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