



Australian Government
Department of Foreign Affairs and Trade



AID PROGRAM, PERFORMANCE REPORT 2015-16

Philippines

September 2016

KEY MESSAGES

This report provides an assessment of the performance of Australia's aid program in the Philippines for the period 1 July 2015 to 30 June 2016. Over the reporting period our aid investments have closely aligned the priorities of the Philippine Government and the Australian Government. We have assessed our progress against the objectives outlined in the Philippines Aid Investment Plan.

In 2015-16 we have:

- leveraged AUD200 million in Philippine Government funding in the 2016 national budget for local road rehabilitation in 74 provinces, through the Provincial Road Management Facility. Over the six years of the program to June 2016, it had rehabilitated and maintained a total distance of 628 kilometres of provincial roads. The program has helped to improve road management practices by local governments in ten provinces.
- provided support through the Philippine Public Private Partnership (PPP) program for infrastructure improvements in the Philippines, which was critical to ensuring that the Philippine Government has competitively tendered more than 12 projects up to July 2016. Australian-supported technical assistance has helped the Philippine Government get the projects to market and ensured that tenders are technically sound and commercially viable. Two projects worth USD631 million were awarded in 2015-16 after open and competitive bidding processes.
- supported the creation of the Philippine Competition Commission through human resource, organisational development and business planning support. The Commission has been set up to ensure efficient and fair market competition among businesses engaged in trade, industry, and all commercial economic activities.
- responded to the Philippines request for support within 48 hours for its humanitarian response after Typhoons Melor (Nona) and Koppu (Lando).
- supported the Philippines Department of Education to deliver significant improvements to Philippine education services. In 2015-16 we provided capacity building on the new curriculum, supported development and trialling of new teacher standards, built 87 new classrooms in disadvantaged areas and provided technical support for the Department of Education to develop 22 new policies for teacher development, classroom and systems assessments, policy planning and research. Our program has helped to underpin the education reform agenda of expanding the ten-year secondary school system to include mandatory kindergarten and years 11 and 12 in the curriculum.
- provided technical support through the Coalitions for Change program for geospatial mapping of road networks. This provided evidence for the Philippine Government to approve infrastructure plans and increase budget allocations to enable more local roads to be rehabilitated. The Coalitions for Change program also supported the Philippine Government and businesses to leverage AUD50 million worth of assets to provide more senior high school students with access to industry immersion opportunities.
- we built 101 day-care centres and 252 school buildings in poor communities so that households could better meet the education requirements of the conditional cash transfer program.
- brokered three partnerships between Australian and Philippine Universities for research collaboration, faculty and student exchanges to deliver joint degrees. This has strengthened the quality of programs offered by Philippine universities and increased the visibility of Australian institutions in the Philippines.
- supported ongoing dialogue with the new Philippine Government administration, Congress and the Senate on the Bangsamoro Basic Law through the Building Autonomous and Stable Institutions and Communities in the Bangsamoro program. Over the reporting period we developed communication strategies to counter anti-Muslim narratives; worked with key legislators and staff to raise awareness on the draft law; supported the increased participation of women in the peace process; brought Moro Islamic Liberation Front representatives and legislators together; and supported the livelihoods of conflict-affected communities to shore up the peace process.

CONTEXT

Australia has been a long-time development partner of the Philippines, with a history of working in a broad range of sectors including governance, infrastructure, public financial management, social protection, land reform and education.

The Philippines has continued its strong economic growth rates over the last year, with 5.8% growth recorded in 2015¹. This is a continuation of the positive legacy of the Aquino administration, which averaged 6.2% growth between 2010 and 2015. The Aquino administration oversaw a period of improved governance and fiscal policy, which increased government revenue (including through increased tax collections), reduced corruption, tightened procurement rules and improved budgeting. It has created a good foundation for Australia to continue to support improvements to governance and budgeting, for example to increase foreign direct investment and to promote inclusive economic growth. However, population growth has remained high - slowing per capita growth - and poverty has fallen only slightly to 26.3% in 2015 from 27.9% in 2012², signalling that significant challenges remain.

The expansion of the conditional cash transfer program over the past five years encouraged increased access to education and improved nutrition outcomes, and reduced the number of out of school youth. Education investments, including the introduction of the compulsory K-12 curriculum and improved access to tertiary education, has helped to bring the Philippines into line with international standards in education. Increased investment by the Philippine Government in vocational education, including through training scholarships, has delivered an intensive effort to develop the future workforce and increase economic growth.

The Philippines remains the third most natural disaster prone and second most vulnerable to climate change country in the world. A growing population, rapid urbanisation and a high incidence of poverty compound the Philippines' vulnerability to disasters and climate change³. Support for disaster risk reduction and climate change adaptation measures remains critical as vulnerability to a wide range of natural disasters can undermine economic growth, threaten development gains and push people into poverty. Australia is a key partner for the Philippines in implementing its disaster preparedness and resilience building agenda to support rapid nationally-led response and recovery from disasters, and climate and risk management measures.

The Philippine legislation that would have created an autonomous Bangsamoro political entity, and resolved a significant source of conflict in Muslim Mindanao, was not passed in the final session of congress before the Philippines' 2016 elections. Despite this, the ceasefire between the Government of the Philippines and the Moro Islamic Liberation Front (MILF) has held. This is a sign of the depth of confidence in the peace process and the gains made to date, due in part to the support of the process by the international community, including Australia. Our programs are designed to respond to changes in the local context, both in Muslim Mindanao and at the national level. We will be able to adapt our programs in this area to address emerging priorities and policies of the new government, and to help ensure that the trajectory towards a durable peace is maintained.

A significant milestone was achieved in the Philippines for the Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) community with the election of the first ever transgender politician to the House of Representatives. A female vice-president who is a popular women's rights advocate was elected at the same time. These developments, along with other social reforms under President Aquino, whether through expansion of access to education, social welfare or health services, have given Australia an opportunity to strengthen our relationship and expand cooperation. In November 2015, the two governments signed the Joint Declaration on the Australia-Philippines Comprehensive Partnership, an agreement to further deepen bilateral links between the two countries.

The new Philippine Government administration has expressed an intention to continue reforms of the previous administration which have been effective in boosting the country's economic growth. Shortly after his election victory, President Duterte released a ten-point economic plan with a focus on infrastructure and removal of bottlenecks. The plan includes: continuing and maintaining current macroeconomic policies; accelerating infrastructure spending; increasing the previous target to now set aside seven percent of the

country's gross domestic product to infrastructure spending (from five percent previously); addressing the bottlenecks in land administration and management systems; strengthening the basic education system; and expanding and improving implementation of the conditional cash transfer program.

Australia's aid to the Philippines was well aligned with the Aquino administration's development priorities, and these early signals from the incoming administration show that our aid remains well placed to immediately support priorities that the new administration has outlined. While Australia will work with the new administration to ensure our programs are responding to key development needs, we will need to be flexible with our work in the areas of peace, stability and governance while the new administration resolves how implementation of the peace process will proceed.

The aid program in the Philippines

Australia has been a long term development partner with the Philippines Government and remains in a leading position as a foreign aid donor: in 2015 we were the second largest bilateral grant donor after the United States, and we remain the seventh largest donor overall in terms of Official Development Assistance (ODA) grants and loans. Total Australian ODA to the Philippines in 2015-16 was AUD84.8 million, representing around 0.2 per cent of Philippines Government annual revenue of USD42.5 billion. Given this, the challenge for Australia remains in how we engage in the Philippines to leverage change to promote economic growth. This is reflected in the Philippines Aid Investment Plan 2015-16 to 2017-18 which focuses on:

1. Enhancing the foundations for economic growth
2. Building stronger institutions for transparent and accountable governance
3. Improving conditions for peace and stability

EXPENDITURE

In 2015-16 Australia's total ODA to the Philippines was AUD84.8 million, down from AUD141.2 million in 2014-15. The bilateral aid program managed by the Department of Foreign Affairs and Trade totalled AUD68.4 million, with the rest comprising regional and global programs and other flows through other Australian Government Departments.

Table 1 Total ODA Expenditure in FY 2015-16

Objective	AUD million	% of total ODA
<i>Bilateral</i>		
Objective 1 Enhancing the foundations for economic growth	32.8	38.7
Objective 2 Building stronger institutions for transparent and accountable governance	17.8	21.0
Objective 3 Improving conditions for peace and stability	17.8	21.00
Sub-Total Bilateral	68.4	80.7
<i>Regional and Global</i>		
<i>Other Government Departments</i>	12.5	14.7
	3.9	4.6
Total ODA Expenditure	84.8	100

PROGRESS TOWARDS OBJECTIVES

Table 2 Rating of the Program's Progress towards Australia's Aid Objectives

Objective	Previous Rating ⁴	Current Rating
Objective 1: Enhancing the foundations for economic growth	Green	Amber
Objective 2: Building stronger institutions for transparent and accountable governance	Green	Green

Objective 3: Improving conditions for peace and stability	Green	Green
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Note:

Green. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

Amber. Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

Red. Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Objective 1: Enhancing the foundations for economic growth

Rating: Amber

This objective is rated amber as two benchmarks set for 2015-16 (see table at Annex B), relating to designs for the Aid-for-Trade facility and the new infrastructure program design, have been partially achieved.

Sound infrastructure, efficient trade and economic policy and systems, and quality education services are all important foundations for strong economic growth, and Australia is supporting the Philippines Government to improve in these sectors. The design for the new **Trade and Inclusive Economic Growth Facility** is in process and will be finalised in early 2016-17. It is an expansion of the previous Aid-for-Trade Facility design and consolidates ongoing work streams from the Human Resource and **Organisational Development Facility (HRODF)**, social protection, competition policy and economic research. The facility will support the Philippines to achieve its goal of sustained growth through economic reform and implementation, social inclusion and stronger institutions. The facility will also promote economic development by increasing aid for trade. The design for the new Infrastructure Connectivity for Economic Development Program is ongoing and will be adjusted to meet new administration's objectives to increase infrastructure spending, particularly for regions outside Metro Manila.

The **Provincial Road Management Facility (PRMF)** has supported improved local road management to model economic growth pathways and improved community access to provincial services, especially for the poor and people with disabilities. The program was completed in June 2016, and helped stakeholders at the national and provincial levels to make permanent, systemic change to road rehabilitation systems. PRMF worked with ten provincial local governments encouraging them to invest their development funds more in road maintenance, and to modify the approach on maintenance. PRMF also supported the Department of the Interior and Local Government to increase its efficiency by developing a Roads and Bridges Information System, a local roads management manual compliant with national government design standards, and e-learning modules for local government units as they promote good local road management.

- In 2015-16 PRMF rehabilitated and maintained a total distance of 278 kilometres of provincial roads, including 102 kilometres that are directly attributable to Australian funding. PRMF supported the League of Provinces of the Philippines to design and submit the National Roads Program – a performance based and apolitical funding partnership between the National Government and all provinces. This leveraged AUD200-million national government funding in 2016 for local road rehabilitation through PRMF-initiated local road management reforms. This was more than twenty times the size of the program target for leveraging national government funding.
- Local governments have increased employment opportunities for communities by issuing contracts for routine road maintenance. Most community groups participating in this work have a high representation of women utilising these opportunities to earn additional income for their families. Anecdotal evidence suggests these contracts provide practical employment opportunities for women because they can take advantage of the flexibility they offer.

The independent completion report for PRMF noted that the program *'has paved the way for a new era in the management of infrastructure in the Philippines, particularly for horizontal infrastructure managed by Local Government'*. Over six years, PRMF has ensured all ten provinces now spend more of their own funds on maintaining core provincial roads due to improved local road management, with increased spending

averaging more than 35 percent over the six-year program. PRMF introduced the Enhanced Tax Revenue Assessment and Collection System, so partner provinces were able to increase local property tax collections by 85 percent on 2009 levels. PRMF ensured procurement structures and systems were put in place in all ten provinces complying with Philippine Government procurement law, and provinces have formulated and implemented multi-year human resource management and development plans to support local road service delivery. By the end of the program the Philippine Government had reached a point where they were successfully taking these reforms forward at the local level, and the new infrastructure connectivity program will pick up elements of the program where Australia can continue to provide a comparative advantage in this sector.

Australia is a long-term and trusted partner for the Philippines Department of Education (DepED) and our work in the education sector is Australia's response to a direct request from the Philippine Government to implement their education development goals. The student population of the Philippines now stands at 21 million. The comprehensive education of these students will be a core foundation for the continued economic growth trajectory of the Philippines. DepEd acknowledges that a well-educated population is required to sustain the workforce of the future as the Philippine economy becomes increasingly driven by the services sector. Our support has contributed to improved learning quality, increased access to basic education, and better governance and service delivery, while supporting links between school education and industry. The **Basic Education Sector Transformation Program (BEST)** adopts an integrated systems approach to improve capacity of government administration, teacher education, classroom pedagogy, and education facilities. In 2015-16 BEST has delivered the following results:

- 22 policies developed with BEST technical support for teacher development, national classroom systems assessments, indigenous people's education and senior high school. These policies allowed DepEd to initiate and sustain major reforms in K-12 and to fast track the implementation of priority programs. Although Australia's support has been aimed at the national policy level, the impact will be widely felt throughout the country as the new K-12 system is rolled out and embedded.
- Delivered capacity building activities on the new curriculum, indigenous education, leadership, management and information and communication technology. This was provided to 2,112 teachers, more than half of whom were female.
- 87 classrooms were built in Bicol, the Visayas, the National Capital Region and Davao Region, contributing to more conducive learning environments by reducing overcrowding for 3,915 students and making good progress against the overall program target for classroom construction.

There is a critical shortage of infrastructure in the Philippines, which constrains growth and poverty reduction efforts. The Philippines Government is aiming to increase annual infrastructure spending to seven percent of the country's Gross Domestic Product. A key strategy to achieve this goal is through the **Public Private Partnership program (PPP)** for infrastructure projects. Australia's grant funding through the Asian Development Bank (and co-funded by Canada) for the PPP program is helping to create an environment that enables the government to harness more private sector finance, and to use that finance more effectively to deliver infrastructure in roads, rail, and ports.

- In 2015-16, PPP program continued its momentum and remained on track. Two projects worth USD631 million were awarded following open and competitive bidding processes, bringing the total number of awarded projects to 12 by 30 June 2016, with another 14 undergoing procurement in the reporting period. This fully achieves the performance benchmark for 2015-16. This achievement demonstrates the effectiveness of Australia's technical assistance in setting up the policy framework and institutional capacity to get PPP projects to the market, and of the transaction advisers funded by Australia helping the government to package technically sound and commercially viable projects.

Social protection is a key mechanism through which the Philippine Government reduces poverty and is a core component of the country's strategy for inclusive growth. The Philippine Department of Social Welfare and Development (DSWD) is leading the implementation of the **Philippine Government's social protection reform agenda** through three flagship programs: the **Conditional Cash Transfer (CCT)**, the **National Community Driven Development Program (NCDDP)** and the **Sustainable Livelihood Program (SLP)**. Beneficiaries use the

cash grants for a range of purposes, including buying necessities such as food and medicine and accumulating capital to start a small household business. These investments, in turn, spur economic activities in recipient communities. Through our technical support to this program, and in direct partnership with DSWD and the World Bank, Australia is assisting DSWD to improve these programs by developing and strengthening operational systems such as poverty targeting, payments, compliance and grievance monitoring. We support the Philippine Government to expand coverage of these programs to vulnerable groups, and to better facilitate employment and livelihood outcomes for beneficiaries.

- In 2015-16, Australia's technical assistance contributed to the continued enhancement of poverty targeting and CCT operational systems. The Philippine Government reported in 2016 that the program has lifted 1.5 million households out of poverty since 2012. The construction of classrooms and day-care centres through DSWD is set to surpass its target of 468 to complete 603 units.
- Australia worked with DSWD to make the CCT program better targeted towards vulnerable groups: indigenous peoples and disabled peoples organisations are now regularly consulted in DSWD's CCT and Sustainable Livelihood Program, and in the construction of classrooms

The Philippine Government pushed for major government programs to undertake rigorous evaluations to ensure they are delivering economic benefits to the poor. Australia funded the **Philippines Research Initiative** at the request of the Philippine Government. The aims of the initiative are to sustain and deepen efforts to improve the effectiveness of how the Philippines spends its own money through: generation of high-quality evidence on key development issues in the country; support for impact evaluations of selected priority development investments; and building local capacity to undertake, communicate, advocate for, and use research for development. The initiative has achieved some good quality intermediate outcomes, demonstrating the investment is on track.

- In 2015-16 the program has had active involvement and strong support of the relevant Ministers in the roll out of studies. It served as a catalyst for the planning agency to create a national evaluation framework and secured budget funding for more impact evaluations for non-partner Departments. This directly supports the Philippine Government's agenda for major government programs to undertake rigorous evaluations to ensure they are delivering economic benefits to the poor.

In recognition of Australia's best practice preparedness to deploy its in-country prepositioned relief supplies, Australia was the only bilateral partner requested by the Philippine Government to support its **humanitarian response** after Typhoons Melor (Nona) and Koppu (Lando) in the last quarter of 2015. Australia also helped the Philippine Government to promote economic resilience in Metropolitan Manila by producing the first Earthquake Map Atlas. The Atlas now guides infrastructure investments and emergency plans for the public and private sectors. By organising and training emergency responders, setting up an early warning system, and preparing emergency and evacuation plans, Australia helped informal settler communities in Metro Manila better prepare for disasters. The success of these interventions was evidenced with reduced average casualty numbers in recent disasters. In 2015-16, the initiative has delivered the following key results:

- Climate adaptation efforts of the Philippines through the Australian Government-supported **Project Climate Twin Phoenix/RAPID Program** was featured by the UN Office for Disaster Risk Reduction as global best practice on risk and vulnerability assessment.
- Emergency relief assistance (food, tarpaulins, family kits, hygiene/dignity kits, sexual and reproductive health kits) benefitted around 34,000 people (9,700 women) affected by typhoons.

In 2015-16, we completed our health program: **Support for UN Maternal and Neonatal Mortality Reduction**. Since 2010, Australia has helped to build the capacity of the Philippines Department of Health to develop systems for maternal and neonatal health care. Our support contributed to the passage and implementation of instrumental policies, in particular the Reproductive Health law and Department of Health Policy for midwives to reduce morbidity and mortality. Australia's support to Essential Intra-Partum and Newborn Care (EINC) was the most successful activity of the program. EINC was adopted by the WHO Regional Office in 2012, and implemented in Lao, Cambodia and Thailand. It provided support to health care facilities in the Philippines to become capable to deliver basic emergency obstetric and newborn care through the provision

of essential drugs, equipment, manuals and education. It was even scaled up by the Philippines into facilities not covered by our program, including private hospitals.

- In our partner areas in 2015, results for indicators on access and utilisation of Intrapartum and Postpartum services continued to improve significantly. Facility-based deliveries increased from 86% in 2014 to 89% in 2015; live births attended by skilled birth attendants increased from 83.5% in 2014 to 88.9% in 2015; post-partum women who initiated breastfeeding within one hour after giving birth increased from 86.5% in 2014 to 91.5% in 2015; and contraceptive prevalence rate increased from 75.8% in 2014 to 77.7% in 2015.

In response to the Australian Government's heightened priority on gender outcomes in the aid program, through our partnership under the **Australia-World Bank Philippines Development Trust Fund**, the World Bank has undertaken to better understand the needs of female Moro Islamic Liberation Front ex-combatants under our peace and security investment by increasing their sample sizes in research and undertaking additional focus group discussions. Through our work in community driven development activities and 'bottom up budgeting', women's groups participated in identifying and managing priority poverty reduction projects funded by the Philippine Government. This process promotes women's empowerment through participatory decision-making within their communities.

Objective 2: Building stronger institutions for transparent and accountable governance

Rating: Green

This objective is rated green, and we have achieved all the performance benchmarks set for 2015-16. Good governance is essential to effective, efficient and competent public service. Through the **Human Resource Organisational Development Facility (HRODF)**, Australia is providing support to public sector partner organisations to address their human resource and organisational development needs. Core partner agencies (the Civil Service Commission, Department of Interior and Local Government, Department of Social Welfare and Development) have shown demonstrated improvements in organisational development.

HRODF is the only donor-funded program to support the Philippine Government's public service reform agenda and in 2015-16 it made major strides in ensuring that key government agencies have transparent, accountable and responsive human resource frameworks. Feedback from leaders in Philippine Government partner agencies indicates that adopting these frameworks has promoted merit-based hiring, better workforce planning and an improved ability to find the right skills to match civil service jobs. Widespread adoption of these frameworks demonstrates the significant value the Philippines government sees in our interventions, and is a foundational part of long-term and locally-driven reform. The following major results have been achieved in 2015-16:

- The Civil Service Commission, which oversees civil service reform, now has a fully developed human resource management framework for the entire bureaucracy. They have re-established credibility for the agency and their authority to lend support to government departments.
- Australia facilitated three partnerships between Philippine and Australian academic institutions for research collaboration, faculty and student exchanges, and delivery of joint degrees. The partnerships strengthen the quality of programs offered by Philippines universities and increased the visibility of Australian institutions, reaffirming our status as a world leader in higher education.
- In 2015, 120 scholarships were awarded to Filipinos to study in Australia including 79 women. 52 people from Mindanao were provided in-country scholarships in the Philippines. Participants included 30 women.

Supporting Public Financial Management (PFM) reform remains a priority for our aid investment in the Philippines because development of a sound PFM system is an important element in a stable government and provides the foundation for continued economic growth. The **Public Financial Management Program (PFMP) Phase 2** is supporting the Philippine Government to implement its governance reform agenda improve the efficiency, accountability and transparency of public fund use in the Philippines. Implementation of cash management reforms designed by PFMP helped the Government deliver savings of around AUD22million in 2015. PFMP assisted with the adoption of a revised budget preparation process that focuses

better on spending priorities, and the implementation of a Budget Cycle Analytics system, which integrates data from the Department of Budget and Management's various systems to provide more useful information for decision-making. Overall, the Philippines' improved Public Expenditure and Financial Accountability assessment (PEFA) scores for 2016 – in particular in relation to management of its budget – directly reflects the success of this activity.

The **Coalitions for Change program** is designed to form coalitions among civil society, the private sector and government to create platforms for dialogue to influence public policy that is crucial to achieving the development and economic goals of the Australian and Philippine Governments. The most significant achievement of the program during this period was the passage of the Electoral Service Reform Act in April 2016, which has made election service voluntary for teachers potentially reducing the degree of politicisation in public education – a significant result for education quality. Coalitions for Change has also:

- Nearly doubled the total additional funding that local governments and private sector companies provided to support local senior high schools (SHS), from AUD46 million in 2014 to AUD85.7 million in 2015. Ten additional local governments joined the coalition and committed to working with the private sector to improve the quality of SHS and advance the K-12 education reform agenda.
- Leveraged an additional AUD144 million funding for road networks from 2015 to 2016, through continued work with the local Chambers of Commerce and national and provincial agencies to reduce fragmentation in infrastructure planning and budgeting.
- Influenced a 150 percent increase in the number (from 2,000 to 5,000) of polling places accessible to persons with disabilities during the May 2016 elections through the Fully Abled Nation coalition.
- Helped the Department of Education deal with land acquisition, a major constraint to building more classrooms. As a result of a new policy the number of titles awarded soared from a four in 2014 to 2,053 in 2015.

Not all reforms taken by the Coalitions for Change program during this period were successful. For example, the program is still unable to help to pass the bill that could have improved the regulatory environment for public-private partnerships. It was also not able to push for needed amendments to the Disaster Risk Reduction law. Many of these failures can be attributed to challenges around poor technical solutions or an unfeasible political climate, which provides us with valuable lessons learned.

Our work in our partnership with The Asia Foundation (TAF) has progressed significantly. A gender specialist was engaged to assist reform teams for the Coalitions for Change program and the Philippines-Australia Community Assistance Program-Direct Aid Program teams. TAF has also reviewed and updated its contracting documents and reporting templates to include gender responsive commitments.

Australia launched an AUD2 million **Child Protection Program** in November 2015 to protect Filipino children from online sexual abuse and exploitation. In support of this activity, partnerships were formed among Australian businesses, the Australian Federal Police, UNICEF, and TAF.

Objective 3: Improving conditions for peace and stability

Rating: Green

Australia's support under the **Building Autonomous and Stable Institutions and Communities in the Bangsamoro (BASIC Bangsamoro) program** helped improve institutional capacity to implement the peace agreement, ensure the peace agreement is more credible, and strengthen local mechanisms for mitigating conflict. While the debate over the draft legislation, the Bangsamoro Basic Law, did not result in a final agreement, it helped establish the key issues and barriers to progress for both sides and thus forms the basis for ongoing dialogue between the MILF and the new administration and congress. In 2015-16 Australia provided support for representatives from Mindanao's private sector, linking them with local government units in Muslim Mindanao to build confidence in the peace process despite the difficulties in passing the law. The program also linked local partners and networks with national security agencies on issues of community security and strengthening local conflict resolution mechanisms.

The women, peace and security agenda is a priority of Australia's work in Mindanao. Our program provides support to address issues affecting women and men during and after conflict, including helping women participate in peace processes, ensuring their needs for protection are met and incorporating gender perspectives in program delivery. Australia has provided capacity building for women at the community level and connected them with other women's groups to build advocacy and information sharing networks. Women leaders who received training have increased capacity, knowledge and skills for political participation in the Bangsamoro political entity, with many running for public office in the May 2016 elections.

Australia's funding for the **World Bank-administered multi-donor Mindanao Trust Fund** has provided essential services, such as water supply systems, and support for livelihoods in conflict-affected communities, including in internally displaced persons camps. This support, developed in consultation with communities and delivered by trusted counterparts, has helped demonstrate the practical benefits of remaining engaged in the peace process. It has also engaged the agencies of the future Bangsamoro in service delivery functions and developed their capacity to responsibly govern the new political entity once it is established. Our funding through the UNDP and World Bank has supported the delivery of critical elements of the peace agreement. This included support for the production of the Transitional Justice and Reconciliation Commission report and the conduct of community dialogues in 11 MILF camps and communities.

The **Basic Education Assistance in Muslim Mindanao (BEAM-ARMM) program** is making good progress in improving access to education for targeted beneficiaries, teacher training, and data systems improvement. The program also contributed to the creation of a climate for peace: this year saw a marked improvement in collaboration through BEAM-ARMM between parties to the peace process. This cooperation between stakeholders through joint meetings and policy discussion sets a good tone for the final year of BEAM-ARMM as we move towards implementation of the successor program which will rest on even stronger collaboration in the education policy space. In 2015-16, the program:

- enabled 76,000 children who previously had no access to education to be in school. This includes more than 2,500 indigenous children in ARMM. We also provided training to 2,420 teachers.
- ensured through the vocational education and training component that women filled 25 percent of places in traditionally male-dominated courses including agricultural crop production, masonry, security services and plumbing.
- trained 1,466 women teachers and community leaders (out of 2,134 participants) through the basic education component on how to supervise classroom construction in their communities. Anecdotal evidence from our partners in ARMM suggests that this has led to greater levels of active civic engagement by these women.

These programs are designed to respond to changes in the local context, both in Muslim Mindanao and at the national level. As the new Philippines administration is established, our programs will be able to adapt to address emerging priorities and policies and help ensure that the trajectory towards a durable peace is maintained.

PERFORMANCE BENCHMARKS

In 2015-16 the Philippines Program has fully achieved six of the nine performance benchmarks outlined in the current Philippines Aid Investment Plan. Annex B outlines the progress towards the performance benchmarks. As outlined under Objective 1, two economic growth performance benchmarks were partially achieved. The design of the Trade and Inclusive Economic Growth Facility required more time as Post expanded from the Aid-for-Trade Facility design to include assistance related to economic reform, inclusive growth and organisational development assistance. This will allow Australia to provide better and more integrated solutions to address the economic problems faced by the Philippines. The concept for a new Trade and Inclusive Economic Growth Facility was agreed by DFAT's Aid Investment Committee in June 2016 and the facility will commence operations in mid-2017. The design of the Infrastructure and Connectivity

Program was delayed due to difficulty in identifying a suitable design team and the additional time required to adjust the design to meet the new Philippine Government's objectives.

The third partially achieved benchmark under Objective 1 relates to the Unified Management System of the Philippine Department of Education. The system design has been drafted, but still awaits approval from the Philippine Government. A standalone system has been implemented, pending integration of this system.

MUTUAL OBLIGATIONS

The Philippine Development Plan 2011-2016 is the Philippine Government's framework for inclusive growth and the anchor for the bilateral development agreement between the Philippines and Australia. In 2012 the Philippines and Australia signed a Statement of Commitment for the Australia-Philippines Development Cooperation Strategy 2012-2017. The Philippine Government has made good progress under these commitments, and future APPRs will report against updated mutual obligations as relevant to the new Philippine Government administration:

Philippine Government commitments	Progress
Increase public expenditures, through the General Appropriations Act, in basic education and support to local government units through performance-based mechanisms	The Philippine Government has increased the education budget year on year: 2011 - PHP207.5 billion, 2012 - PHP238.4 billion, 2013 - PHP292.2 billion, 2014 - PHP307.9 billion, and 2015 - PHP377.7 billion. In 2016 PHP435.9 billion has been allocated – making the Department of Education's budget the largest of all government departments and agencies. The Department of the Interior and Local Government implemented the Performance Challenge Fund, a merit-based program that incentivizes transparency, accountability and good local governance. LGUs awarded the Seal of Good Local Governance receive cash grants. In CY2015, 254 LGUs were awarded a total of PHP 982 million from the PCF.
Accelerate implementation of the basic education reform agenda	The K-12 program was approved in 2012 through the Enhanced Basic Education Act. The new K-12 curriculum has been completed and is being implemented in 11 grade levels (Kinder-Grade 5 and Grades 7-11).
Continue investing in human resource management and development for all levels of government bureaucracy to improve service delivery and public sector accountability, including enhancing capacities of local government units to ensure greater transparency, efficiency, effectiveness and accessibility in the delivery of devolved services to constituents	The Civil Service Commission (CSC) is implementing the ISO 9001:2008 (2016-18) Certified Program to Institutionalise Meritocracy and Excellence in Human Resource Management. The CSC has also been certified by <i>Investors In People</i> , an international quality standard accrediting agency for excellence in people management. The Commission on Audit issued a circular to all local government units (LGUs) on the Accounting and Reporting Guidelines on Local Road Asset Management System. This provides a more transparent and accountable system of recording roads as assets that will guide provinces, cities and municipalities in local road network investment programming and budgeting.
Ensure sufficient resources for the implementation of the national slum upgrading strategy, and the PFM reform roadmap	By 2015, 46,077 units (of which 25,049 units in-city are occupied) were completed. The implementation of the shelter program was affected by the change in DILG leadership. GPH has committed a total of 11 long-term flood control projects in Metro Manila from 2016-2026 valued at AUD10 billion under GPH and ODA funding. To date, GPH has spent AUD886 million for implementing (at various stages) the 11 flood control projects. GPH has committed PHP500m to the implementation of the Budget and Treasury Management System under the PFM Reform Roadmap. The Philippine Department of Budget and Management has entered into a contract to deliver this system.
Curb corruption to ensure that resources are effectively and efficiently used for the delivery of public goods and services	President Duterte signed an Executive Order on Freedom of Information (FOI EO) reflecting his administration's commitment to the anti-corruption agenda; ongoing reforms such as the Unified Account Code Structure and the implementation of the Budget and Treasury Management System will help to improve the transparency of financial information. As a member of the Open Government Partnerships, GPH fiscal transparency commitments have become best practice and information is now readily available to the public. The Government launched web portals such as

	openpub.gov.ph and openroads.gov.ph to allow the public to track and monitor projects online.
Strengthen mechanisms to further boost citizen's access to information and boost the quality of their participation in local governance	The FOI EO also assists to increase citizens' participation in development planning processes, the Government continued to implement the Bottom-up Budgeting (BUB) program, and increased its funding from PHP 20.9 billion in CY2015 to PHP 24.7 billion in CY2016. Through the BUB process, discretionary selection and budget allocation of projects in the communities were reduced and empowered more CSOs to participate through active monitoring of projects.
Work towards building safer and disaster-resilient communities	The Government of the Philippines has committed to the AUD5 billion reconstruction budget of Typhoon Haiyan affected areas. An amendatory bill to the DRRM Act has been endorsed to the National Disaster Risk Reduction Management Council (NDRRMC) for approval. GPH is continuing to build infrastructure to help bolster economic activity in areas affected by Haiyan, with education and health services restored with better climate-resilient facilities. A total of AUD3.2 billion was released in 2015 with the remaining AUD1.8 billion to be disbursed in 2016.
Exert all efforts to win peace and ensure national security through negotiated political settlements of all armed conflict and implementation of complementary development tracks to address the causes of conflict	The peace process with the MILF remains a major priority for the government. The Philippine Government has released a comprehensive peace roadmap that provides for the inclusion of a wide range of stakeholders in Muslim Mindanao, a focus on development in conflict-affected communities and commits to addressing historical injustices. President Duterte highlighted in his 2016 State of the Nation Address (SONA) that peace and justice in Mindanao is one of his top priorities.

PROGRAM QUALITY AND PARTNER PERFORMANCE

In September 2015, the Philippines Program launched a new Aid Investment Plan for 2015-16 to 2017-18. During the reporting period, all our investments were rated either good or adequate against the aid quality checks effectiveness and efficiency criteria. The election in the Philippines and expected changes to our programs meant that the Performance Assessment Framework was out of date and the program relied more heavily on the Aid Investment Plan and performance benchmarks to guide our progress monitoring.

Over the reporting period further progress was made to consolidate the program. The ongoing design of the new Trade and Inclusive Economic Growth Facility is consolidating several streams of work, which will increase efficiency in program implementation and reduce the overall number of investments DFAT will manage. It also gives us an opportunity to trial innovative program delivery methods with a mix of delivery modalities. Our health investment ended in 2015-16, further ensuring we have a reduced number of investments to manage going forward.

Several contract extensions were completed in the reporting period. This was a result of delays in program design and the time required to bridge the period of election campaigning and transition between Philippine Government administrations. We now have to allow time for the new administration to bed down detailed priorities before we can finalise the forward work program – this is appropriate and a critical priority for the aid program in 2016-17.

GENDER

In 2015-16, over 90 per cent of our investments were rated as performing satisfactorily on gender, a great improvement on 72 per cent in 2014-15. Our investments have improved awareness of the importance of gender equality amongst our partners, especially in programs that did not originally intend for improved gender outcomes to be a focus of the program. Management tools were harnessed to better track progress on gender outcomes in underperforming programs over the reporting period. This issue was elevated to be part of the monthly Aid Management Team meetings, providing a forum where good practice and program achievements could be shared across sectors, progress throughout the year could be closely monitored, and any programs that were not performing satisfactorily on gender could be flagged early.

The next step for the Philippines Program will be to advance from heightened awareness of gender in our programs to working to deepen development outcomes for women. We will continue work to do this in our programs that have gender equality as a primary objective, and will look to where short term gains can be achieved in investments that have not had gender equality designated as a program objective. This is especially relevant for our economic governance portfolio.

Given the Philippines Program has seen quite a lot of design work over the reporting period, it is a positive result that programs are better positioned to address gender equality in the coming year. This is possible because of efforts to ensure new designs respond to gender equality gaps and identify opportunities to further promote quality and women's empowerment, and this approach will continue for new designs going forward.

- The Investing in Women Initiative (IWI) has made progress in Manila in the past year. Program mobilisation preparations were completed, and the start of the IWI will provide important opportunities for our economic growth investments to learn from and leverage off a range of activities to raise attention to the importance of gender equality in this sector. IWI will need to influence and connect with our economic growth sector partners to bring coalition building to bear on creating greater institutional support for meaningful outcomes.
- In the Philippines Research Initiative, one of our partners (3IE) has taken on a new core responsibility of guiding researchers in the formulation of gender sensitive research questions. This is critical to ensuring gender is properly considered in the design of impact evaluation studies and that gender outcomes are captured and reported.

ANALYSIS OF AID QUALITY CHECKS (AQCS)

In this reporting period, the Philippines program has completed 11 AQCs and two Final AQCs. A summary of the AQCs and FAQCs including ratings for each investment is at Annex D. The overall performance of our investments in 2015-16 was good, with no investment rated below satisfactory under effectiveness and efficient of the AQC criteria. Ratings against the seven criteria for the 13 investments were all above satisfactory with the exception of two investments against the monitoring and evaluation.

The Philippines Research Initiative (INJ168) was rated "Requiring Improvement" in the 2014-15 reporting period. In 2015-16, the value of the investment was reduced and the initiative management arrangement was restructured to improve efficiency. DFAT Manila has engaged closely with our counterparts and the contractor to ensure implementation of the impact evaluation studies are on track. We continued to support our counterparts in advocacy for effective policy making through evidence-based research. The performance of this initiative has improved over the reporting period, with all elements of the AQC criteria rated satisfactory, except against monitoring and evaluation. While the initiative has monitoring and evaluation plans at each individual study level, there is a need to develop an overarching monitoring and evaluation framework to report on how the outcome of each impact evaluation/study contributes to the higher level goals of this investment. This will be a focus for 2016-17.

The AQC monitoring and evaluation criterion for the Australia-World Bank Philippines Development Trust Fund (INI632) was also rated less than satisfactory. The monitoring and evaluation management response from last year has been partially completed: a draft monitoring and evaluation framework was submitted to DFAT from the World Bank but is not yet agreed. The World Bank's own monitoring and evaluation frameworks are focused at the activity level for grant monitoring so it is often not possible to agree on a comprehensive overarching monitoring and evaluation framework for trust funds. DFAT will continue to work with the World Bank to better capture monitoring and evaluation information – including gender outcomes – and will ensure that the empowerment of women and girls is considered at the project concept stage so it can be better monitored throughout the life of activities. DFAT has also had difficulties in tracking up-to-date and detailed expenditure and progress reporting through existing World Bank reporting mechanisms, but this is being rectified through close coordination and communication between the DFAT and the Bank teams.

PERFORMANCE OF KEY DELIVERY PARTNERS

DFAT has continued regular dialogue and close engagement with the Philippine Government to ensure alignment of our priorities. The Philippines Program also works with multilateral organisations, non-government organisations and managing contractors. All of our partners provide critical technical, analytical and managerial expertise.

In 2015-16, 18 Partner Performance Assessments were conducted for 14 delivery partners. Results indicate that our partners are providing effective program support and that DFAT is achieving value for money in these partnerships. Extensive work with the World Bank during the reporting period has yielded good results in clarification and consolidation of our relationships in a very complex trust fund. We now have a good foundation on which to move forward with the World Bank as we finalise discussions on how to improve monitoring and evaluation and how to better harness opportunities to empower women and girls in our activities.

Only one partner was assessed less than satisfactory. This was in a grant agreement administered by UNICEF: Education for Children in Areas Affected by Armed Conflict, as part of the Basic Education Assistance for the Autonomous Regional of Muslim Mindanao program. The underperformance was mainly due to the fact that UNICEF was not able to adequately support the partner government agency to implement activities. DFAT has sought increased direct involvement by UNICEF's Field Office and has been consistently pushing UNICEF to develop and implement strong management strategies in the coming final year of the program.

The Asia Foundation's significant improvements in its programming for gender equality should be acknowledged. Its response to DFAT's push for this has been an important consideration for how we work politically through the Coalitions for Change program.

Overall, our relationships with our delivery partners are productive – partners are responsive to DFAT requests and when we have required program improvements we have been able to work together to achieve this. This is especially relevant for the Philippines Program's escalated response to increasing programming for gender equality. Challenges associated with changes in staffing, decreases in budgets and the lack of alignment between DFAT and partner organisation systems have been address constructively with positive program results.

RISKS

Table 3 Management of Key Risks to Achieving Objectives

Key risks	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?	For emerging/ongoing risks provide a Risk Rating (low, medium, high, very high)
Complex operating environment, active conflict setting, and presence of unlawful groups sees program funds unintentionally directed towards entities/individuals with links to unlawful activity.	Contractual obligations for Managing Contractors require compliance with Commonwealth Procurement Guidelines, including screening entities and individuals through publically available databases.	Manila post will implement additional screening measures on a quarterly basis.	Medium
Procurement pipeline for the Philippines Program - at least four substantial procurements are expected in 2016-17	Program extensions were put in place to mitigate the risk of programs losing momentum during the 2016 election and transition between Philippine Government administrations.	Program concepts and designs will be completed according to agreed timelines, and procurement will be staggered to allow the market adequate time to respond to all opportunities.	Medium

Consolidation of our program risks loss of direct relationships or does not lead to more effective or efficient program delivery		More DFAT staff time to be dedicated to relationship building; active partnerships maintained with contractors to ensure DFAT staff can manage strategically.	Medium
Changes in key staff in counterpart agencies and delays associated with the new administration settling in see programs lose momentum while new relationships are built.	Close communication with counterparts at the Secretary and working level was maintained in the lead up to the election.	Maintain working relationships throughout transition period and be prepared to communicate clearly around Australia's comparative advantage for support to the new government's goals; be flexible in response to new requests for assistance.	Medium
Natural disasters impact Post operations or program implementation.	Business continuity planning in place; programs operating in disaster risk areas (such as infrastructure) have risk mitigation measures in place.		Medium

MANAGEMENT RESPONSES

A summary of progress on management responses is in the table in Annex A. In 2016-17 a number of new priorities will guide our management response to this APPR. Once the new Philippine Government administration has settled in and priorities are confirmed, DFAT will work with the government to ensure our Aid Investment Plan is well aligned with the development goals of the Philippine Government. It is expected that the Philippines will have the next Filipino Development Plan for 2016-2022 in place by early 2017, and this will provide us with a clear strategy against which we can align our program. This will include updated mutual obligations from the Philippine Government, in the context of finalising the Plan of Action under the Comprehensive Partnership.

Development of new performance benchmarks and any required adjustments for the longer term Aid Investment Plan will follow on from the new Filipino Development Plan. We will ensure these benchmarks remain relevant to our program as it is reshaped. A new Performance Assessment Framework, including interim indicators for 2016-17, will be developed to ensure we are measuring the most relevant program outcomes.

To guide the direction of our aid investment in Mindanao, we will undertake a strategic review of our peace and stability initiatives to ensure that they align with the priorities of the new Philippine administration. Our peace and stability investments will remain flexible, to allow the program to adapt to shifts in the operating environment.

To improve our performance on gender, we will develop a gender and social inclusion action plan for the Philippines Program. This plan will consider opportunities to help empower women and other vulnerable communities in the Philippines, across all investments in the program including those related to economic growth.

ANNEX A - PROGRESS IN ADDRESSING MANAGEMENT RESPONSES

Management responses identified in 2014-15 APPR	Rating	Progress made in 2015-16
Improve performance on gender equality	Achieved	There have been marked improvements to our program in this area. All aspects of the 2014-15 management response in this area have been achieved. Further work in this area for 2016-17 has been outlined in the report above.
Ensure aid investments remain relevant to the development priorities of the Philippines in view of the changing of administration.	Achieved	DFAT's investments have remained consistent with the development priorities articulated by both the outgoing and the incoming Philippine administrations. We have managed a number of program extensions to ensure continuity across the transition, and early signs from the new Philippine Government indicate our program is already well aligned with the next development mandate. We are ready to review our entire portfolio in late 2016/early 2017 to ensure we are properly aligned once Philippine Government priorities are confirmed, and we expect some changes will need to be made in our programs working on peace and stability.
Improve investments relate to economic growth	Partially Achieved	The program has experienced delays in completing the designs for the new aid for trade and economic growth programs. Progress on these has been detailed in the report.

Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

ANNEX B - PROGRESS TOWARDS PERFORMANCE BENCHMARKS IN 2015-16

Aid objective	2015-16 benchmark	Rating	Progress in 2015-16
Aid Objective 1			
Improved regulatory environment for international business and increases in trade flows	New aid-for-trade facility designed	Partially Achieved	The Philippines Program has expanded the facility's coverage to include assistance related to economic reform, inclusive growth and organisational development assistance. This will allow Australia to provide better and more integrated solutions to address the economic challenges faced by the Philippines. The concept for a new Trade and Inclusive Economic Growth Facility was agreed by DFAT's Aid Investment Committee in June 2016 and the facility will commence operations in mid-2017.
Improved Philippines Government infrastructure planning aligned with economic needs	New infrastructure and connectivity program designed	Partially Achieved	The design for the new program is underway. The proposed design is being adjusted to meet the new administration's objectives, and implementation is expected to commence in mid-2017.
Department of Education is using Unified Management System for effective and efficient service delivery	Department of Education has completed design of the Unified Management System	Partially Achieved	The system design has been drafted, but is awaiting approval from the Philippine Government. A standalone system has been implemented, pending integration of this system.
Improve Philippines Government capacity to promote, develop and implement Public Partnerships (PPP) projects	14 PPP projects competitively tendered	Achieved	This benchmark has been exceeded, with 26 projects tendered and 12 projects awarded by July 2016.
Aid Objective 2			
Philippines Government agencies apply more transparent and accountable governance arrangements and transformative policy reforms achieved in key target sectors	Three Philippines Government agencies have human resource development plans in place	Achieved	Seven agencies have HRD plans in place: the Civil Service Commission; Department of Interior and Local Government (DILG); Department of Environment and Natural Resources; Provincial Govt of Aklan; Provincial Govt of Lanao del Norte; Provincial Govt of Davao del Norte; National Mapping and Resource Information Authority (NAMRIA)
	Three partnerships between Philippine and Australian academic institutions are facilitated	Achieved	Facilitated three partnerships between Philippine and Australian academic institutions for research collaboration, faculty and student exchanges, and delivery of joint degrees. <ul style="list-style-type: none"> - De La Salle University (DLSU) and University of Newcastle (UoN); - University of Santo Tomas (UST) and Curtin University (CU); and - De La Salle University (DLSU) and Australian National University (ANU)
	60 Australia Awards provided to Filipino students	Achieved	60 scholars have been confirmed as at July 2016, with a further 49 pending approval in mid-late 2016.

Aid objective	2015-16 benchmark	Rating	Progress in 2015-16
<p>Aid Objective 3</p> <p>Number of women actively participating in peace building</p>	1,000 women community leaders participate in public consultations	Achieved	3,231 women leaders participated in public consultations.
Number of children enrolled in pre-school and elementary grades from disadvantages communities	25,000 additional children enrolled in targeted schools	Achieved	More than 37,000 additional children were enrolled, 18,241 of them were girls and 214 were children with a disability, as reported in special education classes supported by Basic Education Assistance for ARMM.

Note:

- **Achieved.** Significant progress has been made and the performance benchmark was achieved
- **Partly achieved.** Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- **Not achieved.** Progress towards the performance benchmark has been significantly below expectations

ANNEX C - EVALUATION PLANNING

List of evaluations completed in the reporting period

Investment number and name	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INI171 Provincial Road Management Facility (PRMF)	Independent Final External Review of PRMF	7 April 2016	August 2016	August 2016	The Independent Final External Review is an Annex to the Final Completion Report of PRMF. Publication of the report is expected in late 2016.

List of program prioritised evaluations planned for the next 12 months

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
Disaster and Climate Risks Management	ING581				
i) GMMMA READY Project completion and terminal evaluation	11A082	June 2016	September 2016	Demonstrate results and document lessons learned	Partner-led
ii) RAPID Program/Project Climate Twin Phoenix mid-term evaluation	62001	October 2016	December 2016	Verify performance; improve existing investment	Partner-led
Mid-term/Strategic Review for the BASIC Bangsamoro Program	INL343; 14A222	September 2016		Verify performance; improve existing investment	DFAT-led
Scholarships	INI294	August 2016	October 2016	To inform the new design	DFAT-led

ANNEX D - AID QUALITY CHECK RATINGS

AQC RATINGS

AQC investment performance over the previous 12 months and where available last year's AQC ratings are included.

Investment name	Approved budget and duration	Year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
INI294 - Human Resource Organisational	AUD48,378,054.39 23/03/09 - 30/06/19	2015-16	5	5	5	5	5	5	5
		2014-15	6	6	6	6	5	6	5
INI428 - Philippines Social Protection	AUD27,791,190.21 3/02/09 - 30/06/17	2015-16	5	5	5	4	5	4	5
		2014-15	6	5	5	4	5	4	5
INJ168 - Philippines Research Initiative	AUD5,844,267.74 1/01/10 - 30/06/19	2015-16	5	4	4	3	4	4	5
		2014-15	3	3	3	3	3	3	3
INJ223 - Basic Education Sector Transformation (BEST) Program	AUD157,465,811.48 1/07/10 - 30/06/19	2015-16	6	5	5	4	5	5	5
		2014-15	6	5	5	5	5	5	5
INJ766 - Strengthening Public Private Partnership Program	AUD41,074,557.68 22/03/11 - 31/06/17	2015-16	6	5	5	5	5	4	5
		2014-15	6	6	5	5	5	4	5
ING581 - Philippines: Disaster and Climate Risks Management	AUD45,888,342.85 2/06/06 - 31/12/17	2015-16	6	5	4	4	5	5	4
		2014-15	6	4	4	4	6	4	5
INK078 - Public Financial Management Program Phase 2	AUD29,264,942.93 1/07/11 - 30/06/17	2015-16	5	5	4	5	4	4	5
		2014-15	5	5	4	5	4	3	5

INH947 - Basic Education Assistance for ARMM	AUD97,899,830.33 1/09/09 - 30/06/17	2015-16	5	4	4	5	5	4	6
		2014-15	6	4	4	4	4	4	5
INI632 - Australia-WB Philippines Development Trust Fund	AUD47,094,288.00 1/06/09 - 30/06/16	2015-16	5	4	4	3	4	4	4
		2014-15	4	4	4	3	4	3	4
INJ839 - The Asia Foundation Partnership Philippines	AUD33,920,000.92 1/07/11 - 30/06/17	2015-16	5	5	4	4	5	4	5
		2014-15	6	4	4	4	5	3	5
INL343 - Peacebuilding in Conflict-Affected Mindanao	AUD22,401,639.26 1/04/14 - 30/06/17	2015-16	5	5	5	5	5	4	5
		2014-15	5	5	5	5	5	5	5

FAQC RATINGS

Final AQC's assess performance over the lifetime of the investment (ratings are not compared to previous years).

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
INI171 - Provincial Road Management Facility (PRMF)	AUD83,794,259.28 1/09/09 - 30/06/16	5	5	4	5	5	5	5	5
INJ251 - UN Maternal and Neonatal Mortality Reduction	AUD20,085,457.31 30/05/10 - 30/06/16	5	5	5	4	5	5	5	5

Definitions of rating scale: Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas. 5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas. 1 = Very poor; does not satisfy criteria in many major areas.

¹ ADB Philippines: Economy, <http://www.adb.org/countries/philippines/economy>

² Philippine Statistics Authority, March 2016 <https://psa.gov.ph/content/poverty-incidence-among-filipinos-registered-263-first-semester-2015-psa>

³ Accessed July 2014 for the Investing in DRR Strategy for Manila Post: [http://www.emdat.be/result-country-profile?disgroup=natural&country=phl&period=1900\\$2014](http://www.emdat.be/result-country-profile?disgroup=natural&country=phl&period=1900$2014).

⁴ The previous year's aid investment objectives in the Philippines were partnering on education reforms; enhancing the foundations for sustained economic growth; promoting better disaster preparedness and response; improving conditions for peace and security; and building stronger institutions for accountable and inclusive governance. Rating for these objectives last year were all rated green. With the change of objectives in this year, the objective ratings for this year are not directly comparable with that for the previous year, the priorities covered by the objectives for both years are broadly comparable. The first three objectives from last year outlined above are now captured under the current AIP objective one of "enhancing the foundations for economic growth".