Aid Program Performance

Report 2017-18

Philippines

September 2018

Key Messages

This report summarises the performance of Australia’s development cooperation program in the Philippines from July 2017 to June 2018, assessed against the Philippines Aid Investment Plan (AIP) 2014-15 to 2017-18.

The AIP, now in its final year of implementation, has transitioned well from the Aquino to Duterte administrations as the overall guide to the current development program, but it is clear there is a need to update and refresh it given the evolving development context in the Philippines. The response to the crisis in Marawi City from May to October 2017, and the need to rebuild, along with the recent passage of the Bangsamoro Organic Law that will establish a new Bangsamoro political entity, highlight the importance of our efforts to improve development outcomes in Mindanao. A new country strategy and AIP are currently under development.

Australia was among the first to respond to the impact of the five-month long ISIS-influenced conflict in Marawi City, which left 360,000 displaced. We provided immediate assistance through pre-positioned humanitarian relief supplies with the Philippines Red Cross (PRC), World Food Programme (WFP) and United Nations Population Fund (UNFPA). Complementing this, $24 million was re-directed for humanitarian programs to support short-term and longer-term reconstruction and recovery activities for those displaced by the conflict, as well as bolstering our long-term investments in peace and stability, such as expanding our countering violent extremism activities.

Australia’s investments in the Philippines are delivering results. Key achievements in 2017-18 included:

* *Timely humanitarian assistance in response to the Marawi conflict, Typhoon Tembin and the eruption of Mount Mayon. Our Marawi response included social services assistance to more than 250,000 displaced people; provision of reproductive health kits, and anti-gender-based violence support and women-friendly spaces benefiting more than 17,000 women and girls; food assistance provided to 18,000 people for general rice distribution and up to 50,000 children receiving school meals.*
* *Australian-supported research, policy advocacy and technical support enabled the Philippine Department of Education (DepEd) to link Philippine Professional Standards for Teachers with the national Results-Based Performance Management System. This will help increase the quality of teaching as it ties teachers’ salary increments and promotions to performance against internationally-benchmarked quality standards.*
* *Strengthened Philippine Government capacity to promote, develop and implement public private projects focused on infrastructure – 17 projects were competitively tendered from a target of 15 in our Performance Assessment Framework (PAF, Annex E); and 15 projects were awarded from a target of 10.*
* *Contributed to analysis and policy dialogue on key areas of economic reform, including transfers for the poor, feeding in to passage of the landmark Tax Reform Acceleration and Inclusion Act in December 2017.*
* *Peace program and policy dialogues through NGO partners supported passage of the Bangsamoro Organic Law in Congress.*

Influencing the Philippines policy debate in areas of strategic interest was a key priority in 2017-18, but more can be done. For example, a recent evaluation of the national education program found that while implementing partners had produced high-quality research, this had not been utilised consistently to inform and influence policy.

Australia is a key advocate and pragmatic partner on gender equality in the Philippines. DFAT is committed to effectively applying gender-mainstreaming principles into all its operations, programs and practices. The Philippines Gender Action Plan (GAP) prepared in 2017 presents the foundations for a gender responsive program to 2022. We used the Plan both to leverage and capture more accurately how our aid to the Philippines is delivered in a gender-sensitive way, including for some of its highest priorities such as infrastructure and education. For example, all assessments of public-private partnerships that receive Australian technical assistance funding incorporate an assessment of gender related issues. Similarly, the Philippine Department of Education’s (DepEd’s) national Gender Responsive Basic Education policy was finalised with Australian support.

There were some challenges in the reporting period. The Philippine Government clarified its policy and required donor funds that provide direct government support be channelled through the Bureau of Treasury before allocation to intended line agencies. To comply with this policy, in June 2017, the Department of Social Welfare and Development (DSWD) transferred the DFAT funds it held to the Treasury. Unfortunately, it took almost one year for the administrative procedures to be in place for the funds to be returned to DSWD. This delayed implementation of our social protection and disaster response programs. It is the reason few activities could take place and is why our social protection program has been marked as an Investment Requiring Improvement (IRI) for 2017-18.

The Philippine Government decided not to proceed with the Trade, Inclusive Growth and Economic Reform Program at the final approval stage in late 2017, which left us unable to mobilise further support for competition policy, economic reform, and trade policy. However, work did continue through avenues such as our partnership with the World Bank and we are exploring ways to achieve our objectives through other mechanisms such as multi-lateral partnerships. The Marawi conflict in Mindanao occupied a significant amount of the Philippine Government’s time and resources and delayed implementation of some of our peace and stability activities in Mindanao.

These challenges have highlighted the importance of having programs that are flexible and responsive to partner government policy and operational changes.

Context

Sound macro-economic fundamentals, a large, English-speaking labour force and young population are all economic strengths for the Philippines. However, a high fertility rate constrains women’s workforce participation and is delaying the point at which the Philippines would enjoy a demographic dividend resulting from a larger than usual share of the population being of working age. Governance constraints and the pervasive role of patronage in society and the economy also distort the policy-making process and act as barriers to trade and investment.

The Philippines National Economic and Development Authority lists Australia as the fifth largest ODA donor (both loans and grants), and second to the USA in terms of bilateral grants. In 2017, the Philippine economy grew by 6.7 per cent and was one of the fastest growing economies in Asia, behind China (6.9 per cent) and Vietnam (6.8 per cent). Growth is expected to remain stable over the next few years, contingent on implementation of the Government’s infrastructure program and economic reforms. Despite recent gains in reducing poverty, however, 21.6 per cent of Filipinos still live below the national poverty line, with three-quarters living in rural areas and two-fifths located in Mindanao. Comparing the poverty rate in Metro Manila (3.9 per cent) with the poverty rate in the Autonomous Region of Muslim Mindanao (53.7 per cent) provides a clear illustration of this urban-rural and north-south divide. This highlights the need for more inclusive economic growth in the future if the Philippines is to match the poverty reduction efforts of its closest neighbours. Although Australia’s assistance represents only a small proportion of the Philippines national budget (approximately 0.2 percent in 2018-19), we seek to magnify the impact of our spending by working to help the Philippines deploy their own resources to greater effect.

The three years covered by the existing AIP mark a time of political change for the Philippines. For the first year (under the Aquino administration) the focus was on reform opportunity, policy influence for improved governance and systemic change – for example in support of improved and more transparent budgeting systems in the Philippine Government and implementation of the most significant education system reforms in decades. For the remaining two years of the AIP under the Duterte administration the key focus was on the southern Philippines as a result of the Marawi conflict and ongoing efforts to negotiate a lasting peace.

Infrastructure development remains a high priority as the Duterte administration’s ‘Build Build Build’ program continues to gain momentum. Flagship infrastructure projects are moving quickly through the government approval process and for some projects the Government is engaged in negotiations for Official Development Assistance (ODA) funding from bilateral and multilateral donors. Public Financial Management reforms continue to facilitate improved spending across government, with the Government planning to shift from obligation-based to cash-based appropriations starting in 2019.

In the aftermath of the Marawi conflict, the Philippines established a whole-of-government taskforce (Task Force *Bangon Marawi*) to lead recovery and reconstruction efforts in Marawi. However, progress has been slow for a range of reasons, including the clearance of unexploded ordnance in the city, a delayed procurement process for reconstruction and land title issues. At the time of publication, approximately 60,000 Marawi residents remain displaced, staying with host families or in evacuation centres, and will remain displaced for some time to come, with critical needs for protection, access to basic services, civil documentation, livelihoods and education.

The Philippines remains highly vulnerable to disasters and climate change. It is ranked third for disaster risk worldwide (World Risk Report 2017) and is the fifth-most affected country by climate change (Global Climate Risk Index 2017). The Philippines has made substantial progress in the science-base for multi-hazard and risk assessments, modelling and forecasting, rolling out early warning systems and contingency planning. The sub-national architecture, however, will take time to fully establish. Bridging the implementation gap at the local government level remains the “big prize” in the ongoing effort to make the Philippines more resilient to disasters and climate change.

The Philippines remains the most gender equal country in Asia in 2017. It is ranked 10th in the Global Gender gap report in 2017 according to the World Economic Forum (WEF)[[1]](#footnote-2). Although the Philippines fares well in terms of the reported number of women in managerial and executive positions and labour force participation, the work force remains relatively gender segregated with persistent wage differences between men and women for similar work done and formal workforce participation by women is still quite low.

2017 saw the Philippines Government continue implementation of its 12 Women’s Priority Legislative Agenda (WPLA) for the 17th Congress. The Congress approved the Sexual Orientation and Gender Identity or Expression Equality Bill, which is still being considered by the Senate. In 2017 President Duterte also issued Executive Order No. 12, instructing government to urgently meet unmet needs for modern family planning. This Executive Order was made in response to continued high fertility rates and unmet needs from adolescents, especially teen parents, for family planning and access to contraceptive services and commodities.

Expenditure

In 2017-18, Australia’s total ODA to the Philippines was $83.2 million, a slight increase over $81.8 million in 2016-17. The bilateral aid program managed by the Department of Foreign Affairs and Trade totalled $65 million, the remainder comprising regional and global programs and flows through other Australian Government departments. The AIP reflects continued engagement, despite challenges, to leverage change to promote development through its three objectives:

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

**Table 1 Total ODA Expenditure in FY 2017-18**

|  |  |  |
| --- | --- | --- |
| Objective | A$ million | % of total ODA |
| Objective 1: Enhancing the foundations for economic growth | 39.5 | 61 |
| Objective 2: Building stronger institutions for transparent and accountable governance | 5.7 | 9 |
| Objective 3: Improving conditions for peace and stability | 19.8 | 30 |
| Sub-Total Bilateral | 65.0 | 78% |
| *Regional and Global* | 13.5 | 16% |
| *Other Government Departments* | 4.7 | 6% |
| Total ODA Expenditure | 83.2 | 100 |

Progress towards AIP Objectives

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

|  |  |  |
| --- | --- | --- |
| Objective | Previous Rating | Current Rating |
| Objective 1: Enhancing the foundations for economic growth | Amber | Amber |
| Objective 2: Building stronger institutions for transparent and accountable governance | Green | Green |
| Objective 3: Improving conditions for peace and stability | Green | Green |

⬛  **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

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| Rating: Amber | | | | |
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This objective is rated Amber as key benchmarks were not achieved. Many of the lessons learned over the course of the AIP relate to this objective.

Through this objective Australia aims to help build the foundations for economic growth through targeted investments in infrastructure, aid for trade and education.  Through investing in social protection, we support the Philippine government’s efforts to ensure that growth is inclusive. Recent World Bank analysis suggests a quarter of the Philippines’ 3.6 per cent poverty reduction from 2012-2015 (latest figures available) can be attributed to the scaling-up of transfers and social protection programs. Our education investments are designed to lay the ground work for a better educated workforce and to promote higher participation in the formal labour market. Whilst there have been some setbacks in the achievement of this objective (detailed below), this will remain an important area of Australian assistance, particularly as the Philippines transitions to an advanced middle income country. Achieving gender equality results under this objective was challenging, but some investments performed well, particularly the regional Investing in Women initiative.

The **Trade and Inclusive Economic Growth Program (TIGER)** was designed under the previous administration, but was not endorsed by the current administration. We remain a committed partner and respect the decision of the Philippines not to go ahead with TIGER.

The Philippine Government’s direction on the hybrid Public Private Partnerships (PPP) model became clearer over the reporting period. Ensuring our investment remained effective and relevant, we adapted our approach to the **Strengthening Public Private Partnerships Program** whilst mitigating risks associated with PPP implementation. We also set up a new panel for probity advice, supporting the Government’s introduction of independent probity advice. We altered our program approach to technical assistance taking into account the Government’s preference for hybrid PPP arrangements and its openness to unsolicited bids from the private sector. Keeping PPPs relevant in this environment enables us to remain influential and to continue to support our objective to increase private sector investment in infrastructure and ensure better adherence to safeguard standards in infrastructure projects.

The **Australia-World Bank Philippines Development Trust Fund -** referred to as the Umbrella Trust Fund (UTF) - provided technical advice on tax reforms underpinning the Tax Reform Acceleration and Inclusion (TRAIN) Act, signed into law in December 2017. This work was complemented by efforts under the Coalitions for Change program (see Objective 2). The World Bank, with Australian funding support, strengthened the Philippines Competition Commission, supporting it to become fully operational to pursue its mandate on competition enforcement and advocacy. Regular technical support was provided to the Chair and Commissioners and staff were trained in a range of areas including energy policy, anti-cartel and anti-trust enforcement. The UTF completed a study of regulatory constraints, which is being used to inform the current drafting of a National Competition Policy. Competition is important because when a market is competitive, businesses will have greater incentives to lower prices, to improve the quality of their products and services, and to provide buyers with more options. Lower prices of goods and services will mean more purchasing power for Filipinos, which would, in turn, boost the economy and improve quality of life. The UTF provided the analytical groundwork for the Philippines Customs Bureau systems to support a proposed World Bank loan on customs modernisation. This included an assessment of the Bureau’s operations, information technology, infrastructure, processing and business systems with a view to improving efficiency, effectiveness and transparency. High-level officials from the Competition Commission and Department of Finance have publicly acknowledged the UTF’s work and Australian funding, noting it has strengthened the quality of policy decisions.

The **Social Protection Initiative** experienced implementation delays due to the inability of DSWD to access donor funds during the reporting period. This was due to the Philippine Government’s new policy requiring donor funds providing direct support to line agencies be channelled through the Bureau of Treasury. In response to this delay, the arrangement with DSWD was extended until December 2019 so that planned work can be completed. Other components of the social protection support through UNICEF and the World Bank progressed well. UNICEF completed a demand and supply analysis of indigenous people’s access to the modified conditional cash transfer program, and commenced pilot testing of a new management information system for the program. UNICEF also completed a situational analysis of children with disability with the next step being to design a program to assist relevant households. The World Bank supported the government to plan the technical and operational roll out of the Unconditional Cash Transfer program, and analysed the potential poverty impact of the taxation reform and transfer. The transfer was effected by the Philippine Government in early 2018. The World Bank also provided expertise to develop the new Social Protection Framework, and provided advice on implementation reform for social pensions, the sustainable livelihood program, and the national household targeting system*.*

The **Basic Education Sector Transformation (BEST) Program** made contributions to the Philippine DepEd’s organisational development and evidence-based planning at the national and regional levels. The Independent Progress Review conducted in 2017 found that BEST contributed significantly to improvements in teaching quality, learning resources and assessment tools, but as yet has not been able to demonstrate widespread classroom-level improvements in teaching and learning. As such, like the Social Protection Initiative, BEST is currently an IRI. Enhancing teaching quality in schools will be the main focus of the program in its final year. In 2017-18, BEST delivered the following key results on teacher quality and systems strengthening:

* Critical support to the Philippine DepEd for finalisation of the Philippines Professional Standards for Teachers, which are being adopted nationally as the basis for salary increments and promotions. This demonstrates important policy influence and concrete steps towards teacher professionalisation. The standards are internationally benchmarked, and linked to the ASEAN 2015 agenda and the Philippines Qualification Framework (PQF).
* Support for refinement of the Unified Information System (UIS), developed with Australian support over many years, enabling data-driven planning and budgeting, tracking of all students in public and private schools, and access for hundreds of thousands of public school teachers to all DepEd-approved learning resources through an online portal.
* In 2017, the Learner Information System enabled students displaced by the Marawi conflict to enrol quickly and smoothly in local public schools in the areas to which their families fled based on their unique Leaner Reference Numbers.
* BEST supported in-service teacher training through the development of a range of materials for Learning Action Cells, the Philippines’ mechanism for demand-driven, school-based professional development:
* Starter kits and materials on ‘least learnt skills training’, which address weaknesses identified through individual teacher performance assessments;
* Materials to support ongoing teacher development in learner-centred pedagogy in classrooms, integrating gender equality, disability inclusion and child protection.

DFAT held an internal review of our **Disaster and Climate Risk Reduction Management** program in the second half of 2017, to assess progress to date of our investments and inform decisions on whether and how we continue to invest in this sector. This review highlighted the benefits of our support, including a stronger focus on science-based risk mapping, and recommended continued engagement in targeted areas. We will undertake new scoping and design work in pursuit of this in 2018-19.

The Support Program for Disaster Response (SPDR) was affected by the Philippine Government’s procedural changes to the administration of foreign donor funds. While issues surrounding these changes were resolved in early 2018, program implementation was slow due to delayed procurement of goods and services. The significant diversion of government resources required for the response to Marawi by Philippines Government counterparts resulted in further delays to finalisation of policy reforms supported by this investment in previous years. Information on our response to the humanitarian crisis brought on by the Marawi siege can be found under Objective 3 below.

The Project Climate Twin Phoenix-Resilience and Preparedness Towards Inclusive Development (PCTP-RAPID) supported Typhoon Haiyan-affected communities and local government units to better plan and implement disaster and climate risk measures. Key achievements included geotagging structures in 11 affected municipalities, providing exact geographic referencing for disaster planning, livelihood support for 13 villages, benefiting 309 people including 200 women, and design of a multi-purpose evacuation centre. The project was due to end in December 2017 but due to slow implementation caused by leadership changes in the partner government agency, the project was extended and strategies are now in place to accelerate progress to see it end by 30 December 2018.

Our best-practice system of stationing pre-positioned stores with key partners enabled us to respond quickly to government requests for assistance with two natural disasters – Typhoon Tembin in December 2017 and the eruption of Mount Mayon in February 2018:

* Australia supported the immediate needs of around 25,000 people affected by Typhoon Tembin through our government partner, DSWD, and the Philippine Red Cross (PRC). We provided non-food items including tarpaulins, sleeping kits (blankets, plastic mats and mosquito nets) and hygiene kits.

In response to the eruption of Mount Mayon, our humanitarian response was provided through DSWD, the PRC and UNFPA for around 40,000 people. We provided non-food items including tarpaulins, sleeping kit, hygiene kits, and toys for children and a maternity tent which supported 300 pregnant and lactating women.

Through the regionally funded Investing in Women the Philippines and Australia co-hosted the Philippines Australia ASEAN Forum on Women’s Economic Empowerment in Manila. Australia’s Ambassador for Women and Girls co-chaired the Forum, which was attended by 200 people. Discussion focused on the importance of workplace gender equality and identified practical strategies for improvement across ASEAN. The Forum was recognised in statements from both the ASEAN Economic Ministers Meeting and ASEAN-Australia-New Zealand Economic Ministers Meeting – contributing to mainstreaming gender across ASEAN activities.

Investing in Women also worked with larger private sector companies, including Ayala Land and Convergys, to gain EDGE Certification, the leading global assessment methodology and business certification standard for gender equality.

Objective 2: Building stronger institutions for transparent and accountable governance

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This Objective is on track. Working to leverage cross-program collaboration in governance and institutions has ensured we contributed to shared national development goals including infrastructure, competition, and legislative and economic reform. Improving the quality of governance in the Philippines is fundamental to the country’s prosperity and stability.  In response to the challenge of weak institutions and corruption, we will continue to support a culture of accountability and transparency.

The **Coalitions for Change Program (CfC)** supported multi-sectoral, formal and informal coalitions and networks to push for reforms and institutional strengthening in pursuit of transformational change. This program provided support for the signing into law of the 2017 Tax Reform for Acceleration and Inclusion (TRAIN) under the Duterte administration, one of the most significant structural reforms since the mid-1990s. This tax reform is an important step to simplify taxation and to ensure that the Government of the Philippines will have the revenue it needs to invest in much-needed infrastructure and to provide services for the population. CfC facilitated the involvement of civil society organisations in influencing the development of the law and successfully negotiated provisions that made the tax system fairer, simpler, and more efficient. These were achieved through the following: (1) adjustments in personal income tax to reduce the unfair burden on salaried employees and lower-income workers, (2) tax increases for goods consumed by wealthier Filipinos, such as cars and oil products, (3) reductions in the number of exemptions in the value-added tax system that fostered unnecessary complexity and opportunities for corruption. In addition, the law generated additional revenue (estimated at Php786.4 billion or AUD19.6 billion) to finance the administration’s ambitious infrastructure, health, and social protection investments. Our World Bank social protection investment and UTF also contributed to this result.

Another notable CfC achievement during the reporting period was addressing low levels of access to the internet, a significant constraint to growth in the Philippines. Almost 60 per cent of Filipinos still do not have access to the internet. Evidence shows that broadband contributes to economic growth by producing a series of effects similar to those generated by infrastructure deployment. The program supported civil society organisations to influence the development of the Free Internet Access in Public Places Act in August 2017. They promoted greater service-provider competition and mechanisms to increase public access to broadband services. With the support of our Child Protection program, child safeguarding provisions were included in the Act to counter online abuse and exploitation of children. By March 2018 the first new connections were made in a remote area in the southern Philippines, connecting marginalised communities for the first time.

In support of Australia’s longstanding commitment to advance the rights of children to protection from all forms of exploitation and abuse, the **Philippines Child Protection program** facilitated close collaboration among key partners to develop stronger judicial and law enforcement institutions and social services to combat online exploitation and abuse of Filipino children. Key program results for 2017-18 are:

* Improved capacity of Philippine law enforcement agencies to run effective operations in preventing and detecting incidents of child abuse and exploitation through our partnership with the Australian Federal Police (AFP);
* Provision of critical audio-video equipment to two child protection units in government-run hospitals and two family courts through the Asia Foundation (Philippines), with support from QBE Insurance Group. This aims to reduce the number of child abuse survivors who have to testify in court, thereby preventing further trauma;
* Training of 152 judges, prosecutors, social workers and law enforcers on better management of online child abuse cases through the Philippines Judicial Academy and The Asia Foundation;
* Support to UNICEF’s first National Kids Online Survey and raising awareness on the safe use of the internet with support from the private sector, including Telstra and Oceana Gold.

In recognition of our commitment as a member of the Human Rights Council (HRC) from 2018, and assist with our objectives set out in the Foreign Policy White Paper, we made investments in 2017-18 to support human rights and judicial reform. These investments support the national human rights institution, freedom of expression, and the Philippines’ continued constructive engagement with the UN human rights system. We also supported the digitisation of cases handled by the national anti-graft court to help promote transparency and accountability. We will report on the progress of these investments in the coming years.

The new **Australia Awards and Alumni Engagement Program (AAAEP)** mobilised during the reporting period. This program has been set up to support the achievement of the objectives of the Philippines Program through the mobilisation of scholarships, short courses, and capability building and alumni activities. The Program maximises our opportunities for influence by supporting cross-program collaboration. Although it is early in program implementation, in response to a major priority for Australia and the Philippines, the program rapidly designed and conducted a short course on the Law of the Sea. This was attended by senior representatives of the Philippine Government.

The **Public Financial Management Program for Infrastructure (PFM-I)** is assisting the Philippine Department of Budget and Management (DBM) to introduce a major reform – adopting an annual cash-based appropriation system – starting with the calendar year 2019 national budget. The shift from a two-year obligation budget appropriation to one-year cash budget appropriation will strengthen fiscal discipline and reinforce the budget intent to deliver services within the fiscal year. The one-year transition program is also supporting the Philippine Department of Transportation (DOTr) to improve its procurement and right-of-way acquisition systems, which is required in order to fast-track implementation of its infrastructure projects. Australia is working closely with the Philippine Government to mobilise the new Public Financial Management Program for Institutions and Infrastructure (PFMP-II) in 2018-19.

Australia has been a strong supporter of the Philippine Competition Commission (PCC) through its establishment and consolidation. Australia’s deep links are a result of support provided through ASEAN Australia New Zealand Free Trade Agreement Competition Law Implementation Program (CLIP) by the Australian Competition and Consumer Commission (ACCC) and our bilateral aid program (through the World Bank and Australia Awards). Our cooperation is targeted and has enabled real improvements to capacity, which has been demonstrated through direct feedback from the Chair of the PCC, the nearly complete development of all policies and procedures, and from the increasing number of cases on which the PCC works. Our PCC cooperation is a good example of how Australian development assistance has enhanced our influence in the competition arena in the Philippines. Next year the CLIP program will continue ASEAN wide activities including e-learning, tools to support the judiciary, secondments and regional training, but it will shift its bilateral focus to Vietnam, Indonesia and Malaysia. The PCC will also receive capability building support under the AAAEP in areas that are jointly priorities for Australia and the Philippines.

Objective 3: Improving conditions for peace and stability

Rating: GREEN

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This Objective is rated Green. While there were delays last year as the Philippine Government transitioned between administrations, this year has seen an improvement in implementation. Our work under this Objective is aligned with our broader security interests in the southern Philippines. We support local communities and leaders, leveraging the expertise and experience of international partners to identify the drivers of violent extremism and to strengthen communities’ resilience to resist the influence of extremist groups.

Australia’s $24.02 million commitment in response to the Marawi crisis is in line with our strategic policy objectives for supporting peace in the southern Philippines and is delivered in coordination with the Philippine Government’s Taskforce *Bangon Marawi*, the World Bank, and other multilateral and NGO partners. Our response is supporting both the humanitarian and the recovery needs of people directly affected by the crisis, as well as bolstering our long-term investments in peace and stability. A critical part of our response included support for the Taskforce to conduct consultation processes with stakeholders on the reconstruction plan for the ‘most affected area’.

From June 2017, Australia provided immediate humanitarian assistance through our existing arrangements with the PRC, the WFP and UNFPA. Additional funding was provided to the International Committee of the Red Cross (ICRC) and United Nations High Commissioner for Refugees (UNHCR) for protection of affected populations. A critical objective of our funding to the UNHCR in Marawi City is to ensure the rights of displaced populations and their access to registration and documentation processes to improve access to government services and assistance. Australia’s humanitarian assistance for Marawi in 2017-18 included the following:

* Food assistance targeting 18,000 people for general rice distribution and up to 50,000 children with school meals;
* More than 17,000 women and girls and 6,700 men and boys benefited from dignity and reproductive health kits, and anti-gender based violence support and women friendly spaces;
* Provided protection assistance to more than 250,000 displaced people.

As communities and the Government moved past the immediate needs of crisis management, Australia’s support has evolved. From providing humanitarian assistance – for which there is likely to be a need for some time yet – we have increasingly focused on providing protection and psychosocial support and rebuilding self-reliance in affected communities. This is done primarily through greater access to education, including through our education sub national program, and increasing livelihood opportunities. Our approach to the Marawi response was directly informed by our experience operating in a conflict area in the Zamboanga Recovery Program (part of our Disaster Risk Reduction/Humanitarian portfolio), which finished in December 2017.

Our **Peace and Stability programming** remained on track through the reporting period, despite the significant changes in the operating environment during and after the Marawi siege. Our program partners were able to access communities that the government could not, and this is helping to lay a foundation for normalisation post-conflict. As planned in response to the Strategic Review published in January 2017, activities on countering violent extremism (CVE) increased during 2017-18. The risk presented by violent extremist groups in the Marawi siege saw us further increase our CVE investments with existing partners by August 2017. **Australian Partnerships for Peace (APP)** program partners adjusted their work plans in response to the conflict, to expand CVE activities in the Bangsamoro and adjacent regions. Activities included additional research on understanding violent extremism in the area, gathering baseline data, establishing early warning and response networks that monitor conflicts, and activities aimed at preventing youth recruitment by violent extremist groups.

Additional funding of $4.73 million was also allocated through the **Mindanao Trust Fund (MTF)** to expand the support to community driven development in the six Moro Islamic Liberation Front (MILF) camps, and to build institutional capacity to lead normalisation structures in the Bangsamoro. Our support to the Taskforce *Bangon Marawi* on recovery, reconstruction and rehabilitation of Marawi City is channelled through this trust fund.

The **Education Pathways to Peace Program (Pathways)** commenced in October 2017, and was formally launched in February 2018 following a four-month inception phase. Pathways seeks to support more equitable participation of boys and girls in quality early grades (K-3) education in the Autonomous Region in Muslim Mindanao (ARMM), including in remote, disadvantaged and conflict-affected communities. It also aims to support the peace process and political transition by working with a wide range of stakeholders to support both government and private Islamic schools, and by bringing communities together through education across religious and cultural divides. In this initial period, work focused on support to the ARMM Department of Education as it prepares for transition to the new Bangsamoro government, as well as support for teacher training. Despite the short period of operation, key results in 2017-18 include:

• Targeted technical support to ARMM in developing annual education plans and budgets at the regional level and in three pilot school divisions with reform minded education leaders;

• Assisting ARMM to complete the mapping and geotagging of all 2,670 public schools in the region, to support planning and budgeting; and

• Assisting public schools to access their maintenance and operations funds for the first time in years, by strengthening school-based management, and improving data management in ARMM.

Pathways, as a flexible program, is well positioned to respond to a range of scenarios in its 2018-19 annual plan with the passage of the Bangsamoro Organic Law (BOL) granting greater autonomy to the region, and leadership transitioning to the Moro Islamic Liberation Front. The program will continue to provide support towards its stated objectives while responding to the emerging priorities of the new Bangsamoro government.

REGIONAL, GLOBAL AND OTHER GOVERNMENT DEPARTMENTS

In addition to bilateral aid investments, Australia delivered global and regional initiatives in the Philippines, including Investing in Women, Australia Awards, the Direct Aid Program, the Australian NGO Cooperation Program, and through the Australian Centre for International Agricultural Research.

**Investing in Women** (see reference under ‘Objective 1’).

**Australia Awards**

Australia Awards support Australia’s development agenda in the Philippines by investing in human capacity development in areas that complement the broader objectives of the aid program. Awards focus on the education, governance (particularly economic governance), infrastructure and humanitarian/disaster resilience fields. In 2017-18, 90 Filipino students (51 female) received awards to study in Australia.

**Australian NGO Cooperation Program**

In 2017-18, 27 Australian NGOs received funding (totalling approximately $4.1 million) through the Australian NGO Cooperation Program (ANCP) to deliver projects across multiple sectors including disaster risk reduction, promoting disability inclusion, promoting women’s rights, and community development.

**Direct Aid Program**

In 2017-2018, the Direct Aid Program (DAP) funded 11 projects totalling $255,219. The projects focused on child protection and education; adolescent sexual and reproductive health; women’s economic empowerment; HIV prevention, care and treatment within the LGBT community; and environmental conservation and livelihood for indigenous peoples. For example, the “Strengthening Children’s Rights Protection at the Grassroots”, implemented by the *Bahay Tuluyan* Foundation (BT), provided young and vulnerable street children with the knowledge and skills to defend their rights and respond to issues affecting them.

**Australian Centre for International Agricultural Research**

During the reporting period the Australian Centre for International Agricultural Research (ACIAR) was implementing 13 ongoing projects with a total value of $4.0 million. Key achievements include working to improve mango integrated crop management in the southern Philippines, and reseeding of coral colonies to help restore damaged coral reefs in northern Luzon.

## Mutual obligations

The Philippine Development Plan 2017-22 (PDP) is the Philippine Government’s framework for inclusive growth and the anchor for the bilateral development engagement between the Philippines and Australia. These high-level goals of the Philippine Government shape Australia’s priorities in the Philippines, and we are tracking progress against these benchmarks during President Duterte’s term.

|  |  |
| --- | --- |
| **Philippine Government commitments** | **Progress** |
| Increase annual infrastructure budget allocations to 7 per cent of GDP by 2022 (or Invest PHP8.4 trillion in infrastructure from 2017-2022) ***Baseline*** CY2017: 5 per cent of GDP (PHP847 million in annual budget) | CY2018: PHP1.1 trillion (or 6.4 per cent of GDP)  Established the inter-agency Project Facilitation, Monitoring, and Innovation Task Force to facilitate implementation of the 75 Infrastructure Flagship Projects. |
| Reduce the national rate of poverty incidence to 14.0 per cent by 2022. Reduce poverty incidence in rural areas to 20 per cent in 2022 ***Baseline:*** National 21.6 per cent in 2015; Rural: 30 per cent in 2015 | The next national poverty statistics for the Philippines will be released in 2019. |
| Reduce the unemployment rate to 3.5 per cent by 2022  ***Baseline:*** 5.5 Per cent in 2017 | Estimated at 5.3 per cent in January 2018. |
| Increase the labour force participation rate of women to 51.3 per cent by 2022 ***Baseline***: (2015) 49.3 per cent | Women’s labour force participation rate remained at 49.3 per cent according to the Oct 2016 Labour Force Survey |
| Improve the Philippines’ percentile ranking in the Worldwide Governance Indicators (WGI) – Regulatory Quality Improved, to 60 pctl by 2022 ***Baseline:*** (2016) 53 pctl | No further update is available (2016 is the latest data). |
| Improve percentile ranking in the Global Competitiveness Index (GCI) to 62 pctl by 2022 ***Baseline:*** (2016) 59 pctl | The Philippines was ranked 56 for 2017-2018, up one position from 2016, which places them in the 60th percentile. |
| Improve the Philippines’ overall ranking in the WB-IFC Doing Business Report ***Baseline:*** 2017, 99/190 | Decline: The 2018 WB IFC Doing Business Report ranked the Philippines 113. |
| Increase total government spending in social protection as a proportion of the GDP (in PHP) to 5 per cent by 2022  ***Baseline:*** (2017)  Budget allocation in 3 core social protection programs:   * PHP10,229,160,000 (Kalahi-CIDSS-NCDDP) * PHP78,186,551,000 (4Ps) * PHP9,112,556,000 (SLP) | 2018 budget allocation for the 3 core social protection programs are:   * PHP5,375,085,000 (Kalahi-CIDSS-NCDDP) * PHP89,408,303,000 (4Ps) * PHP5,060,000,000 (SLP)   The percentage as a proportion of the GDP will be calculated in the PDP update, to be released in 2020 |
| Peace agreements with all internal armed conflict groups successfully negotiated and implemented, with passage and ratification of an enabling law in accordance with the Comprehensive Agreement on the Bangsamoro. ***Starting Point:*** Bangsamoro Basic Law (BBL) submitted to Duterte in July 2017 | Bangsamoro Organic Law (BOL) approved by Congress and Senate in July 2018, and signed by President Duterte on 26 July, 2018. |
| All families affected by natural and human-induced calamities are provided with relief assistance ***Baseline:*** (2015) 54 per cent | Australia’s assistance in response to Typhoon Tembin, Mayon Volcano and Marawi supported 353,000 people. |
| Net enrolment rate in school **(baseline 2015)**:   * Kindergarten to 95.00 by 2022 (74.65) * Elementary to 95.00 in 2022 (91.05) * Junior High School to 75.44 in 2022 (68.15) | Net enrolment rate in school (2017-2018):   * Kindergarten: 83.7 * Elementary: 94.19 * Junior High School: 75.99 |

## Program Quality and Partner Performance

**Overview**

The program engaged monitoring and evaluation expertise late in 2017-18, and a program of work began in support of improved capacity to generate and use effective performance information. This is timely as the evaluations conducted in the reporting period detailed some shortcomings in investment and program monitoring frameworks.

The Philippines Program’s Aid Quality Check (AQC) process this year did note a growing issue with a proliferation of agreements sitting underneath some investments. This is partially a result of the humanitarian response to the Marawi crisis, and partially due to the operating environment in the Philippines.

A review of the World Bank Development Trust Fund will be completed in 2018.

**Aid Quality Checks (AQCs)**

In 2017-18 the Philippines Program completed seven AQCs and one Final AQC. Seven initiatives were exempt from the process this year, due to a combination of administrative arrangements and new programs that were not yet able to be assessed because they had mobilised only a few months earlier. A summary of the ratings for 2017-18 is at Annex D.

There was strong engagement on AQCs this year, with a robust process eliciting assessments based on a strengthened evidence base. Scores of 6 were given very sparingly – only for Relevance in the Peacebuilding in Conflict-Affected Mindanao, Disasters and Climate Risk Management, and the Partnership with The Asia Foundation, given the ongoing fragility, extremism and poverty in southern Philippines and the success of activating civil society and increasing demand for better governance.

The program has two Investments Requiring Improvement (IRI) this year – the Basic Education Sector Transformation (BEST) Program and the Philippines Social Protection Initiative. Both have remediation plans in place and we have increased senior management engagement with those programs.

The program continued to ensure gender is mainstreamed across all of its major investments. Of the eight investments, seven were rated satisfactory and above. One investment, INI632 Australia World Bank Development Trust Fund, was rated as less than adequate (a ranking consistent with previous years). To ensure a greater focus on gender equality and empowerment of women and girls for the World Bank Development Trust Fund, in 2018-19 it will support improved gender analysis and use of gender indicators in its projects, to identify how gender equality is relevant and can be addressed effectively in selected policy reforms.

**Performance Assessment Framework (PAF)**

In 2018, the Office of Development Effectiveness (ODE) reviewed the Philippines 2016-17 APPR. The review identified the need to update and rationalise the Philippines Program PAF. ODE was of the view that the PAF used in 2017 reporting was overly complex and not a useful tool to measure progress. As this is the last APPR under the existing AIP, this APPR will keep the existing PAF and a new PAF will be developed for use under the new AIP.

**Performance of key delivery partners**

In 2017-18, 12 Partner Performance Assessments (five with multilateral organisations, four with foreign-based NGOs and three with commercial contractors) were completed by the Philippines program. The results indicate that our partners are providing effective program support, and that DFAT is achieving value for money in these partnerships. Where there have been concerns with partner performance, especially in the two IRIs, we have taken action by developing remediation plans with the implementing partners and making clear DFAT’s expectations for improvement clear.

As flagged earlier in the report, providing budget support to the Philippines is a challenging mechanism to use in the Philippines. DFAT should carefully consider future use of this modality.

## 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)** | **Are these same risks in Post’s Risk Register (Yes/No)** |
| Humanitarian emergencies and natural disasters disrupt programs and divert resources | Effective Whole-of-Government humanitarian response, backed by annual Emergency Response Team (ERT) training exercises | Continue to monitor targets of interest where Australia can provide effective support in humanitarian and disaster risk reduction | Medium | Yes |
| Changes in GPH priorities, changes in key contacts and/or political and security instability, passage of Bangsamoro Organic Law (BOL) delay program designs or sign off/mobilisation | Due diligence done prior to engagement with partners and contractors; worked flexibly to accommodate emerging priorities | Continue with existing controls; build and strengthen relationships with the new administration, and working on regular dialogue with counterparts – including at Secretary level as new programs mobilise | Medium | Yes |
| Complex operating environment, active conflict setting, and presence of unlawful groups sees funds unintentionally directed towards entities/individuals with links to unlawful activity.  Significant pressure on Embassy staff in Manila due to workloads and the fluid policy environment result in our programs becoming less effective. | Contractual obligations for Managing Contractors require compliance with Commonwealth Procurement Guidelines, including screening entities and individuals through publically available databases. ‘Managing Terrorism Financing Risk in the Philippines: Threat and Risk Assessment and Framework’ paper drafted.  Additional resources were provided where possible when requested; sectoral expertise was enlisted from Canberra. | Our embassy in Manila has been implementing and will continue to implement additional screening measures on a quarterly basis; additional measures to be put in place for conflict-settings as required.  In developing the next Aid Investment Plan, resourcing for program implementation will be closely considered to ensure against staff burnout; relationships with implementing partners will be adjusted to maximise management efficiencies, and opportunities to consolidate the program, in terms of number of activities and sectors, will be explored. | Medium  Medium | Yes  Yes |

The Risk profile for the program has not changed significantly over the last twelve months with the ongoing security and humanitarian situation in Marawi and the slow transition of the new Philippine Government administration. As discussed throughout this report, we have adjusted our approaches and programming accordingly.

## Management actions

A summary of progress on management responses from 2016-17 is in the table in Annex A. In 2018-19 a number of new priorities will guide our management responses to this APPR. Foremost amongst these is development of the new Aid Investment Plan (AIP). The current AIP objectives have remained relevant to the development goals of both the Australian and Philippine governments, but the transition to the Duterte administration did take longer than expected and only now, two years into the administration, is it becoming clear that a recasting of objectives is needed. To do so sooner would have been premature.

A key lesson learned for the program as it was managed across this lengthy and difficult transition between Philippine government administrations is that flexibility in programming is critical. This is not just to ensure we can respond to opportunities for reform as they arise or to ensure we remain relevant for our partners, but to give room to programs to continue operating throughout the transition period.

While to date there has been little strategic focus on disability, as the current AIP pre-dates the *Development for All* disability strategy, this will be addressed in the next AIP.

**Strategic Responses:**

In 2018-19 a new AIP for the Philippines will be finalised and implemented for the period ending 2024. The AIP development process will be led by the Philippines Desk in DFAT, in close consultation with the embassy in Manila.

* This process will include: recasting objectives (especially those in the economic sectors, to better align with government priorities), revising the preferred modalities that we will use in the Philippines. We will continue to look for opportunities to work closely with partner government departments, and review the benefits and risks of providing direct budget support.
* In developing future AIP benchmarks we will work to articulate better the expected progress towards outcomes. We found reporting against the benchmarks for 2015-16 in the current AIP was not useful for tracking intended program trajectories, and ill-fitting with the evolving political economy of the Philippines.
* The next AIP will have a new Performance Assessment Framework (PAF) to support it. This PAF will be developed and lead by the Post Monitoring and Evaluation Adviser with additional expertise drawn from the Office of Development Effectiveness (ODE) and the Aid Contracting and Management Division (ACD) in DFAT.
* The Philippines Program Gender Action Plan will be updated following an internal review of the first year of implementation of the Plan. This process will be led by the embassy (by Oct 2018).

**Operational Responses:**

* Management of the two Investments Requiring Improvement (IRI) will be a priority for both program teams and senior management at the embassy. The remediation plans contain detailed actions and timeframes for this. The program management team acknowledges the significant additional time needed to manage IRIs.
* The embassy will continue to monitor the humanitarian and recovery activities for communities affected by the Marawi conflict, and will identify opportunities for Australia to assist with the longer term recovery plan from the Philippine Government when it is available. We will emphasise the need for community consultation in all activities, and donor coordination with the Taskforce *Bangon Marawi* and multilateral partners.
* Post (in consultation with relevant areas in Canberra) will lead a detailed risk assessment process (on top of the processes already in place) to support our operations in Mindanao, to ensure we are managing risk effectively and efficiently.
* Post will lead processes with the monitoring and evaluation adviser to ensure initiatives involving a large number of separate investments are contributing to our consolidated objectives. This will help to prevent proliferation of smaller investments.
* Two programs will commence a second phase in 2018-19: Coalitions for Change and Child Protection programs. This process will be managed by the embassy.

Annex A - Progress in Addressing Management actions

|  |  |  |
| --- | --- | --- |
| **Management actions identified in 2016-17 APPR** | **Rating** | **Progress made in 2017-18** |
| The Philippines Desk to lead a strategic planning process to inform development of the next Aid Investment Plan (AIP) | Partly Achieved | The new AIP 2019-2022 is currently being developed. |
| A new Performance Assessment Framework (PAF) will be developed for the next AIP, with the support of a monitoring and evaluation (M&E) adviser. | Partly  Achieved | The new PAF is currently being developed with external monitoring and evaluation expertise. |
| The Philippines Program Gender Action Plan (GAP) will be implemented | Achieved | Over half of the indicators in the GAP were achieved with close to 90% rated as achieved, partially achieved or ongoing. Some indicators could not be achieved as a result of the Trade, Inclusive Growth and Economic Reform (TIGER) program cancellation. |
| Three benchmarks rated Amber in the 2016-17 APPR would be priorities, namely (i) the mobilisation of TIGER; (ii) the mobilisation of an infrastructure investment; and (iii) DSWD’s social protection reform agenda. | Partly achieved | The TIGER program was not mobilised, but the new infrastructure program PFMP-II has been approved by the Philippines government and is currently out for tender. Social protection policy dialogue has increased. Notably DFAT, DSWD and The World Bank hosted a review of the Philippines Social Protection Framework, which will help shape the country’s future social protection programs. |
| Process of developing interim indicators will be repeated in 2017-18 | Achieved | Following the Office of Development Effectiveness’ (ODE) review of the PAF in 2018, it was agreed with ODE that the best approach would be to retain the broad indicators used in the 2016-17 PAF, but to edit for clarity. |
| Progress against program level management responses will be tracked at regular aid management team (AMT) meetings at Post | Achieved | Monitored via oral updates at regular AMT meetings. |
| Post will mobilise three programs: Education Pathways to Peace in Mindanao (PATHWAYS), Australia Awards and Alumni Engagement Program (AAAEP) and the TIGER program. | Partly Achieved | PATHWAYS and AAAEP were mobilised, but as previously stated the TIGER program was not. |
| Post will continue to monitory and support humanitarian and recovery activities for Marawi | Achieved | This management response was an important focus for the Philippines Program and the Australian Embassy in Manila in 2017-18; Program results articulated in this report support this. |

**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 – PERFORMANCE BENCHMARKS

##### Progress towards Performance Benchmarks in 2017-18

|  |  | **Rating** | **Progress in 2017-18** |
| --- | --- | --- | --- |
| **AIP Strategic Objective 1: *Enhancing the Foundations for Economic Growth*** | | | |
| Strengthen Philippine Government planning for interconnectivity of transport infrastructure at the national and local levels | Key transport planning and project bottlenecks are addressed | **Partly Achieved** | The new infrastructure program, Public Financial Management for Institutions and Infrastructure was tendered in 2018. As the design incorporates both PFM and infrastructure related objectives, this program falls partly under objective 1 and partly under objective 2. |
| Contribute to Australia’s commitment to increase Aid for Trade spending to 20% of the aid program | Trade and Inclusive Economic Growth Facility ready for implementation | **Not Achieved** | Facility approved by Philippine Government Investment Coordination Committee Technical Board (Undersecretary level) in October 2017. Subsequently, the Philippine Government decided not to proceed with the Facility. |
| Philippine Department of Education (DepEd) has an appropriate org structure, functioning management systems and improved staff capacity in leadership, planning and decision making to deliver better education services | Strategic and foundational capacities and competencies built in DepEd to support improvements in learning, teaching and operations, in at least 20,000 schools and 214 school divisions | **Partially Achieved** | BEST developed 13 sets of teaching and learning materials aligned with the new national curriculum and published on the DepEd’s online Learning Resources Portal during the reporting period,; The program developed and delivered a Schools Superintendents Leadership Program; trained 209 School Heads as trainers to deliver the School Heads Development Program (SHDP) to 28,000 School Heads (59% of the national cohort); and trained educators in core English, Maths and Science competencies, reaching 2,600 schools and 120 schools division offices. BEST also provided critical policy advice to support the transformation of the National Educators Academy of the Philippines (NEAP) into a full-service Professional Development Academy for public school teachers and administrators. |
| Philippine Department of Social Welfare and Development (DSWD) has improved analytical capacity to develop policies and guidelines to effectively implement its social protection reform agenda | Conditional Cash Transfer (CCT) policy dialogue is informed by the outputs of analytical research produced through our investments | **Partly Achieved** | Whilst there were challenges in DSWD’s inability to access resources during the reporting period, DFAT, DSWD and The World Bank hosted a review of the Philippines Social Protection Framework, which will help shape the country’s future social protection programs. |
| ***AIP Strategic Objective 2: Building Stronger Institutions for Transparent and Accountable Governance*** | | | |
| Improved Philippine Government systems for budget formulation, execution, accounting and reporting | Electronic Budget and Treasury Management System (eBTMS) is adopted | **Achieved** | This system was designed and adopted during the previous reporting period and is being implemented by the Government of the Philippines oversight agencies (Department of Budget and Management and Bureau of Treasury). |
|  | Budget preparation processes are improved | **Achieved** | The Executive’s 2019 budget proposal submitted to Congress in July 2018 already reflects the shift from a two-year obligation budget appropriation to a one-year cash budget appropriation. |
|  | Internal control systems and internal audit practices of Philippine Government agencies strengthened | **Achieved** |  |
| **AIP Strategic Objective 3: *Improving Conditions for Peace and Stability*** | | | |
| Peace process more credible and widely supported | DFAT programs aligned with the peace and development framework of the new Philippine Government administration | **Achieved** | The number of surveys conducted nationwide and within the proposed Bangsamoro territory were used by Office of the Presidential Adviser on the Peace Process (OPAPP) and the Transitional Authority to measure support for the transition.  The networks among various Bangsamoro stakeholders have been established and capacity to engage in joint political action improved. |
|  | Women more actively participating in peace building and political reform and dialogue | **Achieved** | Gender balance in consultation teams: 3,000 women attended public consultations and 30 women attended specific consultations. This was started in 2016-17 and achieved in 2017-18. |

**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 reviews or 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 |
| INJ223 - Basic Education Sector Transformation (BEST) Program | Independent Progress Review of BEST | 5 February 2018 | 28 February 2018 | 28 February 2018 | 14 February 2018 |
| INJ839 - The Asia Foundation (TAF) Partnership Philippines | Independent Completion Review of the Coalitions for Change Program under the TAF Partnership Philippines | 17 February 2018 | 20 August 2018 | 20 August 2018 | Expected by August 2018 |

**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** |
| Review of the Australia-World Bank Philippines Development Trust Fund | INI632 - Australia-World Bank Philippines Development Trust Fund (UTF) | July 2018 | October 2018 | To assess effectiveness; advise structure of the UTF in final year and potential successor functions | Joint DFAT and partner |

Annex D - Aid Quality Check ratings

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Investment name** | **Approved budget and duration** | **year on year** | **Effectiveness** | **Efficiency** | **Relevance** | **Gender equality** | **Monitoring and Evaluation** | **Sustainability** |
| INI632 - Australia-WB Philippines Development Trust Fund | $47,094,288  1 Jun 2009 - 30 Dec 2019 | 2016-17 | 4 | 4 | 5 | 3 | 4 | 5 |
| 2017-18 | 4 | 4 | 5 | 3 | 4 | 5 |
| INJ766 - Strengthening Public-Private Partnership Program | $26,074,557  22 Mar 2011 - 31 Mar 2021 | 2016-17  2017-18 | 4 | 4 | 5 | 4 | 4 | 5 |
| 4 | 4 | 5 | 4 | 4 | 5 |
| ING581 - Philippines Disaster and Climate Risks Management | $48,061,706  2 Jun 2006 - 31 Dec 2020 | 2016-17  2017-18 | 5 | 4 | 5 | 5 | 4 | 5 |
| 5 | 3 | 6 | 5 | 4 | 5 |
| INJ223 - Basic Education Sector Transformation (BEST) Program | $158,716,392  1 Jul 2010 - 30 Jun 2019 | 2016-17  2017-18 | 4 | 4 | 5 | 4 | 4 | 5 |
| 3 | 3 | 5 | 4 | 3 | 4 |
| INL343 - Peacebuilding in Conflict-Affected Mindanao | $16,925,084  1 Apr 2014 - 30 Jun 2022 | 2016-17  2017-18 | 5 | 4 | 6 | 5 | 4 | 5 |
| 4 | 4 | 6 | 5 | 4 | 5 |
| INL799 - Philippines Social Protection Initiative | $7,861,124  25 Apr 2016 - 30 Jun 2020 | 2016-17  2017-18 | 5 | 4 | 5 | 4 | 4 | 5 |
| 3 | 3 | 5 | 4 | 4 | 5 |
| INM313 - Philippine Australia Scholarships & Alumni Program | $15,500,00  1 Sept 2017 - 30 Sept 2021 | 2017-18 | 4 | 5 | 5 | 4 | 4 | 4 |

**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 area.**

FAQC ratings

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Investment name** | **Approved budget and duration** | **Overall rating** | **Effectiveness** | **Efficiency** | **Relevance** | **Gender equality** | **Monitoring and Evaluation** | **Sustainability** |
| INJ839 - The Asia Foundation Partnership Philippines | $44,183,210  1 Jul 2011 - 30 Jun 2018 | 5 | 5 | 5 | 6 | 4 | 4 | 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 area.**

ANNEX E - PERFORMANCE ASSESSMENT FRAMEWORK\*

*\*PAF will be revised and new milestones added when developing the new Aid Investment Plan 2018-2023*

| **Australia’s Aid Objective 1** | **ENHANCING THE FOUNDATIONS OF ECONOMIC GROWTH** | | | |
| --- | --- | --- | --- | --- |
|  |  | **Annual Progress Targets/Milestones** | | |
| **Intermediate outcome** | **Intermediate outcome indicators** | **2016-17** | **2017-18** | **Data source and baseline** |
| **Outcome 1:** Strengthen Philippine Government planning for interconnectivity of transport infrastructure at the national and local levels | Key transport planning and project bottlenecks are addressed as measured through:   * Provision of technical assistance and capacity building | Technical assistance activities on procurement, Right-of-Way acquisition, and information management for the Department of Transportation (DOTr) are completed by 30 June 2017  Design of new aid investment in infrastructure is completed | Four activities to strengthen the Philippine Department of Transportation (DOTr) implementation capacity (covering procurement, right-of-way acquisition, organisational restructuring, and rail management) implemented | Public Financial Management Program (PFMP) Monitoring and Evaluation (M&E) Reports  DFAT internal reports (Investment concept and design documents) |
| **Outcome 2:** Improve Philippine Government capacity to promote, develop, and implement Public Private Partnership (PPP) projects | Capacity of implementing agencies to ensure probity of PPP project procurement and quality construction of PPP projects are strengthened as measured through:   * Improved policy frameworks governing PPPs   Well-structured bankable PPP projects developed as measured through   * ICC approval of PDMF projects | Negotiate new technical assistance project on probity and independent construction supervision consultants by 30 June 2017  At least five PDMF-support projects approved by Investment Coordinating Committee by 30 December 2016 | By end 2017, ten policy circulars issued by PPP Governing Board to strengthen legal/regulatory enabling environment for PPPs  Draft PPP Act (which will amend and replace the current BOT Law) has been filed in Congress  17 Competitively tendered PPP projects since 1 July 2015 | DFAT internal reports  ADB PPP Technical Adviser Quarterly Reports  PPP Centre website  ADB Capacity Development Technical Assistance Six-monthly Reports  Baseline (1 July 2015): Nine (9) competitively tendered PPP projects awarded |
| **Outcome 3:** Contribute to Australia’s commitment to increase Aid for Trade spending to 20 per cent of the aid program | New Trade and Inclusive Economic Growth Facility out to tender | Trade and Inclusive Economic Growth Facility out to tender in March 2017 | Facility approved by ICC Technical Board in October 2017. Subsequently, the Philippine government decided not to proceed with the Facility. | DFAT internal reports (Investment concept and design documents); confirmed via AusTender |
| **Outcome 4:** Quick and responsive Australian humanitarian assistance to the Philippines | Capacity of partners strengthened and partnerships sustained to coordinate, mobilise and respond to natural disasters as measured by:   * Provision of manuals and training | National Disaster Response Manual of DSWD developed, and Regional Field Offices assisted in preparing their respective Disaster Response Manuals | Preparation of Disaster Response Manuals for Central Office and 15 Regional Field Offices and hands-on-training of DSWD staff | Support to Disaster Response Program Inception Plan, Technical Assistance Facility Meeting, Annual Accomplishment Report and Annual Work and Financial Plan  Zamboanga Recovery Program Inception Plan, Steering Committee Meeting, Annual Accomplishment Report and Annual Work and Financial Plan |
| Displaced and vulnerable women, men, girls and boys provided with life-saving assistance and increased access to safe water and basic sanitation in conflict and crisis situations as measured by:   * Prepositioning of relief items that are accessible during disasters and emergencies | One warehouse in the National Resource Operation Centre of DSWD constructed  Prepositioning of Humanitarian Emergency Relief Stores (HERS) with DSWD established and maintained to provide needs of most vulnerable populations affected by disasters and emergencies  Prepositioning of HERS with PRC, UNFPA and WFP maintained to provide needs of most vulnerable populations affected by disasters and emergencies | Increase National Resource Operation Centre (NROC) capacity by a third by completing Warehouse H, which can store up to 41,400 family packs  Prepositioned AUD $740,000 worth of family relief, non-food items in NROC and 15 Regional Field Offices. DSWD has included prepositioning of non-food items in their annual budget  Humanitarian assistance to displaced people by the Marawi conflict includes:   * Prepositioned food items (rice) with WFP benefitted 18,000 people for general rice distribution and up to 50,000 school children * Prepositioned dignity and reproductive health kits, and anti-gender based violence support and women friendly spaces with UNFPA benefitted more than 17,000 women and girls, and 6,700 men and boys * Protection assistance was provided to 250,000 displaced people through ICRC and UNHCR   Prepositioned non-food items including tarpaulins, sleeping kits (blankets, plastic mats and mosquito nets) with the Department of Social Welfare and Development, and Philippine Red Cross benefitted 25,000 people displaced by Typhoon Tembin  Prepositioned non-food items (tarpaulins, sleeping kits, hygiene kits, toys for children and maternity tent) with the PRC and UNFPA benefitted 40,000 people including 300 pregnant and lactating women displaced by the eruption of Mayon Volcano | Deployment proposal and monitoring report for HERS with the World Food Programme, UNFPA, International Committee of the Red Cross, UNHCR, Philippine Department of Social Welfare and Development, and the Philippine Red Cross |
| Displaced and vulnerable women survivors of violence receiving services such as counselling | Up to 1,000 displaced poor and most vulnerable families provided with livelihood, protection and psychosocial assistance | 1,000 families displaced by the Marawi conflict provided with protection and psychosocial assistance  1,049 families displaced by the Zamboanga siege provided with psychosocial and protection assistance | Deployment proposal and monitoring reports of Community and Family Services International (CFSI) and UNFAO |
| Manila Post Emergency Response Team trained | SOP for Disaster Response updated, additional ERT members recruited, and training conducted | Post’s SOP for Disaster Response updated based on comments and recommendations of HPD and lessons from previous disasters/conflict and humanitarian responses |  |
| **Outcome 5:** Mainstream disaster risk reduction and climate change in investments | New program and activity designs include consideration of climate change where possible – whether through risk screening to ensure investments are climate resilient or do not increase vulnerability to climate change, or looking for opportunities for institutional, policy or programmatic capacity building and resilience building.   * As measured by the number of programs, and per cent of the program budget supporting climate change policy | Existing programs screened to establish how they may already work to address the impacts of climate change.  Per cent of program budget that is climate related that support climate change adaptation or mitigation to be reported.  Where possible and appropriate, such as during mid-term reviews, climate change is integrated into existing programs. | Where possible and appropriate, such as during mid-term reviews, climate change is integrated into existing programs  Between 2014 and 2017, Australia provided AUD3.90 million in climate change support to the Philippines through disaster risk reduction, education, governance, and food security programs  Opportunities for climate change integration for 2017-18 includes investments and activities in energy, women’s economic empowerment, transport infrastructure, education, community resilience and disaster risk reduction. These together account for AUD14.47 million over the year | Baseline: 0, at June 2017  Relevant program and activity documents  Existing programs screened to establish how they may already work to address the impacts of climate change  Per cent of program budget that is climate related that support climate change adaptation or mitigation to be reported |
| Consideration of standalone climate change programs where Australian expertise has a comparative advantage, ensuring investments are aligned with partner country priorities. | In 2017-18, work to having 1-2 programs incorporating climate change capacity building/resilience, or standalone projects | One disaster and climate resilience project (RAPID Program) addressing the impact of climate change  A new climate and disaster resilience investment will be designed from September 2018 with target mobilisation from July 2019. The new investment will contribute to developing disaster and climate resilient institutions and communities to save lives and protect investments and economic gains. The investment will be at the subnational level, with strategic engagement at the national level | PCTP-RAPID Program Annual Accomplishment Report, Project Management Board Meeting, Annual Work and Financial Plan |
| Capacity of GPH and local government partners on preparedness and risk reduction strengthened. | Handbook on Designing Resilient Local Structure finalised and handed over to GPH and LGUs. | 12 Haiyan affected local government units have access to climate and hazard risk data and have been capacitated to mainstream climate change adaptation and disaster risk management into their LGU development plans, comprehensive land use plans contingency plans and community based disaster risk-reduction management plans. | PCTP- RAPID Annual Accomplishment Report |
| Displaced and vulnerable men and women with access to permanent shelter  Displaced and vulnerable poor women and men with increased incomes as measured by:   * Provision of livelihood assistance | Up to 95 displaced, poorest and most vulnerable families, including men and women provided with permanent shelter  At least 10 communities including most vulnerable families, men and women provided with livelihood assistance | 95 families including men and women displaced by the Zamboanga conflict provided with permanent shelter  1,049 families displaced by the Zamboanga conflict provided with second round of livelihood assistance  Thirteen (13) host communities (barangays) including most vulnerable families, men and women provided with livelihood assistance benefitting 309 individuals (200 of which are women)  Up to 1,000 poor and most vulnerable families displaced by the Marawi conflict provided with livelihood assistance | GMMA READY Project Terminal Report  Accomplishment Report of the Zamboanga Recovery Project, Progress Report of the Marawi Recovery Project |
| Management committees in which women are equally represented | All project committees at strategic and operational levels have equal female representation | Committees of all projects have female representatives participating in planning, decision making and activity implementation  Average representation of women in project committees is 55.25 percent (for the three programs on Zamboanga Recovery Project, Support Program for Disaster Response, and Resilience and Preparedness Towards Inclusive Development) | Re-Structure Project Completion Report  Aggregate Development Reports of the Zamboanga Recovery Project  Support Program for Disaster Response and Resilience  Resilience and Preparedness Towards Inclusive Development |
| **Outcome 6:** DSWD has improved analytical capacity to develop policies and guidelines to effectively implement its social protection reform agenda | Improved systems for implementation of the *Pantawid Pamilyang Pilipino* Program (CCT) and  CCT policy dialogue is informed by the outputs of the analytical products and research initiative through the TA Facility and UTF AAA as measured by   * provision of appropriate technical assistance that lead to improved implementation | Enhanced CCT program grievance redress system and payment mechanisms  Enhanced CCT Management Information Systems (MIS) operations to improve inter-operability of various operations  Enhanced National Household Targeting System (to reduce inclusion and exclusion errors) | Development of the Philippine Social Protection Operational Framework to align with the 2017-2022 Philippine Development Plan - High Level Conference held and Framework drafted  Conduct a (i) Business Process Review, (ii) demand and supply assessment for Indigenous people living in geographically isolated and disadvantaged areas, and (iii) situation analysis of children with disability on the Modified Conditional Cash Transfer (MCCT) Program  Completed research/advice on transfer options and analysis of impacts of taxation reform to help the Philippine government develop an Unconditional Cash Transfer Program to help the poor impacted by taxation reform | Annual WB UTF AAA reports  DSWD TA Facility M&E reports, completed studies |
| **Outcome 7:** Philippine Department of Education (DepEd) has an appropriate organisational structure, functioning management systems and improved staff capacity in leadership, planning and decision-making to deliver better education services | Major organisational restructure (Rationalisation Plan) of DepEd implemented | Staff movement to the new DepEd structure progressed | New organisational structure is appropriate to perform functions required. However, new reporting lines to the senior executive have been modified. No further support was requested in this area. , | Data sources(s):  BEST M&E Reports  Department of Education Transition Report 2010-2016  Baseline:  Rationalisation Plan approved by Department of Budget and Management in late 2013, but transition to the newly approved structure had not commenced. |
| Unified information System (UIS) (e.g. EBEIS, HRIS, LRMDS) and gender disaggregated data used for policy analysis and development, planning and budgeting | UIS Enterprise Architecture drafted, existing elements of the UIS improved (e.g. EBEIS, HRIS, LRMDS)  Additional elements were added to the UIS, on student demographic data, enrolment, including for the newly added senior high school grades, private schools and the Alternative Learning System (non-formal education). | Core DepEd information systems (Enhanced Basic Education Information System, Learner Information System, and Learning Resource Portal) have been enhanced and expanded with support from BEST. The (sex-disaggregated) data from these systems is routinely used to develop plans and budgets.  All DepEd offices uploaded their Work and Financial Plans for Fiscal Year 2017 into the Australian-supported Program Management Information System (PMIS), for example, and learners displaced by the Marawi siege were tacked and assigned new schools using the Learner Information System (LIS). | Data sources:  DepEd UIS  BEST M&E reports  Baseline:  The core information systems of the UIS had already been developed at the beginning of the BEST program, but a range of enhancements were needed to fully align with the K-12 reform and integration of private schools. |
| Strategic and foundational capacities and competencies built in DepEd to support improvements in learning, teaching and operational processes and practices in at least 20,000 schools and 214 schools divisions | Human Resource Management and Development Systems implemented  Coherent system of planning and policy research implemented | *Human Resources*  The national Results Based Performance Management System was aligned with the BEST-supported Philippine Professional Standards for Teachers, enabling the linking of teacher salary increments and promotions to performance against internationally-benchmarked quality standards.  *Planning and Policy Research*  DepEd’s Planning and Budgeting Strategy, Basic Education Monitoring and Evaluation Framework policy and Research Management Standards finalised.  Three new BEST-supported national policies were approved in 2017-18: Policy Guidelines on Madrasah Education in the K to 12 Basic Education Program, national adoption and implementation of the Philippine Professional Standards for Teachers (PPST), and Teacher Induction Program Policy.  *Capacity Building for Policy, Planning and Research*  150 DepEd planning personnel trained on Strategic Planning  60 Divisions in 6 Regions trained and regularly conduct quarterly program reviews  50 DepEd personnel trained on research management. | Data source:  BEST M&E Reports  Baseline:  DepEd requires systems strengthening and capacity development to support improvement in operational practices and processes at the central, regional and division offices. |
| Superintendents have appropriate capacity for leadership and engagement with education stakeholders | Division Superintendents capacitated in leadership and engagement with education stakeholders | 178 division superintendents and assistant superintendents trained in leadership and stakeholder engagement under the Superintendents Leadership Program. | Data source:  Superintendents Leadership Program Pre-Test  Baseline:  School Division and School Heads require updated skills in leadership and management to lead education reforms |
| Number of school heads in target regions have appropriate capacity for school management | Educational Leadership and Management Training Curriculum and Content for School Heads developed | BEST trained 209 school heads as trainers to roll out the School Heads Development Program (SHDP). Nation-wide to 28,000 school heads, 59% of the national cohort. | Data source:  National Competency Based Standards for School Heads  Baseline:  School Division and School Heads require updated skills in leadership and management to lead education reforms |
| **Outcome 8:** Teachers demonstrate the skills required to teach the K to 12 curriculum to improve the learning outcomes of students in target regions | Teachers in target areas have progressively improved skills, knowledge and understanding to teach the new curriculum | Developmental National Competency-based Teacher Standards validated and adopted  DepEd Classroom Assessment Policy implemented and Systems Assessment Framework developed | Knowledge and skill gaps remain, but BEST supported DepEd to develop and implement strategies and tools to strengthen teacher capacities, including:  The Philippine Professional Standards for Teachers (PPSTs) adopted by the Department of Education. The PPSTs set out clear expectations of teachers along well-defined career stages of professional development from beginner to distinguished practice. An assessment framework and tools have also been developed with BEST support. These are being rolled out in 2018 with promotions and salary increments linked to performance against the PPSTs.  816 educators trained in core English, Maths, and Science competencies.  17 sets of new teaching and learning materials aligned with the K-12 Curriculum finalised. | Data sources:  BEST M&E Reports  2018 PISA Results  National Achievement Test Results  National Competency Based Teacher Standards (NCBTS)  Baseline:  Teachers exhibit key knowledge and skill gaps hampering their ability to effectively deliver the K-12 curriculum. |
| Evidence that teachers in target areas are developing professional awareness in order to take ownership of reforms within their own schools | The enhanced School Improvement Plan (SIP) policy, supported by BEST, engages key school stakeholders, including teachers, in the identification of school priorities and the development of school plans to address school issues. This gives authority for school decisions and ownership of school reforms to the school community. As of August 2017, 44, 154 (95%) of schools have been trained on the enhanced SIP process. | The enhanced School-Based Management (SBM) framework, supported by BEST, transfers responsibility for, and decision-making authority over school operations to principals, teachers, parents, students and other school community members. The framework will be promulgated in 2018-2019. | Baseline:  Teachers and school heads not empowered to manage school-level reforms. |
| Evidence that children have improved learning outcomes in target areas, based on new assessment methods.  Number of teachers trained in order to improve learning outcomes | Strategic Master Plan for In Service Teacher Education developed  Learning Actions Cells set up in selected target areas to enable a school based teacher development | 13 resource packages developed for school-based teacher professional development (Learning Actions Cells) with BEST support, and made available to all public schools through the Learning Resources Portal | Data sources:  RCTQ Teacher development needs assessment study.  World Bank Assessing Basic Education Service Delivery in the Philippines: Public Education Expenditure Tracking and Quantitative Service Delivery Study  Baseline:  Teacher competency weaknesses in delivery of maths, English and science |
| **Outcome 9:** Pre-Service Teachers Education consistent with the K to 12 curriculum requirements | New pre-service teacher education curriculum used by selected Teacher Education Institutions  New routes into teacher training developed  Career pathway accreditation for teachers developed | New Pre-Service Teacher Standards policy adopted  Prototype course syllabi for Mathematics, Science, and English aligned with outcomes-based Pre-service Teacher Education Curriculum developed | Curriculum framework for outcomes-based graduate teacher education program developed Prototype course syllabi for mathematics, science, and English to be finalised in 2018-19.  Pre-service teacher education curricula reviewed by 30 leading Teacher Education Institutions | Data sources:  BEST M&E Reports  Teacher Quality, Study School Effectiveness Study  Baseline:  Pre-service teacher standards are not differentiated from in-service standards  Pre-service curriculum is outdated and does not reflect requirements for teaching the K-12 curriculum |

| **Australia’s Aid Objective 2** | **BUILDING STRONGER INSTITUTIONS FOR TRANSPARENT AND ACCOUNTABLE GOVERNANCE** | | | |
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|  |  | **Annual Progress Targets/Milestones** | | |
| **Intermediate outcome** | **Intermediate outcome indicators** | **2016-17** | **2017-18** | **Data source and baseline** |
| **Outcome 1:** Partnerships among reform advocates are facilitated leading to policy reforms in target sectors | Capacity of reform advocates within government, and to engage in constructive partnership for reform is increased.  Responsive community based basic delivery support is provided to select areas and priority sectors  Partnerships deliver reforms that are evidence-based and genuinely oriented towards bringing policy changes that support economic growth and improved governance  Mechanisms, venues, or opportunities for civil society, government, private sector partnerships to constructively engage are made available  Resources, expertise and political stature of partners effectively utilised in reform activities  as measured by:   * the number and quality of documented partnership building engagements and the number of policy reforms adopted | Partnership building and/or engagement processes are documented and analysed in at least one reform area in each priority sector.  Establishment of rigorous partner identification processes in all reform areas | Partnership building and/or engagement processes are documented and analysed in at least five reform areas in each priority sector  Policy reforms passed and adopted by relevant agencies.  The following have been achieved:   * CfC supported the passage of the Internet Access in Public Places Act to promote service provider competition and increase public access to broadband services, ensuring strong child protection safeguards provisions were included * CfC supported the development and adoption of the National Disaster Risk Reduction and Management (NDRRM) Fund guidelines, to expedite funding flows for emergency response and disaster risk reduction investments to local government units and national agencies * CfC supported the development and adoption of the DepEd and DOLE immersion policy for senior high school students. This has allowed students to spend more hours gaining work experience, to better prepare them for entering the workforce | Coalitions for Change report to the Joint Steering Committee  Reform stories on The Asia Foundation website  Legislation Administrative Circulars and Implementing Rules and Regulations from target agencies  CfC Timeline Tool |
| **Outcome 2:** Partner organisations are more capable, competent, and ready to implement reforms in priority sectors through improved internal structures and systems. | Five of Australia’s government partners have been provided with appropriate interventions in HR/OD to improve their capacity for:   * identifying competencies, strengths and weaknesses of their agencies * designing and implementing HRMD systems beyond HRODF * allocating resources for the HR/OD reforms   sharing their knowledge within and outside the organisation  At least 60 In-country scholars and up to 100 Australia Awards Scholars successfully mobilised.  At least 5 MOUs signed between Australian and Philippine universities to jointly deliver selected priority courses | Core partner agencies have skills to manage political transitions  Philippines Government agencies have adopted appropriate human resource management standards  60 of interventions completed with partner agencies are assessed as being ‘institutionalised’ or ‘sustained’  Re-entry action plans for 60 returned scholars are completed | 90 Australia Awards Scholars successfully mobilised  60 per cent of new alumni hold key positions in targeted sectors  2/3rds of mobilised Australia Awards scholars from the Targeted category hold key positions in their respective organisations  Australia has new alumni in key positions in its partner organisations  At least five scholars have re-entry action plans with development objectives directed at giving women and disadvantaged cohorts greater opportunities for success  DTI Academy launched | Baseline: Individual Agency Organisational Assessments  Monitoring and Evaluation Reports of the Human Resource and Organisational Development Facility (HRODF)  Civil Service Commission Public Sector Reports and Survey Results |
| **Outcome 3:** Improve Philippine Government systems for budget formulation, execution, accounting, and reporting | Electronic Budget and Treasury Management System (BTMS) is adopted  Budget preparation processes are improved and internal control systems and internal audit practices of Philippine Government agencies strengthened as measured by:   * completion of relevant capacity building and technical assistance   External oversight by civil society of the budget and public expenditure improved as measured by completion of civil society activities | Budget execution module of BTMS goes live by 30 June 2017  Second phase of Budget Cycle Analytics system delivered and operational by 30 June 2017  Commission on Audit (COA) Citizen Participatory audit activity completed  Department of Budget and Management (DBM) Civil Society engagement activity completed | Implemented two activities to support the shift from two-year obligation budget appropriation to one-year cash budget appropriations which strengthens fiscal discipline and reinforces the budget intent to deliver services within the fiscal year  Technical assistance provided for the Electronic Budget and Treasury Management System (BTMS) that integrates into a single core system the previously disparate budgeting, treasury, and financial management and reporting processes | Public Financial Management Program (PFMP) M&E Reports  Baseline: Individual Agency Organisational Assessments  Monitoring and Evaluation Reports of the Human Resource and Organisational Development Facility (HRODF)  Civil Service Commission Public Sector Reports and Survey Results  Monthly PFM-I Progress Reports |
| **Outcome 4:** Strengthen Australia’s policy dialogue with the Philippine Government on key issues related economic growth and peace and stability | Policy engagement by DFAT with key Philippine Government agencies (e.g. Departments of Budget and Management, Education, Social Welfare and Development, Interior and Local Government) occurs regularly | Management and coordination meetings with:  DSWD on the Technical Assistance Facility for Social Protection Reforms | DFAT facilitates at least one Steering Committee Meeting annually with DSWD on Social Protection  Donors hold at least one donor coordination meeting on Social Protection annually.  These meetings enable donors and DSWD to coordinate activities and to discuss the policy objective of DSWD, which, as noted in the 2016-17 APPR shifted due to leadership changes in DSWD, The program was also constrained in 2017-18 due to funds being held in the Bureau of Treasury | DFAT internal reporting  Steering Committee Meeting documents |
| Policies and programs use peacebuilding (e.g. Counter Violent Extremism) Research findings, supported by DFAT | Management and coordination meetings with OPAPP on peace and stability policy and programming. | Studies on drivers of conflict and averting escalation of violence and resolving conflict commenced  Research on understanding the enabling environment for CVE commenced | Peace and Stability Partner Reports |

| **Australia’s Aid Objective 3** | **IMPROVING CONDITIONS FOR PEACE AND STABILITY** | | | |
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|  |  | **Annual Progress Targets/Milestones** | | |
| **Intermediate outcome** | **Intermediate outcome indicators** | **2016-17** | **2017-18** | **Data source and baseline** |
| **Outcome 1:** Peace process more credible and widely supported | Peace agreement understood supported within the Bangsamoro Autonomous Political Entity (BAPE) as measured by:   * results of perception surveys * networks formed and have the capacity to engage in joint political action   DFAT programs are aligned with the peace and development framework of the new Philippine Government administration | Results of perception surveys conducted nationwide and within the proposed BAPE territory used by OPAPP and the Transitional Authority to measure support for the transition | Two perception surveys conducted nationwide and within the proposed Bangsamoro territory have been used by the OPAPP and the Transitional Authority to measure support for the transition  Six networks among various Bangsamoro civil society stakeholders have been established and their capacity to engage in joint political action improved, with support from DFAT | Social Weather Station Surveys supported through an NGO partner  NGO partner reports  6-monthly Partner Progress Reports |
| Women more actively participating in peace building and political reform and dialogue | Gender balance in consultation teams   * 3,000 women at public consultations * 30 women specific consultations | Gender balance in consultation teams, supported by DFAT   * 3,000 women at public consultations * 30 women specific consultations   These figures were the target for over two years | Social Weather Station Surveys supported through an NGO partner  NGO partner reports  6-monthly Partner Progress Reports |
| **Outcome 2:** Institutional capacity to implement/convergence of peace agreements and engagement in political dialogue improved | Technical and operational support provided to institutions of the peace process to better deliver their mandate | Consultation and communication processes with civil society conducted in 2016-17  Technical and operational assistance to transitional institutions in delivering their mandate as indicated in the Comprehensive Agreement on the Bangsamoro | DFAT grantees support the BTC, JNC and TJRC in the following ways:  Technical and operational assistance to these transitional institutions in delivering their mandate as indicated in the Comprehensive Agreement on the Bangsamoro  Political mapping to understand the interests and positions of key stakeholders in both Congress and the Senate has been undertaken  Support for passage of the BBL  Consultation and communication processes with civil society conducted in 2017-18 | NGO & multilateral partner reports  Multilateral partner reports  6-monthly Partner Progress Reports |
| **Outcome 3:** Stronger local mechanisms for averting escalation of violence | Local level ‘informal’ mechanisms for averting escalation of violence are better able to resolve disputes  Peace and order councils engagement strengthened | 100 local monitors and mediators, and local government, AFP and PNP personnel trained in conflict mapping, analysis and resolution  20 disputes mediated by local mechanisms | 100 local monitors and mediators, local government, Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP) personnel trained in conflict mapping, analysis and resolution, supported by DFAT  20 disputes mediated  These figures were the target for over two years | NGO partner reports  6-monthly Partner Progress Reports |
| **Outcome 4:** Children in economically deprived communities have infrastructure and resources for access to pre-school, school and community-learning, including technical vocational skills | Per cent of Tahderiyyah completers reached in ARMM, boys and girls, who enrol in Kindergarten/Grade 1  Per cent of Tahderiyyah enrolees reached in ARMM who completed the program  Per cent of Madaris learners reached in ARMM moving up to the next grade  Per cent of completers reached in ARMM employed or engaged in livelihood activities  Per cent of 2011 DepEd ARMM elementary schools (2173) rated at least one-star (of three stars) schools (target: 30 per cent)  Per cent of 730 ADM Learning Centres in ARMM rated at least one-star (of three stars in schools) (target: 75 per cent)  Per cent of teachers in ARMM reached improving in their competencies from baseline to post test  Number of additional boys and girls enrolled in school | 40 per cent of Tahderiyyah completers, boys and girls, who enrol in Kindergarten/Grade 1  75 per cent of Tahderiyyah enrolees who have completed the program  90 per cent of Madaris learners move up to the next grade  50 per cent of completers employed or engaged in livelihood activities  Order on accreditation and announced accreditation system tested and refined  75 per cent of 730 ADM learning centres received basic requirements for EHCP  50 per cent of teachers trained have demonstrated improved competencies from baseline to post test | No new results for 2017 as BEAM ARMM concluded in June 2017. | BEAM-ARMM M&E Reports  Multiple Indicator Cluster Survey  Baseline is at 62%  BEAM-ARMM M&E Reports |

1. The WEF ranked 144 counties based on 4 categories: labour force participation, educational attainment, health and survival, and political empowerment [↑](#footnote-ref-2)