




Australian Government
Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2018-19

Philippines

October 2019



PHILIPPINES AID PROGRAM PERFORMANCE INFORMATION

2018-19

KEY MESSAGES

This report summarises the performance of Australia's aid program in the Philippines from July 2018 to June 2019 based on the objectives of the Philippines Aid Investment Plan 2015 to 2018. The report for 2018-19 bridges the transition to the new Philippines Aid Investment Plan 2020-25.

Australia continued to be a flexible and responsive partner to the peace process in Muslim Mindanao, supporting public consultations and information campaigns in the lead-up to the January 2019 plebiscite on the Bangsamoro Organic Law. Following the successful vote, we began supporting the transition process, including by providing technical guidance to the senior Moro Islamic Liberation Front (MILF) leadership taking on the management of the new Bangsamoro Autonomous Region in Muslim Mindanao (BARMM).

Australia increased its support for those affected by the Marawi conflict by committing an additional \$5 million to supplement the \$25 million initially committed in 2017-18. Over 66,000 people continue to be displaced two years after the conflict and we continue to provide humanitarian assistance and livelihood support as well as supporting reconstruction efforts. This assistance complements long-term peace and stability activities in the area to prevent violent extremism.

Australia was the first international partner to respond after Typhoon Mangkhut hit the northern Philippines in September 2018, providing \$1.47 million in emergency cash and farm inputs to 2,000 affected families.

Engagement with multilateral development organisations has been strengthened through the design of the Australian Multilateral Partnerships for Economic Development investment. This enables us to continue to support select economic reforms and economic development activities with key partners such as the Asian Development Bank (ADB), International Finance Corporation, (IFC) and the World Bank (WB).

Australia also continued to support key education reforms nationally and in the Bangsamoro. The performance of the Basic Education Sector Transformation program improved significantly in its final year, following its designation as an investment requiring improvement in 2018, with close, collaborative management by the Australian Embassy in the Philippines and the managing contractor.

Australia's investments in the Philippines are delivering results. Key achievements in 2018-19 included:

- Under the Partnerships for Peace program, we supported significant progress in reducing clan conflict in the southern Philippines, with sixteen local conflicts formally settled through mediation, improved ceasefire mechanisms, and better communications between communities and police.
- The Coalitions for Change Program Phase 2, through its advocacy and support to policymakers, contributed to the passage of the Universal Health Care law that enrolls all Filipinos into the government national health insurance system and provides free primary health services.
- Our humanitarian activities supported response to disasters and crises reaching 163,494 people. This included humanitarian response and early recovery assistance for the most vulnerable people affected by Typhoon Mangkhut, the Marawi conflict and recurrent conflict in Mindanao.
- Under the Education Pathways to Peace program, we trained over 900 public school teachers and 102 private Islamic school teachers and 450 school heads. We also trialled an innovative peace and inclusion curriculum with 26,000 primary school children in Marawi, which resulted in a 39% reduction in attitudes supportive of using violence to resolve disputes, a 67% decrease in the number of children willing to break rules, and a 41% reduction in unequal gender norms. Teachers also reported 32% less violence among students.
- Australia supported the development and trial of a new national teacher professional development system that assesses and responds to teachers' specific needs, helping to shift the Philippine Department of Education away from ineffective, centrally determined mass training programs.



CONTEXT

In 2018, the Philippine economy grew by 6.2 per cent, below the Philippine Government's 6.5-7.0 per cent target. In early 2019, the growth target of 7-8 per cent was revised downwards, in part due to Congress' delay in passing the 2019 budget. Growth may not reach above 6 per cent for 2019 – much lower than expected, but still comparatively strong. Governance constraints and the pervasive role of patronage in society and the economy continue to challenge the policy-making process and act as barriers to improved trade and investment. Whilst infrastructure development remains a high priority for the Philippine Government, the pace of implementation through the Build, Build, Build program is not as fast as had been hoped. Economic reform remains a high priority as the Philippine Government continues to push for the next package of the tax reforms to further increase revenue (e.g. higher 'sin' taxes) and to improve the business environment (e.g. corporate income tax and incentives reform).

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 BARMM (53.7 per cent) illustrates the urban-rural and north-south divide, highlighting the importance of inclusive economic growth in the future if the Philippines is to match the poverty reduction efforts of its closest neighbours.

The Philippines National Economic and Development Authority lists Australia as the sixth largest official development assistance (ODA) donor (both loans and grants), but second only to the USA in terms of bilateral grants. Whilst Australia's assistance represents a small proportion of the Philippines national budget (approximately 0.2 per cent in 2018-19), we magnify the impact of our spending by working with the Philippines to maximise the effectiveness of its own resources through complementary and catalytic activities.

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 66,000 Marawi residents remain displaced, staying with family or friends 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 Bangsamoro Organic Law, providing for the establishment of a new, larger autonomous Bangsamoro region in Mindanao, was ratified through two plebiscites held on 21 January and 6 February 2019. The plebiscites overwhelmingly supported the creation of a new Bangsamoro region. This is the culmination of decades of peace talks and creates the possibility, for the first time in a generation, of a peaceful and prosperous future in Muslim Mindanao - notwithstanding the challenges of setting up new governance arrangements. The new Bangsamoro Autonomous Region will take the form of a parliamentary-democratic government headed by a chief minister and 80 members of parliament. The Moro Islamic Liberation Front, which concluded a comprehensive agreement with the Government in 2014, will lead an interim government for three years, before parliamentary elections are held in 2022.

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 country assessed to be fifth-most affected by climate change (Global Climate Risk Index 2017). While a national government architecture to address disaster and climate change risks exists, the primary responsibility for implementation rests with Local Government Units (LGUs). Cities, municipalities, and barangays however have severe capacity and resource constraints which can be overwhelmed when confronted by disasters or climate risk events.

The Philippines remains the most gender equal country in Asia in 2018. It is ranked 8th in the Global Gender gap report in 2018 according to the World Economic Forum (WEF)¹. Although the Philippines fares well in terms of the reported number of women in managerial and executive positions, 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 still quite low. Filipinos with disabilities remained among the most marginalised groups in society, facing barriers to accessing basic services, particularly in rural areas.

EXPENDITURE

Table 1 Total ODA Expenditure in FY 2018-19

Objective	A\$ million	% of total ODA
Bilateral	67.0	79
<i>Objective 1: Enhancing the Foundations for Economic Growth</i>	21.0	
<i>Objective 2: Building Stronger Institutions for Transparent and Accountable Governance</i>	22.0	
<i>Objective 3: Improving Conditions for Peace and Stability</i>	24.0	
Regional and Global	14.8	17
Other Government Departments	3.6	4
Total ODA Expenditure	85.4	100

PROGRESS TOWARDS AIP OBJECTIVES

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

Objective <i>(based on AIP 2015-2018 as the new AIP 2020-2025 is still to be approved)</i>	Previous Rating <i>(FY17-18)</i>	Current Rating <i>(FY18-19)</i>
Objective 1: Enhancing the Foundations for Economic Growth	Amber	Green
Objective 2: Building Stronger Institutions for Transparent and Accountable Governance	Green	Amber
Objective 3: Improving Conditions for Peace and Stability	Green	Green

Note:

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

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

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

¹ The WEF ranked 144 countries based on 4 categories: labour force participation, educational attainment, health and survival, and political empowerment

OBJECTIVE 1: ENHANCING THE FOUNDATIONS FOR ECONOMIC GROWTH




Through this Objective, Australia aims to promote a vibrant Philippine economy by enhancing the environment for increased investment, working with partners to expand economic opportunities for a better-educated workforce, promoting economic participation for women, and assisting the Philippines develop priority infrastructure projects that attract private sector investment.

Progress on this objective is rated Green. Implementation of Australia's on-going programs are on-track, and the transition from programs completing implementation in 2018-19 was managed smoothly, with new programs mobilised or to be mobilised as expected. Performance benchmarks for this objective were fully achieved as planned.

In its last year of implementation, the **Australia-World Bank Philippines Development Trust Fund** (otherwise known as the Umbrella Trust Fund or **UTF**) contributed to the enabling environment for business and trade as expected through continued technical advice on the second package of tax reforms (e.g. corporate income tax and incentives rationalisation). Such critical assistance is typical of the important role the UTF had over its ten-year life in promoting a stable Philippine economy. It supported major initiatives such as Game Changers which in early 2019 helped the Philippine Government establish the fuel marking program to reduce oil revenue losses (estimated to be between PHP26.9 billion to PHP43.8 billion annually).² It helped reduce economic vulnerability by developing an international standard household targeting system for the Conditional Cash Transfer program that boosted school enrolment and health service usage among the poor. Building on and learning from the success of the UTF, the **Advancing Multilateral Partnerships for Economic Development (AMPED)** was mobilised as planned to strengthen the Philippine Government's ability to manage the economy for growth. While overall AMPED funding will be lower than the previous UTF, Australia remains well-placed to continue progress achieved by the UTF in improving the environment for business and trade. It also includes support to address the expanding nature of complex infrastructure development needs in the Philippines and increasing demand for assistance in developing long-term infrastructure projects beyond public-private partnerships. By June 2019, arrangements with the World Bank and the International Finance Corporation were established in preparation for new activities to be implemented beginning 2019-20.

Ensuring inclusivity of economic development remains a high priority for Australia. The multi-country program **Investing in Women (IW)** continues to champion women's full participation in economic activities as entrepreneurs and as employees. By June 2019, the milestone target was met: seven member companies of the Philippines Business Coalition for Women Empowerment (PBCWE) were recognised for their commitment to workplace gender equality through the Economic Dividends for Gender Equality certification. These companies average high percentages of female staff (55%); top management (47%); and board members (27%). Together with two new members, these large Philippine companies in PBCWE representing more than 130,000 employees are influencing the wider business community by promoting the business case for workplace gender equality. IW increased the flow of investment into women-owned and women-led small and medium enterprises (WSMEs) in the Philippines through partnerships with impact investing firms. A total of five deals with WSMEs were closed amounting to \$957,242 with a total private capital of \$1.7 million leveraged (1.8 x IW's capital) and \$2.7 million co-investment from an impact investing fund. These investments created 1,200 jobs, of which 50-60% were for women.

² 'PH marks start of war vs fuel smugglers', *Philippine Daily Inquirer*, 28 February 2019 < <https://business.inquirer.net/265791/ph-marks-start-of-war-vs-fuel-smugglers>>, (accessed 21 August 2019)



There have been considerable improvements across all aspects of the **Social Protection** investment. The Department of Social Welfare and Development (DSWD) delivered on key projects, including the major task of finalising the new Philippine Social Protection Operational Framework as targeted. DSWD trained 216 officers to work effectively with LGUs, and used Geographical Information Systems to improve remote area outcomes. Technical assistance projects (26 completed, 22 ongoing) enhanced evidence-based policies and improved service delivery. Activities by multilateral partners also progressed well. The United Nations Children’s Fund produced the first Situational Analysis of Children with Disabilities in the Philippines, and reviewed business processes of the Modified Conditional Cash Transfer Program, including indigenous accessibility. The World Bank is strengthening the poverty targeting database *Listahanan* and payment mechanisms of the ‘4Ps’ conditional cash transfer program.

The **Innovation for Social Impact Partnership (ISIP)** provides catalytic financing and technical support to high potential social enterprises and enables higher education institutions to stimulate a pipeline of new social enterprises. This three-year, tripartite program between the Australian Embassy, the United Nations Development Program and PhilDev has so far assisted 10 social enterprises to scale-up operations.

The **Basic Education Sector Transformation (BEST)** program, which concluded on 30 June 2019, made important contributions to Philippine policies and systems for improving teaching quality and education service delivery, including the development and trial of a new teacher professional development system as intended for this last year of implementation. BEST also supported effective local initiatives to strengthen access, participation, literacy and numeracy, lifting literacy rates by over 80% in some areas. In its final year, BEST helped the Department of Education (DepEd) to shift its strategic focus decisively from access to quality. The program focused on transitioning management of key initiatives to DepEd, with most work streams on strong sustainability pathways. Some risks remain around DepEd’s capacity to independently manage the large and complex Unified Information System developed with Australian support. In line with DepEd’s strengthened focus on lifting teaching quality, Australia will mobilise a modest but strategic successor project, Sustaining Education Reform Gains (SERG), to continue work initiated by BEST to help DepEd improve systems for teacher professional development for a further two years (2019-21).

The **Strengthening Public Private Partnerships (PPP) Program** with the ADB continues to keep implementation relevant to the PPP policy environment, with new guidelines for the processing of unsolicited PPPs developed by the Philippines PPP Center in 2019. Over the past year, the PPP Center has also delivered on its new strategy to focus on the local government level by helping 10 LGUs further develop PPP projects already at advanced stages of preparation. At the national level, one PPP project (Operations and Maintenance of the Clark International Airport Expansion), developed with transaction support from the program, was approved by the Philippines’ Investment Coordination Committee and went to market within this period. Approvals of solicited PPP projects have slowed down significantly overall since the shift in the government’s preference to unsolicited PPP projects beginning in 2017.

OBJECTIVE 2: BUILDING STRONGER INSTITUTIONS FOR TRANSPARENT AND ACCOUNTABLE GOVERNANCE




Under this Objective, Australia aims to strengthen the institutional capacity of the Philippine Government to support inclusive growth, reduce climate vulnerability, and protect the rights of children.

Progress on this objective is Amber, primarily due to the non-mobilisation of a major program to continue and expand support to infrastructure institutions in the Philippines. The absence of this program limited Australia's ability to assist institutions working on public financial management and infrastructure development and will require the recasting of this sub-objective in the next Aid Investment Plan. Nevertheless, there was good progress against expected performance benchmarks, as we provided on-going support for departments to implement policy reforms in health care and budget management, as well as mobilised a new program to strengthen agencies that protect children. Programs continued to provide capacity building assistance for institutions through short courses, long-term scholarships, and research support.

The **Public Financial Management Program for Infrastructure (PFM-I)** was intended as a one-year interim activity that would leverage the existing relationship with the Department of Budget and Management and expand support to PFM for infrastructure delivery by exploring new approaches, new areas of engagement, and new partnerships. The majority of the expected development outcomes of the investment were achieved, such as the approval (albeit delayed) and implementation of cash-based appropriation for the 2019 national budget. Operational breakthroughs in service delivery were achieved through technical advice provided to improve operational performance of the Metro Rail Transit System Line 3 and to improve ship maintenance by the Philippine Coast Guard. However, the new six-year \$36 million **Public Financial Management Program for Institutions and Infrastructure (PFMP-II)** that was planned to succeed and expand technical support provided by PFM-I did not proceed in the absence of a subsidiary arrangement signed with the Philippine Government.

The **Coalitions for Change Program (CfC)** uses innovative approaches to advocate for transformative policy reforms that strengthen institutions and contribute to inclusive economic growth and social development in the Philippines. The program is a partnership between the Australian Government and The Asia Foundation and supports private sector reform champions and policymakers to pursue technically difficult and politically challenging reforms. The flexible and adaptable approach applied by CfC has helped inform the design and approaches of other Philippines aid investments. Given its innovative approach and high quality, the design of CfC's second phase (CfC 2) was awarded DFAT's 2019 International Development Design award. With the start of CfC 2 this year, the program successfully met its milestone for the year with the adoption of four new laws and policies. Most important was the passage of the Universal Health Care (UHC) Act into law in February 2019 which automatically enrolls 100% of the population, or around 105 million people, in the national health insurance program. Before UHC was enacted, only 2 out of 3 Filipinos had any form of health insurance based on the 2017 National Demographic and Health Survey. CfC 2 also contributed to the adoption of the implementing rules and regulations for the Philippines Qualification Framework in January 2019; the amendment of the Agricultural Free Patent Act, which became law also in February 2019; and the adoption by the Departments of Transportation and Tourism of joint prioritisation criteria for airport and tourism infrastructure. The Philippines also continues to reap gains from CfC Phase 1, such as the reform to reclassify satellite broadband as a value-added service, which opened the market for small internet service



providers. This reform resulted in an increase in the number of free Wi-Fi locations that provide internet access to isolated communities from 807 (in August 2017) to 2,708 (in July 2019).³

Twelve local government units (LGUs) are now better prepared and able to manage disaster and climate risk due to support from the **Resilience and Preparedness toward Inclusive Development Program (RAPID)**. Implemented from 2014 to June 2019, the program enabled LGUs to have access to updated flood and storm surge risk information to conduct vulnerability assessments and to determine community risk exposure, differentiated for men, women, girls, boys, elderly, indigenous peoples, and people with disabilities. In cooperation with relevant national Philippine Government agencies, these local governments which cover 150 barangays (villages), now have risk-sensitive land use and development plans in place, as well as community disaster risk reduction and management plans. These include community-based early warning systems, as well as specially-designed contingency plans and drills for vulnerable groups such as school children and pregnant women. The program also supported the establishment of a multi-purpose evacuation centre. Notably, RAPID was instrumental in boosting the recovery and resilience of local governments and communities affected by Super Typhoon Haiyan in 2013. With the completion of RAPID, a new disaster and climate resilience program will be designed and for mobilisation in 2019-20.

Building on a previous initiative, the Australian Government launched the **SaferKidsPH** program in October 2018 to enhance the Philippine child protection system to address online sexual exploitation of children (OSEC). It supports Australian and the Philippines' international and domestic policies and programmes on countering all forms of child exploitation, human trafficking and transnational crimes. It will seek to increase public awareness of the risks and impact of OSEC, strengthen investigation, prosecution and adjudication of OSEC cases, and improve service delivery for OSEC prevention and protection of children in target areas (initially Cebu, Cagayan de Oro, and the National Capital Region). Through partnerships with the Australian Federal Police, and the consortium of UNICEF, The Asia Foundation, and Save the Children Philippines, the program will pursue strategic collaborations with the Philippines Government, and engage civil society, communities and schools, private sector, media, and other like-minded donors to support and be part of innovative and sustainable solutions to OSEC.

The **Australia Awards and Alumni Engagement Program (AAAEP)** is a flexible capacity building program to support the achievement of Australia's development and economic diplomacy objectives in the Philippines. For 2018-19, the program awarded 90 scholarships to future Filipino change makers (52% women), delivered targeted short courses for senior government staff (50% women) on Philippine priority issues such as the law of the sea and data analytics. The program facilitated the entry of 280 new Filipino members, most of whom work in key development institutions, into the Australia Global Alumni network.

Through the **Philippines Research Initiative (Policy Window Philippines)**, Australia works in partnership with the International Initiative for Impact Evaluation (3ie) to develop rigorous, mixed-methods impact evaluations to inform, and promote the uptake and communication of evidence-based policy making in the Philippines. Evaluations on-going during this year focused on assessing the effectiveness of the DSWD Sustainable Livelihood Program and the potential for Supreme Court initiatives aimed at reducing court congestion to be scaled up.

³ List of live sites as of July 31, 2019, *Free WiFi for All* [website], <<http://freepublicwifi.gov.ph/livehotspots/>>, (accessed 21 August 2019)

OBJECTIVE 3: IMPROVING CONDITIONS FOR PEACE AND STABILITY




With this Objective, Australia supports the peace process, transition and long-term stability and development in Muslim Mindanao, including through access to education, as well as providing humanitarian and recovery support to people affected and displaced by conflict and disasters across the Philippines. Investments align with Australia's broader security interests in the southern Philippines, working to reduce the threat of violent extremism and support a more stable Mindanao.

This objective is rated Green. While there were delays in some areas, such as the Philippine Government-led reconstruction of Marawi, overall the investments that sit under this objective achieved their targeted outcomes. These included support for the passage of the Bangsamoro Organic Law and resolving 16 local conflicts (both through Peacebuilding in Conflict-Affected Mindanao); the Bangsamoro Government issuing a policy enabling third-party delivery of education services in remote and conflict-affected areas (through Education Pathways to Peace); and assisting 163,494 women, men, boys and girls in conflict areas and crisis situations (through humanitarian support to those affected by Typhoon Mangkhut, the Marawi conflict, and ongoing instability in Mindanao).

The **Peacebuilding in Conflict-Affected Mindanao** investment is supporting the peace process, transition to the BARMM following the plebiscite supporting the Bangsamoro Organic Law and long-term stability and development in Muslim Mindanao. It consists of investments through NGOs as well as multilateral partners. Achievements included the Mindanao Trust Fund providing community development assistance to six MILF camps, benefitting 36,000 people. There were, however, serious delays to activities in Marawi, generally out of the control of partners, as Philippine Government-led clearing of ordnance continued and rebuilding had not yet started. Our partners were also heavily involved in work to promote the Bangsamoro Organic Law, engaging all levels of government and diverse range of community representatives, including women, youth and indigenous groups, in its debate and establishment.

The **Education Pathways to Peace (Pathways)** investment which began implementation in February 2018 seeks to contribute actively to durable peace in the region. It works with the new BARMM Ministry of Education to provide flexible support to improve education access and quality, including trialling new approaches to delivering specialised, culturally appropriate education that support peacebuilding. Pathways provided significant support to assist the transition from the former ARMM Department of Education to the new MILF-led Ministry, helping to minimise disruption to service delivery and build trust between the bureaucracy and new political leadership. To support improved access, Pathways assisted the Ministry to validate data on hundreds of villages unserved by public schools, and helped develop a new policy that will enable third party delivery of education services in remote and conflict-affected areas. It trained over 900 public school teachers and 102 private Islamic school teachers and 450 school heads; and supported the delivery of a peace and inclusion-focused curriculum to over 26,000 children. Pathways also established temporary learning centres for 144 children displaced by the Marawi siege and trialled an innovative inclusive education kit to support pre-literacy and manual dexterity with 1,871 children with and without disabilities. Implementation of the program was initially slow, but this was expected given the disruption of the political transition and general insecurity in Mindanao.



Our **Humanitarian Response and Recovery Assistance** investment provided assistance to a total of 163,494 people affected by Typhoon Mangkhut in northern Philippines, and by the situation in Mindanao, which continued to be volatile, resulting in forced and protracted displacement on top of that due to the Marawi siege. As the first international partner to respond to Typhoon Mangkhut, we provided humanitarian assistance through pre-positioned humanitarian supplies with the Philippines Red Cross, and supported the early recovery of livelihoods of 2,000 most vulnerable farming families with emergency cash and farm inputs through the World Food Programme and the Food and Agriculture Organisation. Meeting women’s specific needs was a particular focus, through provision of dignity kits, maternity packs, and reproductive health kits for 1,193 women affected by the typhoon. Australia’s funding support helped the United Nations High Commissioner for Refugees (UNHCR) maintain its operations in the Philippines and this enabled Australian assistance to benefit 61,670 people following the Marawi crisis. Australia funded one-third of UNCHR activities in 2018, including protection of affected people through psycho-social support for displaced families and establishment of local referral networks to respond to gender-based violence, as well as addressing concerns of affected women through the prepositioning of sexual and reproductive health relief items.

DFAT REGIONAL AND GLOBAL INITIATIVES AND OTHER GOVERNMENT DEPARTMENTS

In addition to bilateral aid investments, Australia provided development assistance to the Philippines through a number of global and regional initiatives. These included the Australian Non-Government Organisation Cooperation Program and Australian Aid: Friendship Grants, and through the Australian Centre for International Agricultural Research. Two new regional programs that will include the Philippines – the Southeast Asia Economic Governance and Infrastructure Facility and the ASEAN-Australia Smart Cities Initiative – were also designed during the period.

Australian NGO Cooperation Program (ANCP) and Australian Aid: Friendship Grants (AAFG)

In 2018-19, the ANCP invested \$3.6 million to support 15 Australian NGOs deliver 25 projects (including 10 regional projects) in the Philippines. The projects focused on Disability, Child Protection, Livelihoods, Education, Eye Health, Food Security, Gender, Climate Change, Microfinance, Human Rights and Water and Sanitation and Hygiene. The program provided much needed support to households to attain food security and create sustainable livelihoods. Hygiene practices of school children were improved and disaster and climate change awareness training was provided to communities in urban centres. Support was provided to the Department of Health to implement its Community Eye Health Program in Mindanao.

The AAFG is a three-year, \$10 million small grants program that aims to engage a diverse group of Australian community organisations (ACOs) in the delivery of Australian development cooperation assistance. The Philippines was one of the countries within the Indo-Pacific region eligible to receive ACOs to undertake activities that: build on existing in-country projects that improve the lives of poor and vulnerable people in a sustainable way; use successful and/or innovative approaches to problem-solving that have potential for wider application; and assist and strengthen an overseas community’s capacity or socio-economic situation. *Bahay Tuluyan* Australia Philippines was awarded a \$60,000 grant in December 2018 to provide vulnerable Filipino youth in the province of Quezon with valuable skills and income through hands-on training on social enterprise and organic agriculture.

Australian Centre for International Agricultural Research (ACIAR)

In 2018-19, ACIAR implemented 18 projects with a total value of \$20 million. Key achievements include:

- Through a Livelihood Improvement via Facilitated Extension (LIFE) approach, participating farmer groups in pilot project sites in western Mindanao saw significant positive change to their livelihoods. Income from farming activities increased by an average of 64 per cent and savings rose by 108 per cent. Additionally, the costs of agricultural inputs and labour decreased after the introduction of organic vegetable production. Participating farmers are also reportedly more confident in exploring new ventures and diversifying their income-generating activities.

- In 14 barangays in Pampanga province, small-holder hog raisers were organised into a farmers group, improving access to technical advice and services, and improving their knowledge and ability to negotiate prices for produce and inputs. Environment and economic benefits have been reported among farmers who received biogas units (methane gas harvester and increases biodegradation of waste), and rainwater harvesters. The farmers have saved on the costs of cooking gas and electricity from methane gas lamps (a source of light at night), as well as reduced bio-waste from their farms.
- Small-holder farmers in Leyte province adopted new agricultural and postharvest practices, through collective vegetable production, and enhanced their knowledge and understanding of value chains. These farmers now have more confidence to produce crops using new technologies (e.g. protected cropping, fertigation) and are directly engaging and negotiating better prices for their harvest. The farmers are supplying bell pepper, tomato and lettuce to high value markets (e.g. supermarket, restaurant) in Tacloban City and Cebu City and the local market in Ormoc City.

SUPPORTING PHILIPPINE DEVELOPMENT

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) <i>Baseline</i> CY2017: 5 per cent of GDP (PHP847 million in annual budget)	CY2019: PHP816.2 billion (or 4.2 per cent of GDP) As of 30 April 2019, 37 out of 75 Infrastructure Flagship Projects have been approved by the Investment Coordination Committee and confirmed by the National Economic and Development Authority Board with a total investment requirement of PhP1.56 trillion
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 <i>Baseline</i> : National: 27.6 per cent in 2015; Rural: 30 per cent in 2015	Poverty incidence 21 per cent in 2018, down from 27.6 per cent in 2015
Reduce the unemployment rate to 3-5 per cent by 2022 <i>Baseline</i> : 5.5 per cent in 2017	Unemployment rate estimated at 5.1 per cent in April 2018
Increase the labour force participation rate of women to 51.3 per cent by 2022 <i>Baseline</i> : (2015) 49.3 per cent	Women's labour force participation rate declined to 46.6 per cent according to the January 2019 Labour Force Survey
Improve the Philippines' percentile ranking in the Worldwide Governance Indicators (WGI) - Regulatory Quality Improved, to 60 percentile by 2022 <i>Baseline</i> : (2016) 53 percentile	The Philippines ranked within the 56 percentile in 2017
Improve percentile ranking in the Global Competitiveness Index (GCI) to 62 percentile by 2022 <i>Baseline</i> : (2016) 59 percentile	The Philippines was ranked 56 for 2017-2018, up one position from 2016, which places them in the 60th percentile

Philippine Government commitments	Progress
<p>Improve the Philippines' overall ranking in the WB-IFC Doing Business Report</p> <p>Baseline: (2017) 99 out of 190</p>	<p>The Philippines' ranking declined to 124 out of 190 in the 2019 WB-IFC Doing Business Report</p>
<p>Increase total government spending in social protection (in PHP) as a proportion of the GDP to 5 per cent by 2022</p> <p>Baseline: (2018)</p> <p>Budget allocation in 3 core social protection programs:</p> <ul style="list-style-type: none"> • PHP5,375,085,000 (Kalahi-CIDSS-NCDDP) • PHP89,408,303,000 (4Ps) • PHP5,060,000,000 (SLP) 	<p>2019 budget allocation for the 3 core social protection programs are:</p> <ul style="list-style-type: none"> • PHP2,770,271,000 (Kalahi-CIDSS-NCDDP) • PHP89,752,324,000 (4Ps) • PHP1,724,882,000 (SLP) <p>The percentage as a proportion of the GDP will be calculated in the PDP update to be released in 2020</p>
<p>Net enrolment rate in school (Baseline 2015):</p> <ul style="list-style-type: none"> • 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) 	<p>Net enrolment rate in school (2018-2019):</p> <ul style="list-style-type: none"> • Kindergarten: 76.45 • Elementary: 94.05 • Junior High School: 81.41
<p>Peace agreements with armed conflict group (Moro Islamic Liberation Front) successfully negotiated and implemented, with passage and ratification of an enabling law in accordance with the Comprehensive Agreement on the Bangsamoro.</p> <p>Starting Point: Bangsamoro Basic Law submitted to President Duterte in July 2017</p>	<p>Bangsamoro Organic Law approved by Congress in July 2018 and ratified through plebiscites in early 2019</p>
<p>All families affected by natural and human-induced calamities are provided with relief assistance</p> <p>Baseline: (2015) 54%</p>	<p>The Philippine Government (DSWD and LGUs) and other partners provided the following humanitarian assistance:</p> <ul style="list-style-type: none"> • PHP205 million (approx. AUD5.4 million) in response to Typhoon Mangkhut, benefiting 1.57 million people • PHP 765 million (approx. AUD20 million) in support of Marawi recovery, benefiting over 350,000 people; and • PHP7.35 million (approx. AUD193,370) to support people displaced by other conflicts in Mindanao

PROGRAM QUALITY AND PARTNER PERFORMANCE

Overview

The Philippines Program generates sufficient performance information collected through the monitoring and evaluation (M&E) systems at the level of individual investments to allow assessment of a range of indicators, including effectiveness. The continued engagement of M&E expertise through 2018-19 was helpful in this regard. For example, extensive work was undertaken to develop program logic models and M&E frameworks for two investments responding to the Mindanao humanitarian crisis. This process also helped address the issue of proliferation of agreements within investments as identified in the previous year's APPR.

With the transition from the AIP 2015-2018 to a new AIP 2020-2025 (still subject to approval in late 2019), Performance Benchmarks in Annex B were selected from the interim Performance Assessment Framework (PAF) in Annex E prepared specifically for this reporting period (FY2018-19). The number of outcomes in the 2018-19 PAF is significantly lower than in the previous PAF.

An independent final evaluation of the World Bank Development Trust Fund was completed in December 2018. The recommendations and management actions from this evaluation have been incorporated into the design of the new investment for partnerships with multilateral institutions such as the World Bank and ADB. Over the next 12 months, the Philippine Program will evaluate two bilateral-funded projects (BEST and PCTP-RAPID) and a DFAT innovationXchange-funded project (IAFFORD) that were recently completed.

Aid Quality Checks (AQC)

The Philippines Program completed a total of twelve Aid Quality Checks (AQCs), including one humanitarian AQC (HAQC) for the Response and Recovery Assistance to the Philippines, and one final AQC (FAQC) for the Australia-World Bank Philippines Development Trust Fund. Four investments were exempted from the AQC process. Overall ratings generally improved (with no ratings lower than '4' in 2018-19) under the streamlined AQC process. A summary of year-on-year AQC ratings is in Annex D.

Two investments (Social Protection and BEST) that were deemed investments requiring improvements (IRIs) in 2017-18 improved their ratings and are no longer IRIs in 2018-19.

Gender. Overall portfolio performance fell just short of DFAT's 80% benchmark for effectively addressing gender equality, with 75% (9 out of 12 investments) rated satisfactory in gender equality in the AQCs. Nevertheless, AQC moderation discussions noted that most of the action items that the DFAT Gender Equality Branch supported the previous year have been implemented. Of the three investments rated unsatisfactory, Pathways will mobilise additional resources and provide clearer operational guidance to improve gender equality in implementation. The two other investments (UTF and PFMP-II) require no further actions as these already ended on 30 June 2019.

Several investments contributed to the reporting of DFAT's Aggregate Development Results (ADRs) related to improving gender equality outcomes, such as:

- Response and Recovery Assistance to the Philippines:
 - Number of poor women and men who increase their access to financial services (W: 213; M: 53)
 - Number of vulnerable women, men, girls and boys provided with life-saving assistance in crisis and conflict situations (W: 62,114; M: 57,336)
- Education Pathways to Peace in Mindanao
 - Number of teachers trained in order to improve learning outcomes (W:1,628; M:1,982;)

Disability. Results from the 12 AQCs show satisfactory ratings for eight investments in involving people with disabilities (sub-criterion 1) and for ten investments in identifying and addressing barriers to inclusion (sub-criterion 2). Examples of disability inclusive outcomes from investments include:

- Response and Recovery Assistance to the Philippines: The Marawi Recovery Project identified the most vulnerable people with disabilities (PWD) and assisted 357 PWDs avail of free services and provided 25 PWDs with assistive devices (e.g. wheelchairs).
- Strengthening Philippines Public Private Partnerships Program: Minimum performance standards and specifications contained in contracts for PPP projects supported by the Philippines PPP Center require compliance with Philippine legal requirements on disability inclusion.
- Coalitions for Change Phase 2: With support from CfC 2, the Philippine Government launched a nationwide campaign to ensure 1 per cent of civil service positions are allocated for PWDs.

Performance of key delivery partners

In 2018-19, 15 Partner Performance Assessments (PPAs) (four with multilateral organisations, six with international NGOs and five with managing contractors) were completed by the Philippines Program. DFAT is achieving value for money and effective program assistance from partners based on these assessments.

The PPA process provided a useful avenue for structured engagement with partners for investments requiring improvement (IRIs) in the previous year. For example, in the case of the BEST, the Managing Contractor’s senior management team demonstrated constructive commitment to turn the program around based on the detailed IRI Remediation Plan developed by the Philippines Program. BEST’s performance improved significantly and enabled the program to end on a positive note in its final year of implementation.

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 training exercises	Continue to monitor targets of interest where Australia can provide effective support in humanitarian and disaster risk reduction	Medium	Yes
Changes in Government of the Philippines (GPH) priorities, changes in key contacts and/or political and security instability	Due diligence done prior to engagement with partners and contractors; worked flexibly to accommodate emerging priorities	Continue with existing controls; continue to build and strengthen relationships – 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	Obligations for Managing Contractors comply with Commonwealth Procurement Guidelines, including screening entities and individuals through public databases; 'Managing Terrorism Financing Risk in the Philippines: Threat and Risk Assessment and Framework' approved	Continue to implement additional screening measures on a quarterly basis; additional measures to be put in place for conflict-settings as required	Medium	Yes
GPH resistance to the 'donor/recipient' aid narrative, makes it challenging to communicate the relevance and effectiveness of our aid program	Different communications methods employed across certain parts of the program	New communications strategy to be developed as the Philippines transitions to Upper Middle Income Country Status	Medium	Yes

The Risk profile for the program has not changed significantly over the last twelve months.

MANAGEMENT ACTIONS

Five of the seven management actions for 2017-18 were fully achieved during the period. The management action on the new Aid Investment Plan (AIP) was partially achieved, with an advanced draft prepared during the period. The detailed risk assessment to support operations (not just aid, but all aspects of Australia's work) in Mindanao, noted in the previous APPR, took the form of an ongoing process rather than a final report. A summary of progress on management responses from 2017-18 is in Annex A.

The management actions will ensure that for coming AIP period, the development program responds to the complex and evolving operating environment, includes a robust investment pipeline, and better integrates gender equality and disability inclusion in implementation.

Strategic Responses:

- Revise draft AIP to address non-mobilisation of PFMP-II (c/o DFAT Manila)
- Programming for investments to replace programs ending in 2021 (Political, Economic, and Development Sections)
- Conduct conflict assessment for Mindanao by March 2020 to inform Peace and Stability programming (Political Section)
- Conduct mid-term review of Peace and Stability investments by March 2020; this combined with above conflict assessment will inform future programming and budget priorities (Political Section)
- Update and revise Philippines Program Gender Action Plan to align with a new AIP period by January 2020 (Economic Section)
- Review the performance of the program on disability-inclusive development, and identify concrete measures to strengthen inclusion of people with disabilities by June 2020 (Development Section)

Operational Responses:

- Mobilise new activities for WB, ADB, IFC under AMPED by December 2019 (Economic Section)
- Finalise design and commence implementation of Strengthening Institutions and Empowering Localities against Disasters and Climate Change (SHIELD) by June 2020 and SERG by October 2019 (Development Section)
- Finalise design for the new research investment to continue our support to the Philippines Project and Policy Window Philippines amongst others by December 2019 (Economic Section)

ANNEX A - PROGRESS IN ADDRESSING MANAGEMENT ACTIONS

Management responses identified in 2017-18 APPR	Rating	Progress made in 2018-19
A new AIP for the Philippines will be finalised and implemented for the period ending 2024. This will include: recasting objectives; revising modalities; better performance benchmarks and Performance Assessment Framework.	Partly achieved	The draft AIP 2020-2025 (with updated objectives and improved performance benchmarks and PAF) was prepared and will be submitted for Ministerial approval in late 2019. [Note: Submission of all DFAT AIPs were postponed due to the conduct of Australian Government elections in May 2019.]
The Philippines Program Gender Action Plan will be updated following an internal review of the first year of implementation of the Plan.	Achieved	The annual update was completed in January 2019. Based on the one-year implementation review, 25 sub-action points targeted for 2018-19 were achieved or partially achieved.
Management of two Investments Requiring Improvement (IRI) will be a priority for both program teams and senior management at the embassy.	Achieved	Remediation plans were implemented for the two IRIs, leading to satisfactory 2018-19 quality ratings for both investments.
The embassy will monitor humanitarian and recovery activities for communities affected by the Marawi conflict and identify opportunities to assist with the longer term recovery plan from the Philippine Government.	Achieved	Australia increased its support for those affected by the Marawi conflict from \$25 million in 2017-18 to \$30 million in 2018-19.
Post will lead a detailed risk assessment process to support operations in Mindanao	Partly achieved	A detailed risk assessment to support operations (not just aid, but all aspects of Australia's work) in Mindanao, took the form of an ongoing process rather than a final report. This included the development of rolling three-month security assessments for travel to Davao and Cagayan de Oro ('reconsider your need to travel' zones), as well as the individual approval and assessment processes for other essential travel to Mindanao. This now underpins and informs all work and travel to Mindanao.
Post will lead processes with the monitoring and evaluation (M&E) adviser to ensure initiatives involving a large number of separate investments are contributing to consolidated objectives and help prevent proliferation of smaller investments.	Achieved	All investment-level M&E frameworks reviewed and realigned to the interim PAF for 2018-19 and to the proposed PAF in the new AIP 2020-2025.
Two programs (Coalitions for Change and Child Protection) to commence second phase in 2018-19.	Achieved	Both programs successfully mobilised in 2018-19.

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

1 Progress towards Performance Benchmarks in 2018-19

**Interim performance benchmarks were prepared specifically for 2018-19 based on the objectives of the Aid Investment Plan 2014-15 to 2017-18. .*

Aid objective and sub-objectives	Performance Benchmark	2018-19 Expected Milestones	Rating	Progress in 2018-19
Aid Objective 1: Enhancing the Foundations for Economic Growth				
Improve and enable a more inclusive environment for business and trade	Formal workplace policies to promote gender equity and non-discrimination are implemented by businesses	7 member companies of the Investing in Women business coalition in the Philippines acquire EDGE certification	Achieved	Seven members received EDGE certification by June 2019.
More equitable access to quality education for a skilled national workforce	Improved teaching practices in line with Philippine Professional Standards for Teachers	Department of Education issues a policy to systematise teacher professional development through the National Educators' Academy of the Philippines	Achieved	New teacher professional system developed and trialed.
Aid Objective 2: Building Stronger Institutions for Transparent and Accountable Governance				
Improve public financial management in infrastructure and public-private sector partnerships	Department of Budget and Management and Department of Transportation introduce and implement new budgeting and procurement systems	Cash-based budgeting adopted by the Philippine Government Mobilisation of PFMP-II in 2018-19	Partly Achieved	The program enabled DBM introduce the cash-based budget across the Philippine Government. After facing uncertainty in late 2018 and early 2019, the budget was finally passed and signed by the President in March 2019. However, the new PFMP-II intended to continue support for PFM in infrastructure will no longer proceed in the absence of a signed arrangement with the Philippine Government in place.
Strengthen institutional capacity to support inclusive growth and reduce vulnerability	Policy reforms related to resilient, sustainable, and inclusive economic growth are adopted by the Philippine Government	At least 4 new laws and/or policies adopted	Achieved	Passage of Universal Health Care Act and amendment to Agricultural Free Patent Act in February 2019. Implementing rules and regulations of the Philippines Qualification Framework passed by the Department of Education in January 2019.
	Local government units (LGUs) and communities are better prepared and more resilient to disasters and climate change	12 Local Government Units, covering 150 barangays, assisted	Achieved	All 12 partner LGUs have completed their risk-informed plans using updated hazard and risk information. This has been translated in the projects identified and developed by LGUs for local or national funding. A total of 150 coastal barangays have increased understanding of flood and storm surge risks, prepared contingency plans, and conducted regular drills.

Aid objective and sub-objectives	Performance Benchmark	2018-19 Expected Milestones	Rating	Progress in 2018-19
Aid Objective 3: Improving Conditions for Peace and Stability				
Support political transition towards inclusive and responsive governance in the Bangsamoro	BARMM Regional Government ministries and agencies are established and strengthened	Passage of Bangsamoro Organic Law supported	Achieved	The Bangsamoro Organic Law was passed in July 2018 and ratified in January 2019. With the creation of the BARMM, the program has a formal basis to engage with and support the Bangsamoro Transition Authority in process of establishing the BARMM ministries and agencies.
Improve access to basic services in the Bangsamoro and vulnerable communities	Participation rates of boys and girls in Kindergarten to Grade 3 in target areas in BARMM increase	Bangsamoro Government issues a policy enabling third party delivery of education services in remote and conflict-affected areas	Achieved	Bangsamoro Government issues a policy enabling third party delivery of education services in remote and conflict-affected areas
Enhance capacity of communities and institutions to promote peace, security and resilience	Vulnerable women, men, girls and boys in conflict and crisis situations are provided assistance	Number of women, men, girls and boys receive Australian-supported assistance	Achieved	Humanitarian activities reached 163,494 people. This included response and early recovery assistance for people affected by Typhoon Mangkhut, the Marawi conflict, and recurrent conflict in Mindanao.

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

2 Performance Benchmarks for 2019-20

**Performance benchmarks for 2019-20 will be identified upon approval of new Performance Assessment Framework of the Aid Investment Plan 2020-25*

ANNEX C - EVALUATION PLANNING

LIST OF EVALUATIONS COMPLETED IN THE REPORTING PERIOD

Investment number and name (if applicable)	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INI632 - Australia-World Bank Philippines Development Trust Fund	Australia-World Bank Philippines Development Trust Fund: Evaluation Report	21 December 2018	9 January 2019	9 January 2019	31 December 2018
INJ839 - The Asia Foundation (TAF) Partnership Philippines	Independent Completion Review of the Coalitions for Change Program	17 February 2018	25 April 2018	20 August 2018	17 February 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
BEST End of Program Evaluation study	INJ223 - Basic Education Sector Transformation (BEST) Program	March 2019	October 2019	To verify performance and demonstrate program results in final year	Partner-led
PCTP-RAPID (Project Climate Twin Phoenix- Resilience and Preparedness towards Inclusive Development) Program Terminal Evaluation	ING581 - Philippines: Disaster and Climate Risks Management	March 2019	August 2019	(a) Assess the performance of PCTP- RAPID and its contributions against its targets and expected results from 2012 to 2019 (b) Assess PCTP-RAPID's value additions and how its results can be adopted and sustained by national and subnational government entities, communities, civil society groups, and other stakeholders	Partner-led
Independent Evaluation of the Inclusive and Affordable Financial Facilities for Resilient and Developed Filipinos (IAFFORD) Project	INM007 - Strategic Innovations Partnership with Google	June 2019	December 2019	Assess outcomes and lessons learned to inform future investments	DFAT-led

ANNEX D - AID QUALITY CHECK RATINGS

1 AQC RATINGS

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
INM313 - Philippine-Australia Scholarships & Alumni Program	\$15.5m	2018-19	n/a	5	5	n/a	n/a	5	n/a
	Sep-17 to Sep-21	2017-18	5	4	5	4	4	4	n/a
INJ766 - Strengthening Public Private Partnership Program	\$26.07m	2018-19	n/a	4	4	n/a	n/a	4	n/a
	Mar-11 to Mar-21	2017-18	5	4	4	4	5	4	n/a
INL799 - Social Protection and Eco Section Program Support	\$11.04m	2018-19	n/a	4	3	n/a	n/a	4	n/a
	Aug-15 to Jun-20	2017-18	5	3	3	4	5	4	n/a
INL798 - PFMP for Institutions and Infrastructure (PFMP-ii)	\$41.4m	2018-19	n/a	5	4	n/a	n/a	1	n/a
	Aug-2015 to Jun-19	2017-18	n/a	n/a	n/a	n/a	n/a	n/a	n/a
INL343 - Peacebuilding in Conflict-Affected Mindanao (PCAM)	\$80.6m	2018-19	n/a	4	5	n/a	n/a	5	n/a
	Apr-14 to Jun-22	2017-18	6	4	5	4	5	5	n/a
INM474 - PH-Australia Citizens Empowerment Program (PACE)	\$5.1m	2018-19	n/a	4	4	n/a	n/a	5	n/a
	Feb-18 to Jun-21	2017-18	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ING581 - Philippines Disaster and Climate Risks Management (DCRM)	\$47.8m	2018-19	n/a	4	3	n/a	n/a	4	n/a
	Jun-06 to Dec-20	2017-18	6	5	3	4	5	5	n/a
INL791 - Education Pathways to Peace in Mindanao (PATHWAYS)	\$90.4m	2018-19	n/a	4	3	n/a	n/a	3	n/a
	Aug-15 to Jun-26	2017-18	n/a	n/a	n/a	n/a	n/a	n/a	n/a
INM238 - Coalitions for Change (CfC) Phase 2	\$33.8m	2018-19	n/a	4	4	n/a	n/a	4	n/a
	Apr-17 to Jun-24	2017-18	n/a	n/a	n/a	n/a	n/a	n/a	n/a
INJ223 - Basic Education Sector Transformation (BEST) Program	\$116.8m	2018-19	n/a	4	4	n/a	n/a	4	n/a
	Jul-10 to Oct-20	2017-18	5	3	3	3	4	4	n/a

2 HAQC RATINGS

Investment name	Approved budget and duration	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Connectedness	Gender equality	Protection
INM381 - Response & Recovery Assistance to the Philippines (RRAP)	\$ 18.4m Sep-17 to Jun-21	5	4	4	4	5	4	5

3 FAQC RATINGS

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality
INI632 - Australia-WB Philippines Development Trust Fund (UTF)	\$47.09m Jun-09 to Dec-19	4	5	4	4	4	5	3

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.

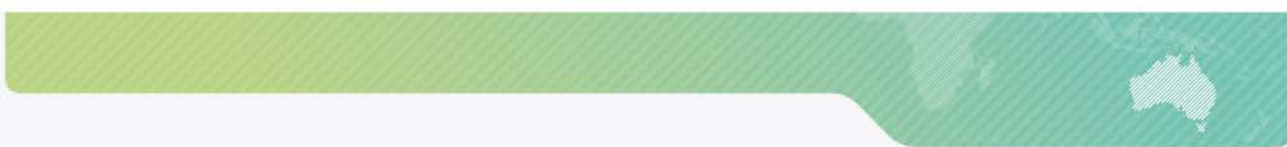
Less than satisfactory (1, 2 and 3)

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 - INTERIM PERFORMANCE ASSESSMENT FRAMEWORK FOR 2018-19

Objectives and Sub-Objectives	Intermediate Outcomes	FY2018-19 Expected Milestones	DFAT Investment contributing to Outcome
Aid Objective 1: Enhancing the Foundations for Economic Growth			
Improve and enable a more inclusive environment for business and trade	Formal workplace policies to promote gender equity and non-discrimination are implemented by businesses	7 member companies of the Investing in Women business coalition in the Philippines acquire EDGE certification	IW
More equitable access to quality education for a skilled national workforce	Improved teaching practices in line with Philippine Professional Standards for Teachers	Department of Education issues a policy to systematise teacher professional development through the National Educators' Academy of the Philippines	BEST
Strengthen the environment for private infrastructure development	Philippine Government infrastructure projects are better prepared and/or better designed	New investment which includes window to support infrastructure development designed and mobilised	AMPED
Aid Objective 2: Building Stronger Institutions for Transparent and Accountable Governance			
Improve public financial management in infrastructure and public-private sector partnerships	Department of Budget and Management and Department of Transportation introduce and implement new budgeting and procurement systems	Cash-based budgeting adopted by the Philippine Government Mobilisation of PFMP-II in 2018-19	PFM-I
Strengthen institutional capacity to support inclusive growth and reduce vulnerability	Policy reforms related to resilient, sustainable, and inclusive economic growth are adopted by the Philippine Government	At least 4 new laws and/or policies adopted	CfC2
	Local government units (LGUs) and communities are better prepared and more resilient to disasters and climate change	12 Local Government Units covering 150 barangays assisted	RAPID
Improve systems to support human rights	Capacity of, and cooperation between, relevant Philippine government agencies and institutions to promote and protect human rights are strengthened	New investment (SaferKidsPH) designed and mobilised	SaferKidsPH



Objectives and Sub-Objectives	Intermediate Outcomes	FY2018-19 Expected Milestones	DFAT Investment contributing to Outcome
Aid Objective 3: Improving Conditions for Peace and Stability			
Support political transition towards inclusive and responsive governance in the Bangsamoro	BARMM Regional Government ministries and agencies are established and strengthened	Passage of Bangsamoro Organic Law supported	PCAM
Improve access to basic services in the Bangsamoro and vulnerable communities	Participation rates of boys and girls in Kindergarten to Grade 3 in target areas in BARMM increase	Bangsamoro Government issues a policy enabling third party delivery of education services in remote and conflict-affected areas	PATHWAYS
Enhance capacity of communities and institutions to promote peace, security and resilience	Local community and non-government mechanisms for conflict resolution and countering violent extremism are established and/or strengthened	Number of local conflicts resolved	PCAM
	Vulnerable women, men, girls and boys in conflict and crisis situations are provided assistance	Number of women, men, girls and boys who receive Australian-supported assistance	RRAP / MRP